



Navigating the risk landscape at times of uncertainty

November 12, 2024

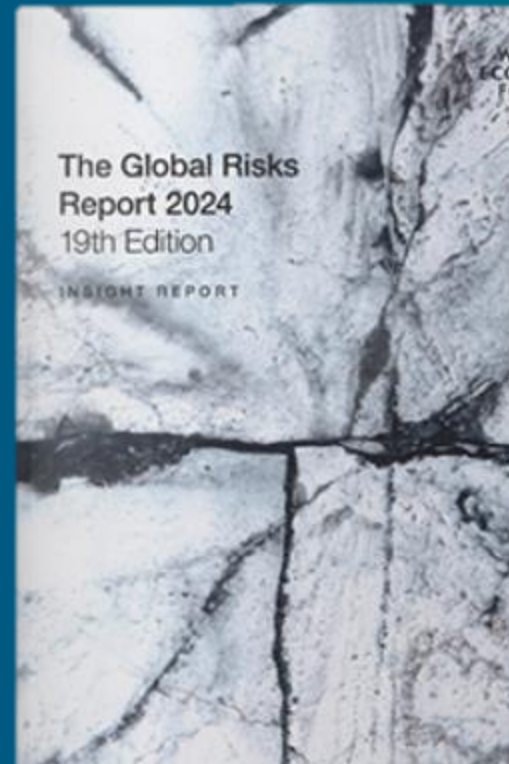
Annual Report

The Global Risks Report

The top risks for 2024 and beyond. Data and insights from more than 1,400 global experts and leaders.

[Explore the Full Report](#)

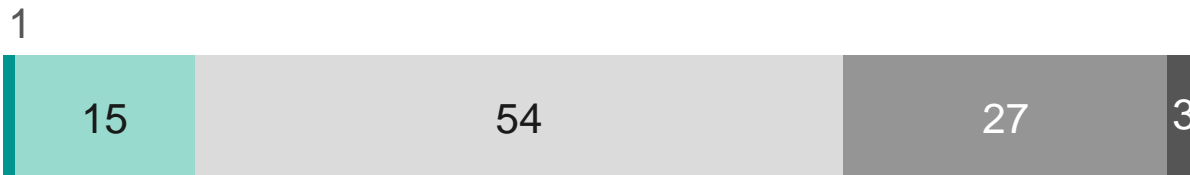
[Read the Summary](#)



Risk outlook for the world

Which of the following best characterizes your outlook for the world over the following time periods?

In 2 years



In 10 years



- Calm**
Negligible risk of global catastrophes
- Stable**
Isolated disruptions, low risk of global catastrophes
- Unsettled**
Some instability, moderate risk of global catastrophes
- Turbulent**
Upheavals and elevated risk of global catastrophes
- Stormy**
Global catastrophic risks looming

Note: WEF Global Risks Perception Survey 2023
Source: World Economic Forum; Marsh McLennan analysis

Top risk concerns by time period



Near-term (2 years)

- 1 Misinformation and disinformation
- 2 Extreme weather events
- 3 Societal polarization
- 4 Cyber insecurity
- 5 Interstate armed conflict
- 6 Inequality or lack of economic opportunity
- 7 Inflation
- 8 Involuntary migration
- 9 Economic downturn
- 10 Pollution (air, soil, water)

