

Environmental Solutions

Bridging the Gaps in Corporate Insurance Programs



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Aon Environmental Value Proposition

Aon Environmental is a corporate specialty practice dedicated solely to providing environmental risk management support to Aon clients and prospects. Aon Environmental was recently recognized by Risk & Insurance Magazine as the “best team of environmental brokers in the business who can handle the most complex environmental risks”. Environmental risk management is highly specialized and Aon provides expert environmental assistance in the areas of insurance, claims, environmental risk management, and engineering expertise.

Why Manage Environmental Risks

Internal Factors

- Balance sheet protection
- Reputation and brand management
- Gaps in Property and Casualty (P/C) and other specialty insurance products

External Factors

- Legal system regulations
- D&O accountability and financial disclosures
- Lender requirements
- Unprecedented requirements in contractual liability
- Emerging risks including legionella and other bacteria and viruses.

When and Why to Utilize Environmental Insurance

- Minimize gaps in P/C insurance coverage
- Attract and protect Directors and Officers
- Satisfy lender/financing requirements
- Backstop Mergers and Acquisitions transactions
- Insulate against regulatory risk and changes to environmental laws
- Meet statutory requirements for financial assurance



What We Do

- Insurance placement/brokering including customized manuscript wording
- Environmental risk identification and exposure profiling
- Environmental management advisory including the tracking and reporting of emerging developments in environmental law, insurance and risk management
- Contract review
- Aon's Environmental Risk Analysis — a risk quantification service that identifies and quantifies your environmental exposures
- Identify and bridge environmental liability gaps in corporate insurance programs
- Claims/Litigation advocacy

Product Expertise

Our team can assist in the placement of the following:

- Fixed Site Pollution Liability
- Contractor's Pollution Liability
- Combined Pollution and General Liability Products
- Construction Professional Liability Products (Owners/Contractors)
- Financial Assurance
Mines, landfills, storage tanks and other regulated facilities
- Storage Tank Pollution Liability (Dedicated Group)
- Aon Environmental Edge
Corporate Parent and asset level protection for Financial Institutions related to pollution conditions which may result in liability to the parent, subsidiaries or investment entities.
- Secured Creditor Pollution Coverage
Protection for a Financial Institution's interest in an asset or assets on which it holds a mortgage.

Industries Serviced

We welcome the opportunity to assist in the identification and analysis of risk as well as to offer solutions to mitigate and transfer environmental risk. Our screening process is designed to identify vulnerabilities in overall risk management strategies that require additional investigation or necessitate an adjustment in coverage, or that may present overlapping or unnecessary costs. The following is a sample list of the industry classes that we serve. Please contact us for a risk profile for the following:

- Financial Institutions
- Real Estate
- Air Transportation
- Construction
- Contractors
- Education
- Port Authorities
- Energy Sector
- Food Processing
- Healthcare
- Heavy Metal Fabrication
- Life Sciences
- Metal Mining
- Energy
- Manufacturing
- Pulp and Paper
- Agribusiness
- Hospitality
- Public Entity

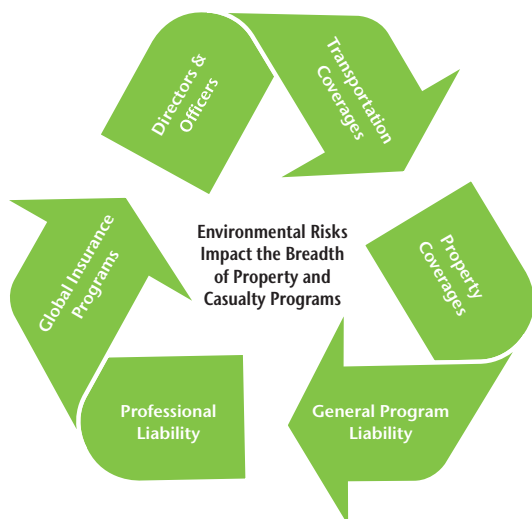
An Expanding Universe of Environmental Liabilities

Catastrophic releases, new links between injury or illness and hazardous materials, climate change, natural disasters, increasing governmental regulation, and demands from stakeholder groups are just a few of the environmental liability risks that the C-Suite and risk managers confront every day.

