



Quarterly D&O Pricing Index

Fourth Quarter and Full Year 2015

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AON REPORTS FOURTH QUARTER AND FULL YEAR 2015 PUBLIC D&O PRICING

Fourth Quarter Key Metrics and Highlights

- D&O price per million was down 7.0 percent compared to the prior year quarter
- Price per million for clients that renewed in both Q4 2015 and Q4 2014 decreased 8.0 percent
- 43 percent of primary policies renewing with the same limit and deductible experienced a price decrease – 26 percent had a price increase
- Overall price change for primary policies renewing with same limit and deductible was down 2.1 percent
- 97.8 percent of primary policies renewed with the same limit
- 89.9 percent of primary policies renewed with the same deductible
- 97.8 percent of primary policies renewed with the same carrier.

Full Year Key Metrics and Highlights

- D&O price per million was down 6.0 percent compared to the prior period
- Price per million for clients that renewed in both 2015 and 2014 decreased 7.7 percent
- 35 percent of primary policies renewing with the same limit and deductible experienced a price decrease – 27 percent had a price increase
- Overall price change for primary policies renewing with same limit and deductible was down 1.0 percent
- 96.3 percent of primary policies renewed with the same limit
- 88.0 percent of primary policies renewed with the same deductible
- 95.0 percent of primary policies renewed with the same carrier.

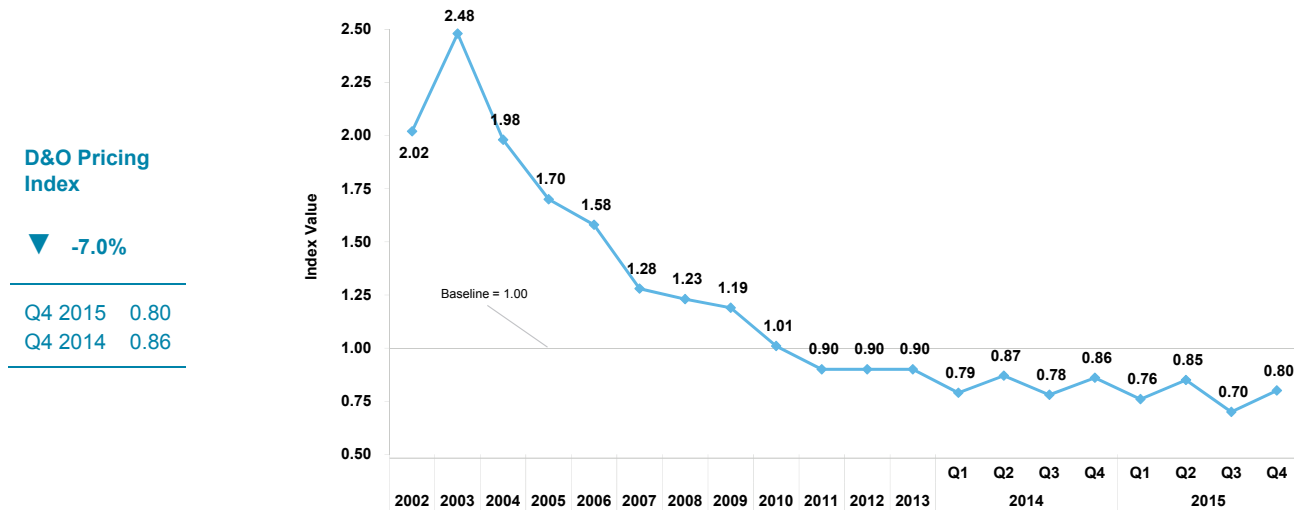
New York – February 2, 2016 – Aon Risk Solutions (U.S.) today reported public D&O pricing for the three months and twelve months ended December 31, 2015.

Each quarter, Aon's Financial Services Group ("FSG") publishes a pricing index of Directors' and Officers' liability ("D&O") insurance that tracks premium changes relative to the base year of 2001.^{1,2}

The Pricing Index dropped to 0.80 from 0.86 in the prior year quarter. The average price for \$1 million in limits decreased 7.0 percent compared to the prior year quarter.

