CHUBB®

2022 Study of Future Risks & Readiness

Thinking About Tomorrow

Table of Contents

At Chubb, open dialog with our clients is fundamental to our ongoing innovation. Hearing firsthand about current challenges and future concerns imparts a deep understanding of our clients' needs, which is vital as we craft essential new insurance solutions.

This approach to product development has made meeting with clients a critical component of our business. As such, we were thrilled to mark our 16th year hosting our Client Advisory Board (CAB) meetings in 2021. At gatherings in 10 cities across North America, more than 200 Chubb clients shared their top-of-mind concerns with members of Chubb leadership. I heard many specific examples from people on the front lines of their industries, from a trucking executive worried that drivers were increasingly vulnerable to cyber-attacks, to a telecommunications provider concerned about transition risk driving up the cost of capital, to a banking leader challenged by changing political and regulatory environments.

Chubb commissioned Oxford Economics to conduct this *Study of Future Risks & Readiness* with the aim of furthering our understanding of what corporate executives view as their most significant future business risks, as well as how well-prepared they are for those risks.

As we surveyed executives across diverse industries, it became clear that there was universality in their concerns and in their need for a strong global partner with which to prepare a holistic risk management approach.

While the evolution of risks presented with the worldwide COVID-19 pandemic is unprecedented, partnering with our clients to successfully navigate complex interconnected global risks is familiar terrain for Chubb. It's what we do every day, drawing on our vast global network, deep expertise, and stable capacity.

I hope you find this report useful as you plan for the future. We look forward to continuing to engage with our clients around the globe and preparing them for the risks ahead.

Matt Merna
Senior Vice President, Chubb Group
Division President, North America Major Accounts

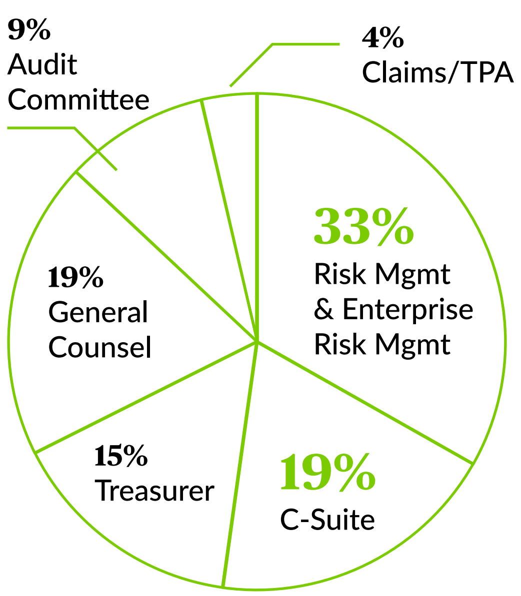
Methodology

In mid-2021, Chubb and Oxford Economics surveyed 500 risk management executives in the US and Canada to understand their top risk concerns and readiness to address them over the next one-to-three years.

The survey, which sought respondents' views on 31 risk concerns, was administered by Oxford Economics using computer-aided telephone interviewing (CATI) methodology. Thirty-two percent of respondents were from companies represented on the Chubb North America Client Advisory Board.

Respondent roles:

More than half of the respondents (52%) held risk management or C-suite roles.



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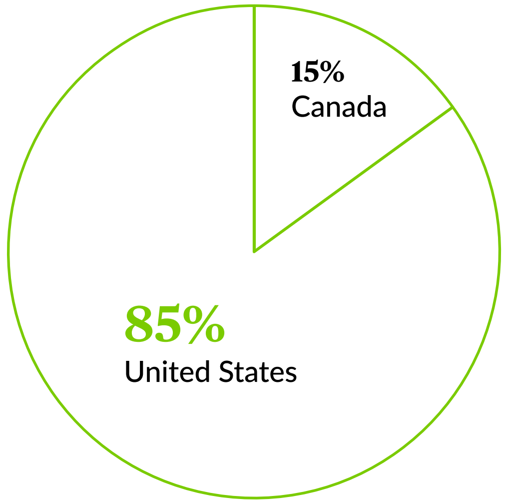
Company location:

The majority of respondents (85%) represented US-based companies, with 15% based in Canada.



Respondents spanned a wide range of industries:

- Chemicals
- Technology, clean tech, healthcare information technology
- Financial institutions, professional services firms
- Energy, utilities
- Transportation, aviation, aerospace
- Telecommunications
- Manufacturing
- Food, wineries, agriculture
- Construction
- Broadcasting, entertainment
- Real estate
- Life sciences, pharmaceuticals, healthcare
- Hospitality
- Legal/law firms
- Educational institutions, public sector

Executives were first presented with a list of 31 risks and asked to select any that they were concerned about in the next one-to-three years.

- Pandemic
- Network disruption and/or cyber-attacks
- Increased regulations (national or international)
- Recessionary pressure or economic instability
- Environmental, Social & Governance (ESG) pressures
- Inflation and/or interest rate risk
- Competitive pressure
- Resource scarcity
- International tax implications
- Reduced supply chain resilience
- Failure to innovate or meet customer needs
- Improper collection, storage, and dissemination of private data
- Failure to attract and retain talented employees
- Climate change
- Natural catastrophes
- Reputational risks
- Counterparty risk
- Fraud and corruption
- Geopolitical instability (international politics)
- Reliance on immature technologies or products
- Intellectual property theft
- Automation and/or artificial intelligence
- Tort reform reversal, such as nuclear verdicts/social inflation
- Pollution and/or emissions
- Nationalism and/or protectionism
- Civil unrest
- D&O litigation
- Terrorism and/or wars
- US rivalry with other powers
- Increased mergers and acquisitions
- Cryptocurrency transactions

Respondents were then asked to narrow their focus and choose their foremost risk concerns one-to-three years into the future. Their selections resulted in two ties, one for second place, and one for fifth place. The following emerged as executives' top risk concerns:

- **Pandemic**
- **Environmental, Social & Governance (ESG) pressures**
- **Network disruption and/or cyber-attacks**
- **Failure to innovate or meet customer needs**
- **Increased regulations (national or international)**
- **Reduced supply chain resilience**

Key Findings

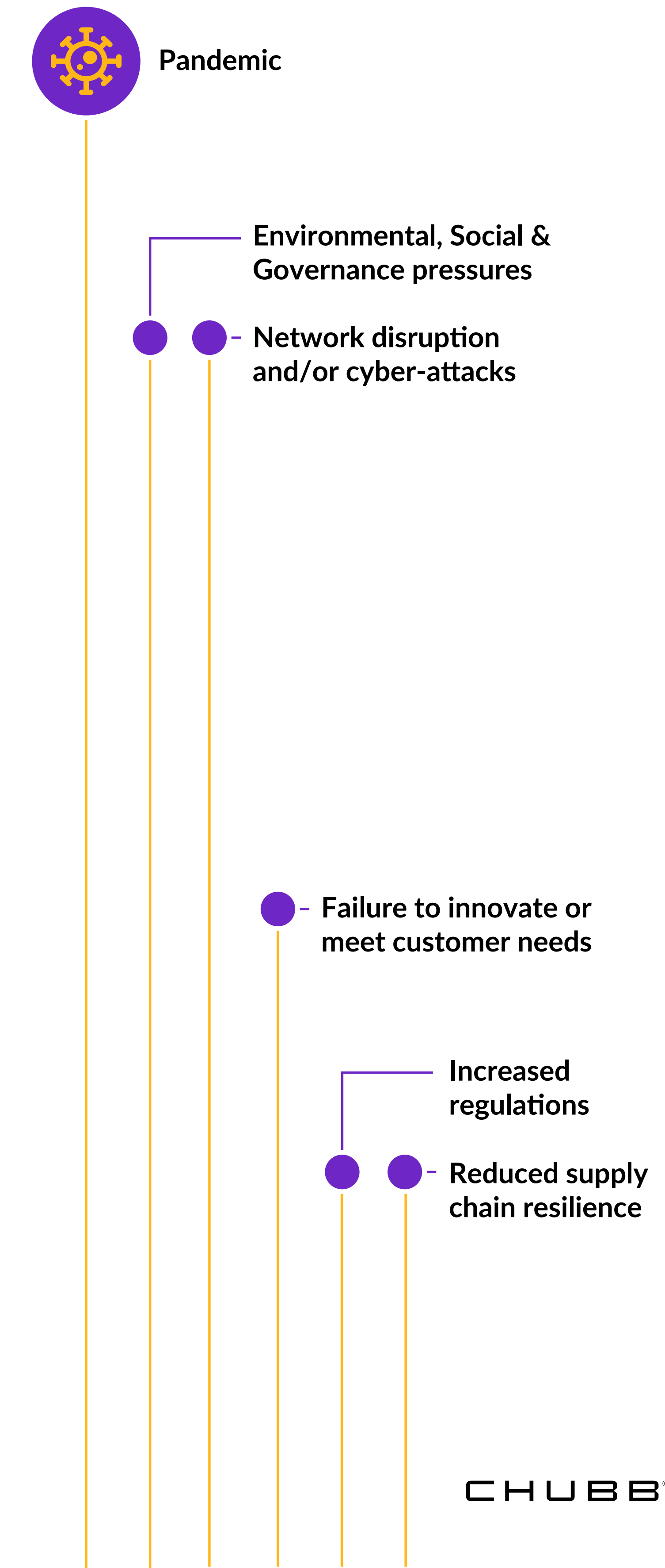
Survey respondents expressed concern about a vast web of globally interconnected risks, from digitization infusing cyber risk into supply chains, to ESG pressures impacting cost of capital, to a pandemic raising health concerns and changing customer preferences.