- The focus of environmental risk management has necessarily expanded to include new and emerging issues such as bioterrorism, natural resources and biodiversity, global climate change, water resource management, disruption to supply chain, and sustainability.
- Failure to recognize and address the expanding universe of environmental liabilities can result in adverse impacts to an organization including how it is perceived by stakeholders and the general public.
- A single catastrophic environmental event may force an otherwise healthy company into financial peril or damage its reputation with current and potential investors, customers, employees, communities, regulators and other stakeholders.

The Gaps in Corporate Insurance Programs

The number of companies purchasing environmental insurance, while increasing, remains low in the face of today's dynamic risks and the growing recognition of the limited degree of environmental protection offered by the standard property and casualty markets.





Environmental Risk Solutions from the Most Experienced Team in the Industry

Aon Risk Solutions' Environmental specialists go beyond traditional brokerage activities to help assure that insurance and risk management programs meet the needs of clients on a global basis.

We are recognized by fortune 500 corporations, private equity and M&A firms, insurance underwriters, and analysts as having the deepest bench strength and most expansive knowledge and relationships in the industry.

Our practice provides:

- The industry's most experienced team of environmental insurance specialists, including over thirty professionals in the U.S. supplemented by an extensive international network.
- Industry-recognized environmental experts including Ph.D.'s, environmental engineers, lawyers, and former underwriters and claims adjusters.
- Expertise gained from serving thousands of clients in more than 120 countries.
- The ability to understand and address your environmental risks through coordination among Aon's specialized practice groups, including Casualty, Construction, Energy, Health Care, Life Sciences, Mergers & Acquisitions, Property, Professional Liability, Real Estate, and Transportation and Logistics, among others.
- Market-leading creative solutions, including Aon's Environmental EdgeSM solution — designed to offer protection against catastrophic losses at the parent-company level including corporate "veil piercing" or successor liability and Aon's Environmental Risk Analysis — a risk quantification service that identifies and quantifies your environmental exposures.

We do more than recommend insurance products. We negotiate and leverage our expertise and capabilities to build risk management solutions designed to meet your specific regulatory and business risk requirements.

The Benefits of Working with Aon

Aon is unmatched in its experience in addressing all aspect of environmental risk. Our core strengths are demonstrated in the following areas of risk management service:

Risk Identification

- Physical and operational reviews
- Retrospective, current and prospective liabilities
- Contract review and analysis

Risk Quantification

- Probabilistic model analysis
- Potential magnitude of loss
- Benchmark comparisons with industry peers

Risk Mitigation and Transfer

- As applicable, manuscript coverage endorsements
- Risk financing options
- Claims/litigation, advocacy and negotiation assistance







Exposures from Operations

- Petroleum
- Methane
- Chlorinated Solvents
- Waste Disposal
- Volatile Organic Compounds
- Indoor Air Quality
- Vapor Intrusion
- Bio-Hazard
- Asbestos
- Metals
- Shareholder Derivative Suits
- Contractual Liability
- Successor Liability
- Clean-Up Costs
- Third-Party Claims
- Business Interruption Costs
- Reputation Risk
- Balance Sheet Impairment
- Sarbanes-Oxley Compliance
- M&A Issues
- Regulatory Orders
- Litigation

We Will Help You Bridge the Gaps

Aon Risk Solutions' Environmental Practice will help you address an expanding range of environmental risks across your organization and help to bridge the gaps in your insurance program. Based on our industry experience and expertise, Aon will provide guidance in navigating the challenging risk landscape you face today and help you anticipate and mitigate those which may confront your organization in the future.

