

With the construction industry becoming more complex and more globalised...



...Joe Trotti, head of Property & Special Risks, AIG Europe Limited, discusses some of the current issues and the implications for insurance.

As we saw in our earlier paper, [Construction Goes Global](#), there are now a proliferation of multinational construction and infrastructure projects that aren't bound by borders. Changes in how projects are planned, designed and constructed are leading to increased opportunities for global construction firms— but those increased opportunities also bring increased risk.

For companies looking to provide a lead in what is an increasingly global industry, it's imperative that they put in place world-class risk management strategies to deal with that risk. As part of that process, insurers are very much playing the role of enabler, helping clients to de-risk, as well as providing solutions that allow those global infrastructure projects to move forward.

Client needs

More complexity in international construction brings with it a need for a client-centric approach to risk management and mitigation. AIG has responded to this by organising to deliver

industry-based solutions, on a client-focused basis – and the Construction industry is a key component of that approach.

Our industry- focused groups can access a range of capabilities – from risk engineering, to analytics and claims insights – to create a solution that fits the needs of the client in that sector, across the whole lifecycle of a project, and responds to their specific risk requirements.

Outlook

We see the outlook for global construction as being uneven – growth in some areas, weakness in others. The construction pipeline is also strongly influenced by commodity prices. There's likely to be something of a natural tailing off in some markets, due to recent overbuild in the commercial property sector, while natural resource projects continue to evolve. Also infrastructure, including transportation, is likely to be a common area of growth for many economies.

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