

Captive Benchmarking Report

Manufacturing

For more information please visit www.aon.com/captives

The insurance market is changing

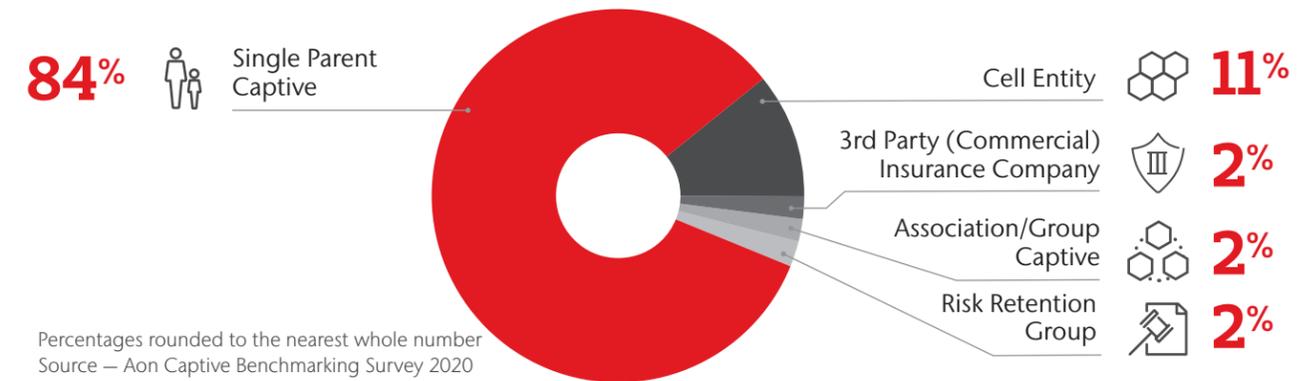
Market conditions are prompting more discussions around alternative risk financing options as many organizations see their risk transfer costs surge. The trend towards increased retentions will almost certainly lead to more extensive utilization of captives and captive-type solutions, even by businesses that may have previously discounted this approach for reasons ranging from lack of scale to capital commitment. These reasons may no longer be relevant.

