December 2019

U.S. Power Industry Update

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A Message from Mark Fishbaugh

2019 was a year of rapid change in the Power and Utilities Industry. With a hardening market, we saw wide-spread rate increases due to high frequency claims activity with significant capacity reductions, which worsened as the year progressed.

I am pleased to share our year end U.S. Power Market Newsletter which provides annual market forecasts for 2019 and a look ahead to 2020, as well as valuable industry insights for the following product lines: Casualty, Property, Financial Lines, Nuclear, Surety and Cyber.

We hope you find this information valuable to understand the changing market dynamics and challenges ahead in 2020.

In this highly volatile marketplace, Aon's U.S. Power Practice team understands more than ever the importance of partnering with our clients to help them navigate these market challenges and provide the most optimal solutions for their businesses.

Please don't hesitate to contact me or our Power Product Line and Thought Leaders who contributed to this update.

On behalf of the entire U.S. Power team, we wish all of you a very joyous holiday

season and blessings for the new year!

Mark Fishbaugh

U.S. Power Practice Leader
Managing Director
Aon Global Power

Upcoming Aon Power Industry Events for 2020

Event Name	Date	Location
Aon Client Reception (Post-EIM)	February 25th, 2020	Orlando, Florida
Aon RIMS Client Reception	May 4th, 2020	Denver, Colorado
Aon Power Symposium	June, 2020	New York, New York
Aon Client Reception (Pre-AEGIS)	July 13th, 2020	San Diego, California

Empower Results®

Casualty Market Update

Christine Palomba, U.S. Power Casualty Team Leader, Aon Global Power
& Cindy Fee, Senior Casualty Power Specialist, Aon Global Power

Christine Palomba

Cindy Fee

2019 was a challenging year for most of our utility clients. The market changed rapidly and provided wide-spread rate increases combined with significant capacity reductions, which worsened as the year progressed. The message from the markets expressed concern over the increase in losses both in frequency and severity. The Industry Mutuals continued to provide a stable and important base for our clients, and the introduction of NEIL excess liability capacity was welcomed and provided meaningful capacity for members.

As we look forward to 2020 we unfortunately anticipate another challenging year. Significant rate pressure will likely continue but we are hopeful capacity will stabilize and minimize the large swings that came in 2019. As 2019 has the potential to bring a third-straight year of California wildfire losses to the market, we have significant concern over the continued availability of California Wildfire capacity, even with respects to the nature and scope of continued coverage by the mutuals.

As unsettling as hard market conditions can be, changes in the market provide opportunities for new approaches and innovation which we consistently seek and explore. We will continue to partner with our clients to navigate the current market challenges with a thoughtful and strategic approach to drive the best possible value in 2020 and the years to come.

2019 was a challenging year for most of our utility clients. The market changed rapidly and provided wide-spread rate increases combined with significant capacity reductions, which worsened as the year progressed.

Category	Q4 2019	Comment	2020 Outlook	Comment
Pricing/Rates	↑	Significant upward pressure on rates as 2019 progressed, with notable reduction in capacity in Bermuda and London for utility clients. Industry Mutuals remain relatively stable, with rating impacts focused on those with loss activity or exposure concerns. Excess markets are trying to leverage 25%+ rate increases, as capacity continues to reduce. Utility clients with losses, and those with California wildfire, gas exposures, and dam exposures are most impacted.	↑	Anticipated continued rate pressure and hardening excess casualty market conditions in 2020. Expect Industry Mutuals to continue seeking rate sufficiency with a broader reach and up to a 10% lift in premium, with the greatest focus on those with losses and specific risk exposures such as California wildfire, gas exposures, and dam exposures. Excess markets are anticipated to continue pushing significant rate increases, with reduced capacity and catastrophic losses driving rates upward.
Limits	↔	With increased rates, most utility clients are maintaining limits, however we are seeing clients with wildfire and gas exposures looking at options for increased limits.	↔	Expected continuation of stability in limits being sought, with additional limit procurement predominantly exposure-driven. Restriction of capacity may impact availability for those looking to increase limits.
Deductibles /Retentions	↔	Deductibles and self-insured retentions have remained relatively stable, with markets in most cases not providing meaningful financial benefit for increased retention levels.	↔	With increased premiums, many utility clients are evaluating deductible and retention levels. Similar to 2019, for excess casualty, we do not anticipate markets will provide meaningful financial benefit for increased retention levels. For those clients maintaining primary casualty lines, such as General Liability, Auto, and Workers' Compensation, we are seeing clients benefit from increased deductible and retention levels, depending upon retention level and loss experience.

