

Aon's Higher Education Practice

Advancing the Mission of Colleges and Universities

LEARNING RESOURCE

AON

Managing Challenges for Higher Education

As college and university leaders you are continuously facing new and evolving challenges on your campuses. The solutions needed to manage your total cost of risk, health, human capital, and retirement programs are increasingly complex.

Aon's Global Risk Management Survey identifies the key risks, trends and challenges organizations are facing. For higher education, these are the key risks that are on the minds of risk management, human resources and administrators.

Risk Challenges that Colleges and Universities are Facing:



Health & Human Capital Challenges that Colleges and Universities are Facing:

- ▶ Aging Workforce
- ▶ Retiree Health Costs
- ▶ Recruiting & Retaining Talent
- ▶ Endowment Management
- ▶ Outdated Compensation Levels
- ▶ Retirement Plan Fee and Expense Management
- ▶ Rising Health Care Costs

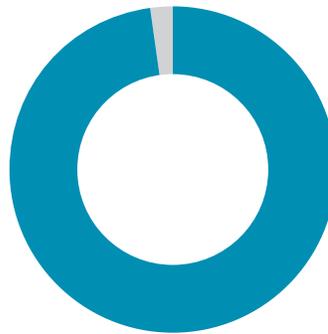
Work With Higher Education Specialists

Aon's Higher Education Practice

Aon understands the challenges confronting academic institutions. Our Higher Education Practice helps colleges and universities develop innovative and cost-effective, risk management and human capital solutions to support your overarching mission to provide a quality and affordable education. Our Practice is comprised of more than 200 professionals providing consulting services in risk (property, casualty, cyber solutions and captive management) and human capital (health, retirement, compensation, investment advisory and active/retiree exchanges) to more than 300 public and private colleges, universities and university systems.



**Higher
Education**



98%
Retention Rate



300+

U.S. & International
colleges and universities



More than

200

**Aon higher education
professionals**

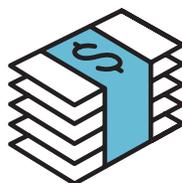
Access the Full Breath of Aon plc

Aon is a leader in developing solutions that drive bottom-line results. Our solutions give clients fact-based insights and award-winning tools to empower results.



50,000

Colleagues



\$11B

2019 Annual Revenue



500+

Offices
in 120
Countries



\$35.6B

Market
Capitalization
(as of April 2020)



\$300B

Worldwide
Premium
Placements



Aon's Solutions
in Action

200+
Professionals

dedicated
to Higher
Education in
the U.S.

Higher Education Challenge



Climate Change

Managing the risks of climate change has become an essential part of doing business. Extreme weather events have impacted colleges and universities by displacing students, increasing staff and faculty absenteeism, damaging buildings and facilities and amplifying financial risks.



Aging Workforce

For many faculty and staff, they could not imagine working anywhere else. It is not uncommon to have faculty members who are actively contributing to their institutions well past age 65. With this dedicated and aging population, colleges and universities often face higher health care costs, increased pharmacy expenses, escalating workers' compensation claims and required workplace modifications. Few decisions are as important or complex for retirees as choosing health coverage. As an employer, you're in a unique position to help your workforce through the challenge by evolving your benefits strategy to manage costs while maintaining your promise to provide quality coverage for retirees.



Infrastructure

Colleges and universities have unique construction needs and issues revolving around deferred maintenance which have serious ramifications on budgets and staff. Many institutions also have infrastructure procurement challenges. Institutions are turning more often to public-private partnerships to meet their facility needs.



Recruiting & Retaining Talent

Colleges and universities are on the front-lines in the global battle for talent. From top researchers, faculty, staff and administrators to IT, food services and grounds crews, institutions are facing the challenge of securing new talent while maintaining their existing employee base.



Cyber

Higher education institutions are prime targets for cyberattacks due to the valuable research information, intellectual property, personally identifiable information (PII) and personal health information (PHI) that is stored and transmitted within their environments.



Endowment Management

Higher education institutions are under increasing financial pressure and scrutiny to deliver on the institutional mission amidst societal changes. As stewards of the multiple pools of capital, fiduciaries must ensure sound management to serve both the needs of current and future beneficiaries. A critical component to success is the ability to navigate the investment portfolio(s) across evolving capital market risks and investment opportunities.



Intellectual Properties Risk

U.S. research universities generate approximately \$3 billion in annual revenue from patent licenses. Theft of intellectual property can emanate from espionage, hackers, or in-house faculty, staff, and students. Protecting your institution's intellectual property is one challenge and valuing it is another.