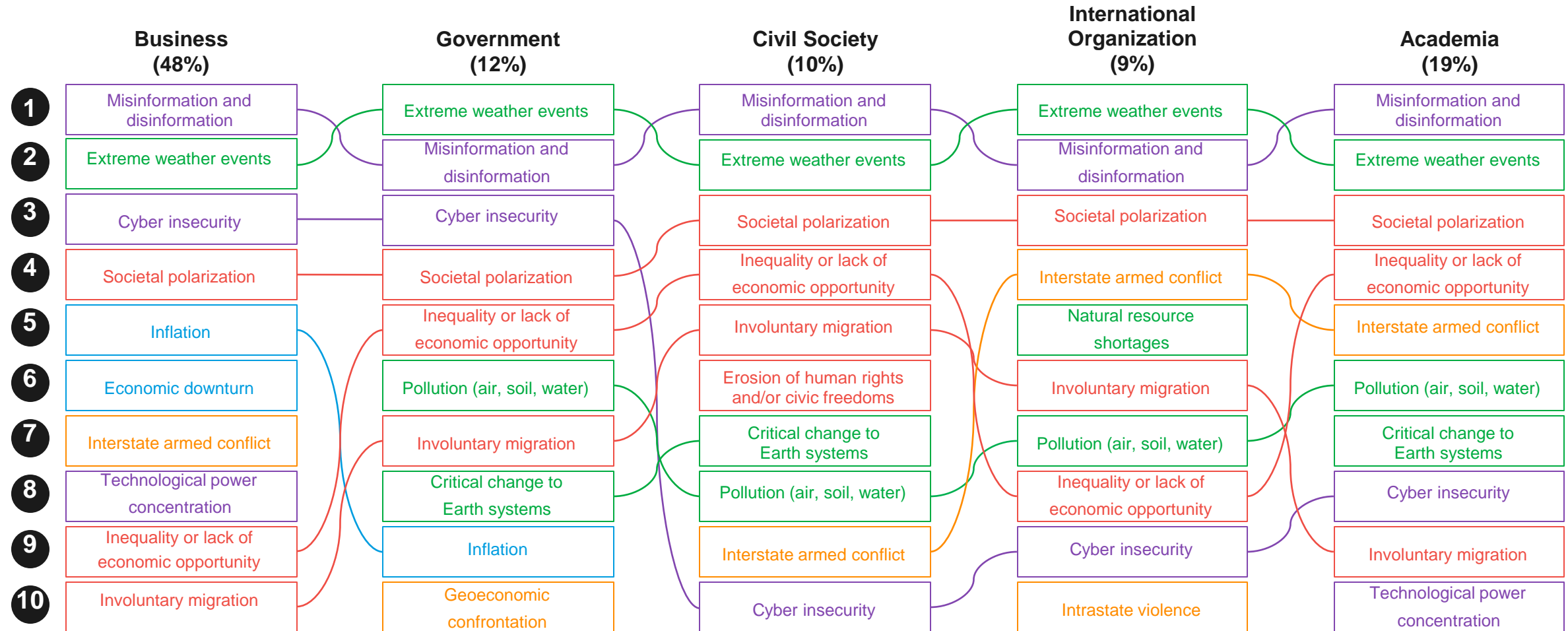
Longer-term (10 years)

- 1 Extreme weather events
- 2 Critical change to Earth systems
- 3 Biodiversity loss and ecosystem collapse
- 4 Natural resource shortages
- 5 Misinformation and disinformation
- 6 Adverse outcomes of AI technologies
- 7 Involuntary migration
- 8 Cyber insecurity
- 9 Societal polarization
- 10 Pollution (air, soil, water)

Note: WEF Global Risks Perception Survey 2023
Source: World Economic Forum; Marsh McLennan analysis