Key finding

01

When executives were asked to rank their top risks out of the 31 risks they were initially presented with, the pandemic ranked number one.

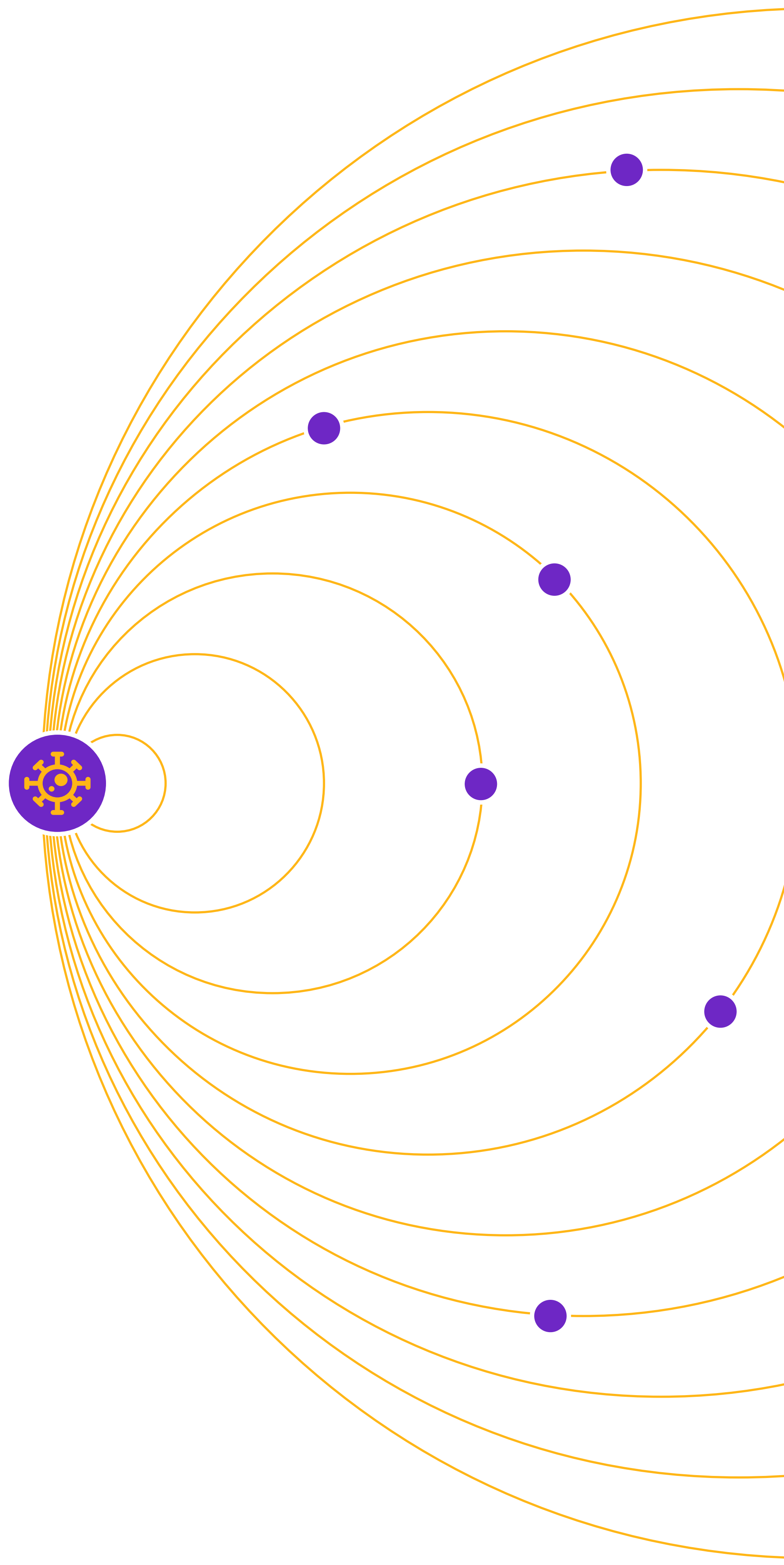
Just behind pandemic, executives ranked Environmental, Social & Governance (ESG) pressures, as well as network disruption and/or cyber-attacks, which tied for the number two spot. Failure to innovate or meet customer needs followed significantly behind, while increased regulation tied with reduced supply chain resilience to round out the ranking of top future concerns. Respondents often tended to perceive these top future risks as enterprise-wide threats.



Key finding 02

Executives view the pandemic not as a single risk, but as a plethora of business risks triggered or amplified by the pandemic.

Employee business travel, human resources policies, their company's physical footprint, and cyber security were noted most frequently as the areas where COVID-19 is expected to have a large or major impact on respondents' businesses over the next one-to-three years. The pandemic and its ongoing ripple effects have also heightened executives' concerns around economic and financial challenges, regulatory changes, ESG pressures, failure to innovate, changing customer needs, and supply chain disruptions.



