

# Construction Commercial Insurance Profile

## First Quarter 2018

### Carillion's Demise and Getting Paid

Carillion, formerly the second-largest construction company in the United Kingdom, went into compulsory liquidation on 15 January. The financial effects of this recent development are expected to be significant.

Tens of thousands of suppliers and subcontractors are still owed an estimated £2 billion, according to the firm's most recent results statement. The financial situation created by this payment limbo has even resulted in official warnings to subcontractors, warning them to not break into Carillion sites to recover their kit.

Even though it is difficult to defend against these types of situations—let alone predict when they may occur—there are precautionary measures that you can take to defend against late and non-existent payments:

- Verify that the potential client has signed either (or both) the [Prompt Payment Code](#) and the [Construction Industry Payment Charter](#).
- Remember to include the [government's 8 per cent statutory interest](#) rate in the contract, and do not hesitate to impose it.
- Review your finances to ensure that you understand when payments should be coming in and when your expenses are due.

If your firm has been affected by Carillion's compulsory liquidation, PricewaterhouseCoopers has set up a [website](#) to provide additional guidance. In addition, you can [call the helpline at 0800 063 9282](#).

### High Risk of Suicide Among Construction Workers

From 2011 to 2015, 1,419 construction workers committed suicide, which is three times higher than any other industry, according to the Office for National Statistics (ONS). Experts blame the unique characteristics of the construction industry: long hours, isolation and job insecurity. The same ONS report found that male construction workers are 35 per cent more likely to commit suicide than men in other sectors and that 1 in 4 construction workers have contemplated suicide. What's more, 58 per cent of construction workers have experienced anxiety and 75 per cent have experienced depression, according to a survey from the Union of Construction, Allied Trades and Technicians. The problem is pervasive.

It is therefore essential that you provide your employees with an open workplace where they are able to receive comprehensive assistance for mental health. If an employee is experiencing a mental health issue, refer them to the free [Construction Industry Helpline](#) at 0345 605 1956. In addition, your company may want to participate in [Mates in Mind](#), a charity that works to improve and promote positive mental health within the industry, as well as [Stop. Make a Change](#), an annual, national event in April that will focus on mental health this year.

### HSE Prosecutions in Construction 2016-17 Retrospective

- 554 total cases prosecuted by the HSE.



- 206 were from the construction sector—the highest number of any industry.



- 206 prosecutions led to £15.9 million in penalties, an increase of more than 100% over the previous year.



Source: HSE

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