

Liability Risk Quantification

Case studies

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Relevant references

Case study 1



- **Situation**

Our client is a global science-based company active in health, nutrition and materials. Due to the fast changing risk profile the client wanted to evaluate the current limits of the liability insurance program. Client asked AGRC to assist in evaluating and quantifying the liability risk profile.

- **Approach**

In a joint project with Corporate Insurance and Corporate Risk Management AGRC identified the main liability risk scenarios and provided a fact-based recommendation of the liability limit. In case of new activities (e.g. acquisitions) and/or products AGRC is asked to perform new scenario analyses. The main focus of the LRQ studies is product liability.

- **Benefits**

- Adjustments to the liability insurance limit and sub limits
- Renewed and increased confidence within the risk finance team, and at board level, that the liability program is fit for purpose
- Increased awareness within the company regarding potential scenarios and risk management
- Increased attention for contract management

Relevant references

Case study 2

Situation

Our client is a tank storage provider, specialized in the storage and handling of liquid chemicals, gasses and oil products. Client wanted to evaluate and quantify its maximum liability exposure specifically regarding the following aspects:

- Care Custody Control exposure / Contract Management
- Environmental damage, taken into account the new EC directives
- Effects on surroundings (industries, infrastructure and residential areas)

Approach

By making use of a.o. existing safety reports and in- and external claims data AGRC developed potential worst case scenarios. AGRC facilitated workshops with the operational management of three high risk locations of the client in order to validate and quantify those worst case scenarios.

Benefits

The project resulted in a:

- Adjustments to the liability insurance limit and sub limits
- Renewed and increased confidence within the risk finance team, and at board level, that the liability program is fit for purpose
- Increased focus on critical aspects of quality management
- Increased focus on EU Environmental Liability Directive (ELD)

