



A focus on
EDUCATION

AON
Empower Results®





Investment in education

Higher education institutions strive to maintain a well earned excellence in reputation, underpinned by attracting the brightest students to world class facilities, delivering exceptional student and staff experiences, rounded by comprehensive research. This is delivered in a globally competitive landscape, with a transitioning course platform delivery in an environment of increased budgetary pressures.

Students, staff members, research and funding are not static nor local. The increasing pressure to attract and retain talent and funding, is seeing universities increasingly look offshore.

Universities are also becoming more corporate in their approach to financial management, thus presenting cultural and change challenges within the university setting.

Risk concerns

We take the time to develop a deep understanding of your university and your unique risk exposures. This means, while we will design and implement a risk management and insurance program that provides optimal protection against insurable risks, we will also consider all risks that could potentially impact upon your business.

The 2017 Aon Global Risk Management Survey has revealed the top 10 risk concerns for the education sector, and we recommend careful consideration of all to ensure a comprehensive approach to your risk management and risk transfer program.

Top Ten Risks

- 1 Cyber crime/hacking/viruses/malicious codes
- 2 Damage to reputation/brand
- 3 Regulatory/legislative changes
- 4 Failure to innovative/meet customer
- 5 Increasing competition
- 6 Failure to attract or retain top talent
- 7 Business interruption
- 8 Political risk/uncertainties
- 9 Economic slowdown/slow recovery
- 10 Technology failure/system failure

Damage to reputation and brand has traditionally held the top position for the education sector. Whilst this will always be a paramount risk concern for universities, it is interesting to see cyber crime/hacking progress to number one. What can not be overlooked is how cyber risk permeates through the top ten risks. For example, a major cyber impact will have an adverse impact on the university brand and may lead to a direct loss of business. A significant cyber incident at a university will reach the mainstream news and may stay topical for some weeks. Therefore, a communications plan becomes a key part of the incident management process.

To risk three, it is noteworthy that cyber security regulations are evolving in Australia. Particular focus is placed on organisations that hold personal records, and fines and penalties attaching to data breaches. Thus, the importance of maintaining good cyber hygiene with standard data security controls in place at all times. Not only is this best practice, but also as new regulations develop, compliance only requires minor modifications rather than an overhaul.

Similar examples can apply to all other risk factors, aside from an economic slowdown.

We encourage you to discuss the risk landscape with your relationship manager to gain valuable insights on risks and mitigation initiatives.

Top Five Emerging Risks in 2020



Cyber crime/
hacking/viruses/
malicious codes



Damage to
reputation/brand



Regulatory/
legislative changes



Increasing
competition



Political risk/
uncertainties

End-to-end risk management – its not just about assets and liabilities

Risk #3 Regulatory/Legislative change

An effectively implemented Safety Management System is fundamental to delivering a consistent and effective approach to safety. Conducting a Safety Management System review not only identifies gaps and opportunities for continual improvement, but offers a platform to assist Officers in exercising due diligence as mandated by law. Aon can complete a review using one of the following best practice standards:

- Australian Standard AS4801 Management System Review
- National OHS Self-Insurance Audit Tool (NAT)

Risk #6 Failure to attract and retain talent

Never before has the competition for talented scholars and students been more intense. Hence, Universities face the strategic imperative to attract and retain the academic faculty who can give further lift to Australia's scholarly profiles in research quality, productivity, teaching and learning.

Aon seeks to partner with universities to unleash the potential of their people through:

