

Made to Order

Customized Risk Financing Solutions

As the financial crisis demonstrated, a company's approach to risk can result in a significant competitive advantage — or spell disaster. Companies that pay lip service to risk will pay the price. But those with a clear understanding of their risks and a sophisticated risk management approach will not only survive, but find themselves positioned for growth. Post-recession, understanding risk — and the associated costs — is more important than ever.

The Towers Watson approach

To best identify, measure and manage your company's risks, you need a partner who combines strong insurance brokerage credentials with industry-leading capabilities in risk analysis, measurement and modeling. We are a partner who can understand and manage risk in the overall context of your business.

Towers Watson is one of the world's premier consultative risk intermediaries. Our clients:

- Face complex risk financing challenges
- Value having a partner who can help them grow
- Seek an approach to risk that can create competitive advantage
- Want an alternative to transaction-focused brokers

Regardless of their motivation, companies turn to Towers Watson for thoughtful, critical analysis and innovative, efficient solutions.

These days, brokers often boast of their analytical capability when pursuing clients. However, many fall short when it comes to delivering because their emphasis is still on placing transactions, not developing solutions. This contrasts with the deep analytical thought that is integral to the way we do business.

Our approach is consultative, not purely transactional. We take the time to understand your goals, objectives and appetite for retaining risk, then create tailored solutions to meet your needs. For each client, we strive to use the most appropriate form of financing, whether it is traditional insurance, reinsurance, a captive, pooling, risk retention or self-insurance.

Towers Watson has the professional depth and breadth to address your company's specific challenges across a wide range of risk management issues. Depending on your needs, our service teams might include actuaries, financial analysts, software engineers, licensed insurance brokers or other professionals. The team is dedicated to understanding your company's risks, finding ways to mitigate those risks, packaging them appropriately and then transferring them to informed third parties willing to share the risks.

Like those of other risk intermediaries, Towers Watson's placement capabilities leverage significant market presence, global coverage and long-term relationships with the insurance markets. Where do we differ? In the quality of our submissions and our technical focus, allowing us to deliver better outcomes than the undifferentiated market average. After years of working together, insurance markets have come to respect the quality and completeness of our submissions, and the considerable work that goes into them.

Services

To prosper in this difficult environment, your company needs a risk partner with a clear understanding of your organization, the way you work, your goals and your challenges.

Risk consulting

Our actuarial teams are expert at developing loss projections and then using the data to negotiate pricing and collateral requirements to the benefit of our clients. Our catastrophe modeling teams will help your company improve the quality of your exposure data, and use the latest models to analyze and gauge your probable maximum loss.

“Companies turn to Towers Watson for thoughtful, critical analysis and innovative, efficient solutions.”

Our advanced and comprehensive understanding of risk enables Towers Watson to pioneer the development of innovative risk transfer techniques. We are a leader in the development of new ways to use captive insurance companies. And our practitioners have played a pivotal role in the development and implementation of enterprise risk management (ERM).

Risk optimization

Allocation of capital as part of a risk management program is a core financial decision for companies. How much risk should your company retain? How much should it transfer? And how should retained risks be financed?

Knowing where to set retentions and limits requires expertise in corporate finance, actuarial methods, risk assessment and insurance strategy. Your company needs a risk consultant that has the people, tools and financial sophistication to evaluate costs and benefits of alternative insurance program structures.

Our approach is grounded within a corporate finance framework that determines the trade-offs between buying additional insurance and efficiently placing the risks on your balance sheet. With each engagement, our ultimate goal is to achieve the optimum balance of risk transfer and risk retention.

Financial risk management

Towers Watson helps clients manage risks in the face of evolving markets. Frequently, these include financial risks such as equity, interest-rate, market, credit, regulatory and operational risks, in addition to hazard risks.

Whether you need help with a single issue or want to develop an integrated risk management framework, our financial risk experts can add value.

