



# 2019 Silicon Valley Risk Technology Forum

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PLUG AND PLAY TECH CENTER  
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# 2019 CMT Risk Study Overview

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**How do we  
remain relevant?**

## What we said last time we were together

### Still True?

- Accelerating shift in value from hardware and devices, to digitization, software, and services. ✓
- Blurring lines between digital and physical. ✓
- Product development and release cycles shortening. ✓
- Radical customization driving increased demands for cognitive technologies including machine learning and AI. ✓
- Technology failures lead to more acute consequences. ✓
- Increased civic and regulatory oversight. ✓

# A few more to think about



## 5G Networks

Disrupt wired internet providers, stoke demand for capable hardware, and increase expectations for seamless, immediate access to all networks, software, and information.



## Fracturing Global Supply Chain

Climate change, geopolitical instability, rising US tariffs, and increased automation are shaking how and where technology is produced.



## Fake News Gets More Real

The use of AI to create “deep fake” content, including videos... undermines trust in legitimate content providers and platforms.

# Our companies must innovate to thrive.



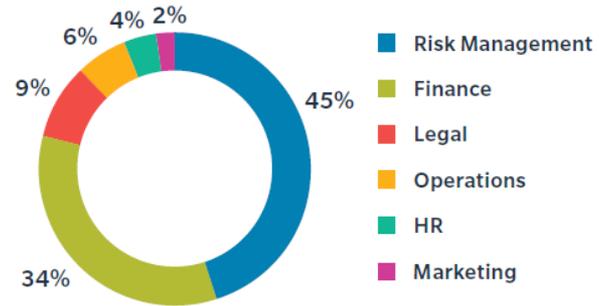
- x Isolated solutions
- x Disconnected/not networked
- x Long release cycles
- x Inability to scale
- x Undifferentiated products
- x Failure to reinvent

- ✓ First to market, scale, capital
- ✓ Connected / ecosystem view
- ✓ Rapid development cycles
- ✓ Scalable and flexible
- ✓ Highly differentiated
- ✓ Driving and monetizing seismic shifts

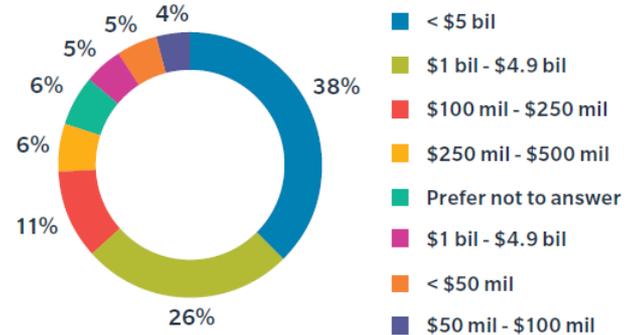
# 2019 Marsh CMT Risk Study



## Role of Respondents



## Respondent Company Revenue



# CMT companies aggressively moving into new areas

Developing new products and services within existing structure.



Launching new partnerships.



Selling existing products or services to be used in new ways.



