



2024

**Digital Health Insurance  
Report**

# Introduction

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Digital health services, such as telehealth and telemedicine, have solidified their role as a transformative force in healthcare delivery. This shift, driven by the need for accessibility and patient demands for flexible, immediate solutions, has elevated digital health to an important method of care worldwide. These advancements require insurance partners to adapt and actively participate in addressing their broad implications.

Patients anticipate digital services to be seamlessly integrated into their healthcare, mirroring the broader trend towards digital convenience across all aspects of everyday life. Insurers are pivotal in meeting these expectations by offering relevant products and educating brokers and clients about the risks associated with these new services and technologies.

The evolving landscape of medical advancements and patient care has created a range of risks around diagnosis, treatment, data privacy and compliance. Digital health introduces exposures for a variety of businesses, from healthcare providers to the technology companies and platforms that deliver these services.

To deepen our understanding of how medical, health and wellness businesses are approaching insurance coverage for digital health services, we surveyed insurance brokers specializing in healthcare liability, with a focus on medical malpractice and allied healthcare liability. This effort reflects QBE's commitment to understanding how digital health impacts insurance coverage and what this means for providers and patients alike.

The survey findings indicate an opportunity for greater collaboration among clients, brokers and insurance carriers to ensure clients have the appropriate protection.



## Key takeaways

- Digital health services are increasingly adopted for their accessibility, cost-effectiveness and efficiency in healthcare delivery. Despite these benefits, 63% of brokers report their **clients are “extremely concerned” or “very concerned” about the associated risks.**
- As healthcare organizations continue to utilize digital health services, **a potential gap in coverage emerges.** More than eight in ten brokers (84%) say they are “at least somewhat concerned” that clients may be operating their businesses without the appropriate insurance to cover these risks.
- Sixty percent of brokers surveyed report that the volume of clients’ **digital health services-related claims has increased** compared to a year ago. Additionally, in the last 12 months, 39% of healthcare provider clients, on average, have sought confirmation that their policies addressed their digital health consultations.
- When brokers inform clients that they may need to update their policies to ensure coverage for digital health services, 50% say **clients are interested but need more information**, 27% say clients want to purchase additional coverage and 23% say clients decline to pursue additional coverage.
- Healthcare organizations must navigate an array of complex risks, yet when brokers assess the healthcare professional coverage of clients, only 51% of the policies, on average, include expressed coverage for digital health services. In the next 12 months, more than two-thirds (68%) of **brokers anticipate an increase in the uptake of coverage** for digital health services.
- **More education on coverage is necessary.** While 69% of brokers report being “at least somewhat confident” in their clients’ understanding of what services are covered by a digital health policy form, 31% of brokers say they are not confident, underscoring the need for increased engagement.

# Navigating a complex and evolving risk landscape

Digital health services present opportunities for healthcare providers to improve patient access to care, enhance patient diagnosis and reduce costs through mobile applications, wearable sensors and machine learning algorithms. As these services become more common, patients now view them as essential for engaging with their healthcare providers. The survey findings indicate that in the last 12 months, 66% of brokers' healthcare provider clients, on average, interacted with their patients via a digital health platform rather than in-person.

The integration of digital health services like telehealth and telemedicine into traditional healthcare processes comes with a range of additional risks for providers that can generate allegations of medical malpractice, resulting in bodily injury. Nearly two-thirds (63%) of brokers say their clients are "extremely concerned" or "very concerned" about the risks associated with digital health services like telehealth and telemedicine.

Though many of the same risks of in-person services apply when conducting patient care via a digital setting, virtual services come with heightened exposure to falling out of compliance with federal and state regulations and even allegations of violating the standard of care. According to the survey findings, 60% of brokers say the number of digital health claims filed by their clients has increased compared to 12 months ago, with 34% reporting that the number remained the same and 6% reporting a decrease. Forty-four percent of brokers say alleged inadequate care provided via a digital setting is a risk that is driving digital health claims.

## Digital health claims rising

60% of brokers say the number of digital health services-related claims filed by their clients has increased in the last 12 months.

## Top reasons why digital health claims were denied

Given that some businesses may not have coverage for these risks, we asked brokers whose clients had claims denied due to lack of coverage to select the reasons behind the denials.

**50%**

Outside the scope of the provider's insured activities

**49%**

Telehealth services provided across state or national borders lacked proper licensing for coverage

**46%**

Picked up and covered by another policy



# Closing the gaps in knowledge and coverage

The survey findings reveal businesses need more information and confirmation on the type of insurance that is needed to be adequately covered for digital health services.

Eighty-four percent of brokers say they are “at least somewhat concerned” that their clients may be operating their businesses without the appropriate coverage for digital health services. Despite this concern, 69% of brokers say they are “at least somewhat confident” in their clients’ understanding of what types of services are covered by a digital health policy, while 31% of brokers are “not very” or “not at all” confident.

A surprising 30% of brokers say clients didn’t purchase coverage for digital health services because they didn’t realize additional coverage was available to them. These findings highlight the necessity for insurance partners to assess the scope of services their clients offer and the associated risks. Closing the gap with clear and easy-to-understand information about coverage and tailored solutions is a step in the right direction.

The survey findings show that clients are curious about coverage options. In the last 12 months, 39% of healthcare provider clients, on average, have requested confirmation that their coverage addressed their digital consultation exposure.

