



# Insurance Orientation & Post Placement Presentation

# Agenda

## Placement Presentation (Top Management)

- Placement & Operational Flow
- Aphrodite Management and Aphrodite Reinsurance Broker serving the Airline in Synergy
- The Airline - Insurance Placement

## Policy Financials (CEO, CFO)

- Types of Coverage
- Payment Particulars

## Commercial Matters (Commercial Director and Flight Ops Director)

- Types of Commercial Operations
- Types of Commercial Agreements
- Agreements Handling
- Geographical Limits
- Insurance related Documents

## Operational Matters (COO, Flights Ops Director, Technical Director)

- Crew related policies
- Foreign object damage (FOD)
- Agreements Handling
- Claims, Events and handling
- Reporting

## Non-Aviation Insurance (HR Director, Supply Chain Director)

- Directors and officer policy
- Life and pension policy
- Medical health policy
- Property All Risks / Public Liability / Motor

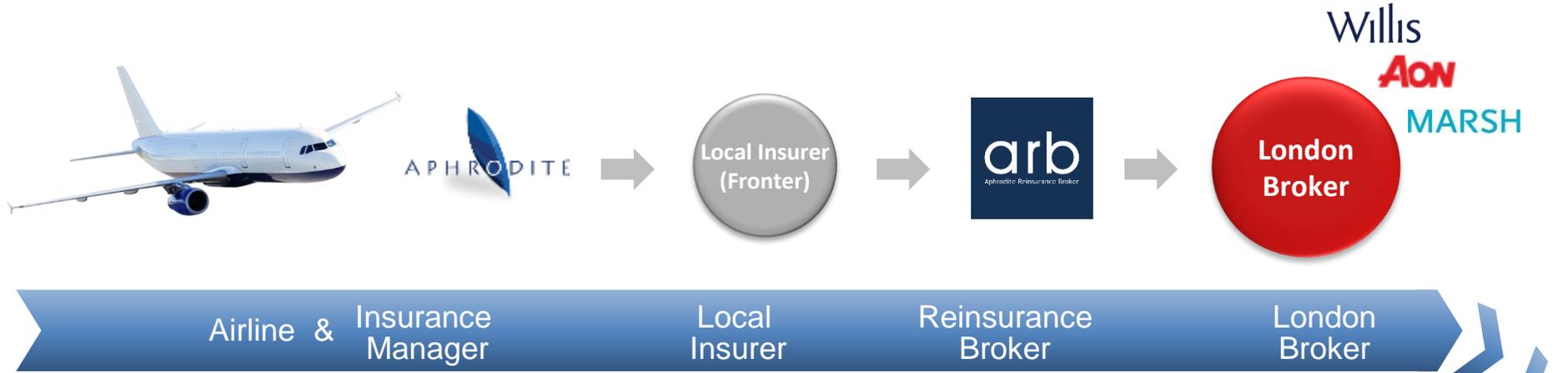
# Placement Presentation



- ▷ Placement & Operational Flow
- ▷ Aphrodite Management and Aphrodite Reinsurance Broker serving the Airline in Synergy
- ▷ The Airline - Insurance Placement

# Placement Presentation

## Placement & Operational Flow



Insurance Market



# Placement Presentation

Aphrodite Management and Aphrodite Reinsurance Broker  
serving the Airline in Synergy



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Airline Risk Profiling

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Markets' Negotiations

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Risk Management

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Claim Management

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

# Placement Presentation

Aphrodite Management and Aphrodite Reinsurance Broker  
serving the Airline in Synergy



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Airline Risk Profiling

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Markets' Negotiations

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Risk Management

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Claim Management

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

# Placement Presentation

## Aphrodite Management and Aphrodite Reinsurance Broker serving the Airline in Synergy



Airline Risk Profiling

Markets' Negotiations

Risk Management

Claim Management



- ▶ 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

# Placement Presentation

Aphrodite Management and Aphrodite Reinsurance Broker  
serving the Airline in Synergy