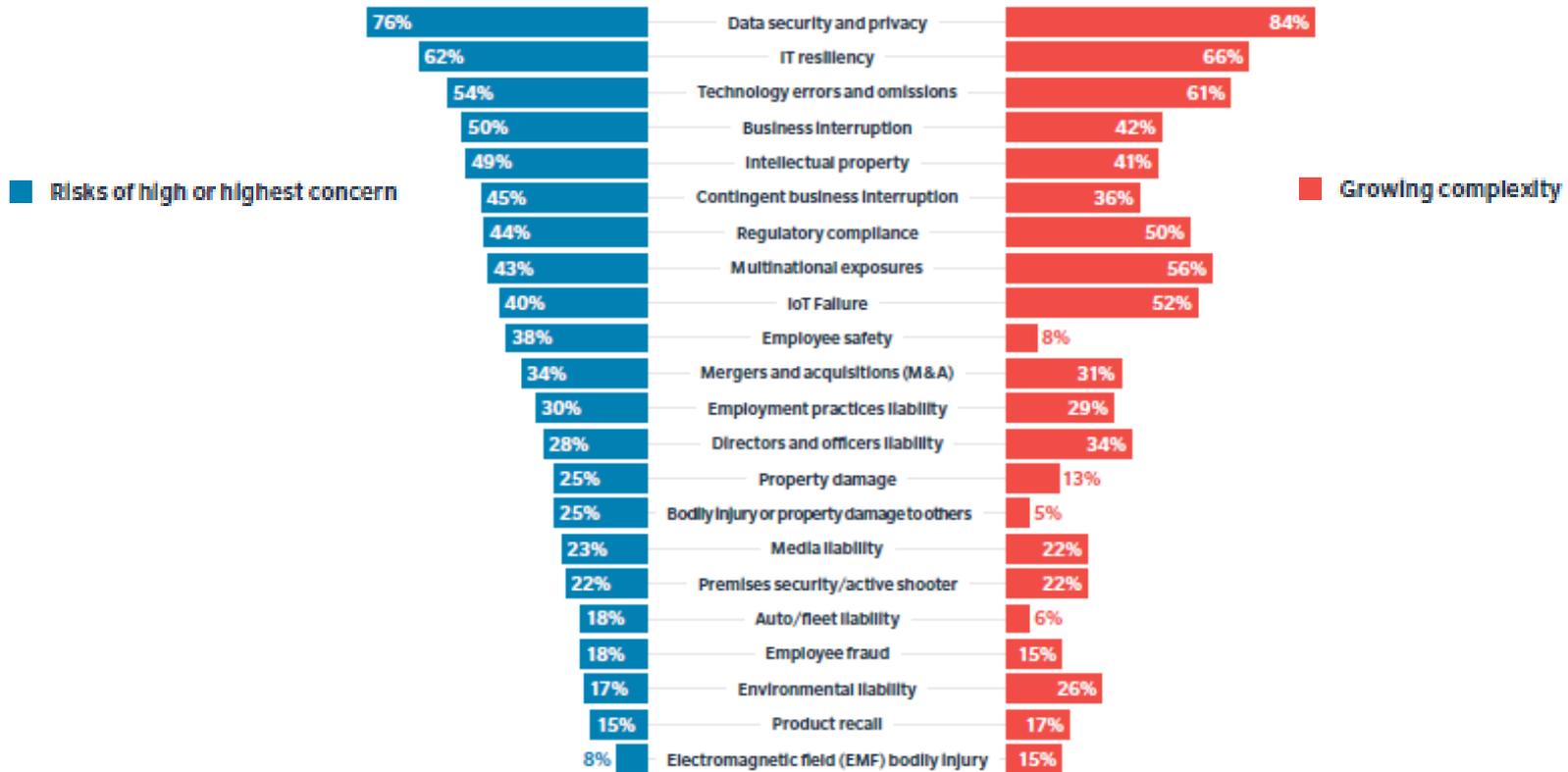
Creating new divisions (Including labs, Innovation centers).



Mergers or acquisitions.



# And no surprise risks are becoming more complex

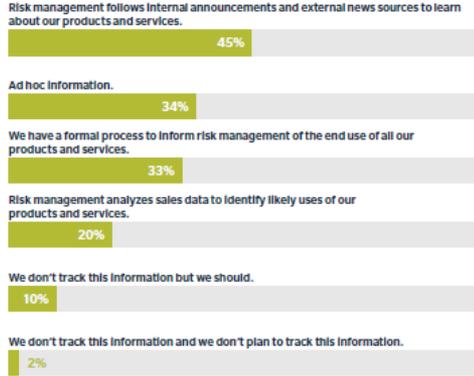


Percent of respondents selecting the risk as a high or highest concern.

Percent of respondents expecting risk to increase in next 3-5 years.