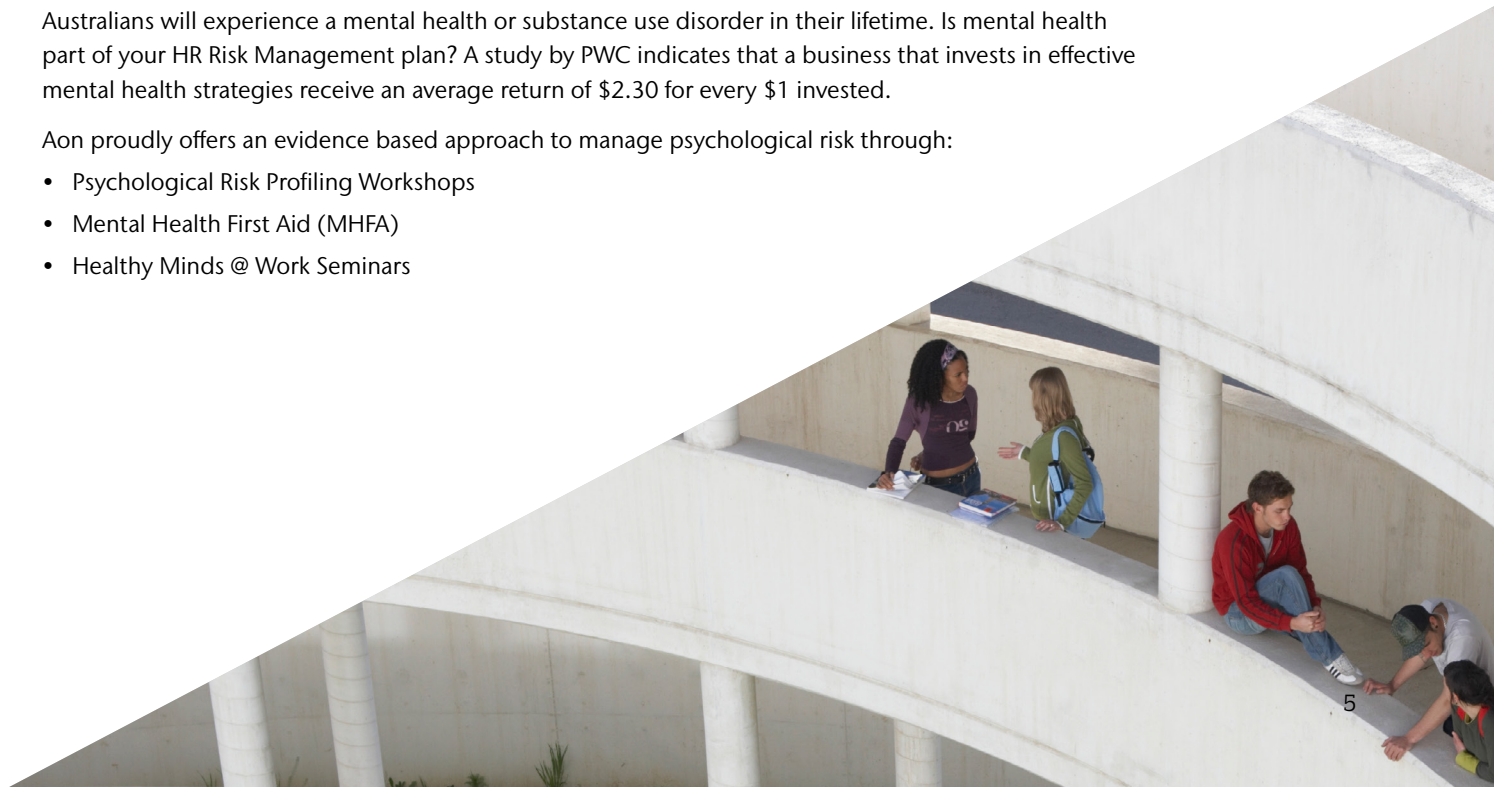
- A continuous listening approach to staff, teachers and student engagement
- Leadership assessment and development
- Remuneration quantum and structure