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Airline Risk Profiling

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Markets' Negotiations

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Risk Management

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Claim Management

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- ▶ Immediately support Airline
- ▶ Analyze situation and issue heads-up to Broker and Insurers
- ▶ Insurers appoint Claim Adjuster.
- ▶ Liaise with all Claim Parties including Insurers, Brokers, Lessors, Adjusters, Technical Evaluators, Airports, Search & Rescue Operators, Maintenance Facilities, regulators etc..
- ▶ Liaise Claim Payments

# Policy Financials



- ▷ Types of Coverage
- ▷ Payment Particulars

# Policy Financials

## Types of Coverage



Airline Hulls & TLO

Hull War

Hull Deductible

Airline Legal Liability  
(Third Party and  
Passengers)

Excess War Liability  
(AVN 52E)

Crew  
(Personal Accident &  
Loss of License)

# Policy Financials

## Payment Particulars - Invoicing



23 January 2017 - 22 January 2018

Cover	Number	Exposure	Rates	Premium 100%	From	To	Days	Annual Premium
Hulls	1	25,800,000			23-Jan-17	22-Jan-18	365	
TLO	1	3,000,000			23-Jan-17	22-Jan-18	365	
Spares	1	1,500,000			23-Jan-17	22-Jan-18	365	
Liability	1	750,000,000			23-Jan-17	22-Jan-18	365	
Hull War	1	25,800,000			23-Jan-17	22-Jan-18	365	
Hull War TLO	1	3,000,000			23-Jan-17	22-Jan-18	365	
Hull Deductible	1	700,000			23-Jan-17	22-Jan-18	365	
XS 52E	1	500,000,000			23-Jan-17	22-Jan-18	365	
<b>TOTAL</b>								
<b>Taxes applicable to Lloyds</b>								
<b>TOTAL ANNUAL PREMIUM</b>								\$
Crew Personal Accident	1	1,350,000			23-Jan-17	22-Jan-18	365	\$
<b>PA</b>	<b>1</b>	<b>1,350,000</b>			<b>23-Jan-17</b>	<b>22-Jan-18</b>	<b>365</b>	<b>\$</b>

# Policy Financials

## Payment Particulars - Invoicing



### Payment Schedule

Cover Period	23-Jan-17	22-Jan-18	365	
	From	To	Days	Payment Date
Annual Payment PA	23-Jan-17	22-Jan-18	365	23-Jan-17
Quarter 1	23-Jan-17	22-Apr-17	90	23-Jan-17
Quarter 2	23-Apr-17	22-Jul-17	91	23-Apr-17
Quarter 3	23-Jul-17	22-Oct-17	92	23-Jul-17
Quarter 4	23-Oct-17	22-Jan-18	92	23-Oct-17

