



# Aon Innovation & Solutions River Height Protection

Aon's Innovation & Solutions team is positioning itself at the forefront of evolving market dynamics to offer clients non-traditional protection that represents the 'insurance of tomorrow'.

- Using advanced data and analytics, we are filling gaps in the traditional re/insurance market to create new avenues for organic revenue growth, while displaying innovation to our clients and prospects
- Once such innovation is Aon's index-based product River Height Protection, which provides parametric water-level cover that protects against the financial impact of high or low river water levels
- Part of Aon's innovative solutions offering, the product provides payout of fixed amounts based on a defined index instead of relying on loss investigations
- River Height Protection uses an index-based product which notes measured water levels at defined river gauges, with each contract bespoke and tailor-made to the policyholder's exposure. The customised index tracks individual water level exposure related to revenue and costs
- Volatile water levels highlight the value of innovative solutions for managing the direct and indirect financial impacts of increasingly evolving weather patterns and unpredictable events

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**We're here to  
empower results**

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## How does this work?

### Client Issue

Bad weather can severely impact shipping operations on River 'X' and cause delays to cargo transportation.

- Based on historical analysis, high water levels for example can increase costs due to:
  - Reduced speeds / smaller tow sizes which reduce productivity
  - Higher vendor costs

We can help bring certainty to a client's earnings against these volatile river levels.

### Aon's Solution

- The Innovation and Solutions team's weather desk designed and brought to market a parametric solution utilising river height data from the U.S Army Engineers
- Setting the threshold at 12m river height, and correlating this to the client's estimates, the policy pays out when the river height is exceeded over a number of average days

### Benefits & Value

- The client is now protected from non-damage business interruption as a result of weather
- Claims are paid automatically, on an agreed value, when a pre-defined trigger is reached
- Helps bring certainty to the client's balance sheet

"With Aon placing the first ever parametric river height deal in US, this shows how the shipping industry is embracing new ways of risk management in a tight-margin industry."

**Paul Ramiz**  
Director  
Aon Innovation & Solutions

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## Aon's Data & Analytics capabilities

Aside from Aon Innovation & Solutions' weather data and technology partnerships, the team has access to the firm's \$400m annual investment in global data and analytical services, including its specialist innovation hubs in Dublin and Singapore.