Casualty Market Update *(Continued from page 2)*

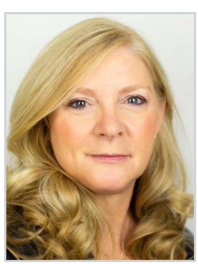
Category	Q4 2019	Comment	2020 Outlook	Comment
Coverage	↔↓	Most utilities are not seeing reduction in coverage terms/ conditions. However, some excess markets are seeking to impose wildfire exclusions regardless of the utility's geographic footprint or lack of exposure in California.	↔↓	In 2020, we expect continued push for wildfire exclusions for utility clients, regardless of location, as reinsurance markets continue to restrict wildfire capacity for insurers. Aside from wildfire, we are starting to see some form changes being pushed however at this time we do not anticipate significant reductions in coverage terms/conditions.
Capacity / Appetite	↓	Industry Mutuals continue to provide stable capacity for utility members, with expanded limit options (including NEIL) providing meaningful capacity for those seeing reduced capacity higher in their excess liability towers. The London market continues to shed capacity as long-term market partners scale back or remove capacity altogether for utility risks. This shrinkage of capacity is driving rates up. The Bermuda market has been heavily impacted by catastrophic casualty losses over the past few years and is unified in seeking increases in rating, scrutiny of attachment points, and reduction of line size.	↓	Industry Mutuals will continue to provide stable and much-needed capacity for utility members. The London market will likely maintain its position on utility risks, with limited capacity available. There is the potential for the Bermuda market to continue to adjust capacity, however the hope is that the significant cuts in 2019 were sufficient. California Wildfire limits will continue to be significantly challenging to procure and we anticipate a further reduction in capacity given the wildfire activity of 2019. Overall, anticipate a more technical approach by underwriters, with additional lead time in producing quotes and detailed questions regarding risk exposures and mitigation procedures.
Losses	↑	The utility industry continued to be plagued by gas explosion and wildfire loss allegations in 2019. Further, trends of higher settlements and jury awards for losses, greater erosion of the concept of fault, and increased evidence of third-party litigation financing all contributed to significant losses in 2019.	↔↑	While it is a challenge to predict losses in the coming year, we anticipate that the challenges of higher settlements, continued struggles with the concept of fault, and increased third-party litigation financing will continue to impact the utility industry such that if there are losses, the overall claim costs are likely continue an upward trend.

Property Market Update

Derek Whipple, Managing Director & U.S. Property Power Team Leader, Aon Global Power, Garry Edwards, Senior Vice President, Property Placement, Aon Global Power & Kathleen Musselman, Senior Property Placement Specialist, Northeast, Aon Global Power

Derek Whipple

Garry Edwards



Kathleen Musselman

The property market for power and utility clients is in a constant state of flux. In general, capacity remains available although there is a consistent push from the markets to tighten terms and conditions and increase rates. Most insurers are focused on developing an underwriting profit rather than pursuing top line revenue growth which is adding to the rate increases. Clients with

The property market for power and utility clients is in a **constant state of flux.** In general, capacity remains available although there is a **consistent push from the markets to tighten terms and conditions and increase rates.**

Property Market Update *(Continued from page 3)*

significant coal generation assets are seeing a shrinking capacity market due to carrier specific positions on the subject.

In addition, accounts with adverse loss history or significant natural catastrophe exposure are seeing more changes in both rate and retentions than average.

