

INSIGHTS

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**CYBER PROTECTION
REDEFINED**



**HARNESSING
PARAMETRIC
INSURANCE**

RISK IN THE DIGITAL AGE:
TELEMEDICINE & MEDICAL
MALPRACTICE

TELEMATICS REVOLUTION
SHAPING THE FUTURE
OF INSURANCE

VOLKSWAGEN'S FELICITY ACE
LAWSUITS: IMPACT ON
CARGO INSURANCE

Editor's Note



Dear Readers,

In this March issue of Brighton Insights, we delve into the dynamic landscape of risk management and innovation. As we confront the ever-changing landscape, each article underscores the necessity for innovative risk management strategies.


Cyber threats in today's digital realm pose substantial risks to businesses. Parametric insurance offers a proactive approach to mitigating cybersecurity risks, crucial for safeguarding against financial losses and reputational harm.

Telemedicine's rapid integration into healthcare not only revolutionises patient care but also prompts insurers to rethink their policies. With telemedicine becoming commonplace, insurers must tailor coverage to address the specific risks and opportunities inherent in remote healthcare delivery.

Telematics, another groundbreaking innovation, promises to revolutionise risk assessment and customer experience in the insurance sector. However, as demonstrated by the recent lawsuits against Volkswagen, the evolving nature of risks, particularly in emerging technologies like electric vehicles, demands continuous adaptation from insurers and stakeholders alike.

Navigating through these changing times highlights the importance of resilience through embracing innovation and collaboration to handle evolving risks. Let this situation spark fresh ideas and partnerships as we navigate the challenges of a constantly changing world.

Happy reading!


Annie Undikai
Managing Editor

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In the evolving insurance sector, innovation is key for maintaining competitiveness. Telematics stands out as a transformative innovation, integrating technology to revolutionise risk assessment, pricing, and customer experience. It is poised to extend its impact across insurance operations, driving efficiency, personalisation, and innovation.

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Lawsuits against Volkswagen over a fire allegedly caused by a Porsche electric vehicle's battery on the Felicity Ace ship have alarmed the cargo insurance and wider insurance industry. This incident highlights risks in transporting electric vehicles and emphasises the need for insurers and stakeholders to adjust strategies for emerging risks.



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CYBER PROTECTION REDEFINED

Harnessing Parametric Insurance

In today's interconnected digital world, the prevalence of cyber threats looms large over businesses of all sizes. Cyberattacks, data breaches, and system failures can cause significant financial losses, damage to reputation, and operational disruptions. Cybersecurity statistics indicate that there are 2,200 cyber attacks per day, with a cyber attack happening every 39 seconds on average.¹

Given the proliferation of generative AI technologies (including ChatGPT), the existing 2,200 daily attacks are anticipated to increase exponentially and become significantly more tailored to individual targets. In light of recent trends, ransomware attacks will likely continue to dominate the cyber threat landscape.

Statista's data underscores this reality, revealing that ransomware stood as the primary motive behind over 72% of cybersecurity incidents in 2023.² This alarming statistic underscores the urgent need for robust cybersecurity measures and proactive strategies to mitigate the risks posed by ransomware attacks in the coming years.

Traditional insurance products have long been the go-to solution for managing these risks. However, with the evolving nature of cyber threats, the insurance industry had to innovate to provide adequate coverage and timely responses to cyber incidents. Enter parametric insurance — a groundbreaking approach that is reshaping cyber risk management.

Parametric insurance stands out as a distinct approach to managing risk in the realm of cybersecurity. It operates on a fundamentally different premise compared to traditional insurance models. Instead of relying on complex claims assessment processes to determine payouts, parametric insurance functions based on predefined trigger events. These triggers are tied to quantifiable and objective parameters, offering a streamlined and efficient mechanism for compensation in the event of a cyber incident.

¹Sanskriti Jain (2024). 160 Cybersecurity Statistics 2024. Astra. <https://www.getastra.com/blog/security-audit/cyber-security-statistics/>

²Statista (2023). Businesses worldwide affected by ransomware 2018-2023. <https://www.statista.com/statistics/204457/businesses-ransomware-attack-rate/>

In the context of cyber risk management, parametric insurance introduces a novel approach to addressing the evolving landscape of digital threats. Unlike traditional insurance policies that indemnify policyholders for their actual losses incurred during a cyberattack, parametric insurance hinges on specific cyber threat indicators.

These indicators could encompass various metrics such as the number of systems compromised, the duration of system downtime, or the extent of data encryption. Instead of waiting for investigations and assessments after a cyber incident, parametric insurance relies on these predefined triggers.

For example, a business may purchase parametric cyber insurance that triggers a payout when a cybersecurity firm verifies a ransomware attack on its network, regardless of the extent of the data loss or operational disruption. This enables policyholders to receive immediate financial assistance to cover expenses such as ransom payments, forensic investigations, and system restoration.

