



Identifying Abuse Coverage Options for Allied Health Providers

Abuse coverage is now among the most challenging lines to place in the healthcare sector. For allied health providers, especially those with pediatric, transport or residential exposure, where one-on-one interactions or unsupervised care are common, securing this coverage has become not only costly but often limited in scope and availability.

Amid skyrocketing premiums, mounting legal risk, and decreasing carrier appetite, some in the insurance industry are questioning whether abuse liability can continue to exist in its current form at all.

CONTACT

To learn more about how Amwins can help you place coverage for your clients, reach out to your local Amwins broker.

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Why coverage has become so difficult

Historically, abuse coverage was often bundled with professional liability policies and offered with full limits and little underwriting scrutiny. However, the market has changed drastically.

Healthcare environments with overnight care, like hospitals or nursing homes, have long been viewed as potential sources of abuse claims. But today, exposure extends far beyond those settings, particularly in sectors involving children or unsupervised interactions.

At the same time, social inflation and legal reforms have eliminated look-back periods in many jurisdictions, meaning plaintiffs can file claims decades after an incident occurs.

The heightened litigation environment has rattled the reinsurance markets. London-based reinsurers in particular are increasingly reluctant to support abuse coverage, pressuring carriers to scale back offerings or exit the segment entirely.

We're seeing fewer full-limit options and more supplemental coverage. Standalone abuse policies can still be found, but they're expensive and often come with limitations.



How the market is adapting

Rather than walking away from abuse coverage entirely, many markets are reducing limits through micro-layering – stacking smaller limits, such as \$1M layers, to build a \$5M tower. But building coverage above that level, especially for large social service organizations or nursing home groups, has become exceedingly difficult.

As the traditional market tightens, healthcare providers are seeking alternative risk transfer strategies. Captives are becoming more common, particularly for more sophisticated clients who can assume a greater portion of the risk internally. Still, most allied health providers are responding in simpler ways.

For example, the most common solution is scaling back coverage. If a client previously had \$10M in abuse limits, they might now only be able to afford \$2M or \$3M.

Other clients are managing cost through large self-insured retentions (SIRs), buffer layers or co-insurance arrangements. Standalone abuse policies are another option, but there can be gaps – especially around physical abuse. Be sure to confirm if physical abuse is covered under the professional liability policy or if the general liability policy will respond.

Tips for retail agents supporting the allied health sector

With underwriting scrutiny tightening, allied health clients must demonstrate strong risk controls to obtain coverage. For those with any history of abuse claims, underwriters want to see documented changes: new protocols, training and prevention measures and hiring practices.

Additional best practices include background checks (repeated regularly, not just at hiring), social media screening and physical safeguards such as surveillance cameras and live video feeds. In long-term care settings, some providers now allow family members to log in remotely to monitor loved ones.

While these methods aren't foolproof, they show an effort to reduce risk, and that can go a long way with underwriters.

We help you win

The growing cost and complexity of abuse coverage are having real financial implications for healthcare providers. For many, the shift has been difficult to understand, especially since abuse was once considered a minor exposure.

That's where Amwins can help make a difference. We work with you to get answers to questions early in the placement process: What is the pediatric exposure? Are there one-on-one care situations? What controls are in place?

Whether it's layering policies, restructuring limits or identifying specialty markets, the right guidance can help clients navigate an increasingly unforgiving segment of the market. The key is being proactive; that way, we can plan and win together.

Insight provided by:

- Jordan Connelly, EVP with Amwins Brokerage in Atlanta, GA