Near-term concerns by organization type

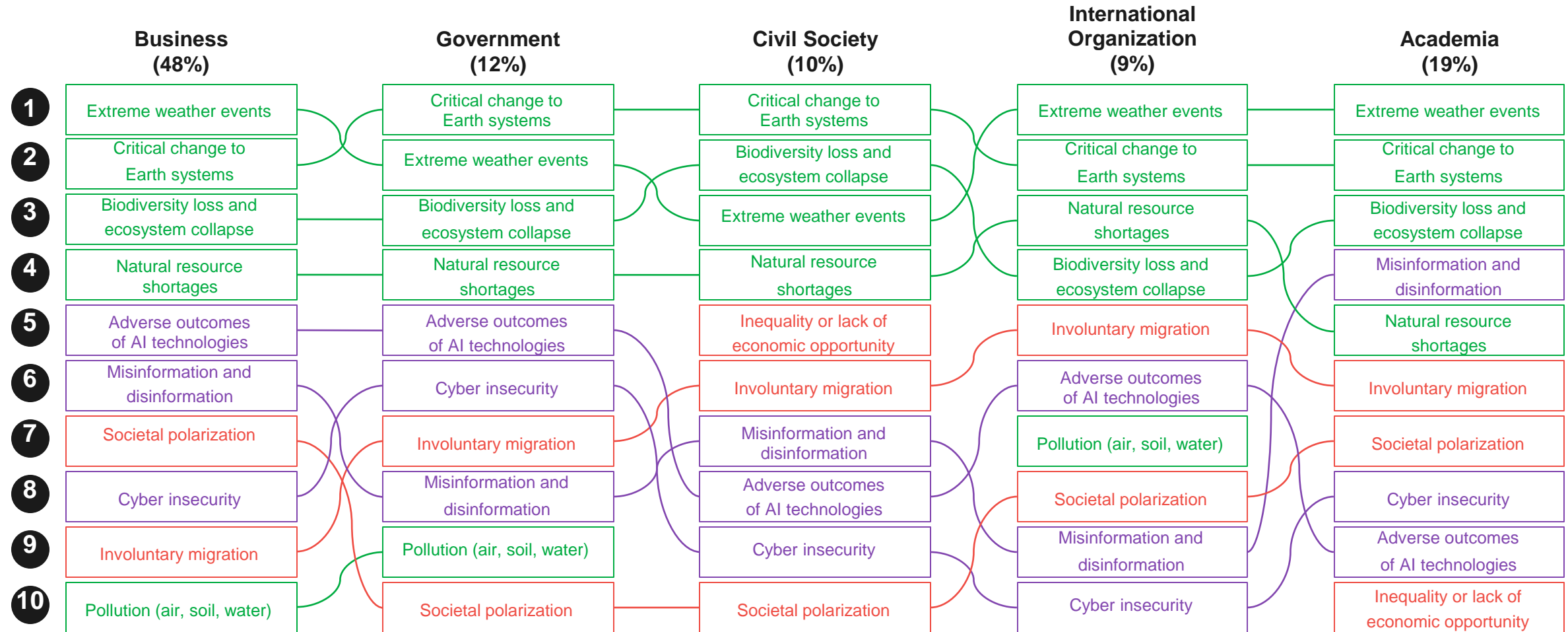
- Economic
- Environmental
- Geopolitical
- Societal
- Technological



Note: WEF Global Risks Perception Survey 2023. ["Other": 2%]
 Source: World Economic Forum; Marsh McLennan analysis