Benefits of Parametric Insurance for Cyber Risk

By leveraging measurable parameters, parametric insurance offers several advantages in the realm of cyber risk management. Firstly, it facilitates faster claims processing and payout disbursement, reducing the time and administrative burden typically associated with traditional insurance claims.

Parametric insurance eliminates the need for lengthy claims investigations, enabling policyholders to receive payouts swiftly after a triggering event occurs. This rapid injection of funds can be crucial for businesses to mitigate the immediate impacts of a cyber incident and expedite their recovery efforts.

Additionally, parametric insurance can complement traditional cyber insurance policies by addressing gaps in coverage or providing additional financial support for specific types of cyber incidents. Businesses can customise their insurance portfolios to achieve comprehensive risk protection.

Parametric insurance eliminates the need for lengthy claims investigations, enabling policyholders to receive payouts swiftly after a triggering event occurs.

Innovative Initiatives in Parametric Cyber Insurance

Recent developments in the insurance industry underscore the growing momentum behind parametric solutions for cyber risk management. Notably, London-based managing general agent (MGA) Intangic MGA, backed by AXA XL, introduced a pioneering cyber parametric policy, called CyFi™. The policy features two straightforward parametric triggers: the level of malicious activity targeting a company, and a subsequent loss in value.

These triggers ensure all stakeholders have access to a transparent dashboard for real-time risk monitoring—an unprecedented feature in the cyber insurance market. With no claims adjustment required, the policy promises rapid payouts within days, streamlining the traditional claims process which typically spans months.

Another groundbreaking collaboration was between Hylant, a leading insurance brokerage firm, and CloudCover, a specialist in cyber risk management. This partnership has led to the introduction of a revolutionary cyber-security rent-a-captive insurance programme known as the CloudCover CyberCell. Offering a structured solution for financing self-insured cyber risks, this innovative initiative not only alleviates potential liabilities stemming from cyberattacks for enterprise executives but also enhances the accessibility and affordability of cyber insurance.



These initiatives exemplify the insurance industry's commitment to innovation and collaboration in addressing the evolving challenges of cyber risk. By embracing parametric insurance and novel risk financing structures, businesses can fortify their cyber resilience and navigate the digital landscape with confidence.

As the demand for proactive cyber risk management solutions continues to rise, partnerships between insurers, MGAs, brokers, and technology providers will play a pivotal role in driving forward-thinking strategies that empower organisations to thrive in an era of unprecedented cyber threats.

Challenges and Considerations

While parametric insurance offers numerous benefits for cyber risk management, there are challenges and considerations to be mindful of. Designing effective parametric triggers necessitates access to accurate and reliable data sources to assess cyber threats accurately. Furthermore, ensuring the integrity and availability of such data is crucial for the viability of parametric cyber insurance products.

Developing robust parametric triggers that accurately reflect cyber risk exposures can be complex. Insurers must collaborate closely with cybersecurity experts and data analysts to design triggers that align with emerging cyber threats and vulnerabilities.

Navigating regulatory compliance presents a significant obstacle in the realm of parametric insurance. The regulatory frameworks overseeing parametric insurance can differ significantly from one jurisdiction to another, creating compliance hurdles for both insurers and policyholders. Establishing clear guidelines and standards becomes imperative to guarantee the legal validity and enforceability of parametric cyber insurance contracts across various regulatory environments.

