

2021 Global Risk Management Survey

Primary Industry: Transportation & Logistics



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Introduction

Aon's 2021 Global Risk Management Survey is designed to offer organizations the insight necessary to enable better management of risk related volatility and compete in an increasingly complex business environment.

Conducted biennially, the survey gathered input from 2,344 respondents, covering 60 countries/territories and 16 key industry clusters, at public and private companies of all sizes.

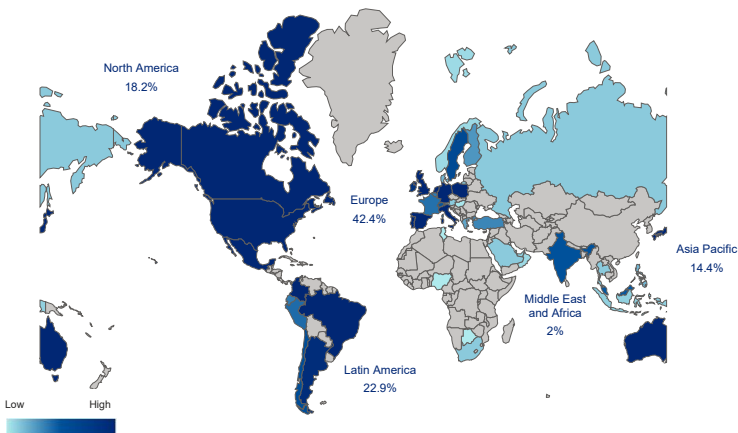
The 2021 findings from the survey, which was conducted in 11 languages, underscore that companies are grappling with new risks and highlights the differences of opinion on how to best prioritize and respond to them.

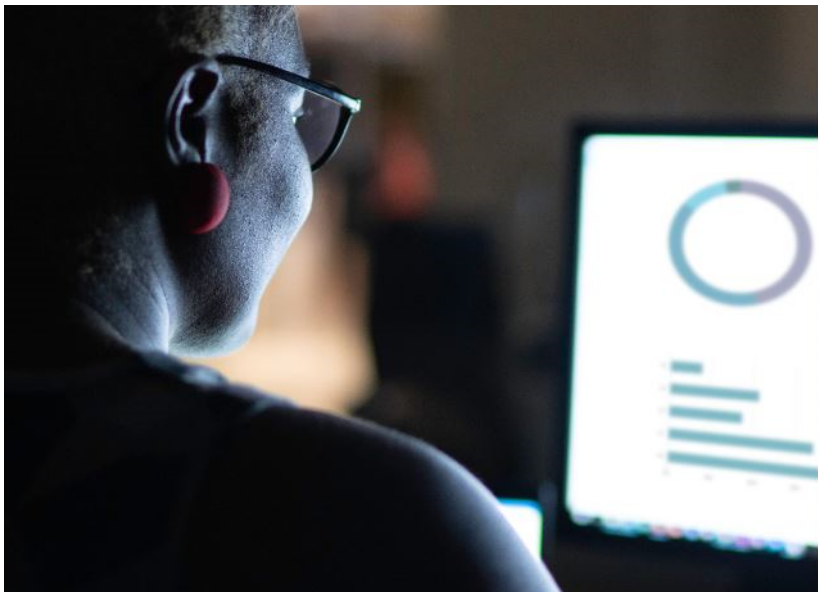
This report shows answers from survey respondents in this industry benchmarked against the overall respondent base.

We hope you find this report useful and encourage you to contact your Aon representative if you have any questions regarding its content.

Participant Locations

For the full list of countries/territories and additional participant demographics please refer to the appendix.





Risk Issues

This section looks at the **current top ten most critical risks** and the **top five most critical future risks** selected, as well as the top ten risks that **incurred losses** in the **12 months prior to this survey's** launch. It also contains an overview of mitigation actions chosen for the respective top ten risks.

All results are displayed as **overall** and **industry** selections.

[Click here](#) for more information.

Top Ten Risks

For the full list of all 60 risks please refer to the appendix.

Global

#	Global top ten risks
1	Cyber Attacks/Data Breach
2	Business Interruption
3	Economic Slowdown/Slow Recovery
4	Commodity Price Risk/Scarcity of materials
5	Damage to Reputation/Brand
6	Regulatory/Legislative Changes
7	Pandemic Risk/Health Crises
7	Supply Chain or Distribution Failure
9	Increasing Competition
10	Failure to Innovate/Meet Customer Needs

Industry

#	Your industry's top ten risks
1	Economic Slowdown/Slow Recovery
2	Cyber Attacks/Data Breach
3	Business Interruption
4	Pandemic Risk/Health Crises
5	Political Risk
6	Regulatory/Legislative Changes
7	Supply Chain or Distribution Failure
8	Damage to Reputation/Brand
9	Accelerated Rates of Change in Market Factors
10	Property Damage

Future Risks

Global

#	Global top five risks
1	Cyber Attacks/Data Breach
2	Economic Slowdown/Slow Recovery
3	Commodity Price Risk/Scarcity of materials
4	Business Interruption
5	Accelerated Rates of Change in Market Factors

Industry

#	Your industry's top five risks
1	Economic Slowdown/Slow Recovery
2	Cyber Attacks/Data Breach
3	Pandemic Risk/Health Crises
4	Business Interruption
5	Political Risk