Observations through the 2019 placements for our clients show that it is more important than ever to start renewal processes early, and with the most complete information possible. Many underwriters, even senior professionals, have had their authority reduced, meaning the underwriter cannot send quotes out without clearing with a referral underwriter. Some markets that have normally accepted loss control reports from lead insurers or third parties as part of their underwriting, are now requiring that they visit the facilities themselves. Both of these dynamics can slow down the quoting stage. As more questions come to the forefront during the renewal negotiations, which is driven by losses insurers have experienced on other accounts, we learn their pinch points and build a database of additional information we need for renewal submissions.

Category	Q4 2019	Comment	2020 Outlook	Comment
Pricing/Rates	↑	Continued upward pressure on rates that started at the beginning of 2019 largely due to consecutive years of poor underwriting results. Markets are continuing to push large increases as they have succeeded in binding increases through the year.	↑	Early to determine rate changes for 2020 but most markets expect some additional rate lift through the year. The results of the 1/1/20 treaty renewals will play a factor. Fortunately, 2019 has been a relatively light catastrophe year.
Limits	↔	Most buyers have found adequate limit availability albeit at higher prices. Generation companies with significant coal assets are experiencing difficulty in maintaining large limits. Markets have been cutting back on catastrophe limits which is pushing some placements into wind, quake or flood stand-alone markets.	↔	Expect adequate availability of capacity and limits but be prepared to look at options in terms of insurers and program structure.
Deductibles/ Retentions	↔	Deductibles have remained relatively constant except for clients with adverse loss history or where non-proven technology is being deployed. However, insurers are seeking increases for catastrophe, and boiler & machinery if equipment is out of warranty or has experienced losses within the fleet.	↔	Do not foresee any significant market deductible changes for 2020, however clients may elect deductible changes for rate relief and be prepared to provide a lot more information on equipment maintenance intervals to keep reasonable deductible levels.
Coverage	↔	More scrutiny is being given to terms and conditions. In general, most standard coverages are still available for clients.	↔	Most markets looking for full cyber exclusion or limited coverage to Fire and Explosion. Additionally, Business Interruption coverage is being underwritten more deeply.
Capacity/ Appetite	↔	There have only been a few small capacity insurers that have left the market this year. In general, we are seeing a more conservative approach to line sizes from most of the major carriers that is resulting in more complex program placements.	↔	Given pricing adjustments from 2019, there is a reasonable probability that additional capacity will enter the market. However, will have to monitor reinsurance renewals in the next quarter or two to get a clearer picture. Some technologies in the power industry are seeing insurers cut back or leave the market, making placements take longer than in the past.
Losses	↑	Claim severity continues to plague a market that has traditionally seen more attritional losses. CAT losses for 2019 remain below average for the industry.	↔	No material change expected. This is always subject to the experience of the year so we continue to monitor industry losses.

Financial Lines Market Update

Ross Wheeler, Central Region Managing Director, Aon Financial Services Group & Kristin Kraeger, National D&O and Fiduciary Product/Practice Leader, Aon Financial Services Group

Ross Wheeler

Kristin Kraeger

The D&O insurance market has continued to firm at an accelerating rate in 2019. Although not among the more challenging sectors such as IPOs or bio-pharma companies, the power sector has not been immune to the industry-wide trend of increasing pricing. The firming market is being driven by historically high claims activity, coupled with 15 years of D&O insurance premium decreases. Data suggests the probability of being sued is now at an all-time high. Although insurer participation in the overall D&O insurance marketplace remains generally stable for the power sector, some insurers have new climate initiatives and have announced an intention to reduce or eliminate their relationships with carbon-emitting companies. Virtually all companies are now experiencing rate increases with all insurers citing increased claims frequency, the long-trending soft market, and overall loss developments as the catalysts for the price increases.

