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Industry Insights

Insight into Singapore’s Miscellaneous Medical & Life Sciences Claims in Singapore

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In this second part of our two-part series with our Miscellaneous Medical and Life Sciences (MMLS) we catch up with Jessica Schappell and her claims colleagues. Jessica has been with Beazley since joining as a claims assistant in 2007 and has been handling healthcare claims for the last 8 years. She has been based in Beazley’s Singapore office for 3 years.
She is joined by her London base colleague Andrew Lovell, who heads up our Healthcare Claims team outside of the US, and Krystyna Kouri, who is based in Canada.

View the first part of this series with our MMLS Underwriting Team here

Tell us a little about yourself: How long have you handled Miscellaneous Medical and Life Sciences claims? What did you do prior to joining Beazley? How would you describe your experience to date?

Jessica Schappell: I’ve loved my time in Singapore despite COVID. When I first arrived 3 years ago, I had a fantastic time meeting brokers, cedants and other claims managers in the market across Asia-Pac. While COVID put an end to travel it’s been good for building relationships within the Beazley office and as a global claims team, we’ve got to know each other a lot more. We’ve also hired 10-12 more people since I arrived 3 years ago, launched new healthcare products, and got ambitious plans to grow over the next 5 years.

One element which makes claims handling in this region more interesting is the diversity in language, culture and legal environments we need to navigate. Where we need we are supported by lawyers in each territory who help advise us. The other tricky element if that we are often working on a cedant basis which means we are a few steps removed from the end client, claims handling is easier when you have a

direct relationship with the broker and client.

Andrew Lovell: I started as a lawyer in healthcare responding to regulatory claims and med mal defence claims. Shortly after I moved to Hong Kong and qualified there, primarily advising healthcare clients on regulatory regimes and doing some medical defence work. I then moved back to London where I joined Beazley.

We handle claims in 39 different countries. As we don't have a Beazley presence in all territories we rely on the support of lawyers, so the role also involves a lot of stakeholder management.

Krystyna Kouri: I recently joined Beazley to head up claims here in Canada. Prior to joining I worked for a Lloyd's TPA, and before that I was a senior claims counsel at a large north American insurer. I'm a lawyer by training and started in healthcare claims after being called to the bar in 2003.

What are the advantages to an insured of having cover which has been specifically designed to meet their needs?

AL: No two insureds are the same and this is a varied industry, depending on what they do will dictate what cover they need. For example, a clinical trial will need medical malpractice cover but may also need non fault cover for bodily injury which is a requirement in many territories.

JS: If you work with an insurer who understands the industry it gives more certainty to clients. An insured might purchase various of off the shelf wordings with several insurers, but this may get messy at the point of claim, as disputes can arise between insurers over who responds to the claim or there may be gaps in cover. For example, Beazley created the Virtual Care product that offers a suite of different coverages to healthcare insureds including professional liability, general liability and cyber. When a Virtual Care Insured faces a claim they may normally need to deal with multiple insurers, however this thoughtfully created product that understands the needs of the client, takes away some of that uncertainty because less insurers are involved, making for a smoother claims experience.

AL: An example would be the introduction of technology into healthcare which creates additional complexity through the blurring of lines between technology and the medical professional. For example, if tech fails resulting in bodily injury to a patient, who's failure was it? Who picks up the claim? Or does it fall between the two? Covering both in one policy removes ambiguity and gives certainty to the insured.

KK: Working with an insurer who has expertise in this area is much better for an insured. They can identify how liability may arise and can design a policy which responds in the way which meets an insured's needs.

What are the main exposures which give rise to claims? Can you tell us about some of the claims you have handled recently?

AL: Medical malpractice are the majority of claims we see. We have a number across different areas including individual clinicians, out of

hours cover and paramedics. We're also seeing an increase in telehealth claims. There is a new claim which came in from an insured where a doctor was reliant on a remote radiologist for a diagnosis. The challenge in that situation is the remote specialist is looking at a 2D image in isolation and reliant on the exchange of information with the examining doctor to get a full picture about the patient's whole condition. Gaps in the information exchange can result in misdiagnosis.

We also see a fair share of healthcare product claims, from multivitamins through to implantable surgical devices. As new products are released to market, we often see regulators playing catch up Regulatory regimes are however becoming more sophisticated and flexible to account for the level of innovation and new products we are seeing.

