

MARSH



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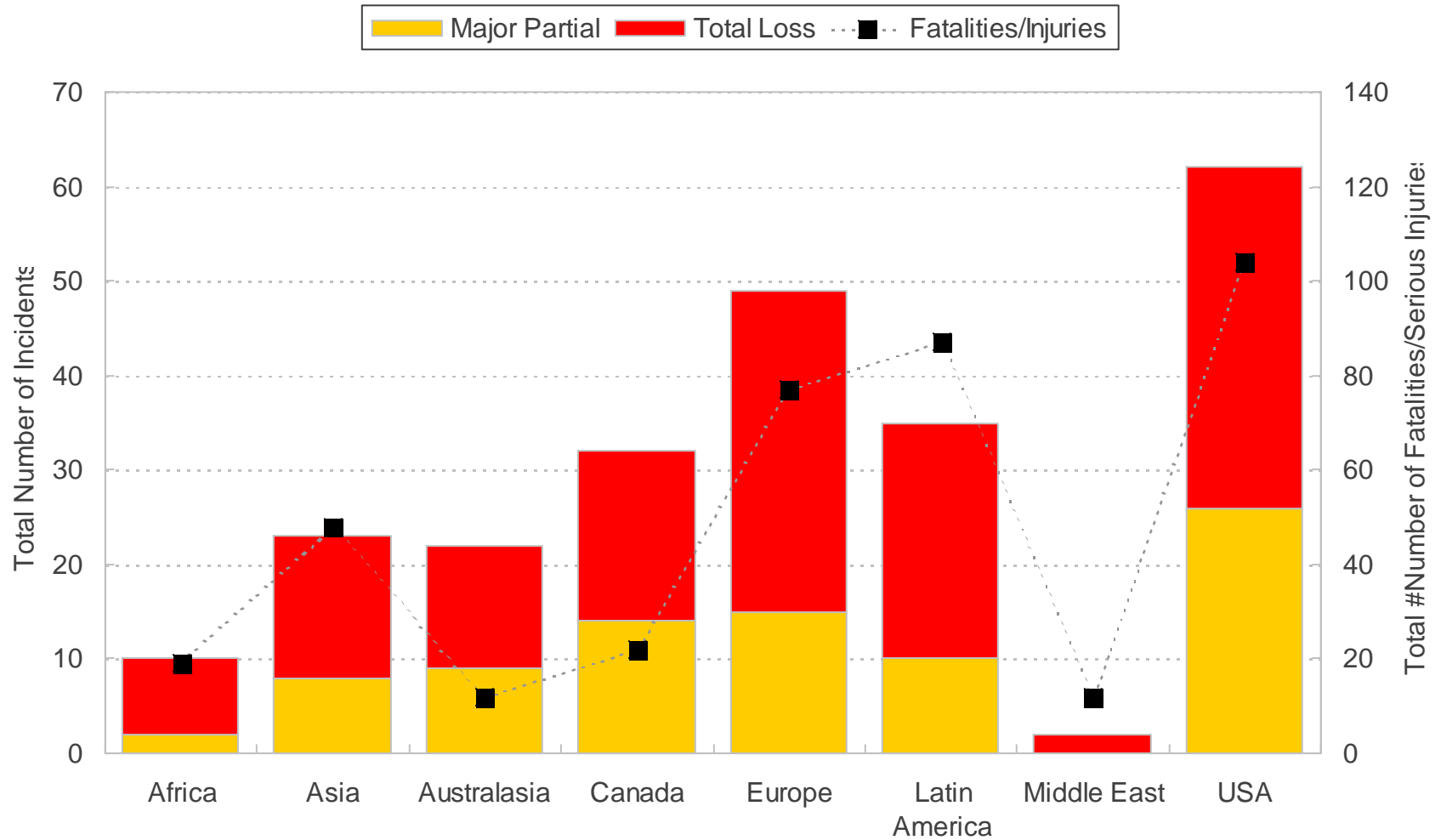
IHSS

