



Your Aviation Insurance Manager



arb
Aphrodite Reinsurance Broker

Your Aviation Insurance Broker



Insurance
Management

Aviation
Marketing

Aviation
Consulting

Aviation
Agencies

www.aphrodite-mgmt.com

arb

Aphrodite Reinsurance Broker



www.arb-holding.com

Joined Forces... Comprehensive Solution



Your Aviation Insurance Manager

Airlines Portfolios Worldwide

Served circa 30 Airlines

Portfolio circa 20 Aircraft

Coverage circa 2 Billion

More than 220 years of
accumulated team
experience



Your Aviation Insurance Broker

Reinsurance Portfolios in Europe & MENA

Served circa 35 Insurer

Portfolio circa 42 Reinsurer

Sum Insured circa \$55 Billion

More than 200 years of
accumulated team
experience

Companies' Portfolio

Your Aviation Insurance Manager



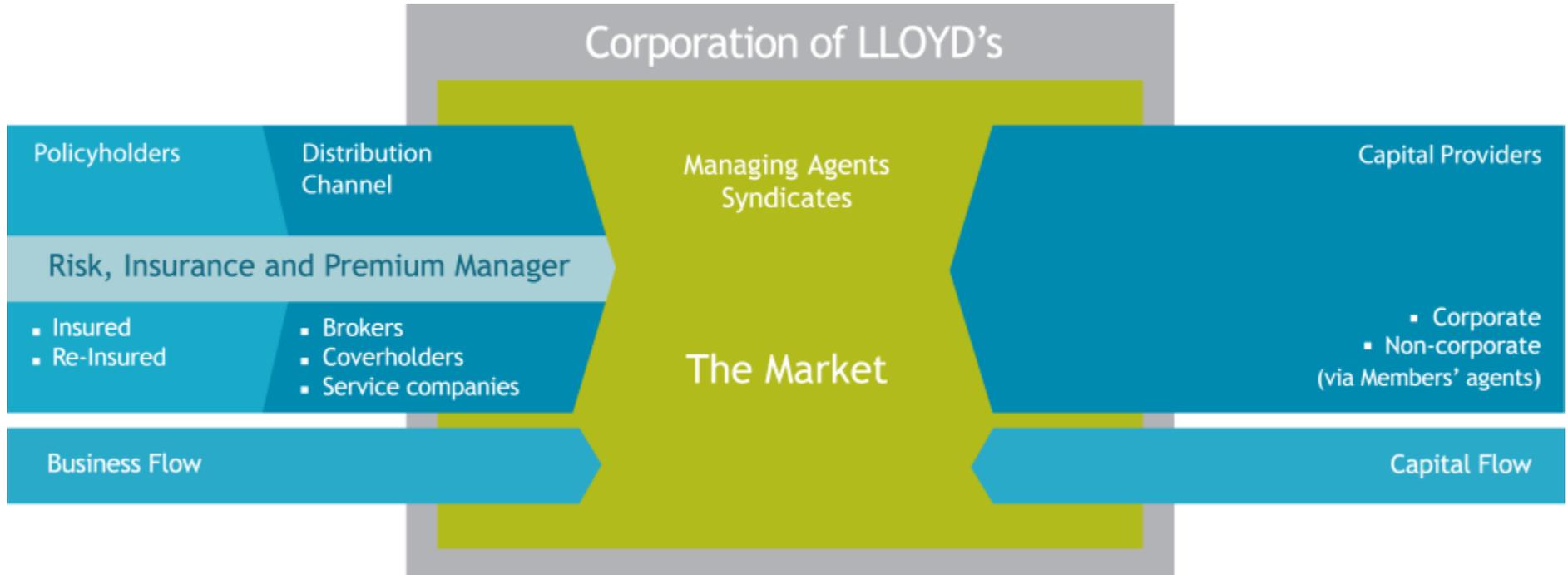
Your Aviation Insurance Broker



The Insurance Market Players



Players Interaction



Immediate access to decision-makers means that answers on whether a risk can be placed are made quickly, making it attractive to policyholders and participants alike