Longer-term concerns by organization type

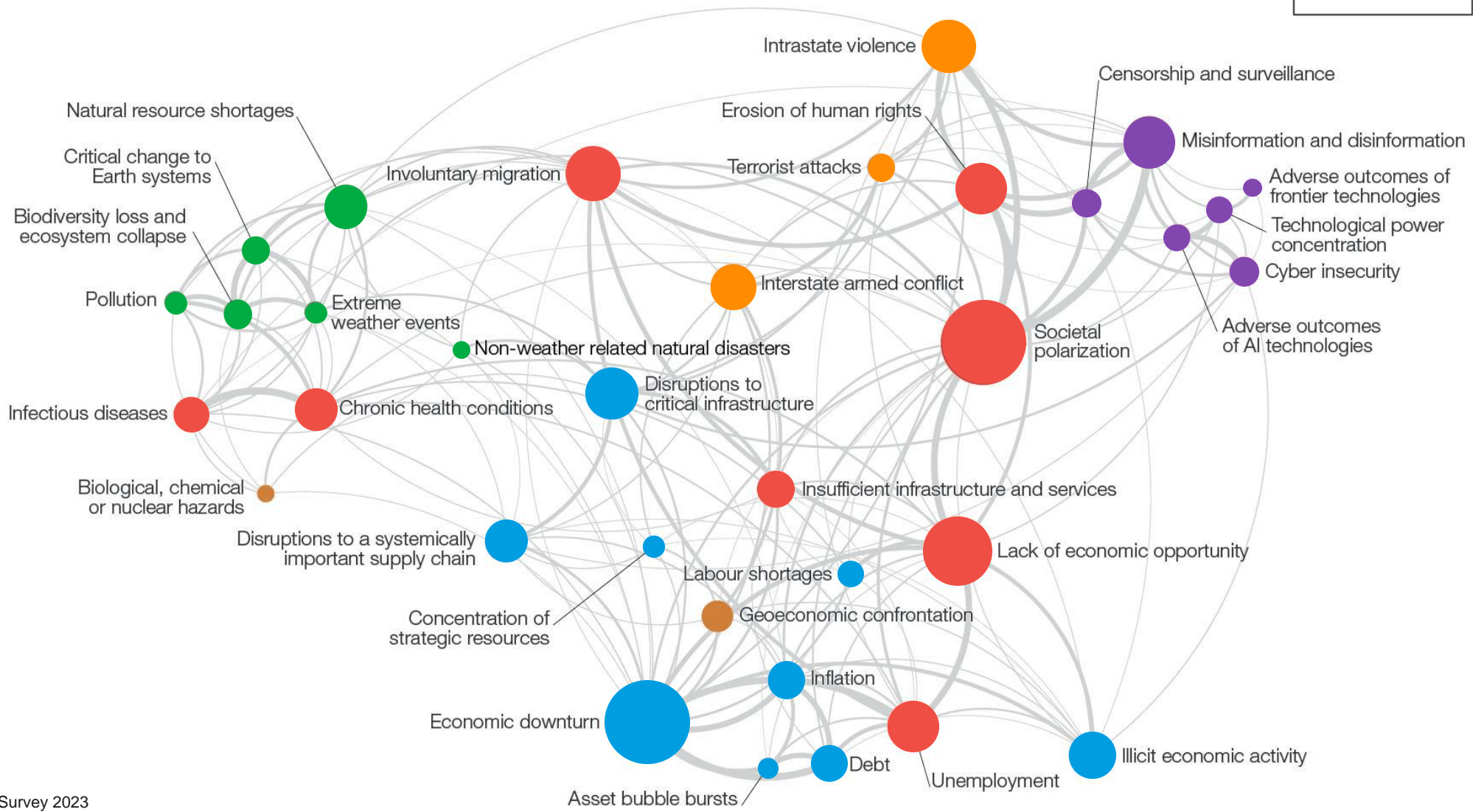
- Economic
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Risk interconnections

- Economic
- Environmental
- Geopolitical
- Societal
- Technological



Nodes
Risk influence

- High
- Medium
- Low

Edges
Relative influence

- High
- Medium
- Low

Note: WEF Global Risks Perception Survey 2023
Source: World Economic Forum; Marsh McLennan analysis

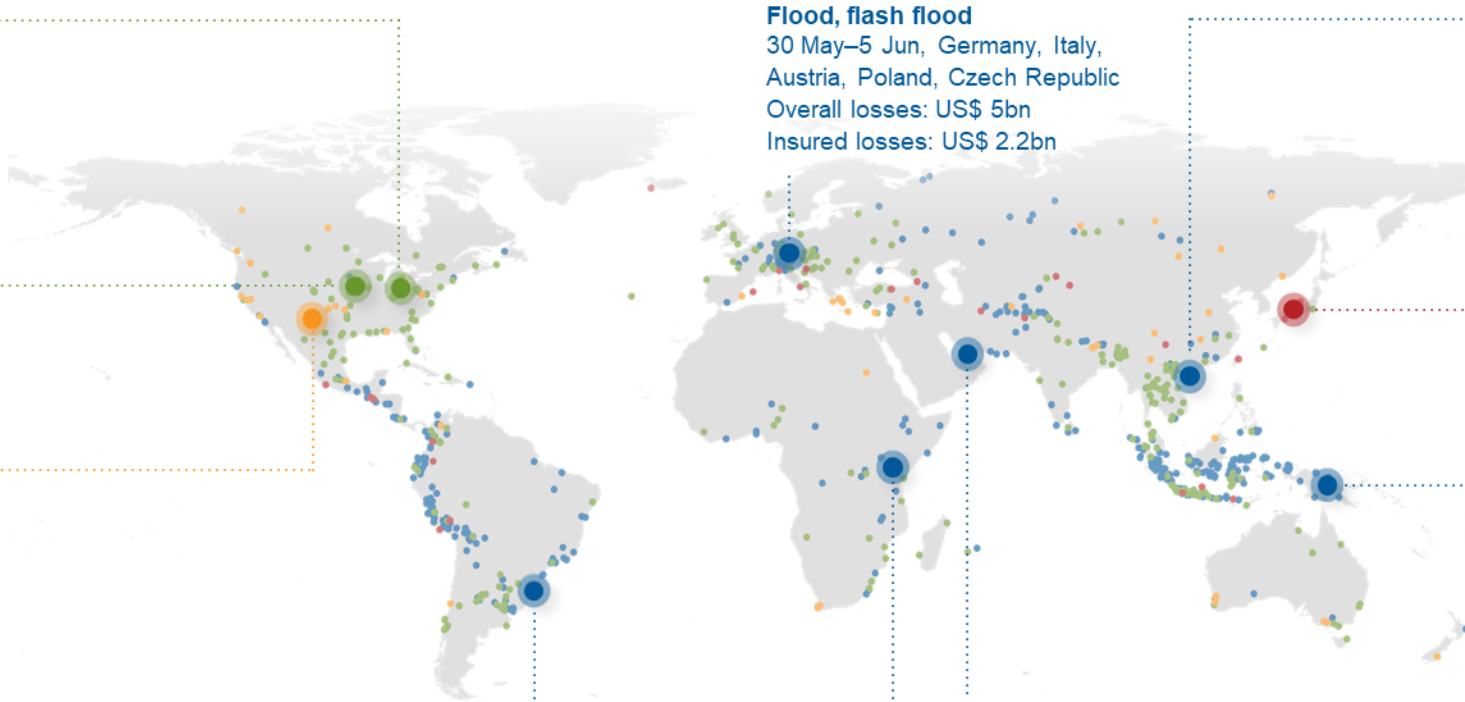
Major nat cat loss events January – June 2024

Natural disasters caused overall losses of US\$ 120bn

Tornado (series), hailstorm
12–16 Mar, United States
Overall losses: US\$ 5.9bn
Insured losses: US\$ 4.5bn

Severe storm, tornado
16–22 May, United States
Overall losses: US\$ 4.8bn
Insured losses: US\$ 3.7bn

Wildfire (South Fork Fire)
17 Jun–15 Jul, United States
Overall losses: US\$ 1.2bn
Insured losses: US\$ 0.8bn



Flood, flash flood
30 May–5 Jun, Germany, Italy, Austria, Poland, Czech Republic
Overall losses: US\$ 5bn
Insured losses: US\$ 2.2bn

Flood
Jun–Jul, China
Overall losses: US\$ 5bn
Insured losses: US\$ 0.3bn
Fatalities: 71


Earthquake, tsunami
1 Jan, Japan
Overall losses: US\$ 10bn
Insured losses: US\$ 2bn
Fatalities: 245


Landslide
24 May, Papua New Guinea
Fatalities: 670


Flood
29 Apr–17 May, Brazil
Overall losses: US\$ 7bn
Insured losses: US\$ 2bn
Fatalities: 181

Flood, flash flood, landslide
Mar–Apr, Burundi, Tanzania, Kenya, Somalia
Fatalities: 283



Flood, flash flood
14–22 Apr, Oman, Iran, Bahrain, Yemen, United Arab Emirates
Overall losses: US\$ 8.3bn
Insured losses: US\$ 2.8bn

 **Geophysical events**
Earthquake, tsunami, volcanic activity

 **Meteorological events**
Tropical storm, extratropical storm, convective storm, local storm

 **Hydrological events**
Flood, mass movement

 **Climatological events**
Extreme temperature, drought, wildfire

 Significant catastrophes
 Small, medium and large loss events

Law 5116 / 2024

Business insurance against natural disasters

Mandatory requirements for business with Turnover EUR 2mios and above



Penalty EUR 10.000

Risk Map – Chemical Industry

Plastics Manufacturing

The following presents a broad, baseline overview of risks inherent to businesses in the Plastics industry. It in no way depicts the entire risk profile of any firm operating in the sector.