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Category	Q4 2019	Comment	2020 Outlook	Comment
Pricing/Rates	↑	D&O pricing has been a firming environment, with each month demonstrating an increase in average pricing on both the primary and excess layers.	↑	Thus far the outlook for the continuation of a firming rate environment has been affirmed by actual results and experts predict the market will continue to firm in 2020 and beyond. Virtually all companies should ready themselves for material double digit premium increases.
Limits	↓	In many instances insurers are reducing their primary D&O aggregate limits which impact supply and competition.	↓	Most insurers are expected to continue to execute on intentions to improve the composition of their portfolio, reduce limits for lead layers and prudently deploy capital on excess layers too
Deductibles/ Retentions	↑	Self-insured retentions are on the rise as claims costs continue to increase.	↑	Continued upward pressure in retentions in expected in 2020 as insurers reset their minimum retention guidelines. In many instances insurers will be looking for both rate increases and higher retentions
Coverage	↔	Coverage remains favorable. Innovation is stalling but coverage has never been more broad	↓	Some industries are expected to experience specific coverage restrictions in response to certain event driven litigation trends. Overall coverage is expected to remain constant
Capacity/ Appetite	↓	No new capacity has entered the marketplace and existing capacity is seen to be limiting its scope. Insurers are less interested in winning market share and more focused on profitability. Insurers beginning to focus on justifying the risk vs reward.	↔	Capacity remains ample but is becoming limited for certain risks and industries which is putting even more upward pressure on price. Based on results we may see some carriers retreat. Less capacity equates to less competition and insurers are becoming much more disciplined on risk selection and participation
Losses	↑	Fewer publicly traded companies yet Securities Class Actions filings continue to soar. The rate of litigation in 2018 was 8.7%, an all time high and 2019 is trending the same. Total value of 2018 settlements was $5.064 billion which was 50% higher than the annual average of the prior nine years	↔	Event driven litigation is expected to continue to expand. Non-indemnifiable Side A claims are also an ongoing concern, especially since these claims potentially impact the personal assets of the D&Os. As with securities class actions, the rate of derivative filings is increasing. Due to recent large settlements, many insurers are reevaluating their appetite for Side A coverage, which is more likely to be implicated in 2020 and beyond by a catastrophic derivative claim.

Surety Market Update – Power & Utility Industry

Michael Herrod, Executive Vice President & Surety Practice Leader, Aon Construction Services Group & Marisa Thielen, Senior Vice President and Senior Surety Director, Aon Construction Services Group

Michael Herrod

Marisa Thielen

The surety market has generated excellent results over the last decade with low loss ratios and combined ratios well below 70% for most of the industry. Surety bonds do not act as risk transfer obligations and the growth and profitability of the industry are correlated with economic and credit cycles. As positive economic and industry drivers continue, we anticipate another very profitable year in 2019 marked by both an increase in overall aggregate written premium with favorable loss experience.

Surety's consecutive years of strong profitability and growth opportunities throughout the commercial sector have been attracting new capital into the market. Over the past 10 years, there have been many new surety market entrants with many surety carriers increasing their overall single and aggregate capacity limits and benefiting from a robust and a relatively soft reinsurance market. As a result, surety capacity is now at an all-time high and we foresee a very competitive market landscape heading into 2020. Excess capacity and increased competition have provided those with better credit, improved pricing and offered those with lower credit, access to capacity not previously available. It has also led to an increase in innovative surety offerings as markets look to differentiate themselves from their competitors.

> Growing capacity with preferred pricing has contributed to **an increase in the use of surety as a meaningful performance security tool**. Many companies within the power & utility sector are utilizing surety credit to create financial flexibility in lieu of traditional financial instruments, such as letters of credit.

Growing capacity with preferred pricing has contributed to an increase in the use of surety as a meaningful performance security tool. Many companies within the power & utility sector are utilizing surety credit to create financial flexibility in lieu of traditional financial instruments, such as letters of credit. A few notable examples are highlighted below:

- **Decommissioning Bonds** — in the renewable space, more public entities are accepting a bond as a form of performance security to guarantee decommissioning agreements.
- **Deductible Insurance Program Bonds** — Insurers are accepting an increase percentage of the collateral to secure a deductible for an insurance program in a form of a bond.
- **Replacing Standby Letters of Credit with Bonds** — Surety rates tend to be more favorable than letters of credit and bonds are an off-balance sheet item. As such, companies are taking advantage of market rates to reduce costs.
- **Back-to-Back Guarantees** — Bonds are utilized to back-stop letters of credit for specific obligations at very competitive rates.
- **Rate Revision Bonds** — Bonds are posted with the state public utility commission to insure the refund to the customers.