Headline numbers

56 number of captives

\$1.5bn in Gross Written Premium

Type of entity



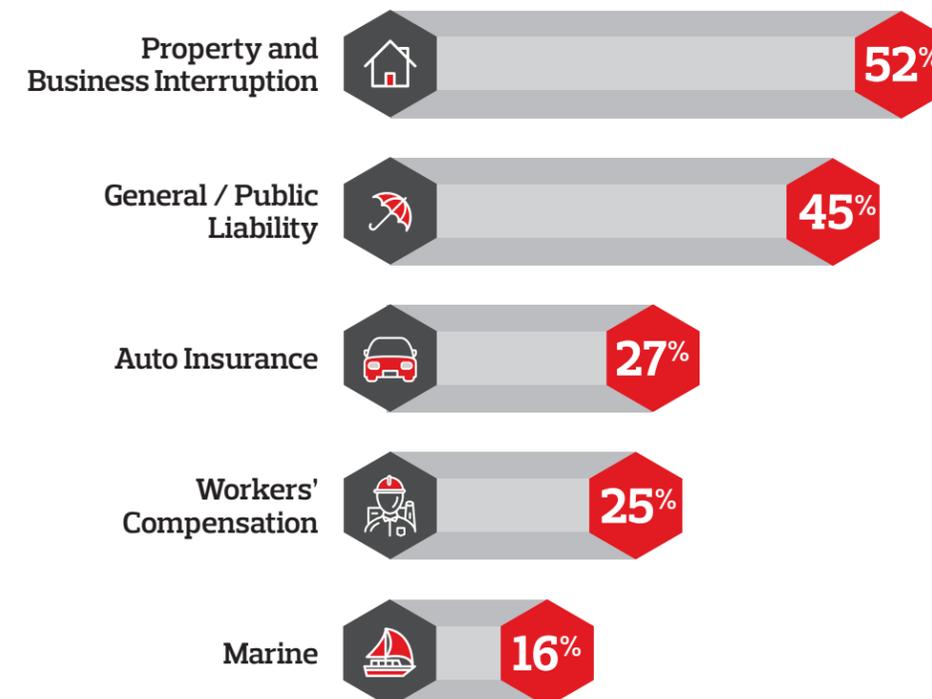
Top five emerging risks by 2022



Current top ten risks

	% of respondents indicating as top ten risk	% with plans in place	% with loss from risk
Economic slowdown / slow recovery	55%	21%	33%
Commodity price risk	58%	55%	48%
Accelerated rates of change in market factors	49%	33%	25%
Business interruption	42%	69%	36%
Increasing competition	40%	38%	46%
Damage to reputation / brand	42%	40%	10%
Distribution or supply chain failure	41%	60%	36%
Failure to innovate / meet customer needs	29%	46%	20%
Exchange rate fluctuation	30%	53%	52%
Cash flow / liquidity risk	25%	74%	23%

Lines of business written



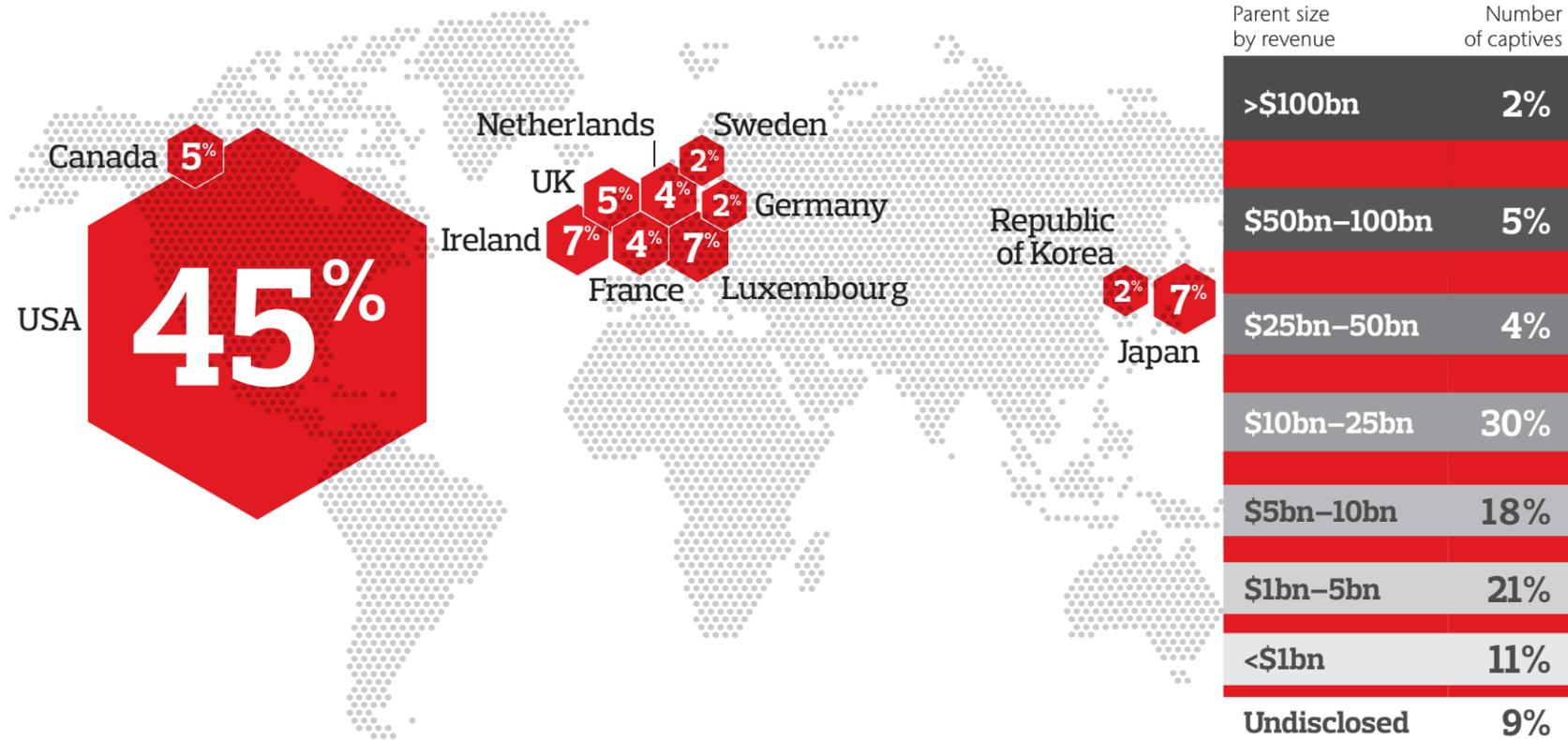
Source — Aon Global Risk Management Survey 2019