London Insurance Broker Point of View

Mark Church, Montreal

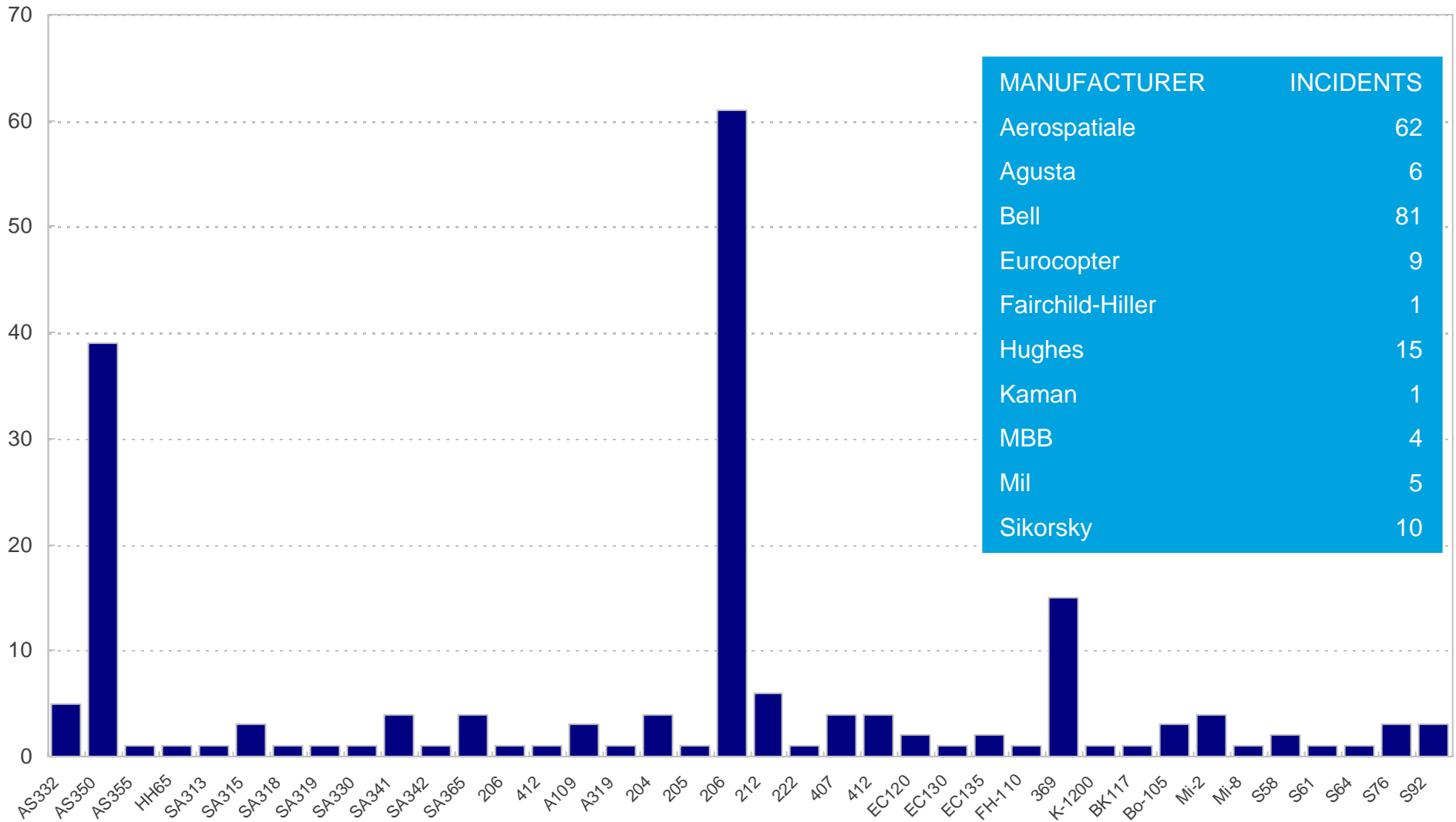
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2008 Losses by Geographical Region



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2008 Losses by Helicopter Type





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Cost of Major Losses to London & International Markets

- Three major losses to date in 2009
- Total value of aircraft just under USD60m, ie: USD20m on average
- Thirty four unfortunate fatalities
- Current liability reserves for all three losses just under USD37million



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Current Insurance placements

- Offshore & Large Commercial Operators
 - Large group placements
 - High premium levels – able to cope with major losses
 - U/Ws able to respond with hefty premium increases due to high base premium for group
 - U/Ws unable to distinguish between operators within the group – all benefit and/or suffer equally
 - Difficult for U/Ws to judge operators on their own merits as operating standards/equipment/work performed/etc... may not be standardised

VERY MUCH A LARGE LOSS = LARGE PREMIUM PORTFOLIO

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Current Insurance placements

- Small Commercial Operations & PPL
 - Tend to be retained by domestic insurance markets
 - Ceded into London & International Markets on a treaty basis:
 - Therefore not always seeing the entire portfolio
 - In some instances only the less desirable risks are seen outside of the domestic markets
 - This can lead to higher premiums as capacity shrinks due to high loss frequency
 - U/Ws fail to benefit from the entire portfolio

DESIRABLE PORTFOLIO U/Ws NOT ALWAYS ABLE TO PARTICIPATE TO THEIR DESIRED EXTENT



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Potential Influential Factors

- Membership of an industrial body such as HAI, HSCA or IHST and adherence to it's safety procedures
- Creation and adoption of best practice set of requirements and standards
- Use of technology:
 - Use of aircraft monitoring technology and regular debriefs relating to data acquired
 - Adoption of on board safety related technology such as HUMs, NVGs, helicopter specific GPWS/TAWS/CAS, airline type FDRs, emergency evacuation equipment



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Potential Influential Factors (cont'd)

- Operational:
 - Adoption of infrastructure related safety related technology
 - CRM Training
 - Two-crew minimum flight requirement for non-offshore operations
 - Encouragement of 'operational mentoring' programmes for inexperienced pilots
 - More stringent on-type requirements for PIC candidates



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Broker Frustrations

- Commercial market place driven by premium requirements rather than operational standards
- Difficult to achieve distinction between good and bad operators
- There is a need for U/Ws to show evidence of differential between good and bad operators
- Currently good operators or those that make changes following a loss do not see any immediate benefit
- Premium reductions are based on 5 year record and reflect the past rather than the current status of the operator.

CREDIT IS GIVEN IN ARREARS!!

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