



# Anatomy of an Emerging Risk

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Understanding, Spotting, and Managing  
New Threats

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# Agenda



1. What is an emerging risk?



2. How do new risks emerge?



3. Examples of recent emerging risks



4. Spotting emerging risks early



5. Protecting insurers from over-exposure



6. Conclusion and Q&A

## What is an Emerging Risk?

- New, evolving, or hard-to-quantify risks

- Lack of historical data for pricing/underwriting

- High uncertainty, complexity, and potential severity

- Distinction: emerging vs. established risks

# How Do New Risks Emerge?

- Technology: AI, digital assets, cyber threats

- Societal shifts: demographic change, cultural movements

- Environment: climate change, biodiversity loss

- Geopolitics: sanctions, global conflict, supply chain fragility

- Legal/regulatory change: litigation trends, ESG regulation



# Examples of Emerging Risks (Recent Years)

- Cyber risk: ransomware, systemic IT failures
- COVID-19 pandemic: BI claims, supply chain disruption
- Climate change: wildfires, secondary perils
- AI & automation: liability, bias, fraud risks
- Geopolitical instability: war risks, sanctions

# Litigation Example – NFL & CTE

- Concussion-related brain injuries (CTE)

- Once emerging health/science risk → major litigation

- NFL settlement valued at \$1bn+ for claims

- Illustrates uncertainty → recognition → systemic liability



# Societal Change Example – #MeToo Movement

- Surge of harassment/misconduct claims (USA)

- Significant impact on EPLI insurance

- Large settlements & reputational harm

- Social movements can trigger claim spikes



# Spotting Emerging Risks

- Horizon scanning: tech, regulation, geopolitics

- Scenario analysis & stress testing

- Collaboration with regulators, forums, think tanks

- Data analytics: AI, big data

- Culture: empower staff to flag new issues

# Protecting Against Over-Exposure

- Risk management: diversification, reinsurance, wordings

- Dynamic underwriting: adapt coverage

- Governance: ERM integration

- Strategic resilience: capital buffers, models

- Board-level accountability



# Key Takeaways

- Emerging risks are inevitable and accelerating

- Can evolve into liabilities (NFL CTE, #MeToo)

- Insurers must scan, assess, adapt proactively

- Strong ERM & diversification = resilience

Q&A

Questions?

Thank you for  
your attention.