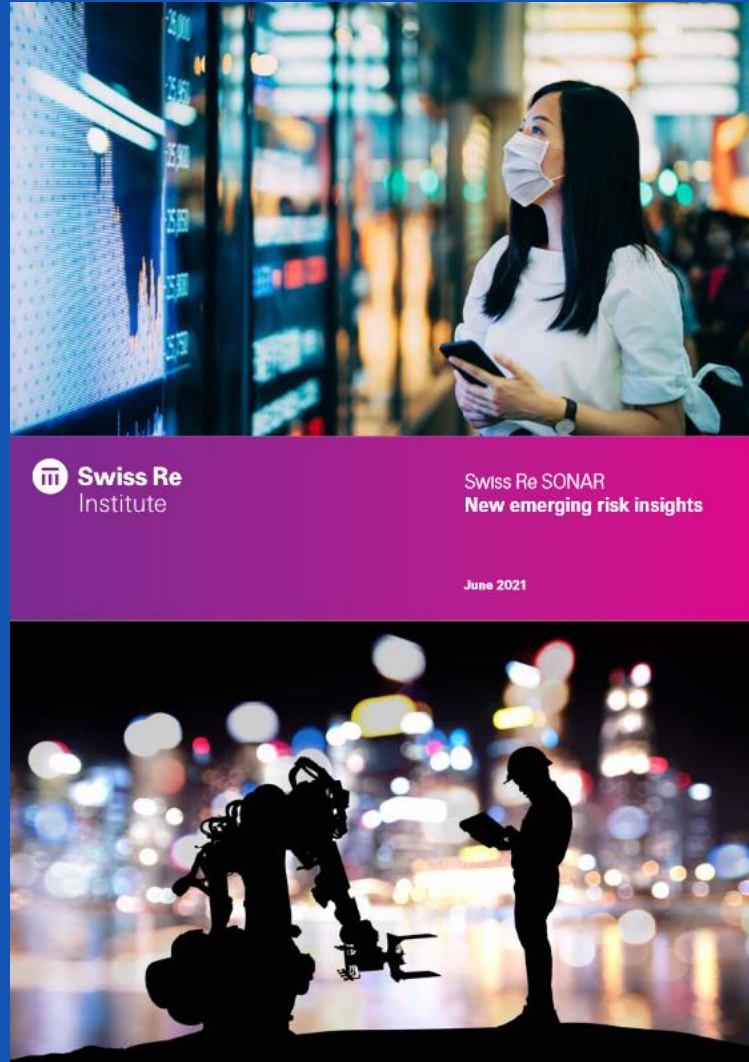


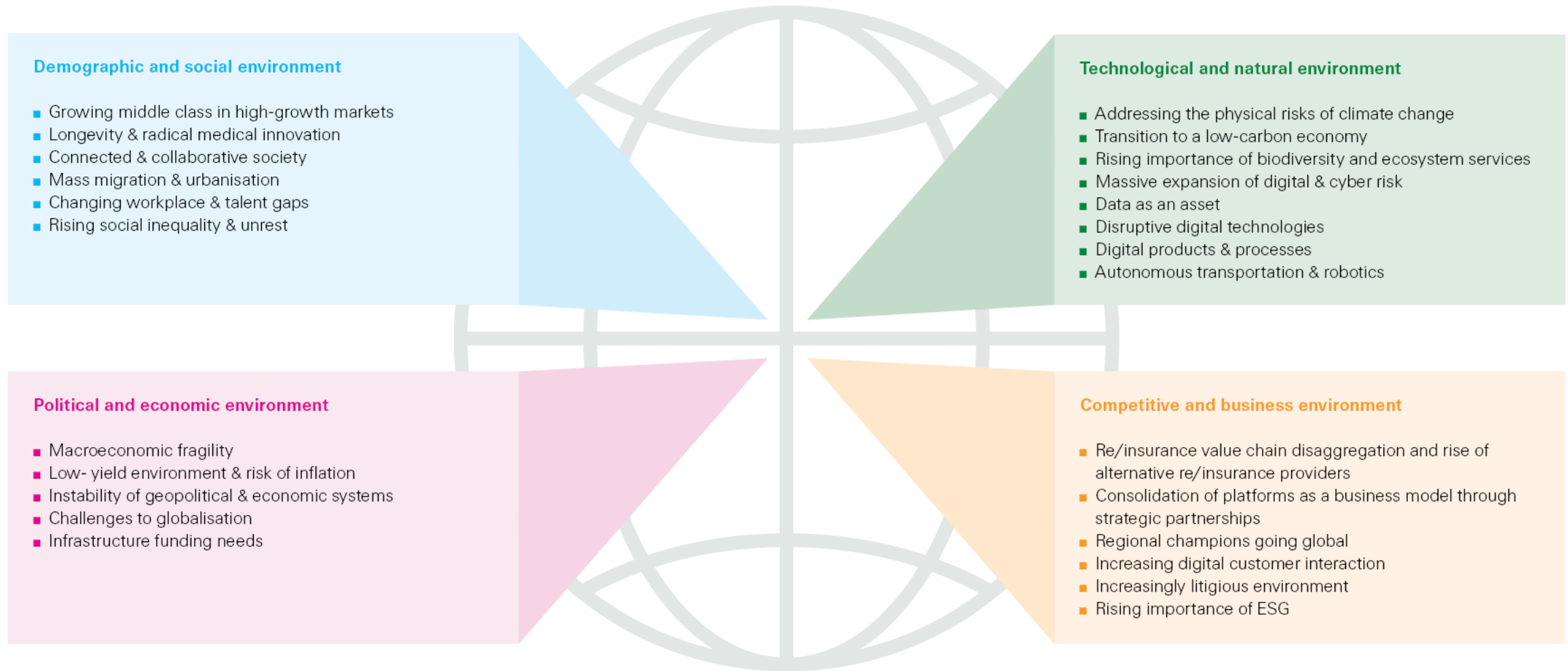
Future Scenarios and their Contract Impact

Rainer Egloff, Swiss Re

Swiss Re SONAR – New emerging risk insights 2021



SONAR 2021 – Macro Trends



SONAR 2021 – Emerging Risk Themes

0 – 3 years



Restarting suspended operations – larger accidents ahead?



Health tracking devices – hidden risks in wearables?



Electric scooters and beyond – micromobility risks



Modern slavery – pressure on supply chains



Beirut explosion – dangers of hazardous materials

> 3 years



Zombie companies – sustained by COVID-19 support



Income inequalities – pandemic hurts the middle class



Lack of diversity in product testing – safe?



COVID-19 – the longer-term health burden

Most affected business areas



for **Property & Specialty Lines:**



for **Casualty:**



for **Life & Health:**



for **Assets & Financial Markets:**



for **Operations:**

Potential impact



High



Medium



Low

Modern slavery – pressure on supply chains

There is increasing pressure on companies to ensure they are not party to or associated with modern slavery exploitation



Insurance impacts

Increased pressure on companies to disclose information on human rights along a company's entire supply chain

Alleged human rights could lead to claims in D&O lines



SONAR 2021 – Trend Spotlights



Urban mobility: innovation in short-distance travel



Insurers on the road to net-zero



Pricing nature in insurance



Ethics in digital nudging



Are humans ready to engage with bots?



What's next in insurance modelling?

Insurers on the road to net-zero

In 2020 and early 2021, new commitments from countries and companies have increased traction in the transition to a low-carbon economy.

Insurance relevance

The transition is a major opportunity but one that will also bring about certain risks on the liability, investment and operational sides.