Key finding

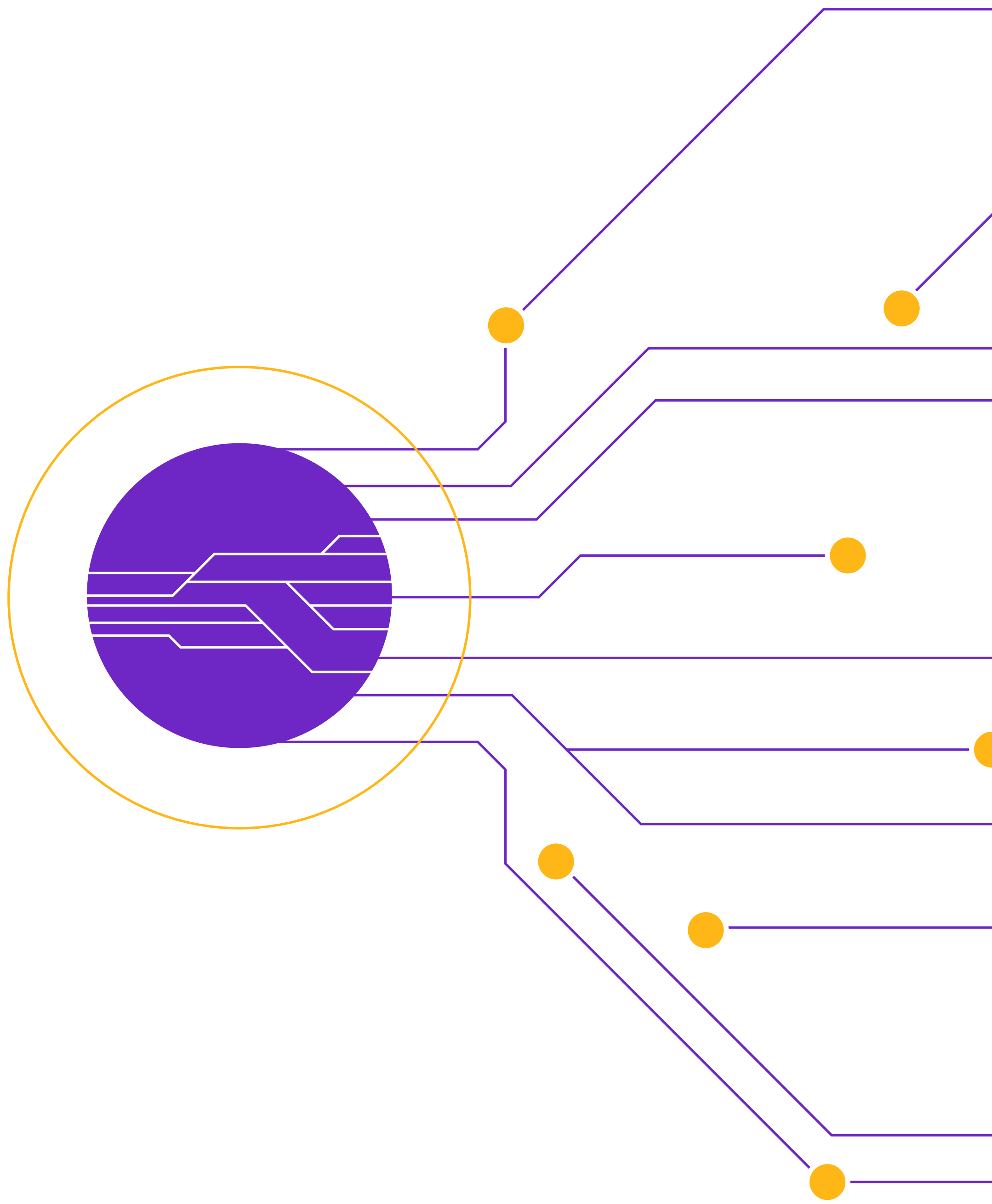
03

While a majority of executives report being at least somewhat prepared for their top future risks, far fewer consider their companies very prepared, and an even smaller fraction report being extremely prepared.

Key finding

04

Executives most often cited technology as a tool to mitigate their top risks; 76% of respondents already have or plan to add technology to mitigate their top risks, while more than half reported deploying, or planning to deploy, new policies and/or training, risk engineering or physical safeguards, and increased insurance coverage to mitigate risk.



Key finding

05

More than half of respondents (59%) expect to increase their investment in Information Technology (IT) in the next one-to-three years. Respondents also noted a need for risk management technology that provides a holistic view of their company's exposures.

Key finding

06

Major exposures, notably tort reform reversal (e.g., nuclear verdicts) and Directors and Officers (D&O) litigation, were ranked in the bottom third of the 31 risks executives evaluated.

Top Future Concerns

Executives' top future concerns center on a complex web of diverse, globally interconnected risks.

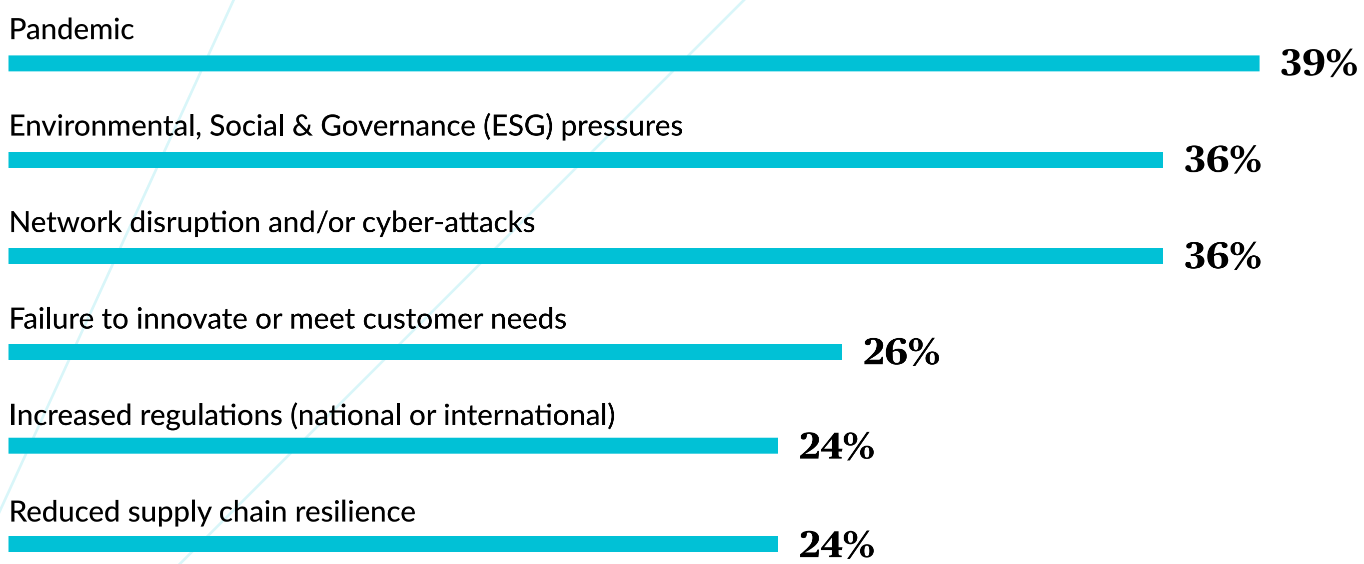
When executives were asked to choose their foremost risk concerns one-to-three years into the future, pandemic topped the list.

It was clear from executives' responses that they are coming to terms with the fact that COVID-19 – as well as the variety of risks they view as trigged or amplified by the pandemic – are likely to remain front-and-center for a long time.

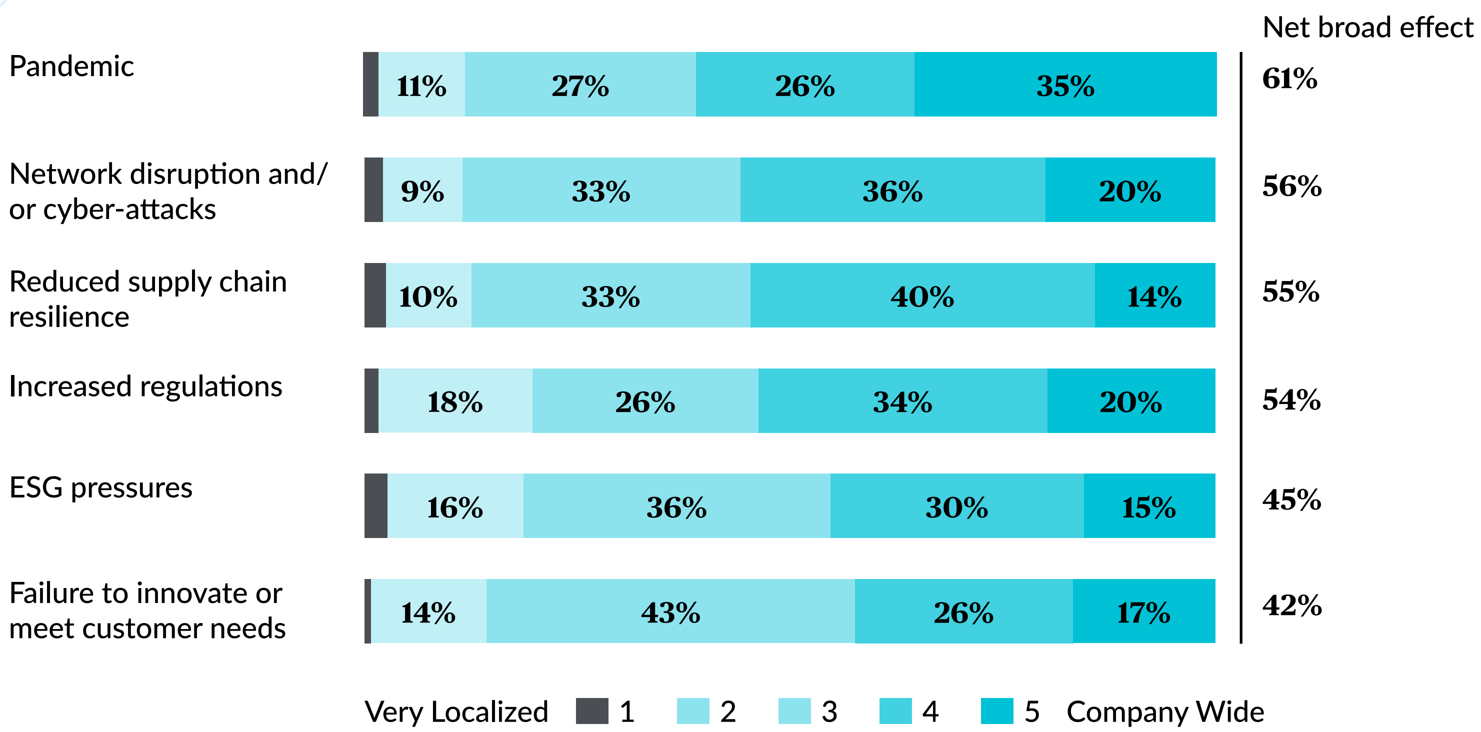
ESG pressures and network disruption and/or cyber-attacks tied for a close second, followed by failure to innovate or meet customer needs, increased regulation, and reduced supply chain resilience.