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Parent country



Parent size by revenue	Number of captives
>\$100bn	2%
\$50bn–100bn	5%
\$25bn–50bn	4%
\$10bn–25bn	30%
\$5bn–10bn	18%
\$1bn–5bn	21%
<\$1bn	11%
Undisclosed	9%

Aon's Captive & Insurance Management

Aon's Captive & Insurance Management delivers value to clients by focusing on management, control and reduction of clients' total cost of risk.

1,232
insurance entities managed worldwide



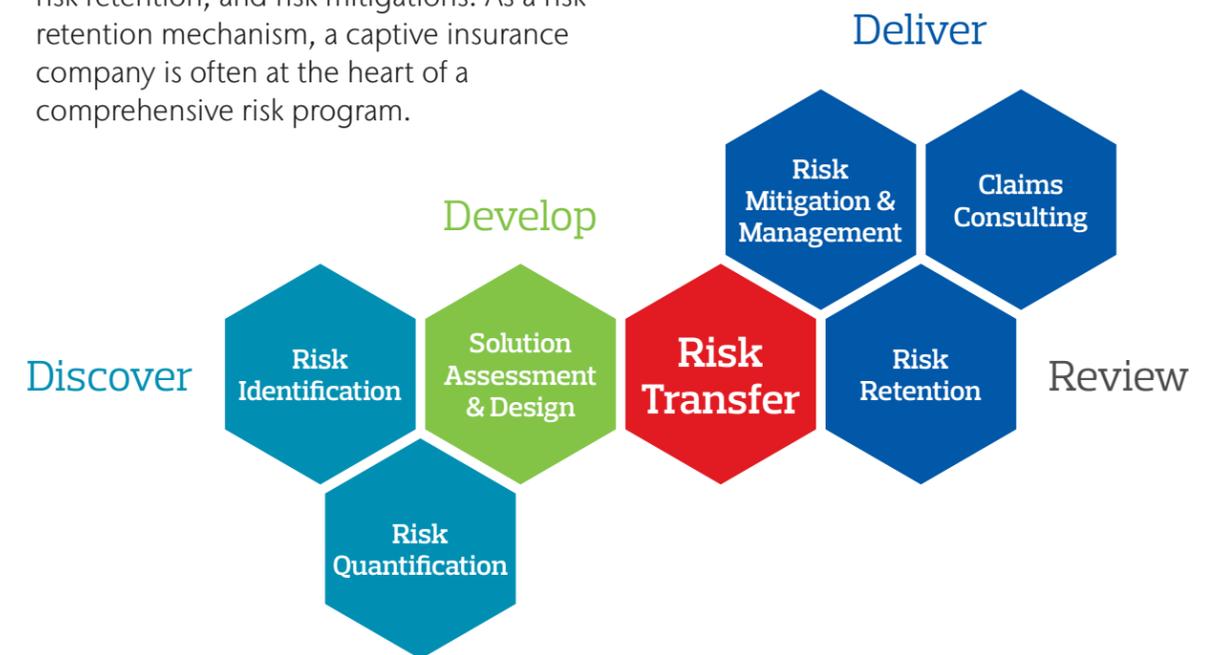
15%
of the insurance management market

\$38bn
total premiums

Our clients generate total premiums of over US\$38 billion per annum through managed insurance vehicles

How we help our clients

We help our clients identify and quantify the risks they face by assisting them with the selection of the appropriate risk transfer, risk retention, and risk mitigations. As a risk retention mechanism, a captive insurance company is often at the heart of a comprehensive risk program.



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