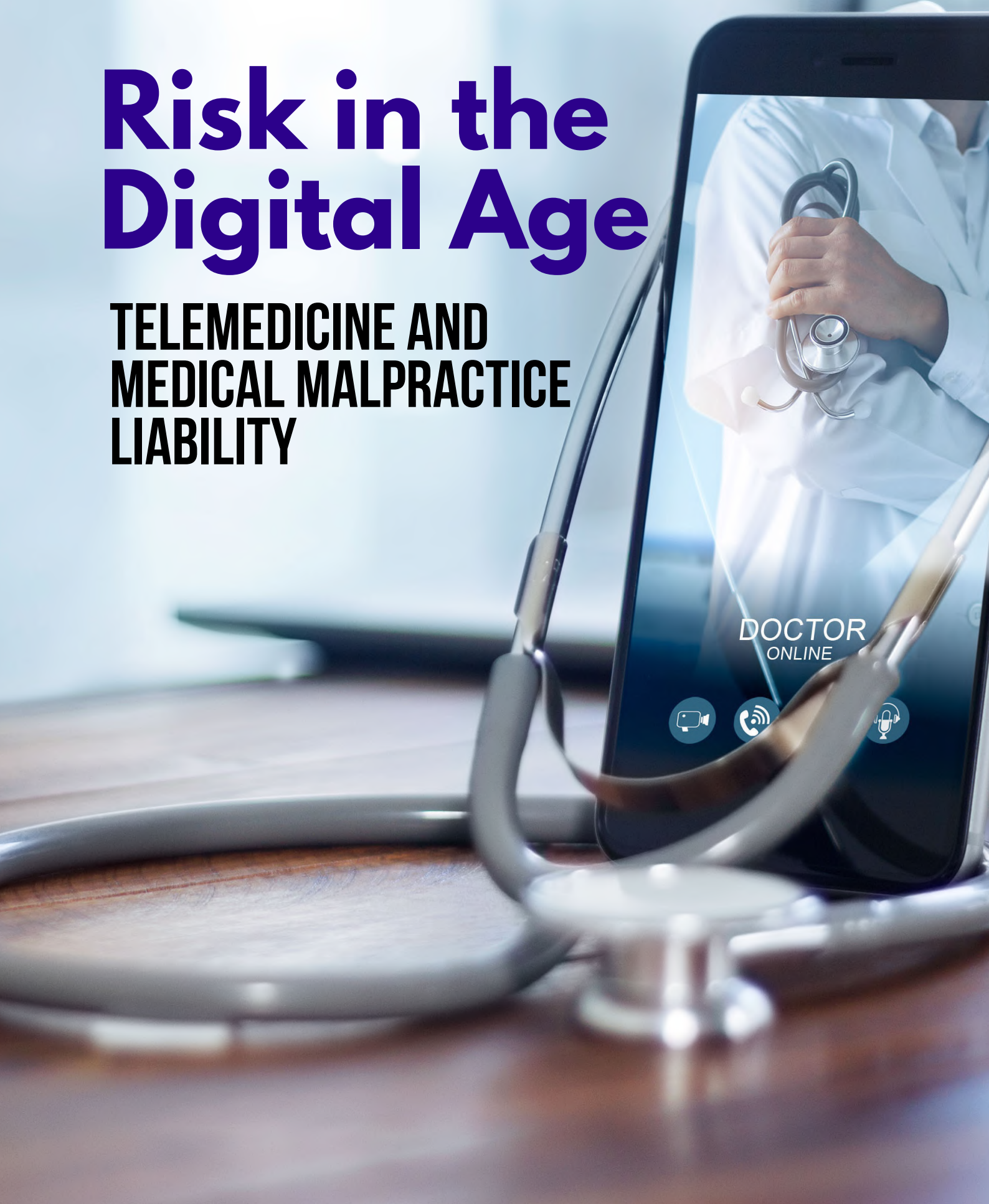
Parametric insurance for cyber risk is still in its nascent stage, and market participants are actively exploring innovative solutions and refining existing models. As the market matures, greater standardisation and scalability are expected to enhance the accessibility and affordability of parametric cyber insurance.

Looking Ahead

Parametric insurance represents a paradigm shift in cyber risk management, offering a proactive and efficient approach to addressing the evolving cyber threat landscape. With the insurance industry increasingly embracing innovation, parametric solutions stand ready to exert a significant influence on the trajectory of cyber risk management in the future.

Risk in the Digital Age

TELEMEDICINE AND MEDICAL MALPRACTICE LIABILITY



In the ever-evolving landscape of healthcare, the advent of telemedicine has brought about profound changes in how medical services are delivered. This shift towards remote consultations and digital healthcare platforms has revolutionised patient care but at the same time posed unique challenges for the insurance industry, particularly in medical malpractice coverage.

As telemedicine continues to gain traction in the healthcare industry, its transformative impact extends beyond patient care to reshape insurance policies and coverage requirements. With the widespread adoption of telemedicine, insurers are faced with the challenge of adapting their policies to accommodate the unique risks and opportunities associated with remote healthcare delivery.

A Paradigm Shift in Healthcare

Telemedicine is defined as the remote diagnosis and treatment of patients through telecommunications technology. It represents a transformative shift in healthcare delivery, propelled by advancements in technology. Initially conceived as a means to bridge geographical barriers, telemedicine has transcended its origins to encompass a spectrum of services, including remote diagnosis, treatment, and consultation.

Its significance became evident during the COVID-19 pandemic, as social distancing measures and the imperative to shield vulnerable populations prompted the adoption of virtual visits and check-ups. While telemedicine had sporadic usage before the pandemic, the arrival of COVID-19 catalysed its widespread adoption, accelerating the industry's growth considerably and integrating it into mainstream healthcare delivery.

As telemedicine continues to gain traction in the healthcare industry, its transformative impact extends beyond patient care to reshape insurance policies and coverage requirements.



In 2023, there were over 116 million users of online doctor consultations worldwide, up from around 57 million in 2019.¹ According to a report by GlobalMed, approximately 75% of millennials expressed a preference for the convenience and immediacy offered by teleconsultations over traditional in-person appointments.²

The GlobalMed report further highlighted that factors such as time saved on travel to and from appointments, as well as the avoidance of waiting room delays,

contributed to millennials' preference for teleconsultations. This widespread acceptance underscores telemedicine's capacity to transcend geographical and logistical barriers, facilitating equitable access to healthcare services.