A risk that permeates through all – Mental Health

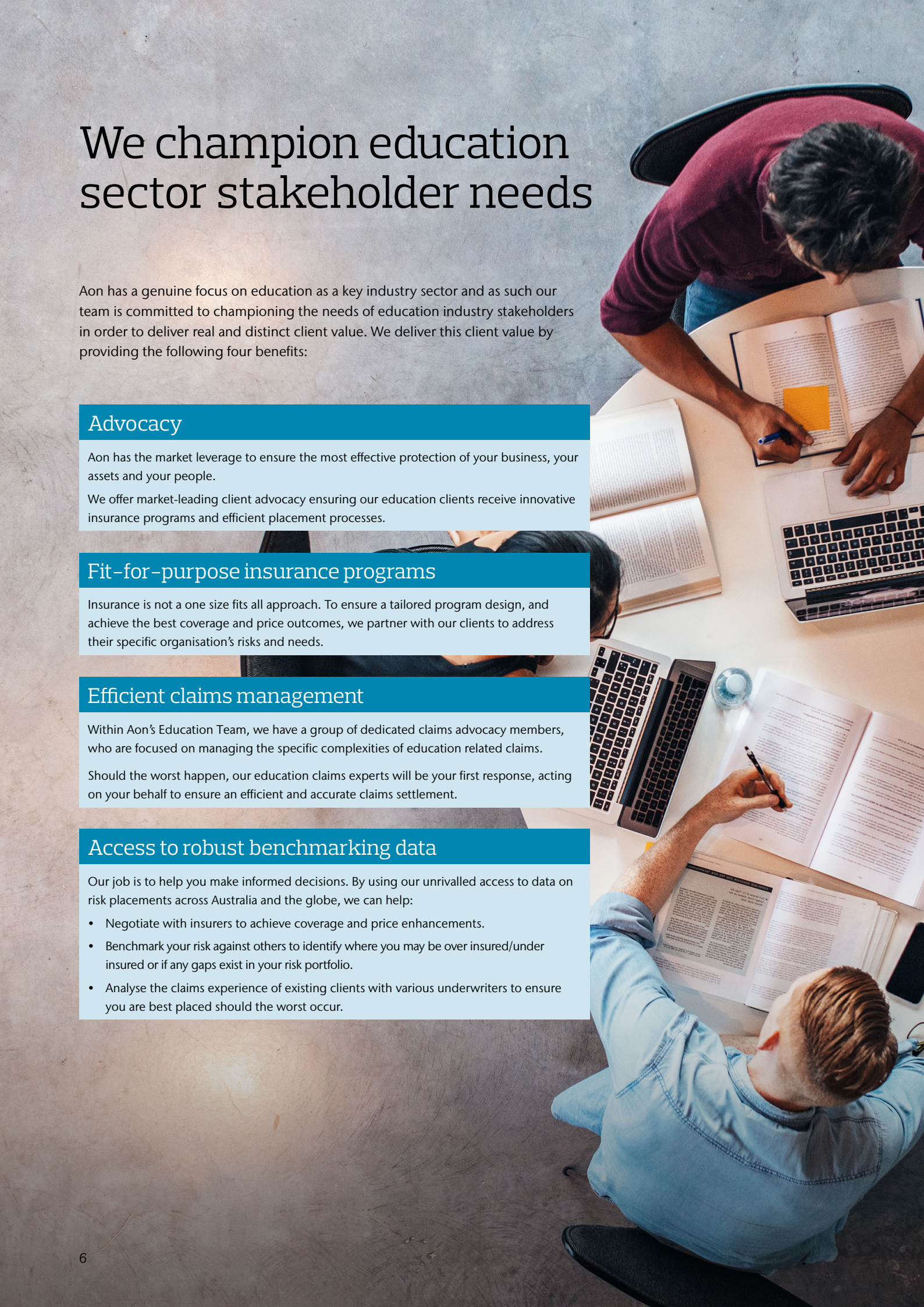
It is estimated that one in five adults are affected by a mental health illness each year and 45 per cent of Australians will experience a mental health or substance use disorder in their lifetime. Is mental health part of your HR Risk Management plan? A study by PWC indicates that a business that invests in effective mental health strategies receive an average return of \$2.30 for every \$1 invested.

Aon proudly offers an evidence based approach to manage psychological risk through:

- Psychological Risk Profiling Workshops
- Mental Health First Aid (MHFA)
- Healthy Minds @ Work Seminars



We champion education sector stakeholder needs



Aon has a genuine focus on education as a key industry sector and as such our team is committed to championing the needs of education industry stakeholders in order to deliver real and distinct client value. We deliver this client value by providing the following four benefits:

Advocacy

Aon has the market leverage to ensure the most effective protection of your business, your assets and your people.

We offer market-leading client advocacy ensuring our education clients receive innovative insurance programs and efficient placement processes.

Fit-for-purpose insurance programs

Insurance is not a one size fits all approach. To ensure a tailored program design, and achieve the best coverage and price outcomes, we partner with our clients to address their specific organisation's risks and needs.

Efficient claims management

Within Aon's Education Team, we have a group of dedicated claims advocacy members, who are focused on managing the specific complexities of education related claims.

Should the worst happen, our education claims experts will be your first response, acting on your behalf to ensure an efficient and accurate claims settlement.