Aon's Solution in Action



Climate Change

Aon invests \$450 million annually on our data analytics and innovative solutions to help our colleges and universities model their risks. Utilizing capabilities like ImpactOnDemand, Aon's award winning spatial analytics tool, and cutting edge weather analytics, we can help your institution model and understand your exposures. Specialized teams with our Alternative Risk Solutions group can help you confidently navigate risk transfer options like parametric insurance.



Aging Workforce

One area where many institutions struggle is in providing a clear and understandable glidepath into retirement for their valued faculty and staff. With Aon, you can give retirees an individual market solution that better supports their needs and yours: the Aon Retiree Health Exchange™. Our private healthcare exchange delivers greater value than your group health plan and significant savings for you and your retirees. With the broad range of coverage options, personalized enrollment and post-enrollment support, and our industry-leading technology, your retirees will feel secure and confident about their coverage. Aon provides comprehensive financial analysis and guidance on your subsidy design, and our exchange dramatically simplifies your retiree health administration.



Infrastructure

Aon is the preeminent risk advisor for public-private partnerships (P3s). We provide risk advisory and broker services to P3 market participants engaged in the Higher Education sector. Aon will utilize our risk control consultants to understand the criticality of your infrastructure risks through various methods including remote sensing technologies, such as drones, to cost effectively evaluate maintenance issues.



Recruiting & Retaining Talent

Aon's Talent, Rewards and Performance practice, along with our Health and Retirement practices work in lockstep with institutions to dovetail seamless total compensation programs and benchmarking data that enhance your employment offering – providing you with a platform to recruit and retain top talent throughout your organization.



Cyber

Aon delivers a comprehensive suite of assessment and quantification solutions to support cyber risk transfer, mitigation, advisory, and response. Having these capabilities on hand can help your institution effectively mitigate loss. For this, Aon offers a \$0 retainer in advance of a cyber event, breach, or incident.



Endowment Management

Aon offers investment solutions and ongoing management of non-profit asset pools, which include long-term endowment, foundation pools and qualified retirement plans. Each of our consultants are well-versed in the needs and the unique financial challenges of higher education institutions.