Top Risks Incurring Loss

Global

#	Global top ten risks	%
1	Cyber Attacks/Data Breach	18.2 %
2	Business Interruption	41.0 %
3	Economic Slowdown/Slow Recovery	57.0 %
4	Commodity Price Risk/Scarcity of materials	49.5 %
5	Damage to Reputation/Brand	7.6 %
6	Regulatory/Legislative Changes	20.9 %
7	Pandemic Risk/Health Crises	78.5 %
7	Supply Chain or Distribution Failure	34.9 %
9	Increasing Competition	31.9 %
10	Failure to Innovate/Meet Customer Needs	15.7 %

Industry

#	Your industry's top ten risks	%
1	Economic Slowdown/Slow Recovery	60.3 %
2	Cyber Attacks/Data Breach	13.8 %
3	Business Interruption	42.9 %
4	Pandemic Risk/Health Crises	89.5 %
5	Political Risk	26.7 %
6	Regulatory/Legislative Changes	5.7 %
7	Supply Chain or Distribution Failure	28.6 %
8	Damage to Reputation/Brand	7.1 %
9	Accelerated Rates of Change in Market Factors	12.0 %
10	Property Damage	50.0 %

Mitigation Action for Risks

Plan or formal review for global risks

#	Risks	%
1	Cyber Attacks/Data Breach	86.8 %
2	Business Interruption	74.2 %
3	Economic Slowdown/Slow Recovery	37.0 %
4	Commodity Price Risk/Scarcity of materials	57.7 %
5	Damage to Reputation/Brand	47.4 %
6	Regulatory/Legislative Changes	51.1 %
7	Pandemic Risk/Health Crises	69.9 %
7	Supply Chain or Distribution Failure	63.3 %
9	Increasing Competition	41.7 %
10	Failure to Innovate/Meet Customer Needs	55.6 %

Mitigation actions for global risks

Risks	Assessed risk	Developed continuity plan	Developed risk management plan	Evaluated risk finance /transfer solutions	Other	Quantified Risk
Cyber Attacks/Data Breach	22.8 %	20.9 %	23.6 %	15.5 %	1.2 %	16.0 %
Business Interruption	22.5 %	21.6 %	22.1 %	15.1 %	0.8 %	17.8 %
Economic Slowdown/Slow Recovery	26.9 %	16.9 %	22.3 %	11.6 %	1.2 %	21.1 %
Commodity Price Risk/Scarcity of materials	26.8 %	16.1 %	22.2 %	12.0 %	1.7 %	21.2 %
Damage to Reputation/Brand	29.1 %	18.5 %	25.7 %	8.7 %	1.5 %	16.4 %
Regulatory/Legislative Changes	29.4 %	14.9 %	25.4 %	8.8 %	3.2 %	18.4 %
Pandemic Risk/Health Crises	24.1 %	23.2 %	25.0 %	9.6 %	1.1 %	17.1 %
Supply Chain or Distribution Failure	25.2 %	21.0 %	22.7 %	12.1 %	0.7 %	18.3 %
Increasing Competition	28.8 %	18.7 %	22.6 %	8.0 %	2.4 %	19.5 %
Failure to Innovate/Meet Customer Needs	32.0 %	14.2 %	25.4 %	8.2 %	2.9 %	17.4 %

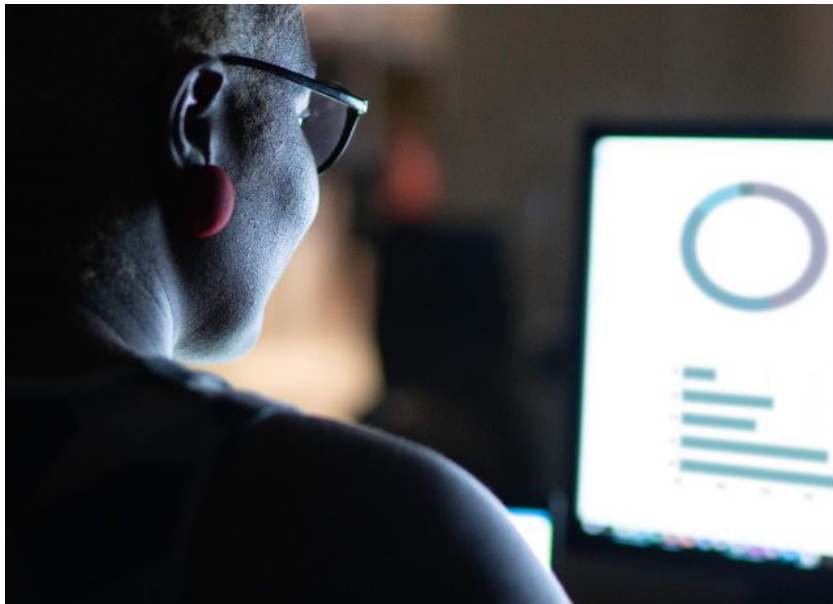
Mitigation Action for Risks

Plan or formal review for risks in your industry

#	Your industry's top 10 risks	%
1	Economic Slowdown/Slow Recovery	34.9 %
2	Cyber Attacks/Data Breach	85.1 %
3	Business Interruption	75.5 %
4	Pandemic Risk/Health Crises	63.8 %
5	Political Risk	20.0 %
6	Regulatory/Legislative Changes	45.2 %
7	Supply Chain or Distribution Failure	40.0 %
8	Damage to Reputation/Brand	47.2 %
9	Accelerated Rates of Change in Market Factors	18.2 %
10	Property Damage	81.6 %

