



Mactavish
Expert insurance buyers

Building corporate resilience.

Market research: Measuring the risk impact of the Ukraine/Russia Crisis

The research looks at evaluating the impact of the Ukraine/ Russia crisis and wider ramifications, on UK businesses' risk profiles and expectations from the insurance market to mitigate the risk exposure.

90% of companies surveyed expect the crisis to impact their business resilience. It is undeniable that the Ukraine/ Russia crisis, the rising inflation and shifting Western sentiment towards China will combine with the impacts of Covid and Brexit to culminate in unprecedented operational risks and severe disruptions.

Whilst over **90%** of companies across all sectors of activity have seen their business resilience being affected by the ramifications of the Ukraine/ Russia crisis, here are the largest disruptions observed:

Operational Changes and Adjustments to supply chain

77% of UK companies have had to make changes to their supply chain as a result of the Ukraine/ Russia crisis; the main causes of disruption have been:

- **51%** of companies surveyed were impacted by sanctions imposed on Russia
- **49%** saw increased operational costs
- **49%** suffered disruption in production lines
- **44%** saw supplier ceased or disruption of activities
- **42%** experienced disruptions with workforce

Financial and operational losses

58% of UK businesses have suffered a direct loss as a consequence of the Ukraine/ Russia crisis. **87%** expect the main impact of the crisis on their business resilience to be:

- **26%** financial losses due to increased cost of supply (commodities, energy, materials, machinery...)
- **21%** financial losses due to increased operational costs
- **24%** business interruption losses
- **19%** loss of customers and business

Negative impact on insurance programmes

91% of UK companies expect consequent changes on their insurance programme:

- **41%** have seen a rise in premium costs in the majority of lines
- **38%** have seen reduced capacity and choice of insurance policies
- **30%** have seen less support and accountability from the insurance market

Key market highlights emerging as a consequence of the risks and operational shifts arising from the crisis



90 % of companies expect the crisis to impact their business resilience



58% of companies have suffered a material insurance claim in the last 12 months



35% of businesses report either notifying or considering an insurance claim arising as a consequence of the Ukraine/ Russia crisis



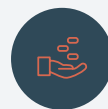
40% feel more exposed to risk in the context of the crisis



70% of companies have reinforced their business continuity plan in response to the crisis



Only **20%** of businesses feel confident that they have disclosed all new emerging risks properly to comply with fair presentation obligations



Only **20%** of businesses feel confident that their insurance will cover their business or pay out in the event of a loss, given the risks and operational shifts arising from the crisis

Research conducted in May 2022 with 202 UK-based companies with over £5m turnover, across all industries.