Aon Benfield Fac
Capabilities Brochure
Aon Benfield Fac

Fac buying, once perceived as time consuming and administratively burdensome, is now accessible, efficient and strategic. Aon Benfield Fac is reducing the execution risk of fac transactions, allowing you to grow your business without exposing underwriting results to excessive volatility from individual policy coverage. Our global reach and client-focused solutions offer efficient access to the optimal capacity at the best price available.

With an unsurpassed dedication to fac-specific analytics and a holistic approach to fac placement, Aon Benfield Fac is the world’s leading facultative broker. When you work with us, you receive distinctive value through unrivaled specialist expertise, custom-tailored value-added services and innovative offerings not found elsewhere.

Just the FACTs

- Largest fac broker in the world
- USD4 billion in annual premium placement
- 43 offices with more than 500 employees
- 17 marketing and processing hubs

Specialist Expertise

Aon Benfield Fac brings together, into one global team, dedicated experts who utilize advanced analytics and strong market relationships from a range of industry and product areas. They offer an all-encompassing focus for your coverage needs. In addition to being the number one fac broker in traditional Property and Casualty lines across the world, we are also the number one fac broker globally in each of the following areas:

Accident, Health and Life
The Aon Benfield Fac Accident, Health and Life team have years of experience and specialist knowledge in niche exposures. We empower results in the sector in which we operate, using our unique skills to negotiate the very best price, terms and conditions in the most appropriate reinsurance markets, on our client’s behalf. Our colleagues are skilled in all areas, including: Accident, Health and Life: [Personal Accident, Sports, Life] and Contingency.

Aviation
Aon Benfield Fac’s Aviation team has the resources to manage the full range of aviation exposures. We partner with our clients to implement solutions that deliver optimum results, either complementing their existing reinsurance program protections, or providing one-off standalone risk transfer options. Our team has immediate access to the latest analytical tools and information databases, in order that we can work on their behalf to achieve the best rates, terms and conditions for their individual risk placements.

Casualty & Specialty
The Aon Benfield Fac Casualty & Specialty team draws upon the firm’s global expertise to provide one dedicated unit of expertise. Through unmatched scale and efficiency of placement, we empower results in the sector in which we operate. Our colleagues are skilled in all areas of the sector, including General Liability, Product Recall, Professional Lines, Employers Liability, Residual Value Insurance and Specie: [Fine Art Business, Jewelry Business, Premises & Transit Business].

Construction
Aon Benfield Fac provides a range of options to address coverage issues in all construction classes. The team has vast reinsurance expertise, which has been accumulated through placing fac programs for a diverse scope of projects throughout the world. Our unrivalled global market access allows us to undertake placements of any scale: from multi-billion dollar multi-year programs, to niche, short-term projects.

Marine and Energy
Aon Benfield Fac empowers results in the Energy sector with a complete suite of solutions that address past, current and emerging issues in these markets. A facultative Energy policy will ensure that your project can withstand the unexpected and can evolve in line with changing internal and external dynamics. Placements are always tailored to clients’ specific capacity requirements, with a consultative approach, and technical expertise in all aspects of Energy, in order to provide an all-encompassing solution to clients’ needs.

The Aon Benfield Fac Marine offering includes both customized and standard products, which address the full range of maritime risks. Our experience has been accrued through the placement of a vast amount of global reinsurance business, over many years, and we have technical expertise in all aspects of Marine, enabling us to offer comprehensive solutions which meet the needs of our clients.
Intellectual Property

As the market leader, we are in a unique position to provide proprietary insights to clients by aggregating our global data and information, delivering observations on emerging market trends, and reviewing the impact of losses in the wider market. By delivering to our clients regular and timely reports and analyses not found elsewhere, they are able to better structure their programs and place them in the most appropriate market.

Benchmarking

We deliver comprehensive current global benchmark data for property and general liability exposures through the Aon Benfield Fac Index (ABFI), for key global markets, and the Aon Benfield Fac Loss Index (ABFLI), for worldwide losses. This data permits us to compare our clients’ programs’ key data points against others of similar size, industry sector and/or geographic profile.

Fac Quarterly Outlooks

Our reviews help clients stay informed on key trends and market updates, while providing forward-looking expectations and guidance.

