



## Construction has gone global and become increasingly complex.



*Tom Grandmaison, EVP and Construction Casualty Leader at AIG, discusses some of the current industry issues and implications for insurance.*

Today's construction and infrastructure projects are not bound by borders. The planning, construction, and operation of large-scale projects looks completely different than it did a decade ago. There are increased opportunities for global construction firms, but also increased risk.

### Client Needs

For companies competing globally, world-class risk management strategies are critical. So is the role of insurer as 'enabler,' helping clients to de-risk while providing multipronged solutions that help propel projects forward and, ultimately, usher them safely and seamlessly into the operational phase.

Construction companies today value product breadth and geographic reach in an insurer. It's no longer just about builder's risk, wrap-ups, and surety. They need everything from increased property limits in the event an act of terrorism occurs to tailored professional liability and environmental insurance to cyber, trade credit, and kidnap and ransom protection around the globe.

More complex exposures require more sophisticated risk management and mitigation strategies. This means harnessing emerging technologies to transform worker and project safety, as well as using data to better understand and address loss drivers. Many forces should be leveraged alongside insurance to reduce the cost of risk.

### Outlook

Many industry experts, including, but not limited to the American Institute of Architects and FMI, predict seven to eight percent growth in U.S. construction spending in 2017, with growth perhaps slowing in 2018. The continued need for improvement and expansion remains on an outdated infrastructure system. And, with an aging nuclear fleet in the U.S., the need for extensive de-commissioning is emerging.

To meet the evolving needs of this industry, AIG has concentrated deep underwriting, engineering, and claims expertise in our Construction Industry Practice Group, which offers more than 20 lines of insurance, as well as fronting and captive solutions, worldwide. Our clients tap state-of-the-art engineering, technology, analytics, and modeling, which translate to everything from wearable technology that makes jobsites safer to vulnerability benchmarking to virtual reality systems that illuminate project dangers. This integrated, holistic approach drives down the cost of risk.



**Read more:**

[Construction Goes Global: Infrastructure and Project Delivery Across Borders](#)

***Going beyond insurance, AIG is building effective and sustainable solutions for this industry on the move – here, there, and everywhere.***

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