



# Midstream

The volatility in crude oil and natural gas pricing has contributed to a new set of challenges and opportunities for traditional midstream companies. Due to continued pressure on upstream counterparts and the symbiotic link between their sectors, midstream companies are having to embrace what is being called ‘the new norm’ and adjust business expectations accordingly.

This climate presents a long-term opportunity for midstream companies to recalibrate their operating model, and develop a future state that supports long term economic viability for the midstream industry.

Naturally, the desire to optimise economic viability will lead to an increased focus on costs, including those associated with risk transfer. Midstream companies will be best served by a broker who can assist clients in quantifying their appetite for risk relative to the balance sheet strength, and design and implement an appropriate risk transfer strategy.

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## Aon's midstream value proposition

Aon can support clients across all energy sectors. Our market share, combined with our global footprint, enables us to accurately track market trends through data and analytics. With a strong understanding of how these trends affect players in the midstream sector.

## Midstream Risk Profiling – Aon's here to help

Midstream companies have a unique risk profile due to a wide distribution of assets and proximity to third party property, both of which come with their own unique challenges in the insurance market. In order for you to optimise your risk transfer strategy it is essential to develop a complete understanding of your company's risk profile.

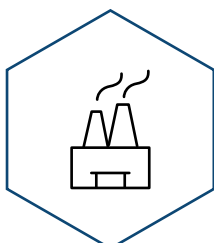
Aon can assist in this process with the following added value services:



Broad geographical asset distribution and exposure to natural catastrophe perils such as flood and earthquake. Through Aon's Risk Modelling Solutions (RMS) licence we are able to understand how insurers will view your risk from a natural catastrophe perspective and seek to neutralise any negative underwriting arguments to drive the most competitive outcome.



Unquantified storage aggregation exposures cause concern with underwriters and can have an adverse effect on terms. Aon can perform storage aggregation studies to determine how much product is exposed at a single location at any given moment to alleviate such concerns.



A complete understanding of seepage and pollution risks is an important element of any midstream underwriting submission. Aon's Risk Engineering team can evaluate your liability exposures in respect of pollution to third parties.



Transportation 'bottlenecks' are a key driver of business interruption buying strategies. Through the application of loss scenarios Aon can help identify key assets to be protected and the limit required to adequately transfer the risk.

### About Aon

Aon plc (NYSE:AON) is a leading global provider of risk management, insurance brokerage and reinsurance brokerage, and human resources solutions and outsourcing services. Through its more than 50,000 colleagues worldwide, Aon unites to empower results for clients in over 120 countries via innovative risk and people solutions. For further information on our capabilities and to learn how we empower results for clients, please visit: <http://aon.mediaroom.com>.

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