By leveraging technologies, healthcare providers can extend their reach beyond traditional brick-and-mortar settings, reaching patients in remote or underserved areas where access to healthcare services is limited.

¹ Stewart, C. (2024). Telemedicine - statistics and facts. <https://www.statista.com/topics/12106/telemedicine/#topicOverview>

² GlobalMed (2019). Why Telemedicine, Why Now? https://www.globalmed.com/wp-content/uploads/2019/09/GlobalMed_Ebook_WhyTelemedicineWhyNow_Interactive_FINAL.pdf

Telemedicine Risks

The proliferation of telemedicine has necessitated a reassessment of medical malpractice insurance policies to address emerging risks and coverage gaps. Insurers are recalibrating their underwriting models and risk assessment methodologies to account for the unique challenges posed by virtual care delivery.

One key consideration for insurers is the increased risk of misdiagnosis or inadequate treatment in telemedicine encounters, stemming from limitations in physical examination and diagnostic testing. Unlike traditional face-to-face consultations, telemedicine encounters often rely on subjective information provided by patients, raising concerns about the accuracy and reliability of diagnoses.

In the event of adverse outcomes or medical errors, determining liability and apportioning responsibility becomes inherently more complex in the absence of direct physical interaction.

According to a study conducted by a professional liability provider in the United States, approximately 66% of claims related to telemedicine from 2014 to 2018 were attributed to misdiagnosis. This aligns with research findings from Harvard Medical School, where a review of malpractice claims by seasoned clinicians revealed that 68% of cases were the result of diagnostic errors.³

Another primary risk associated with the technology-driven nature of telemedicine is the potential for system failures or disruptions during virtual consultations or remote monitoring sessions.

³ Uptick in Telehealth Reveals Medical Malpractice Concerns (2020). <https://news.bloomberglaw.com/health-law-and-business/uptick-in-telehealth-reveals-medical-malpractice-concerns>

Another primary risk associated with the technology-driven nature of telemedicine is the potential for system failures or disruptions during virtual consultations or remote monitoring sessions. Technical glitches, such as internet connectivity issues, software malfunctions, or hardware failures, can result in interruptions to patient care, communication breakdowns between healthcare providers and patients, and inaccuracies in medical data transmission.

Imagine a scenario where a telemedicine platform experiences a sudden outage during a critical patient consultation, preventing the healthcare provider from accessing vital medical records or conducting a real-time assessment. In such cases, delays or errors in diagnosis and treatment decisions may occur, leading to adverse patient outcomes and potential malpractice claims against the healthcare provider.



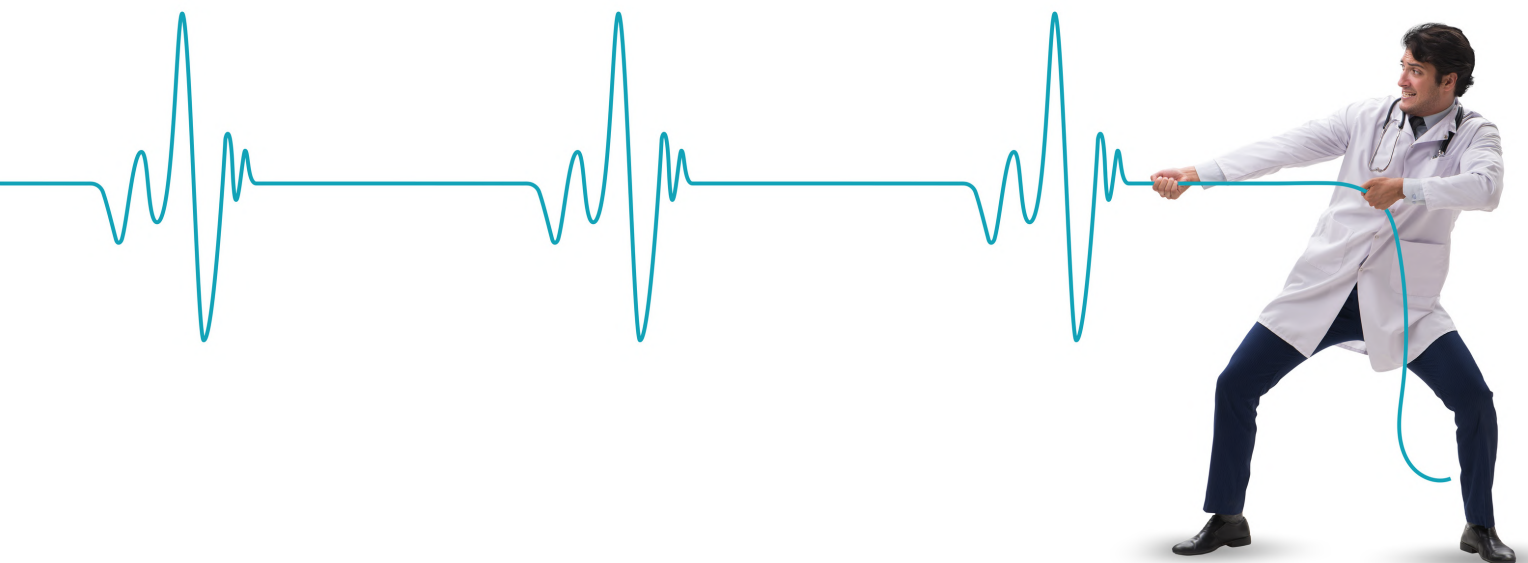
Moreover, reliance on electronic health records (EHRs) and telemonitoring devices in telemedicine introduces vulnerabilities to data integrity and security breaches. Unauthorised access to patient records, data manipulation, or cyberattacks targeting telemedicine platforms can compromise the confidentiality, accuracy, and privacy of sensitive medical information, resulting in legal and reputational consequences for healthcare providers.

