

Energy Proposition in Asia

Managing risk in a tightening market

In the wake of continued global losses in the downstream refining and petrochemical sector, international insurers are becoming increasingly selective on new and renewal risks, introducing strong underwriting discipline across their portfolio and mandating premium increases. In a tightening insurance market, there is more scrutiny around coverage, risk information and premium levels as insurers consider the capacity they are willing to commit to insurance programmes. Alongside these premium and coverage changes, the downstream energy sector has seen multiple global insurers withdraw from this sector over the last 24 months, concerned over the worsening loss ratios.

The upstream market is more stable, partly due to an oversupply of capacity and the absence of major losses. However, upstream insurers are aware the effect a major offshore loss could have on their portfolio and addressing this with small price increases, greater focus on risk quality and maintenance activities, particularly during this period of low oil prices and disruption from COVID-19. These current conditions make it more important than ever to partner with the right risk advisor to help implement strategies to differentiate and manage your risk and insurance costs.

As a leading global professional services firm with regional risk management and energy expertise in Asia, Aon has all the right tools to help clients through this tightening market:

Differentiator	Description	Benefit to Clients
ACT (Aon Client Treaty)	Additional capacity available for Energy risks – USD 67.5mn upstream – USD 37.5mn downstream Unique and exclusive to Aon.	As the market capacity available to clients withdraws, this unique Aon facility means we are well placed to provide additional “A” rated full follow capacity to complete challenging placements.
Risk Engineering	Aon has the largest team of specialist risk engineers based in Asia, giving our clients the ability to differentiate through quality engineering support.	Risk engineers can provide support to better manage site operations as well as produce reports to improve the presentation of risks to insurers which remains critical in a tightening insurance market.
Market Leverage	Placing over USD 2.5bn of premium globally into the energy sector.	Placing this volume of premium provides Aon with the leverage to negotiate with strength on behalf of our clients across Asia and internationally.
Wording Expertise	Legally trained regional wording specialists able to provide detailed coverage reviews.	Key insights to help review coverage can reduce disputes in the event of a claim, improve the quality of cover as well as provide on hand support for complex claims.
Claims Advocacy Results	Specialist claims advocates to help ensure optimal outcomes on complex claims.	For large claims within the Energy & Property space, Aon has secured uplifts of close to USD 182mn from initial insurer offerings since 2015.
Largest single regional team	50 energy specialists across Asia, who are supported by 14 dedicated regional energy personnel in Singapore supporting clients in Asia.	Aon is well resourced to help deliver the best results utilising experienced regional resources alongside our global network.
Focus on Total Cost of Risk	Analytical solutions which focus on driving down Total Cost of Risk.	Clients benefit from innovative programme structures which drive down Total Cost of Risk and help them to align risk transfer strategy with risk tolerance and appetite. This includes insurance premiums, retained losses and any other associated risk costs.

Looking to safeguard your organisation?

To find out how Aon can help enhance your business resilience, please contact:

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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.

Disclaimer: This risk and insurance description is a general summary for information purposes only. This does not purport to be insurance, legal or professional advice. For further advice on this or related insurance needs, please contact a representative of Aon.

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