

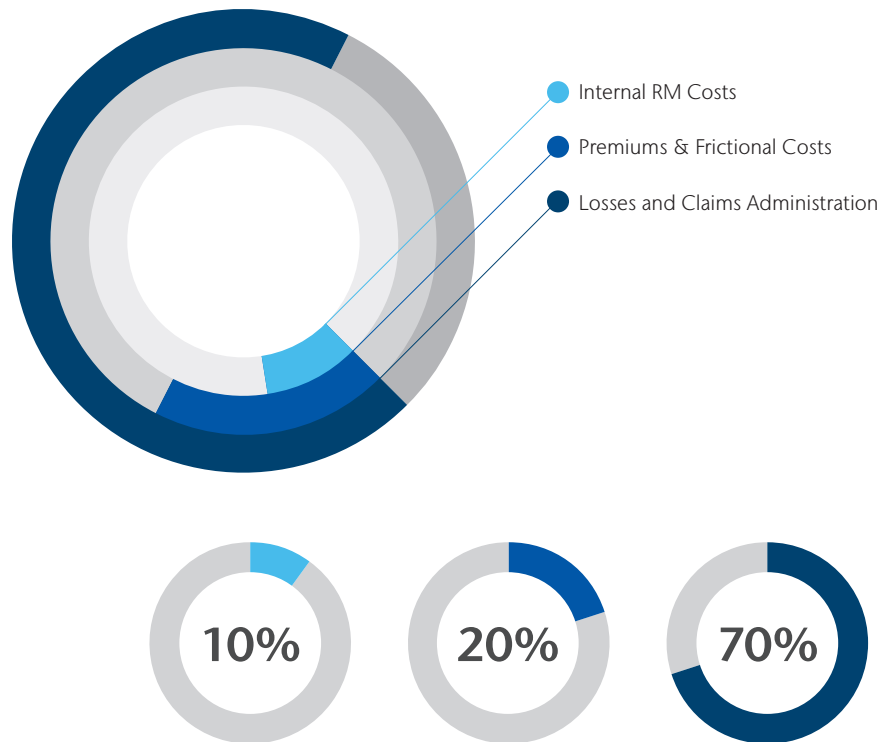
Aon Risk Solutions
Aon Global Risk Consulting

Aon Casualty Laser™ for the Retail Industry

Enhancing Your Profitability

Reducing Retailer's Total Cost of Risk

Continuous improvement in reducing costs is fundamental to your organization's competitiveness and operational well-being. At Aon, we define total cost of risk (or TCOR) as the sum of retained losses, risk transfer premiums, collateral and frictional costs; in short, the cost of services to assess, mitigate and manage all aspects of risk. A forward-thinking, industry-leading risk management strategy targets key cost drivers based upon the highest return on investment resulting in a sustainable competitive advantage.



What is Aon Casualty Laser™?



Data-Driven
Diagnostic



More than 90
Proprietary KPIs



Benchmarking Across
Retail Industry-specific
Loss Drivers



Cost Savings and
Program Improvement
Targets Based on
Highest ROI



Direct Engagement of
Aon Retail Industry
Subject Matter Experts



Measurable Cost
Improvement

Aon Casualty Laser™ enables retail organizations like yours to leverage and gain casualty program insight from your own data, analyze it against retail industry (and internal) benchmarks, and identify where cost-saving opportunities lie. Casualty Laser™ “diagnoses” a range of casualty cost drivers through rigorous analytical tools, ultimately enabling you to target improvements.

Aon Casualty Laser™ Diagnostics

Driving Measurable Savings in Retailer Casualty Risk Program



Measuring the Cost—and Opportunity—of Risk















On average, the cost of risk equals 1.2 percent of a retailer's total revenue. Having a clear understanding of this crucial metric is a prerequisite in controlling the substantial and ongoing expense of casualty risk. By properly measuring the organization's cost of risk, risk managers can design more effective risk retention and transfer structures, while arming executive leadership and board of directors with the information they need to make informed decisions to grow the bottom line.

With Casualty Laser™, you are armed with data-supported insights to drive strategic benefits to your organization, including reduced claims, lower risk management expenses, improved safety and mitigation programs and change to reduce overall TCOR.

How Do Retailers Compare to Aon's Proprietary Benchmarks

Having performed more than 50 Lasers within the Retail Industry, Aon has identified the following trends when comparing Retailors to our All Industries proprietary data.