The increasing reliance on telemedicine has also brought to light significant concerns regarding data security and patient privacy. Instances of breaches and unauthorised access to sensitive medical information have become prevalent, posing serious risks to patient confidentiality and trust in telemedicine platforms. Data breaches in telemedicine

can occur through various means, including hacking, malware attacks, inadequate encryption protocols, and human error.

Unauthorised access to patient records not only exposes personal health information but also undermines the integrity of medical diagnoses and treatment plans. These security lapses not only compromise patient privacy but also have the potential to result in legal repercussions, including malpractice claims against healthcare providers and telemedicine companies.

Security breaches in telemedicine can lead to expensive legal battles, regulatory penalties, and compensation for impacted patients. Consequently, insurers may enforce more stringent conditions for coverage, including cybersecurity evaluations and adherence to data protection laws, to mitigate risks effectively.



Impact on Medical Malpractice Insurance Policies

With telemedicine continues to gain traction in the healthcare industry, its transformative impact extends beyond patient care to reshape insurance policies and coverage requirements. With the widespread adoption of telemedicine, insurers are faced with the challenge of adapting their policies to accommodate the unique risks and opportunities associated with remote healthcare delivery.

A key consideration for insurers is the assessment of liability in telemedicine encounters. Unlike traditional in-person consultations, telemedicine consultations introduce additional complexities, such as the reliance on technology, potential for miscommunication, and limitations in physical examination. Insurers must carefully evaluate these factors to determine appropriate coverage levels and premium rates for healthcare providers offering telemedicine services.

The increasing integration of telemedicine into mainstream healthcare delivery models necessitates a reevaluation of coverage requirements. Insurers may need to expand their policies to encompass a broader range of telehealth services, including virtual consultations, remote monitoring, and telepsychiatry.

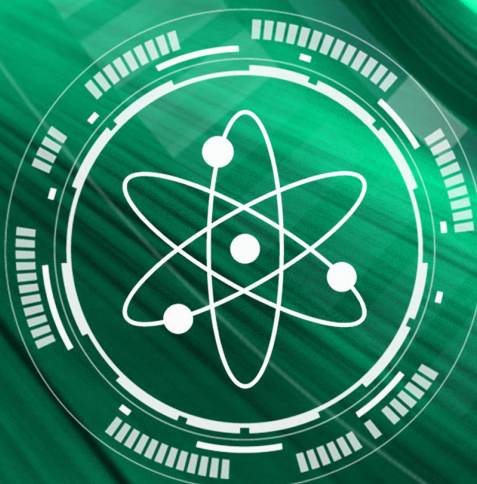
Additionally, insurers may consider offering specialised coverage options tailored to the unique risks associated with telemedicine, such as data security breaches, technology failures, and malpractice claims arising from virtual care encounters.

As governments introduce new laws and guidelines to govern telehealth practices, insurers must ensure that their policies remain compliant with regulatory requirements. This may involve updating coverage provisions, clarifying liability parameters, and addressing jurisdictional issues related to telemedicine services provided across state or international borders.

Navigating the Future

Telemedicine's transformation of the healthcare landscape necessitates stakeholders' proactive management of the evolving risk landscape and regulatory intricacies linked to remote care delivery. Insurers play a pivotal role in this paradigm shift, collaborating with policymakers, healthcare providers, and technology vendors to develop innovative risk management solutions and ensure adequate protection for all parties involved.

