



DATE 06/20/2009
TIME 09:00 - 10:00
STATION Fox Business Network(---) (---)
LOCATION National
PROGRAM Best Of Money For Breakfast

BROADCAST TRANSCRIPT

CHARLES PAYNE, co-host:

Aon Corporation is one of the world's largest insurance brokers and they're always ready for a disaster. In fact, They count on them. The firm has been undergoing a major restructuring for about a year, and in the first quarter, their net income rose 28 percent. We are joined by Greg Case, Aon's corporate president and CEO.

You know, the biggest word right now in--in the financial world, Main Street, is risk. And I want to talk to you about that. Managing risks, you know, that's part of your job, but what does it really mean?

Mr. GREGORY CASE (President and CEO, Aon Corporation): You know, Charles, for us right now, when we think about our clients globally--and Aon is a firm that really works with clients all around the globe, 120 countries, really in every--every economy of the world. When our clients think about risks today, they see a aggregate level of risk going up in ways, Charles, they've never seen before: global warming, pandemic, terrorism, identity theft. All the aspects of risks are just tremendous today, with a greater volume...

PAYNE: Right.

Mr. CASE: ...greater complexity, and more people caring about this, just as you said, than ever before.

PAYNE: So, this is actually good news for your company. Now, I mentioned in the intro that your--your profits were up 28 percent, but I think the missed the consensus for Wall Street. What's going on with your company? You've been in a restructuring. What do you see? Are you going to have incredible opportunities from all these things that are going on? Are you going to be able to take advantage of them?

Mr. CASE: You know, what we see is--Aon is a wonderful firm. I was privileged to join it four years ago, and I came to a great, great firm. And we're really on a journey to build what we believe will be the preeminent professional services firm in the world, focused on risk--risk brokerage, risk advice and human capital consulting. And we--and that journey continues.

The first quarter was great example for us. We had operating profit that was terrific, growth that was very, very strong, and improved margins. And so for us, the quarter was just another step in the journey.

PAYNE: All right. You mentioned that you were a global firm. You guys have taken over the sponsorship for the Manchester soccer team from AIG.

Mr. CASE: Yeah.

PAYNE: Any--is there, you know, risk--any sort of risk associated with that? You know, maybe someone

might read A-O-N and think A-I-G?

Mr. CASE: You know, Charles, for us, this is a phenomenal opportunity. The partnership with Manchester United is so extraordinary in so many ways. They really represent one of the most iconic global brands--sports brands--in the world today. That combined with our geographic coverage, we think, is going to be terrific.

I mean, just consider--think about Manchester United, with 330 million fans around the world, 90 percent-plus brand recognition in places like China, the rest of Asia, the emerging markets. And for our American listeners, just consider the fact that if you just thought about representation of the power of this brand, the shirt sales...

PAYNE: Right.

Mr. CASE: ...for Manchester United is close to 6 million, which is almost three times the entire National Football League combined.

PAYNE: And almost twice mine.

Let's talk here. You mentioned the pandemic and that--you guys just did a study on this. And it's sort of interesting because this went to pandemic. I mean, we're talking about, like, the--the highest level out there. And--and even though people are concerned, do you think corporations are doing the right thing to be prepared for something like this?

Mr. CASE: You know, Charles, pandemic is like so many of the risks in the world today. You've got to be vigilant, you've got to be prepared, but what does that really mean? What is--what is the impact of pandemic? Obviously, the--the social--social agony and pain is just unbearable, but the economic impact of pandemic is really unclear. You can prepare for a pandemic in your local geography, but if you've got a global supply chain, Charles, what does that really mean? So, pandemic is a really difficult one to prepare for, but we see clients every day--and we're working with clients every day--to try to do that.

PAYNE: So, there's a lot of intangibles that you can't even be prepared for, with respect to this?

Mr. CASE: Absolutely. Consider if you've got supply chain that really gathers goods and services on behalf of your firm around the world. If pandemic is not prepared for in every node of the supply chain, you've really got pandemic risk that's quite considerable.

PAYNE: So, geopolitically, we always have to talk about terrorism and the threat of terrorism. Is there the same sort of intangible there? Or is there ways that a companies can really be prepared for that?

Mr. CASE: Lots of intangibles with regards to that, as well. And really, that's really kind of the call. When you think about risks today and in today's environment, it's the classic risk, plus many of the intangibles, as you have described.

Terrorism is another one like pandemic. There are many steps you can take to be vigilant, many steps you can take to try to protect yourself, which we work with clients every day to do. But a lot of it--a lot of it is really going to be reacting very effectively to a--to a tragic event.

PAYNE: We've got about 20 seconds, Greg. What's the greatest risk right now to the world?

Mr. CASE: Charles--

PAYNE: I--I know. Just boil it down to 20 seconds.

Mr. CASE: It really--it really is just preparing yourself as a firm for all types of economic risks that impact your firm. We look at it as income statement, balance sheet and volatility. If you can increase income,

(c) Copyright 2009 VMS. All rights reserved. Material supplied by VMS may be used for internal review, analysis, or research only. Any editing, reproduction, publication, rebroadcast, public showing, or internet display is forbidden and may violate copyright laws. Check http://media.vmsnews.com/methodology_notice.html for additional copyright notices, methodology statements, and disclaimers.

think about how you can use risk to do that, strengthen your balance sheet and decrease volatility, if you can do that, you've succeeded in the world of risk today.

PAYNE: Greg Case, Aon Corp.

Thank you very much. We really appreciate your time this morning.

Mr. CASE: Charles, my pleasure.

PAYNE: All righty, Chris. Back over to you.

CHRIS COTTER, co-host: Thanks, Charles.