JS: Most of the claims I see are where the service provided doesn't result in the anticipated outcome. I've got claims for negligence under this insuring agreement for a rehab exercise which went wrong and resulted in bodily injury through to the failure of a genetic testing laboratory to detect downs syndrome in an unborn child. We also see claims for sexual abuse by bad actor which brings the insureds legal liability in to play for negligence in hiring and supervision.

KK: That's true, since the #metoo movement there has been an increase in claims for sexual assault within healthcare. It's an area to keep an eye on. The majority of claims however are allegations of improper care and breach of the standard of care which results in bodily injury.

What claims trends are you seeing as we emerge from the pandemic? What are the main things which drive severity and frequency?

JS: Asian countries, particularly Singapore, approached the pandemic differently from the US, UK and other European countries. We saw the pandemic first and went into crisis management mode sooner, probably due to lessons learnt from SARS. We thought we would see an increase in claims due to a failure to implement protocols or a failure to protect patients, but they never materialised. Healthcare systems were able to continue operating at a level much closer to normal and there was good compliance with protective measures, as a result I don't think I we noted any particular COVID related claims trends.

As for what drives severity, we are lucky as we don't have jury trials like in the US resulting in eye watering awards for pain and suffering or punitive damages. That isn't to say claims don't happen or that it is a completely benign environment. There are still many skilful plaintiff lawyers out there who know how to prosecute a claim and we still see frequent multimillion awards.

AL: The pandemic aside, no matter where you are in the world, the main driver of severity is the nature of the injury. Brain injuries are the most severe. Where someone requires long term care inflation is going to have an impact on claim value as you need to account for future costs of care in any settlement. Claims inflation is often a difficult conversation with brokers but the unfortunate reality is that claims costs are increasing.

What lessons did we learn from the pandemic?

AL: We tried to be empathetic with our insureds as they were facing unprecedented amount of upheaval, particularly at the start of the pandemic where there was a lot of rapid change to care delivery. We tried to understand that and be more lenient when it came to the reporting of claims or providing information. For example, if we needed statements or records from an insured, we would give more time to provide this and be more accommodating.

JS: It isn't so much a lesson but one thing which changed is that rather than scheduling travel once every so often, once a year or once a quarter, to go see brokers or cedants I was catching up much more frequently. I found myself speaking to partners in Hong Kong, Thailand and elsewhere regularly and building rapport, it was great to be able to do that.

How do you work with local underwriters to ensure the delivery of quality service to insureds?

JS: Working next to the underwriters who write the risks is a huge competitive advantage. There is not a day which goes by where I don't discuss a claim or a risk with an underwriter. We can better honour the intent of the policy and offer greater consistency and certainty to the client as we work so closely together and are joined up. Working as part of a global claims team, with experts in each region, allows us to share knowledge and trends with each other which we also share with clients. Even though some trends we see in other territories may not replicate here it's nice to have those conversations with clients as they are interested in what is happening in different parts of their industry and what loss trends we have seen elsewhere.

I welcome the opportunity to meet insureds when I can. I know there is some reluctance, and we often only get to interact with the broker, however the insured should know who is going to handle their claims. Ultimately, they are paying for a service, and it is good to build that rapport before claims arise as there is a benefit for all involved. While we cannot advise an insured on the best way to run their business, we can add value by sharing insights and speak about trends we are seeing in their industry.
What trends do you see over the next 5 years which would drive severity or frequency of claims?

JS: I'd say technology and cyber. There is a varying patchwork of data protection laws across Asia Pac, some territories have very strong data protection laws while some are still maturing. They are evolving as we begin to use more technology and data in healthcare.
I would also add that we are seeing an increase in submissions about contractual requirements to have coverage. Increasingly firms are being asked to take out insurance because of a contract to supply a larger provider or because of export to the US or EU which is driving purchase.

AL: Another area where the law is changing would be informed consent. Patients have greater access to information and are more informed about their options. It is no longer strictly the case that the doctor knows best. With new techniques, new medicines, and more

awareness about care options professionals need to make sure patients are informed of their options and aware of the risks.

I’ve already mentioned technology, but it is important to raise again as it is a trend which will impact many areas of healthcare. It can help deliver better quality of care. The remote monitoring of patients using wearable devices can help with early intervention and reduce the need for more complex care. But more data and more tech increases risk, moreover it increases patient expectations about the standard of care they receive.

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