Access to robust benchmarking data

Our job is to help you make informed decisions. By using our unrivalled access to data on risk placements across Australia and the globe, we can help:

- Negotiate with insurers to achieve coverage and price enhancements.
- Benchmark your risk against others to identify where you may be over insured/under insured or if any gaps exist in your risk portfolio.
- Analyse the claims experience of existing clients with various underwriters to ensure you are best placed should the worst occur.



Empowering clients through data & analytics

The value of analytics is increasing due to more complex pricing models, global connectivity, underinsured emerging risks, and an innovation deficit.

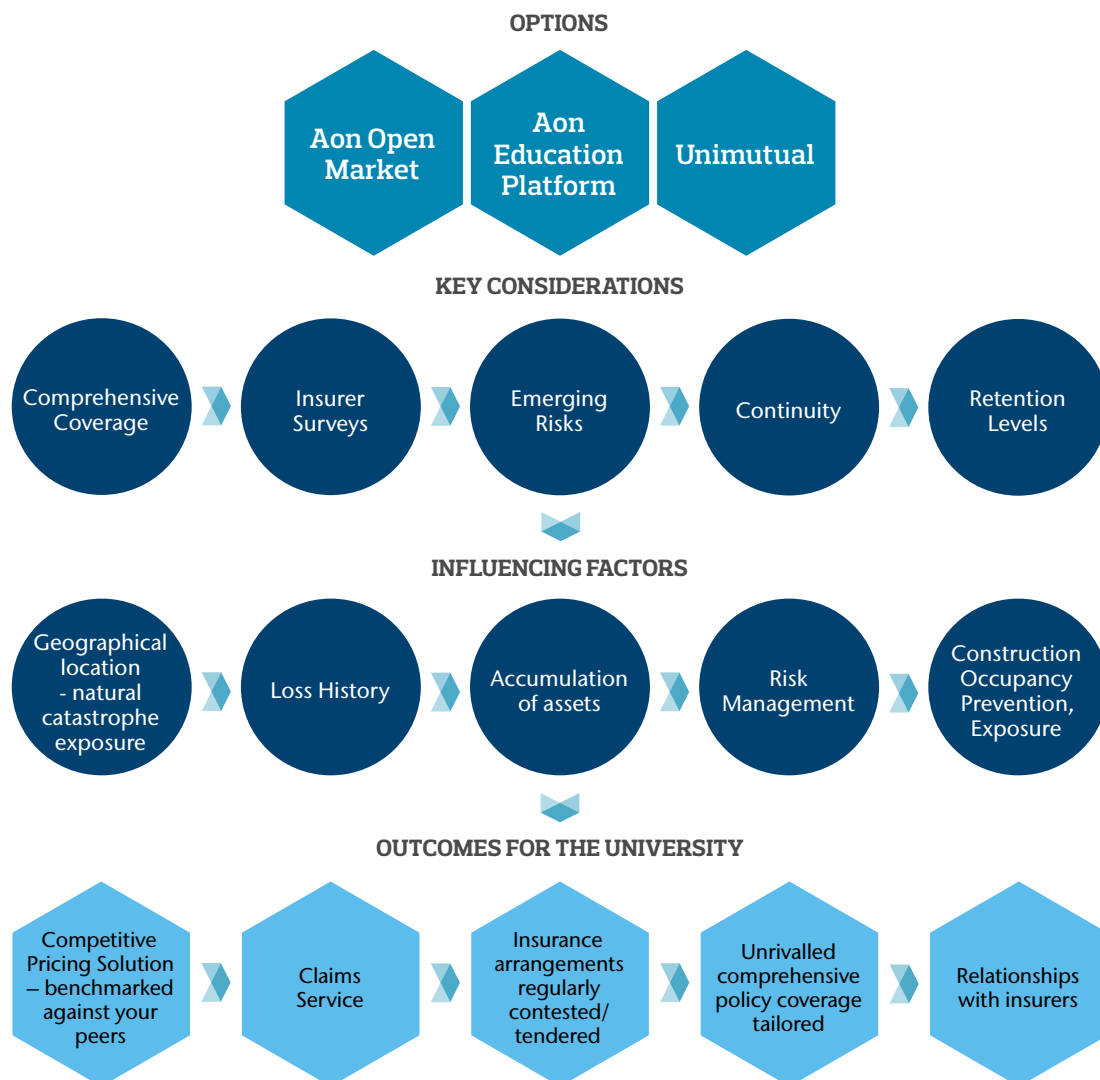
With a wealth of data and analytics at our disposal, you will be fully informed as to how your pricing, limits of liability, retentions and policy wording compare to your peers. Importantly, we will provide you with the insight to understand how your risk transfer program should be priced, and then determine the strategy to achieve the correct result.