Construction Professional Liability Experts

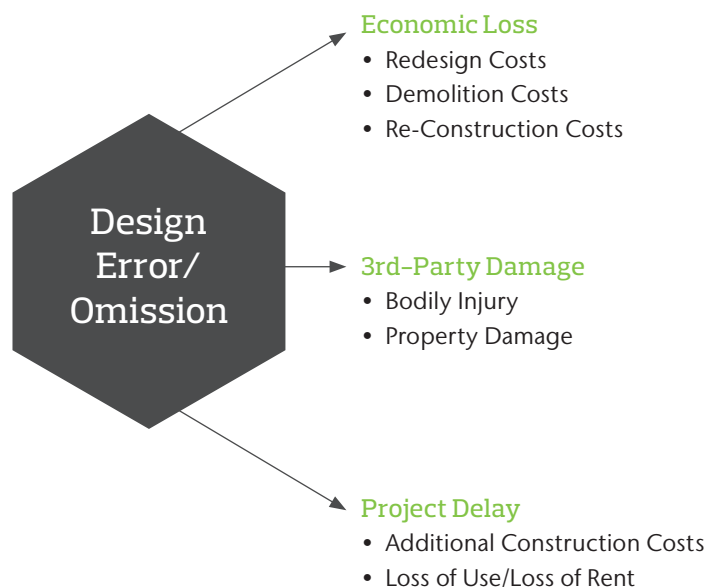
Aon Environmental includes a specialized team of brokers within our practice to provide Construction Professional Liability Services to our clients. This dedicated team of brokers brings specialized skills and experience to this product area, and we are uniquely equipped to provide expert advice and assistance to clients with Construction Professional Liability Risk Management needs.

Construction Professional Liability Risks

Construction professional liability comprises the design and engineering risks associated with construction projects. A professional liability loss arises when the negligent acts, errors, or omissions of a design professional results in economic damage to the project owner, contractor or third parties.

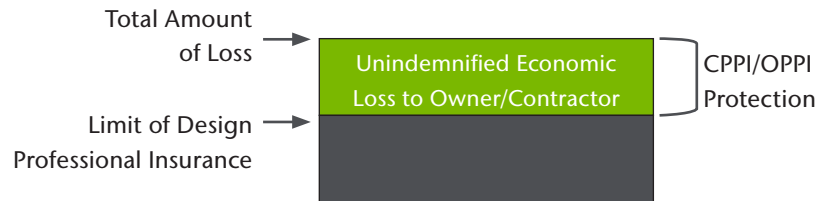
Traditionally, professional liability exposure has been associated with the design team, i.e., the architects and engineers, and contractors and owners relied on the professional liability insurance provided by the design team.

Contractors and project owners have become increasingly aware of the inadequacy of an approach that relies exclusively on insurance provided by the design team. Often this insurance has proved to be inadequate or unavailable. For contractors in particular, alternative project delivery methods (design-build) as well as provision of professional services (PM and CM), present an increased professional liability risk to the contractor themselves.



Innovative Products

The construction professional liability insurance markets have responded with products that provide protection to contractors and project owners, namely the Contractor's Protective Indemnity (CPPI) and Owner's Protective Professional Indemnity (OPPI) policies. These policies include an insuring agreement (protective coverage) that provides coverage to a contractor/owner for liabilities arising from actions of all design professionals at any tier.



When/Why to Use Construction Professional Liability Insurance

Comprehensive risk management for construction professional liability exposures must be an integral part of the services offered by Aon to all of our contractor and owner clients.

