

A high-angle, black and white photograph of two healthcare professionals, likely nurses, in white scrubs. They are standing and looking down at a tablet computer held by one of them. The background is a bright, slightly out-of-focus clinical setting. The image is partially obscured by a dark blue overlay on the left side where the text is located.

State of the Market

Healthcare / Q4 2025

The healthcare market continues to work through a shifting market, with capacity, pricing and coverage terms evolving across multiple sectors. While new entrants and surplus lines carriers provide additional options in certain areas, claims severity, social inflation and regulatory pressures are creating challenges for both insurers and insureds. Markets are showing selectivity, particularly in classes exposed to vulnerable populations or high-severity claims, while competition remains strong in more stable sectors.



Capacity, pricing & coverage limitations

Overall, the healthcare market is seeing a mix of easing and selective hardening. Competitive lines such as home healthcare and certain allied health segments maintain broad capacity and modest rate movement, while high-severity classes like human services are experiencing constrained capacity and substantial rate increases. New entrants, particularly in surplus lines, are helping to provide additional options, but carriers remain cautious in high-risk jurisdictions or for vulnerable populations.

Allied health

The allied healthcare space has softened over the past year, with rates generally flat to single digits on standard business, largely driven by new carriers entering the market and competing aggressively for new business. More challenging exposures continue to include correctional healthcare, hospital staffing and inpatient facilities such as drug and alcohol treatment centers. Carriers are increasingly limiting capacity, reducing excess limits from historical \$5M to \$10M layers down to \$2M to \$3M or, in some cases, non-renewing excess layers altogether.

High-severity jurisdictions like New York City, Philadelphia, Washington D.C., California, New Mexico and Florida remain under scrutiny due to heightened litigation risk and rising claim severity, particularly for professional liability. Coverage limitations continue to be a key focus, with sexual abuse coverage closely underwritten, especially for accounts serving vulnerable populations, and increased attention on hired and non-owned auto exposures.

Life sciences

Life sciences exposures continue to draw close attention from carriers, particularly as emerging technologies and innovative business models expand the risk landscape. Sectors involving AI-driven diagnostics, direct-to-consumer health technologies and data privacy present unique underwriting challenges, requiring careful review of clinical trials, product development and regulatory compliance.

Capacity remains generally available, though insurers are increasingly scrutinizing operational protocols, quality control measures and risk management frameworks.

Coverage limitations are becoming more nuanced, with cyber liability, data privacy and technology-related exposures often requiring specialized endorsements or separate policy structures.

Pricing has remained competitive in lower-risk sectors but is hardening in areas with emerging liability or regulatory uncertainty. Additionally, carriers are closely monitoring potential exposure from diagnostics errors, medical device failures and AI-driven decision-making, which can result in higher claim severity. The continued expansion of direct-to-consumer health products and **telehealth services** also introduces new operational and reputational risks that require tailored policy language to ensure adequate coverage.

Home healthcare

Home healthcare and hospice continue to benefit from a highly competitive marketplace, with more than 60 admitted and surplus lines carriers offering primary professional liability, commercial general liability and abuse and molestation coverage.

Coverage forms tend to be broader than many competitors, particularly regarding abuse and molestation limits, though pricing remains the primary challenge. Claims severity has increased, but the depth of market competition helps keep rate movement modest.



Capacity, pricing & coverage limitations (continued)

Human and social services

The human and social services sector remains one of the most challenging areas in healthcare liability insurance, serving vulnerable populations including children, seniors, disabled individuals and people in residential or foster care programs. The main factors driving the hard market stem from claims being brought forth from many years ago, triggering severely underpriced occurrence form policies. Additionally, Abuse and Molestation liability (SAM) losses, particularly in the youth services sector, are fueling market volatility, with pricing increases ranging anywhere from 100% to 800% or more when moving from admitted to E&S carriers.

Capacity is constrained, with traditional package carriers reducing umbrella limits or withdrawing, while excess liability often requires layered structures and a lower limit deployment strategy.

Coverage exclusions are increasingly common, including background check enforcement, limitations on self-inflicted injury, elopement and SAM sublimits, making careful policy structuring essential. Tort reform involving the statute of limitations on Sexual Abuse and sympathetic juries, combined with vulnerable populations and third-party litigation funding, further contributes to high claim severity. Expansive service

offerings, including youth residential risks, correctional healthcare and telehealth exposures, add additional complexity for this sector.

Specialized E&S carriers and experienced brokers, like those at Amwins, provide access through creative placement strategies and layered programs, while strong submissions detailing operations, staffing and risk management remain critical to securing favorable terms.

Senior care

In the long-term care and senior living segment, loss costs continue to rise due to social inflation, litigation funding and ongoing operational pressures. New entrants may offer aggressive pricing to capture market share, but carriers with longer histories aim to hold the line as claims experience deteriorates. Capacity for excess coverage is limited, with some carriers reducing available limits and excluding SAM on excess layers.

Coverage forms have evolved to include lower deductibles and first-dollar coverage, addressing the challenges of collecting on tougher credit risks. However, insureds face continued pressures from declining Medicare/Medicaid reimbursements and staffing shortages, which contribute to heightened underwriting scrutiny.