Respondents viewed these top risk concerns as significantly more likely to have a broad enterprise-wide impact, rather than being localized in a particular part of the business, which aligns with their higher rankings. The pandemic was viewed as potentially having the most widespread impact on organizations, which is understandable given the wide swath of risks executives associate with COVID-19.

Top Risk Concerns



Top Risks Footprint



Insurance for Top Risks

When asked how well insurance would protect against future risks, respondents had the most confidence in insurance protecting them against cyber risks, with half indicating they believe that insurance protects them very or extremely well against network disruption and/or cyber-attacks. It is interesting that cyber risk ranked highest, considering that cyber insurance products typically integrate significant risk mitigation and incident response services with traditional risk transfer protection.

Effectively managing all of the top-ranked future risks requires a combination of risk transfer and risk controls, which may explain the underwhelming percentages reporting that insurance (presumably on its own) would protect them very or extremely well against these exposures. It may also explain the high level of concern around these risks.

50% *said insurance will protect them very or extremely well against* ***network disruption and/or cyber-attacks***

39% *said insurance will protect them very or extremely well against* ***pandemic risk***

35% *said insurance will protect them very or extremely well against* ***ESG exposures, failure to innovate or meet customer needs, and supply chain risks***

17% *expect insurance to protect them very or extremely well against* ***regulatory exposures***

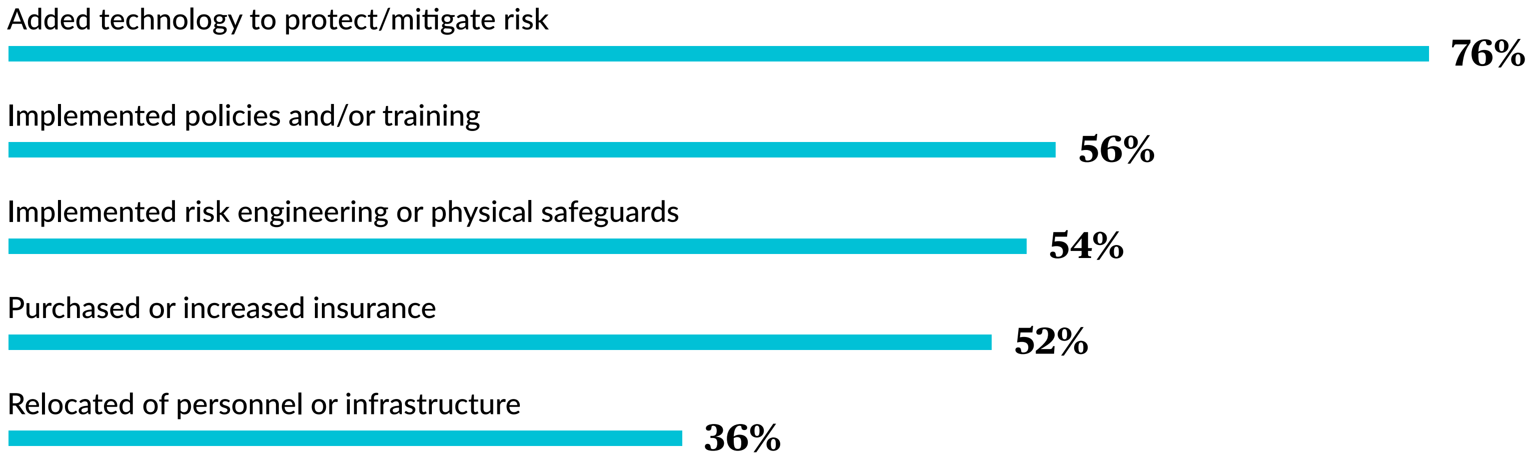
Mitigating Top Risks

When asked to select which of five measures they currently deploy or are planning to deploy to mitigate their top-ranked risks, more than three quarters (76%) of respondents reported adding risk-controlling technology.

"This aligns with the growing investments we see within Internet-of-Things (IOT) ecosystems, from wearables that promote safety at construction sites, to sensors that enforce restricted areas in manufacturing plants, to telematics in the transportation sector," says Stephen Craig, Managing Director and Senior Vice President, Chubb Global Risk Advisors. "As companies deploy risk-controlling technology, it is critical to use this technology to execute on risk reduction strategies and leverage analytics to derive insights that guide investment and execution. Importantly, information collected by these technologies, unacted upon, could be used to heighten liability if accidents or injuries occur," he adds.

Substantially behind technology, executives cited implementing policies and/or training (56%), employing risk engineering or physical safeguards (54%), or purchasing or increased insurance coverage (52%), to mitigate their top risks. Only 36% reported relocating personnel or infrastructure to mitigate top risks.

Mitigating Top Risks



Ranking Mitigation Steps

Executives were asked if they had or plan to implement any of 10 specific mitigation steps in the next one-to-three years. Their feedback ranked the risk control initiatives as follows:

Cyber protection training	**92%**
Worker ergonomic assessments	**92%**
Cyber protection software	**91%**
Equipment inspection	**91%**
Anti-discrimination/anti-harassment training	**91%**
Purchase or increase insurance	**91%**
Safety training	**90%**
Multi-factor authentication	**86%**
Relocation of personnel or infrastructure	**80%**
Property conservation	**53%**

> Effectiveness of cyber protection software varies greatly; its value depends on the impact a specific software has on a specific enterprise's security posture."
>
> Stephen Craig, Managing Director and Senior Vice President, Chubb Global Risk Advisors

The ranking of the three cyber-related risk mitigation steps is noteworthy.

According to Stephen Craig, "Current best practices in cyber mitigation prioritize multi-factor authentication, ranked eighth, over cyber protection training, which ranked first. While training has a vital role to play, its value depends on employee rigor in executing on the training and wanes with worker error, forgetfulness, or turnover."

The broad category of cyber protection software ranked third. "Effectiveness of cyber protection software varies greatly; its value depends on the impact a specific software has on a specific enterprise's security posture," Craig cautions.

"As they invest in risk mitigation amid new pandemic-related financial pressures and priorities, executives should remain diligent in ensuring that fundamental facility protections—from sprinkler systems to on-site security—are adequate and functioning as they should," says Tim Meyer, EVP, Chubb Major Accounts Property.

"From a liability standpoint, executives should consider that many workers are returning to long-shuttered workplaces that could have air quality issues or may not have been properly maintained during pandemic lockdowns," observes Laura Vest, Executive Vice President, Chubb Multinational Leader.

Gauging Preparedness

When executives were asked to assess their preparedness for each of the top risks, substantial shortfalls in readiness were evident.

Pandemic

While the majority of respondents (84%) reported that their organization will be at least somewhat prepared for future pandemic risk, only a small fraction (15%) foresaw being extremely prepared for future pandemic risk.

Managing pandemic risk is not just about managing COVID-19 risk. Executives' comments suggest they view pandemic as an umbrella for numerous concerns, and the many knock-on effects of the pandemic are top-of-mind. These include pandemic-driven changes in customer preferences and behaviors, supply chain failures, creditworthiness, financial and regulatory concerns, as well as employee health and safety issues. The pandemic is also reshaping companies' geographic footprints (e.g., as companies decide their new normal of on-site versus remote workers or redirect supply chains to avoid delays at major ports).

As a respondent who is General Counsel of a US energy company put it, the "recent pandemic has reminded the world of its vulnerability and raised public and societal awareness of global threats." The multiple facets of pandemic risk help explain the lack of confidence in future readiness.