As previously mentioned, we expect surety market conditions to remain very competitive in 2020 given the amount of excess capacity available throughout the commercial surety sector.

The Cyber Loop: Managing Cyber Risk Requires a Circular Strategy

Jenni Kupersmith, Account Executive, Aon Global Power

Jenni Kupersmith

There Is Nothing Linear About Cyber Security

The pressure to achieve cyber risk resilience is real. Conversations concerning resilience abound in business circles and the need to achieve a secure state is warranted when one considers that by 2021, cyber events are expected to annually cost $6 TRILLION[i]. Companies are digitizing most of their processes; employees often operate remotely; more than 80% of U.S. companies support bring-your-own-device (BYOD) policies[ii]; and regulation is becoming ever-more complex. Cyber as a risk is felt far beyond IT and the CISO's office.

Security is not achieved solely through technology, governance or compliance. Achieving resilience demands consideration of many elements and simply keeping up and staying informed about the evolving cyber risk terrain is daunting. In our 2019 Cyber Security Risk Report, we frame our findings with the observation that the greatest challenge organizations face is simply keeping up and staying informed about the evolving cyber risk landscape. Why? Because there isn't necessarily one universal or straight-line approach to cyber security.

> by 2021, cyber events are expected to annually cost **$6 TRILLION**[i]

Each organization is unique and is at a different place in its digital journey. Thus, each organization will enter the cyber security race at a distinct point.

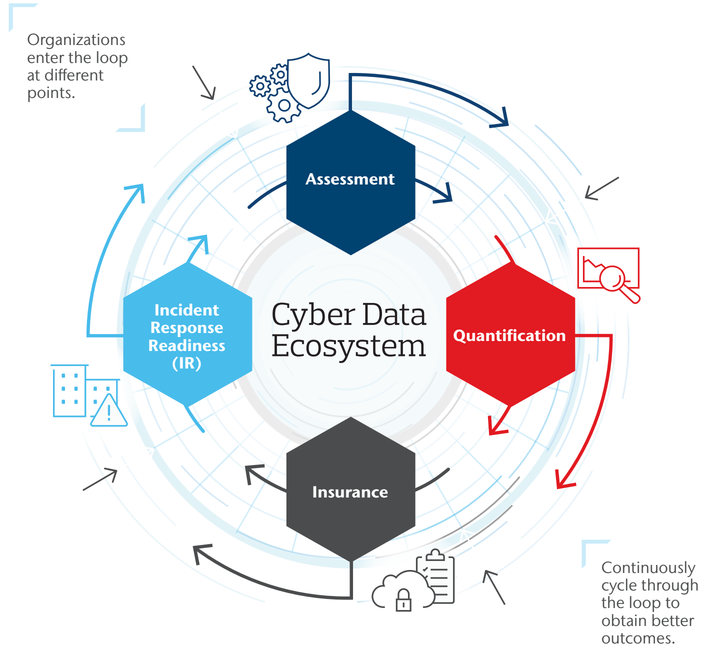
The Cyber Loop

The Cyber Loop acknowledges that each organization will start its cyber security journey from **ONE of FOUR entry points**:

- Assessment;
- Quantification;
- Insurance or;
- Incident Response Readiness (IR).

Once in the Cyber Loop, the organization becomes an active participant in managing risk and an active participant in a greater cyber security ecosystem, engaged in continuous review, improvement and investment in cyber risk management. As data is collected – assessment results, quantification studies, insurance limits, peer benchmarking, claims, threat intelligence and experience garnered from actual incident response — the Cyber Loop brings everything together into one data ecosystem. With each revolution around the Loop, more data is extracted and then re-invested back into the Loop.

The Cyber Loop



As a company circles the Cyber Loop, it strengthens its ability to rapidly detect, respond to and recover from a cyber attack. The ability to make informed decisions gets sharper and efficiencies are created. Resilience is improved.

This approach aligns with the OODA loop, or the cycle Observe–Orient–Decide–Act, developed by the U.S. military to teach soldiers how to make decisions when there's no time to gather all the data—when agility is essential. For a company that is participating in the Cyber Loop, thinking that is fast and informed by data and experience can be engaged when – or hopefully before – a cyber event hits.

