

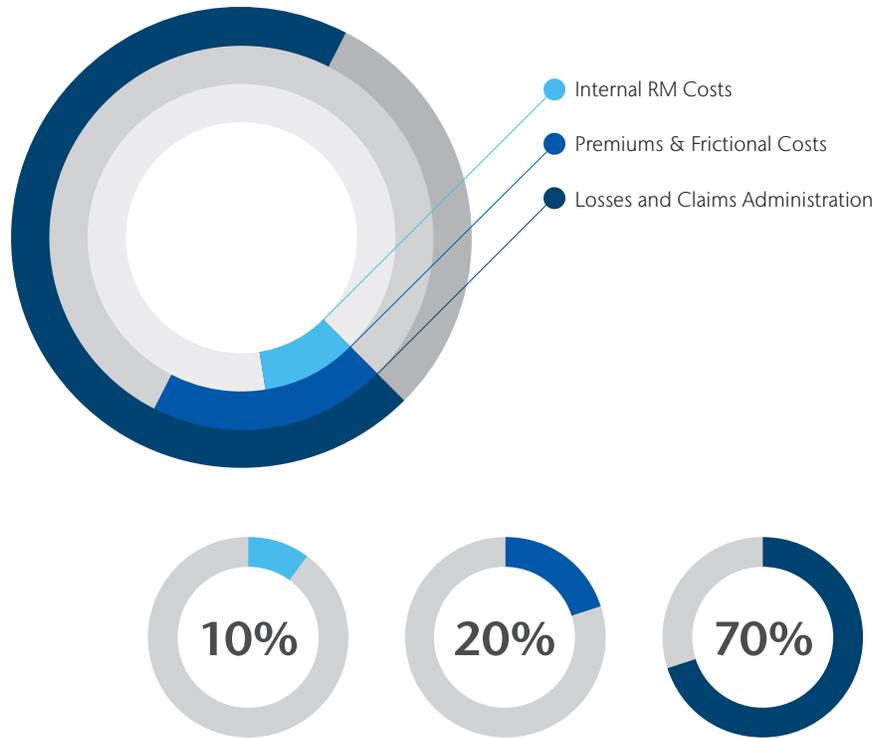
Aon Risk Solutions  
Aon Global Risk Consulting

# Aon Casualty Laser™ for the Retail Industry

Enhancing Your Profitability

# Reducing Retailer's Total Cost of Risk

Continuous improvement in reducing costs is fundamental to your organization's competitiveness and operational well-being. At Aon, we define total cost of risk (or TCOR) as the sum of retained losses, risk transfer premiums, collateral and frictional costs; in short, the cost of services to assess, mitigate and manage all aspects of risk. A forward-thinking, industry-leading risk management strategy targets key cost drivers based upon the highest return on investment resulting in a sustainable competitive advantage.



## What is Aon Casualty Laser™?



Data-Driven Diagnostic



More than 90 Proprietary KPIs



Benchmarking Across Retail Industry-specific Loss Drivers



Cost Savings and Program Improvement Targets Based on Highest ROI



Direct Engagement of Aon Retail Industry Subject Matter Experts



Measurable Cost Improvement

Aon Casualty Laser™ enables retail organizations like yours to leverage and gain casualty program insight from your own data, analyze it against retail industry (and internal) benchmarks, and identify where cost-saving opportunities lie. Casualty Laser™ “diagnoses” a range of casualty cost drivers through rigorous analytical tools, ultimately enabling you to target improvements.

# Aon Casualty Laser™ Diagnostics

Driving Measurable Savings in Retailer Casualty Risk Program



## Establish Your Risk Profile

By reviewing your loss and exposure data, we identify key loss cost drivers that shape your risk profile. We'll analyze the actual losses you provide; not just a sample. Casualty Laser™ identifies the key characteristics that drive your risk spend.

## Improve Your Risk Profile

By digging deeper into underlying culture and causative factors, Aon Casualty Laser™ creates the understanding and the insights needed to drive continuous improvement and operational resiliency. We leverage proprietary data mining technology to quickly perform this analysis and the results are automatically fed into the dashboard and scorecard system we customize for you.

## Optimize Your Risk Profile

As part of the process, our deep bench of retail industry subject matter experts offer unparalleled creativity and industry-specific solutions that align to your financial objectives. Our award-winning brokers are fully accountable to you and partner with you to proactively engage insurance markets to find solutions that meet your objectives.

Meanwhile, our multi-disciplinary risk consultants work closely with you to deliver solutions, whether through identifying and closing burdensome legacy claims, improving claim processes or developing unique process improvements to improve safety programs within your stores and/or supply chain system.

## Measuring the Cost—and Opportunity—of Risk

On average, the cost of risk equals 1.2 percent of a retailer's total revenue. Having a clear understanding of this crucial metric is a prerequisite in controlling the substantial and ongoing expense of casualty risk. By properly measuring the organization's cost of risk, risk managers can design more effective risk retention and transfer structures, while arming executive leadership and board of directors with the information they need to make informed decisions to grow the bottom line.