# Policy Financials

## Payment Particulars - Invoicing



### Debits

**Above Coverage**

### Credits

**Ground Risks including:**

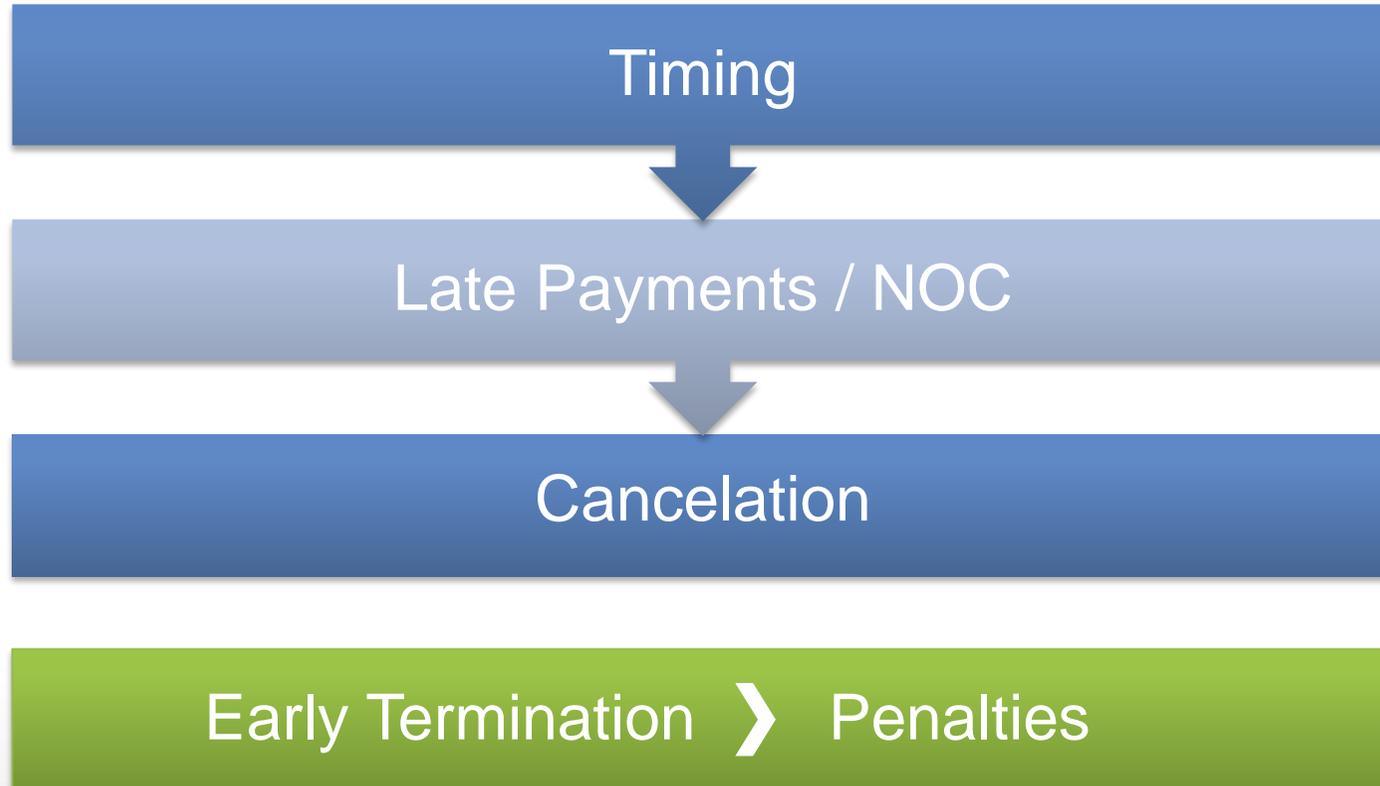
- ▶ Test flights
- ▶ Proofing flights
- ▶ Training flights

### Adjustments

- ▶ **Fleet adjustments:**  
Values, Seats, Entry, Exit
- ▶ Crew adjustments
- ▶ Engines lease

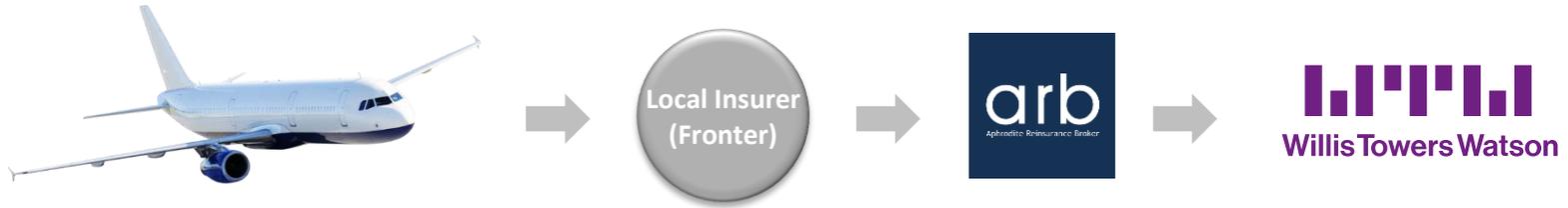
# Policy Financials

## Payment Particulars - Terms



# Policy Financials

## Payment Particulars - Settlement



Insurance Market



# Commercial Matters



- ▷ Types of Commercial Operations
- ▷ Types of Commercial Agreements
- ▷ Agreements Handling
- ▷ Geographical Limits
- ▷ Insurance related Documents