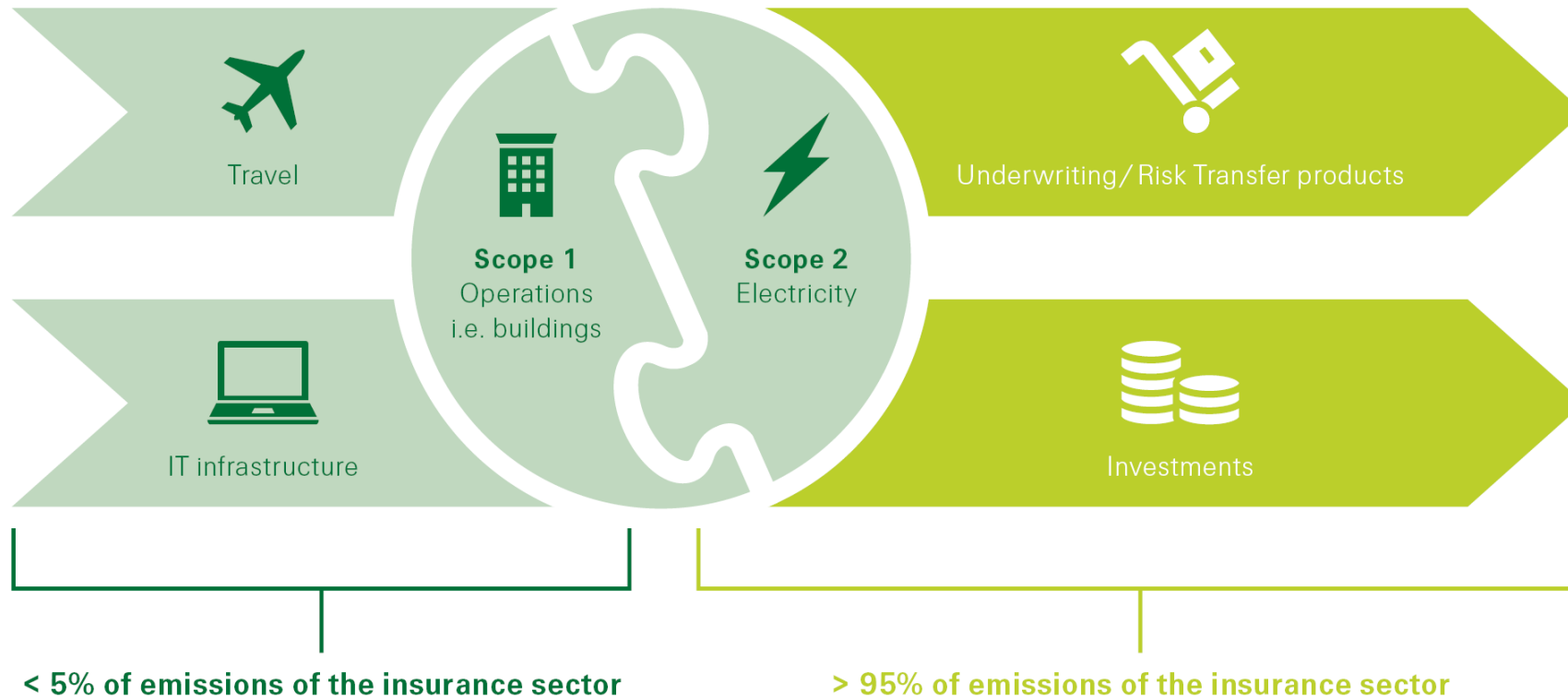


Insurers on the road to net-zero – emissions in the insurance value chain

Investments and risk transfer products constitute the majority of the emissions

Scope 3 upstream emissions

Scope 3 downstream emissions



Pricing nature in insurance

A Task force on Nature-related Financial Disclosures (TNFD) has emerged with the aim of developing business recommendations for biodiversity and ecosystem services

Insurance relevance

An effective TNFD could also change reporting requirements for insurers as well as how insurance companies write business.



Ethics in digital nudging

Choice sets on websites and mobile apps can be designed in a way that is not beneficial to consumers

Insurance relevance

Increasing attention on unethical design practices could lead to heightened regulatory focus



Ethics in digital nudging

	Facilitate decision making	Impede decision making
Help consumers	Nudges: making decisions that are in a consumer's best interest easy	Prompting vigilance and thoughtfulness (eg, by making decisions more time-consuming)
Harm consumers	Dark patterns: making it easy to choose welfare-reducing options	Sludges: discouraging behaviour that is in a consumer's best interest

Source: Adapted from BEAR's "The Nudge and Sludge Framework"

