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Insight into attitudes to risk and insurance among Asian digital health and wellness leaders

Prashansa Daga • January 11, 2022

The digital health and wellness sector is set to embark upon a growth boom globally and while much of that can be attributed to the accelerated use of digital tools during the pandemic, there is also growing ambition from within the sector itself.

While remote doctor visits and health tracking apps have been steadily growing in popularity for some time now, the sector has been given a huge boost during the pandemic with the sector expected to grow from approximately $100bn in 2019 to as much as $640bn in 2025, according to one estimate.

And it is a similar picture in Singapore where the current market, estimated to be worth more than US$11bn, is expected to grow by nearly 30% by 2025.

The appetite to develop this exciting new sector is there and it is clear that digital healthcare is here to stay and poised to become the norm for many of us in the not-too-distant future.

To get more clarity on the sector and its growth aspirations, we recently commissioned a survey of hundreds of digital health and wellness leaders across the globe. And while their appetite for growth is clear, their understanding of the potential limitations of that growth is less straightforward. Understanding the views and attitudes within this dynamic sector reveals a unique opportunity for insurers and brokers alike.

Beazley's research found:

- **73%** of leaders surveyed in Singapore said they are targeting growth

in their businesses in 2021 in contrast to a more bullish global sentiment (90%)

- Globally, **33%** are developing new products and services to power this growth but in Singapore, fewer than **a quarter** (**24%**) are planning to do the same.
- However, the picture is slightly more nuanced than it first appears with **29%** of business leaders in Singapore prioritising the development of remote working capabilities and **25%** focusing on educating and expanding their customer base.
- And less than half are seeking investment to grow – only **43%** are doing so compared to the global average of **62%**.

The ambition and the confidence are there but if these organizations are to succeed in securing investment or developing new products, they will need business insurance to protect against the unique set of risks they face.

These include:

- Medical malpractice/Professional liability
- Products liability
- Cyber and data protection
- Regulatory risks
- Technology errors and omissions
- Media liability
- Bodily injury

A Government consumer survey found that 79% of Canadians would increase their use of digital healthcare if there were more options or choices in service, so the opportunities exist. But those opportunities can only be secured with the right level of insurance in place.

“The pursuit of growth is the common denominator across the globe but whether that is achieved through product development, investment or the introduction of more digital tools, there is a clear underlying requirement for tailored insurance to protect and support that growth.” **Prashansa Daga, Underwriter – Miscellaneous Medical & Life Sciences Underwriter**

Meeting these challenges in a new market is why Beazley’s Virtual Care insurance policy exists. It enables businesses and their brokers to select the coverages they need and to avoid unnecessary exposure gaps.

It is these gaps in cover that pose the highest risk to a burgeoning sector. Our research shows that there is a significant disconnect between how well these businesses believe they are protected and the reality of their security.

- Confidence in coverage is pretty high in Singapore with **67%** comfortable that they understand what cover they need but not as high as global sentiment where **85%** of businesses believe

they know what cover is required.

- But when it comes to the actual cover secured, **67%** of business leaders in Singapore admit to only having two types of cover in place to protect their business.

The reality of their position is significantly more precarious than they believe as the following responses show.

- Just under **two thirds** of Singaporean businesses (**64%**) have no coverage for loss of personal medical data, which becomes a particular risk when health services are provided remotely.
- **Three quarters** (**75%**) have no coverage for system failure or a hack resulting in bodily injury and **76%** have no coverage for medical malpractice arising from remote care provision.

This lack of essential insurance cover can be partly explained by the relative immaturity of the market. It is still developing, and many digital health providers are unaware, both on the medical professional and the tech developer side, of how risk exposures cross and converge in the digital health space, creating a new and unique risk landscape.

But this disconnect can also be attributed to a relatively low awareness of insurance and, perhaps, confidence in the industry.

- Our research indicates that nearly **a fifth** (**19%**) of business leaders in Singapore don't know what types of risks they need coverage for and **35%** struggle to read and understand insurance policies. Globally, this is 33% and 30% respectively.
- **A quarter** of businesses in Singapore (**25%**) want to establish more robust risk management and insurance frameworks but **33%** report they find it difficult to source cover for their specialist business.

While it is concerning that the growth prospects of a sector that can bring so much value to society and the economy may not be getting the insurance and risk management support it requires, the good news is that the cover to protect these businesses and support growth exists.

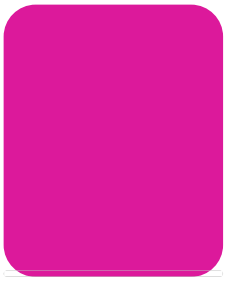
Beazley's Virtual Care coverage has been designed specifically to support the emergence and growth of this sector. It has been designed based on years of expertise, insight gained by underwriting healthcare, tech and cyber risks. Virtual Care is unique to the market because it provides flexible risk protection that uniquely integrates bodily injury coverage across four core modules to offer comprehensive coverage within one policy.

But as the data shows, there appears to be a lack of understanding of the coverage required, and possibly due to previously patched together policies that left gaps in cover, confidence in insurance is lacking.

The combination of a rapidly growing sector, that lacks understanding of the risk environment and coverage options opens up a huge opportunity for brokers in this space. Guiding clients through the choppy waters of risk management is why the insurance sector exists and, our research shows, these businesses are crying out for that support.

Discover more about the attitudes to risk and insurance among

industry leaders in our recent report Spotlight on: digital health and wellness



Prashansa Daga

Underwriter - Miscellaneous Medical & Life Sciences

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