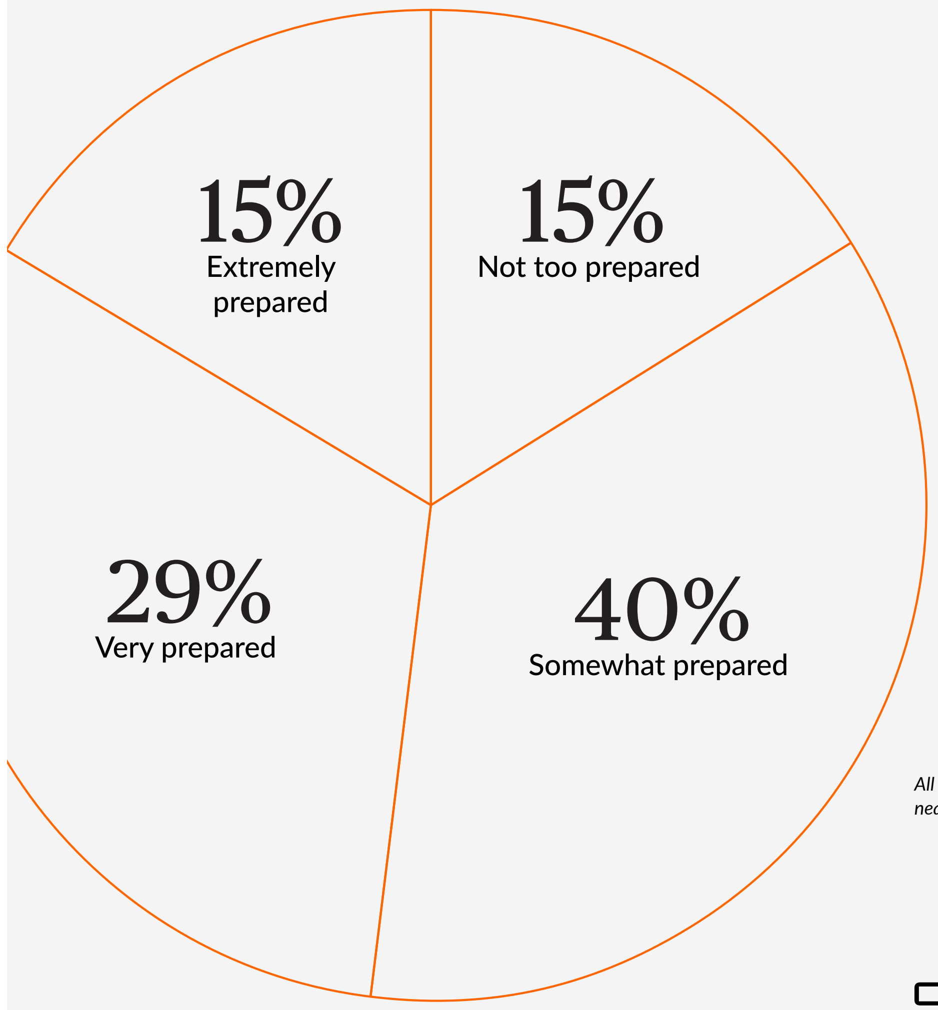
Weighing Specific Impacts

When asked how much of an impact COVID-19 would have on specified areas of their organization, most executives foresaw a large impact on employee business travel, pointing to the need to reassess not only property and casualty, but also Accident & Health programs and benefits to best prepare for the future. Sixty-eight percent of respondents expect the COVID-19 pandemic to continue to have a large or major impact on employee business travel over the next one-to-three years, while 65% anticipate a large or major impact on human resources policies and 63% on the company's physical footprint.

> "As a result of pandemics, financial and regulatory concerns are becoming a concern."
>
> Survey Respondent, Enterprise Risk Manager, Real Estate

Top Risk Snapshot: Pandemic

Organizational preparedness for this risk in the next one-to-three years:



All values rounded to the nearest whole percentage.

New Accident & Health Risks

"The world has been changed by the pandemic, and with employee business travel resuming, corporations must reassess their responsibility to employees they ask to travel on behalf of the company and the insurance and services they provide," notes Chubb's Lauren Gorte, Chief Operating Officer, North America Accident & Health. This includes addressing exposures related to new health and security concerns around COVID-19, as well as increased civil unrest, a changed geopolitical environment, and terrorism concerns.

Also worth noting, while some employees continue to work remotely, their freedom to work in new locales may impact a company's organizational footprint and risk profile. For example, a company may have new concentrations of employees in hurricane-prone areas. Ensuring readiness for future risks requires a comprehensive assessment delving into every crevice of an organization, its workforce, and exposures worldwide.

"The world has been changed by the pandemic, and with employee business travel resuming, corporations must reassess their responsibility to employees they ask to travel on behalf of the company and the insurance and services they provide."

Lauren Gorte, Chief Operating Officer, Chubb North America Accident & Health

Environmental, Social & Governance Pressures

While 84% of respondents said their organization is at least somewhat prepared for ESG pressures coming in the next one-to-three years, only 9% foresaw being extremely prepared.

ESG pressures are, by definition, a combination of numerous, often interrelated, risks and opportunities. From a risk management standpoint, these fall broadly into three categories: physical risks and opportunities; transition risks and opportunities; and liability risks and opportunities.

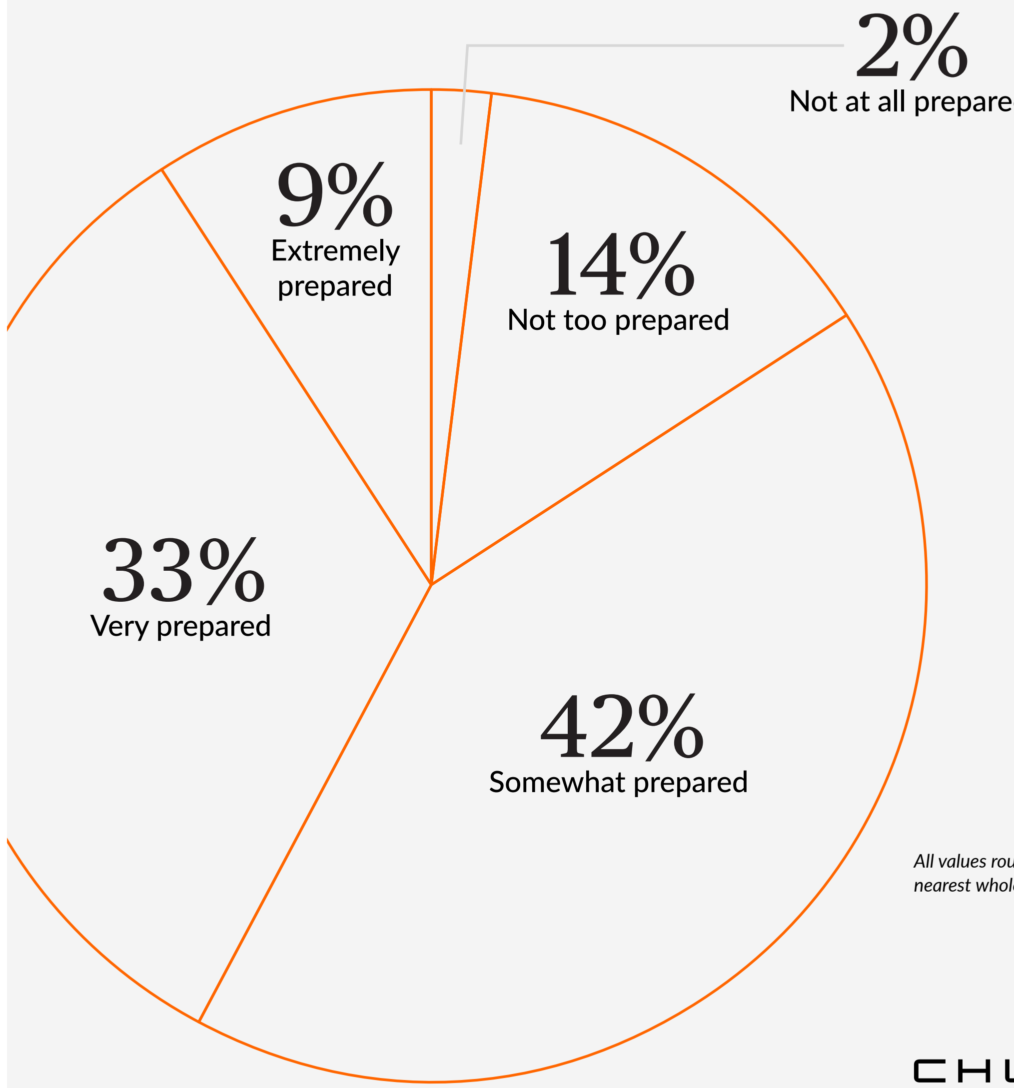
Executives' responses indicated that companies are realizing that the existential threat of climate change must be urgently and transparently addressed, and 71% of survey respondents said insurance protects them very or extremely well from natural catastrophes.

ESG's high ranking also suggests that many executives realize that ESG values will increasingly shape the perceptions of multiple stakeholders, including employees, investors, insurers, and other capital providers, and are well aware of the regulatory and reputational threats of failing to control emissions. Some specifically noted the cost burden coming down the pike as well. "Transition risk involves a substantial increase in spending and decrease in corporate profitability," said one respondent, a Risk Manager at a US telecommunications enterprise. Others underscored the difficulties of developing comprehensive ESG strategies to address the broad range of ESG issues.