Retail Industry Trends

	Strengths	Opportunities
Rate of Pharmacy Paid to Total Medical Paid		
Rate of Medical Paid to Total Paid		
Rate of Litigated Claims		
Frequency of Claims Related to Aging Workforce		
Preferred Provider Penetration		
Claims Closure Rate		
Conversion Rate of Medical Only to Indemnity Claims		
Frequency of Claims for Employees Hired within 12 Months		
Rate of Paid Legal Expense to Total Paid Expense		
Severity of Ergonomic Related Claims		
Frequency of Claims Related to Ergonomics		
Severity of Claims Related to Slips, Trips, or Falls		
Rate of Claims Reported within 0 to 3 Days		
Average Number of Temporary Total Disability Days		

Does Retailer Size Matter?

Where Do Specialty Stores and Big Box Stores Differ?



Performance is better for Specialty Stores as compared to Big Box

- Lower Percentage of Claims with TTD payments
- Average Number of Temporary Total Disability Days
- Conversion Rate of Medical Only to Indemnity Claims
- Frequency of Claims Related to Ergonomics
- Severity of Claims Related to Ergonomics

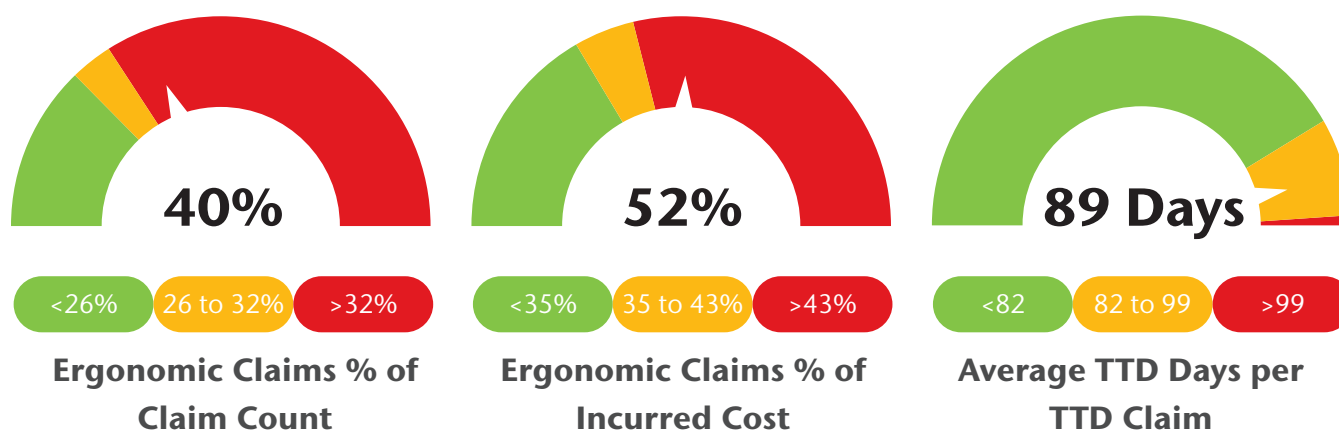


Performance is better for Big Box as compared to Specialty Stores

- Closure within 12 months
- Lag Time in Reporting
- PPO Penetration
- Expense Paid
- Litigated Claims
- Slip/Trip/Fall Frequency and Severity

Sample Benchmark Display

Results vs. Proprietary Benchmark



Converting Results into Action

Strategies Recommended to Improve Ergonomics



Strategies Recommended to Improve Transitional Duty



Talk with Aon Today

The Aon Casualty Laser™ diagnostic process is simple. Leveraging the best tools and data, you can confidently confirm how you are performing and how you compare to your retail peers. Armed with metric-driven insight, you are better prepared to reduce your organization's costs and contribute to profitability.



This simplicity is possible because of the comprehensive and sophisticated data platforms and analyses that are the core of Aon Casualty Laser™. Laser capitalizes on the Aon's Retail Industry thought leadership and expertise that only Aon can deliver.

With Aon Casualty Laser™, you have the insights to drive strategic benefits for your organization, including reduced claims, lower risk management expenses, improved risk control processes and higher profit margins.

To learn more or contact us about engaging Casualty Laser™ in your organization, visit aon.com/laser

Contacts:

Mary Anne Burke
maryanne.burke@aon.com

Joe Galusha
joe.galusha@aon.com

Kelly Black
kelly.black@aon.com

Paul Capuzzo
paul.capuzzo@aon.com

Rob Connery
robert.connery@aon.com



About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

© Aon plc 2017. All rights reserved.

The information contained herein and the statements expressed are of a general nature and are not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information and use sources we consider reliable, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

www.aon.com

