

Case Study

Avis

For more than 20 years Avis Rent-a-Car, the world's leading car rental company, has relied exclusively on Aon to provide innovative risk advice and insurance brokerage services to help the company deal with its complex global liability exposure while maximizing its investment insurance related spending.

In 2006, as Avis restructured its risk management staff and added new personnel, a more favorable legal environment was created by passage of the Graves legislation, which eliminated most of the rental car industry's vicarious liability exposures. This new legislation spurred competition in the insurance marketplace as carriers aggressively vied for new business. Avis and Aon immediately saw this as an opportunity to maximize Avis' insurance program.

As a first step, Aon developed an actuarially sound analysis of anticipated reductions in losses presented by the Graves legislation. The Aon team also reviewed Avis' current casualty and property coverage to pinpoint the most significant areas of opportunity. Aon focused on Collateral as being an area in which improvement would have a significant impact on Avis's business operation.

As a result, Avis achieved significant savings in a number of areas, including:

- 35+ percent in primary casualty
- 15 percent savings in umbrella coverage
- 13 percent savings in property

Best of all, Avis experienced a 14 percent decrease in the cost of collateral coverage which, given the size of its portfolio, resulted in savings of several tens of millions of dollars.

Barbara Vitale
Director, Risk Management
Avis