Mitigation actions for risks in your industry

Risks	Assessed risk	Developed continuity plan	Developed risk management plan	Evaluated risk finance /transfer solutions	Other	Quantified Risk
Economic Slowdown/Slow Recovery	29.1 %	16.4 %	20.0 %	7.3 %	3.6 %	23.6 %
Cyber Attacks/Data Breach	22.8 %	21.8 %	24.4 %	14.7 %	1.0 %	15.2 %
Business Interruption	19.8 %	27.0 %	20.7 %	13.5 %	0.0 %	18.9 %
Pandemic Risk/Health Crises	26.4 %	20.7 %	25.3 %	9.2 %	2.3 %	16.1 %
Political Risk	23.5 %	17.6 %	17.6 %	17.6 %	0.0 %	23.5 %
Regulatory/Legislative Changes	29.5 %	13.6 %	22.7 %	6.8 %	9.1 %	18.2 %
Supply Chain or Distribution Failure	18.8 %	22.9 %	22.9 %	14.6 %	2.1 %	18.8 %
Damage to Reputation/Brand	28.2 %	20.5 %	23.1 %	7.7 %	0.0 %	20.5 %
Accelerated Rates of Change in Market Factors	27.3 %	18.2 %	18.2 %	9.1 %	9.1 %	18.2 %
Property Damage	23.8 %	16.3 %	20.0 %	20.0 %	0.0 %	20.0 %



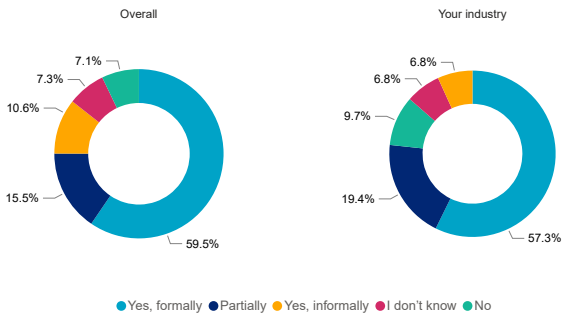
Risk Management Structure

This section looks at risk management departments - **their size, reporting lines and structures** within organizations.

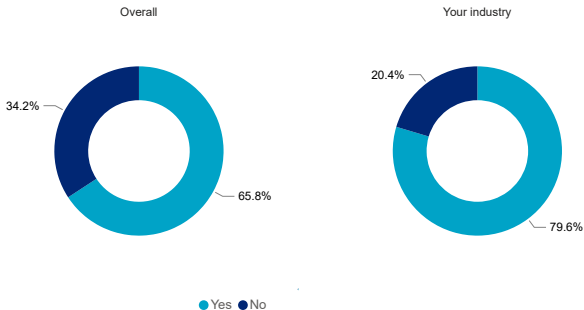
All results are displayed as **overall** and **industry** selections.

[Click here](#) for more information.

Policies on risk oversight and management, as established by a Board of Directors or a Board Committee, are in place



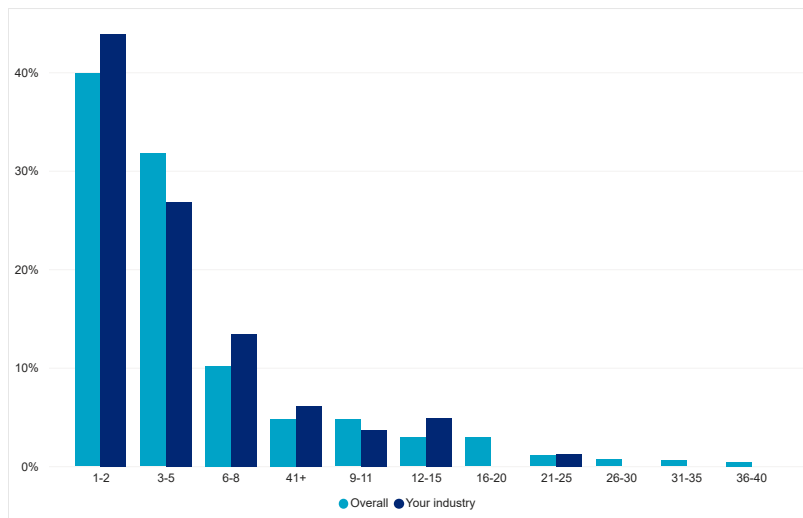
Companies with a formal risk management and insurance department