THE LLOYD'S

Up-to
£16
Billion of
premiums

Over **300**
years of
operations

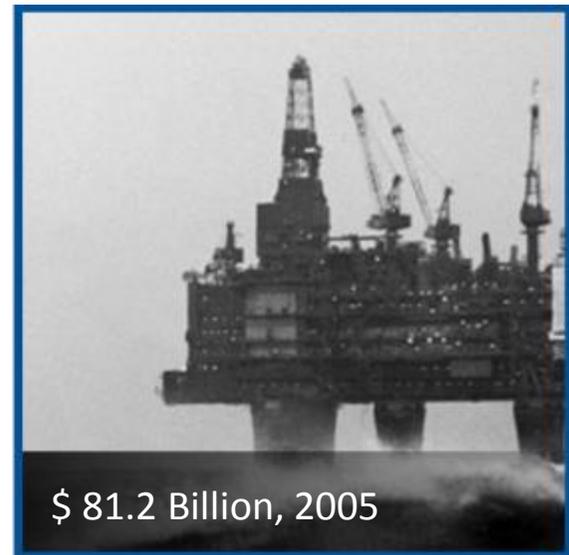
Lloyd's is not an insurance company. It is a market where members join together to form syndicates to insure risks.

Much of Lloyd's business works by subscription, where more than one syndicate takes a share of the same risk.

Lloyd's Outstanding Reputation

for paying valid claims

From the *San Francisco earthquake* in 1906 until the most recent *Hurricane Katrina* the Lloyd's gained an outstanding track record for paying valid claims.



