

BLOG

Threats, Trends & Policies That Shaped Insurance Markets in 2019

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Our job isn't just to sell insurance. It's to understand how the risks of today's rapidly changing world affect our clients. And it's to offer state-of-the-art solutions and actionable advice they can take to protect what's most important to them. As a specialty brokerage with experts in over two dozen practice areas, we know it's incumbent on us to stay up-to-the-minute on the latest threats, trends and policies that shape the ever-evolving set of risks our clients face.



And what, exactly, are those threats, trends and policies? In 2019, they seemed to come from every direction, and we tried to cover them each week in [our Knowledge Center](#).

We followed legislation in states from California to New York on issues from employment practices to the statute of limitations for sexual abuse, and what those policies mean for our clients in higher education and claims management. World events like Brexit impacted our fine art clients. The paradigm shift in health care from fee-for-service to value-based care has risk implications that providers will be grappling with for many years to come.

Ransomware attacks were up 195% from Q4 of 2018 to Q1 of 2019 and are as much a concern for billion-dollar companies as for small-town government offices. Miracle cures, like those for Hepatitis C and Crohn's Disease, are providing hope for millions of people, while also raising serious questions for employers about who should foot the bill.

Climate change has tentacles that extend into environmental contamination, filmmaking, and waste and recycling, to name a few. It is the root of the historic 2017/2018 wildfires in California that wiped out nearly a quarter century of insurance industry profits and led to record non-renewals in 2019, eventually forcing the state's insurance commissioner to step in.

Thanks to some of the largest securities settlements and data breach-related derivative suits ever paid out in history, we saw a dramatic hardening of the Directors & Officers insurance marketplace this year. And while innovations in green building technology are part of a bright future, they have also created new exposures for architect and engineering firms.

As the business proverb goes, “Progress always involves risks. You can’t steel second base and keep your foot on first.” Our goal is to provide the insight and insurance solutions our clients need to stretch toward second while protecting what’s on first.

Below are some of the highlights of our 2019 insights.

Health Care

The national health care system is complex, costly and involves everyone. Its practitioners must adapt to the whims of consumer habits, government policy makers and breakthroughs from the scientific community. Smart insurance solutions are needed to keep up. In 2019, we looked at how medical advancements are impacting insurance and we explored some of the most important trends and national policies in healthcare today.

With the specter of a 2020 presidential election looming over the political landscape, we asked whether [Medicare for All](#) is a feasible path forward for our country or oversimplified political hype. And we asked what a single payer plan would really mean for the disparate mix of government programs and private health systems.

Innovation is good. It’s also very expensive. [Advances in medicine to treat once-incurable diseases](#), and the cost of personalized medicine and genetically engineered treatments is fundamentally changing the market dynamics for Big Pharma and forcing insurers to reassess their practices. We also discussed the reasons for the [outsized cost of specialty and orphan drugs](#) and how insurance companies, health plans, HMOS and underwriters can help spread their risk through reinsurance.

Attracting employees with competitive health plans is a concern for every business. The lengths that biotech companies in Boston and Cambridge will go to attract top talent led to one of the most whimsical blogs we did of the year. [“On-Site Dental. Adoption Services. Escape Rooms: Biotech and Pharma Firms Offer Amazing Perks to Attract Talent”](#) outlined some of the creative ways our brokers are helping employers entice job seekers with over-the-top perks.

Health care providers who receive reimbursement for services under Medicare and Medicaid faced major disruption this year as CMS began rolling out its two-sided financial risk model. A major tenet of the move to value-based care, two-sided risk holds providers financially accountable by offering higher rewards and higher penalties. We looked at ways [that Oncology Care Model providers can protect against downside risk](#) if they chose to remain in the CMS program.

The number of [home health aides](#) that hospitals, nursing homes and health care organizations are sending out into the community to care for patients is on rise. So are the number of auto claims and reimbursements triggered by car accidents involving those aides. In this blog we laid out policies and procedures that all health care organizations should implement for their home health aide drivers to help mitigate their exposure.

Higher Education

Colleges and universities are on the threshold of disruption from myriad factors. The number of students entering college is expected to drop significantly by 2025. Tuition has risen faster than inflation. And

competition from cheaper options like online courses are among the reasons some colleges were forced to close their doors or merge this year. Additionally, actions of federal and state governments and pending litigation before the Supreme Court have created potential exposure for many institutions that will need to reassess their risk profiles.

In January 2019, the federal government ended the longest government shutdown in U.S. history. We wrote about [ripples a government shutdown causes on university research](#) that depends on federal funding.

In February, New York state passed into law the [NY Child Victims Act](#) which extends the statute of limitations on reporting child sexual abuse. Colleges and universities that ran or leased out facilities for camps, community outreach, off-campus tutoring, day-care centers or youth mentorship programs in the past, could find themselves in costly, complicated defenses and uncertainties over insurance coverage from decades past.

In December, we looked at three universities facing lawsuits involving their Title IX policies in which John Does are suing the schools for how their sexual assault cases were adjudicated by campus Title IX officers. Significantly, if any of these cases receive class-action status, it could open the doors to numerous lawsuits against colleges and universities for their handling of sex crime allegations and potentially force schools to change their Title IX policies going forward.

Want to learn more about the threats, trends and policies we focused on 2019? Part two of our 2019 Wrap-Up includes insights in the areas of Waste & Recycling, Private Equity, Cyber Liability, Environmental and Fine Art.

TAGS: