

AON

Ninth Edition

Risk
Risk
Risk
Global Risk Management Survey
Risk
Risk
Risk
Risk
Risk

Region

Asia Pacific

Table of Contents

Introduction	2
Risk Issues	3
Risk Management Structure and Function	9
Risk Management Involvement in M&A and Divestitures	13
Management of Total Cost of Risk (TCOR)	15
Captives	18
Appendix	21
Methodology	27

Introduction

Aon's Global Risk Management Survey, the ninth of its kind since 2007, is designed to offer organizations risk and human capital-related insights, helping them be better informed so they can make better decisions to compete in an increasingly complex business environment.

Conducted every two years in 11 languages, the survey gathered input from 2,842 respondents in 61 countries/territories and 16 key industries, at public and private companies of all sizes.

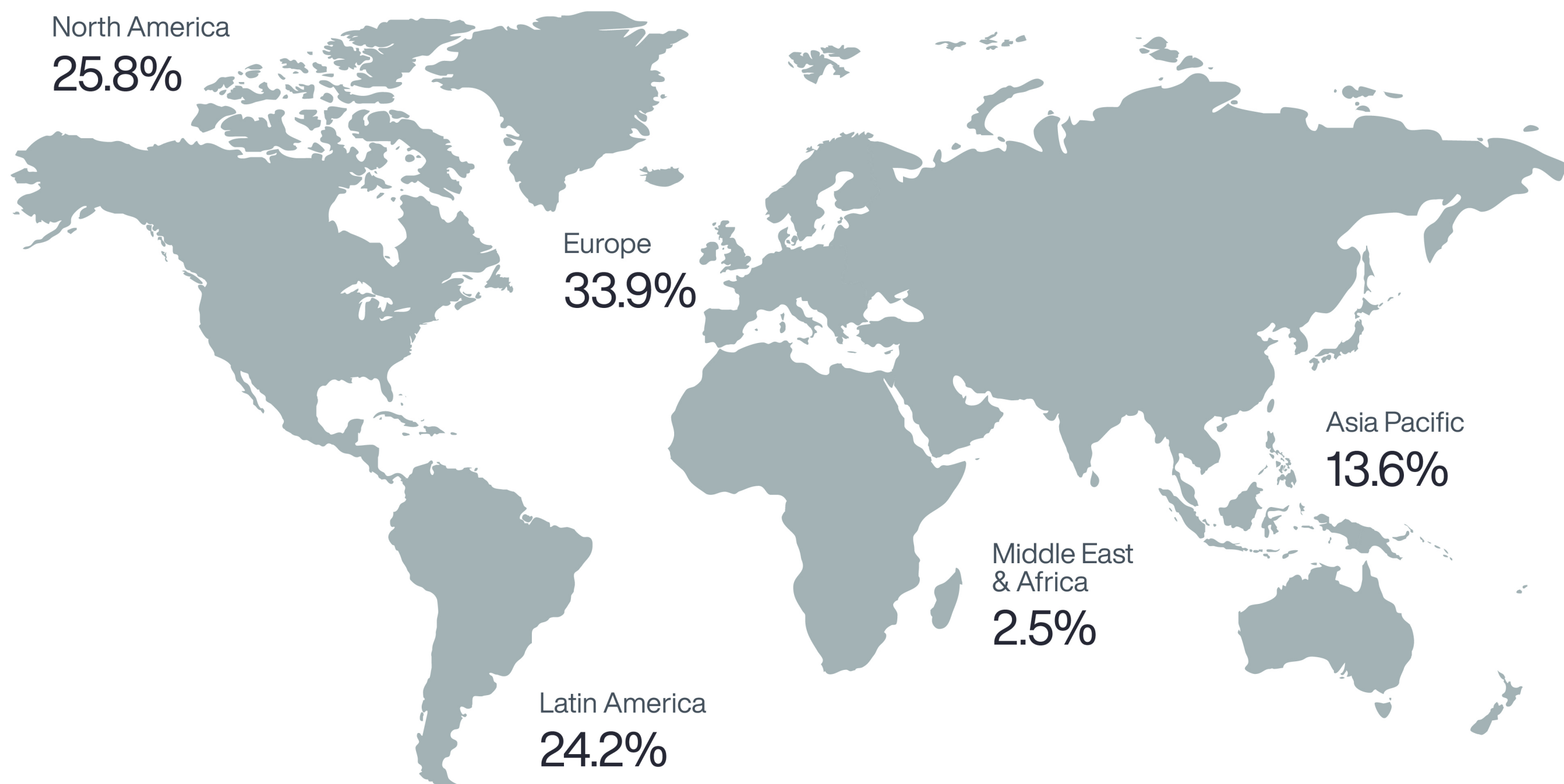
The findings from this survey underscore that companies are grappling with new risks - and traditional risks in new guises - across both risk and human capital, and highlights the difference in opinion on how to best prioritize and respond to them.

This report shows answers from respondents in this region benchmarked against the overall respondent base. We encourage you to review the report to help you understand how your attitude towards risk compares to your peers' and better understand upcoming trends.

Please contact your Aon representative if you have any questions regarding the report.

Participant Locations

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



Risk

Risk

Risk

Risk

Risk

Risk

Risk

Risk

Risk Issues

This section looks at the current top ten most critical risks and the top five most critical future risks as selected by respondents. It also looks at the losses caused by the top ten risks in the 12 months prior to this survey's launch and provides an overview of mitigation actions chosen for the respective top ten risks.

The displayed results show overall global data compared to the data from this region.

[Click here for more information.](#)

Top Ten Current Risks

Top ten most critical risks selected by organizations. For the full list of all 61 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	Failure to Attract or Retain Top Talent
5	Regulatory/Legislative Changes
6	Supply Chain or Distribution Failure
7	Commodity Price Risk/Scarcity of Materials
8	Damage to Reputation/Brand
9	Failure to Innovate/Meet Customer Needs
10	Increasing Competition

Region

# ▲	Region's top ten risks
1	Cyber Attacks/Data Breach
2	Economic Slowdown/Slow Recovery
3	Business Interruption
4	Failure to Attract or Retain Top Talent
5	Rapidly Changing Market Trends
6	Supply Chain or Distribution Failure
7	Regulatory/Legislative Changes
8	Increasing Competition
9	Failure to Innovate/Meet Customer Needs
10	Commodity Price Risk/Scarcity of Materials
10	Property Damage

Top Five Future Risks

Top five risks for organizations in the next three years.

Global

# ▲	Global top five risks
1	Cyber Attacks/Data Breach
2	Economic Slowdown/Slow Recovery
3	Commodity Price Risk/Scarcity of Materials
4	Failure to Attract or Retain Top Talent
5	Regulatory/Legislative Changes

Region

# ▲	Region's top five risks
1	Cyber Attacks/Data Breach
2	Economic Slowdown/Slow Recovery
3	Failure to Attract or Retain Top Talent
4	Rapidly Changing Market Trends
5	Regulatory/Legislative Changes

Losses Incurred from Top Ten Risks

Percentage of respondents whose organization suffered a loss due to a specific risk.

Global

# ▲	Global top ten risks	%
1	Cyber Attacks/Data Breach	18.3 %
2	Business Interruption	32.2 %
3	Economic Slowdown/Slow Recovery	55.2 %
4	Failure to Attract or Retain Top Talent	33.3 %
5	Regulatory/Legislative Changes	26.4 %
6	Supply Chain or Distribution Failure	42.6 %
7	Commodity Price Risk/Scarcity of Materials	64.0 %
8	Damage to Reputation/Brand	8.0 %
9	Failure to Innovate/Meet Customer Needs	21.5 %
10	Increasing Competition	40.5 %

Region

# ▲	Region's top ten risks	%
1	Cyber Attacks/Data Breach	20.2 %
2	Economic Slowdown/Slow Recovery	53.3 %
3	Business Interruption	33.0 %
4	Failure to Attract or Retain Top Talent	33.3 %
5	Rapidly Changing Market Trends	27.0 %
6	Supply Chain or Distribution Failure	33.3 %
7	Regulatory/Legislative Changes	15.9 %
8	Increasing Competition	37.3 %
9	Failure to Innovate/Meet Customer Needs	24.3 %
10	Commodity Price Risk/Scarcity of Materials	57.6 %
10	Property Damage	60.3 %

How Organizations Are Mitigating Top Risks

Percentage of respondents with a plan or formal review in place for top risks.

Global

# ▲	Top ten global risks	%
1	Cyber Attacks/Data Breach	88.7 %
2	Business Interruption	74.4 %
3	Economic Slowdown/Slow Recovery	39.8 %
4	Failure to Attract or Retain Top Talent	62.4 %
5	Regulatory/Legislative Changes	50.3 %
6	Supply Chain or Distribution Failure	62.7 %
7	Commodity Price Risk/Scarcity of Materials	64.5 %
8	Damage to Reputation/Brand	50.7 %
9	Failure to Innovate/Meet Customer Needs	56.2 %
10	Increasing Competition	46.2 %

Region

# ▲	Top ten risks in region	%
1	Cyber Attacks/Data Breach	91.5 %
2	Economic Slowdown/Slow Recovery	44.9 %
3	Business Interruption	67.2 %
4	Failure to Attract or Retain Top Talent	61.4 %
5	Rapidly Changing Market Trends	49.5 %
6	Supply Chain or Distribution Failure	63.2 %
7	Regulatory/Legislative Changes	55.4 %
8	Increasing Competition	48.5 %
9	Failure to Innovate/Meet Customer Needs	57.8 %
10	Commodity Price Risk/Scarcity of Materials	70.1 %
10	Property Damage	74.7 %

Types of mitigation actions in place for global risks

Risks	Assessed risk	Developed continuity plans	Developed risk management plan	Evaluated risk finance/transfer solutions	Other	Quantified risk
Cyber Attacks/Data Breach	24.2 %	22.0 %	24.0 %	16.0 %	1.2 %	12.7 %
Business Interruption	23.2 %	24.5 %	19.8 %	16.7 %	0.9 %	14.8 %
Economic Slowdown/Slow Recovery	28.9 %	20.2 %	21.7 %	11.1 %	1.9 %	16.2 %
Failure to Attract or Retain Top Talent	33.7 %	20.9 %	26.1 %	6.2 %	3.4 %	9.8 %
Regulatory/Legislative Changes	33.7 %	17.2 %	25.5 %	8.0 %	3.4 %	12.1 %
Supply Chain or Distribution Failure	26.6 %	24.9 %	23.2 %	11.6 %	1.6 %	12.2 %
Commodity Price Risk/Scarcity of Materials	25.3 %	19.3 %	23.3 %	14.2 %	1.6 %	16.4 %
Damage to Reputation/Brand	31.3 %	20.7 %	25.3 %	8.9 %	3.0 %	10.7 %
Failure to Innovate/Meet Customer Needs	32.9 %	20.1 %	23.2 %	9.0 %	4.3 %	10.5 %
Increasing Competition	31.5 %	19.3 %	24.5 %	8.0 %	3.1 %	13.6 %

Types of mitigation actions in place for risks in region

Risks	Assessed risk	Developed continuity plans	Developed risk management plan	Evaluated risk finance/transfer solutions	Other	Quantified risk
Cyber Attacks/Data Breach	23.6 %	20.8 %	24.1 %	16.5 %	1.0 %	14.0 %
Economic Slowdown/Slow Recovery	27.4 %	20.4 %	24.8 %	13.3 %	0.9 %	13.3 %
Business Interruption	23.1 %	22.3 %	21.5 %	17.5 %	1.2 %	14.3 %
Failure to Attract or Retain Top Talent	30.9 %	21.5 %	26.7 %	6.8 %	3.7 %	10.5 %
Rapidly Changing Market Trends	26.3 %	21.1 %	26.3 %	11.6 %	1.1 %	13.7 %
Supply Chain or Distribution Failure	25.4 %	22.0 %	26.6 %	12.1 %	1.2 %	12.7 %
Regulatory/Legislative Changes	31.8 %	15.9 %	29.8 %	7.9 %	3.3 %	11.3 %
Increasing Competition	28.1 %	18.0 %	23.6 %	12.4 %	2.2 %	15.7 %
Failure to Innovate/Meet Customer Needs	29.6 %	24.1 %	23.1 %	12.0 %	1.9 %	9.3 %
Commodity Price Risk/Scarcity of Materials	21.4 %	14.3 %	27.0 %	15.1 %	3.2 %	19.0 %
Property Damage	24.1 %	15.1 %	23.5 %	20.5 %	1.2 %	15.7 %

Risk

Risk

Risk

Risk

Risk

Risk

Risk

Risk



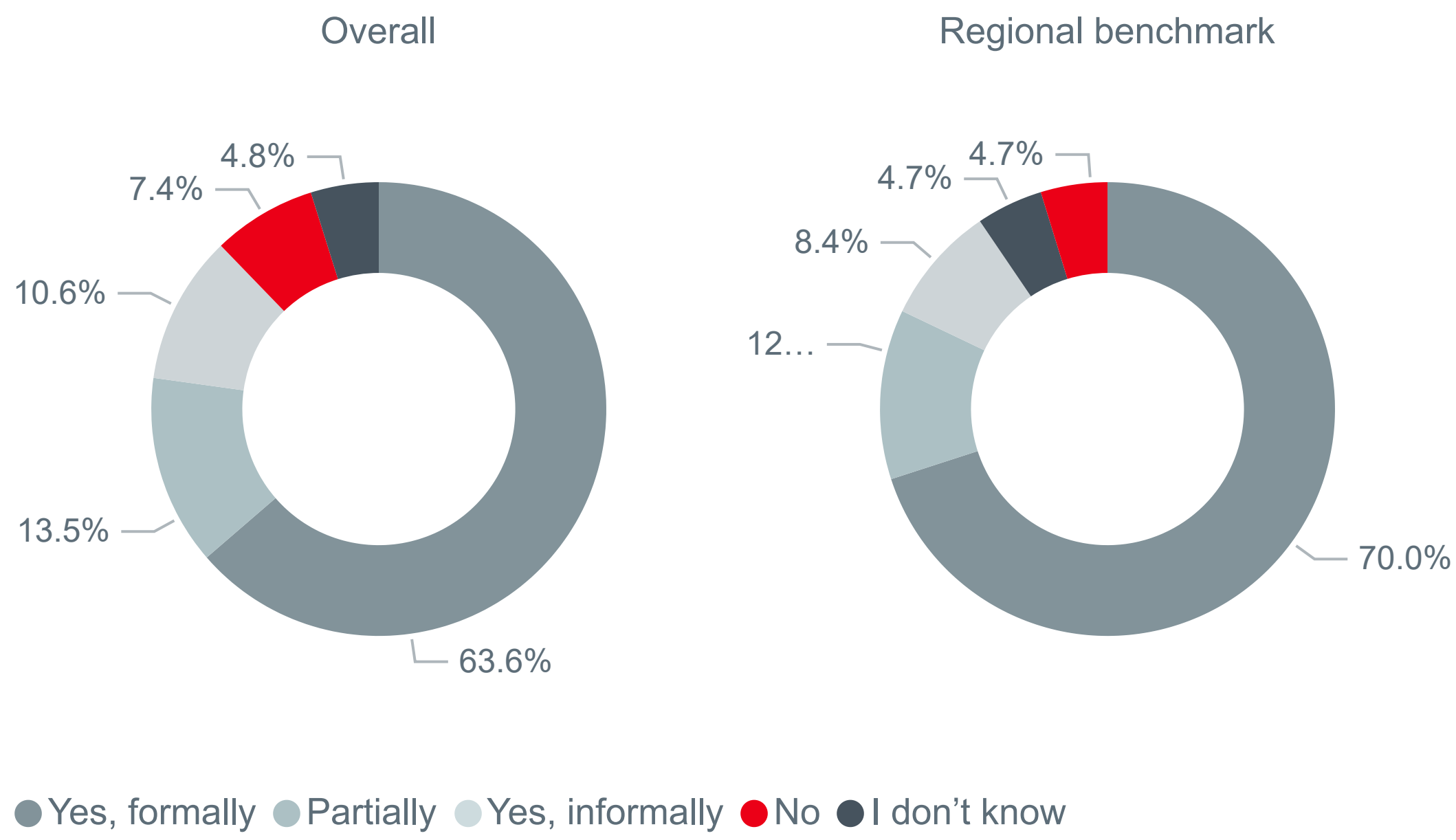
Risk Management Structure and Function

This section looks at the structure and function of risk management departments. It shows reporting lines and structures, as well as methods used for risk identification and methods to evaluate the efficacy of risk management programs within organizations.

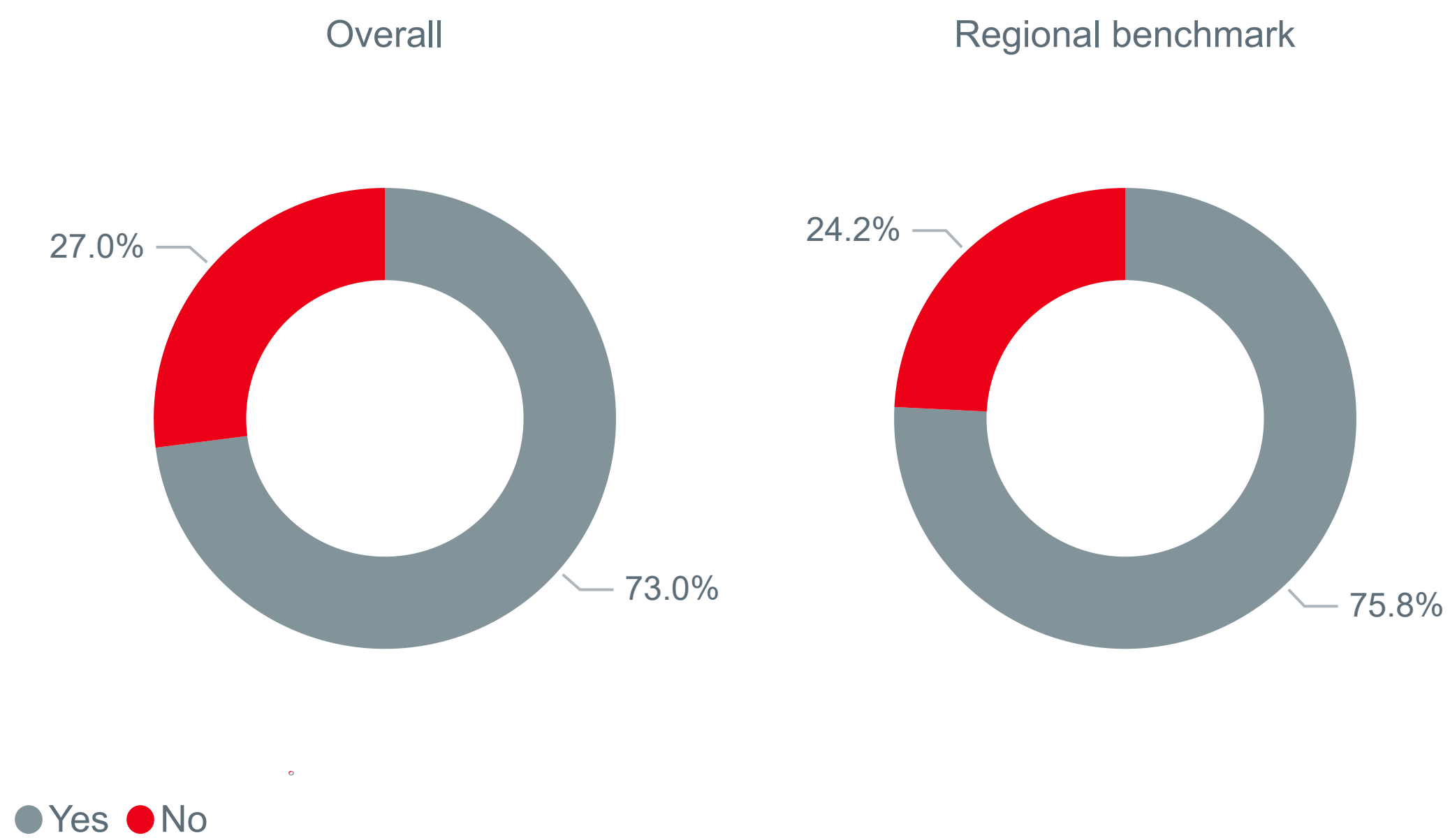
The displayed results show overall global data compared to the data from this region.

[Click here for more information.](#)

Risk Oversight and Management Policies Are in Place and Established by a Board of Directors or a Board Committee



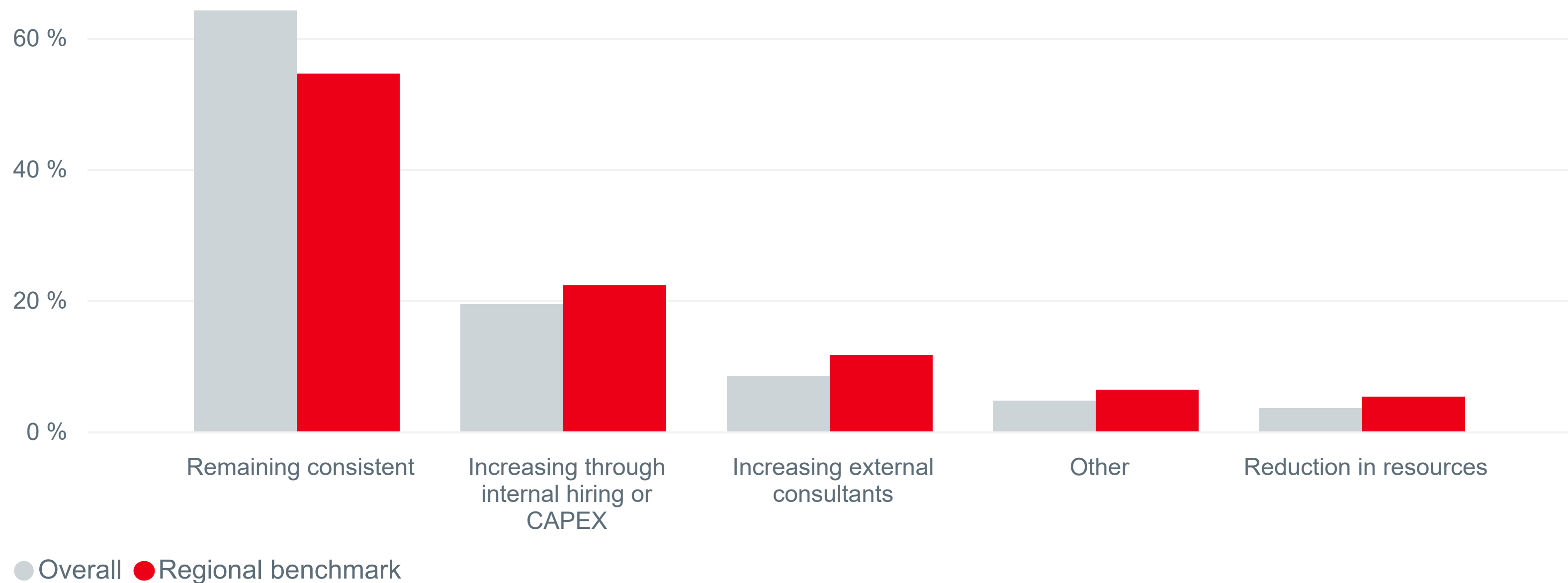
Organizations With a Formal Risk Management and Insurance Department



Methods to Identify Major Risks

Methods	Overall ▼	Regional benchmark
Senior Management Judgment & Expertise	57.7 %	54.5 %
Risk Info from Internal Audit Process	52.3 %	57.7 %
Board/Management Risk Assessment	49.9 %	56.1 %
Structured Process for Risk Identification (Enterprise-wide)	46.0 %	55.6 %
Industry Analysis	42.5 %	42.9 %
External Reports	41.3 %	38.6 %
Risk Info from Compliance Process	41.1 %	47.6 %
Board/Management Risk Discussion (Annual Planning)	37.7 %	46.6 %
Board/Management Risk Discussion (Other)	33.6 %	38.6 %
Risk Info from Disclosure Process	18.6 %	27.0 %
No Formalized Process	9.9 %	6.9 %

How Organizations Anticipate Changing Investment Levels in Risk Management Resources to Support Their Risk Agenda in the Next 12 Months



How Do Organizations Measure Efficacy of Risk Management Programs?

Methods	Overall	Regional benchmark
Compare past risk events to risk management efficacy	44.4 %	49.7 %
Evaluate risk management considerations in investment/strategy decision	43.8 %	49.7 %
Track risk-management involvement within firm	31.6 %	36.8 %
Compare safety-and-loss control results (e.g. return-to-work speed)	28.6 %	28.6 %
Lower the Total Cost of Risk (TCOR)	23.1 %	16.2 %
Does not measure	21.9 %	20.5 %
Identify financial benefits due to company captive (e.g. income generated)	17.9 %	15.1 %
Other	4.4 %	5.9 %

Risk

Risk

Risk

Risk

Risk

Risk

Risk

Risk



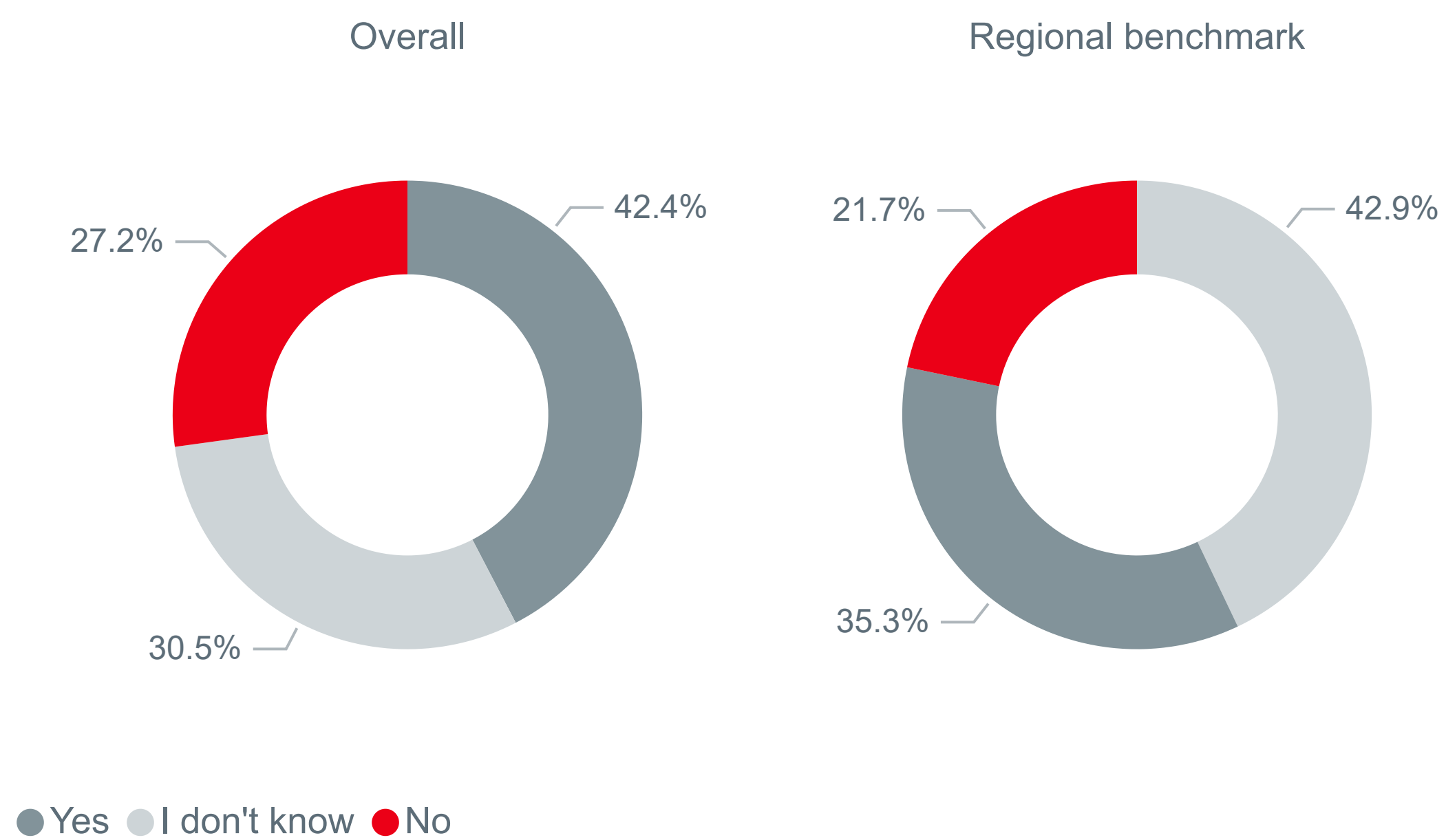
Risk Management Involvement in M&A and Divestitures

This section looks at the role risk management plays during M&A and divestiture processes.

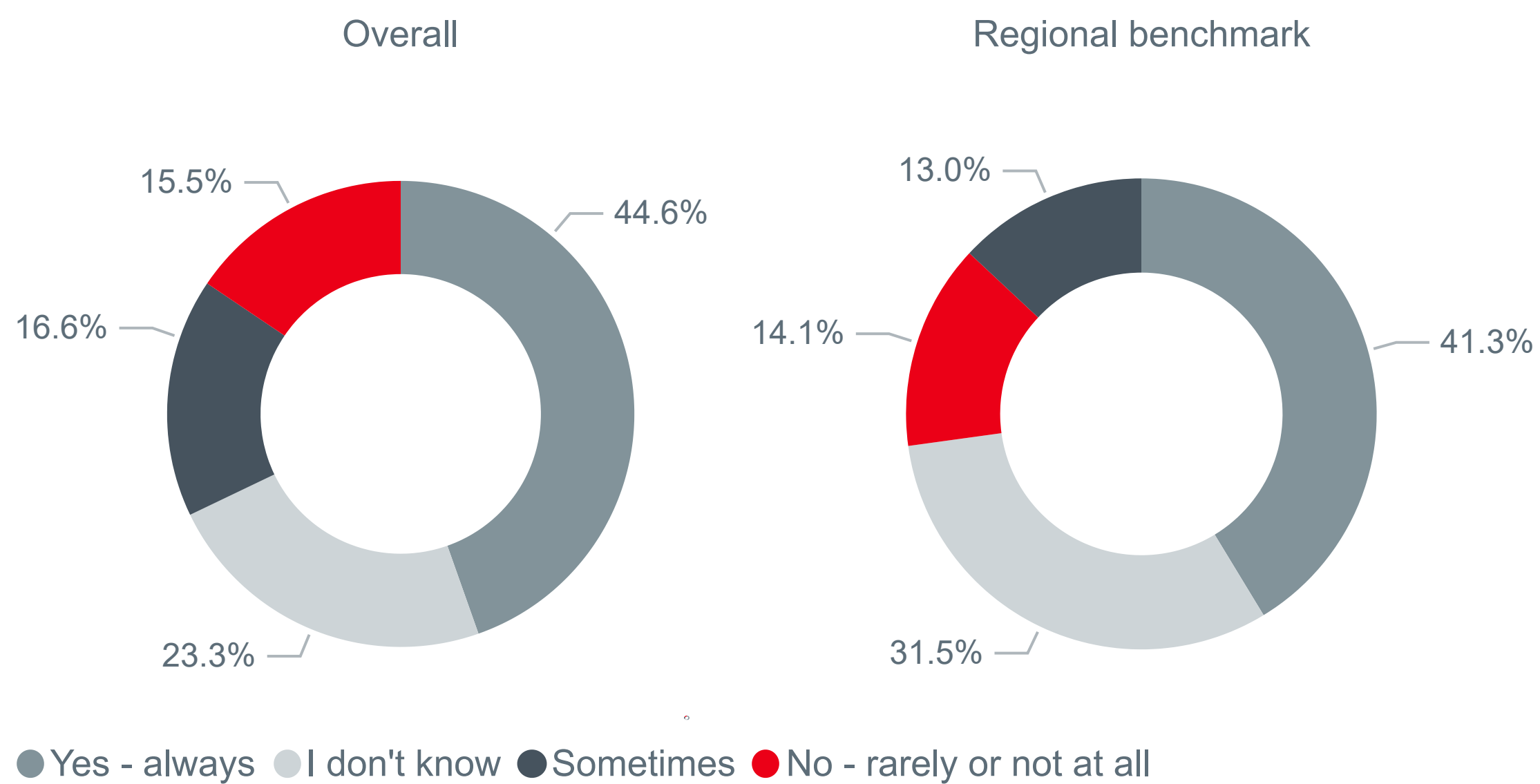
The displayed results show overall global data compared to the data from this region.

[Click here for more information.](#)

Organizations Planning to Acquire or Divest Assets Within the Next 12 Months



Organizations Assessing Their Most Critical and Emerging Risks Throughout M&A and Divestitures



Risk

Risk

Risk

Risk

Risk

Risk

Risk

Risk

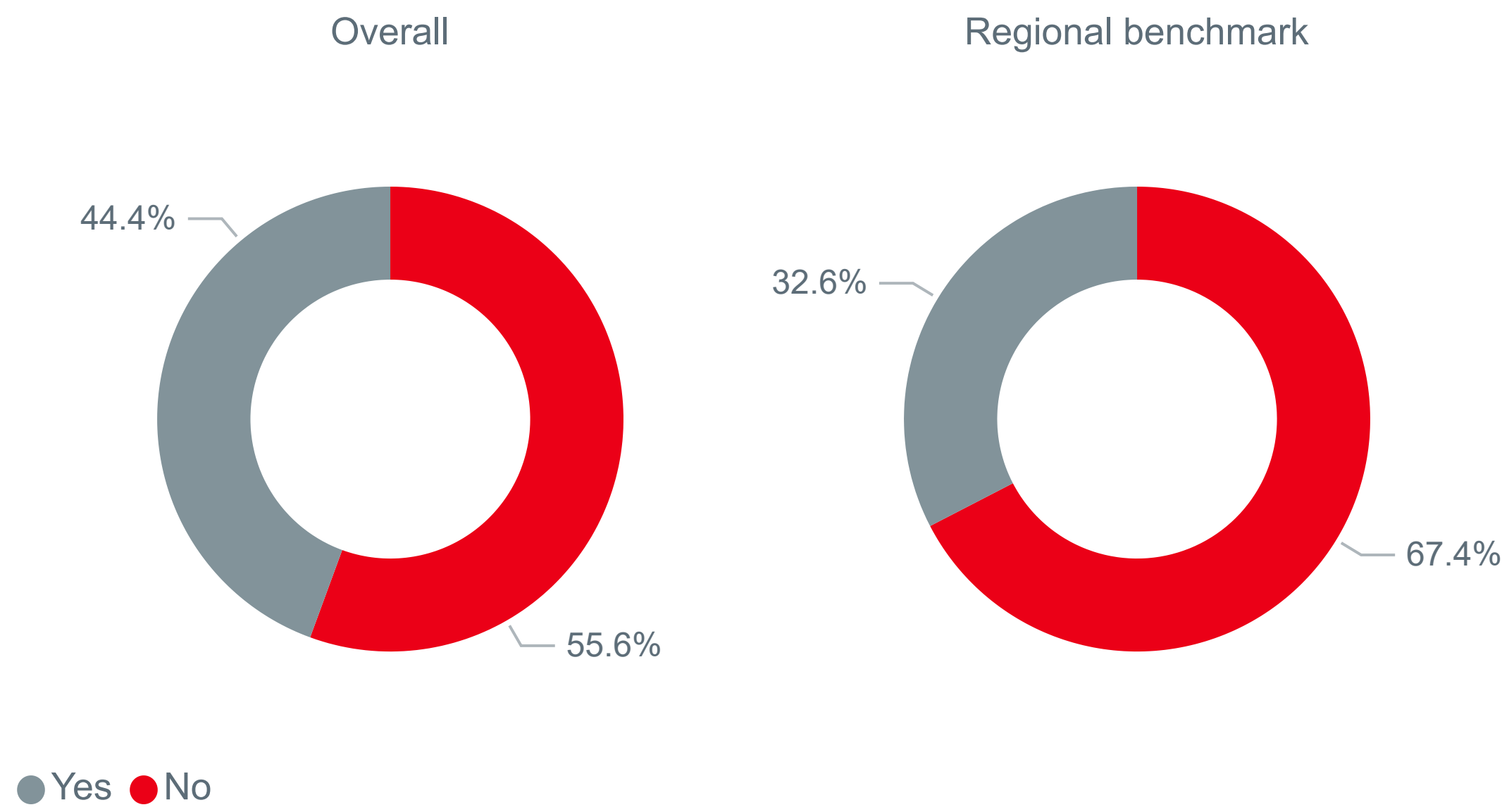
Management of Total Cost of Risk (TCOR)

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.

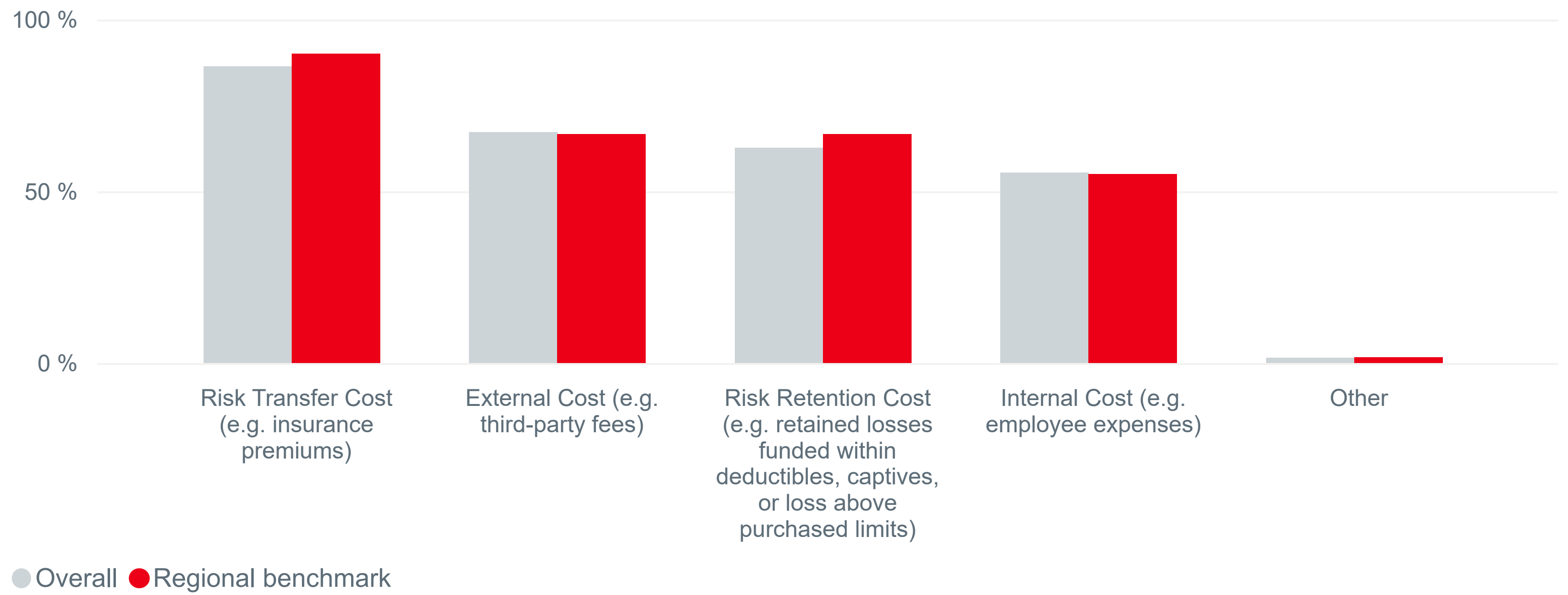
The displayed results show overall global data compared to the data from this region.

[Click here for more information.](#)

Organizations Who Measure Total Cost of Insurable Risk

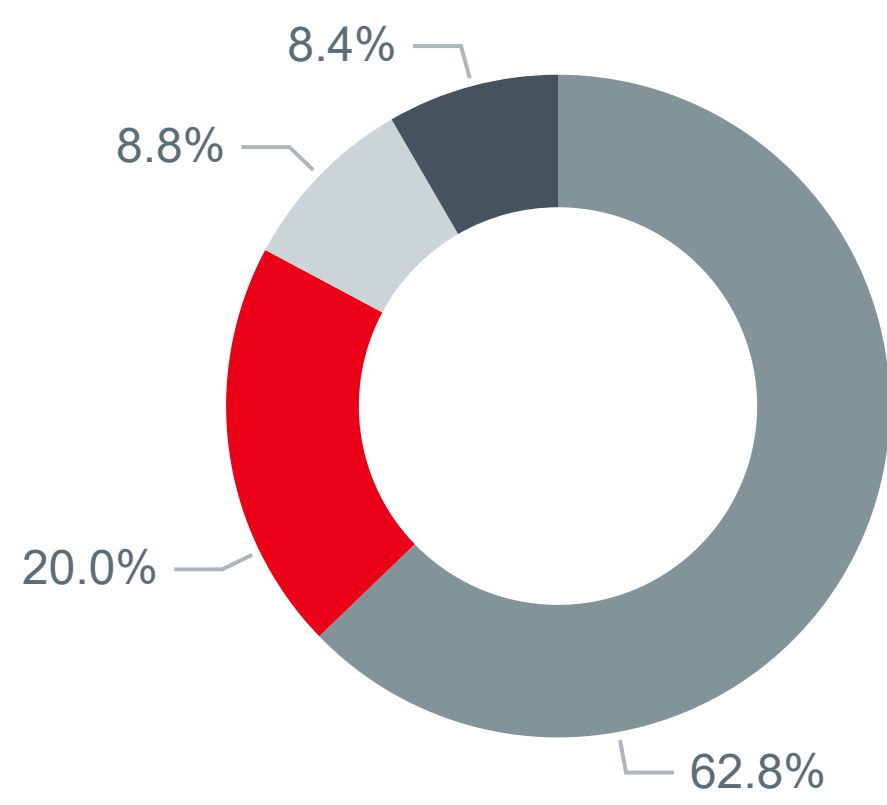


Total Cost of Insurable Risk Factors Measured by Organizations

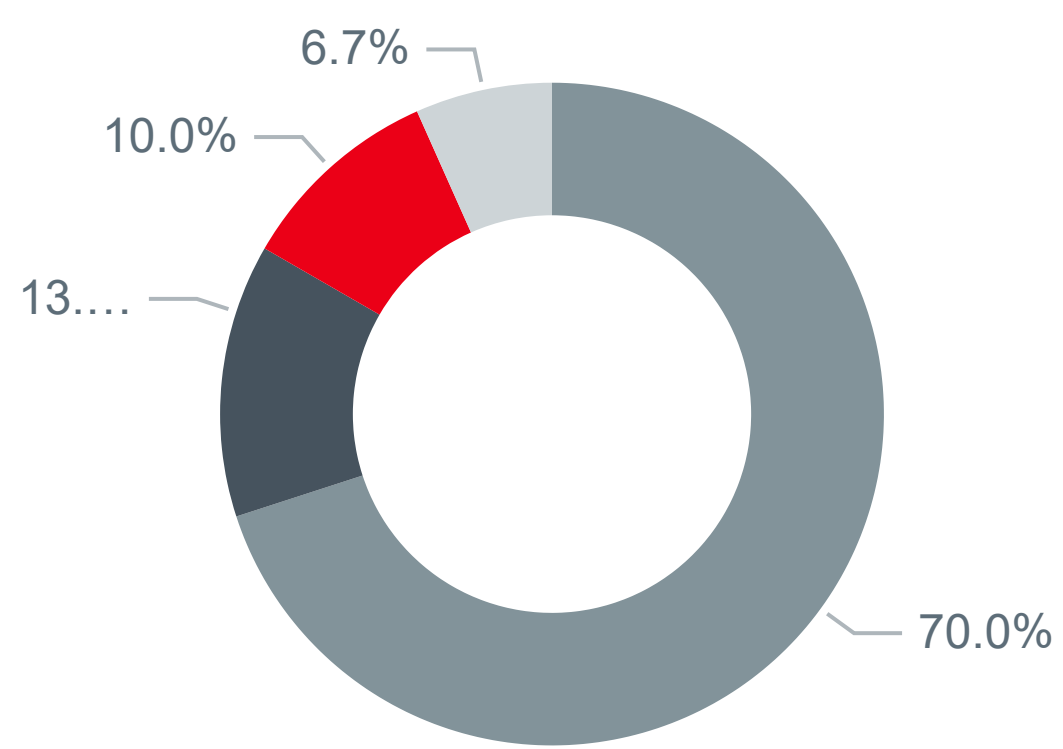


How Organizations' Total Cost of Insurable Risk is Changing

Overall



Regional benchmark



● Increasing ● Unchanged ● Decreasing ● I don't know

Risk

Risk

Risk

Risk

Risk

Risk

Risk

Risk

Captives

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

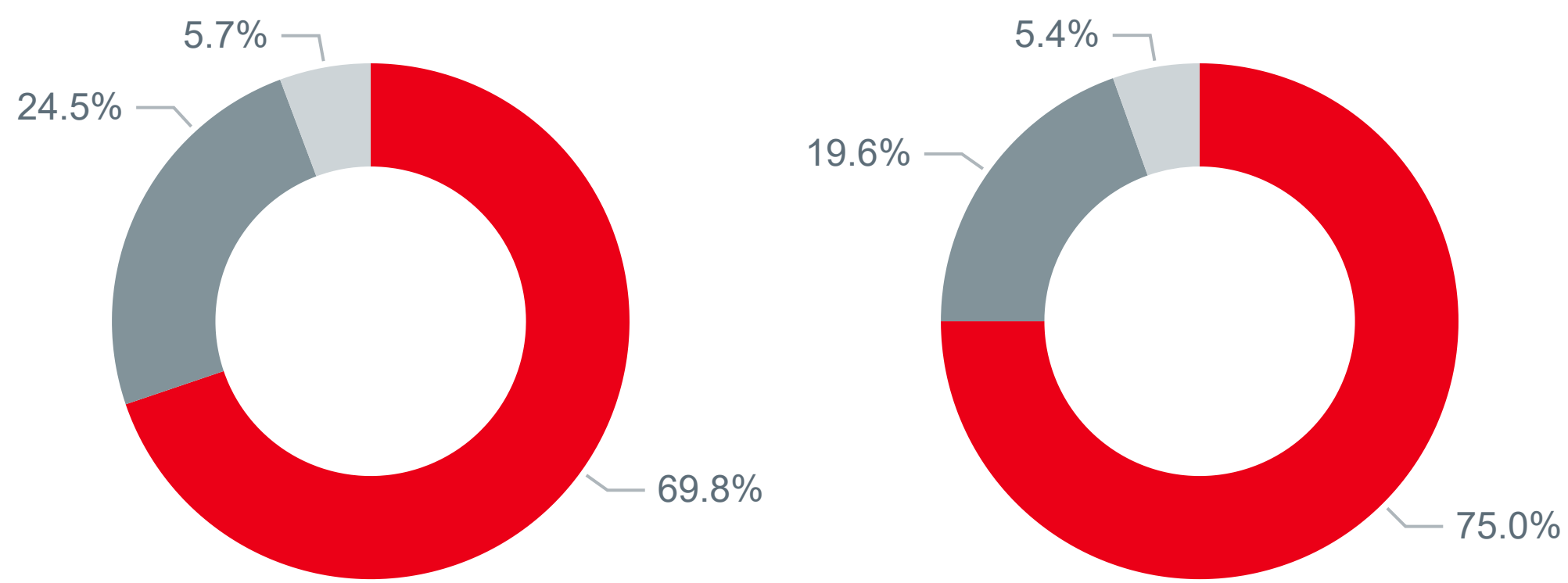
The displayed results show overall global data compared to the data from this region.

[Click here for more information.](#)

Organizations Who Have or Are Planning to Set Up a Captive Insurance Company or Cell in a Protected Cell Company

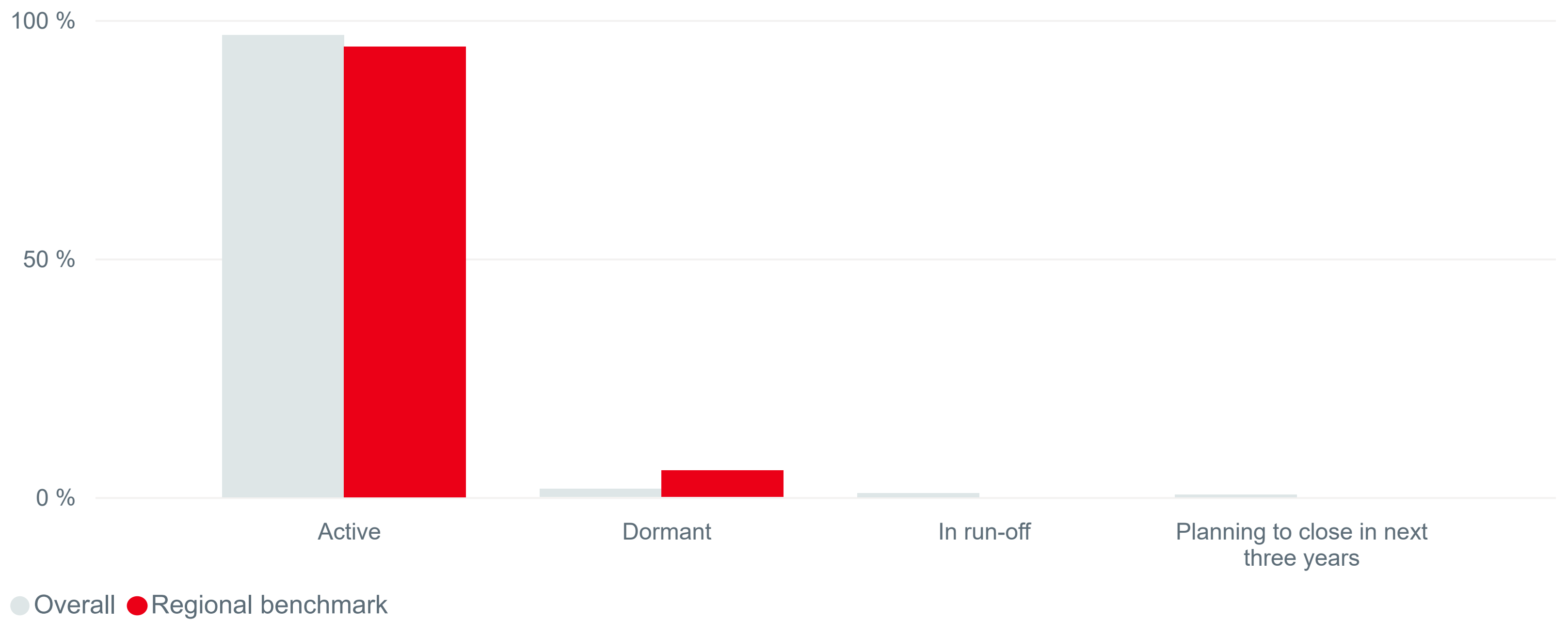
Overall

Regional benchmark



● Yes (planning to establish in the next three years) ● Yes (currently) ● No

Status of Current Captives or Cells in Protected Cell Companies



Risks Currently Underwritten or Planned to Be Underwritten via a Captive or Cell in a Protected Cell Company

Risks	Overall ▼	Regional benchmark
Property (Property Damage/ Business Interruption)	58.3 %	54.1 %
General/Third-Party Liability	53.2 %	32.4 %
Auto Liability	38.5 %	18.9 %
Employers Liability/Workers Compensation	36.2 %	18.9 %
Directors & Officers Liability	32.2 %	37.8 %
Catastrophe	27.3 %	32.4 %
Cyber Liability/Network Liability	27.0 %	27.0 %
Product Liability & Completed Operations	27.0 %	21.6 %
Professional Indemnity/Errors & Omissions Liability	27.0 %	21.6 %
Marine	22.4 %	37.8 %
Health/Medical	20.4 %	10.8 %
Environmental/Pollution	19.8 %	13.5 %
Life	19.3 %	5.4 %
Employment Practices Liability	19.0 %	10.8 %
Crime/Fidelity	17.0 %	16.2 %
Employee Benefits (Excluding Health/Medical and Life)	16.7 %	18.9 %
Terrorism	16.7 %	10.8 %
Product Recall/Tampering	12.9 %	8.1 %
Credit/Trade Credit	11.5 %	8.1 %
Third-Party Business	11.2 %	8.1 %
Warranty	10.3 %	5.4 %
Financial Products	10.1 %	8.1 %
Other	10.1 %	10.8 %
Aviation	8.9 %	16.2 %
Owner-Controlled Insurance Program	8.9 %	8.1 %
Contractor-Controlled Insurance Program	8.3 %	8.1 %
Subcontractor Default Insurance	5.2 %	2.7 %

Risk

Risk

Risk

Risk

Risk

Risk

Risk

Risk



Appendix

Learn more about the survey's methodology and participation demographics.