Aon is the only broker with a three tiered marketing approach on the major lines of insurance. We will place you in a position of unparalleled choice with three key placement streams, all of which are leading and unique offerings to our university clients, but the choice will be yours, and truly informed.

\$80+ Trillion
of limits in Aon's Risk/View platform

\$1+Billion
investment in data & analytics

\$3+Billion
Aon Carrier Performance Survey data points



Adding value through our core capabilities

At Aon, we offer a range of value added solutions to the education sector across our core capabilities.



Risk

Aon can support you across the entire risk spectrum - from risk identification, quantification, mitigation and transfer through to claims advocacy and support. As your trusted risk advisor we provide solutions that are bespoke to your business objectives and unique risk profile.

As new risks continue to emerge at an accelerating rate and existing risks continue to evolve, our insights on risk trends will help you build a future-proofing risk management structure.

Spotlight on: Reputational Risk Insurance

We are partnering with leading global reinsurers to develop a risk transfer solution on reputational risk. Reputation risk will always be the key risk for our university clients and the ability to quantify this exposure and enable a risk transfer solution to smooth balance sheet volatility will be a welcomed initiative to our client base. The use of our data and insights, coupled with our knowledge of the sector, will place our university clients at the forefront of risk transfer initiatives.



Retirement

Financial risk, market instability and regulatory changes can make it difficult to manage your employees' retirement and long-term benefit programs. Especially those that align with business goals and optimise results for both employers and employees.

Our dedicated consultants and actuaries help ensure that your retirement programs are secure, equitable and sustainable, and can help your organisation design a market leading strategy to enable effective and efficient management of your retirement and long-term benefit plans.

Spotlight on: Accounting for Long Service Leave

Accrued leave and long service leave are statutory entitlements in Australia and can differ by industry and by State legislation. Based on service, employers are obliged to pay out unused leave balances on certain events such as the employee exiting the employer. All employees accrue long service leave which are obligations on the employer so have to be accounted for in the employer's financial statements.

Aon assists employers to optimise their accounting for long service leave in their financial statements. By using an actuarially calculated discounted approach, annual costs and also the balance sheet obligation can be significantly reduced. This method takes into account that the leave payments are not paid out at the accounting date, but are instead paid in the future, and hence these future payments are actuarially discounted back to the accounting date. This allows for lower accounting impact compared to an undiscounted (book value) or partially discounted approach. This method avoids overstatement and provides a best-estimate of these costs, taking into account the employer's expected rates of future incidences of leaving service, which may differ by age, service, grade.



Health

We understand that your employees are your organisation’s most important asset. We also recognise that their health, safety and wellbeing have a direct impact on the health of your business.

Aon can not only support you through EBA negotiations, but also provide expert advice to help you navigate the increasing safety legislation landscape, and manage rising health care costs which are driving the need for preventative actions and better benefits.

Spotlight on: Mental Health

One in five Australians is affected by a mental health illness each year. The university sector is not immune to the risk of suicide and occurrence of mental health conditions. Identification and early intervention are key to supporting employees who are not coping in the workplace – it means assisting an employee before a symptom develops into an injury. Once a mental health issue has passed the threshold of the clinical horizon, the employee will require treatment rather than intervention.

Aon’s Mental Health First Aid training program provides attendees with the knowledge and skills to be prepared for the early identification, prevention and support required for employees experiencing mental health conditions.



Talent

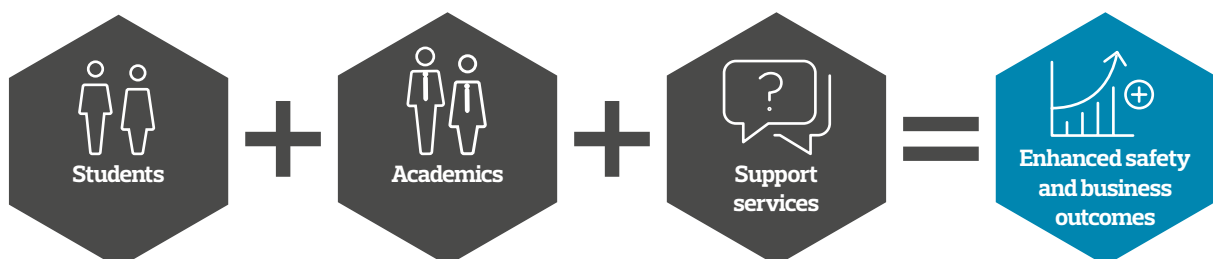
Attracting and retaining talent is a long-standing issue in higher education, with the challenges of a shortage of professionals in an industry advancing both technologically and in scale.