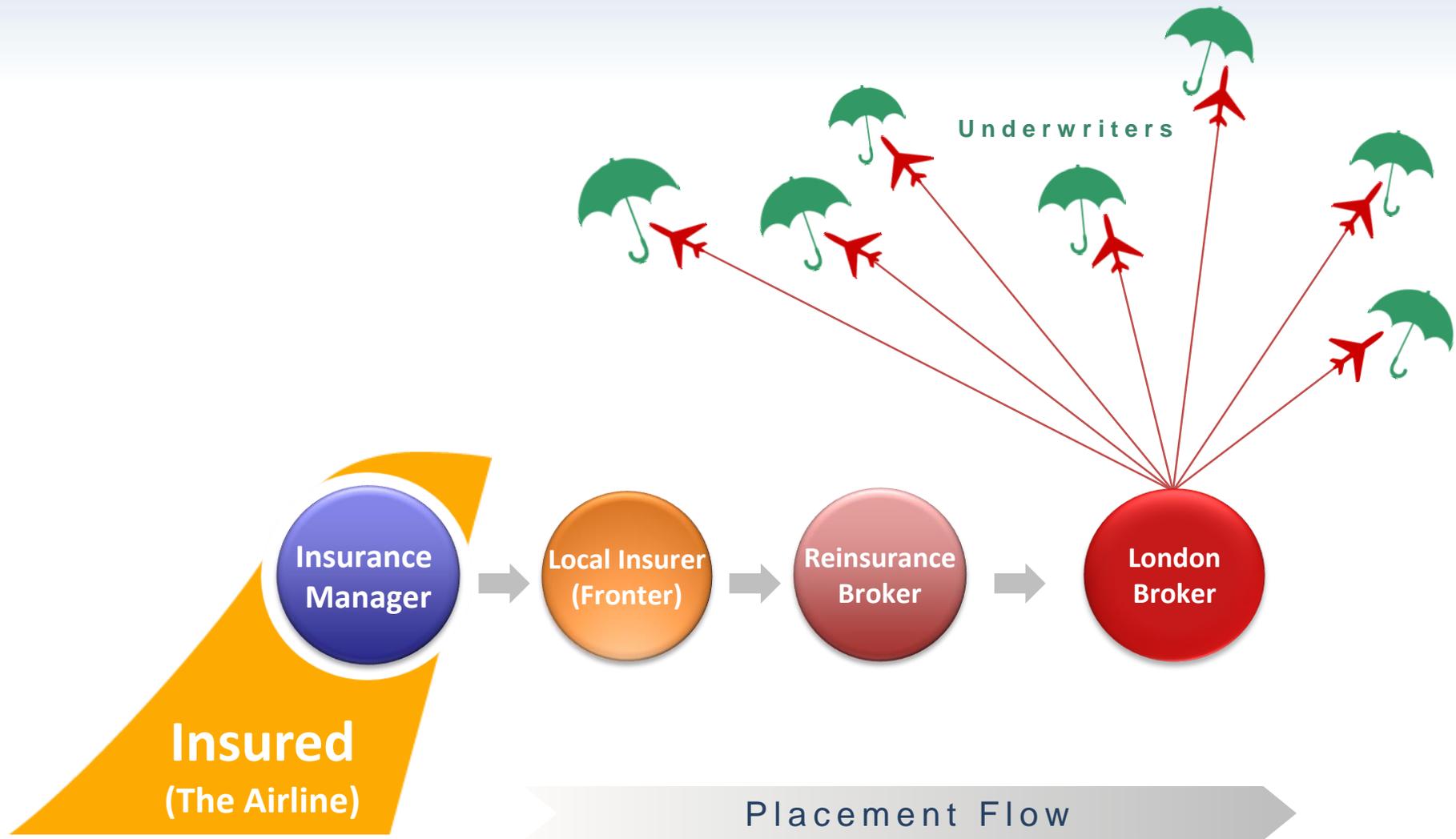
All Players and their Roles

| | | |
|---|--|---|
| A | Lloyds | Organizing Body |
| B | Capital Providers (Syndicates) | Funds' Provider |
| C | Managing Agents | Funds' Managers |
| D | Underwriters | Risk Evaluators |
| E | Brokers | Insurance Placement & Terms Consolidators |
| F | Risk & Insurance Managers | Risk Profiling, Negotiators & Premium Managers |
| G | Local Insurers | Either Front Policy 100% or carry a small risk and Reinsure the balance |
| H | Insured / Airline | Risk Manager & Beneficiary |
| I | Claim Adjusters / Lawyers | Claim Parties |
| J | Aviation Authorities / Regulating Bodies | Regulators |

