



HEALTHCARE PROFESSIONAL LIABILITY MARKET UPDATE COVID-19

Although it is impossible to know the full extent of COVID-19's impact on the insurance marketplace, we do know that there are already significant changes that are impacting healthcare facilities and providers. After more than ten years of a softening marketplace, healthcare professional liability carriers began in late 2019 to respond to higher claim frequency and severity, inadequate rates and a shrinking customer base. COVID-19 will likely accelerate this already hardening marketplace.

WHAT WE KNOW NOW

Several notable Healthcare Professional Liability Insurers have already closed their doors for new business for Senior Living. These include Chubb, Lloyds (most syndicates), and Hiscox. The market was already thin for this sector of healthcare with premiums skyrocketing.

Some insurers that are accepting new businesses are attaching a COVID-19 Exclusion or a Communicable Disease exclusion.

Most insurers are asking questions related to COVID-19, and some are requiring a COVID-19 supplemental application before even quoting a risk. Among these carriers is the Mental Health Risk Retention Group.

The premium increases will be seen by all sectors of the Healthcare industry, although hospitals and senior living facilities will be among the hardest hit.

Many insurers are waiving and/or deferring premiums during this time, particularly for providers and facilities who perform only elective procedures. This deferral could push carriers to introduce further increases down the road.





WHAT SHOULD YOU DO?

Work with an insurance broker who knows the industry and the marketplace on your PL renewals.

Start early: 90 to 120 days out!

Develop your marketing plan and be prepared for potential increases. In a marketplace such as this, we have seen that the incumbent carrier is often the best option. A qualified broker can navigate that process on your behalf.

Be prepared to provide more information than ever before. This may include COVID-19 supplemental applications. See examples from some of our partners of a [Questionnaire](#) and a [COVID-19 Application](#).

As the next 60-90 days will be the most challenging for renewals, it might be worth requesting an extension if the carrier is willing to grant it.

In consultation with your insurance broker, you should report any COVID-19 related incidents in which you may have liability, including residents, patients or employees who have tested positive, are suspected of having COVID-19, or have potentially been exposed.

WHAT IS IMA COMMITTED TO DO?

Keep our clients abreast of ongoing marketplace changes.

Monitor legislation that could grant immunity to healthcare facilities and workers treating COVID-19 patients.



We're more than just insurance. IMA goes the extra mile to bring you tools, research and insights to help your business face the many challenges of operating in a rapidly changing environment.

Please be advised that this whitepaper is an educational and informational resource only. The views and statements expressed herein are not to be construed as legal advice from the authors or IMA and such communication is not protected under the attorney client privilege. Recipients should seek specific legal advice from competent legal counsel of your choice.