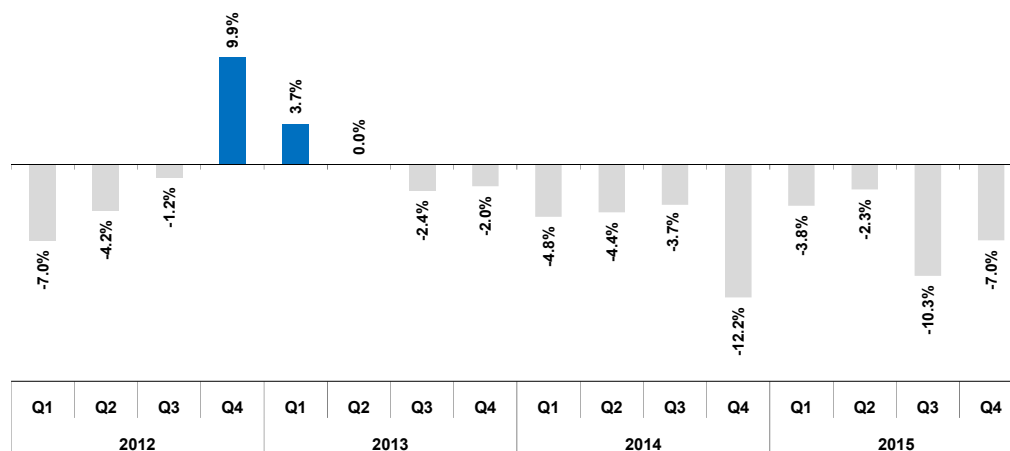
QUARTERLY INDEX OF D&O PRICING

Q1-2002 through Q4-2015 | Base Year: 2001 = 1.00



QUARTERLY “YEAR-OVER-YEAR” PRICE CHANGES

Q1-2012 through Q4-2015



A better comparison is to look at only those programs that renewed in both Q4 2015 and Q4 2014. On that basis, pricing decreased 8.0 percent.

It is instructive to note that the Pricing Index includes all limits purchased by publicly traded companies during the quarter. Changes in clients renewing during the quarter, changes in limits purchased, or a shift in the mix of limits between ABC limits and Side-A only limits can affect the overall performance of the Index.

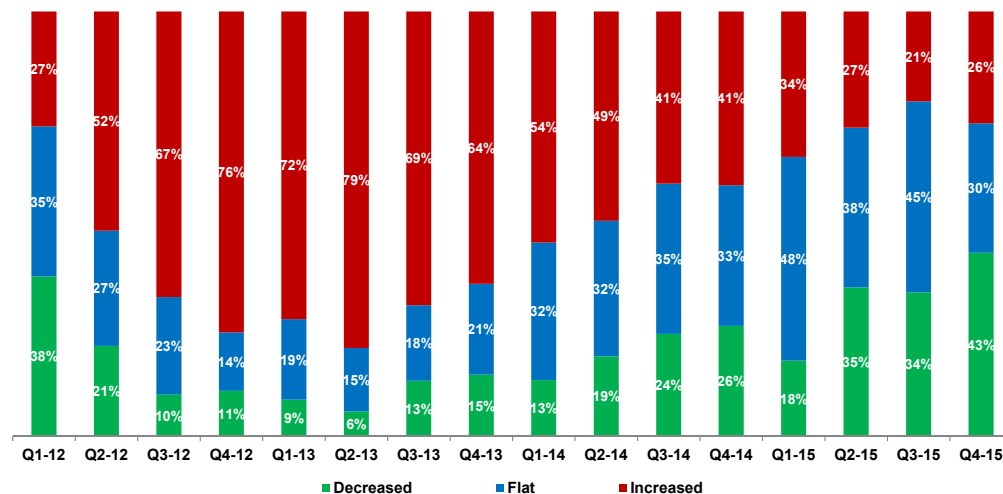
FOURTH QUARTER PRIMARY POLICIES

By looking at only primary policies in the quarter that renewed with the same limit and deductible as the prior year, we can eliminate some of that “noise” and focus only on those policies that renewed on a “like-for-like” basis.

For the fourth quarter, 43 percent of primary policies received a price decrease, 30 percent renewed “flat”, while 26 percent of companies received a price increase.

PRIMARY PRICE CHANGE DISTRIBUTION

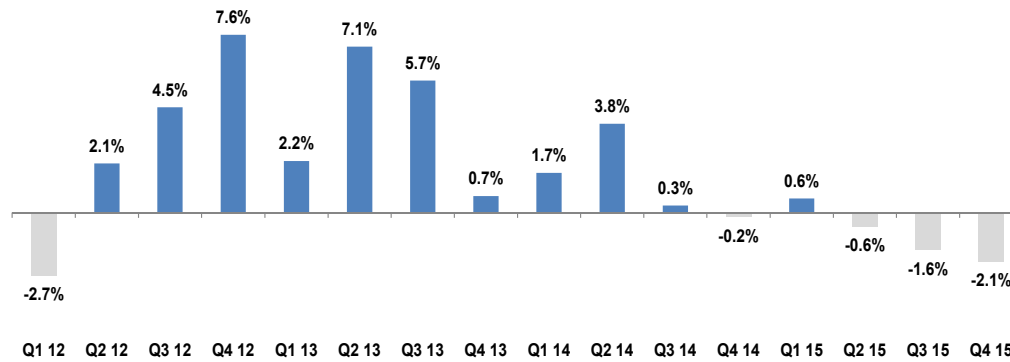
Q1-2012 through Q4-2015



The average primary price decrease was 7.0 percent, while the average price increase was 9.0 percent. The overall price change for primary policies in the fourth quarter was down 2.1 percent.