> As a company circles the Cyber Loop, it strengthens its ability to **rapidly detect, respond to and recover from a cyber attack.**

The Cyber Loop: Managing Cyber Risk Requires a Circular Strategy *(Continued from page 7)*

Evolution Demands Revolution: Realizing the Full Potential of the Cyber Loop

The Cyber Loop calls for companies to actively participate in managing cyber risk in a greater cyber security data ecosystem. Managing cyber as an enterprise risk requires continuous review, improvement and investment in cyber risk management. Assessment, quantification, insurance and incident response readiness are four distinct yet interconnected entry points for managing the risk. When operating with a data mindset and a circular strategy, a company can effectively strengthen its posture and help develop cyber risk resilience.

For more information regarding the Cyber Loop strategy, click here to download Aon's whitepaper on this topic.

NEIL – Not Just Nuclear

Thomas Magnuson, Broker — Nuclear Risk, Aon Global Power


Thomas Magnuson

Over the past few years, commercial markets have had some of their largest utility losses and as a result have started to pull back capital and raise rates. The nuclear industry, with their strict regulatory requirements and extensive engineering has been immune to these losses. Historically, commercial markets saw nuclear power as an uninsurable risk with the possibility of catastrophic loss too great to bear. In response insurers created nuclear pools to absorb the nuclear market capacity but the industry thought they could achieve premium savings through the formation of an industry-owned insurance company. Since that time, NEIL has grown substantially and because of the safety around nuclear power has seen few losses. In a year when conventional markets continue to harden, NEIL expects no rate change and is projecting a combined ratio of only 53% with investment earnings that are over four times larger than underwriting earnings.

NEIL expects **no rate change** and is **projecting a combined loss ratio of only 53%.**

Key Consolidated Financial Data

Historical Data until Year-End 2018	$ in Billions
Premiums Collected	$8.2
Losses and Loss Expense	$4.1
Investment Earnings	$8.7
Distributions Paid	$7.1

NEIL Conventional Programs

As the lack of material pipeline for new nuclear plant construction remains, NEIL is increasingly looking to the development of products and services for conventional lines. The hardening conventional market presents a great opportunity for NEIL to employ capital in a valuable way to Members, however it also holds a substantial amount of risk. NEIL is aware that losses are more volatile with conventional coverage and consequently have strategically limited their financial exposure as they gain more experience in underwriting the risks. Aon recommends that all Members evaluate using NEIL on their conventional programs as a cost-effective risk transfer tool. At the same time, Aon recommends that Members actively engage with NEIL as these products are developed to understand the overall exposure to the Membership's capital.

NEIL – Not Just Nuclear *(Continued from page 8)*

The hardening conventional market **presents a great opportunity for NEIL** to employ capital in a valuable way to its members.

Member Conventional Lines	
NEIL Property Program	• NEIL offers flexible participation – 5% to 40% of any layer for operational property programs o $300 million per Member for operational property programs – Participation cannot exceed the lead carrier's participation – Quota-share or Excess of Loss
NEIL Builders' Risk Program	• NEIL offers flexible participation – 5% to 10% of any layer for builders' risk programs o $300 million per Member for operational property programs – Participation cannot exceed the lead carrier's participation – Quota-share or Excess of Loss
NEIL Cyber Program	• NEIL offers flexible participation – Up to $25M as excess capacity attaching at or above $50M o Subject to $100M shared Member Aggregate – Up to $15M quota-share participation o Not subject to Member Aggregate – Cyber Analytics Packages provided to Members 60 days before renewal o Analytics provides a multifaceted approach to quantifying cyber risk
NEIL Excess Liability Program	• NEIL offers flexible participation – Up to $25M attaching excess of $25M to $50M (AEGIS) – Participation cannot exceed the lead carrier's participation – Quota-share or Excess of Loss – Non-Member capacity has been accessed in limited cases

Quantifying Risk: Unique Challenges and Solutions for Power Companies

Amy Sestito, Regional Director & Actuary, US, Aon Global Risk Consulting

Amy Sestito

Accurately identifying and quantifying exposure is fundamental to effectively managing, mitigating and transferring risks. It's also a challenge for companies in all sectors and presents especially unique issues for power companies. Two examples are the areas of wildfire and business interruption exposures.

