
DAC Beachcroft predicts top 50 challenges facing UK insurers in new report

Published 1 September 2015

The uncertainty around the Brexit referendum, the challenge of realising value from M&A and the pitfalls in implementing the Insurance Act feature among 50 predictions made by insurance experts at international law firm DAC Beachcroft in a new insurance report, published today.

Other predictions listed in the firm's new Insurance Market Conditions & Trends 2015/16 publication consider the potential for the 'internet of things' to reshape every stage of the insurance cycle, the new liabilities associated with 3D printing and wearable devices and the implications for insurers of mega-cities.

The 50 predictions relate to 13 different areas of insurance business, ranging from property, marine and casualty to product liability, professional liability and reinsurance.

"Making predictions about the future of the insurance market is not for the faint-hearted but this is what we asked our insurance experts to do," comments David Pollitt, partner and head of insurance at DAC Beachcroft.

"Take cyber risks, for example," he explains. "We think evolving data protection law could really boost cyber insurance policies, with data breaches set to become more costly."

"We're also predicting that autonomous cars will herald a change of gear in assessing risk in motor claims, with greater emphasis on the vehicle," he added.

The report has included, for the first time, 'grey swan' watermarks to identify those predictions which DAC Beachcroft believes could develop into seriously disruptive events.

The concept of 'black swans' was first introduced in 2001 by the author Nassim Nicholas Taleb to describe unforeseeable and catastrophic events that cannot be predicted or avoided. 'Grey swan' events describe serious risks that companies can identify and so plan for.

Also included in the 65-page publication are four thought leadership pieces in which the firm's specialists call for greater co-operation in tackling arson, discuss the exposure of liability insurers as cyber risks rise, warn of the dangers of M&A and debate the revolution in transport as vehicles, planes and ships become autonomous.

The final part of Insurance Market Conditions & Trends 2015/16 updates readers on the most significant judicial, legislative and regulatory developments, with concise summaries of the key events from the last 12 months.

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