> "Assets are put in jeopardy as a result of weather and climate-related calamities, both physically and operationally."
>
> Survey Respondent, C-Suite Executive, US Chemical Company

Top Risk Snapshot: Environmental, Social & Governance Pressures

Organizational preparedness for this risk in the next one-to-three years:



All values rounded to the nearest whole percentage.

Advancing Modeling to Manage Physical Risks of Climate Change

In 2022, global re/insured losses from natural catastrophe losses and severe weather events reached an estimated $122.4 billion. Losses were 58% higher than the 10-year annual average – and marked the fifth consecutive year of above-average cat losses.

Even more challenging, approximately 67% of these losses can be attributed to secondary perils. In order to prepare and protect organizations against these losses, modeling must advance, not only around flood and wildfire, but also to reflect the potential outsize impacts of secondary perils.

“Chubb is at the forefront in collecting the more granular data that will enable better modeling results. The improved geographic and exposure data characteristics allow for better analysis of secondary perils, including flood, wildfire, and mudslide, and elevate our ability to assess, manage, and mitigate increasingly extreme physical risks around the globe,” Tim Meyer, EVP, Chubb Major Accounts Property, notes.

“Chubb is at the forefront in collecting the more granular data that will enable better modeling results.”

Tim Meyer, EVP, Chubb Major Accounts Property

1 Jeffries, Data from Aon Benfield, Munich Re, Swiss Re and Weather Source. https://www.artemis.bm/news/reinsurance-capital-took-larger-share-of-2021-catastrophe-losses-jefferies/

Network Disruption & Cyber Attacks

While 81% of respondents reported being at least somewhat prepared for network disruption and cyber risks, just 13% reported their organization would be extremely prepared in the next one-to-three years.

Executives are concerned about cyber risk, and they are worried that these risks will continue to grow. A comparatively robust half of respondents believe insurance will protect them very well or extremely well against this risk.

In addition, the vast majority of organizations reported that cyber mitigation efforts were planned or currently underway, including cyber protection training (92%), cyber protection software (91%), and multifactor authentication (86%).

Despite the relatively high level of risk mitigation effort aimed at cyber exposures as compared to other top-ranked risks, a major gap in readiness was evident in this category. This could reflect the reality that cyber incidents and threats are increasing and evolving in dramatic ways, and executives see them as interlinked with numerous other exposures, including ESG pressures, political risks, and supply chain concerns.

The pandemic also accelerated the rate of digitization at many organizations, raising the stakes along with the world's continually growing dependency on technology. "Greater interconnectivity multiplies vulnerabilities and exposures, giving rise to systemic risks that are vast and not easy to detect or control," Stephen Craig explains. "These systemic risk dimensions, coupled with the increasing frequency, severity, and sophistication of cyber threats, creates the possibility of a cyber catastrophe."

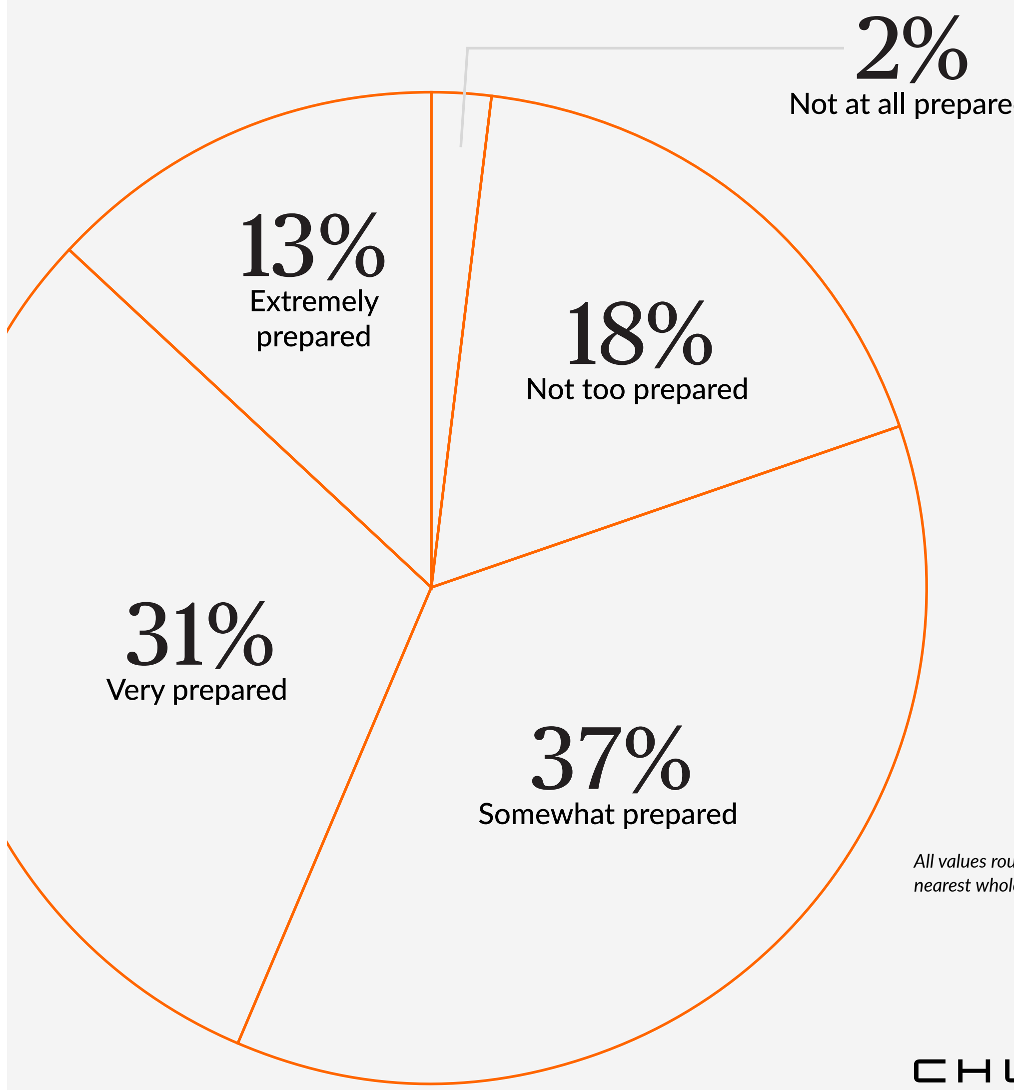
A "cyber catastrophe" could cause losses similar to pandemics, and those losses would not be limited by time or geography. Already, cyber criminals have disrupted global supply chains for businesses and crippled critical infrastructure. Managing this risk requires new cyber insurance considerations and solutions.[2]

2 Catastrophic Cyber Risks—A Growing Concern, https://www.chubb.com/us-en/business-insurance/systemic-cyber-risk.html

> As organizations are becoming increasingly digitized, the likelihood of cybersecurity threats also rises."
>
> Survey Respondent, Enterprise Risk Manager, US Financial Institution

Top Risk Snapshot: Network Disruption & Cyber Attacks

Organizational preparedness for this risk in the next one-to-three years:



All values rounded to the nearest whole percentage.