# Commercial Matters



## Types of Commercial Operations & Interchange of Insurance Coverage

Scheduled	Charter	ACMI	Private Flights
<ul style="list-style-type: none"><li>▶ Airline covers All</li></ul>	<ul style="list-style-type: none"><li>▶ Airline covers All and Charterer becomes an Additional Insured</li></ul>	<ul style="list-style-type: none"><li>▶ Lessor covers Hull and Third Party Liability and Lessee covers Passengers, Baggage, Cargo and Mail Liabilities. Certificates should be exchanged</li></ul>	<ul style="list-style-type: none"><li>▶ Treated as a Charter but passengers' identity is required</li></ul>





## Types of Commercial Agreements & Interchange of Insurance Coverage

### Purchase

- ▶ Airline covers All and provides ongoing liabilities for sellers

### Dry Lease

- ▶ Airline covers All and assigns hull loss reimbursement to owners

### Wet Lease (ACMI)

- ▶ Lessor covers Hull and Third Party Liability and Lessee covers Passengers, Baggage, Cargo and Mail Liabilities. Certificates should be exchanged

### Agreements with service providers

- ▶ Ground handlers, fuel suppliers, maintenance organizations, spares suppliers, manufacturers, engine lessors

# Commercial Matters



## Agreements Handling

Before signing any agreement, the Airline's Legal Counsel and Insurance Manager should perform the following to ensure that the Airline Legal Liabilities are covered:

- Review clauses related to insurance, indemnities and legal liabilities
- Issue insurance and reinsurance certificates
- Issue Letters of Undertaking to financiers, lessors, etc.

