

## **Risk Maps FAQ document**

### **Why has Aon opted for a combined (Political Risk and Terrorism and Political Violence risk) map launch this year?**

Two separate map launches has, in the past, created a fair amount of confusion among clients, colleagues and in the press. Due to obvious synergies between the two maps, we have opted this year to bring the maps together into a single launch.

The maps themselves will remain separate, with accompanying commentary, but we will explore and develop synergies where it helps to increase clarity for our clients.

A combined launch provides Aon with an opportunity to address crisis management challenges in a more comprehensive and holistic manner, reflecting the breadth of our capabilities in this space.

### **What is behind the Terrorism and Political Violence country and sector-specific focus this year?**

The Terrorism team has selected four geographies and a single sector – oil and gas – that are of particular interest this year due to an increased threat from Terrorism and Political Violence.

Such an approach enables Aon to examine in greater detail the threat environment facing the countries and sector, providing more telling insights for clients and colleagues.

### **What risks do Aon's Risk Maps address?**

Aon's Risk Map addresses both Political Risk *and* Terrorism and Political Violence Risk globally.

The Political Risk map addresses six risks, namely: exchange transfer; legal and regulatory risk; political interference; political violence; sovereign non-payment and supply chain disruption.

The Terrorism and Political Violence Risk map addresses three risks, namely: terrorism and sabotage; strikes, riots, civil commotion and malicious damage; and insurrection, revolution, rebellion, mutiny, coup d'état, civil war and war.

### **How are scores established for the Risk Maps?**

The map scores are based on insights from The Risk Advisory Group and Roubini Global Economics – recognised experts in Terrorism and Political Risk analysis respectively – as well as the opinion of experts within Aon. Scores are accompanied by regularly updated justifications, which can be found on our dedicated risk portal.

### **Political Risk scores**

Aon partners with Roubini Global Economic, the independent global research firm, to produce the Political Risk Map.

The Political Risk map follows a 2-layered approach in analysing political risk in emerging market countries, combining the analysis by Aon Risk Solutions with Roubini Global Economics. The map

analyses political risk in 162 emerging countries and territories (excluding EU and OECD countries), both on a current and historical basis.

Each country is assigned one of seven ratings. The scores reflect the severity of risk in each state against six core risk perils. The map depicts six individual Risk Icons. Country ratings for the map includes input from the six core risk icons (exchange transfer, legal and regulatory, political interference, political violence, sovereign non-payment and supply chain disruption).

### **Terrorism and Political Violence Risk scores**

Aon partners with The Risk Advisory Group, a leading, independent global risk management consultancy, to produce the Terrorism and Political Violence Risk Map.

The Terrorism & Political Violence Map captures assessments of the probability and impact of events occurring along the spectrum of insurable terrorism political violence risk typologies. The ratings are based upon empirical Terrorism Tracker data from the preceding 12 months, Risk Advisory's data and intelligence analysis on political and geopolitical risks, and joint consultations between Aon experts and Risk Advisory. We assign each country a score on a five-point scale that reflects the severity of risk in each country or territory.

The scores are weighted to accommodate a wide range of political risk and security variables, including terrorism and sabotage; riots, strikes, civil commotion and malicious damage; and insurrection, revolution, rebellion, mutiny, coup d'état, war and civil war. The aggregate of these variables reflects the country's total score and colour on the map. The map then shows how these perils relate to Aon insurance products and enables prospective clients to identify the specific risks they should consider.

### **How will the data in this Map help my organisation?**

Aon's Risk Maps enable organisations to identify the specific, insurable risks they should consider when operating around the world. In the face of evolving risks, organisations should consider what additional lines of insurance can be brought together to create a comprehensive crisis management programme.

### **What solutions does Aon have to address these specific risks?**

Aon has dedicated Political Risk and Terrorism Risk teams, who are able to help businesses understand their exposures to these esoteric risks and, working with insurers, develop solutions to global challenges linked to Political Risk, Terrorism and Political Violence.

The scope of coverage available to clients is significant and ranges from government expropriation and exchange risk in the Political Risk arena, through to coverage against terrorism, terrorist threats and cyber terrorism in the Terrorism and Political Violence arena.

For a detailed discussion regarding coverage available, talk with your Aon broker.