# 2019 Marsh CMT Risk Study – Covering a Range of Issues

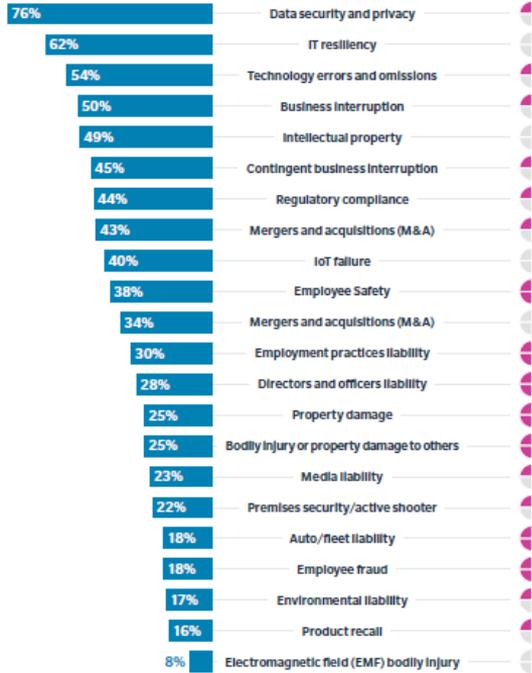
## Assessing New & Emerging Risks



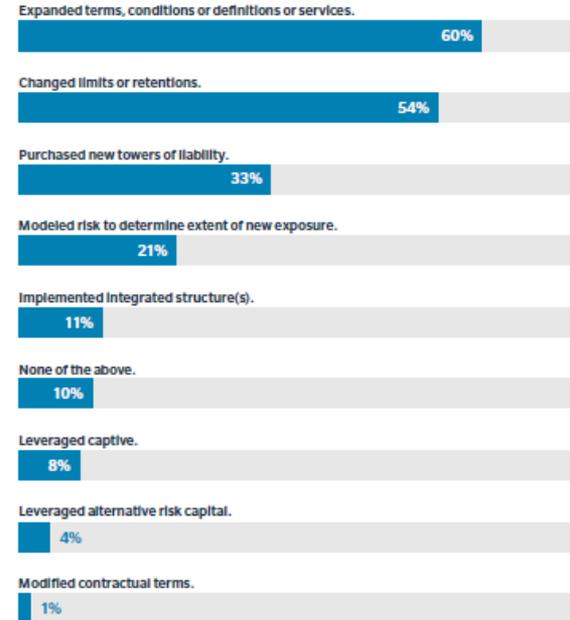
## Allocation Time and Capital



## Effectiveness of Insurance Solutions



## Adjustments to Risk Programs



# Risk management as a business enabler

## Protect Assets



Expected Costs  
Emerging Risks  
Catastrophic Risks  
Regulatory & Reputational

## Reduce Friction



Contracts & Compliance  
Data and Analysis  
Verification & Reporting  
Payments & Claims

## Drive Revenue



Market Entry  
Contract Design  
Embedded Solutions  
B2B or B2C offerings

# A New Mindset



## Expansive

Communications infrastructure, technology innovation, and the pursuit for “eyeballs” permeate and enable disruption across every industry. A broad range of new and emerging risks will follow.



## Adaptable

It's more than change being a constant. It's an acceleration, and we should move to continually question our understanding of risk, our responses, and our relevance.



## Resourceful

IoT and the data economy are creating unimaginable and unbounded data sets. There is a tremendous opportunity to leverage new sources of data for risk assessment, risk mitigation, and risk treatment.



## Predictive

As risk professionals, we are experts at looking in the rearview mirror. The pace of change is accelerating, and we should use new data sets and tools to improve our ability to look ahead and inform overall business strategy.



## Old School

Sophisticated data, analytics, and tools are the price of entry. But we need to talk, to discover, to pick up a marker and explore ideas on a white board. We are in uncharted territory.



MARSH