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Risk Atlas

Axis Technology Risk Atlas

July 2026 Edition

Recommended Risk Improvements, Industry Trends, and Emerging Technology Insights.

This month, we examine how contracts shape technology risk before signature, after execution, and as products and services evolve. July's edition explores confidentiality, counterparty insurance, trade-secret exposure, and the gaps that can emerge when obligations extend beyond the insurance intended to support them.

Monthly Spotlight: The Axis Technology Risk Compass helps organizations identify organizational gaps and improve business resiliency.

Subscribe for Monthly Tech Risk Highlights

Monthly Summary

July’s risk theme is contracts under pressure. Agreements define what each party must deliver, how information may be used, who responds when a service fails, and what happens when technology or counterparties change. Yet the business, service, and insurance program continue to evolve after signature. Without ongoing review, the obligations accepted at the outset can drift away from operational reality and available protection.

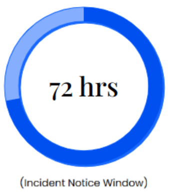
If you are negotiating an enterprise agreement, onboarding a critical vendor, hiring from a competitor, or adding AI to an existing service, now is the time to test whether the contract still reflects how the business operates. Axis can review the agreement through a risk and insurance lens and return it with practical feedback on provisions that may require clarification, negotiation, or discussion with legal counsel.

Contents

Industry Trends

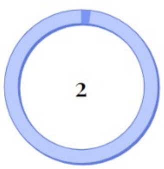
What's shaping the technology risk landscape.

AI Safeguards Are Becoming Contract Clauses



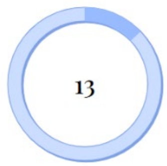
In June, the U.S. General Services Administration proposed a clause governing large language models that process government data, covering ownership, training restrictions, system changes, and incident reporting. Technology suppliers should ensure upstream AI agreements support their customer commitments.

Cloud Lock-In Is Under Fresh Regulatory Scrutiny



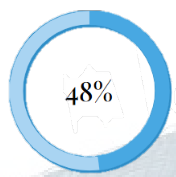
In June, the European Commission cited high switching costs and lock-in when preliminarily identifying AWS and Microsoft Azure for gatekeeper designation. A July roundtable reinforced why cloud agreements need workable portability, migration, continuity, data-return, deletion, and exit rights.

Cyber Controls Are Becoming Conditions of Contract Award



Beginning in summer 2026, select Canadian defence contracts may require CPCSC Level 1 certification at award, including an annual assessment of 13 cybersecurity requirements. For technology suppliers pursuing defence work, cyber readiness is becoming a condition of eligibility.

Third-Party Involvement Reaches Nearly Half of Breaches



Verizon's 2026 DBIR found third parties involved in 48% of breaches, up 60% year over year. Vendor contracts should address access controls, incident notification, investigation, recovery, subcontractor accountability, and insurance because broad indemnities alone do not create an effective response.

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Featured Resource

Practical tools you can implement immediately.

Contract Review Consultation

Pressure-Test the Agreement Before Accepting the Risk

A contract can change a company's risk profile before work begins. Our contract review consultation helps identify where commercial obligations may exceed operational controls or available insurance.

Send us the draft or existing customer, vendor, or partner agreement. We review key provisions, including indemnities, liability caps, insurance requirements, confidentiality and data duties, intellectual property, warranties, service levels, and termination. We then return the document with review comments and practical feedback, highlighting items to clarify, negotiate, or refer to legal counsel.

Use it before signature, renewal, a material service change, or the addition of AI. The review is risk and insurance focused and is not a substitute for legal advice.

Click here to request a contract review consultation.

Monthly Spotlight:

Client success and risk maturity in action.

Contracts often expose weaknesses elsewhere in the business. An indemnity is only as useful as the counterparty and insurance behind it. A service-level promise depends on continuity plans, vendor resilience, and incident response. An IP warranty depends on knowing who owns the code, data, models, and content involved. [The Axis Technology Risk Compass]() is designed to help leadership see those connections before renewal, diligence, or a dispute.