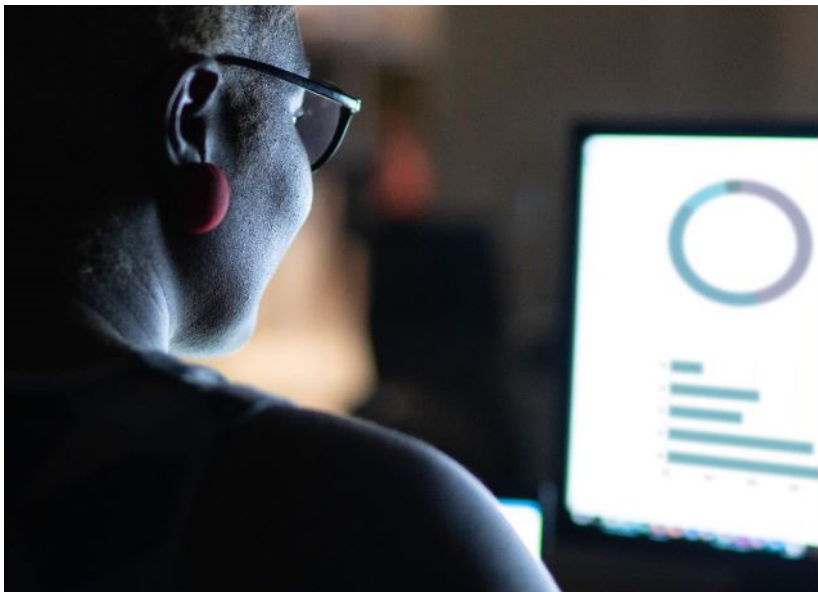


Risk management / insurance reporting lines

Departments/functions	Overall	Your industry
Chief Administrative Officer (CAO)	3.3 %	0.0 %
Chief Executive Officer (CEO)	17.3 %	22.0 %
Chief Financial Officer (CFO)	32.4 %	29.3 %
Chief Risk Officer (CRO)	8.7 %	7.3 %
Company Secretary	1.5 %	2.4 %
Controller	1.4 %	3.7 %
Finance Dept.	3.0 %	0.0 %
Human Resources (HR)	1.4 %	1.2 %
Internal Auditors	1.3 %	3.7 %
Legal Dept. (General Counsel)	8.7 %	9.8 %
Other	9.1 %	11.0 %
President	4.4 %	3.7 %
Safety/Security Team	0.4 %	1.2 %
Treasurer	7.2 %	4.9 %

Number of people in risk management / insurance group





Risk Management and the Involvement in M&A and Divestitures

This section looks at methods of **risk identification**, what methods are used to evaluate the **efficacy of risk management programs** and the role risk management plays during M&A and divestiture processes.

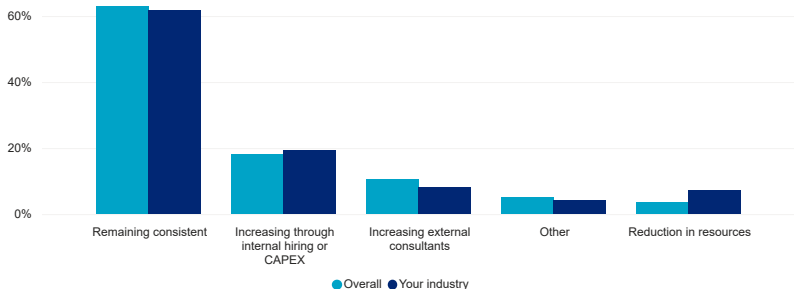
All results are displayed as **overall** and **industry** selections.

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Methods to identify major risks

Methods	Overall	Your industry
Board/Management Risk Assessment	49.7 %	46.5 %
Board/Management Risk Discussion (Annual Planning)	38.6 %	28.7 %
Board/Management Risk Discussion (Other)	34.2 %	25.7 %
External Reports	40.6 %	44.6 %
Industry Analysis	39.1 %	37.6 %
No Formalized Process	10.8 %	10.9 %
Risk Info from Compliance Process	37.7 %	34.7 %
Risk Info from Disclosure Process	13.3 %	11.9 %
Risk Info from Internal Audit Process	52.2 %	46.5 %
Senior Management Judgment & Expertise	57.3 %	49.5 %
Structured Process for Risk Identification (Enterprise-wide)	39.8 %	36.6 %

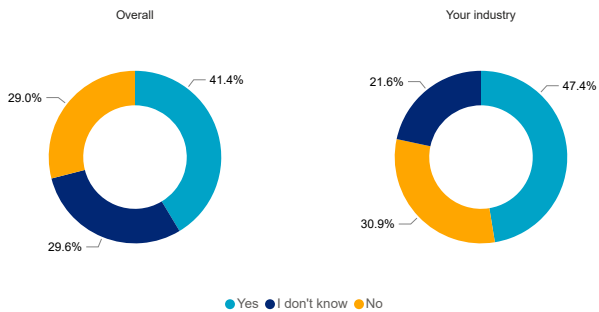
How do you anticipate changing your investment level in risk management resources to support your risk agenda in the next 12 months?



