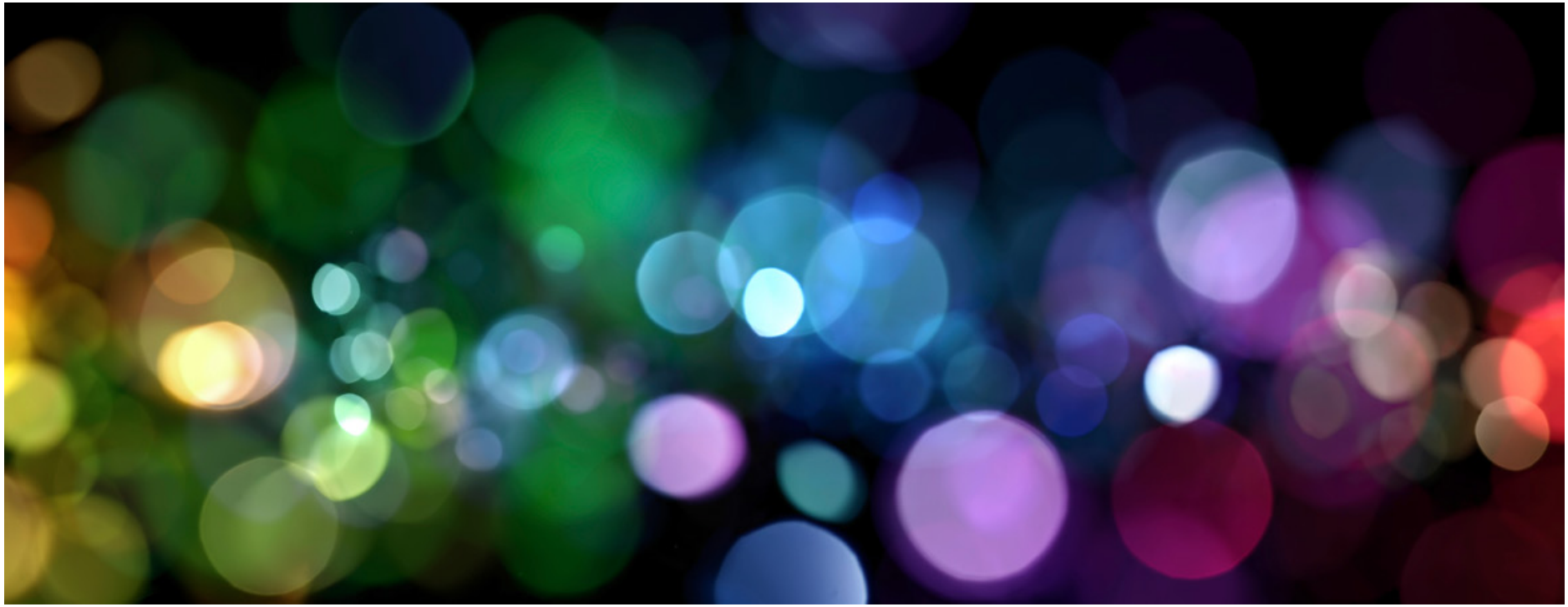

Aon Global Risk Consulting

2019

Prepared by Aon Risk Solutions

Presentation to National New Business, Proprietary and Confidential

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Aon Global Risk Consulting

- Cyber risk profiling
- Enterprise risk management
- Insurable risk profiling
- Liability risk control
- Property risk control

- Asset valuations
- Business interruption insurance valuations
- Loss forecasting & pricing
- Limit and scenario modelling

- Alternative risk financing and captive feasibility
- Insurance program design

- Business continuity management
- Fraud awareness training
- Fraud investigations, audits and screenings

- Captive and insurance management
- Reserving for retained risk

- Captive loss adjusting
- Claims preparation

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Discussion Points

1. Macro Economic Factors

2. Insurance Market Cycle

3. What this means for the industry

4. What you can do about it

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The Current Landscape

Macro Economic Factors

- Political Volatility
- ‘Trade Wars’
- Climate Change
- Globalisation
- Digitalisation