Catastrophe Databases

We provide background narrative in terms of underlying market conditions operating in a particular area of the world. For example, details of hurricanes that have impacted a given region and where they may have made landfall, or of the location of earthquake incidents.

Innovative Solutions

As the world of risk continues to evolve, innovative solutions are more critical than ever. When you partner with Aon Benfield Fac, you receive the most inventive solutions available from the market leader, including fac-specific analytics. Aon Benfield invests more than USD100 million annually in tools for clients and employs 450 dedicated analytics experts.

FAConnect®

Aon Benfield’s innovative, award-winning web portal that enables clients to submit risk placements and complete fac business transactions in less than five minutes. By delivering the broker marketplace to your desktop, you will benefit from easy access, choice, flexibility, and reduction of execution risk.

ABFI Advisory

ABFI Advisory is our unique methodology used in providing buyers and suppliers with automated access to latest trends and business flow. It is also the portal through which our benchmarking and cat info is provided.
Benefits of Writing / Buying Fac Reinsurance

Fac buying can be perceived as time consuming and administratively burdensome, but by working through Aon Benfield, the execution risk of fac transactions is reduced. Aon Benfield Fac is making fac accessible, efficient and strategic, allowing you to grow your business without exposing underwriting results to excessive volatility from individual policy coverage. Our global reach and client-focused solutions offer efficient access to the optimal capacity at the best price available.

Benefits of Writing Fac Reinsurance

- Increased gross and net revenue
- Diversification of the existing portfolio by type, class, occupation and location
- Diversification of the new portfolio by proportional, primary, buffer and excess of loss reinsurance
- Reduction of volatility
- Economies of Scale
- Stabilise Profits
- Attainment of Intellectual Property
- Attainment of business that might otherwise be assumed by co-insurers or local markets

Benefits of Buying Fac Reinsurance

- Increased underwriting capacity
- Reduction of volatility (individual accounts or portfolio carve out protections)
- Reduction of frequency
- Reduce / protect treaty purchases
- One-off, large or extremely volatile cases can be managed and not ceded to treaties
- Increase net rates
- Stabilise profits
- Access to underwriting expertise
- Reduction of unearned premium reserve
- Treaty exclusions
- Proportional treaty coverage for new/unbalanced (low premium to limit ratios) may not be feasible or attainable
- Minimisation of treaty purchases
- No requirement for minimum and deposit premiums, thus reducing fixed costs

Benefits of Proportional Fac Protection

- Alignment of reinsurer interest
- Ceding commission / net rate uplift

Benefits of Non-Proportional (Excess of Loss) Fac Protection

- Capacity / control
- Clients may wish to take greater control over the original risk, retain a reasonable retention whilst at the same time retaining as much premium as possible
- Larger shares / less premium ceded / improved cash flow
- Non-proportional fac reinsurance allows the insurer to fix the scope of cover and the price of the original policy directly. This pricing is independent of the fac market and arbitrage can be achieved. Cash flow (working capital) and premium retention are enhanced
- Carve outs / flexible covers
- Stripping out catastrophe exposures while retaining the majority of premium through a primary or proportional insurance

- Stand-alone consequential loss
- Adverse selection of unwanted coverage to create a core retained cover
- "Real" risk transfer, namely a reduction of portfolio volatility
- Increased Return on Capital
- XoL allows the client to better leverage capital, by enabling the same capital to generate more revenue (and therefore RoE, RoCE). Volatility is also reduced
- Less administration
- The client has a variety of structural options available, to ensure that non-proportional covers fit their specific needs
About Aon Benfield

Aon Benfield, a division of Aon Corporation (NYSE: AON), is the world’s leading reinsurance intermediary and full-service capital advisor. We empower our clients to better understand, manage and transfer risk through innovative solutions and personalized access to all forms of global reinsurance capital across treaty, facultative and capital markets. As a trusted advocate, we deliver local reach to the world’s markets, an unparalleled investment in innovative analytics, including catastrophe management, actuarial and rating agency advisory. Through our professionals’ expertise and experience, we advise clients in making optimal capital choices that will empower results and improve operational effectiveness for their business. With more than 80 offices in 50 countries, our worldwide client base has access to the broadest portfolio of integrated capital solutions and services. To learn how Aon Benfield helps empower results, please visit aonbenfield.com.