

2017 Construction Industry Report Highlights

Today's Construction companies are facing complex and interconnected risks.

We live in an era of unprecedented volatility. Trends on three major dimensions – economics, demographics, and geopolitics – combined with the exponential pace of technology change, are converging to create a challenging new reality for organisations. These forces create opportunities that we cannot even imagine, but also present new frontiers to be explored.

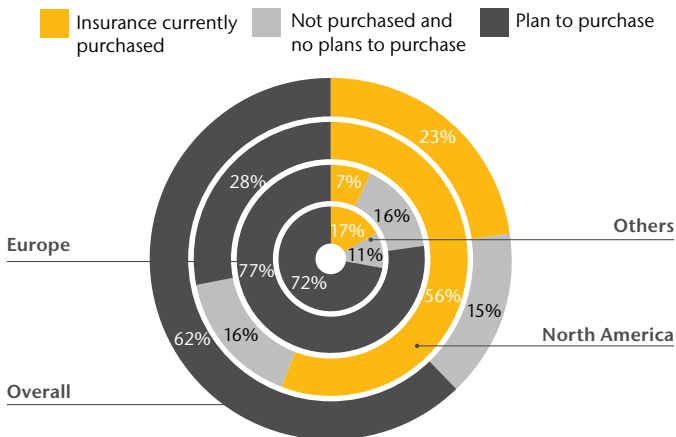
Top Ten Risks



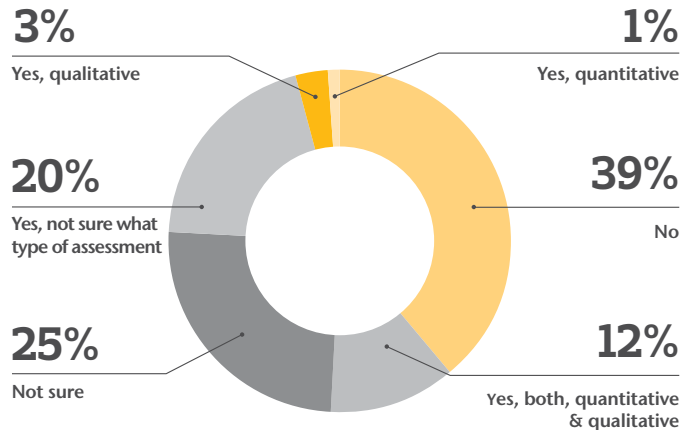
Top Five Emerging Risks in 2020



Cyber Purchasing Patterns















Cyber Risk – Completed Assessment



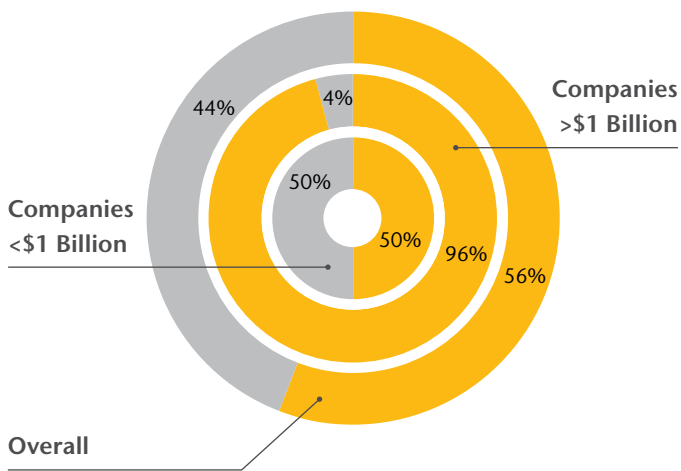
To keep pace with the pervasive and fast evolving cyber threats that go hand in hand with the dizzying speed of technological innovation, much more progress is needed in the area of cyber risk control and mitigation.

Risk Departments Cultivate a Comprehensive Process to Identify and Assess Current and Emerging Risks

Identification of Major Risks	Assessment of Major Risks
 58% Board and/or management discussion of risk during annual planning, risk assessment or other processes	 54% Senior management judgment and experience
 51% Senior management judgment and experience	 51% Board and/or management discussion of risk during annual planning, risk assessment or other processes
 33% Risk information from other function-led processes (e.g. internal audit, disclosure, compliance, etc.)	 28% Consult with external service provider/advisor
 29% Industry analysis, external reports	 22% Structured enterprise-wide risk assessment process supported by a standard toolkit and methodology
 26% Structured enterprise-wide risk identification process judgement and experience	 19% Risk modeling/risk quantification analysis
 20% No formalised process	 18% No formalised process

Presence of a Formal Risk Management Department

■ Yes
 ■ No

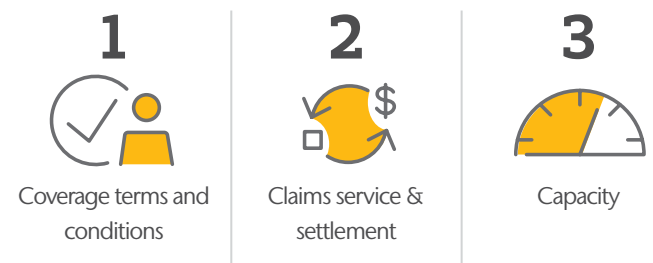


Data Source: Aon's 2017 Global Risk Management Survey

What top 3 methods do you utilise to evaluate the effectiveness of your risk management program?



What are the 3 most important drivers in your choice of insurers?



Contact:

Alister Burley

Construction Practice Leader
 t: 61 3 9211 3138
 e: alister.burley@aon.com