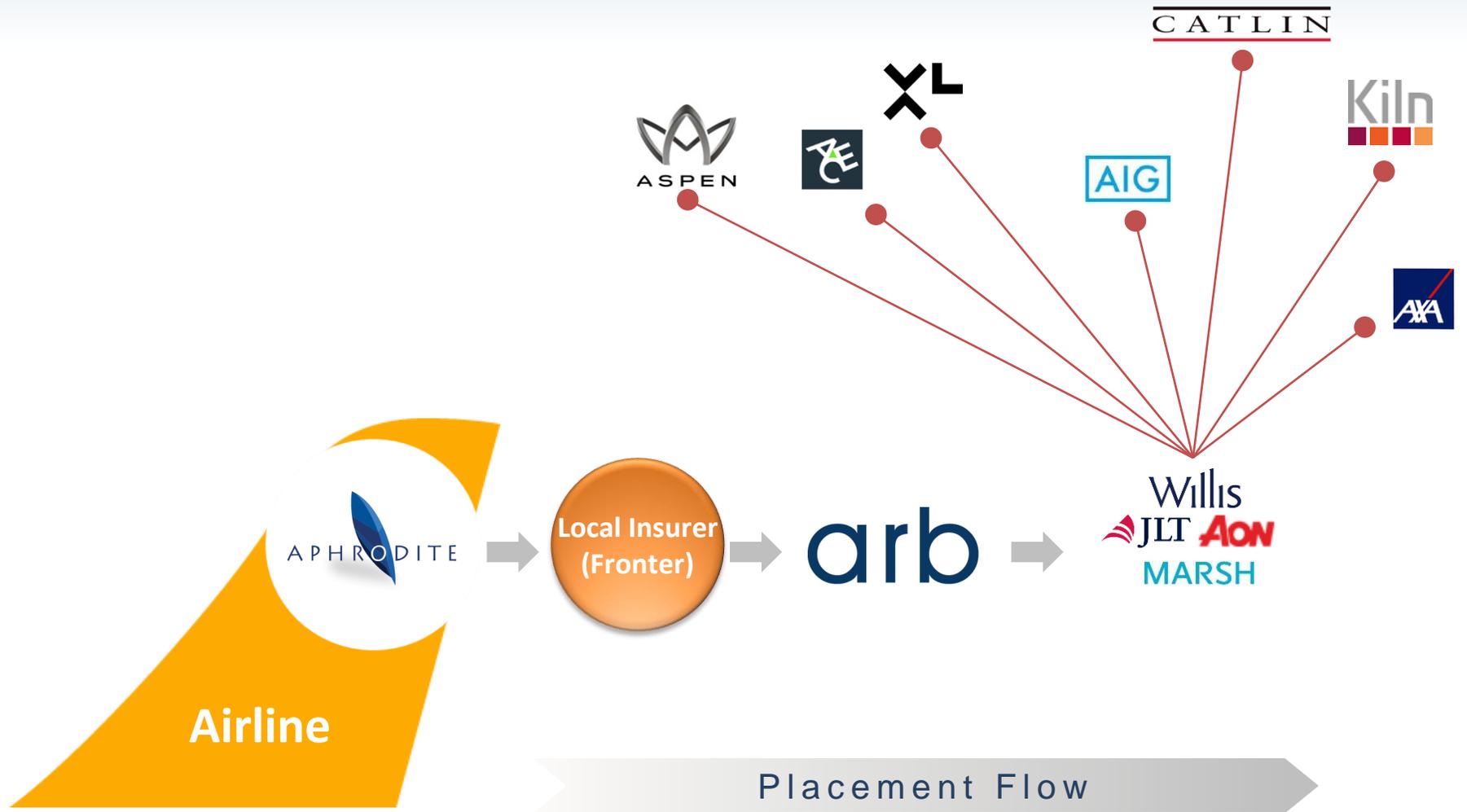


The Placement Structure

The Placement Structure



The Placement Structure





Why Aphrodite Reinsurance Brokers



Your Aviation Insurance Manager

Airline Risk Profiling

Markets' Negotiations

Risk Management

Claim Management



Your Aviation Insurance Broker

- **Review & Establish Airline Profile**
 - Review Business Plan
 - Management & Crew
 - Fleet, Routes & Passengers
 - Risk Management
 - Financial Strength
- **Establish Airline Exposures**
 - Route Coverage
 - Legal Obligations

Aphrodite Synergy ... A Comprehensive Solution



Your Aviation Insurance Manager

Airline Risk Profiling

Markets' Negotiations

Risk Management

Claim Management



Your Aviation Insurance Broker

- **Establish Policy Coverages**
- **Draw Peer Analysis**
- **Add Airline under ASRA and hence Aphrodite Portfolio**
- **Choose most suitable London Broker**
- **Create competition among Insurers**
- **Negotiate best terms**
- **Work in full transparency**

Aphrodite Synergy ... Airline's Advocate of Choice



Your Aviation Insurance Manager

Airline Risk Profiling

Markets' Negotiations

Risk & Insurance Management

Claim Management



Your Aviation Insurance Broker

- **Assist Introduce FDM / ASRA**
- **Assist Safety Committee**
- **Constantly review all contractual obligations**
- **Constantly review all operational requirements**
- **Negotiate Policy terms to cover the above**
- **Arrange for Certification 24/7**
- **Handle Premium & Tax Distribution**
- **Handle Incidents & Claims**

Aphrodite Synergy ... A Comprehensive Solution



Your Aviation Insurance Manager

Airline Risk Profiling

Markets' Negotiations

Risk Management

Claim Management



Your Aviation Insurance Broker

- **Immediately support Airline**
- **Analyze situation and issue heads-up to Insurers**
- **Select Claim Adjuster.**
- **Assist with Media**
- **Liase with all Claim Parties including Insurers, Brokers, Lessors, Adjusters, Technical Evaluators, Airports, Search & Rescue Operators, Maintenance Facilities, regulators etc..**
- **Settle Claim Payments**

Aphrodite Synergy ... Airline's Advocate of Choice

The background features a vertical split. The left side is a light, textured grey with abstract, curved, overlapping shapes that create a sense of depth and movement. The right side is a solid, dark blue gradient. The text is positioned on the blue side.

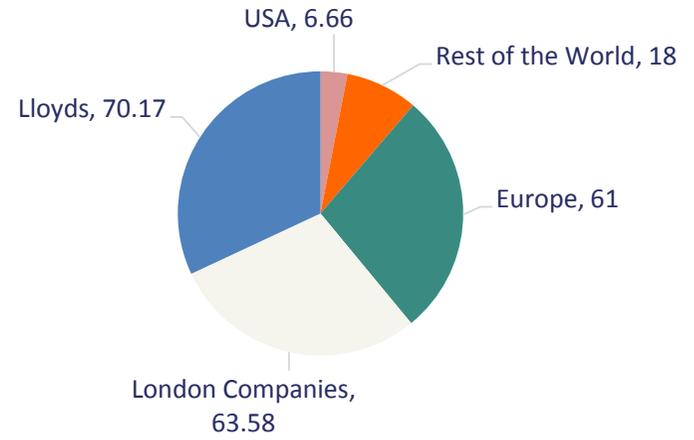
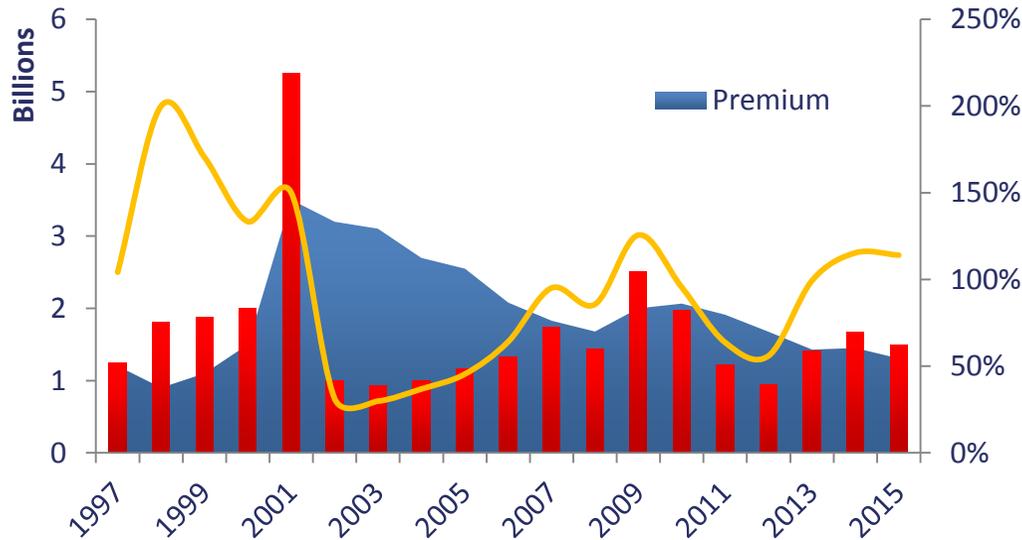
What Factors Impact the Market