All Risks Ranked

Risks	Overall ▲
Cyber Attacks/Data Breach	1
Business Interruption	2
Economic Slowdown/Slow Recovery	3
Failure to Attract or Retain Top Talent	4
Regulatory/Legislative Changes	5
Supply Chain or Distribution Failure	6
Commodity Price Risk/Scarcity of Materials	7
Damage to Reputation/Brand	8
Failure to Innovate/Meet Customer Needs	9
Increasing Competition	10
Cash Flow/Liquidity Risk	11
Workforce Shortage	12
Property Damage	13
Tech or System Failure	14
Weather/Natural Disasters	15
Political Risk	16
Climate Change	17
Rapidly Changing Market Trends	18
Vendor Management/Third Party Risk	19
Environmental Risk	20
Geopolitical Volatility	21
Exchange Rate Fluctuation	22
Environmental Social Governance (ESG)/Corporate Social Responsibility (CSR)	23
Work Injuries	24
Interest Rate Fluctuation	25
Capital Availability	26
Product Liability/Recall	27
Major Project Failure	28
Third-Party Liability (e.g. E&O)	29
Failure to Implement/Communicate Strategy	30

Risks	Overall ▲
Data Privacy (including GDPR) Requirements/Non-Compliance	31
Pandemic Risk/Health Crises	32
Counterparty Credit Risk	33
Asset Price Volatility	34
Outdated Tech Infrastructure	35
Aging Workforce & Related Health Issues	36
Personal Liability (Directors & Officers)	37
Concentration Risk (Product, People, Geography, Etc.)	38
Merger/Acquisition/Restructuring	39
Disruptive Technologies	40
Absenteeism	41
Rising Healthcare Costs	42
Conduct Risk/Unethical Behavior	43
Other	44
Inadequate Succession Planning	45
Intellectual Property Risks	46
Theft	47
Globalization/Emerging Markets	48
Fraud or Embezzlement	49
Artificial Intelligence (AI)	50
Outsourcing	51
Terrorism	52
Share Price Volatility	53
Harassment/Discrimination (Employment Related)	54
Pension Risks	55
Gender Pay Gap	56
Impact of Brexit	57
Impact of Blockchain Tech	58
Sovereign Debt	59
Extortion	60
Kidnap & Ransom	61

Participants by Country/Territory

Country/Territory	Overall
United States	22.1 %
United Kingdom	8.0 %
Brazil	7.2 %
Spain	6.1 %
Colombia	4.3 %
Canada	3.7 %
Australia	3.5 %
Mexico	3.5 %
Portugal	3.2 %
Netherlands	3.0 %
Italy	3.0 %
Peru	2.5 %
Japan	2.4 %
Poland	2.1 %
Vietnam	2.1 %
Puerto Rico	2.0 %
Germany	1.8 %
Argentina	1.7 %
Ireland	1.6 %
India	1.5 %
Ecuador	1.5 %
South Korea (ROK)	1.5 %
France	1.4 %
South Africa	1.3 %
Chile	1.2 %
Turkey	0.8 %
Singapore	0.7 %
Belgium	0.6 %
Switzerland	0.6 %
Sweden	0.6 %
Denmark	0.5 %
New Zealand	0.4 %

Country/Territory	Overall
Finland	0.4 %
Greece	0.3 %
Hong Kong SAR, China	0.3 %
Norway	0.3 %
Philippines	0.3 %
Indonesia	0.2 %
Luxembourg	0.2 %
Malaysia	0.2 %
Thailand	0.2 %
Austria	0.1 %
Taiwan	0.1 %
United Arab Emirates	0.1 %
Bermuda	0.1 %
Costa Rica	0.1 %
Pakistan	0.1 %
Qatar	0.1 %
Romania	0.1 %
Cayman Islands	0.0 %
Channel Islands	0.0 %
Czech Republic	0.0 %
El Salvador	0.0 %
Estonia	0.0 %
Ethiopia	0.0 %
Hungary	0.0 %
Israel	0.0 %
Kuwait	0.0 %
Liechtenstein	0.0 %
Oman	0.0 %
Uruguay	0.0 %

Participants by Industry

Primary Industry	Overall ▼
Industrials and Manufacturing	19.1 %
Food, Agribusiness and Beverage	10.2 %
Construction and Real Estate	9.9 %
Natural Resources	8.1 %
Technology, Media and Communications	7.0 %
Financial Institutions	6.4 %
Transportation and Logistics	6.0 %
Other	5.3 %
Retail and Consumer Goods	4.9 %
Insurance	4.8 %
Healthcare Providers and Services	4.5 %
Life Sciences	3.7 %
Professional Services	3.6 %
Public Sector	3.5 %
Hospitality, Travel and Leisure	1.9 %
Financial Sponsors	0.7 %
Sports and Entertainment	0.6 %

Participants by Company Type

Type of Company	Overall ▼
Private	68.9 %
Public	20.4 %
Non Profit	4.3 %
Other	3.5 %
Government	1.7 %
Government Owned	1.3 %

Participants by Buyer Group

Buyer Group	Overall ▼
Risk	73.4 %
C-Suite	33.1 %
Finance	23.2 %
Other	12.7 %
HR	12.4 %
Wealth	0.3 %

Participants by Number of Employees

Organization Size	Overall ▼
500 - 2,499	24.0 %
1 - 249	23.3 %
5,000 - 14,999	14.1 %
250 - 499	11.0 %
2,500 - 4,999	10.3 %
15,000 - 49,999	9.1 %
50,000+	7.7 %
I don't know	0.5 %

Participants by Revenue

Revenue	Overall ▼
Less than USD \$100m	25.3 %
Between USD \$100m and USD \$500m	20.0 %
Between USD \$1bn and USD \$5bn	16.8 %
More than USD \$5bn	15.5 %
Cannot disclose	12.4 %
Between USD \$500m and USD \$1bn	10.1 %

Methodology

This web-based survey addressed both qualitative and quantitative risk issues. Responding Risk Managers, C-Suite, treasurers, HR and Talent professionals and others provided feedback and insight on their insurance and risk management choices, interests and concerns.

Aon Centre of Innovation and Analytics 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) exists to shape decisions for the better — to protect and enrich the lives of people around the world. Our colleagues provide our clients in over 120 countries and sovereignties with advice and solutions that give them the clarity and confidence to make better decisions to protect and grow their business.

Follow Aon on [LinkedIn](#), [Twitter](#), [Facebook](#) and [Instagram](#). Stay up-to-date by visiting the Aon Newsroom and sign up for News Alerts [here](#).

While care has been taken in the production of this document, Aon does not warrant, represent or guarantee the accuracy, adequacy, completeness or fitness for any purpose of the document or any part of it and can accept no liability for any loss incurred in any way by any person who may rely on it. Any recipient shall be responsible for the use to which it puts this document. This document has been compiled using information available to us up to its date of publication and is subject to any qualifications made in the document.

© Aon plc 2023. All rights reserved.