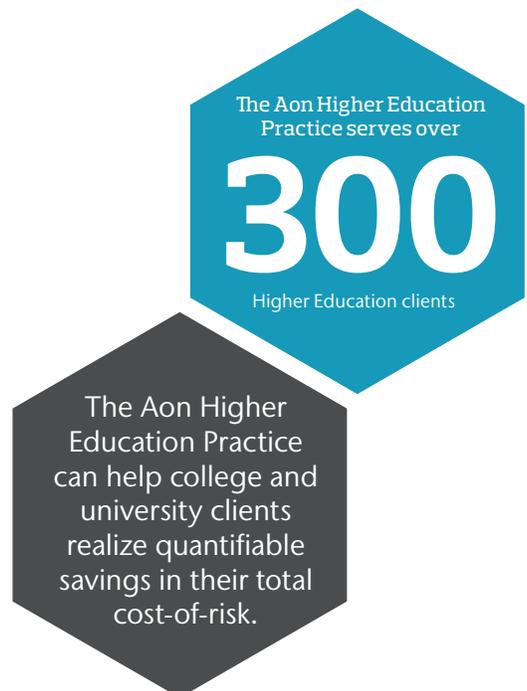
Intellectual Properties Risk

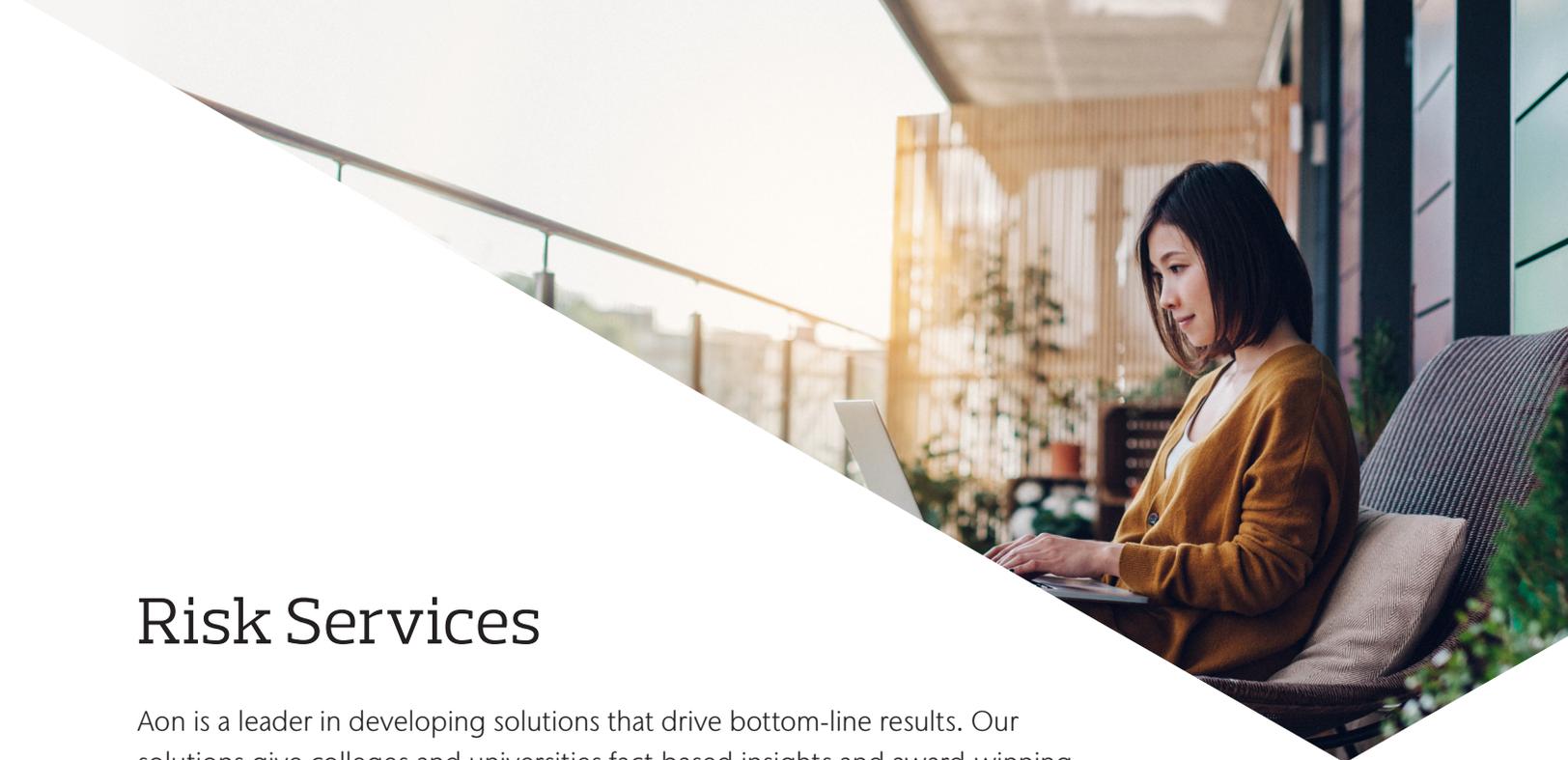
Aon's Intellectual Properties Solutions Group uses proprietary analytics to advise your institution around strategy, risk mitigation, and valuation to provide broad intellectual property solutions.

Health, Retirement, Human Capital Services

We have seen increased activity among academic institutions within the areas of health, retirement and compensation programs in recent years. Many universities are updating and/or increasing the cohesiveness of their compensation programs as they seek to gain an edge in the attraction and retention of top talent at all levels. Aon's Higher Education Practice includes consulting expertise in health and benefit plans, retirement plans, investment advisory services, compensation, communications, benefits and risk management services. Directly supporting our Higher Education Practice are professionals with expertise in:

- ▶ **Health and Benefits**—including health plans, absence management, elective benefits, active and retiree health exchanges, audit services (claims, operations, and dependent verification), student health, and health advocacy
- ▶ **Compensation** - Broad-Based and executive compensation strategy and design
- ▶ **Retirement and Investment Advisory** - Defined Benefit and Defined Contribution Retirement Plan consulting, actuarial and advisory services, Endowment/Investment strategies and Risk Management





Risk Services

Aon is a leader in developing solutions that drive bottom-line results. Our solutions give colleges and universities fact-based insights and award-winning tools to empower business results.

AonLine

A secure, online network for you to manage your risk programs. AonLine integrates your proprietary information, Aon's intellectual capital, and third-party resources to help you and Aon collaborate more effectively.

Aon Laser

Aon's benchmarking capability, Aon Laser, enables you to leverage and gain insurance program insights from your own loss data, analyze it against industry (and internal) benchmarks, and identify where cost-saving opportunities lie. Laser "diagnoses" a range of loss data and cost drivers through rigorous analytical tools, ultimately enabling you to make better-informed decisions to identify areas for cost savings, and opportunity.