TELEMATICS REVOLUTION SHAPING THE FUTURE OF INSURANCE



Amidst the shifting dynamics of the insurance sector, the adoption of innovation has emerged as the linchpin for sustaining a competitive edge. One such innovation that has been reshaping the industry is telematics. By integrating technology with insurance practices, telematics has opened new avenues for insurers to assess risk, personalise policies, and enhance customer experience.

Understanding Telematics

Telematics, born from the convergence of "telecommunications" and "informatics," represents a paradigm shift in the insurance industry by leveraging cutting-edge technology to monitor and collect comprehensive data on vehicles' behaviours and performance.

At its core, telematics relies on sophisticated devices seamlessly integrated into vehicles, such as GPS systems and sensors, to capture a myriad of driving metrics. These devices meticulously record crucial data points including speed, acceleration, braking patterns, and even geographical location in real-time.

The intricate network of sensors embedded within the vehicle's framework serves as the eyes and ears of telematics technology, continuously monitoring and analysing the nuances of driving behaviour. From the moment a vehicle is

set in motion, telematics diligently records critical metrics such as speed, acceleration, deceleration, steering patterns, and even the geographical trajectory through GPS coordinates. Additionally, advancements in telematics technology have enabled the collection of more nuanced data, such as engine diagnostics and fuel consumption, further enriching the pool of information available for analysis.

Telematics transcends mere data collection by encompassing a holistic approach to understanding driving behaviour. Through the analysis of patterns over time, telematics systems have the capability to detect trends and anomalies, thereby pinpointing areas of potential risk. For instance, sudden acceleration or harsh braking may indicate aggressive driving tendencies, while frequent deviations from established routes could signify inefficient navigation practices.

Furthermore, the integration of location-based data allows insurers to assess environmental factors such as traffic congestion, road conditions, and accident-prone areas, providing additional context to driver behavior analysis.

Once the data is captured, it is transmitted through secure channels to insurers or designated analytics platforms for in-depth analysis. Advanced algorithms and data processing techniques are then

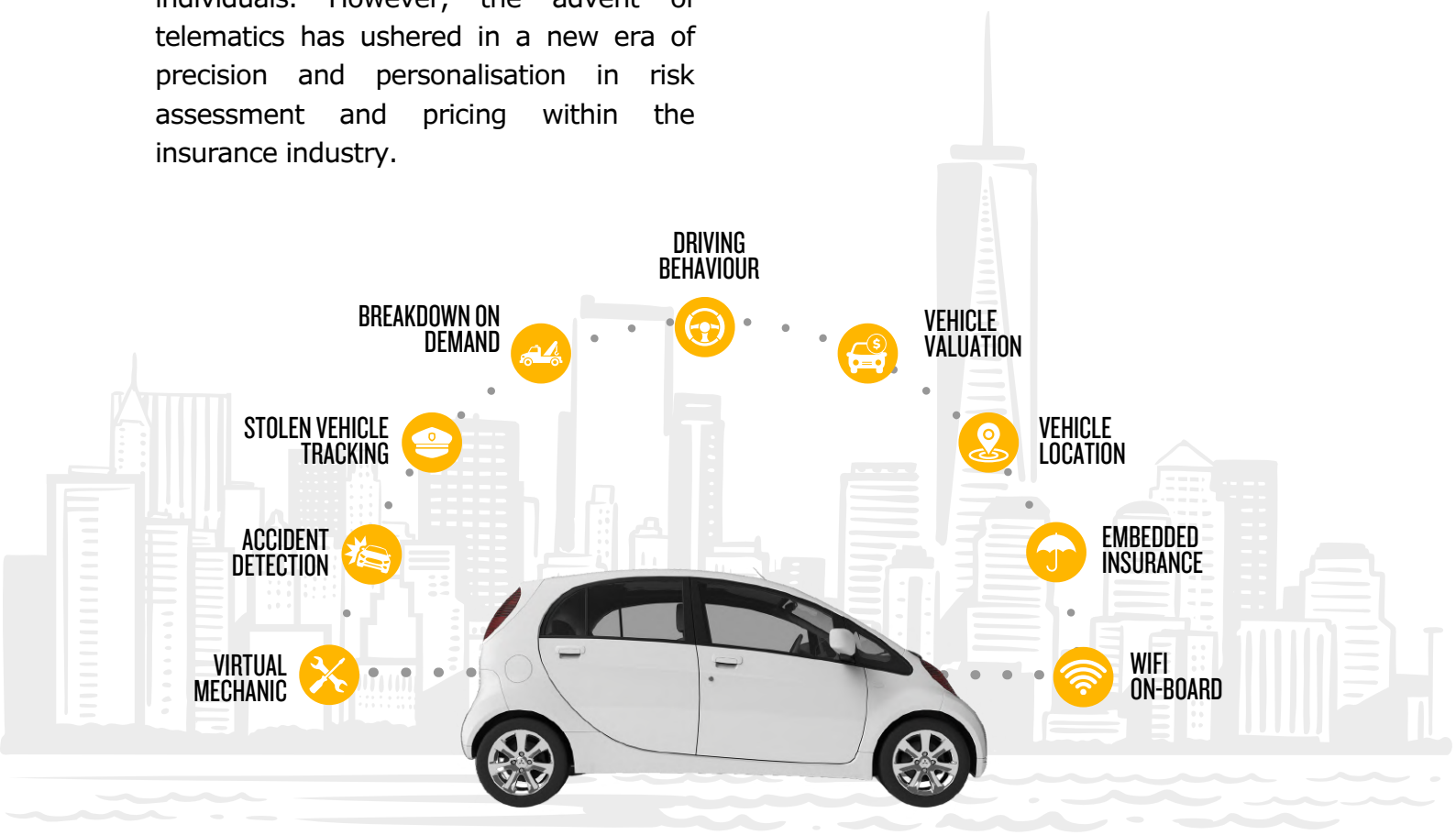
employed to extract actionable insights from the voluminous data streams. By leveraging machine learning and predictive modelling; insurers can discern patterns, forecast trends, and make informed decisions regarding risk assessment, pricing, and policy customisation.