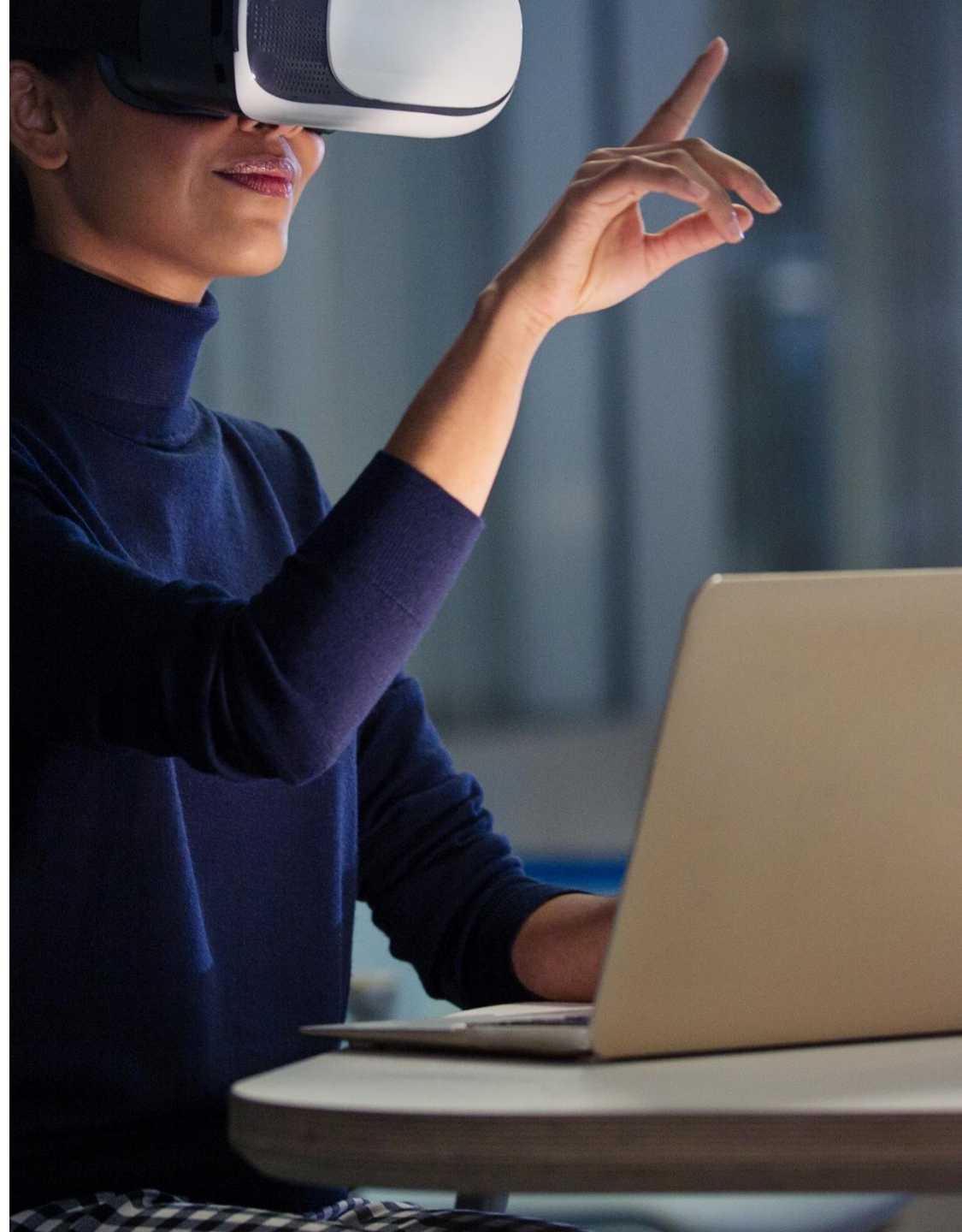
Are humans ready to engage with bots?

Insurers are turning towards AI-enabled technology for customer interaction to meet expectations of high-value and frequent-touch interactions, more personalised services and 24/7 support

Insurance relevance

Large-scale serial claims may arise if virtual agents are incorrectly programmed

Use of virtual advice could be at risk from tighter regulatory restrictions



Further emerging risk topics on our radar



Any
questions?

Thank you!

Contact us



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