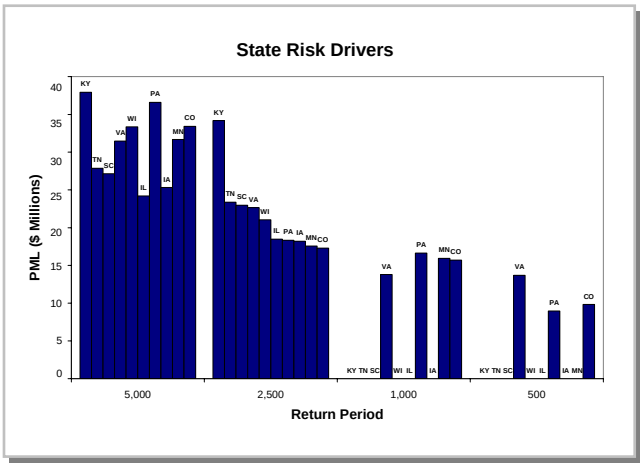
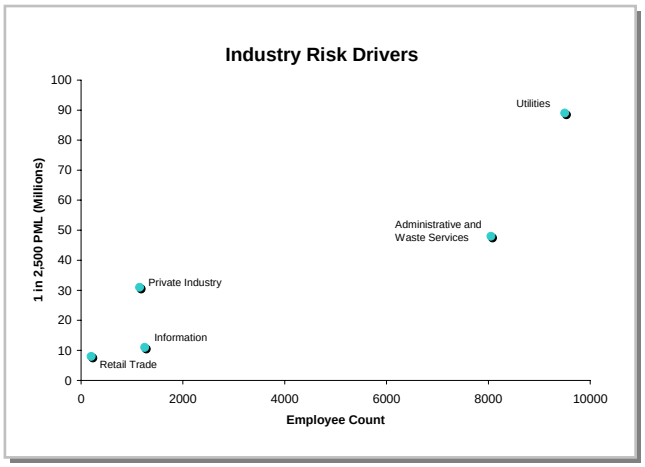
Aon Benfield Analytics

Workers' Compensation Industrial Accident Model

Aon Benfield's Workers' Compensation Industrial Accident Model determines a client's exposure to losses that occur from large-scale industrial accidents. The analysis is based on various scenarios at each insured location within a client's workers' compensation portfolio. The model utilizes location, employment, and industry classification code data as variables to calculate the frequency, severity, and costs associated with large-scale industrial accidents. Based on the client's industry sector, each location is categorized into four different event types. This allows an insurer to quantify the specific impact each location has on their company's probable maximum loss.

Examples of Modeled Output





The Industrial Accident Modeling Advantage

- **Structure Workers' Compensation Catastrophe Program.** The output from the model, along with Aon Benfield's dynamic financial analysis tool—ReMetrica®—provides clients with necessary information to more effectively structure and purchase catastrophe reinsurance.
- **Identify Portfolio Risk Drivers.** Clients will benefit from an array of modeled reports, making it easier to pinpoint the risk drivers of their company's PML curve. This will help clients manage their overall workers' compensation portfolio more effectively.
- **Allocate Reinsurance Costs.** The output from the model provides clients with sufficient information to allocate reinsurance cost back to each policy.
- **No Additional Data Preparation.** This model utilizes the same exposure file used with existing workers' compensation earthquake and terrorism models.