PRIMARY PRICE CHANGES

Q1-2012 through Q4-2015



THE QUARTER DECONSTRUCTED

October 2015

For October, 53 percent of primary policies received a price decrease, 29 percent renewed “flat”, while 18 percent of companies received a price increase.

The average primary price decrease in October was 8.0 percent, while the average price increase was 7.9 percent. The overall price change for primary policies in October was down 5.1 percent.

November 2015

In November, 38 percent of primary policies received a price decrease, 27 percent renewed “flat”, while 36 percent of companies received a price increase.

The average primary price decrease in November was 6.1 percent, while the average price increase was 9.5 percent. The overall price change for primary policies in November was up 0.4 percent.

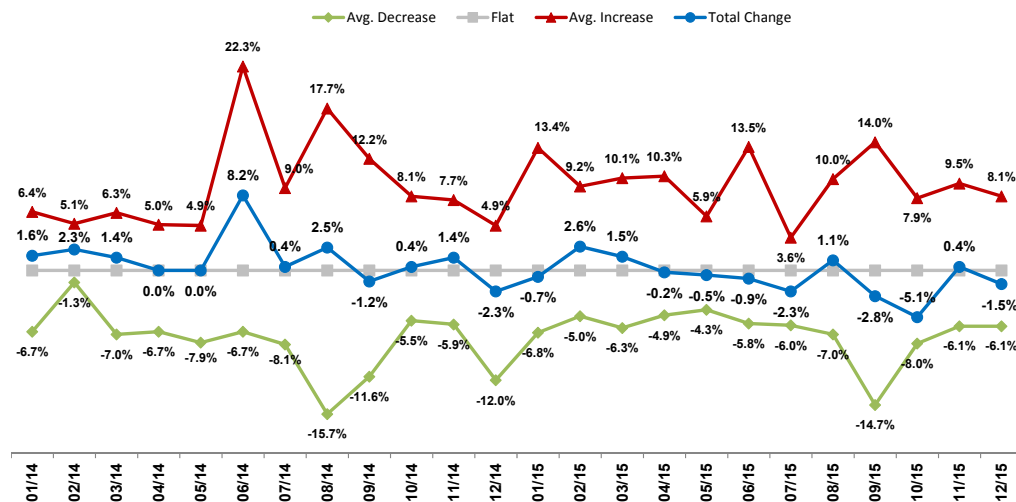
December 2015

In December, 39 percent of primary policies received a price decrease, 37 percent renewed “flat”, while 24 percent of companies received a price increase.

The average primary price decrease in December was 6.1 percent, while the average price increase was 8.1 percent. The overall price change for primary policies in December was down 1.5 percent.

MONTHLY PRIMARY PRICE CHANGE

Jan. 2014 – Dec. 2015



LIMIT, DEDUCTIBLE, AND CARRIER CHANGES

Fourth Quarter – In Q4 2015, 97.8 percent of primary policies renewed with the same limit, 89.9 percent of policies renewed with the same deductible, and 88.2 percent of policies renewed with the same limit AND deductible.

In the fourth quarter, 97.8 percent of primary policies renewed with the same carrier. Only 2.2 percent of policies renewed with a different carrier.

On average, policies that renewed with the same limit, deductible, and carrier experienced a 1.8 percent premium decrease. Policies that renewed with the same limit and deductible, but a different carrier, experienced a 10.9 percent decrease. This is not to suggest that clients can achieve additional savings simply by changing carriers. There were no doubt other factors involved in the decision to seek alternatives, or, to ultimately change insurers.

Twelve Months – Through twelve months, 96.3 percent of primary policies renewed with the same limit, 88.0 percent of policies renewed with the same deductible, and 85.0 percent of policies renewed with the same limit AND deductible.

Through twelve months, 95.0 percent of primary policies renewed with the same carrier. Only 5.0 percent of policies renewed with a different carrier.

On average, policies that renewed with the same limit, deductible, and carrier experienced a 0.9 percent premium decrease. Policies that renewed with the same limit and deductible, but a different carrier, experienced a 3.7 percent decrease.

SECURITIES CLASS ACTION LITIGATION

Fourth Quarter – According to Stanford Law School's Securities Class Action Clearinghouse, in Q4 2015, plaintiffs filed 49 new federal securities class action cases (filings) – six more than in the fourth quarter of 2014, an increase of 14 percent.