Brokerage

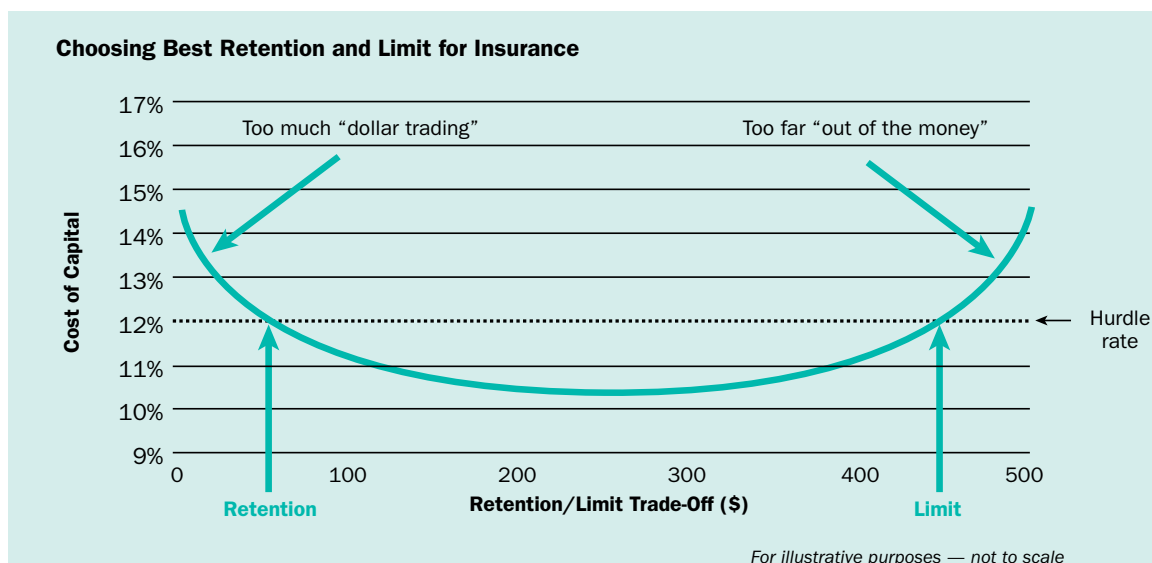
When it comes to placing risks, insurance companies and the underwriters we work with know they can expect a comprehensive, focused submission from us that provides them with the data they need to achieve our mutual pricing objectives. This is where all our analytical work pays off.

We have long-standing relationships with the world's leading insurance companies. In fact, we have been a consultant to more than three-quarters of the world's largest insurers.

For clients with international or global needs, Towers Watson is a member of the Globex network, with more than 300 brokers in 130 countries that can issue policies and ensure local regulatory compliance.

Unlike many of our competitors, we don't let profit-center barriers prevent us from providing clients with the best solutions. We are able to help you select the most appropriate form of risk financing, whether it's traditional insurance, reinsurance, captive pooling, risk retention or self-insurance.

"We take the time to understand your goals, objectives and appetite for retaining risk, then create tailored solutions to meet your needs"



Claim management

Towers Watson has a dedicated staff of claim professionals who can help you understand your company's claim experience and develop best practices to deal with them. Our claim experts will help your organization identify key underlying cost drivers and develop effective strategies to reduce total claim costs.

As with everything we do, we start with research. We routinely conduct claim trend analysis and support our actuarial practice in assessing client liabilities. We also use predictive modeling to provide early warning of loss trends and detect fraudulent or difficult claims.

Our experts can help your internal claim department with benchmarking, diagnostic reviews, performance metrics, performance improvement, loss reserve implications and pricing impact. For companies with special claim challenges, we can develop alternative/hybrid approaches.

Captive insurance company consulting

Towers Watson is one of the world's foremost consultants in the field of captive insurance. Our experts have been instrumental in creating breakthrough applications for captives in property, health insurance and even pensions.

Does a captive make sense for your company? If so, what are the quantitative and qualitative factors that go into the formation of a captive? How can you generate more "value added" from an existing captive? Should you partner with others and, if so, with whom?

To determine if a captive make sense for your company, we first conduct feasibility studies. From there, we can help you with design, finding the right domicile and launching. Once under way, we can help you operate your captive and measure its effectiveness.

Effective Integration Improves Performance and Creates Value

Data Integrity	Operational Diagnostics	Claim Management	Inferential Analysis	Focused Reviews	Value
Examines data utilization and operational metrics to ensure a sound platform for financial, operational and other decisions	Defines the optimal organizational structure aligned with overall business strategy, industry practices and cost-effective performance	Evaluates claim-handling practices and performance to identify vulnerabilities and reveal operational and financial opportunities	Leverages risk analysis and actuarial expertise; analyzes claim trends and performance to size and prioritize potential cost-saving opportunities	Identifies key performance improvement opportunities in high-value/high-visibility areas such as litigation management, environmental claims and mass tort	

About Towers Watson

Towers Watson is a leading global professional services company that helps organizations improve performance through effective people, risk and financial management. With 14,000 associates around the world, we offer solutions in the areas of employee benefits, talent management, rewards, and risk and capital management.