Risk	Protection via Insurance
Intellectual Property	Intellectual Property
Product Risks, Safety and Performance	Product Liability
	Errors' & Omissions / Professional Liability
Crisis Response and Reputational Risk	Product Recall
Management Liability	Director's & Officer's Liability
Data Security & Privacy	Cyber
Mergers & Acquisitions	Warranty & Indemnity, Tax, Title
Property Damage (incl. NATCAT) / Supply Chain / Terrorism	Property, Cargo
Business Interruption	Business Interruption
Environmental Risk	Environmental Impairment Liability
Employee Safety	Workers Compensation, Employers Liability, Group Health Insurance, Pensions
Economic and Political Risks	Trade Credit, Contract Frustration

The ability to transfer or mitigate risk is subject to change based on market availability.

Managing Risks

The ERM process is an iterative and easy-to-use method to manage key risks

1 Identify

What are the risks we face?

- Risk interviews
- Risk inventory / universe
- Benchmarking against client and industry risk database

2 Prioritize & Assess

What are our key risks?

- Risk parameters / assessment criteria
- Risk appetite and tolerance
- Risk profile and heat map
- Risk workshop

3 Mitigate

What can we do address the key risks?

- Risk controls and treatment plans
- Risk-based control self-assessment
- Gap analysis on insurable / non-insurable risks

4 Monitor

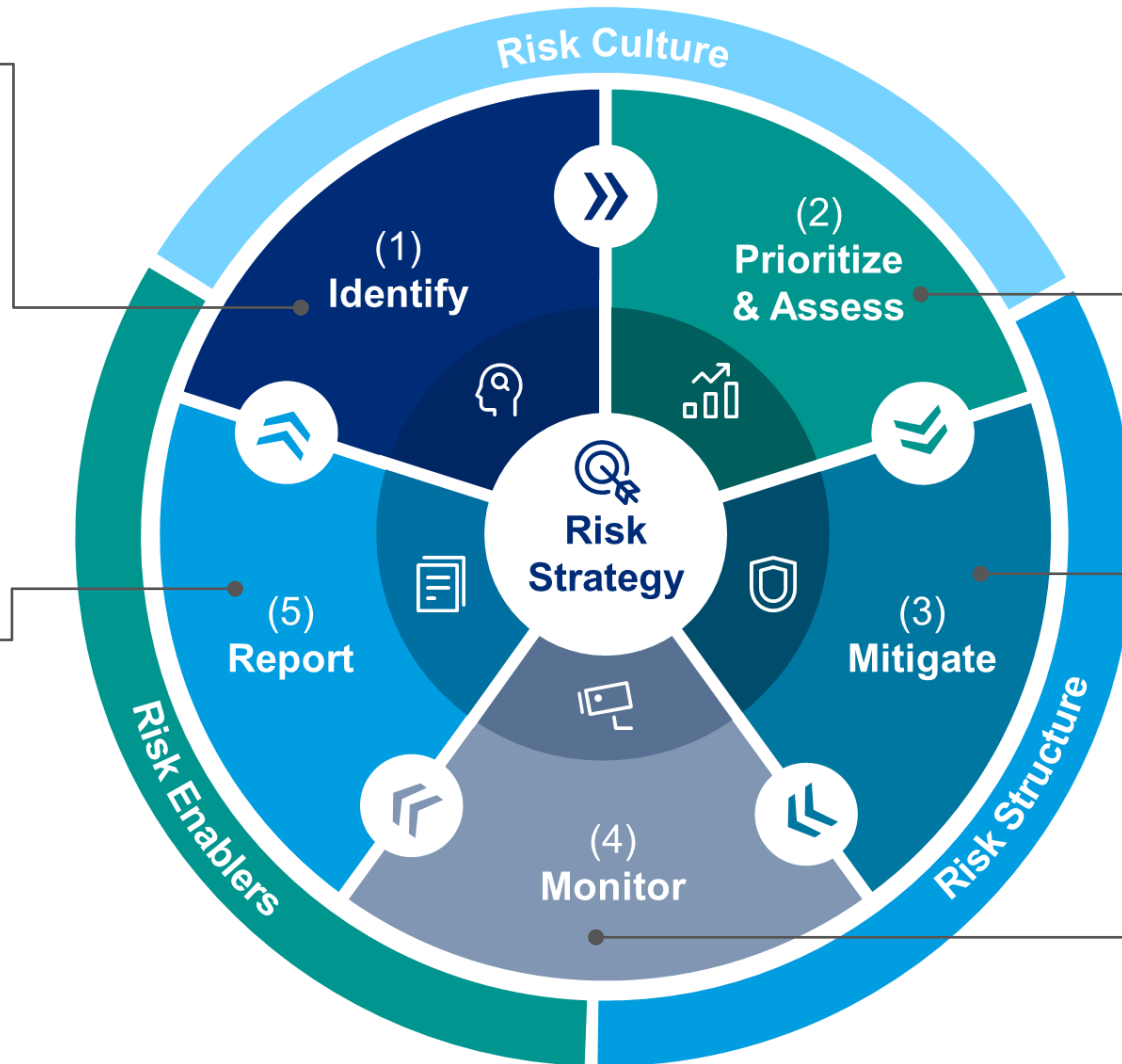
How do we track risks?

