Industrial and Materials Practice
Top-to-Bottom Solutions for the Industrial and Materials Industry
Solutions Designed for Today’s Risks

Top 10 Risks for the Industrial and Materials Industry

• Economic slowdown
• Commodity price risk
• Failure to innovate and meet customer needs
• Business interruption
• Increased competition
• Distribution or supply chain failure
• Regulatory and legislative changes
• Exchange rate fluctuation
• Globalization
• Failure to attract and retain talent
**Specialized Solutions for the Industrial and Materials Industry**

Aons Risk Solutions’ Industrial and Materials Practice provides solutions designed especially for industrial manufacturers, materials suppliers and related organizations.

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<td>Construction Machinery, Crane Rental, Agricultural Equipment, Lawn and Garden Equipment, and Mining and Conveying Systems</td>
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The challenges facing today’s businesses have never been greater. According to Aon’s 2011 Global Risk Management Survey, risks involving economic and financial pressures, regulatory uncertainties, market volatility and other issues are key concerns across almost every industry in the world.

For the Industrial and Materials industry, these global risks translate into specific risk areas, including:

Global production optimization decisions leading to plant closures or openings that result in financial and operational risks. These can include both upside risks related to production growth and downside risks involving loss of revenue or market share.

Exposure to catastrophic property losses involving fire, flood, earthquakes, explosions and other unforeseen events. These events can affect business continuity and impact revenue and earnings from manufacturing plants, as well as result in contingent business interruption from losses at supplier and customer locations.

Supply chain disruptions and reorganizations due to tight credit for suppliers, just-in-time inventories, reductions and consolidations in the supplier base, and the growing length and complexity of supply chains extended over multiple regions. These factors significantly increase the risk of failures in the supply chain.

Escalating costs of medical care for workers including the impact on group medical and workers’ compensation programs. These costs are accompanied by regulatory uncertainty about coverage and employer responsibilities.

Rising costs of collateralizing loss-sensitive casualty insurance programs caused by the tight credit market and the increased concern over credit risk by insurers during the recession.

Changing risk profiles caused by government regulation and legislation, including the volatility of product liability verdicts in the U.S. and abroad and the challenge of protecting your international directors and officers.

Increased due diligence for mergers and acquisitions, driven by greater caution by management in a post-recession economy as well as by increased regulatory oversight.
Aon’s global footprint includes the energy and resources of over 60,000 employees in 120 countries. This network of insurance professionals enables us to bring specialized value to clients in our Industry Practices.
The Aon Risk Solutions’ Industrial and Materials Practice provides a top-to-bottom strategy for manufacturers from comprehensive catastrophic risk management to daily cost-of-risk management. Because we cover a wide range of industrial manufacturers in six major segments, we are able to bring specific expertise to each client by leveraging the collective experience of teams across the Aon network of offices. This broad and deep industry knowledge combined with our dominant position in the market goes into every solution we develop, and the services we provide are carefully tailored to meet the unique needs of each customer.

Equally important, we develop solutions based on proven methodologies. We use robust benchmarking with the most current information on industry rates, prices, coverages, retentions, limits of liability and other factors. In the same way, we leverage powerful modeling tools to estimate losses that could be sustained by plants, warehouses or operating facilities because of catastrophic events.

All of these methodologies are supported by Aon’s Global Risk Insight Platform (GRIP), the world’s largest proprietary database of insurance placement data. Aon GRIP provides insight across carriers, industries and products on every level, from individual transactions to global trends.

Armed with accurate, timely data, Aon professionals can help clients better understand what their peers are paying, which industry-focused insurers are most competitive in terms of pricing and coverage, and how to develop programs that improve coverage while containing costs.
Aon places over **USD 50 billion** in premium into the global insurance market, including over **USD 2 billion** in premium for the Industrial and Materials industry.
Proven, Effective Services for the Industrial and Materials Industry

Backed by industry experience and the Aon network of global resources, we provide a broad range of risk management and insurance brokerage services.

Risk Financing

• Alternative Risk Financing Options
• Captive Insurance Companies
• Collateral Management Expertise
• Complex Product Liability Insurance Programs
• Environmental Risk Transfer Programs
• Global Optimization
• Product Recall Programs
• Traditional Risk Management Program Structuring
• Transaction Liability Coverages

Our Casualty Team is the industry’s best in designing and negotiating product liability insurance programs for the Industrial and Materials industry. Over 75% of the private passenger automobile manufacturers in the U.S. come to Aon to manage this critical risk.