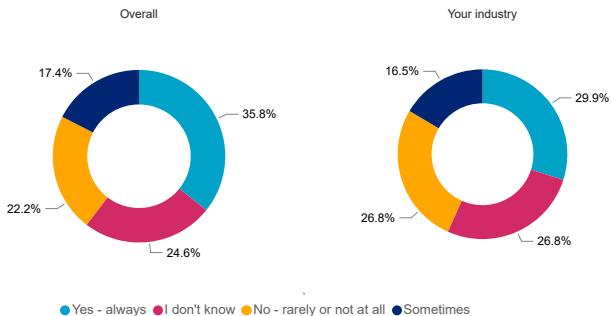
Methods to evaluate efficacy of risk management programs

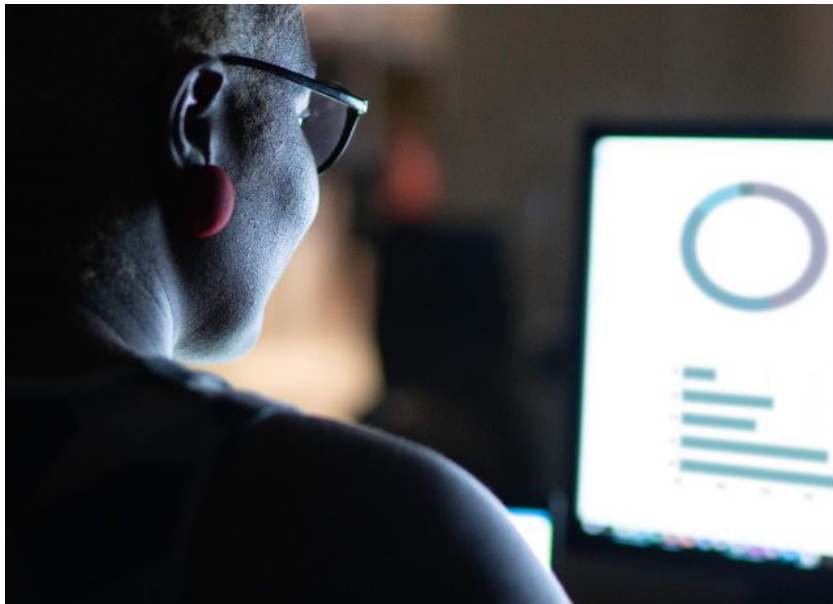
Methods	Overall	Your industry
Compare past risk events to risk management efficacy	43.6 %	51.5 %
Compare safety-and-loss control results (e.g. return-to-work speed)	25.8 %	35.1 %
Does not measure	25.6 %	19.6 %
Evaluate risk management considerations in investment/strategy decision	42.4 %	40.2 %
Identify financial benefits due to company captive (e.g. income generated)	17.7 %	20.6 %
Lower the Total Cost of Risk (TCOR)	19.8 %	33.0 %
Other	4.4 %	2.1 %
Track risk-management involvement within firm	29.2 %	32.0 %

Plan to acquire assets or divest assets within the next 12 months



Proactively assess your most critical and emerging risks through M&A & divestiture processes





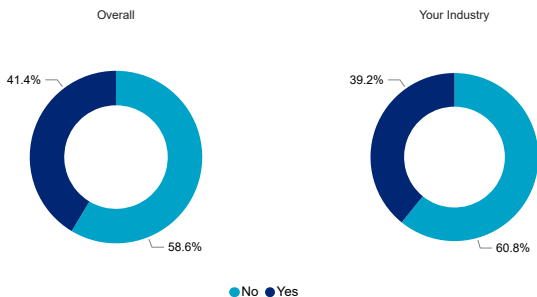
Management of Total Cost of Risk (TCOR)

This section looks at the management of insurable risk within organizations overall, if and how insurable risk is measured and whether the associated costs are increasing or decreasing.

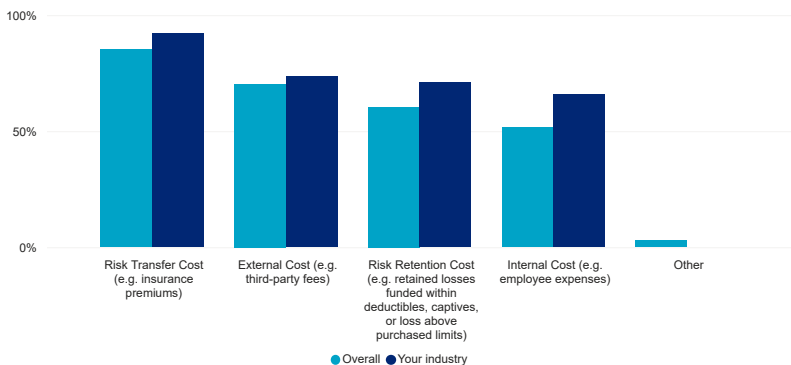
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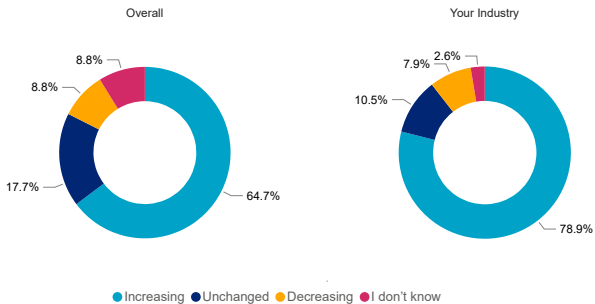
Do companies measure the total cost of insurable risk?