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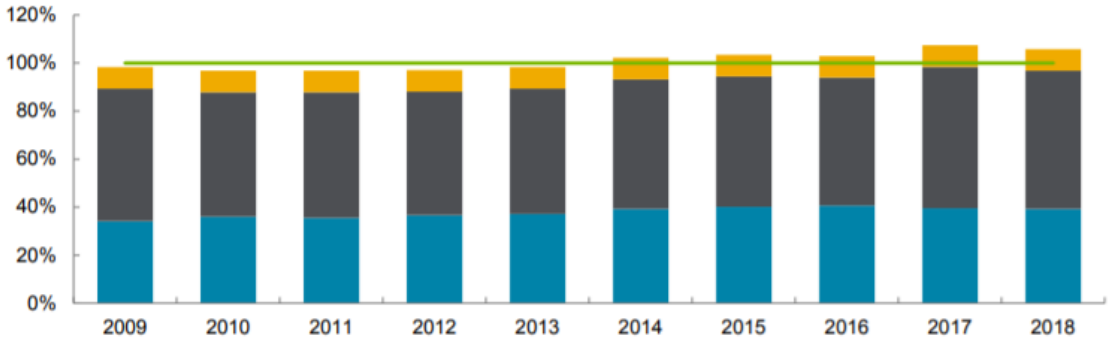
The Insurance Market

- Consolidation of capacity
- Investment Yields – cash rate
- Rectification of books
- Industry Specific Issues

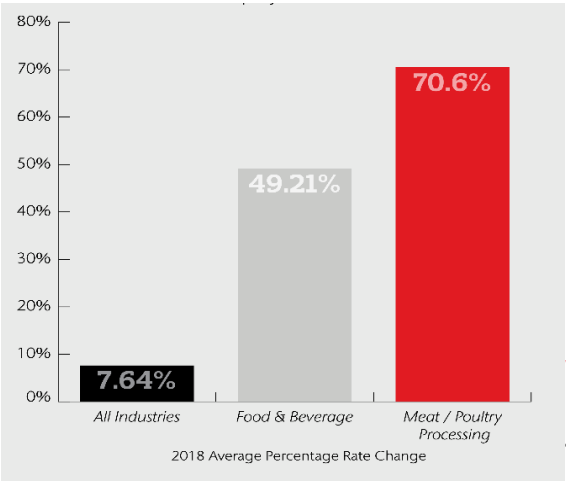
Acquirer	Target	Date announced
CPPIB	Ascot	September 2016
Sompo	Endurance	October 2016
Liberty Mutual	Ironshore (Pembroke)	December 2016
Fairfax	Allied World	December 2016
Hannover Re	Argenta	March 2017
AXIS	Novae	July 2017
Centerbridge	Canopius	August 2017
AIG	Validus (Talbot)	January 2018
AXA	XL Catlin	March 2018
Hartford	Navigators	August 2018
Apollo	Aspen	August 2018
China Re	Chaucer	September 2018
Hamilton Re	Pembroke	March 2019
Canopius	AmTrust at Lloyd's	April 2019
Arch	Barbican	July 2019

Source: Aon.



Source: Aon / Lloyd's.

Rate Change - EPS vs. All Industries



Underwriter Engagement

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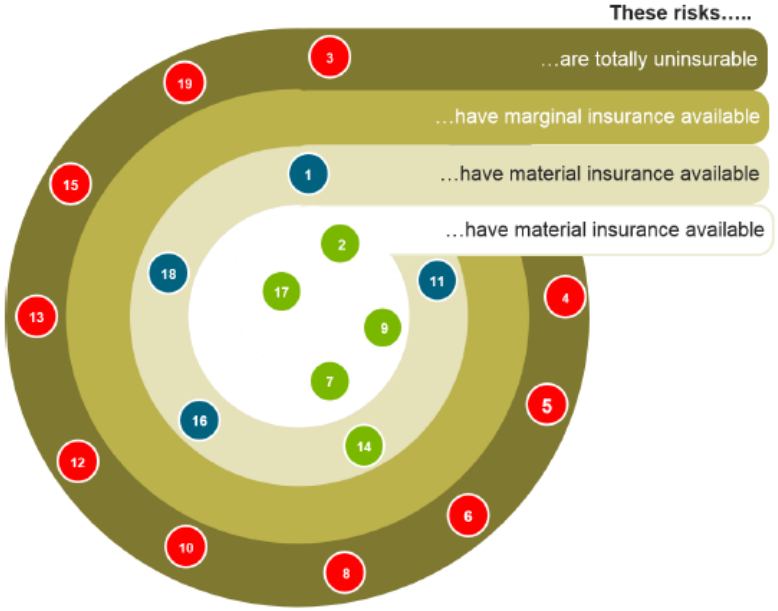
The Pivot to Risk Approach