- Most contractors provide professional services
- Alternative project delivery methods increase exposure
- Inadequacy of relying on design professional policies
- Engage early for projects to assist with allocation of risk e.g., via contract
- Engage early to explore most economic alternatives

Product Expertise

The construction professional liability team within Aon Environmental can assist with placement of the following:

- Contractor's Professional Liability
- Contractor's Operations and Professional Services (COPS)
- Contractor's Protective Professional Indemnity (CPPI)
- Owner's Protective Professional Indemnity (OPPI)
- Combined Environmental and Professional Liability
- Combined CGL, Environmental and Professional Liability
- Environmental Consultant's and Contractor's Liability

Construction Professional Liability Team

Name	Region/Location	Phone	Email
Daniel Sisler	National Newport Beach, CA	(949) 608-6302 (o) (949) 395-7984 (m)	daniel.sisler@aon.com
Laura Decker	Manhattan, NY	(212) 441-1782 (o)	laura.decker@aon.com
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Rod Taylor	Central Sharon, PA	(724) 308-7129 (o) (516) 236-7347 (m)	rodney.taylor@aon.com
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Aon Global Client Network

Over the past 25 years, Aon has invested more than \$6 billion in developing its international network. Continued investment in India, China, and Latin America give Aon further penetration into developing markets. Today, Aon has a global network of more than 500 offices in over 120 countries that provides:

- Experienced, unmatched talent with specific expertise across all industries, geographies and product lines
- 1,300 colleagues with dedicated global teams in over 80 countries
- Local on-the-ground professionals with multilingual capabilities (all speak English)
- 100+ people in the US; 30 with more than 20 years of experience
- Representation for more than 3,000 parent companies globally, managing more than 68,000 policies
- Placement over \$4.2 billion of premium worldwide (over \$350 million in the US and Canada)

It is important to have a well-developed strategy for design, placement, and execution of our client's global programs around the world. Aon has developed a proven, four-step approach in support of our client's profitability, growth, and continuity. Each step contains actions that could become part of the Client/Aon agreement, depending on the scope of services that our client's select. The graphic above visually depicts our approach, with each component of the wheel broken down below into the action items that make up our global program methodology.

The starting point to managing an international insurance program is designing the appropriate program that reflects our client's specific needs. This begins with understanding the client's structure and risk management philosophy. The international broker from Aon's Global Client Network (AGCN), along with the broker for each line of coverage, will discuss various program structures and options with the client to tailor a foreign insurance program that meets your organizational needs and performance expectations. Our process includes the following steps towards determining an effective program for each client:

- Evaluate the nature and scope of our client's global operations, and understand their preferred servicing structure
- Review each country's exposures against the guidance provided in the International Policy Decision Tree
- Determine the countries to address using Aon's Purchasing Considerations Model, which will help prioritize exposures and local purchasing needs
- Review the "problematic" countries against the primary insurer's global capabilities
- Consider whether higher limits may be required or necessary in particular countries



1. Discover

- Align Aon team with client structure
- Establish process for communications
- Outline corporate and risk management objectives
- Review compliance framework
- Develop exposure data collection and analysis plan
- Review claims scenario and set up claims handling procedures
- Outline milestones and escalation process
- Alternative project delivery methods increase exposure
- Inadequacy of relying on design professional policies
- Engage early for projects to assist with allocation of risk e.g., via contract
- Engage early to explore most economic alternatives

2. Develop

- Service scope and model
- Program structure
- Level of coverage
- Markets
- Opportunities for consolidation and/or improvement
- Challenges

3. Deliver

- Diagnosis and recommendations
- Savings potential
- Streamlined and enhanced coverage
- Harmonized loss prevention standards
- Consistent claims procedures
- Coordinated client services
- Current total cost of risk
- Ongoing insights