Failure to Innovate or Meet Customer Needs

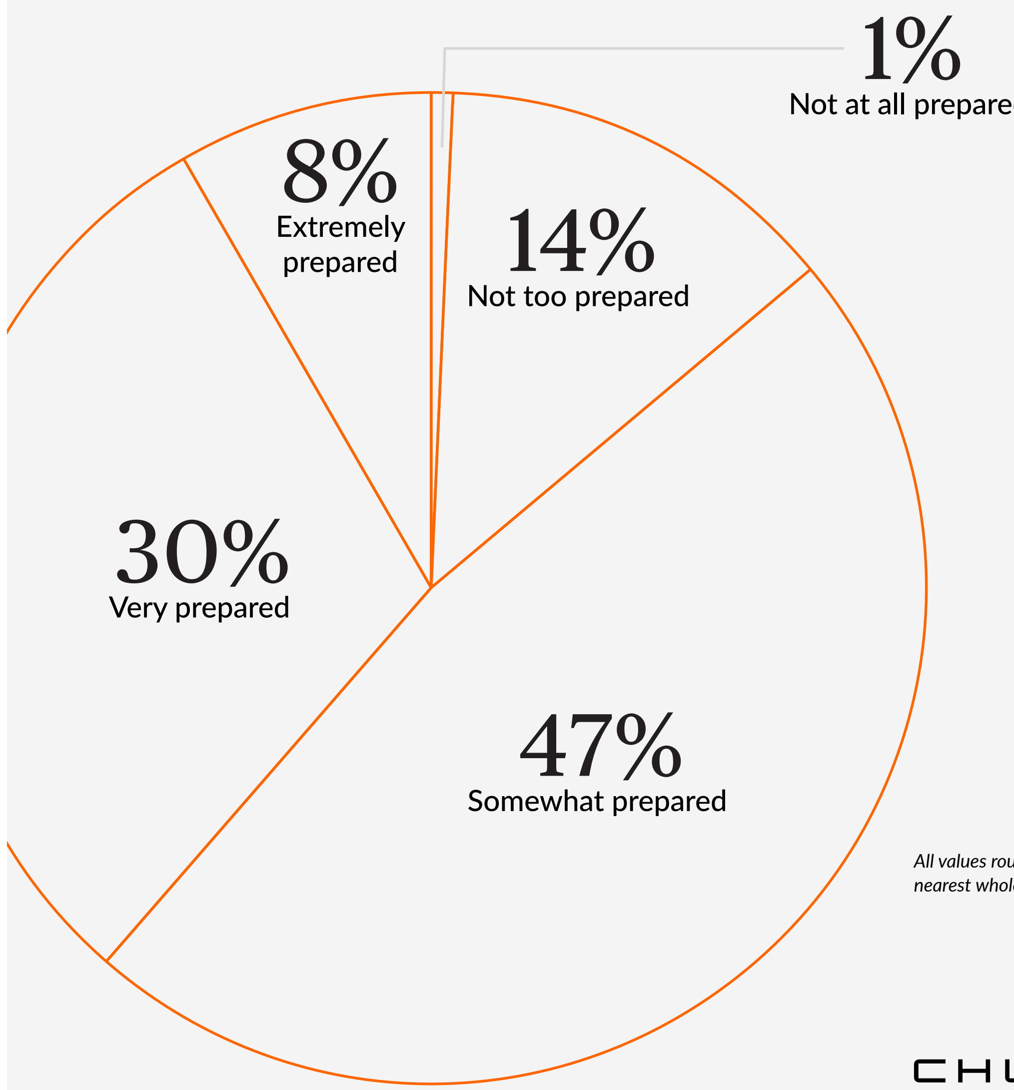
While a solid 85% say their organization is at least somewhat prepared for this risk, just 8% report being extremely prepared.

Innovating to keep pace with changing customer needs and expectations is a widespread concern. Some respondents noted the pandemic's causal effect in changing customer preferences. Executives were also concerned with keeping up with evolving technology. As a risk management executive at a US-based telecommunications company summed up, "Our ability to compete may be outpaced by the rapid rate of technological advancement."

> "Changes in customers' preferences due to technological advancement is a potential risk."
>
> Survey Respondent, General Counsel, US Broadcasting and Media Company

Top Risk Snapshot: Failure to Innovate or Meet Customer Needs

Organizational preparedness for this risk in the next one-to-three years:



All values rounded to the nearest whole percentage.

Reduced Supply Chain Resilience

While 75% of respondents anticipate being at least somewhat prepared to manage future supply chain risk, just 8% foresee being extremely prepared.

Respondents point to many factors as contributing to the challenges of supply chain networks, including the pandemic, natural disasters, climate change, and ESG pressures. Risks to third-party suppliers and the potential for cyber-based disruptions were also noted.

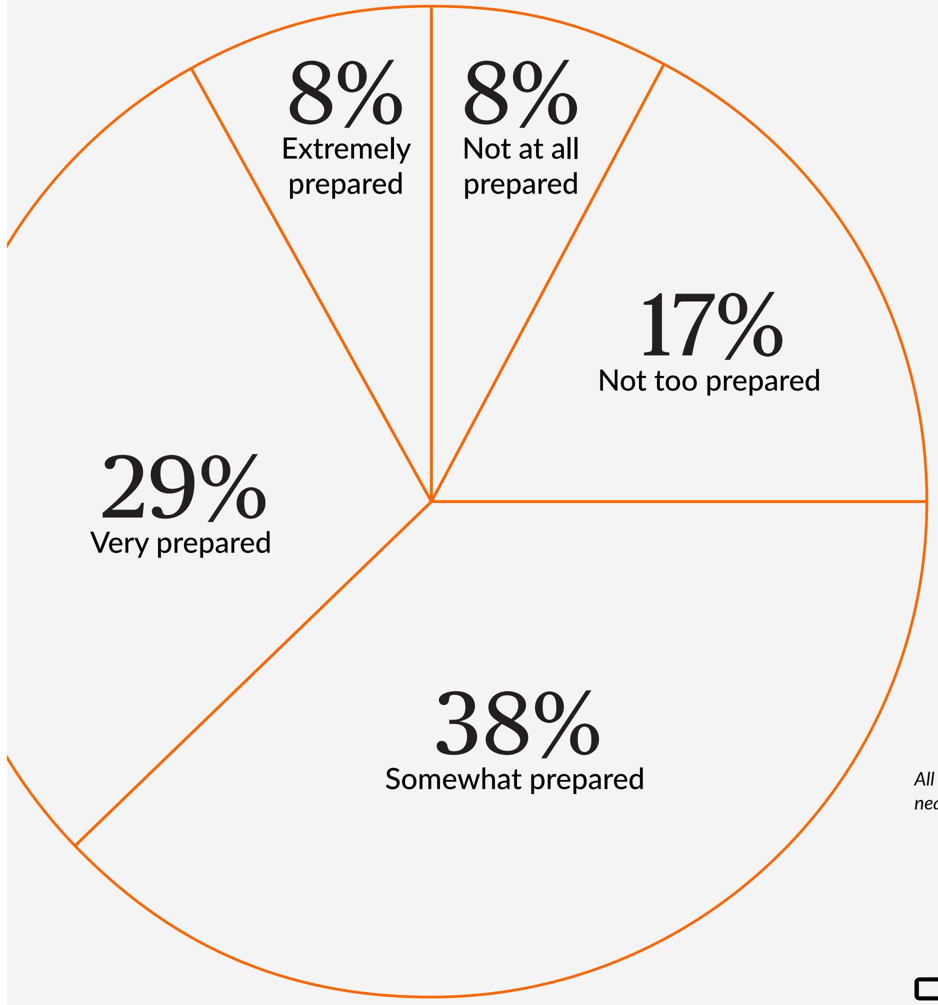
The need to potentially substitute products and materials from alternative suppliers raises quality and liability exposures.

"In addition, when contracting with new suppliers, rigorous due diligence must be done to ensure that indemnities are appropriate and insurance requirements met," observes Tom Harris, EVP, Global Services, at Chubb. "Similar to what we saw after SARs and 9/11, supply chain disruptions are impacting costs of goods sold, driving loss costs over the immediate term, and bringing renewed focus to business continuity and supply chain contingencies," he adds.

> "Reduced supply chain resilience as a result of natural disasters, pandemics, or social and government pressures is the most serious threat we face as a corporation."
>
> Survey Respondent, General Counsel, US Transportation Industry

Top Risk Snapshot: Reduced Supply Chain Resilience

Organizational preparedness for this risk in the next one-to-three years:



All values rounded to the nearest whole percentage.

Increased Regulations

While 79% reported being somewhat prepared for increased regulations in the next one-to-three years, just 8% predicted they would be extremely prepared.

Respondents pointed to a wide range of concerns around increased regulation, both nationally and internationally. These include changes in government policies to address the pandemic, new regulations around health concerns, and changing international trade policies. “Climate change and pandemics would pose a significant risk to the company in terms of regulatory and compliance issues,” noted a respondent who is treasurer of a Canadian energy company.