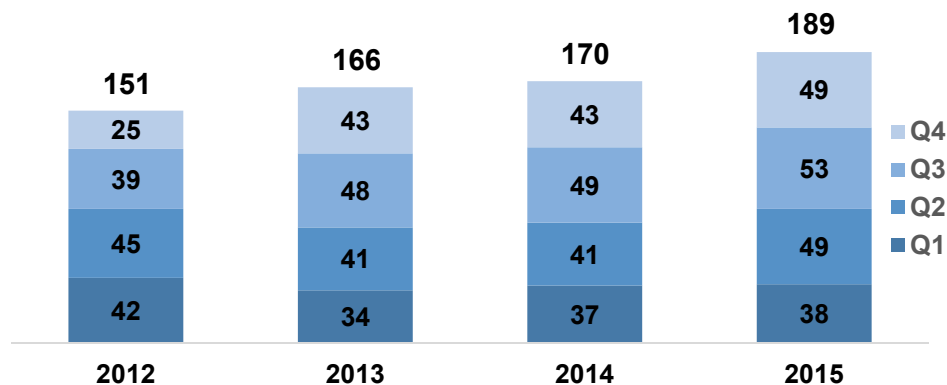
Twelve Months – According to Cornerstone Research, plaintiffs filed 189 new federal securities class action securities cases in 2015 – the most since 2008, and an 11 percent increase compared with 2014. The number of filings in 2015 was in line with the average number of filings observed annually between 1997 and 2014.

Total filing activity increased 17 percent in the second half of 2015 compared to the first half of the year.

The increase in filings since 2011 is not the result of a wave of “nontraditional” filings as observed in 2010 and 2011, when merger and acquisition (M&A) and Chinese reverse merger (CRM) filings increased rapidly.³

FEDERAL SECURITIES CLASS ACTIONS

Q1-2012 through Q4-2015



Source: Stanford Law School's Securities Class Action Clearinghouse

ENDNOTES

¹ The Quarterly D&O Pricing Index is compiled using the proprietary policy data of the Aon Global Risk Insight Platform ("Aon GRIP"). The D&O Pricing Index is currently comprised of policy information on almost 10,200 D&O programs for publicly traded companies between January 1, 2001 and December 31, 2015. The Index represents the weighted average cost of \$1,000,000 of D&O insurance (Total Premium / Total Limits). The average "rate per million" of limit includes D&O placements (A/B/C Coverage), Side-A only (non-indemnifiable loss) placements, and Side-A DIC (difference-in-conditions) placements. Programs with blended coverage (e.g., a shared limit for D&O and Fiduciary Liability combined) are excluded from the Index.

While the Index data includes a small number of foreign companies that trade on a U.S. exchange, the majority of the companies are U.S. issuers traded on U.S. exchanges. As such, the data is representative of the U.S. D&O market and not the global D&O market.

Aon first produced the Quarterly D&O Pricing Index in Q2 2006. The base year (2001) is the average price per million for \$1,000,000 of D&O coverage for the 2001 calendar year.

² In the first quarter of 2008, FSG began adding S&P's Compustat company data to our proprietary policy data. Some companies previously included in our pricing index are not included in this S&P data, primarily foreign issuers not traded on U.S. exchanges and some smaller U.S. companies (e.g., OTC:BB). These companies have been removed from the D&O Pricing Index which resulted in some minor changes to prior results. We do not view these changes as material to the overall results of the Index.

³ Cornerstone Research: *Securities Class Action Filings – 2015 Year in Review*

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ABOUT AON

Aon plc (NYSE:AON) is the 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. Visit www.aon.com for more information on Aon and www.aon.com/manchesterunited to learn about Aon's global partnership and shirt sponsorship with Manchester United.

ABOUT GLOBAL RISK INSIGHT PLATFORM (“GRIP”)

The Global Risk Insight Platform is the world's leading repository of insurance placement activities. By capturing information about key broking activities, GRIP provides timely insight into market trends and client buying behaviours. As a result of the contributions of 8,400 Aon GRIP users spanning 20 countries in North and South America, Europe, Asia and the Pacific, Aon GRIP* provides insights into:

- US \$147 billion in premium flow
- 2.6 million opportunities to quote
- US \$230 trillion in total limit
- 185 client countries
- 1,352 global carriers
- 65,000 global clients
- 72 lines of coverage
- *as of July 2015

ABOUT FINANCIAL SERVICES GROUP (“FSG”)

Aon's Financial Services Group is the premier team of executive liability brokerage professionals, with extensive experience in representing buyers of complex insurance products including directors' and officers' liability, employment practices liability, fiduciary liability, fidelity, and professional liability insurance. FSG's global platform assists clients in addressing their executive liability exposures across their world-wide operations. Aon's Financial Services Group manages more than \$2.3 billion in annual premium, assists with claim settlements in excess of \$3.5 billion, and uses its unmatched data to support the diverse business goals of its clients.



Aon Global Risk Insight Platform