Growing opportunities and growing risks

Even as the importance of technology continues to grow in the world’s economy, recent events and long-term developments underscore the growing risks facing the industry, both in the U.S. and overseas.

In the hardware sector, multi-tier supply chains have become leaner and more extended, helping to accelerate delivery of materials and components. However, prominent events such as the earthquake in Fukushima, Japan, or the floods in Thailand highlight the potential for disruption that can have a ripple effect across the industry, reducing or shutting down production for a wide range of hardware devices.

For software companies, the risks are equally significant as technology innovations such as the cloud, Saas, big data and social media provide new services and capabilities but also introduce new and complex risks regarding network security and privacy. At the same time, the telecommunications sector faces a growing number of risk issues associated with increasing regulatory scrutiny, including the evolving landscape of net neutrality rules and regulations.

All these risks, visible as they are, remain only the tip of the iceberg. Technology companies face many other factors such as brand and reputation damage, intellectual property concerns, political risk, mobile and geolocation issues, environmental regulations, mergers and acquisitions, securities law and international compliance that need to be addressed.

Top Risks in the Technology and Communications Industry*

- Increasing competition
- Damage to reputation/brand
- Failure to innovate/meet customer needs
- Failure to attract or retain top talent
- Computer crime/hacking/viruses/malicious codes
- Economic slowdown/slow recovery
- Loss of intellectual property/data
- Regulatory/legislative changes
- Technology failure/system failure
- Distribution or supply chain failure

*Global Risk Management Survey 2015
Insurable Risk

At Aon, we think of your company’s risks beyond the surface. Our Technology Practice can offer comprehensive solutions to uncover and identify the different components of risk that can affect your business.

• Bankruptcy
• Brand/Reputation
• Business Continuity Planning
• Cloud Computing
• Contract Liability
• Copyright
• Credit Risk
• Distribution/Supply Chain Failure
• Environmental
• Geolocation
• Mobile
• Talent Management/Retention
• Intellectual Property Infringement
• International Operations/Compliance
• Mergers & Acquisitions
• Political Risk
• Piracy
• Recall
• Regulatory/Legislative Change
• Social Media
Technology Expertise

Aon’s Technology practice places over $1 billion in premiums with technology companies worldwide. In addition, Aon works with...

- 3 of the top 5 telecom carriers are Aon clients
- 8 of the top 10 semiconductor companies partner with Aon
- 16 of the top 25 technology companies work with Aon
- 9 of the top 10 Cloud Computing Providers are Aon clients
- 4 of the top 5 mobile device manufacturers are serviced by Aon
- 8 of the top 10 U.S. technology IPOs are Aon clients
Aon’s Technology Practice includes a team of specialists backed by years of industry experience, powerful benchmarking and analytic tools, and the resources of more than 66,000 Aon professionals in over 120 countries.

Designed to improve coverage, reduce unnecessary costs and support strategic development, key Aon solutions for the technology industry include the following:

- Directors and Officers (D&O) providing coverage for executive liability
- Technology Errors and Omissions (E&O) involving network security, data breach notification, product failure, intellectual property, regulatory compliance, privacy issues and other areas
- Property, including coverage for contingent business interruption and natural catastrophes
- Human Resources, helping technology companies to identify, attract and retain the talent they need for competitive advantage.
Shaping the Market Through Innovation

In addition to procuring standard risk services, Aon actively seeks innovative insurance solutions to meet the evolving needs and risk profile of the technology industry. Aon’s proprietary solutions for this industry include:

- **Global Risk Insight Platform (GRIP)** provides Aon clients the ability to understand real-time insurance transactions (premiums quoted, not just those that are bound), creating greater transparency around insurance pricing and enabling risk professionals to make fact-based decisions regarding pricing, retentions and structure.

- **Risk Maturity Index (RMI)**, offered through a partnership with the Wharton School of the University of Pennsylvania, provides technology companies with an assessment of their approach to risk management. RMI also provides valuable benchmarking of best practices in risk management, enabling clients to understand how to improve their risk management protocols and practices.

- **Aon WorldAware** assists executives with their duty of care responsibilities around employee travel. This service offers a safe-travel program that protects employee travel and safeguards brand and reputation through a robust combination of consulting, risk transfer and innovative technology.

- **RPX Patent Solutions**, offered by Aon through an alliance with RPX, help clients mitigate their patent risk to Non Practicing Entities (patent trolls), reducing costs and offering a long-term, cost-effective alternative to highly expensive patent litigation. In addition, with the patent insurance available through this alliance, technology companies can reduce the frequency and volatility associated with patent troll litigation.
Aon Hewitt and Radford

Organizational sustainability in the technology industry demands proactive understanding and management of the key risks for the future, and one key risk involves hiring and retaining top talent. Staying informed about the latest trends around rewards and benefits is the best way for organizations to remain competitive and relevant in the evolving technology industry.

With more than 30,000 professionals in 90 countries, Aon Hewitt is the global leader in human capital consulting and outsourcing solutions. Our professionals partner with major organizations to solve their most complex benefits, talent and related financial challenges as well as improve business performance. Aon Hewitt designs, implements, communicates and administers a wide range of human capital, employee benefit, retirement, investment management, health care, compensation and talent management strategies.

Our technology clients also benefit from our resources within Radford, an Aon Hewitt company. Radford is recognized in the technology industry for providing advice and benchmarking to hardware, software and technology services companies, helping them to attract, engage and retain the world’s top talent. Radford advisors use an analytical approach that integrates market data, trends and industry experience gained from working with nearly 2,000 companies – from Global 1000 firms to start-ups. Radford’s worldwide survey databases include more than four million incumbents, providing real-time insight on total compensation levels, practices and emerging trends to inform HR and reward strategies.

The Aon Client Promise

The Aon Client Promise framework includes the five pillars of our promise, a comprehensive training curriculum, and a robust methodology for ensuring a consistent client experience.

Aon Client Promise
Comprised of five pillars—partnership, expertise, innovation, excellence, and results—the Aon Client Promise articulates the commitment we make to our clients.

Aon Client Promise Academy
The Academy offers unique learning experiences focused on listening for and responding to client needs, building knowledge of the full breadth of Aon capabilities, and understanding the pillars of the Aon Client Promise.

Aon Client Promise Methodology

Discover – We will collaborate to understand both your near- and long-term business priorities, how we can add value to your organization, and help you respond to changing market dynamics.

Develop – We will jointly author a plan to define how we will work together during the year, outline our commitments to you, and define how we will measure our success.

Deliver – We will follow through on our plan, executing with excellence and tracking outcomes.

Review – We will seek your input on how we are doing both through informal feedback sessions and annual surveys.
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 69,000 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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To learn more
Please contact our National Technology Practice Leader to learn more about specialized solutions from Aon’s Technology Practice.

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