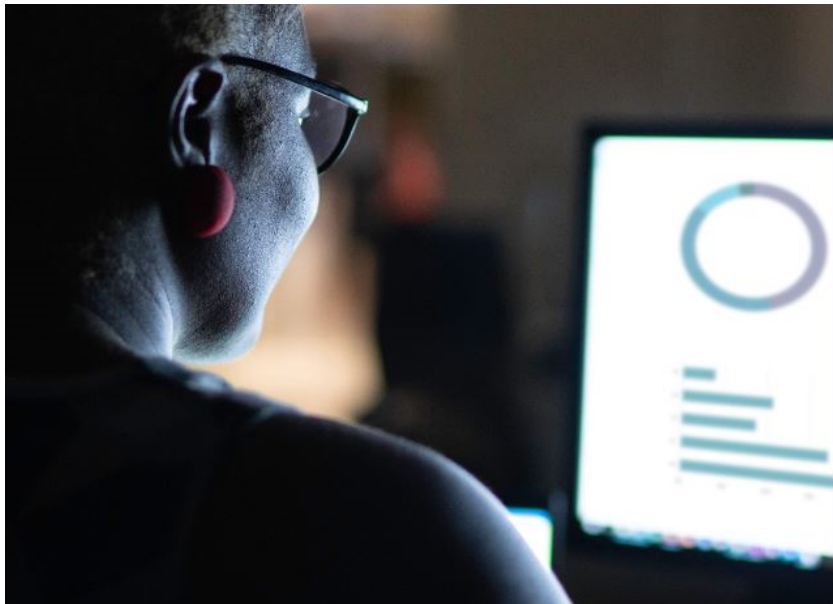


Total cost of insurable risk factors measured



Is the total cost of insurable risk increasing or decreasing?





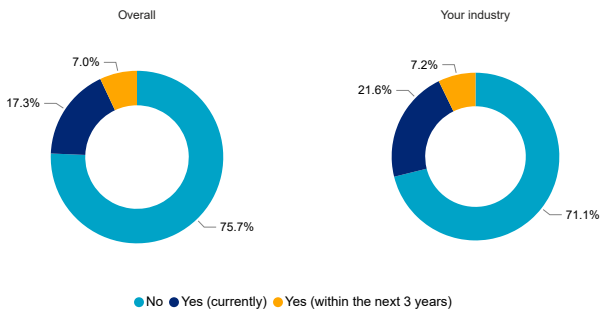
Captives

This section shows the **usage of and reason for captives**, or cells within a Protected Cell Company (PCC), as well as **risks currently underwritten and risks planned to be underwritten** in the **next five years** within these structures.

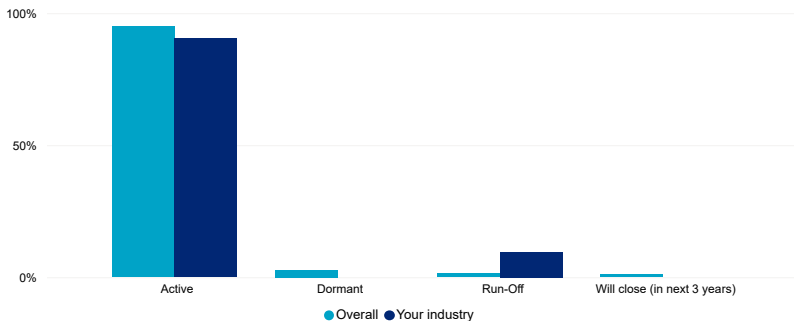
All results are displayed as **overall** and **industry** selections.

[Click here](#) for more information.

Does your company have now or is planning to setup a captive insurance company or a cell in a protected cell company?



Status of current captives or captive cells



Risk currently underwritten or planned to underwrite via a captive or cell

▲ Risks	Overall	Your industry
Auto Liability	30.5 %	25.9 %
Aviation	7.3 %	18.5 %
Catastrophe	22.5 %	25.9 %
Contractor-Controlled Insurance Program	8.2 %	11.1 %
Credit/Trade Credit	15.0 %	11.1 %
Crime/Fidelity	19.4 %	25.9 %
Cyber Liability/Network Liability	31.2 %	14.8 %
Directors & Officers Liability	29.5 %	25.9 %
Employee Benefits (Excluding Health/Medical and Life)	18.9 %	25.9 %
Employers Liability/Workers Compensation	35.1 %	40.7 %
Employment Practices Liability	17.9 %	18.5 %
Environmental/Pollution	18.6 %	18.5 %
Financial Products	7.7 %	3.7 %
General/Third-Party Liability	48.2 %	55.6 %
Health/Medical	20.8 %	22.2 %
Life	16.9 %	11.1 %
Marine	23.0 %	37.0 %
Other	13.3 %	18.5 %
Owner-Controlled Insurance Program	6.5 %	11.1 %
Product Liability & Completed Operations	28.1 %	25.9 %
Product Recall/Tampering	9.0 %	0.0 %
Professional Indemnity/Errors & Omissions Liability	25.7 %	18.5 %
Property (Property Damage/ Business Interruption)	62.0 %	48.1 %
Subcontractor Default Insurance	4.6 %	3.7 %
Terrorism	15.5 %	14.8 %
Third-Party Business	7.0 %	18.5 %
Warranty	9.2 %	3.7 %

Appendix

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Participant Countries/Territories	28
Participants by Company Type	30
Participant Industries	31
Number of Countries/Territories with Operations	32
Number of Employees	33
Participants by Revenue	34

