

## Aon and Praedicat to Address Insurers' Emerging Risks in Casualty Sector

**CHICAGO, March 2021** – Aon plc (NYSE: AON), a leading global professional services firm providing a broad range of risk, retirement and health solutions, today announces a new partnership to develop a range of specialist liability reinsurance solutions that address product liability risks including nanomaterials and 5G.

Aon and Praedicat, a leading liability emerging risk analytics company, have entered into a two-year agreement to develop 'named peril' products for insurers, helping them to transfer liability emerging risks to reinsurers and the capital markets.

The partnership aims to address reinsurance coverage gaps arising from emerging risks, and to encourage the development of a robust casualty catastrophe market that offers new and diversified exposures to the reinsurance and insurance-linked securities sectors. The partnership will target the general liability and directors' & officers' (D&O) market for both current year and historical policy year exposure, to provide clients with tailored solutions.

Andy Marcell, CEO of Aon's Reinsurance Solutions, said: "Innovation has always been a key part of our business, and we continually look to deliver new products to solve the market's needs. Our partnership with Praedicat is the first step in building a robust liability catastrophe market which will eventually match what already exists on the property side."

Bob Reville, CEO, Praedicat said: "We are delighted to work with Aon to increase the size of the casualty insurance market by encouraging sustainable solutions to emerging risk. For us, Aon's commitment to closing coverage gaps and solving clients' problems with innovative solutions made them the ideal partner."

Reinsurance products to address large-scale emerging liability risks, such as casualty clash, have often been seen as too expensive by cedents, while creating overly broad exposure for reinsurers. By tailoring the coverage to a defined list of emerging risks on a named peril basis, the product provides the transparency needed to facilitate greater coverage certainty at risk-appropriate prices. Praedicat's analytics will provide the modeling to inform the product structuring and underwriting.

Casualty business is subject to significant exposure to emerging risk – a key difference compared to property catastrophe business – as well as accumulation risk that spans over multiple policy years. Praedicat's model will help assess the likelihood and severity of a casualty event, with the granularity needed for insurers to take action.

Jessica Schuler, Senior Vice President, Praedicat, said: "The model has the ability to allocate future losses to historical policy years and project when claims may arise. This flexibility allows Aon to carve up the exposure along the time dimension to meet reinsurers' appetite. In addition, the solutions will be designed to support the reinsurance transaction lifecycle from identification of the risk through to underwriting, understanding accumulations, transfer of the peril, reserving and managing claims."

Amanda Nguyen, Senior Managing Director in Aon's Reinsurance Solutions, added: "This partnership is another step for Aon to support and provide our clients with first-class service, during a time where increased litigation activity has shed light on growing casualty accumulation exposure and uncertainty. Aon is committed to supporting our clients' ever-evolving needs and we look forward to working collaboratively with the market to design products of value and help meet clients' strategic goals."

**ENDS**

**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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**About Praedicat**

Praedicat is the leading liability emerging risk analytics company for insurers and global industrial companies. Praedicat helps companies scan the horizon for new risks, track the exposures as the risks evolve, and defend the claims when they emerge.

Praedicat was established in 2012, is based in Los Angeles, California and has offices in New York and London. Praedicat's ultimate aim is to deliver the science around health and environmental risks to businesses, driving smarter decisions that make the world cleaner, safer and healthier.

To learn more, visit [www.praedicat.com](http://www.praedicat.com)

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