Market Drivers

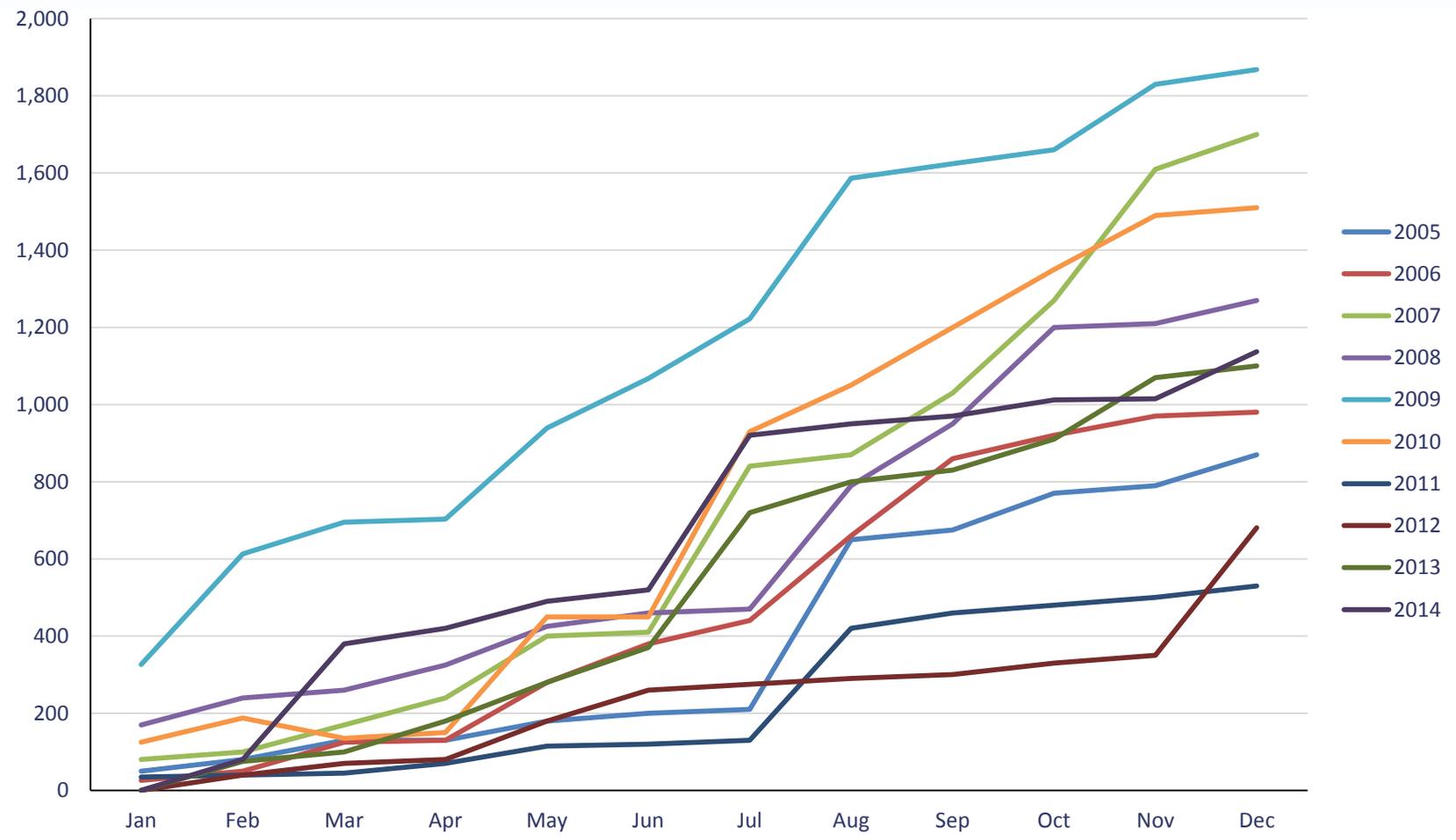
| | | | |
|-------------|--------|-----------|-------------|
| ↑ Capacity | ↓ Rate | ↓ Premium | Soft Market |
| ↑ Claims | ↑ Rate | ↑ Premium | Hard Market |
| ↑ Exposures | ↓ Rate | ↑ Premium | |