# Commercial Matters

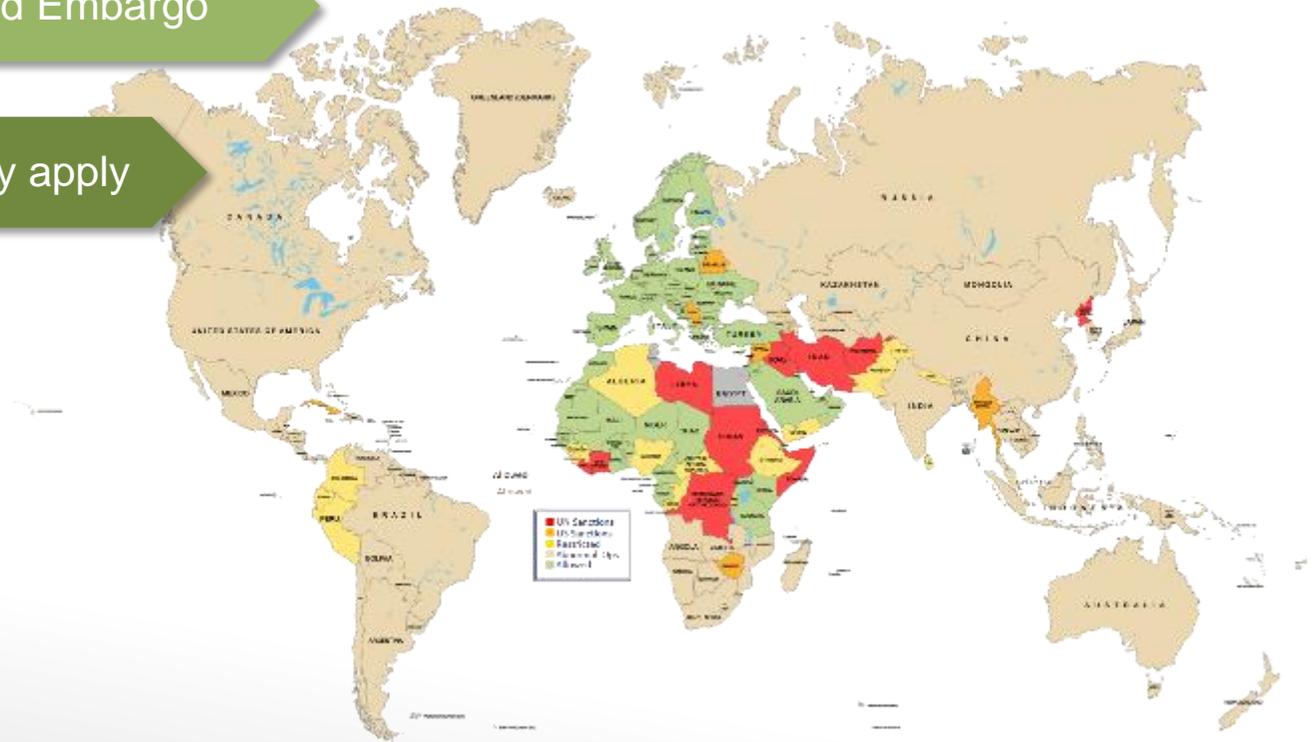


## Geographical Limits

KILN geographic area exclusion clause

AVN 111 - Sanctions and Embargo

Additional Premium may apply



# Commercial Matters



## Insurance related Documents

- ▶▶ Policies, Cover Notes, Endorsements to the Airline
- ▶▶ Certificates, Letters of Undertakings to concerned parties
- ▶▶ Broker of Record (BOR), Debit Notes and Credit Notes



# Operational Matters



- ▷ Crew related policies
- ▷ Foreign object damage (FOD)
- ▷ Agreements Handling
- ▷ Claims, Events and handling
- ▷ Reporting

# Operational Matters

## Crew related policies



### ▶▶ Personal Accident:

- ▶ On duty coverage
- ▶ Captain \$250,000 / FO \$150,000 / FA \$100,000 / Flight Engineer \$100,000
- ▶ SOB attached

### ▶▶ Loss of License

- ▶ Worldwide accidents and sickness
- ▶ Temporary and permanent Loss of License
- ▶ Captain \$250,000 / FO \$150,000
- ▶ Over 60 covered for accidental bodily injury only



# Operational Matters

## Foreign object damage (FOD)



- ▶▶ Types: on ground and mid-flight
- ▶▶ Actions after Incident and clearance required
- ▶▶ Claim Loss Situation

# Operational Matters

## Agreements Handling



Before signing any agreement, the Airline's Legal Counsel and Insurance Manager should perform the following to ensure that the Airline Legal Liabilities are covered:

- Review clauses related to insurance, indemnities and legal liabilities
- Issue insurance and reinsurance certificates
- Issue Letters of Undertaking to financiers, lessors, etc.

Operational agreements may include Agreements with service providers such as ground handlers, fuel suppliers, maintenance organizations, spares suppliers, manufacturers, engine lessors

# Operational Matters

## Claims, Events and handling



### ▶▶ Examples of Events

- ▶ Engines' Foreign Object Damage (FOD)
- ▶ Aircraft Accident resulting in hull damage, third party property loss, passenger death or injury
- ▶ Operational Incidents
- ▶ Crew Personal Accident and Loss of License



# Operational Matters

## Claims, Events and handling



### ▶▶ Claims handling

- ▶ Airline should immediately notify Aphrodite to notify the broker and insurers
- ▶ Insurers will immediately appoint loss adjuster
- ▶ Loss adjuster will travel to accident sight for investigation
- ▶ Aphrodite will work with all parties until the settlement is fulfilled
- ▶ Parties involved could include: Civil Aviation, Airports, Search and rescue teams, insurers, loss adjuster, aircraft owners, maintenance organizations, manufacturers, passengers' families, medical authorities, etc.



# Placement Presentation

## Reporting



- ▶▶ Operational statistics  
(Flights and passengers)
- ▶▶ Technical statistics
- ▶▶ Crew profiles
- ▶▶ Crew adjustments
- ▶▶ Fleet adjustments
  - ▶ Fleet adjustments:  
Values, Seats, Entry, Exit
  - ▶ Engines lease



# Non-Aviation Insurance



- ▷ Directors and officer policy
- ▷ Life and pension policy
- ▷ Medical health policy
- ▷ Property All Risks / Public Liability / Motor

# Non-Aviation



## Non-Aviation Insurance Includes

- ▶▶ Directors and officer policy
- ▶▶ Life and pension policy
- ▶▶ Medical health policy
- ▶▶ Property All Risks / Public Liability / Motor



Thank You