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**Greg Case**  
Chief Executive Officer  
Aon



**Video:**

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# Interconnected Risk

Aon Chief Executive Case Says Magnitude of Risk on the Rise

The magnitude of risk is on the rise and ever more interconnected, Aon Chief Executive Officer Greg Case told *BestWeek* at the Philly I-Day Conference in Philadelphia. Case also said tying enterprise risk management to action creates an effective tool.

**Q: Greg, you were talking about how the levels of risk are changing here. Can you talk to us a little bit about that?**

**A:** Think about [not only] all the traditional risks that are out there — property/casualty — but all the new types of risks around cyber and terrorism, sustainability, pandemic. All these risks come together to mean the magnitude of risk in the world today is, in fact, going up. Not only that, we see on behalf of our clients it’s more connected than ever before. So the Thai floods were a tragedy in and of themselves but also a global supply chain issue. So the world of risk is more interconnected than ever before and also, beyond that, people care about it more than ever before. Who’s people? Boards of directors, CEOs, CFOs. So when we look at it, the world of risk, there’s more magnitude, more complexity, more scrutiny than ever before and it’s really the risk managers who are here at Philly I-Day [who] have got more to think about than they’ve ever had before.

**Q: Greg, you were just on a panel and you were talking about best practices for enterprise risk management. Tell us a little bit about what you think those should be?**

**A:** On the panel the question came up around the evolution of enterprise risk management and how it has fit in and I think the panel universally said it’s obviously critically important. It’s something that more companies than ever before are actually using to actually help measure risk, understand risk, mitigate risk . . . and the observations that we made and I certainly agree with are around the absolute importance of understanding what are you trying to accomplish with ERM. Specifically, is it an operating tool? Is it a management leadership tool, it is a board tool? What specifically are you trying to accomplish? And our observation — we have the privilege of serving more companies maybe than anyone in the world on this topic — is that when clients really understand what they’re trying to accomplish, they really tie it to action, whether it’s improving their operating performance of strengthening their balance sheet or reducing volatility. They’ve tied analytics, enterprise risk management, to action — operating balance sheet strength or reducing volatility — and that’s when it purely becomes an effective tool. And then it can be calibrated for boards of directors and CEOs and CFOs, etc. So for us that’s been a truly important element as we watch clients apply this around the world.

**Q: One of the other big topics on the panel today was interest rate and the interest rate environment. How are the low interest rates driving rate pressure?**

**A:** Well, you can imagine, if you’re an insurer, and obviously we access insurers to serve clients, to we look at as many insurers as anyone in the world, those insurers are trying to manage a return. It’s not our focus. Our focus is our clients and we’re absolutely focused on getting for them the best terms, the best conditions, the best price. But those insureds, those carriers have a situation where they’ve historically had an investment return which contributed to their bottom line and that’s essentially gone away. So, in essence, the underwriting return is what is driving their profitability and that has quite naturally put upward pressure on price, which the industry really has to work through on behalf of clients.

—John Weber