Client Risk Solutions
Going beyond insurance

Risk solutions for Retail

Start
Partnering to Reduce Risk

Retail companies compete vigorously to deliver superior service to customers with diverse and ever-changing needs, and amidst a rapid on-line shift and increasingly complex supply chains. Emerging risks and vulnerabilities must be protectively and efficiently managed so that retail companies can continue to delight and retain their customers.

AIG’s Client Risk Solutions (CRS) partners with our clients to lower their total cost of risk. We take a holistic approach to identify and manage complex risks through a broad range of consultative services, leading edge analytics and modeling, and an ever expanding suite of innovative technologies.

Retail risk profile

**Property**
Substantial brick-and-mortar networks, and often large distribution facilities.

**People**
Customers and workers alike, exposed to on-site safety hazards.

**Performance**
Disruptions ranging from security, cyber, supply chain and even reputational risks.

Market Segments
- Retail/Wholesale
- Merchandise & Clothing
- Furniture, Appliance, Home & Garden
- Grocery, Food & Beverage
- Convenience
Client Risk Solutions takes businesses on a multi-stage journey through risk. From identifying and quantifying exposures to developing mitigation and response plans, CRS offers clients a continuous approach to managing risk, designed to lower their total cost of risk.
Property Risk Solutions

Retail companies with a wide array of brick-and-mortar stores and distribution facilities incur substantial natural and man-made risks. Client Risk Solutions provides a number of property risk engineering services designed to identify, assess and reduce these exposures, and we can deliver these at the brand-level and/or directly to franchise owners of local properties.

Key Risk Solutions for Retail

| Risk Assessment | Identify, assess and reduce property exposures before they interrupt business activities and ensure robust business plans are in place should such an event occur. |
| Construction Risk | Identify risks associated with design deficiencies, fire protection, water damage and commissioning. Develop a program to mitigate and minimize exposures. |
| Appraisal / Valuation | Assist in evaluating adequacy of physical asset valuations to improve insurance, collateral and tax programs. |
| Natural Catastrophe Advanced Modeling | High-level reviews of exposures to natural hazards. Use of market recognized and proprietary catastrophe modeling software tools to assess property portfolio losses for a range of perils including earthquake, windstorm and flood. Detailed risk engineering assessments for individual complex facilities or infrastructure assets. |
| Physical Security | Assessment services to improve resiliency, life safety and physical asset protection. |
| Terrorism Risk Assessment | Assess vulnerability to terrorist & active shooter attacks. Facilitate SAFETY Act designation. |

Success Story: Physical Security

A retail client was interested in other valuable services that CRS could offer beyond our property insurance relationship. Among several issues, the client was most concerned about the physical security of its premises. CRS responded to this need by helping the client understand and minimize their exposure to active shooter risks in various locations.

The client happily renewed the property insurance policy and incorporated additional CRS services in the new policy year.
People Risk Solutions

Retail companies may employ large, relatively low-skilled, high-turnover workforces, prone to recurring and accidental injuries, and they see lots of customer foot traffic. Client Risk Solutions risk consultants are available to assist in the development and implementation of a range of safety programs.

Key Risk Solutions for Retail

**General Liability**
Facility reviews, incident investigation and management, complaint management, review of security systems and emergency procedures, assessments of susceptibility to incidents of workplace violence, web-based training applications.

**Travel Security**
Country specific information guides on current risks and threats. Tracking and daily monitoring of individuals while traveling. Extraction services in the event of political unrest, natural catastrophe or other emergency. Response service to kidnap and ransom events through AIG’s network of negotiated vendors.

**Worker Safety**
Risk management services, best practice assessments, training program development, ergonomic evaluations, regulatory compliance assistance and industrial hygiene services.

**Client Centric Analytics**
Analytics, using AIG loss data, provide actionable insights to inform clients of opportunities to reduce cost of risk.

Success Story: Employee Injuries

A retail client experienced a high incidence of repetitive motion injuries with employees in the clothing-sorting areas. CRS risk consultants performed ergonomic assessments to identify high risk areas and advised that work tasks be modified.

CRS risk consultants conducted training for employees at several locations. After 12 months, the client experienced a reduction of more than 75% in repetitive motion injuries which resulted in a savings for the client of over $850,000.
Performance Risk Solutions

Retail companies face a broad range of risks that may impact their business performance. From emerging cyber risks to business interruption and reputational risks that flow from all of the above. Client Risk Solutions can draw on a range of resources to minimize these disruptions.

Key Risk Solutions for Retail

- **Business Interruption and Continuity**
  Review and quantify distribution exposure to facilities and supply chains. Develop and test business continuity plans through scenario analysis.

- **Cyber Security**
  Training and awareness, harmful IP address/site blocking, vulnerability scanning, best practice comparison and infection detection.

- **Fraud Detection/Investigation/Prevention**
  Predictive models and anti-fraud technology to help identify suspicious activity and spotlight areas of potential fraud. A global team of highly trained investigators provide local intelligence and investigations in step with local legal, regulatory, and cultural considerations.

- **Product Liability**
  Exposure analysis throughout product creation/servicing process. Review of warning and message exposures to determine improvement. Evaluation of complaint and claims process.

- **Supply Chain Security**
  Audit of facility and/or transit supply chain security procedures to ensure adherence with contracted requirements and/or industry best practices. Consultation on the development and/or enhancement of a corporate supply chain security policy and procedures.

Success Story:
**Customer Liability Accidents**

A retailer of used merchandise and clothing wanted to reduce the number of customer liability accidents by 30%. CRS risk consultants analyzed loss trends and found the retailer had an opportunity to improve store inspection procedures, conduct more thorough accident investigations and improve training for store managers. One year after implementing these changes in their risk management program the client reduced their claim frequency by over 50%.