- Key risk indicators (KRIs)
- Horizon scanning and emerging risks
- Risk interconnectivity

5 Report

How and to whom do we report our risks?

- ERM framework gap analysis
- Risk governance, roles and responsibilities
- Risk reporting requirements and templates



ERM Diagnosis (1)

An assessment to understand your needs

Does your organization seek to...

If yes, areas for consideration:

01

- Understand its current state of affairs in terms of ERM maturity?
- Identify gaps and areas of improvement to strengthen its ERM maturity?
- Benchmark existing ERM practices to leading ones?



ERM Maturity Review

02

- Identify the risks which will impact the achievement of strategic objectives?
- Refresh its key risk profile such that it is aligned with the risk environment?
- Shortlist key risks which require additional management and/or monitoring?



Enterprise Risk Profiling

03

- Understand in detail the measures in place to mitigate its key risks?
- Learn about good practices that can be adapted to mitigate its key risks?
- Identify future action plans that can reduce risk to an acceptable level?



Enterprise Risk Mitigation

04

- Set up or enhance an ERM Framework to effectively manage risks?
- Build or improve ERM structures or processes in line with best practices?
- Develop or refresh materials regarding risk policies, templates or dashboards?



**ERM Framework Development
/ Enhancement**

ERM Diagnosis (2)

An assessment to understand your needs

Does your organization seek to...

If yes, areas for consideration:

05

- Establish meaningful thresholds, limits and thresholds when assessing risks?
- Define what is considered acceptable or unacceptable risk-taking?
- Align Board and Management's views on risk-taking activities?



Risk Appetite & Tolerance

06

- Develop risk monitoring mechanisms to provide early-warning signals?
- Identify potential points of vulnerabilities in each key risk?
- Enhance risk reporting process for additional risk insights?



Risk Monitoring

07

- Assess its current attitudes and perceptions towards ERM?
- Identify areas of improvement to strengthen risk-aware behaviours?
- Be trained on risk management and build-up risk know-how?



Risk Culture & Competencies

08

- Strengthen understanding and alignment of ERM and assurance?
- Identify variances between risk self-assessment and risk validation results?
- Minimize 'blind-spots' relating to adequacy and effectiveness of risk controls?



Risk-Control Self Assessment



**“Without great environments,
even great ideas are useless”**

— Simon Sinek



Thank you!