Our complimentary, proprietary assessment reviews control maturity across eight domains: cybersecurity, business continuity, vendor management, contractual risk transfer, privacy, intellectual property, human elements, and emerging operational risks. Together, these areas show whether commitments made to customers, partners, employees, and insurers are supported by how the business actually operates.

Most organizations complete the assessment in approximately 30 minutes. Upon completion, they receive an instant Compass Score and a board-ready Compass Report with category results, question-level ratings, and an explanation of why each issue matters from a risk and underwriting perspective. A practical Compass Roadmap then connects identified gaps with resources, tools, and best practices that can support improvement.

The contract-related value is in the connections. A broad customer indemnity may point to an insurance alignment issue. An incomplete vendor process may reveal that counterparty requirements are not being verified. A new AI workflow may create confidentiality, privacy, IP, or human oversight questions that were not contemplated when an agreement was signed. The Compass brings these issues into one structured review instead of treating them as separate checklists.

If an organization later requests insurance quotations, assessment responses can pre-populate the insurance application, reducing duplicate work. An Axis senior advisor can then review the results with the team, validate context, confirm priorities, and help align the improvement roadmap with the company's operations and growth plans.

Use the Axis Technology Risk Compass before renewal, a major customer agreement, a new vendor relationship, a material product change, or a board risk discussion. It provides a clearer picture of where controls are strong, where commitments may be ahead of capability, and what should be addressed next.

[Click here to access the Axis Technology Risk Compass.]()

Industry Insights

Deep dives into high-impact risk topics.

Click Any Insight to Download the Full Article

The Importance of Contract Review

Test the Promise Before Signing

An IP indemnity determines when defence is owed, who controls it, which costs apply, and whether caps or exclusions limit the obligation. Compare those promises with actual resources and policy wording before signature.

Developing and Enforcing Counterparty Insurance Requirements

Turn Risk Transfer Into a Process

An indemnity assigns responsibility but does not prove a counterparty can fund a loss. Set attainable requirements, verify certificates and endorsements, track expiry, and define consequences when coverage is missing.

When AI Meets NDAs

The Hidden Contractual Risk

Putting confidential information into an AI tool may conflict with an existing NDA. Approved tools, employee rules, updated agreements, and insurance review help keep new workflows aligned with existing promises.

When Talent Moves

Trade Secret Risk Can Follow

Talent moves, but contractual obligations often remain. A candidate may arrive with continuing duties while the hiring company has existing promises to customers, partners, and insurers. Compare both sets before assigning work, access, or information.

When AI Is Added After Signature

Make Change Control Match the Change

A SaaS provider may add AI, replace models, expand subprocessors, or change data use after signature. Require notice, consent or exit rights, training restrictions, data ownership, testing, and contract review.

When the Contract Outruns the Coverage

Compare Every Promise With the Policy

Commercially valid promises may still fall outside insurance. Compare warranties, indemnities, liability carveouts, defence duties, and supplier commitments with actual policy wording before signing, then narrow, insure, control, or retain the exposure.

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Closing Thoughts

Contracts do more than allocate legal responsibility. They translate business decisions into performance, confidentiality, data, indemnity, and insurance obligations that may continue long after signature. The risk grows when the service changes, a new vendor or employee enters the picture, AI is added, or the policy does not respond as the agreement assumes.

Before signing, renewing, or materially changing an agreement, test whether the promises can be delivered, whether information and AI use are clearly governed, whether counterparties can support their obligations, and whether liability provisions align with available insurance. If any answer is uncertain, the strongest time to address the gap is while there is still negotiating leverage.

Axis can review the agreement through a risk and insurance lens and return practical comments for negotiation or discussion with legal counsel.

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> **"Organizations need to rethink contracting as an operating model, not a document flow."**
>
> – Tim Cummins, President, World Commerce & Contracting

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