Beazley Logo

Industry Insights

Implications from low levels of coverage for remote-care bodily injury

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The digital health and wellness market is rapidly growing, particularly in the US, where customer engagement increased substantially year over year. To meet growing patient-customer demand, healthcare providers are keen to expand their use of telemedicine services.

A survey by customer engagement firm Sykes revealed significant growth in the use of digital health in the US in 2021 when compared with 2020, after COVID-19 transformed the appetite for virtual health and wellness services. Nearly 88% of respondents to the Sykes survey said they would continue using digital healthcare for non-urgent consultations, post-pandemic.

Meanwhile, around three-quarters (73%) of healthcare providers expressed a desire to continue using telemedicine to conduct chronic disease management appointments, according to a survey of physicians.
Every aspect of digital health and wellness services, including telehealth, telemedicine, mHealth, HealthTech software platforms and life sciences technology, has grown alongside the increase in patient-customer demand.

Our research found that just over 72% of global digital health and wellness businesses surveyed have seen increased demand for tech-related services. This is up from 58% in 2020.

At the same time, however, 76% of digital health firms lack a tailored insurance policy that covers all the risks they face. Even more concerning, relatively few firms appear to be insured for bodily injuries that could occur as a result of remote care.

We also found through the second edition of our virtual care research

that nearly two-thirds (62%) of respondents overall, and 60% of US organizations in particular, don't have coverage for technology errors or omissions leading to bodily injury.

An even greater proportion of respondents (69%) said they are not covered for medical malpractice due to bodily injury resulting from incorrect data (US at 71%). only 37% of those surveyed have coverage for bodily injury due to remote care (US at 33%), with a similarly low proportion (36%) covered for cyber hacks that result in bodily injury (US at 32%).

At the same time, the report reveals that over half of all respondents (52%) experienced an increase in claims during the pandemic - rising to 58% in the Digital Health and Wellness sector. These findings tally with Beazley's own claims experience. Our US team has seen a 330% increase in the number of telemedicine claims since 2017.

WEARABLE TECH

One area of innovation where consumer empowerment may be at odds with a providers' duty of care is in the use of wearable health-monitoring technology.

We've seen wonderful breakthroughs in technology where diabetic patients can opt away from traditional blood tests and use wearable tech to monitor their blood sugar levels instead. While they are spared from the need to take regular blood tests, their health becomes more reliant on ensuring their wearable technology is functioning properly.

If the link between their monitoring device and its server where to fail, the wearer might not be alerted if their blood sugar is low, putting the patient at risk of a critical hypo.

TELEHEALTH

Equally, in the telehealth space, practitioners could potentially be exposed to bodily injury claims where advice given remotely is misconstrued by the patient-customer.

For example, a physio patient might injure themselves because they haven't correctly replicated the recommended exercise due to having only seen and been told what to do via a screen, rather than having the practitioner demonstrate an exercise to them in person.

SHORT TERMISM

With the digital healthcare industry growing in size and maturity there is a danger that businesses could take a short-term view on exposures to keep premium spend down, leaving them open to costly liability claims and potential reputational damage.

Beazley partners with digital health and wellness organizations around the world providing risk mitigation and risk transfer solutions to them so they can better manage their risk exposures and build resilience, thereby supporting their future economic growth in the sector.

[1] How Americans Feel About Telehealth: One Year Later | SYKES

[2] What data reveals about the future of telehealth after the pandemic (beckershospitalreview.com)

[3] The 2022 report is based on a survey commissioned by Beazley of more than 300 digital health and wellness practitioners in the US, UK, Canada, Singapore and Hong Kong (“Asia”).

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