2016

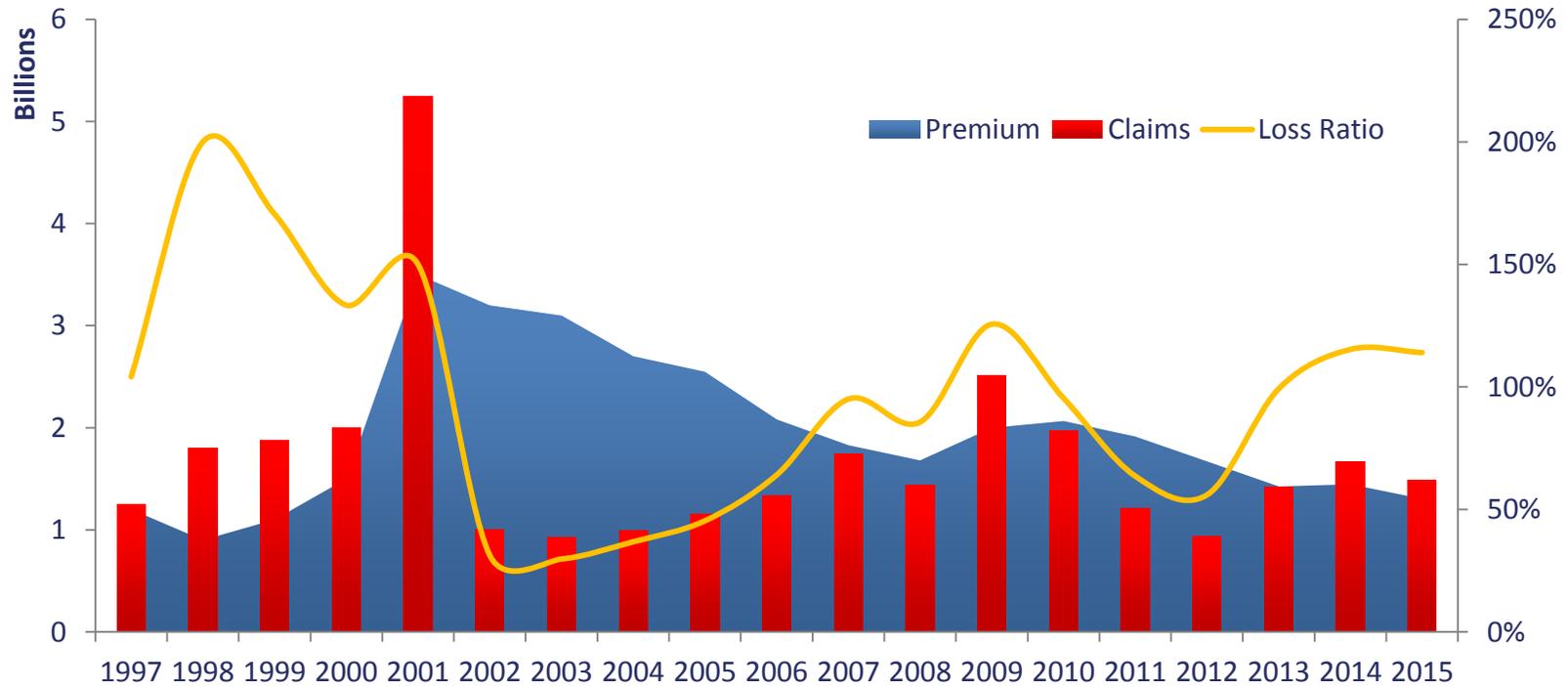
With the value of claims exceeding the total lead hull and liability premium, is the airline insurance market now likely to harden slightly? The short answer is that this seems unlikely at this stage.



