



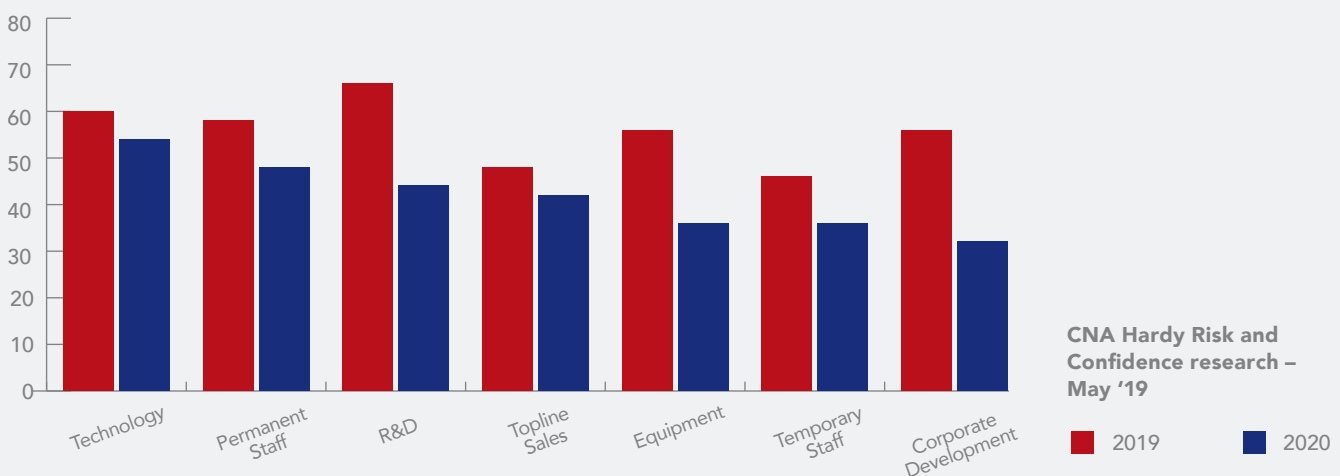
## 2020 Prediction: UK healthcare bosses face new risks and opportunities

UK healthcare business leaders are predicting a rise in confidence in their businesses' ability to thrive and prosper in 2020, with a 10% increase in confidence levels predicted this spring compared to spring 2019. However, 90% believe that the current risk environment is moderate to high. These levels of risk concern are the highest across all of the nine sectors we surveyed for our Risk and Confidence report<sup>1</sup>.

As 2020 progresses, there is no doubt that the UK healthcare sector faces significant change as economic challenges and skill shortages drive greater demand for 'smart health' solutions, which offer the opportunity to deliver more community focused and cost-effective services. These changes are reflected in the top three predicted risk concerns: being economic risk, which goes from 22% in May 2019 to 27% by spring 2020; political risk which rises six percentage points from 10% in May 2019 to 16% in 2020; and technology risk which is predicted to rise from 12% to 16% this year.

These risk concerns are impacting their investment plans with a wholesale decrease in investment across all the main areas of their business predicted in 2020, with notable reductions in temporary staff, corporate development and research and development. Technology and topline sales are the two areas where the investment reductions appear less severe, followed by hiring permanent staff.

### UK healthcare firms' investment priorities



As reliance on technology grows, healthcare firms will be operating in a new and uncharted risk environment – where errors and omissions and cyber risk will be as big a risk as professional indemnity. To navigate the new risk landscape, healthcare firms will need to work closely with their insurance partners to adapt their risk mitigation programme to ensure that it is fit for purpose.

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<sup>1</sup>CNA Hardy Risk and Confidence research was undertaken between February and March '19, via an online survey of 1,500 business leaders of multinational firms with operations in Europe. Qualitative research was undertaken in May '19. In the UK 450 business leaders from 9 different business sectors, with a turnover ranging from £5m to £1bn+ were surveyed.

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