All Risks Ranking

Risks	Overall	Your industry
Cyber Attacks/Data Breach	1	2
Business Interruption	2	3
Economic Slowdown/Slow Recovery	3	1
Commodity Price Risk/Scarcity of materials	4	22
Damage to Reputation/Brand	5	8
Regulatory/Legislative Changes	6	6
Pandemic Risk/Health Crises	7	4
Supply Chain or Distribution Failure	7	7
Increasing Competition	9	11
Failure to Innovate/Meet Customer Needs	10	12
Accelerated Rates of Change in Market Factors	11	9
Cash Flow/Liquidity Risk	12	26
Failure to Attract or Retain Top Talent	13	18
Workforce Shortage	14	15
Exchange Rate Fluctuation	15	28
Political Risk	16	5
Tech Failure/System Failure	17	16
Environmental Risk	18	13
Counterparty Credit Risk	19	33
Property Damage	20	10
Vendor Management/Third Party Risk	21	24
Weather/Natural Disasters	22	14
Climate Change	23	34
Capital Availability	24	44
Product Liability/Recall	24	51
Data Privacy (including GDPR) Requirements/Non-Compliance	26	45
Concentration Risk (Product, People, Geography, Etc.)	27	27
Major Project Failure	28	31
Work Injuries	29	17
Disruptive Technologies	30	39
Corporate Social Responsibility (CSR)/Environmental Social Governance (ESG)	31	25

* Sort order by Overall

All Risks Ranking - cont.

Risks	Overall	Your industry
Geopolitical Volatility	32	35
Asset Price Volatility	33	37
Conduct Risk/Unethical Behavior	34	38
Aging Workforce & Related Health Issues	35	19
Third-Party Liability (e.g. E&O)	36	20
Merger/Acquisition/Restructuring	37	21
Failure to Implement/Communicate Strategy	38	32
Absenteeism	39	43
Outdated Tech Infrastructure	40	30
Interest Rate Fluctuation	41	40
Inadequate Succession Planning	42	49
Intellectual Property Risks	43	53
Globalization/Emerging Markets	44	48
Personal Liability (Directors & Officers)	45	42
Other	46	36
Rising Healthcare Costs	47	54
Fraud or Embezzlement	48	46
Outsourcing	49	41
Theft	50	23
Artificial Intelligence (AI)	51	47
Terrorism	52	29
Impact of Brexit	53	50
Share Price Volatility	54	52
Harassment/Discrimination (Employment Related)	55	56
Sovereign Debt	56	60
Gender Pay Gap	57	55
Pension Scheme Funding	58	59
Extortion	59	56
Kidnap & Ransom	60	56
Impact of Blockchain Tech	61	60

* Sort order by Overall

Participant Countries/Territories

Country/Territory	Overall	Your industry
United States	15.4 %	17.2 %
Italy	7.0 %	8.2 %
Brazil	6.8 %	6.7 %
Poland	6.1 %	3.7 %
Colombia	5.5 %	7.5 %
Australia	5.2 %	3.7 %
Portugal	4.7 %	4.5 %
Spain	4.6 %	6.0 %
Mexico	4.0 %	3.0 %
Netherlands	3.8 %	3.7 %
United Kingdom	3.6 %	1.5 %
Germany	3.2 %	3.0 %
Canada	2.8 %	1.5 %
Japan	2.3 %	4.5 %
Argentina	2.0 %	1.5 %
Ireland	1.9 %	3.0 %
Sweden	1.5 %	1.5 %
Chile	1.4 %	3.7 %
India	1.3 %	0.0 %
Malaysia	1.2 %	0.0 %
Switzerland	1.2 %	2.2 %
Peru	1.1 %	2.2 %
France	1.0 %	1.5 %
Singapore	1.0 %	1.5 %
Belgium	0.9 %	0.7 %
Ecuador	0.9 %	0.7 %
Vietnam	0.9 %	0.0 %
Turkey	0.9 %	0.0 %
Finland	0.7 %	0.7 %
Hong Kong	0.6 %	0.0 %
Greece	0.6 %	0.0 %
Venezuela	0.6 %	0.7 %
South Korea (ROK)	0.6 %	2.2 %

* Sort order by Overall

Participant Countries/Territories - cont.

Country/Territory	Overall	Your industry
Denmark	0.5 %	0.0 %
Philippines	0.5 %	0.7 %
Puerto Rico	0.4 %	0.0 %
Austria	0.3 %	0.0 %
Russia	0.3 %	0.0 %
Saudi Arabia	0.3 %	0.7 %
South Africa	0.3 %	0.0 %
Thailand	0.3 %	0.0 %
Indonesia	0.3 %	0.0 %
United Arab Emirates	0.3 %	0.7 %
Norway	0.2 %	0.0 %
Oman	0.2 %	0.7 %
Qatar	0.1 %	0.0 %
Taiwan	0.1 %	0.0 %
Hungary	0.1 %	0.0 %
Andorra	0.0 %	0.0 %
Bahamas, The	0.0 %	0.0 %
Botswana	0.0 %	0.0 %
Cayman Islands	0.0 %	0.0 %
Jamaica	0.0 %	0.0 %
Kosovo	0.0 %	0.0 %
Kuwait	0.0 %	0.0 %
Liechtenstein	0.0 %	0.0 %
Luxembourg	0.0 %	0.0 %
Macau	0.0 %	0.0 %
Nigeria	0.0 %	0.0 %
Tunisia	0.0 %	0.0 %

