



HEALTHCARE



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NOTABLE RATE TRENDS

The healthcare insurance landscape in 2025 contains a mix of evolving challenges and opportunities as the market softens. **Medical malpractice** rates remain steady in Wisconsin, but high-litigation areas and nuclear verdicts are driving increases in certain specialties. **Property insurance** is seeing rates level off, yet inflation, rising material costs, and natural disasters continue to create hurdles. Carriers are also pulling back from catastrophe-prone areas like Florida and California, further shaping the market. On the bright side, **cyber insurance** is softening, thanks to refined underwriting, improved IT security, and increased competition among carriers. **Workers' compensation** rates are stable, with lower-than-expected COVID-related losses contributing to market steadiness, while **commercial auto** continues to face pressure from rising loss trends, inflation, and legal challenges. Meanwhile, **D&O insurance** offers a more positive outlook with rates trending down, driven by carrier competition, though healthcare merger and acquisition activity and financial pressures could introduce slight shifts. Overall, staying ahead of these trends will be key to managing risk and navigating what's next in healthcare insurance.

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EMERGING RISKS

- **Litigation financing** is gaining traction. While it offers a new way to fund lawsuits, it's driving up the cost of claims — something to watch closely.
- **Telemedicine** has become a cornerstone of patient care since COVID-19. It's undoubtedly here to stay, but it brings unique challenges, like navigating state reciprocity laws and billing risks such as inconsistent reimbursements and documentation errors.
- **Cybersecurity** remains a critical concern for healthcare organizations. While cyber insurance rates may have stabilized or even decreased, claims are becoming more frequent and severe. Staying proactive with system controls and collaborating with your insurance broker is essential. Make use of the resources available through your cyber carrier, such as incident response plans, tabletop exercises, and vulnerability scans.
- The rise of **artificial intelligence (AI) in healthcare** brings exciting possibilities but also new risks, especially with third-party services and vendors. For example, tools like those from Change Healthcare demonstrate the potential — and the challenges. Be sure to discuss AI applications and their exposures with your broker, as there's growing concern about coverage overlaps between medical malpractice and cyber policies for AI-driven care.

HOW M3 CAN HELP

M3's healthcare clients can feel confident knowing their broker is proactively addressing emerging risks and market concerns through early, consistent communication and a deep understanding of their operations. By starting renewals as early as possible, M3 teams have the time to pivot if carrier feedback is unfavorable, provide updates on the current insurance landscape, and align insurance programs with any new operational developments or goals. This proactive, insight-driven approach ensures healthcare clients are well-prepared for potential impacts to their business in the year ahead. M3's significant investment in technology enables us to leverage data-driven insights, helping our clients understand risk more effectively and allowing our brokers to provide more accurate and insightful consultation.



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