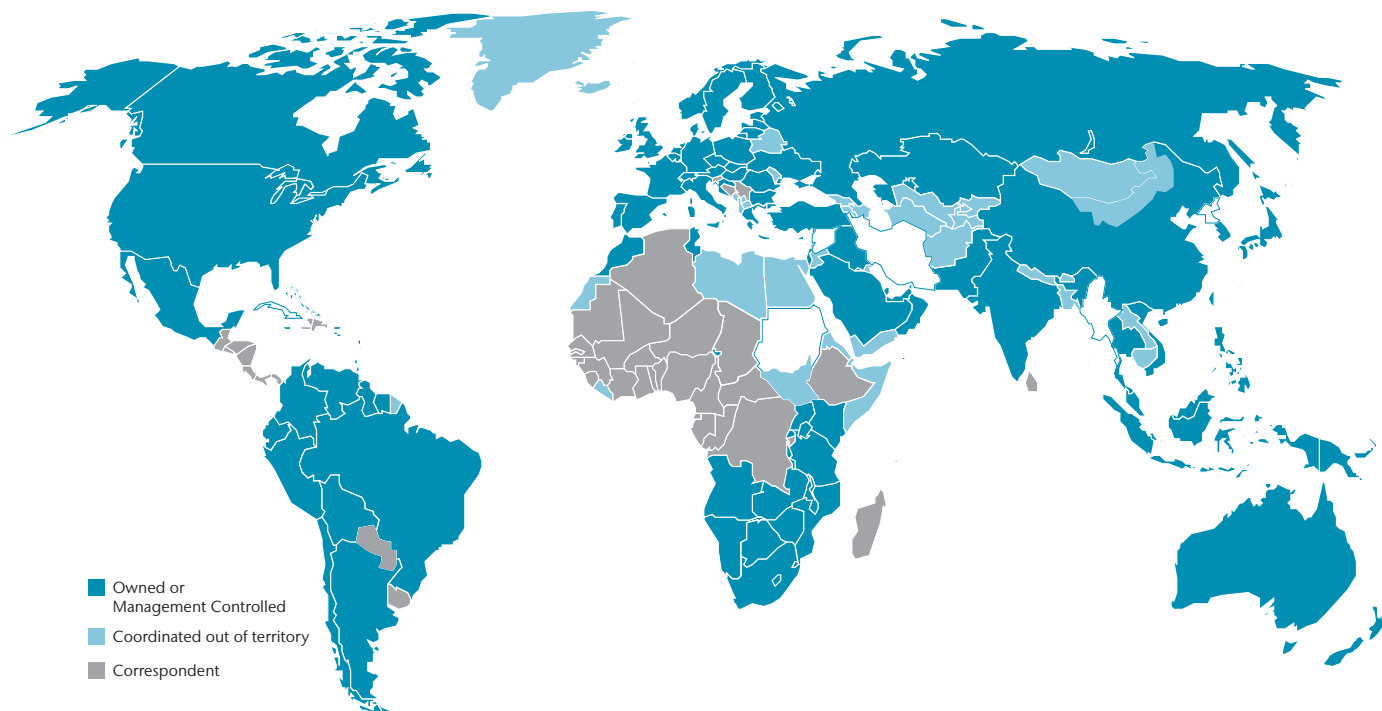
4. Review

- Certificate needs
- Claims and loss prevention support
- Regulatory and compliance advice
- Visits locally and centrally
- Project work as required
- Market reviews
- Contract review
- GAMS updates
- Network performance monitoring
- Advice on local issues

Global Presence

Aon holds an equity position in virtually all international offices, giving us the most extensive owner-controlled network of any insurance broker. In the vast majority of countries where our client's operate, Aon maintains either owned or, where local regulations do not permit full ownership, joint venture facilities. This control provides clients like you with the mechanism to control their risk management program on a global basis.

Differentiators of our Global Client Network



Aon's proven international service structure possesses the following important characteristics which we believe will be of great value to our client's:

