TRAVELERS

Techsure Takeaways

While we may remember 2020 as the year of COVID-19, it has also been the year that demonstrated the true value of technology. It's been a particularly dynamic period for UK tech:

Between March and August, **72%** of UK tech businesses saw an increase in demand for their services.

At its height, about **40%** of the UK's working population were fully working from home this year.

There has been over **$5 billion** in investment in new tech startups this year, with the **UK ranking third-highest** in investment globally, behind only China and the US.

To make the most of the tech opportunity, Travelers...

Refreshed our **combined package** for the tech sector to keep pace with what clients need.

Will soon roll out a **new SME online PI capability** for brokers that extends to software tech clients.

Will be looking to develop and **expand capabilities in the southwest** of England by early 2021

Contract management – Amanda Emberton

In a fast-changing world where product development outpaces current laws and regulations, it's critical to choose lawyers and other experts with sector-specific expertise.

Four key contract clauses to understand as they relate to an insured's business:

1. **Waiving rights of recourse and hold harmless indemnity clauses:**
Waiving of rights can leave an insured unintentionally exposed to a liability. Hold harmless agreements can release one or both parties from liabilities that may arise during contract. Indemnity clauses may or may not include a hold harmless clause and are a promise that a party should not have to bear a specified loss.

2. **Fixing a cap/liability limitation:**
This bespoke clause helps ensure a client doesn't incur exposures that exceed the limits of their business or the terms of their policy. It could include a cap that's a percentage sum of the past year's service fees, a single figure, a fixed sum or an annual cap.

3. **Consequential and indirect losses:**
While direct loss is the natural result of the breach in the usual course of things – like loss of profit, savings or goodwill – indirect and consequential results are not the natural result of the breach. They arise from a special circumstance of the case and are only recoverable if the paying party knew of special circumstances when it made the contract.

4. **Force Majeure:**
These clauses may relieve parties of some or all of their contractual obligations – but it's important to be able to identify when and where a force majeure event begins and ends in relation to contract terms to understand contractual obligations.

Intellectual Property - Mark Beer

Intellectual property is critical to corporate valuation:
Intangible assets represent 84% of the value of S&P – and that figure is likely to grow.

Its value is opaque, fragile and volatile:
You can't hold it in your hand, it's illiquid and there may be existential challenges to who owns the intellectual property.

Risks are everywhere and are existential:
There are companies whose only purpose is taking others' intellectual property. The average cost of defending a legal troll claim if it goes to trial was US $3 million in 2015.

It would be negligent not to insure a company's headquarters, so why not its intellectual property?

Innovation & MedTech - Iain Hennessey

COVID-19 has jammed the accelerator on new medtech adoption – pushing the boundaries of communication between doctors, between doctors and patients, and between doctors and robots.

Telemedicine/telehealth have taken off and made it possible for patients to get care (and even have surgery performed) from anywhere without spreading COVID infection. New technology has also changed what we believe is possible – a 3D print of a tumour can help surgeons plan a surgery and identify options they might not have seen. Augmented reality can help a surgeon access critical patient information when needed and in a sterile way.

These innovations have raised questions about risk:
What if you can't connect – or lose a connection during a surgery? How do you know when the robot is adequately trained? What if the resolution of the camera isn't good enough? Is a robot really a substitute for being there in the room? If you make a mistake, will that be viewed especially badly?

New challenges:
How do we design service around new medical technology? While wireless monitoring enables patients to get home sooner, how do we manage the communications required so remote monitoring works well for both doctor and patient? Do we have user-friendly portals, apps and interfaces to support the patient? How can we manage the emotional side of delivering medical care when it's delivered through a robot?

5G - Edgar Perez

5G, the latest generation of wireless technology, is expected to deliver a dramatically improved customer experience:

- **Enhanced mobile broadband:** What currently takes 30 minutes to download on a 4G network takes seconds on a fully implemented 5G network.
- **Ultra-reliable and low-latency communication:** Virtually no delay between a user's command and the network's response.
- **Massive machine-type communication:** Support for many thousands of internet-connected devices to share information at once.

The advances possible as a result of 5G: the development of smart cities in which connected sensors guide a driver – or even an autonomous vehicle – through traffic to a reserved parking space; more advanced health monitoring and research; a successful three-hour brain surgery already conducted by a surgeon 1900 miles away from the patient in China.

Insurance impact: 5G will give insurers access to more information about a person's health and property more quickly. Imagine serving an insured who makes a property claim by deploying a drone to promptly survey the scene and collect information that is then used to pay the claim.

What's standing in the way? 5G requires a fully functioning network to work effectively. Some cities are already there and others are catching up (in UK, Nokia and Ericsson are partnering with telecom operators to supply 5G infrastructure). Using the network requires a 5G-enabled device and new data plan, which will be more expensive at first. Perez says 85% of devices sold by 2025 will be 5G-enabled.