

Semaglutides and GLP-1s: Their Impact on the Insurance Market

Semaglutides and GLP-1 drugs are the latest craze in weight loss drugs, hoping to succeed where other medications have tried and failed. Originally developed for diabetic patients, one of the side effects of these medications can be weight loss. Word has spread quickly and demand has grown, creating an almost inevitable stock shortage. As a result of this shortage, compounded versions of the drugs have become widely available both online and through various med spa storefronts. So, how has this trend affected the insurance market? And how are carriers responding to these rapid changes?

CONTACT

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

LEGAL DISCLAIMER

Views expressed here do not constitute legal advice. The information contained herein is for general guidance of matter only and not for the purpose of providing legal advice. Discussion of insurance policy language is descriptive only. Every policy has different policy language. Coverage afforded under any insurance policy issued is subject to individual policy terms and conditions. Please refer to your policy for the actual language.

Courtesy of Amwins Group, Inc.



FDA-approved vs. compounded versions of the medications

Based on the feedback we've had from carriers, all of whom have at least a limited appetite for weight loss procedures and drugs, we found different responses for the FDA-approved drug vs. compounded versions.

Not surprisingly, carriers prefer the FDA-approved versions of the drugs. This confidence is based on the amount of data available supporting the relatively safe use of GLP-1 drugs and semaglutides in particular. While some carriers are willing to consider compounded versions, they are more skeptical. Here's why:

- There has been very little research done on the effects of compounded semaglutide on the human body and nothing to indicate results of long-term use.
- Compounded versions of semaglutide contain **FDA warnings** stating the drugs have not undergone the “...FDA's review for safety, effectiveness and quality before they are marketed.”
- There are concerns regarding the side-effects of the salt/acetate versions of semaglutide as some **reports** have found that the drugs were linked with kidney disease, recurrent fever, indigestion, low blood sugar, etc.



Telehealth vs. in-person prescription practices

With the surge in demand of these drugs, we've seen a rise in the number of online providers willing to prescribe GLP-1s and compounded semaglutide. As a result, conversations about telehealth vs. in-person prescribing methods have arisen.

Almost across the board, carriers require medical providers review blood work or physical exams (some want to see both) and collect informed consent forms. This helps to prove a level of medical oversight is being met by the providers prescribing the medications, while placing responsibility on the patient to state that they understand the potential risks. This is especially important for providers conducting telehealth visits.

Professional liability policies may also limit the types of covered providers. For example, an MD actively treating a patient and prescribing a GLP-1 drug may be considered. However, an ancillary provider may not be covered unless supervised by an MD. This is primarily due to the level of medical oversight an MD can provide.

Emerging risks

A recent development in the space is the increase in the number of dentists providing the same service. This can be tricky for carriers who understand that while dentists may perform injections and write prescriptions, they do not want the provider offering weight loss services as part of their dental practice. For carriers willing to consider the risk, it is common for the dentist to establish a separate medical spa-entity to provide the necessary oversight.

Another potential risk is the prescription of these drugs to minors. While most carriers allow adolescents aged 16 and up (with some allowing anyone over the age of 13), all exclude pediatric patients ages 12 and younger. Underwriting services provided to minors is based on the fact that the statute of limitations is often longer for claims involving a minor.

Takeaway

Weight loss treatments are here to stay and as treatments evolve, there is potential for a rise in claims. As a result, carriers are working to establish a firm foundation for underwriting weight loss drugs and treatments.

Amwins is a leading professional liability insurance broker with experts across the country ready to collaborate to deliver the right solution for your clients. We offer numerous proprietary products tailored to specific classes and lines of business.

We also leverage a proprietary quoting platform, Amwins IQ, and pre-negotiated terms to transact more efficiently. With these products in your arsenal, you gain a distinct advantage in a marketplace that never sits still.

Insight provided by:

- Burke Nelson, Associate Broker with Amwins Brokerage in Seattle, WA