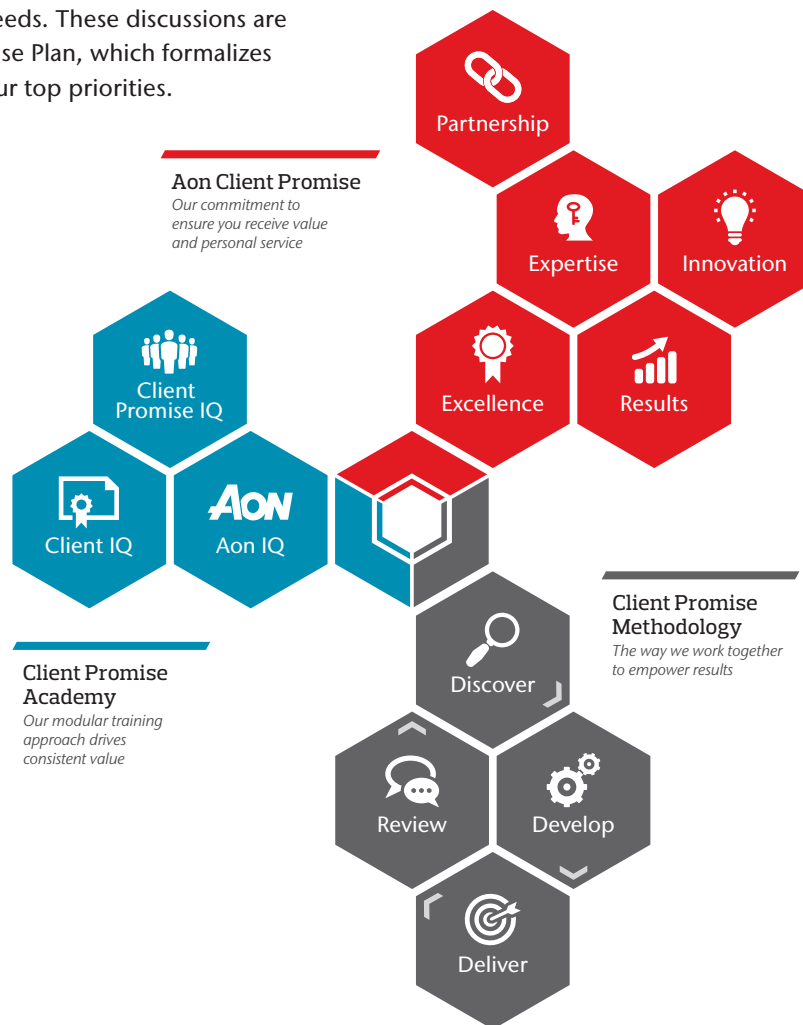
- 1. Network Strength.** As noted above, we have Aon-owned and/or joint venture offices in all major offices throughout the world. This management control over our network allows us to guarantee delivery of policy execution and consulting services within a single team-based structure
- 2. Market Leadership.** Aon's operations, being leaders in virtually all emerging markets, include depth of talent, access to resources, and support in key emerging markets such as Brazil, China, India, Russia, and (increasingly) those in Africa.
- 3. Extensive Regional Experience.** Coordination and communication are critical to managing a global program, and the Aon network is flexible in meeting the specific needs of our clients. Experience shortens any learning curve and allows implementation of best practices learned from other accounts.
- 4. Appropriate Balance.** It is vital to properly balance the sometimes conflicting insurance needs of corporate and local entities. Acting as our client's eyes and ears, our team members will use their local knowledge as a vehicle to provide them with the necessary intelligence to assist in decision making.
- 5. Rigorous Service Standards.** These are embodied within our Global Client Management Guide, offering consistent and measurable service practices globally.
- 6. Regulatory Compliance.** Aon will ensure that any local policy that we place or control will comply with local insurance regulations and our client's risk finance strategies & protocols.
- 7. Proven Technology and Communications Protocols.** These are embedded within Aon's standard business processes through our Global Account Management System (GAMS), which leads to efficiency in program handling and communications (and provides a data feed to RiskConsole's Policy Management module).

Aon Client Promise[®]

In addition, we offer the Aon Client Promise. Developed and launched globally in 2009, the Aon Client Promise[®] is the industry's only globally uniform, needs-based methodology for serving clients. Aon Client Promise[®] represents our commitment to understanding and addressing your unique business and risk management objectives through discovery, a consistent methodology, and support of your client needs.