With Casualty Laser™, you are armed with data-supported insights to drive strategic benefits to your organization, including reduced claims, lower risk management expenses, improved safety and mitigation programs and change to reduce overall TCOR.

# How Do Retailers Compare to Aon's Proprietary Benchmarks

Having performed more than 50 Lasers within the Retail Industry, Aon has identified the following trends when comparing Retailors to our All Industries proprietary data.

## Retail Industry Trends

	Strengths	Opportunities
Rate of Pharmacy Paid to Total Medical Paid	○	
Rate of Medical Paid to Total Paid	○	
Rate of Litigated Claims	○	
Frequency of Claims Related to Aging Workforce	○	
Preferred Provider Penetration	○	
Claims Closure Rate	○	
Conversion Rate of Medical Only to Indemnity Claims		○
Frequency of Claims for Employees Hired within 12 Months		○
Rate of Paid Legal Expense to Total Paid Expense		○
Severity of Ergonomic Related Claims		○
Frequency of Claims Related to Ergonomics		○
Severity of Claims Related to Slips, Trips, or Falls		○
Rate of Claims Reported within 0 to 3 Days		○
Average Number of Temporary Total Disability Days		○

# Does Retailer Size Matter?

Where Do Specialty Stores and Big Box Stores Differ?



**Performance is better for Specialty Stores as compared to Big Box**

- Lower Percentage of Claims with TTD payments
- Average Number of Temporary Total Disability Days
- Conversion Rate of Medical Only to Indemnity Claims
- Frequency of Claims Related to Ergonomics
- Severity of Claims Related to Ergonomics

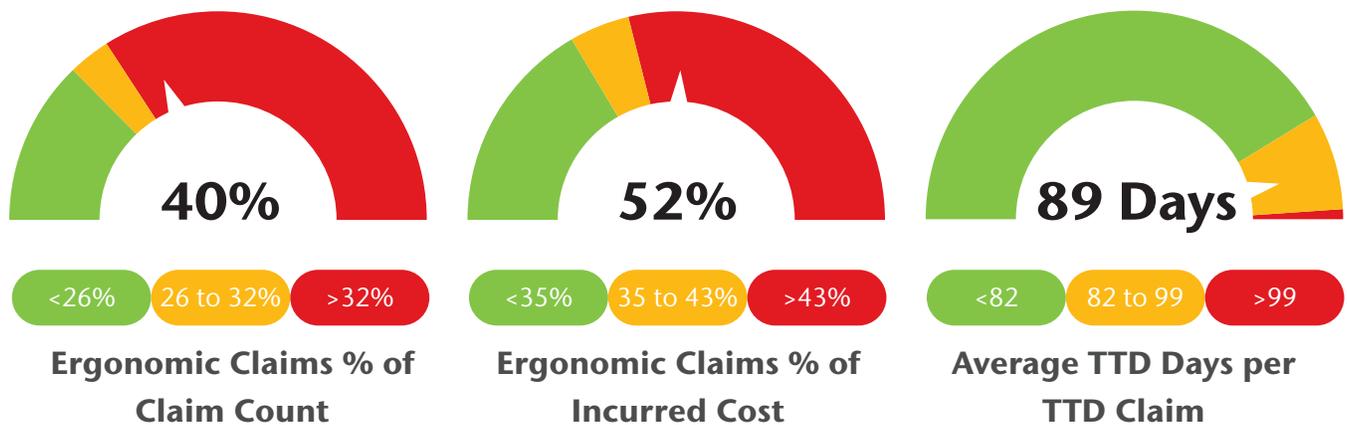


**Performance is better for Big Box as compared to Specialty Stores**

- Closure within 12 months
- Lag Time in Reporting
- PPO Penetration
- Expense Paid
- Litigated Claims
- Slip/Trip/Fall Frequency and Severity

## Sample Benchmark Display

Results vs. Proprietary Benchmark



# Converting Results into Action

## Strategies Recommended to Improve Ergonomics



## Strategies Recommended to Improve Transitional Duty



# Talk with Aon Today

The Aon Casualty Laser™ diagnostic process is simple. Leveraging the best tools and data, you can confidently confirm how you are performing and how you compare to your retail peers. Armed with metric-driven insight, you are better prepared to reduce your organization's costs and contribute to profitability.



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This simplicity is possible because of the comprehensive and sophisticated data platforms and analyses that are the core of Aon Casualty Laser™. Laser capitalizes on the Aon's Retail Industry thought leadership and expertise that only Aon can deliver.

With Aon Casualty Laser™, you have the insights to drive strategic benefits for your organization, including reduced claims, lower risk management expenses, improved risk control processes and higher profit margins.

To learn more or contact us about engaging Casualty Laser™ in your organization, visit [aon.com/laser](http://aon.com/laser)



## About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

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