From our underwriters

Underwriters emphasize the importance of closely evaluating account. In the allied healthcare space, careful review of inpatient and correctional staffing exposures is critical, as these remain higher-risk areas for claims. Human services and senior care segments require detailed analysis of abuse and molestation risks, with a focus on both historical loss trends and ongoing operational controls.

Across all healthcare sectors, rising social inflation, nuclear verdicts and increased claim severity have driven underwriters to scrutinize risk management protocols, staffing practices and loss mitigation efforts more closely than ever. Coverage forms, deductibles and policy limits are being assessed in the context of real-world operational exposures, and underwriters are increasingly selective about excess capacity and attachment points.

New entrants in the market may offer aggressive pricing, but underwriters caution that these reductions are often not sustainable given the continued upward pressure from

claims costs and litigation. On the other hand, carriers with long-term experience in healthcare lines bring both underwriting expertise and claims-handling capabilities, providing more stable pricing and terms over time.

Amwins underwriters also note the importance of comprehensive submissions and documentation. Detailed loss runs, staff counts, operational narratives and descriptions of corrective actions can help ensure that high-risk exposures are fully understood and appropriately priced. Programs like Amwins' Long-Term Care Facilities highlight the value of structured solutions, including layered excess options, stand-alone excess and specialized placements to manage challenging exposures.

Partnering with carriers that demonstrate both underwriting acumen and claims expertise is essential. Strong operational oversight, thorough submission preparation and proactive mitigation strategies remain key to securing sustainable coverage in the current healthcare insurance market.



Be on the Lookout

- New capacity entrants may offer reduced pricing or limits, but these terms are unlikely to be sustainable due to rising loss costs.
- Partner with long-term carriers that offer both underwriting expertise and reliable claims handling for pricing stability.
- Emphasize strong risk management and complete submissions to maintain favorable terms and control overall costs.



Market dynamics

Regulatory & litigation trends

Healthcare insurance continues to face complex regulatory and litigation pressures, particularly in jurisdictions such as California, New York, Pennsylvania and Florida. Reviver statutes and the expansion of lookback periods for abuse claims have increased potential liabilities for older incidents. Third-party litigation funding is also influencing claim severity and settlement values, driving higher pricing and more restrictive terms. Tort reform efforts, such as recent legislation in Georgia, may provide some relief, though results are still too early to assess.

Technology & AI

Telehealth, remote counseling and other technology-driven services are expanding exposure profiles for healthcare insurers. These innovations bring unique risks, including supervision gaps, cyber vulnerabilities and coverage questions regarding standards of care. Life sciences exposures tied to AI diagnostics, data privacy and direct-to-consumer health technology also require tailored underwriting and careful risk evaluation.

AI is increasingly used in many healthcare sectors, from diagnostics to drug development and clinical trial analysis. While these tools can improve efficiency, there is a growing risk that AI could misinterpret or generate inaccurate data during clinical trials, potentially leading to flawed results or regulatory complications. Insurers are paying close attention to how companies validate and monitor AI systems, ensuring proper oversight and compliance to mitigate liability exposures.

Strategic renewal approach

Retailers and insureds should adopt proactive strategies in order to adapt to the current market, including:

- Early engagement with brokers to set realistic expectations around pricing and coverage.
- Strong, complete submissions including detailed loss runs, staffing information and exposure breakdowns.
- Proactive negotiation of coverage nuances such as abuse/molestation limits, broader employee definitions, incident-sensitive triggers and defense outside the limits.
- Consideration of layered excess structures to maximize capacity and manage retention trade-offs.
- Demonstration of risk management programs, including staff training, abuse-prevention protocols and incident reporting.



London

London markets continue to face similar pressures as domestic markets, with rising claims and social inflation driving pricing, attachment points and coverage terms. Sexual abuse and molestation claims have reached new highs, prompting London carriers to actively manage SAM limits and explore standalone solutions. London remains supportive of allied healthcare, long-term care and hospital programs, especially for large or hard-to-place risks, though correctional healthcare and social services exposures remain challenging. Full submissions with detailed claims histories and risk management protocols are essential to securing favorable terms in London.



Be on the lookout

- Continued reduction in capacity for excess and SAM coverage across human services and senior care.
- Increased pricing pressures for vulnerable populations and high-severity classes.
- Heightened scrutiny in jurisdictions with strong litigation trends or expanded statutes of limitation.
- Proactive risk management and documentation of mitigation measures are critical to negotiate favorable terms.
- Emerging technology and telehealth exposures require careful review for coverage and cyber risk considerations.

Insights provided by

- **Joe Carlson**, SVP, Amwins Brokerage
- **Jordan Connelly**, EVP, Amwins Brokerage
- **Amanda Fioretti**, VP, APU
- **Marie Gaudette**, VP, APU
- **Ryan Gillispie**, EVP, Amwins Brokerage
- **Joe Hare**, SVP, Amwins Brokerage
- **Gerald Helfrich**, EVP, Amwins Brokerage
- **Dylan Jordan**, SVP, Amwins Brokerage
- **Megan Kramer**, VP, Amwins Brokerage
- **Sarah Lambert**, Divisional Director, Amwins Global Risks
- **Don Tejeski**, EVP, Amwins Brokerage