Risk Assessment and Pricing

Traditionally, insurance pricing has been governed by broad risk assessments that lumped policyholders into generalised categories, often leading to inflated premiums for many to offset potential risks. This one-size-fits-all approach, while pragmatic to some extent, failed to account for the diverse range of driving behaviours and risk profiles among individuals. However, the advent of telematics has ushered in a new era of precision and personalisation in risk assessment and pricing within the insurance industry.

Telematics empowers insurers with real-time access to a wealth of data on individual driving behaviours, allowing for a granular understanding of risk on a case-by-case basis. This data-driven approach enables insurers to tailor premiums based on actual risk profiles, rather than relying on broad statistical averages.

Policyholders who demonstrate safer driving habits are rewarded with lower premiums, reflecting their reduced likelihood of being involved in accidents or making claims. Conversely, those with riskier driving behaviours may face higher premiums commensurate with their elevated risk levels, incentivising safer practices behind the wheel.



The burgeoning market for usage-based insurance (UBI) underscores the growing prominence of telematics in revolutionising insurance pricing strategies. According to Allied Market Research, the global UBI market is poised to nearly triple in value, reaching close to \$150 billion by 2027, with a remarkable annual growth rate of 25.1%.

This exponential growth trajectory underscores the swift evolution of the insurance landscape, driven by the widespread adoption of UBI and telematics technologies across insurance carriers, insurtech firms, and auto manufacturers.

Challenges

The integration of telematics into insurance operations heralds a new era of opportunity and innovation, promising unprecedented benefits for insurers and policyholders alike. However, amidst the promise of transformative change, telematics implementation also presents a host of challenges that insurers must navigate to realise its full potential.

Foremost among these challenges are concerns surrounding privacy, data security, and regulatory compliance. The collection and utilisation of telematics data raise legitimate privacy concerns among policyholders, who may be wary of sharing sensitive information about their driving behaviours and whereabouts.

Moreover, the proliferation of data in telematics systems heightens the risk of cybersecurity breaches, potentially exposing policyholders to identity theft or unauthorised access to their personal information. The sheer volume and sensitivity of the data collected—ranging from location information to driving behaviours — render it a prime target for cyber threats and malicious attacks.

The proliferation of data in telematics systems heightens the risk of cybersecurity breaches, potentially exposing policyholders to identity theft or unauthorised access to their personal information.

Furthermore, the regulatory landscape governing telematics-based insurance programs is characterised by a patchwork of laws and regulations that vary across jurisdictions. Insurers must navigate a complex web of regulatory requirements, spanning data protection laws, consumer privacy regulations, and insurance industry guidelines, to ensure compliance and mitigate legal risks.

Failure to adhere to regulatory mandates not only exposes insurers to potential fines and sanctions but also undermines consumer trust and confidence in telematics-enabled insurance offerings.

In recent years, a class action lawsuit has been filed against several companies, including General Motors, LexisNexis, and OnStar, over the use of telematics in their insurance products. The plaintiff alleges that invasive data collection by telematics has been used to justify a significant increase in premiums, leading to violations of privacy rights and unfair business practices. The lawsuit is ongoing, and it remains to be seen whether the defendants will be held liable and how the outcome will impact the telematics and insurance industry.

Looking Ahead

Telematics has revolutionised risk assessment and pricing in the insurance industry and is now set to transform other areas, ushering in an era of enhanced efficiency, personalisation, and innovation. One promising application of telematics is in usage-based pricing and personalised policies. By leveraging telematics data, insurers can refine pricing models to accurately reflect individual risk profiles. Usage-based insurance (UBI) offerings, which adjust premiums based on real-time driving behaviour, are poised to become standard, promoting fairness and customer-centricity in insurance pricing.

