

# The Insurance Broker and The IHST

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# Disclaimer

- The insurance industry, which is based on economic decisions and is a business required to be profitable, should not be considered as the governance or regulator of any safety program or initiative.
- Safety Programs will be used to the benefit of the Insurance Company.

# What is the Insurance Broker?

- Licensing Requirement
- Relationship to the Insurance Co.
- Type of Insurance Representation
  - Property
  - Casualty
- Continuing Education Process

# What a Licensed Broker can Sell

- Any type of Property Insurance
- Any Type of Casualty Insurance
- P/C insurance includes such as:
  - Commercial Auto/Private Auto
  - Commercial Business/Home Owners
  - Marine/Fire/Flood/Inland Marine/Jewelers
  - Comprehensive General Liability/W.C./Bonds
  - AVIATION INSURANCE

# The Brokerage Sales Force

- 436,000 Brokers per US Labor & Statistics
- 174 U.S. Brokerage Firms member AIA
- 5 Major Brokerage Firms
- 25 U.S. Aviation Specialist Firms
- <10 U.S. Individuals Helicopter Specialist

# Insurance Broker's Objectives

- Sell Insurance.
- Identify New Clients
- Service the client's insurance issues
- Renew existing clients
- Sell Insurance

# The Broker/Underwriter Relationship

- Provide requested underwriting information to the insurance company
- Communicate required/requested information to and from the client
- Negotiate the terms and conditions on behalf of the client
- Represent the client on all insurance or claim issues

# Retail/Wholesale Brokers

- Retail Brokers work directly with Client and underwriter
- Wholesale broker works directly with retail broker and underwriter
- Both types of broker work together to secure accounts



# Market Conditions

- Aggressive sales strategy
  - We can do SMS for you!
  - Broker quoting
  - Gizmo Discounting
- Soft market lacks underwriting standards
- Not all underwriters on the same page.
- Markets in and out of Aviation Insurance
  - Changes in capacity
  - Changes in underwriter standards

# The Underwriting Result-Profit

- Individual Companies have their own guidelines based on their underwriting performance.
- The volume of business in any given category. (Rotorwing premium vs. losses)
- Using Risk Management or Safety Programs as part of the underwriting process. (IHST) (Safety Bucks) (ORM)

# The IHST & HAI Influence

- Continuance of IHST Initiatives
- Informational Packets
- Web Site Information
- Educational Seminars
- Sharing Results
- PalMatt 😊
  - *PalMatt Aviation Safety and Risk Management Symposium*

# IHST and Aviation Insurance

- Recommend that Insurance underwriters request brokers to provide operators participation in IHST Initiatives. (Cultural)
- IHST through various resources continue to educate and inform underwriters and brokers the initiatives and results.
- Recommend “Helicopter Insurance Brokers” to inform and educate operators of the IHST Initiatives and results.
- The insurance industry is not going to change the safety culture. **It is the safety culture that will change the insurance industry.**

# Team Work

- It's all about team work, understanding each others role, responsibilities, objectives, and how to “encourage” the industry of the benefits.
- It's all about the operators. It's cultural, operators should want to do the training and install the devices without the Insurance Industry telling them to do so!
- We are the Safety Preachers, get the message out there to the Operators.
- Be Safe and Thank you.....LM

