

DAC Beachcroft Launches its 2020 Predictions for the Global Insurance Market

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International law firm DAC Beachcroft has today published over 80 insurance predictions, aimed at supporting the global insurance market in preparing for the opportunities and challenges ahead.

Accessed via the firm's new *Informed Insurance* [microsite](#), the insurance predictions are categorised into six over-arching themes:

- [class actions](#)
- [climate change](#)
- [global risk](#)
- [regulation](#)
- [modernising the workplace](#)
- [technology](#)

The predictions can also be searched for under 15 different classes of insurance business, including product liability, directors' & officers' insurance and property.

Helen Faulkner, Head of Insurance at DAC Beachcroft, commented: "In compiling the predictions for our new global *Informed Insurance* site, these six key topics emerged as key areas of development for the industry. We hope insurers will find our insights valuable in planning for the future."

Technology

On technology, DAC Beachcroft's predictions include the modernisation of Lloyd's; the use of blockchain as a possible magic ingredient for farm-to-fork traceability; the hidden health risks of 3D printers; the risk of online retailers being held liable for defective goods sold by third party traders on their platforms; the effect of autonomous consumer home electronics on the liability landscape; drones, automated vehicles and crewless cargo; cyber clarity and whether cyber insurance should cover extortion.

On the use of 'deep fakes' - the modification of images, video and audio recordings through AI so that they appear genuine, Hans Allnutt, Head of Cyber at DAC Beachcroft, predicts: "This new cyber development could pave the way for more personalised scams and frauds. If hackers are able to utilise the sophisticated technology behind deepfakes, it's conceivable that they could mimic human voice commands by telephone so they appear to come from a trusted source."

Climate change and class actions

On the theme of climate change, the firm's experts examine underwriting the unknown in renewable energy; the growing impact of climate risks on coastal areas in Australasia; the use of parametric policy triggers; the need for early recognition at board level that all firms are vulnerable to risks associated with climate change, whether or not they are operating in an environmental sector; and the PRA regulatory focus on climate change.

Duncan Strachan, partner in the firm's International Casualty team, highlights the German court's consideration of the case of a Peruvian farmer's claim against RWE for the alleged impact of its emissions on farming.

"Regardless of the outcome, we expect to see a surge in climate change-related litigation," he said. "State-owned companies in the fossil fuel industry are at heightened risk, particularly in Latin America and South East Asia, where there is broad recognition of the right to a healthy environment. Class actions are a critical issue for the international insurance market and DAC Beachcroft's global reach enables us to take a true barometer reading across all jurisdictions."

The full set of predictions and themes can be found [here](#).

