Beazley Logo

Article

Technology Obsolescence to Create New Challenges for Business Leaders

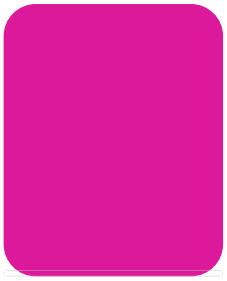
Bob Wice • December 10, 2024

High profile outages arising from a faulty update from **CrowdStrike** and a ransomware attack on **Change Healthcare** were a stark reminder in 2024 that a single point of failure can cripple organizations and cause major economic damage, whether the outages are malicious or unintentional. But some of the biggest risks that businesses face in the coming year may well come from within their own organizations if they are not alert to the dangers of tech obsolescence.

While new technologies and capabilities are introduced every day, many companies are still using legacy systems, simply because they still work and replacing them can be costly. But this lack of basic risk management around tech obsolescence is causing more and more problems for companies. Beazley's Risk & Resilience research revealed that **27%** of business leaders are concerned about tech obsolescence risk in the face of new technologies (such as AI) and that number is expected to rise in 2025.

The pressure to address the risks inherent in legacy systems will also come from external sources. We expect increased regulatory scrutiny concerning end-of-life and end-of-support software and devices **including the Office of Civil Rights in the healthcare sector** .

Innovation is moving at a rapid pace, and with innovation comes risk. Businesses must develop a plan to protect themselves against these evolving challenges.



Bob Wice

Head of Business Management - Underwriting

BZCP078

Home

©Beazley Group | LLOYD's Underwriters