



Evaluating and Executing on U.S. Small Commercial and Homeowners Growth Opportunities

Use Aon's Insurance Market Analytics to Identify
and Capture Profitable New Business.



Consider the Landscape

No matter the cycle, insurers must balance profitability with continued new business growth. Identifying and evaluating growth opportunities is a complex process, presenting many unanswered questions, such as:

- How much premium is available within my target market or underwriting niche?
- What regions or geographies offer the most in-appetite opportunity?
- What annual growth targets can I expect to achieve?

The answers to these questions are key to building a detailed and actionable strategic growth plan. However, this information is not readily available through normal market data such as statutory financials or other sources. This means insurers often rely more on judgement and word-of-mouth from distribution partners than on quantifiable data when developing growth strategies and setting goals.

What does this mean for insurers?

Insurers with the right data and information about new markets will outperform peers by identifying and seizing opportunity first.

How Can Aon Help Clients Capture Opportunities?

Aon's Insurance Market Analytics is a customizable data set and service offering built to help insurers understand and quantify premium opportunity within their underwriting appetite in new or existing markets. Aon subject matter experts will work together with clients to:

- Develop a custom view of a client's target market based on specific underwriting appetite and risk tolerances that are filterable across common risk attributes such as total insured value, year built, construction, occupancy, and more.
- Analyze how premium within a client's target market is distributed across geographies, classes of business, and more.
- Incorporate Aon's suite of catastrophe hazard scores to understand granular catastrophe risk metrics in new geographies.
- Determine realistic regional growth targets by quantifying how market dynamics such as turnover/attrition and conversion rates translate to potential premium opportunity.
- Inform strategic and tactical expansion decisions such as where to appoint agents and which regions to target marketing efforts.
- Compound the value of Insurance Market Analytics in collaboration with Aon's Strategy and Technology Group through bespoke strategic advisory (e.g. product development) and technology (e.g. pricing, capital management) capabilities.

\$160 billion

annual premium opportunity across the U.S. Homeowners and Small Commercial markets*.

*Source: NAIC statutory financial data, Aon Analytics- year end 2022.

How Aon Makes an Impact — Why Work with Us?

Aon's scale and investment in data and analytics enables us to provide differentiated insights into insurance markets.

- We built our dataset starting with every single building and business in the US, developing custom processes to support classification, valuation, and rating of exposures to enable highly customizable views of market opportunity.
- Risk-level premium estimates incorporate our proprietary views of reinsurance costs and required profit, providing a credible and differentiated estimate of market opportunity.
- We bring the full breadth of market-leading subject matter experts who draw from decades of actuarial, operations, underwriting, and broking experience to deliver pragmatic, market-tested insights.

What Are the Benefits?

Understand the distribution of eligible opportunity within your target markets

Develop a custom market assessment of the premium opportunity within your specific target underwriting appetite.

Quantify the premium opportunity to inform strategic growth plans

Evaluate regions for agency appointments and quantify inputs to determine the potential annual new business growth amount.

Avoid accumulating CAT-exposed risks by layering in Aon's suite of Hazard Scores

Identify regions with high concentration of risks adversely exposed to CAT and incorporate into your custom view of target market and risk tolerance.

Case study

After recently entering the small commercial insurance market in two new states with mixed results, the insurer client realized they needed a more disciplined approach to state expansion. Aon helped the insurer prioritize the new two states for market entry, assessed the competitive landscape for best practices, and identified attractive concentrations of in-appetite opportunity by county and risk class. Overall, Aon informed the insurer's business development and underwriting strategies.



About

Aon plc (NYSE: AON) exists to shape decisions for the better — to protect and enrich the lives of people around the world. Our colleagues provide our clients in over 120 countries and sovereignties with advice and solutions that give them the clarity and confidence to make better decisions to protect and grow their business.

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