Monthly Claims Progression



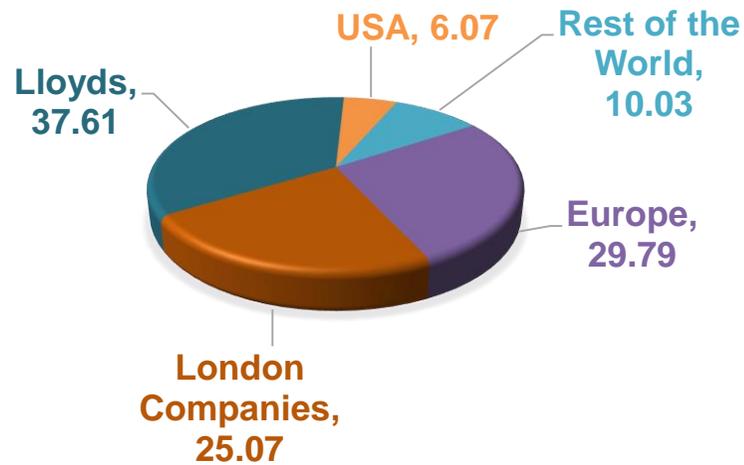
Historic Premiums and Claims



Premium includes all known airlines with an AFV in excess of US\$100 million and is based on Net London Lead Terms; it is subject to change as more information becomes available. Claims shown include estimated figure for attritional losses.

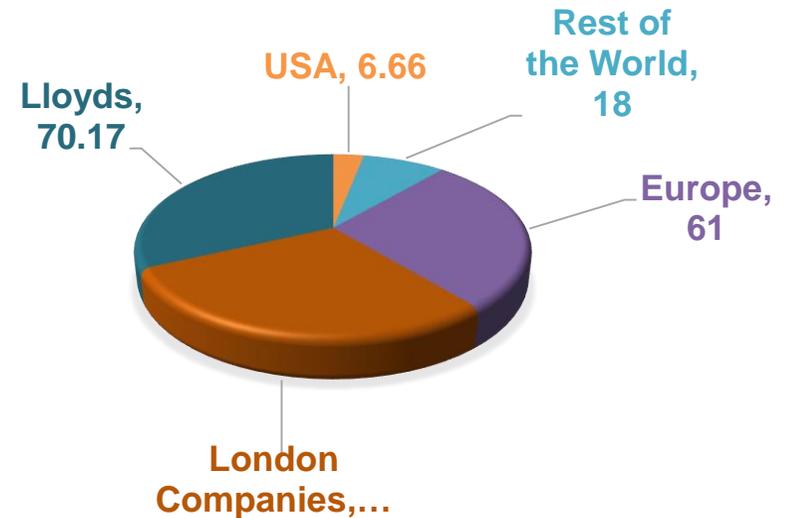
Capacity versus Required Coverage

With a CSL of US \$2.25 billion (2009)



The total WW capacity was 110% - 2.48 b

With a CSL of US \$1.5 billion (2016)



The total WW capacity was 219% - 1.5 b

Market Drivers

Capacity



Rate



Premium



(Soft Market)

Claims



Rate



Premium



(Hard Market)

Exposures



Rate



Premium



Airline Risk
Profile



Rate



Premium



Airline Risk Profiling



Airline Risk Profiling

- Management Profile
- Fleet Profile
- Routes Exposure
- Passenger Profile
- Legal Obligations
- Crew Profile
- Safety Compliance
- Risk Management Activities
- Risk Monitoring (FDM / ASRA)
- Safety Record



Flight Data Monitoring and ASRA[®]

Airline Flight Data Monitoring

ASRA[®]

FDM is specified as a requirement in Annex 6 of the ICAO Convention on International Civil Aviation for aircraft over 27 Tones.

It is also recommended for aircraft over 20 Tones.