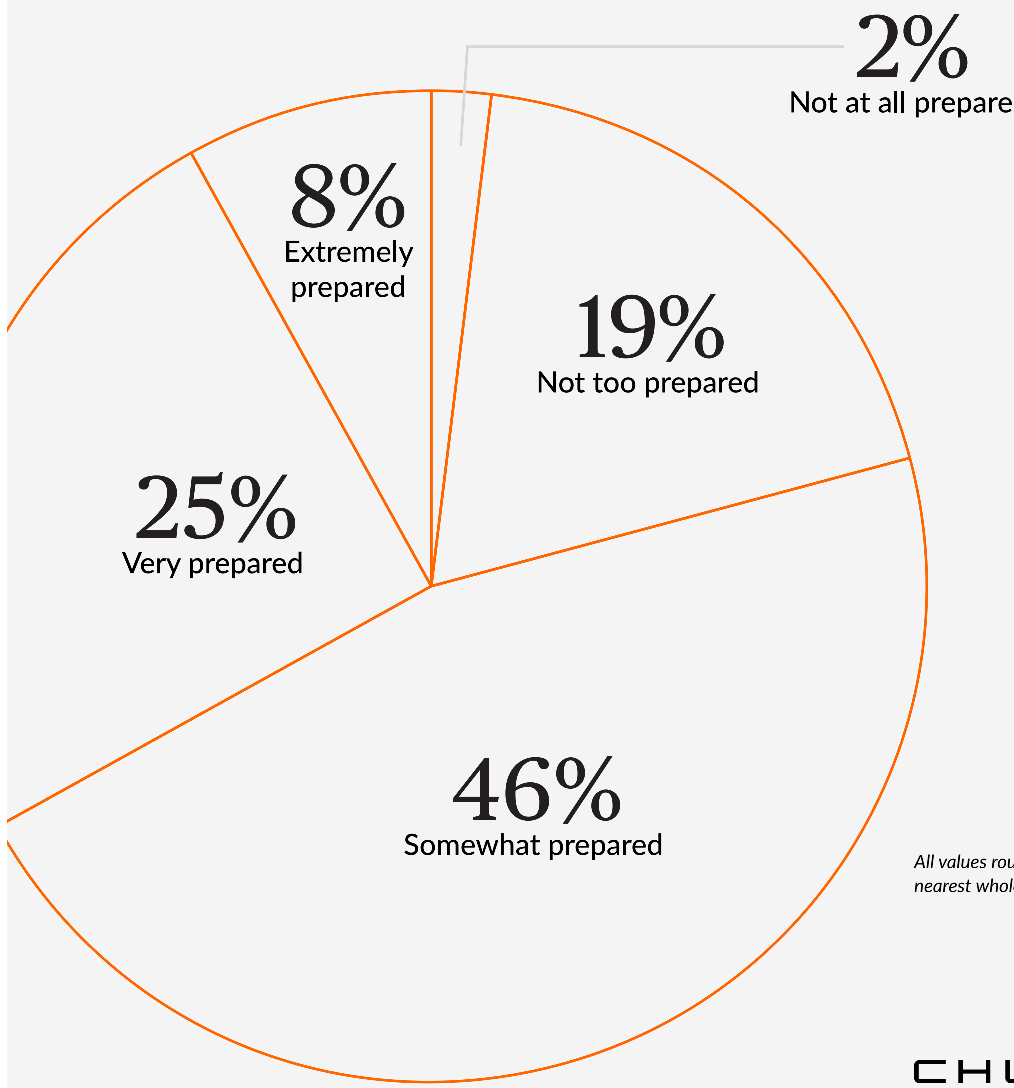
New regulations and tax schemes are impacting all business, including insurers and multinational insurance buyers. As Tom Harris points out, “A growing number of countries are raising revenue by raising premium taxes and imposing new minimum retention requirements on locally admitted insurance or insurance placed in local jurisdictions around the world. At the same time, enforcing these new rules and regulations has become easier with the rapid digitization of processes and payments necessitated by the pandemic.”

“The pandemic also underscored the need for digital access to comprehensive information on local rules and regulations, as well as the need to provide clients digital access to the status of insurance policies, claims, and premium payments,” observes Laura Vest, Executive Vice President, Chubb Multinational Leader. Indeed, some executives responding to the survey spoke of the need for global risk management technology.

> “Responding to changing legislation is a huge challenge.”
>
> Survey Respondent, General Counsel, US Pharmaceutical Industry

Top Risk Snapshot: Increased Regulations

Organizational preparedness for this risk in the next one-to-three years:



All values rounded to the nearest whole percentage.

Risks Overlooked

Tort reform reversal and Directors & Officers litigation ranked in the bottom third of the 31 risks executives were initially asked to consider. This is despite the fact that these risks may be potentially catastrophic to the finances and reputations of organizations, not to mention individual directors and officers. Rather than flagging this as an oversight, Jarrod Schlesinger, EVP, Public Company Management Liability, North American Financial Lines at Chubb, views the overall rankings as an affirmation of D&O liability as an intrinsic business risk.

"All of the highest ranked risks – from the pandemic, to ESG, regulatory, economic, cyber, and supply chain issues – are also potential risks for directors and officers," he notes, adding that plaintiff attorneys are also constantly redefining their "targets of entry." He adds, "There is no doubt that D&O liability looms large in corporate boardrooms, with no signs of abating."

With no meaningful tort reform in sight, ongoing distrust of corporations, aggressive litigation funding, rising social and economic inflation, and other factors are poised to power liability claim settlements and judgments to new heights. The phenomena of nuclear and super-nuclear verdicts will continue. Moreover, the impact of social inflation and increased liability exposure is increasingly evident even outside of the United States (e.g., in higher awards in UK injury cases and Australia's active class action environment).

On the bright side, the increased interest Chubb has seen in benchmarking large liability limits, as well as in exploring captives and other risk financing alternatives to efficiently manage catastrophic liability exposure, indicates that despite the lower ranking, risk managers remain keenly attuned to these risks.

> "All of the highest ranked risks–from the pandemic, to ESG, regulatory, economic, cyber, and supply chain issues–are also potential risks for directors and officers,"
>
> Jarrod Schlesinger, EVP, Public Company Management Liability, North American Financial Lines at Chubb

Recommendations

Closing the "readiness gap" for future risks is a risk management imperative, and the following recommendations can support companies charting their paths forward.

Recommendation 01

Every organization should understand where it stands on the spectrum of preparedness for future risks and reassess protection with a holistic mindset.

Insurance is a critical part of protection. However, the top risks all underscore the need to deploy insurance closely coordinated with risk mitigation tools, including technology, risk engineering, modeling, and consulting services.

Recommendation 02

While the full impact of the multi-faceted pandemic risk remains to be seen, understanding where each company is on an unprecedented journey is critical to instill optimal insurance and risk control in 2022 onward.

Transparency and collaboration between risk managers and insurers will be more critical than ever in a global risk landscape changed by the pandemic. Frank, open discussions of recovery status, labor and supply chain issues, new workplace norms, geographic footprint, employee health and safety practices, and other factors will be essential.

Recommendation 03

ESG pressures will continue to mount, and organizations must be prepared to do more to manage the risks of transitioning to a low-carbon environment, address the physical risks of climate change, and ensure they are contributing to an equitable, inclusive, and humane world.

Insurers and insureds can partner to advance these efforts, as ESG issues are increasingly integrated into insurance underwriting, as well as risk management and consulting services that support a growing number of areas, including carbon disclosures, supply chain assessments, GHG inventories and offsets, and environmental management systems.

Recommendation

04

The holistic foundation entrenched in cyber risk management must be built upon.

As cyber exposures evolve and escalate, cyber risk control services must expand and advance. With so much at stake, measuring how specific cyber protection investments impact security posture is not a luxury but a necessity. And, given the systemic nature of cyber exposures, companies must consider how to manage potential cyber catastrophes as they do catastrophe property risks.

Recommendation

05

Supply chain exposures and vulnerabilities are here for the long haul and will require constant diligence on multiple fronts.

This includes continuity planning, ensuring adequate business interruption coverage and logistics planning to address the variety of risks created by supply chain difficulties, understanding how each link in the supply chain aligns with a company's ESG values, and rigorous reviews of all supplier contracts.

Recommendation 06

Facing rising and evolving regulatory risk worldwide, close, global insurance partnerships will be more important than ever.

As respondents noted, the swiftly changing landscape makes partnering with insurers with local and global insurance, risk management, and regulatory expertise more critical than ever. Technology that supports multinational insurance program management is also increasingly critical given the changing risk landscape and new ways of working instilled by the pandemic.

Recommendation

07

Lower-ranked risks – notably nuclear verdicts and D&O litigation – are inextricably linked to higher-ranked, enterprise-wide threats and will likely remain recognized and managed as potentially catastrophic threats.

They may, however, be viewed as more locally compartmentalized and, hence, managed in a more focused manner. Risk managers' active engagement in benchmarking large liability limits and exploring captives and other risk financing alternatives to manage these risks and maximize risk control investments are indicative of this focus.

Recommendation 08

Effectively leveraging the data that comes with digitization will likely be a cornerstone of risk management and operational success.

From populating meaningful models for extreme weather events to optimizing risk control and measuring the impact of loss control measures, data science will be a pivotal differentiator for insurers and companies alike managing risks in the future.

Chubb is listening.

We stand ready to help your organization assess and understand your future risks around the globe, so we are well-prepared to address them, together.

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