We provide strategic human capital consulting expertise, as well as provide tools, insights and benchmarking data across the areas of talent, reward and performance, to enable you to attract, select and retain the best talent in higher education.

Spotlight on: Employee Engagement

Employee engagement is a highly predictive contributor to a range of performance outcomes, such as financial performance, customer outcomes and of course, employee performance and retention. In an industry so heavily reliant on sub-contractors, cultivating a highly engaged workforce and putting metrics in place, can be challenging. We partner with you to use technology, analytics and insights to understand engagement across your entire employee base to help you work towards your strategic goals such as creating a culture of high performance and safety. Aon is one of the few organisations in the world who can partner with you in this regard.

Our renowned local and global Best Employers research enables us to speak with confidence on the distinctive practices of organisations that excel through having a highly engaged and productive workforce.



Our education credentials

Aon's Education Practice Group consists of a globally connected team to serve the heightened and multifaceted risk management needs of universities. The breadth and range of universities that we have the privilege of partnering with has enabled us to build dedicated client and broking teams, solely focused on protecting the people, balance sheet, and reputation of our university clients.

We are also a significant employer of the students educated in our universities, and thus have a common interest in ensuring that universities continue to attract talent, and provide education facilities to enable ready to employ students into our workforce.

Globally, our broader team consists of over 800 specialist experts, leveraging in excess of US\$5 billion of client premiums. The knowledge sharing, best practice and leverage we can deliver across the London and international insurance and reinsurance markets is unprecedented throughout the industry.

Whilst Aon may have its roots in the insurance industry, we have an in-depth understanding of the Australian and global education sector. This means we are able to offer expertise in risk management, talent, retirement and health solutions, leveraging our data and analytics insight.



A snapshot of our current university clients are included below:

- Central Queensland University
- Charles Darwin University
- Curtin University
- Deakin University
- Federation University Australia
- James Cook University
- La Trobe University
- Queensland University of Technology
- Swinburne University of Technology
- The University of Melbourne
- University of South Australia
- University of Southern Queensland
- University of Technology Sydney
- University of the Sunshine Coast
- Victoria University



A dedicated team – committed to making an impact

EDUCATION LEADERS

Robert Lamont

Universities Lead

+61 3 9211 3190

robert.lamont@aon.com

Claudio Battilana

National Public Sector

Practice Leader

+61 3 9211 3075

claudio.battilana@aon.com

QLD

Harald Goddertz

+61 7 3232 8206

harald.goddertz@aon.com

Olivia Bazzoni

+61 7 3223 7559

olivia.bazzoni@aon.com

Sarah Alexander

+61 7 3223 7567

sarah.alexander@aon.com

NSW

Sarah Webster

+61 2 9253 7150

sarah.webster@aon.com

SA

Michael Raison

+61 8 8301 1146

michael.raison@aon.com

WA

Leonie Tate

+61 8 6317 4044

leonie.tate@aon.com

VIC

Shelley Fraser

+61 3 9211 3628

shelley.fraser@aon.com

SPECIALISTS

Medical Malpractice

Kenneth Corcoran

+61 2 9253 7340

kenneth.corcoran@aon.com

Accident & Health

Hadyn Hewitt

+61 3 9211 3363

hadyn.hewitt@aon.com

People Risk

Yasmin Cox

+61 2 9253 7159

yasmin.cox@aon.com

Environmental Risk

Cami Mok

+61 2 9253 8297

cami.mok@aon.com

Talent

Simon Wolnizer

+61 2 9253 8277

simon.wolnizer@aonhewitt.com

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.

© Aon plc 2017. All rights reserved.

The information contained herein and the statements expressed are of a general nature and are not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information and use sources we consider reliable, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

aon.com.au/universities