According to brokers surveyed, when it comes to the healthcare professional coverage of clients, only 51% of the policies, on average, include expressed coverage for digital health services. This means that 49% of clients, on average, lack specific coverage for these services whether it be from a lack of communication on the scope of their delivery methods or from a lack of understanding of the coverage they have in place.

As the digital health space continues to innovate, the insurance industry has responded by developing flexible solutions tailored to protect businesses. In fact, surveyed brokers indicated that, on average, 25% of their clients utilize a policy form specifically branded to cater to digital health insureds. While the specific coverage chosen may vary depending on individual client needs, the goal of having protection against these risks is the same.

## Looking ahead: Uptake of additional coverage expected to increase

In the next 12 months, more than two-thirds (68%) of brokers anticipate an increase in the uptake of coverage for digital health services.

## Clients are interested in digital health coverage

According to surveyed brokers, when clients are informed that they may need to update their policies to ensure coverage for digital health services, their reactions are as follows:

50%

Interested but need more information

27%

Want to purchase the additional coverage

23%

Decline to pursue additional coverage

## Brokers were asked to select the reasons why clients decide not to purchase additional coverage for digital health services like telehealth and telemedicine.

46%

Believe telehealth platforms have sufficient liability coverage

46%

Believe they already have coverage

40%

Uncertain about the long-term viability or profitability of telehealth services

36%

Cost is too high

30%

Didn't realize additional coverage was available to them

27%

Don't offer telehealth services often enough to justify extra coverage

*\*Brokers could select more than one option.*

# Cyber and technology exposures

Due to the high volume of stored patient personal data, healthcare organizations are prime targets for cyberattacks. Like many large entities, healthcare organizations frequently collaborate with multiple technology vendors. This increases the risk that a cyberattack targeting one or more vendors could disrupt their operations, potentially compromising patient care and causing financial and reputational damage.

There is also the possibility that cyber and technology services can contribute to patient bodily injury. For instance, in telehealth and telemedicine scenarios, a malfunctioning platform or cyberattack may result in delayed treatment and potentially cause physical harm.

Cyber policies are mainly intended to address risks associated with data breaches and cyber threats, but they can also contain specific provisions for covering bodily injury. Professional liability insurance can cover claims arising from malpractice due to the use of digital health technologies, though specifics of coverage vary across insurance carriers and policies.

According to the brokers surveyed, only 3% of clients, on average, filed a bodily injury claim related to a cyber or technology incident in the past 12 months. However, when reviewing cyber or technology coverage of their clients, surveyed brokers indicated that only 18% of policies, on average, include a “trigger” for bodily injury, with 66% of those policies, on average, holding bodily injury cover to a sublimit.

Together, these findings emphasize the need for brokers and insurers to collaborate and tailor comprehensive insurance solutions that meet the unique needs of their clients.

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## Healthcare industry faces ongoing cyber risks

More than one-quarter (26%) of brokers, on average, say their healthcare industry clients reported a cybersecurity incident or cyberattack in the previous 12 months.

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## *Cyber and tech issues driving digital health claims*

According to brokers surveyed, technology/product errors (41%) and poor cybersecurity leading to compromised data (38%) are among the risks driving digital health claims.



## An ongoing conversation

Digital health will continue to play a critical role in making healthcare more accessible, personalized and efficient. As new tools are introduced and the scope of digital health expands, these technologies will inevitably bring unique risks and potential liabilities.

Managing risks in the digital health arena is not a one-time event but an ongoing conversation among clients, brokers and insurers. As the survey findings show, clients are aware of the risks and are actively consulting with their brokers about their coverage needs. They are also interested in learning more about the different types of coverages that are available. All parties must work closely together to effectively find the right solution for clients in what is an ever-evolving risk landscape.

### Survey methodology

The survey was conducted by Wakefield Research among 300 insurance brokers who specialize in healthcare liability, with a focus on medical malpractice and allied healthcare liability, between September 11 and September 24, 2024, using an email invitation and an online survey.

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. For the interviews conducted in this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 5.7 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.



## About QBE

QBE North America is a global insurance leader helping customers solve unique risks, so they can stay focused on their future. Part of QBE Insurance Group Limited, QBE North America reported Gross Written Premiums in 2023 of \$7.6 billion. QBE Insurance Group's results can be found at [qbe.com](https://qbe.com). Headquartered in Sydney, Australia, QBE operates out of 27 countries around the globe, with a presence in every key insurance market. The North America division, headquartered in New York, conducts business primarily through its insurance company subsidiaries. The actual terms and conditions of any insurance coverage are subject to the language of the policies as issued. Additional information can be found at [qbe.com/us](https://qbe.com/us) or follow QBE North America on [LinkedIn](#), [Facebook](#) and [Instagram](#).

## About QBE Healthcare Liability

QBE's Healthcare Liability team understands the range of risks faced by healthcare organizations on their journey to provide quality healthcare. Our seasoned team of specialized, healthcare-focused underwriters, claims and actuarial professionals enable us to navigate these risks and develop solutions specifically tailored to support healthcare providers.

Our flagship product, Miscellaneous Medical Liability, has been created specifically to fit the diverse needs of healthcare professionals. Let us focus on the risk, so healthcare providers can focus on delivering quality care to their patients.



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