Telematics converging with emerging technologies like AI and blockchain presents significant opportunities for the insurance sector. AI-driven analytics platforms will efficiently analyse telematics data, enabling insurers to make precise, data-driven decisions. Blockchain technology ensures secure and transparent storage and sharing of telematics data, enhancing data integrity and simplifying information exchange within the insurance ecosystem.

VOLKSWAGEN'S FELICITY ACE LAWSUITS: IMPACT ON CARGO INSURANCE



The transportation of goods across seas has long been fraught with risk. From adverse weather conditions to geopolitical tensions, navigating these waters demands a delicate balance of foresight and adaptability. The recent lawsuits against Volkswagen (VW) concerning a fire allegedly ignited by a Porsche electric vehicle's lithium-ion battery aboard the Felicity Ace ship have sent shockwaves through the cargo insurance and wider insurance industry.

This incident not only illuminates the vulnerabilities inherent in transporting electric vehicles (EVs) but also underscores the pressing need for insurers and stakeholders to recalibrate their strategies in response to emerging risks.

The Sinking of Felicity Ace

The Felicity Ace was en route from Germany to the United States, carrying a cargo of about 4,000 vehicles, including Porsche and VW automobiles. On February 16 2022, while navigating approximately 90 nautical miles from the Azores, a distress call was issued by the captain, signalling a fire outbreak in one of the cargo holds.

Despite efforts by the crew to contain the blaze, the fire, allegedly sparked by a lithium-ion battery from a Porsche electric vehicle, grew uncontrollable. The intense heat and volatility of the fire led to the vessel's eventual sinking, plummeting 3,000 meters to the ocean floor.

VW is presently facing legal actions on multiple fronts due to this incident. The lawsuits allege that the fire originated from a lithium-ion battery pack inside a Porsche vehicle, a part of the VW Group, leading to the loss of the vessel. The lawsuits also claim negligence on VW's part, asserting that the company failed to adequately inform about the potential dangers associated with the lithium-ion batteries and the necessary precautions needed to transport such vehicles. Mitsui O.S.K., the operator and insurer Allianz, is among those suing the VW Group for the fire incident.

This incident not only illuminates the vulnerabilities inherent in transporting electric vehicles (EVs) but also underscores the pressing need for insurers and stakeholders to recalibrate their strategies in response to emerging risks.

Implications for Marine Cargo Insurance

Cargo insurers find themselves at a crossroads, compelled to reassess the risks associated with transporting EVs in the wake of the Felicity Ace debacle. This heightened scrutiny may prompt insurers to adopt more rigorous risk assessment protocols to accurately evaluate the potential dangers involved in EV shipments. Consequently, it could prompt adjustments in coverage terms, such as imposing specific requirements for EV shipments or even revising premium rates to reflect the elevated risk profile.

Additionally, cargo insurers might refine their underwriting practices, integrating specialised expertise and data analytics to better understand and quantify the unique risks associated with transporting EVs, especially those related to lithium-battery incidents. This proactive approach aims to enhance the industry's resilience to emerging risks and ensure that cargo insurers can effectively protect their clients' interests in an evolving transportation landscape.

The Felicity Ace lawsuits serve as a clarion call for insurers to adapt their cargo insurance policies to the unique risks posed by EVs. In response, insurers are poised to make sweeping

policy adjustments, introducing specific clauses addressing the transportation of lithium-ion batteries. These clauses could outline stringent handling and storage requirements to mitigate the risk of accidents and ensure the safe transport of EV components.

Enforcing stricter safety protocols within existing transportation regulations is crucial to enhance the protection of EV cargo. This might involve mandating comprehensive training programmes for personnel involved in handling EVs and their components, along with rigorous inspection procedures for cargo carriers.

Policymakers could explore the introduction of coverage limitations tailored to certain types of EV cargo. This may include categorising EV shipments based on factors such as battery size, type, and condition, and adjusting insurance coverage and premiums accordingly.

Through this tailored approach to coverage, insurers can effectively match risk exposure with the appropriate level of financial protection, ensuring a more precise alignment between insurance policies and the diverse nature of EV cargo.





Embracing Change

The Felicity Ace incident stands as a sobering reminder of the multifaceted challenges and responsibilities inherent in insuring cargo in an era of technological innovation. As the EV industry continues to burgeon, insurers find themselves at a pivotal juncture, where adaptability and collaboration are paramount.

Embracing change and nurturing partnerships allow insurers to navigate towards a more resilient and sustainable future for cargo insurance. By doing this, they demonstrate their dedication to protecting the interests of all stakeholders engaged in the transportation of electric vehicles.

As the tides of change persist, insurers must remain steadfast in their pursuit of excellence, navigating with precision and foresight through the constantly shifting risk terrain.