

Risk in Context Podcast

Trevor Smith:

Hello, I'm Trevor Smith, senior vice president and casualty leader of Marsh's Sharing Economy and Mobility Group.

Welcome to *Risk in Context*, our podcast featuring conversations with Marsh colleagues, risk professionals, and others intended to help you better understand and think creatively about your key risks and build effective strategies to retain or insure them.

Since it became mainstream, the internet has introduced an ever-growing set of opportunities — and also new risks — as companies and individuals connect in new ways virtually.

a very lucrative opportunity for those that have the foresight to capitalize on it.

And before we go too much farther, Trevor, I just want to level set on a few important terms or technologies.

The first is blockchain, which is a digital record-keeping system where once recorded, data is immutable. That's been a very popular word lately. But really, it just means it cannot be modified or deleted. So, ownership can be ascribed and products you buy in the metaverse can truly be yours. And while there are ways to conceal ownership, there are also ways to expose it. And so, once the information is there, it's there to be found. And that part of what enables a true sense of ownership for digital goods is a key enabler of the metaverse commerce system that will eventually take hold. So, what is this ownership vehicle and how does it really work?

You'll also hear the words non-fungible token or NFTs, and these are all based upon blockchain technology. They're interchangeable units of data that are stored on that blockchain. So, each NFT has a unique identification code that can't be modified without exception, and each NFT is immutable and can only be owned by one owner at a time.

So, we can use these NFTs to mark and prove that your digital art or this creation that you have in the metaverse is yours and yours alone. We can also use NFTs to mark digital assets like virtual clothes so that the avatar that you're using to self-express yourself in the virtual world is truly yours, fitted with your garments and the look that you want.

Also, related to blockchain technology, and I've mentioned it a little bit earlier, cryptocurrencies. So, these can be used to execute financial transactions in the metaverse. Of course, there are ways to do this with traditional fiat currencies. But I expect that as we move into more and more virtual realities, these cryptocurrencies or digital currencies are always going to play an important role.

So, that's just to level set us a little bit on what the metaverse is and is not. Trevor, hopefully, that addresses your question.

Trevor Smith:

Great, very much so. And how does one access it?

Ben Hoster:

Yeah, great, great question. And a normal extension there, right?

So, this is where technology comes into play. Today, we've grown quite accustomed to accessing the digital world through our computer screens, tablets, and cell phones. That presence that I just mentioned is what really flips the script on these traditional access T/F1 9 Ton to mark dig

and games even that have picked up various themes about the metaverse since then.

procedure. And one of the surgeons who were involved in this procedure described the AR tech as being like a GPS for the spine.

And another case last year, surgeons used AR tech to

to accurately project images of the inner workings of a human body, but for whatever reason, due to a design defect in the AR technology, the surgeon receives incorrect information that has material implications for the surgery, who would be responsible? And what if because of that error and information delivered to the surgeon, the operation goes really wrong? Would that be an instance of medical malpractice or will the responsibility lie with the company that produced the AR or VR technology?

Again, we're in very nascent phases of seeing the emergence of these new kinds of metaverse-related technologies and their use cases where they can benefit us. I think with time, we'll have emerging use cases where we're going to have to think very concretely and very carefully about how we, not only leverage the potential of these technologies to do good, but also ensure that we're proactively thinking through and mitigating against potential risks and liabilities that will necessarily come with the new opportunities that these technologies present to us.

Trevor Smith:

Great, thank you very much. I can always picture myself a bit as a patient, one of the other ways to identify as a consumer.

Ben, any other industries, retail or others, that you have

types of things create both cyber and reputational risk and harm if the data isn't managed responsibly.

So, I think we've touched on several different forms of risk across a few different industries now. And to some extent, these risks can be indemnified. And you'll start to see vehicles to accomplish this in both B2B, B2C, even C2C formats.

And I think like Jaymin mentioned, we're really just the [seeing] tip of the iceberg for this. Obviously, there's going to be a lot of dynamic change in volatility in the space as we define the way that things will work in the metaverse.

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