Risk Analysis and Quantification

• Actuarial Forecasting of Losses
• Business Continuity Planning
• Customer Contractual Liability Trends
• Emerging Exposure Identification
• Enterprise Risk Management Consulting
• Mergers & Acquisitions Due Diligence
• Product Liability Resources
• Product Recall Risk Assessment and Quantification
• Risk Financing Decision Modeling
• Risk Management/ Cost of Risk Benchmarking
• Risk Retention Capacity Analysis
• Supply Chain Risk Management Consulting
• Total Cost of Risk “Laser” Analysis

Recognizing the importance of supply chain management and business continuity in the Industrial and Materials industry, our Global Property Risk Engineering consultants support the protection of your operating facilities from fires and natural disasters to keep your business running.

Cost Reduction Services

• Casualty “Laser” Diagnostic including:
  – Workers’ Compensation Claims Process and Third-Party Administration Review
  – Worksite Ergonomics and Safety Services
  – Integrated Disability Management
  – Information Management
  – Medical Management Strategy Review

• Legacy Claim Solutions
• Collateral Management Services
• Liability Litigation Management Review
• Plant Closure Strategies
• Property Risk Control Consulting
• Property Claim Resolution Services

Our Laser process helps identify areas for improvement in your workers’ compensation program through a thorough analysis of your claims environment and benchmarking against industry leaders. The process usually results in immediate cost reduction opportunities.
Human Capital Consulting and Outsourcing

**Integrated HR Solutions**

**Human Resources Outsourcing**
- Health and Welfare Benefits
- Retirement Benefits
- Point Solutions
- Absence Management
- HR Business Process Outsourcing

**Human Capital Consulting**
- Health Care
- Retirement
- Talent and Organization
- Communication

The Aon Advantage

**Ability to deliver deep benchmarking**
- Identifying unique qualities in a client’s risk profile
- Understanding how a client’s risk profile impacts risk decision-making
- Insights for more informed decisions
- Experienced risk assessment based on 100 years of supporting manufacturing clients
- Real-time information exchange across our entire network to share “what works” for clients

**Solutions that deliver results**
- Delivering the optimal program for each client’s unique needs
- Strategically driving cost reduction without sacrificing quality
- Improving efficiency
- Strengthening resiliency
- Enhancing decision-making
- Facilitating innovation
- Supporting the client’s in-house risk-management team in creating value that aligns with the organization’s growth objectives

**Access to resources and tools**
- Scalability with a depth and breadth of resources to address current needs and expand for future needs
- Broad geographic footprint so clients can receive the “best of Aon” wherever they are located
- Specialist knowledge to help manage the known costs, the variable costs, and the unforeseen “Black Swan” events
- Networking through events such as the Aon Automotive Supply Risk Forum and the Aon Property Symposium where clients can gain new insights, exchange ideas, network and build relationships

Employee engagement leads to superior business outcomes: companies with high employee engagement levels have total shareholder returns which are 22% above the national average. Aon Hewitt’s consultants have deep Industrial and Materials experience in measuring and increasing employee engagement levels. As the industry continues to improve, your ability to retain and motivate individuals in key positions will play a critical role in achieving the strongest bottom line performance.
The Aon Client Promise®

The Aon Client Promise is a 10-point program developed to create distinctive value based on a deep understanding of each client’s business and risk issues. In addition, a consistent methodology for delivering value and services helps ensure all clients receive the best customized risk advice and brokerage services in the industry, regardless of their location, industry or market segment.

Key elements of the Aon Client Promise:

• Global, uniform approach

• Full transparency in how we create and deliver solutions to clients

• Customized Client Promise plans based on each client’s needs and priorities

• Accountability through the Aon Client Promise Assessment and measurable scorecard via Aon Client Promise Review
To learn more

Aon professionals can provide your organization with the experience, tools and deep industry expertise required to maintain a competitive edge in today’s economy. Contact the following representative to learn more about specialized solutions from Aon Risk Solutions’ Industrial and Materials Practice.

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