This requirement was taken further by Europe through the JAR-OPS 1.037



Airline Flight Data Monitoring

ASRA®



Flight raw data
routine download

3% FDM
Events ✓



Transfer raw data via
a secure internet
connection to ASRA



Expert validation
and evaluation by
ASRA's Team



*Applicable Policies
& procedures*

ASRA analysis raw flight data
into useful information

Airline Flight Data Monitoring

ASRA®



Tracking Corrective Actions' Implementation

Plan and apply Corrective Actions

Flight Safety

Technical Department

Quality Assurance



ASRA's deliverables

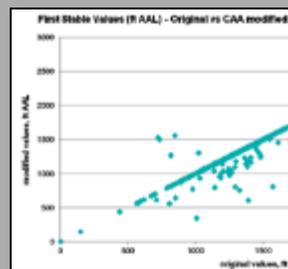
Targeted reports to each and every involved department



Deviation Report



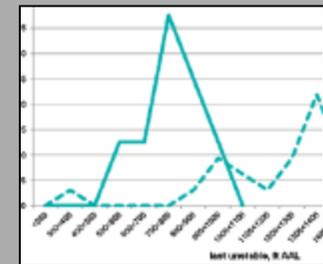
Google Earth Trajectory



Safety Campaign



3D Animation



Routine Reporting

Market Negotiations

(An effort worth 20% savings !!)



Market Negotiations

- A. Analyze Market Status (Capacity, Claims, etc.)
- B. Airline Risk Profiling
 - Management & Organization Profile
 - Fleet, Routes, Crew & Passenger Profile
 - Exposures & Obligations
 - Risk Management Activities
 - Risk Monitoring
 - Safety Record
- C. Create competition between Insurers

Market Negotiations

D. Policy Provisions

- Liabilities Provisions
 - Fixed - Versus - Passenger & Departure Basis
 - Minimum & Deposit Premiums
- Hulls Provisions
 - Lay-ups Returns
 - PCOR on deductible only
- Additional Aircraft provisions
- Geographical Provisions
- TLO Provisions (commercial recovery in case of a Total Loss)

E. Verticalize & Negotiate

- Starting with the leader terms and negotiating all possible markets (followers) could yield a margin depending on strategy and market capacity.

F. Negotiate Gross and Net Premiums

- Tax and brokerage distribution between the broker, the local insurer, the insurance tax, the reinsurance tax and the Airline.



Insurance Documentation

Policies ... to cover

- A. Hull
- B. Hull War
- C. Hull Deductible

- D. Liability (Third Party, Passenger & Baggage)
- E. Liability War (AVN52E)
- F. Liability (Premises, Hangar Keepers & Products)
- G. Crew Personal Accident
- H. Crew Loss of License

- I. Crew Medical
- J. Self Ground Handling
- K. Self Maintenance

- L. Cargo
- M. Loss of Use

Insurance Documentation

- A. Authorizations
- B. Submission Package
- C. Evidence of Covers
- D. Insurance Policies
- E. Debit Notes
- F. Certificates of Re-Insurance
- G. Certificates of Insurance



Insurance Manager Role & Critical Documentation

Insurance Manager Role

- A. Work with Management to develop in-house insurance awareness (Internal Insurance Committee)
- B. Work with the Safety & Insurance Committee
- C. Develop and maintain the Airline “Risk Profile”
- D. Develop the Airline “Placement Strategy” now and on every renewal
- E. Select the appropriate broker, leader and local insurer
- F. Create professional competition in the London Market
- G. Market the Airline to obtain insurance cover at best terms
- H. Negotiate brokerage, fees and tax reductions.
- I. Place at the best legal and financial terms.
- J. Handle Documentation all year (Policies, Covers and Certificates).
- K. Premium handling and distribution to all beneficiaries.
- L. Claims and settlements handling (in case of incident – God forbids).
- M. Renewals handling.

Critical Documentation

- A. Safety Management & Quality Control
- B. Risk Monitoring
- C. Conditions of Carriage
- D. Travel Documents
- E. Geographical Limits
- F. Crew Records
- G. Maintenance Documentation
- H. AVN67A & Letters of Undertaking
- I. Additionally Insured Partners
- J. Chicago Convention defines the protocols for air accident investigation
- K. Warsaw / Hague / Rome / Montreal / EC785 Regulations

Claims Handling & Parties Involved



Type of Claims

-  Minors Incidents
-  Foreign Object Damage (FOD's)
-  Majors and Regulations / Politics / Media

Claim Handling – Who gets Involved?

1. Asset Owner (Banks or Lessors or both)
2. Operator (Airline) and possibly other Airlines involved
3. Technical Adjusters and possibly Technical Advisors
4. Maintenance Facilities
5. Broker(s)
6. Insurers (Leader and Followers)
7. Passengers' Families
8. Third Parties including Airports
9. Lawyers
10. Settlement Entities
11. Local Insurers
12. Media



Thank you for your time

