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Concerns over wide group of business risks, including BI, supply chain, reputation and employer risk dominate thinking for one-third of business leaders

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Specialist insurer Beazley's new report Spotlight on business risks shows that business leaders believe they are more resilient as we move into 2022, but 34% still place business risks as their top concern for the year.

As institutional burnout becomes a real threat, particularly in pandemic exposed sectors such as health, travel, education and hospitality, insurers need to ask how they can support clients with the impact of 'resilience fatigue'.

Although most organisations have leveraged the pandemic to improve operations from the ground up leading the vast majority (84%) of business leaders to believe they will be more resilient in 2022, high levels of optimism do not, however, mean that business risks have gone away.

Indeed, over a third (34%) of business leaders in the US and UK believe that risks in this grouping – which include supply chain, business interruption, boardroom (director failure), reputation and employer risk (looking after staff through and post COVID-19) – will be their top concern this year. Reputation risks still remain a small concern, just 13% say it is their top worry, but the threat continues to rise with ESG reporting - one more reputational issue that business needs to consider.

Bethany Greenwood, Group Head of Cyber and Executive Risks

at Beazley comments:

“We are already seeing supply chain issues impacting property claims, with a possible overspill into technology product liability claims. We also see scope for COVID-19 issues driving Directors’ & Officers’ liability (D&O) claims. Employment liabilities will also rise as staff raise concerns about how they were supported under remote working or whether they are being treated fairly going forward. Finally, social inflation, already a scourge on casualty markets, could become super-charged by such concerns as pandemic pressures risk encouraging jury members to believe ever more extreme redress measures are warranted.

“Against this backdrop, clients will want improved granularity around how insurance will respond, and the industry will want to be clear it is not inadvertently including COVID-19 risk in policies.

“As the liability landscape continues to shift and expectations of our industry rise, the value of closer and more responsive insurance partnerships that focus as much on risk management and mitigation as on traditional risk transfer, will become increasingly evident.”

For further information, please contact:

Beazley Group

Samantha Whiteley
T +44 (0)7787 545529

Note to editors:

All the statistics quoted in this release come from Beazley’s Risk & Resilience research.

*This deep dive report follows the publication of previous ‘top level’ risk and resilience reports that provide a benchmark for business resilience to and appetite for technology, business, political & economic and environmental risk post pandemic. Fully 37% rank technology their top risk category with business risk coming second at 34%, political & regulatory risks ranked 18% and remaining at this level in 2022, environmental risk ranked bottom at 12% dropping to 9% in 2022.

About our Risk & Resilience research: During January and February 2021 Beazley commissioned research company Opinion Matters to survey the opinions of over 1,000 business leaders and insurance buyers of businesses based in the UK and US with international operations. With a minimum of 40 respondents per country per industry sector, respondents represented businesses operating in:

- Healthcare & life sciences
- Manufacturing
- Retail, wholesale, food & beverage
- Real estate and construction
- Hospitality, entertainment and leisure (including gaming)
- Financial institutions & professional services
- Energy and utilities (including mining)
- Public sector & education
- Tech, media & telecoms
- Marine & warehousing

Of the firms surveyed in both the US and the UK there was an equal split of respondents across

company sizes of: $250,000 - $1 million, $1,000,001 - $10 million, $10,000,001 - $100million, $100,000,001 - $1 billion, more than $1 billion.

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