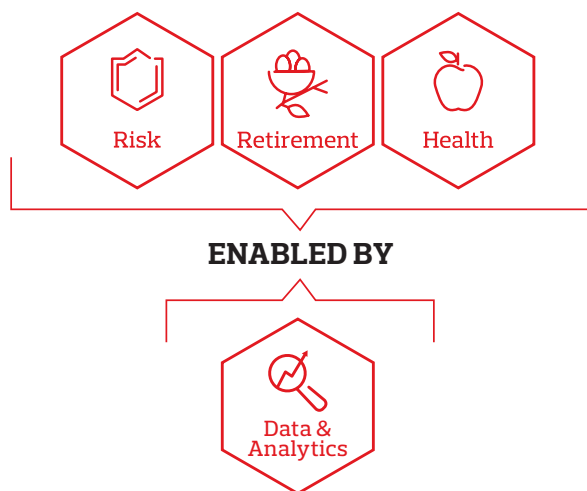
The Client Promise process begins with a Discovery meeting between the account executive and the client. This meeting allows Aon to gain a deeper understanding of your business goals, objectives and key priorities for the upcoming year. Aon will use the information from Discovery to develop recommendations that meet our client's most important needs. These discussions are captured in a Client Promise Plan, which formalizes strategies that address your top priorities.

Throughout the year, your account executive will refer to this plan to ensure that the account team is providing service that complements your ongoing risk management strategy and objectives. Your service team is familiar with the wide range of resources available throughout Aon and they will introduce you to the resources that will help you meet your goals.



Fact Sheet

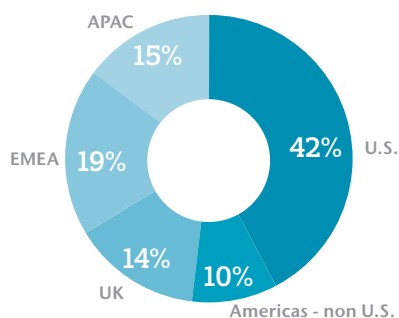
Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.



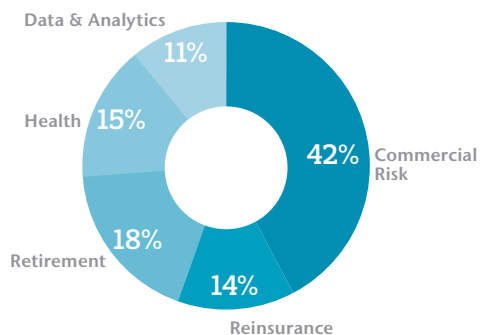
Aon Executive Team

Greg Case, President and Chief Executive Officer
Christa Davies, Executive Vice President and Chief Financial Officer
Eric Andersen, Chief Executive Officer, Aon Benfield
John Bruno, Executive Vice President and Chief Operations Officer
Tony Goland, Executive Vice President and Chief Human Resources Officer
Cary Grace, Chief Executive Officer, Global Retirement & Investment
Peter Lieb, Executive Vice President and General Counsel
Michael J. O'Connor, Chief Executive Officer, Aon Risk Solutions
Kristi Savacool, Special Advisor
John Zern, Chief Executive Officer, Global Health & Benefits

2016 Total Revenue by Geography¹



2016 Total Revenue by Line¹



¹Represents pro-forma revenue from continuing operations.

One Portfolio of Solutions

A Single Segment P/L, with 5 Revenue Lines:

Commercial Risk Solutions

- #1 primary insurance brokerage
- +\$60B bound premium annually
- +90% average retention

Reinsurance Solutions

- #1 treaty and facultative brokerage
- +\$30B bound premium annually
- 24 consecutive quarters net new business in core treaty

Retirement Solutions

- +4T assets under independent advisory
- \$100B assets under delegated management
- 1000's of companies trust their retirement plans to Aon

Health Solutions

- #1 provider of health exchange solutions
- Leading provider of global health & benefits
- \$180B in premium and equivalents placed globally

Data & Analytic Services

- \$400M annual investment in data and analytics
- \$170B bound premium through Aon Inpoint platform
- +30M individual customers from +200 organizations served by Aon Affinity

About Aon

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