* Sort order by Overall

Participants by Company Type

Type of Company	Overall	Your industry
Private	67.6 %	73.1 %
Public	21.7 %	17.9 %
Non Profit	4.4 %	0.0 %
Other	3.7 %	3.0 %
Government Owned	1.5 %	4.5 %
Government	1.2 %	1.5 %

* Sort order by Overall

Participant Industries

Industry Sector	Overall	Your industry
Industrials & Manufacturing	17.2 %	0.0 %
Agriculture, Food & Beverage	13.8 %	0.0 %
Energy, Utilities & Natural Resources	12.4 %	0.0 %
Construction & Real Estate	7.9 %	0.0 %
Financial Institutions	5.9 %	0.0 %
Transportation & Logistics	5.7 %	100.0 %
Retail & Consumer Goods	5.7 %	0.0 %
Other	5.4 %	0.0 %
Professional Services	4.3 %	0.0 %
Technology	4.0 %	0.0 %
Life Sciences	3.8 %	0.0 %
Healthcare Providers & Services	3.8 %	0.0 %
Public Sector Partnership	3.6 %	0.0 %
Insurance	3.1 %	0.0 %
Telecom, Media & Entertainment	1.6 %	0.0 %
Hospitality, Travel & Leisure	1.5 %	0.0 %
Private Equity	0.3 %	0.0 %

* Sort order by Overall

Number of Countries/Territories with Operation

# Countries/Territories with Operation	Overall	Your industry
1	31.4 %	40.3 %
2-5	18.7 %	20.9 %
51+	16.4 %	10.4 %
6-10	11.1 %	9.7 %
26-50	9.3 %	4.5 %
16-25	6.4 %	6.0 %
11-15	4.9 %	6.7 %
I don't know	1.7 %	1.5 %

* Sort order by Overall

Number of Employees

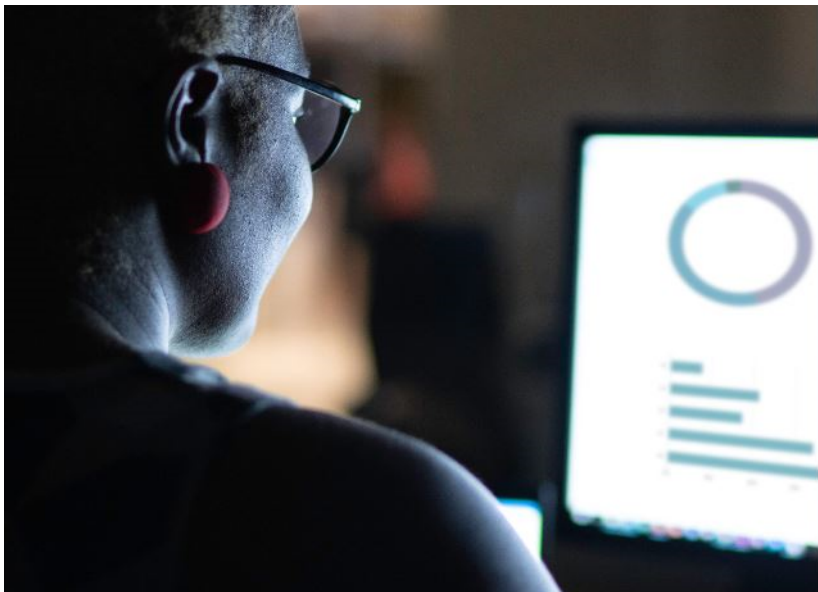
Employees Size	Overall	Your industry
500 - 2,499	23.2 %	25.4 %
1 - 249	21.2 %	17.9 %
5,000 - 14,999	14.5 %	11.2 %
2,500 - 4,999	10.5 %	11.2 %
250 - 499	10.2 %	17.9 %
15,000 - 49,999	9.9 %	9.7 %
50,000+	8.9 %	5.2 %
I don't know	1.5 %	1.5 %

* Sort order by Overall

Participants by Revenue

Revenue	Overall	Your industry
\$0 - \$99M	20.4 %	21.6 %
I cannot disclose	13.9 %	13.4 %
\$100M - \$249M	11.3 %	10.4 %
\$500M - \$999M	10.2 %	12.7 %
\$1B - \$1.9B	8.9 %	7.5 %
\$250M - \$499M	8.7 %	11.2 %
\$2B - \$2.9B	5.7 %	8.2 %
\$5B - \$9.9B	5.5 %	4.5 %
\$25B+	5.0 %	2.2 %
\$10B - \$14.9B	2.7 %	3.7 %
\$3B - \$3.9B	2.5 %	2.2 %
\$15B - \$19.9B	1.9 %	2.2 %
\$4B - \$4.9B	1.9 %	0.0 %
\$20B - \$24.9B	1.5 %	0.0 %

* Sort order by Overall



Methodology

This web-based survey addressed both **qualitative** and **quantitative risk issues**.

Responding Risk Managers, CROs, CFOs, treasurers and others provided feedback and insight on their insurance and risk management choices, interests and concerns.

Aon Centre of Innovation and Analytics conducted, collected and tabulated the responses.

Percentages for some of the responses may not add up to 100 percent due to rounding or respondents being able to select more than one answer.

All revenue amounts are shown in US Dollars.

About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

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