Assessing Wildfire Risk

The unpredictable, frequent and severe wildfires in California and the western US present monumental risk management challenges for power and utility companies. Through Aon's Global Risk Consulting (AGRC) Group, Aon power and utility clients can gain a new, more holistic understanding of their potential wildfire risk by modeling the liability exposure, including property damage, bodily injury and suppression costs, associated with various wildfire scenarios. Companies can use this information as they consider

Quantifying Risk: Unique Challenges and Solutions for Power Companies *(Continued from page 9)*

alternatives for managing this cat exposure, including captives, and can arm management with vital data to inform financial planning.

When a wildfire occurs, Aon clients can also benefit from AGRC's rapid response tool to monitor assets potentially in the fire's path and use this information to strategically activate crisis response plans.

Keeping Valuations on Target

Unlike many industries' property-related time element policies, most (if not all) power-related business interruption terms cap loss recoveries based on monthly reported values, plus a percentage factor (e.g., 110% or 120% of reported values). If monthly values are underreported, the insured can face unexpected retentions on their business interruption cover, but if overreported, premium may be overpaid.

With deep industry leading knowledge in the power industry, **AGRC assists Aon Power clients in identifying and quantifying property and casualty risks,** to help those clients make well informed risk management and risk transfer decisions.

In a traditional IPP., depending on the ISO/RTO or specific PPA arrangements, additional nuances need to be considered to determine the appropriate value. For example, in the PJM market, an EFORd driven capacity payment may carry three years of implications from just a short-term outage in a peak season. Oftentimes, these values rely on budgets with market price assumptions for power, fuel, or other complicating factors such as cogeneration offtake or fuel take-or-pay arrangements (as applicable). In August 2019, ERCOT RT prices reached the $9,000/MWh cap. An IPP's merchant operating loss in this market scenario would likely exceed its reasonably assumed budget-based values. We expect much more of this to happen as thermal base load plants are taken offline and replaced with less predictable renewable capacity. As such, risk managers may choose to evaluate a variety of price ranges (i.e., historical peaks) to determine what may be an acceptable risk transfer to balance this risk/reward underwriting situation.

Further complicating matters is the need to consider other coverages for mitigation purposes, such as replacement power, or even determining a property-related extra expense sublimit where a company otherwise has no time element coverage. For example, what if a temporary transformer is rented or used? What if the insured is buying (or requesting) a specialty builder's risk policy, and there are a number of operational scenarios should there be a delay in startup? How are those cost exposures addressed in the policy? Determining these valuations is an intricate, multi-disciplinary endeavor, which must involve departments from risk management and operations, to procurement, construction, and accounting. If this task is siloed into one team, it is unlikely to get an appropriate result; even if it does, the result may not be communicated effectively to the broker to ensure coverage is manuscripted to suit the risk.

AGRC & The Power Industry

With deep industry leading knowledge in the power industry, AGRC assists Aon Power clients in identifying and quantifying property and casualty risks, to help those clients make well informed risk management and risk transfer decisions. Retention analyses, captive feasibility studies, collateral negotiations and asset valuations are just a few examples of the tools AGRC provides to support client decision-making.

Aon Global Risk Consulting —How We Help Clients

Quantifying Risk: Unique Challenges and Solutions for Power Companies *(Continued from page 9)*

AGRC continues to partner with clients throughout the year. If a loss occurs, our claims team can assist by reporting claims to carriers and advocating on our client's behalf to seek to achieve a favorable outcome from carriers. Meanwhile, AGRC's actuarial team can quantify the liability to be held on the client balance sheet. With a clear understanding of their risk, Aon power clients can improve not only their risk profile, they can also make favorable decisions about managing, transferring and mitigating risks.

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To learn more about how to address Wildfire Risk, contact:
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ii. Syntonic 2016 Report, BYOD Usage in the Enterprise

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About Aon

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