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# 8 Risk Areas Construction Companies Should Address

#### HIGH IMPACT

## **CLIMATE VOLATILITY** •

Over the last 39 years, extreme weather events have cost \$1.6 trillion in losses. Resilient construction aims to build stronger and adaptable infrastructure to address future climate risks.

### AI AND BIM •

The use of AI and Building Information Modeling (BIM) can reduce construction building costs as well as increase worker safety and decrease lost production time. These changes require reskilling the workforce and updating cyber hygiene practices.

### **MODULAR/PREFABRICATED CONSTRUCTION •**

Buildings are being built in an assembly-line manner, piece by piece, through modular and prefabricated construction. Research suggests this approach



LOW REQUENCY

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will continue to grow by nearly 6% between 2020 and 2025, but this new type of construction will require risk management review to keep up with labor, laws, total insured property values, and quality standards.

#### **3D PRINTING •**

Construction 3D printing has enabled the

manufacturing of construction elements or entire buildings using metal, polymer, concrete and other materials. This method can increase job speed and decrease labor costs. However, it requires close

manufacturing partnerships and can carry risks of employee injuries without proper training and PPE, as well as equipment breakdown and construction defects.



#### **SUPPLY CHAIN DISRUPTION •**

HIGH FREQUENCY

Continued supply chain disruption and rising inflation are causing construction project delays and cancellations. Some markets have even reported construction inflation for 2022 of 10% or more, with no correction or fall in costs expected soon.

#### **OPIOID MISUSE •**

In the construction industry, about 1.3% of construction workers have an opioid use disorder, which is almost twice the national average according to a report from the National Safety Council. Substance misuse can create safety risks on a jobsite and affect worker health over time.

# LABOR SHORTAGE •

By 2026, an estimated 747,000 construction job positions will be

needed. The ongoing construction labor shortage carries risks for companies, including project delavs, employee injuries, and construction defects. Enrollment in trade schools that feed the construction talent pipeline have spiked recently.



WATER INTRUSION •

Water damage is a leading cause of loss incurred at construction sites. Construction defect claims, mold and project delays are just some of the risks that arise, and these can cost hundreds of thousands of dollars to correct.

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