Cyber Quotient Evaluation

Aon's Cyber Quotient Evaluation (CyQu) is our dynamic cyber risk management portal. CyQu enables colleges and universities to rapidly evaluate the enterprise cybersecurity posture and develop a data-driven cyber risk management strategy.

Aon Risk Maturity Index

An innovative tool designed to capture and assess an institution's risk management practices and provide participants with immediate feedback in the form of a Risk Maturity Rating, along with comments for improvement.

Malicious Acts Coverage

Aon's London Terrorism group is on the forefront of developing new coverage options that can benefit colleges and universities. As there is increasing interest for coverage to address lone actors that are not traditionally insurable. Unlike the standard Terrorism Policy, the Malicious Acts Coverage allows a broader definition and therefore increased coverage.

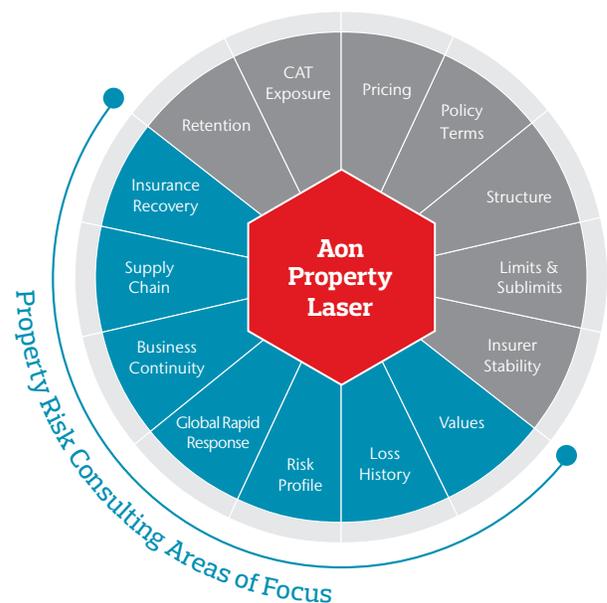
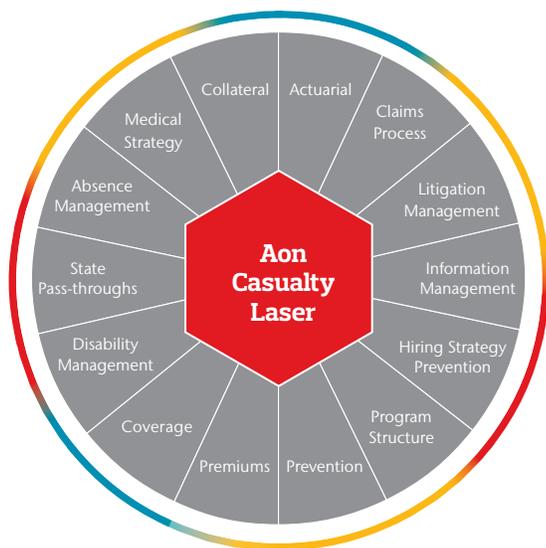
Risk Financing Decision Platform

Aon's market-leading Risk Financing Decision Platform, combined with our unique strategies, helps your institution to identify and select the well-suited risk treatment options and efficiently deploy capital for risk.

Cost Savings You Can Quantify

Aon Laser™

Aon integrates industry leading total cost of risk (TCOR) analytics, Laser™ and Spectrum Analytics®, to underpin our world class broking process. These diagnostic tools deliver greater insights to our clients' Employee Health & Safety (EHS), claims, and risk teams. In addition to the insights and approaches to TCOR optimization delivered by our brokers, Aon's claims and risk control teams will leverage information developed through these tools to identify and quantify loss costs drivers areas for process improvements and cost savings opportunities.



Strategic Savings Calculator (SSC)

Our propriety Strategic Savings Calculator (SSC) offers solutions for employers looking to implement new cost-savings ideas across both benefits and risk management. This tool was developed to deliver tangible cost impact estimates in order to discuss cost saving opportunities for individual employers. The Aon SSC allows for the modeling of both incremental savings as well as strategic overall savings of over 20%.

Below demonstrates percent savings achieved:

Top Cost-Savings Strategies for Employers



Aon Client Promise® Framework

Our Commitment to you

The Aon Client Promise is not just words. The framework includes the five pillars of our promise, a comprehensive training curriculum, and a robust methodology for ensuring a consistent client experience.



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.

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We're here to Empower Results

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