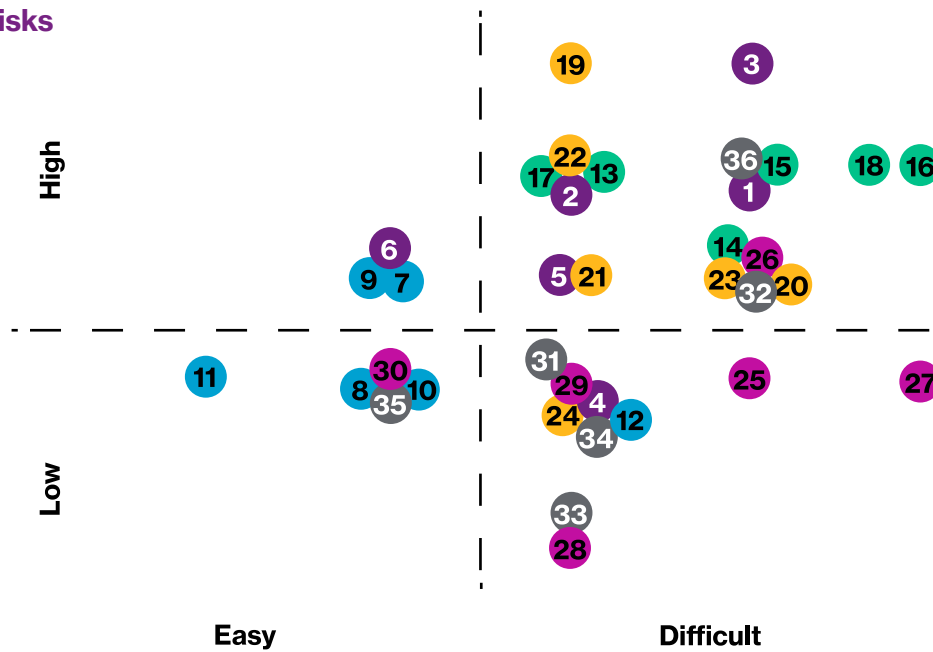


Managed Care Risks
Overall Risk Impact



Regulatory Complexity & Enforcement

- 1 Investigations, oversight & prosecution related to regulatory compliance
- 2 Qui Tam litigation by whistleblowers
- 3 Anti-trust investigations
- 4 Pseudo criminal investigations of executives & managers
- 5 OCR/HIPAA privacy breach investigations
- 6 TPCA and consumer claims

Benefit Claims

- 7 Out of Network / UCR claims/ Surprise billing
- 8 Narrow Network inclusion/exclusion/ credentialing claims
- 9 Vicarious/derivative liability for medical & other negligence claims
- 10 Provider tiering and Rx formulary claims
- 11 Medical necessity/level of care/ experimental therapy
- 12 ACA exchange compliance claims

Financial Risk

- 13 Government program capitation/ reimbursement (CMS)/star rating
- 14 Medical Loss Ratio application and MRA claims
- 15 Consolidation/M&A and competition from hybrid MCOs
- 16 US economy impacting revenues/ expenses/interest rates and investment return
- 17 Cost of new infrastructure, labor, technology
- 18 Health Care Policy uncertainty

Cyber Risk

- 19 Federal/state/foreign privacy breach claims
- 20 Ransomware and social engineering claims
- 21 Business Interruption loss
- 22 Criminal hacking and employee/ vendor theft
- 23 Loss of data/use
- 24 Data collection and use

Non-Industry Specific Risks

- 25 Social Justice, Inclusion and Diversity
- 26 Misc Property Claims tied to pandemic, climate/weather/environment business interruption
- 27 Reputational loss
- 28 Construction claims
- 29 Workers Compensation/Health Plan costs
- 30 Wage and Hour, Pension Claims

Innovative Business Models

- 31 Impact of ACOs, joint ventures and other hybrid entities
- 32 Diversification beyond core competencies
- 33 Value/Risk based contracting
- 34 JV and MSO/Admin claims
- 35 Miscellaneous services provided to third parties
- 36 Risk associated with consolidation

About Willis Towers Watson

Willis Towers Watson (NASDAQ: WLTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 45,000 employees serving more than 140 countries and markets. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas – the dynamic formula that drives business performance. Together, we unlock potential. Learn more at willistowerswatson.com.

