

Construction industry

Contractors' risk and insurance solutions



As the construction industry continues to grapple with change and global and regional challenges, emerging risks may pose the greatest threat to your company's strategic priorities. How well prepared and resilient is your business?

Key risks facing the industry



Economic

- Severe commodity shocks; long supply chain disruptions/delays.
- Collapse of systematically important industries amid economic recovery.
- Failure to stabilise price trajectories; surge in inflation and debt crisis.

Environmental

- Natural and human-made catastrophes; extreme weather events.
- Climate change, sustainability, carbon footprint disclosure requirements.
- ESG, green financing, deconstruction, and green recovery.

Geopolitical

- Geo-economic confrontation; government policy and regulations.
- Regional and global geopolitical instability.
- Political violence and unrest; terrorist attacks.

Societal

- Erosion of social cohesion; social unrest, livelihood crisis, mental health issues.
- Infectious diseases leading to economic disruption.
- Reputational risk arising from poor risk management.

Technological

- Emerging technological risks (e.g. modern construction methods) and adverse outcomes.
- Vulnerabilities to cyberattacks, and data fraud/theft.
- Pace of digital transformation; lack of protocols and/or standards.

Faced with multiple risks, how can construction companies prioritise risk areas to address and take action to improve resilience?

Risks are unique to each organization and need to be quantified accurately. It is vital to partner with an experienced risk advisor and insurance broker with deep construction industry expertise and robust data and analytics capabilities that can identify, design and implement optimized cost-effective risk management and transfer solutions.

How Marsh can help

Core construction solutions

- Construction All Risks / Erection All Risks
- Third Party Liability / Products Liability
- Professional Indemnity
- Construction Plant and Equipment
- Marine Cargo
- Workers Compensation / Employers Liability
- Surety / Performance Bonds
- Contractors Pollution Liability



Other specialty solutions

- Sabotage & Terrorism / Political Violence
- Strikes, Riots, Civil Commotion / Sabotage
- Political Risks
- Cyber
- Parametric
- Liquidated damages solutions
- Employee Benefits (Group Life / Medical)
- Directors & Officers Liability

Insurance consulting

- Contractual review / analysis
- Program cost indications and benchmarking
- Project Risk identification and analysis
- Insurance market analysis
- Insurance program design
- Project owner / Stakeholder engagement

Program management

- Insurance and claim procedures manual
- Insurance program presentations
- Negotiation of endorsements / extensions
- Monitor security of insurers / reinsurers
- Insurance market update and advice



Insurance - broking and placement

- Underwriting information preparation
- Policy wording preparation
- Program marketing (local, regional, international)
- Placement advice and recommendations
- Policy documentation issuance

Claims management and administration

- Establish claims reporting and management procedures
- Digital platforms
- Loss adjuster appointment
- Claims data analysis
- Claims management and administration
- Delay, disruption and quantum claims

Advisory services and solutions



Analytics and risk engineering

- Natural catastrophe modelling / analysis
- Risk Finance Optimisation (RFO) studies
- Limit validation / Maximum loss studies
- Insurability / Best practice benchmarking
- Fire and evacuation modelling



Claims solutions and advocacy

- Data recording advisory and project monitoring
- Project governance
- Preparing / Pursuing extension of time claims (EOTs)
- Complex claims management / advocacy
- Forensic accounting/ quantum (quantifications)
- Uninsured losses / Dispute resolution
- Expert witness and dispute resolution services



Strategic risk consulting

- Safety management audits
- Crisis/incident management response, exercises, reviews
- Site security audits / Standard Operating
- Procedures reviews
- Business continuity management
- Enterprise risk management
- Threat Vulnerability Risk Analysis (TVRA)



Climate and sustainability

- ESG Performance Risk Rating tool
- TCFD review, training workshops, reporting
- ESG consulting



Cyber solutions

- Cyber risk quantification
- Cybersecurity strategy development
- Third party cyber assessment
- Resilience optimisation

Marsh Specialty Construction team

For over 30 years, the Marsh Construction team has delivered unrivalled service and innovative solutions for our clients in 14 markets across Asia. We operate as part of a Global construction specialists with over 1,200 dedicated construction specialists, ensuring the depth of experience and capability within the Marsh organisation is available to any client irrespective of location.

Our project experience includes all sectors of the construction industry across Asia:

25% 

broker to 25% of Asia's top 100 construction contractors

14 

active markets across Asia

80+ 

construction specialists across the region

60+ 

rail / metro projects including more than 500km of tunnelling works

LEADING BROKER 

in the aviation sector

>62 GW 

brokers to more than 62GW power generation capacity

Our approach is based upon the following core principles:



Specialty-focused service delivery led by our dedicated Construction practice.



A consistent, methodical and pragmatic approach that anticipates key stakeholder needs in the project lifecycle.



Leading innovation through alternative insurance and advisory solutions that cover emerging risk exposures.

Thought leadership and knowledge sharing

Marsh Specialty Construction Academy

We organise an annual construction insurance training seminar, the Construction Academy. The seminar provides training conducted by core management and specialist guest lecturers to help companies better understand construction insurance and risk management issues.



Building knowledge

By collaborating with industry experts, Marsh consistently produces thought leadership and insights into risks and opportunities in the construction industry to help you keep up to date.



In recent years, the economic landscape for contractors has greatly evolved due to ongoing calls for more sustainable practices and processes, imminent stimulus injections, and rapidly accelerating inflation. The construction industry has also faced a thinning workforce which has left companies with a shortage of labor, particularly in the face of increasingly robust competition from other industries.

Against that backdrop, contractors should take steps to improve their communication with insurers and reinsurers, especially with the post-COVID landscape and prevailing issues like climate change slated to introduce new complications for coverage and claims in the near future. Organizations that proactively and creatively confront challenges as well as evolve their business model to capitalize on emerging opportunities will be best placed to succeed in the long run.

We are pleased to share the 2022 Marsh McLennan Contractors' Handbook with you, featuring perspectives from business leaders across Marsh McLennan as well as strategic partners with expertise in the construction industry. This handbook explores the most notable trends set to transform the contractor landscape including sustainability, adoption of new technologies, workforce challenges and the value of inclusion & diversity initiatives in the construction industry.

Please contact me or any of the specialists featured herein if you have any questions.

For more information please reach out to your local Marsh representation or contact us at <https://www.marsh.com/sg/contact-us.html>



<https://www.marsh.com/sg/industries/construction.html>



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