Top Ten Risks for Beverage Clients

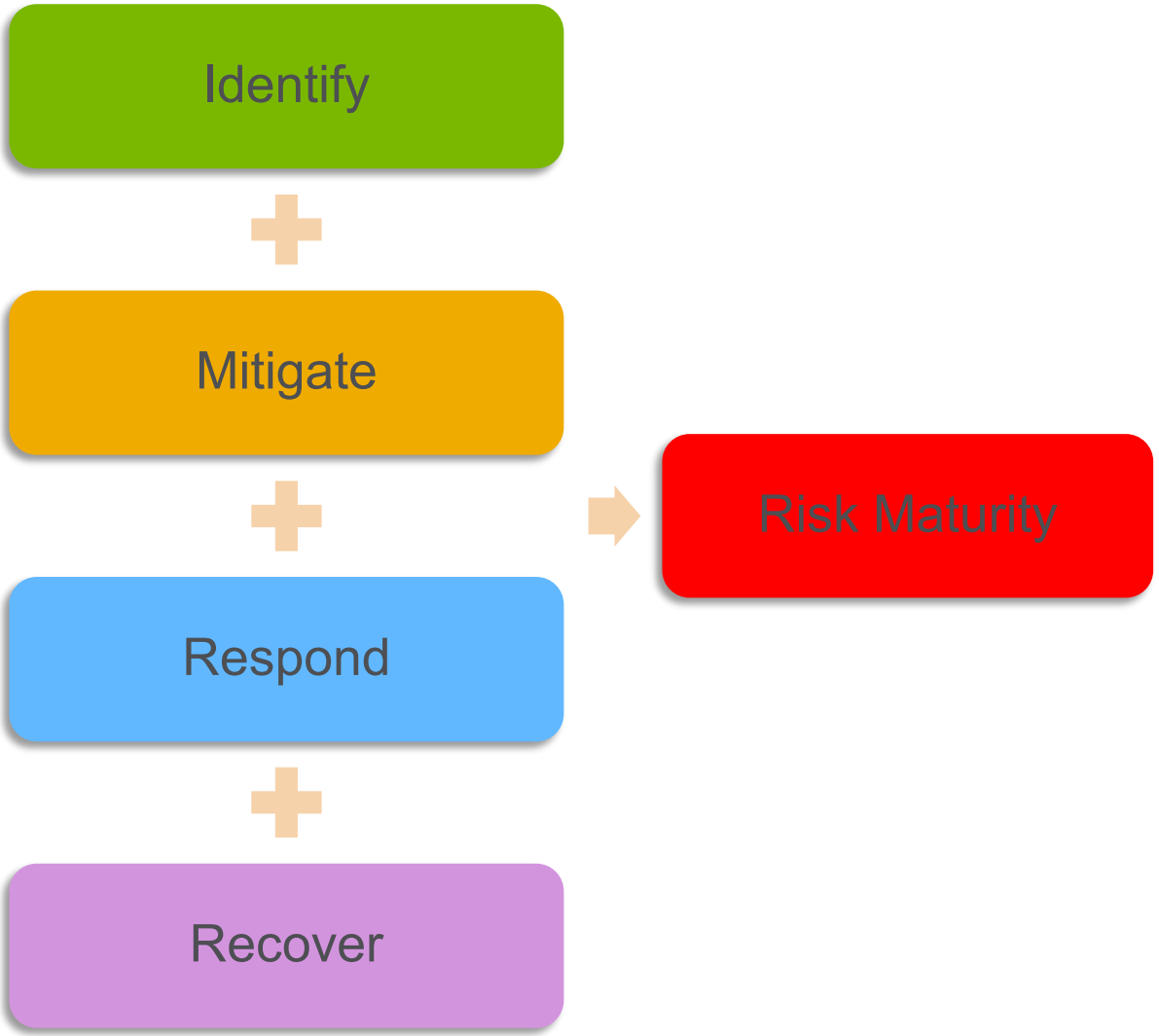
Insurability of Risks
(All Industries)

	Insured
	Insurable, in whole or part
	Uninsurable

1	Damage to reputation / brand
2	Business interruption
3	Increasing competition
4	Accelerated rate and change in market focus
5	Economic slowdown / slow recovery
6	Commodity price risk
7	Disruption or supply chain failure
8	Exchange rate fluctuation
9	Product recall
10	Workforce shortage
11	Cyber-attacks/ data breach
12	Failure to innovate / meet customer needs
13	Failure to attract or retain talent
14	Regulatory / legislative changes
15	Climate change
16	Cash flow / liquidity risk
17	Weather / natural disasters
18	Environmental risk
19	Natural resource scarcity



Risk Maturity



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Traditional Transactional Broking vs. Risk Management Broking

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Questions

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