



► AVIATION INSURANCE. 1
Risk Management &
Insurance Education for
Charter Operators & Owners
Fast, Reliable & Safe



► RISK TALK. 2
Another Insurance Carrier!



► YOU NEED TO KNOW. 2
Your Policy Says You Have
\$50,000,000 But The Judge
Says You Only Have
\$25,000,000



► CASH IS KING 4
How Would You Like To
Pay?



AVIATION Insurance & RISK MANAGEMENT NEWSLETTER



P135 Volume 1, Issue 1

Aviation Insurance

RISK MANAGEMENT AND INSURANCE EDUCATION FOR CHARTER OPERATORS & OWNERS

Welcome to the first issue of this quarterly periodical. We are sending this to you because we want you to understand how Aviation Solutions can benefit your operation. Our founder has experience working in the charter industry as a pilot, and so do some of our brokers. We understand the challenges, some known, and some that you may have not thought of, that you face. As your broker we make sure we are informed and understand risk management and insurance, areas that tend to be

clear as mud' for many of your peers if not given guidance and explanation. We are committed to looking out for our clients so they can remain a going concern for many decades to come. I trust you will find this short quarterly periodical informing and worthwhile. Additionally, I welcome your feedback and your business. Aviation Solutions is capable of managing your entire insurance program in a valuable and cost effective manner.

FAST, RELIABLE, & SAFE

As a charter operator, fast, reliable, and safe service is just a few of the characteristics your clients expect from you. Well, our customers expect, and deserve, the same. *Did you know there is an A15+ rated carrier that has been in the business for over 75 years and allows you to quickly access their site directly for the issuance of certificates?* As a charter operator you most likely receive requests from other charter vendors and clients that request certificates of insurance either adding them as an additional insured or evidencing coverage. Sometimes these certificates need to be issued as soon as your customer calls. As long as the call is during business hours this is probably not a problem for your broker to manage.

continued





Insurance Brokers (877) 353-1047

Aviation Insurance

CONTINUED

However, what if it is a call at 10:00PM or on a Sunday afternoon? Chances are it is difficult to get your broker to issue the certificate. With this online access, you and your dispatch team have the ability to directly issue and print or email your needed certificates as needed, 24 hours a day, 7 days a week.

You Need to Know

YOUR POLICY SAYS YOU HAVE \$50,000,000, BUT THE JUDGE SAID YOU ONLY HAVE \$25,000,000!

Congratulations, you have the authority to issue certificates yourself. As a matter of fact you just issued a certificate of insurance to a charter broker naming them as an additional insured. The passengers that just chartered your plane were injured when the crew accidentally flew through severe turbulence. The injured passengers sue you and the charter broker. The good news, for the charter broker who most likely doesn't carry insurance, is they are covered under your policy for lawsuits arising out of your negligence! The bad news, you, the charter operator, who owns the policy and is negligent, is you are now sharing your \$50,000,000 of liability coverage with the charter broker. In theory, you may only have half the liability coverage you thought you had. If a jury awards \$60,000,000 to the injured party you may have just found yourself underinsured by \$10,000,000 or worse, out of business. Call us, we can help you manage the limit the additional insured is entitled to.



ANOTHER INSURANCE CARRIER! CALL US FOR MORE INFO.

The aviation insurance industry continues to soften. As a charter operator, depending on the type of aircraft and the limits of liability you require, there are at least 12 insurance carriers interested in having you as an insured. Rates are one third of what they once were. Pilot warranties are less restrictive than ever: "Pilots as approved by the Chief Pilot." Ancillary coverages have also drastically increased. If you haven't had a policy review in a couple of years, I'd suggest you call us for one!

On May 1, 2011, QBE the Americas entered the aviation market. What does this mean for the insurance buyer? Well, traditionally more competition, without a change in demand, results in low pricing. There are now more carriers wanting to insure aircraft than ever before or at least since anyone currently in the insurance industry can remember.

"Who is QBE the Americas?" They are a part of "QBE Insurance Group Limited, one of the top 25 insurers and reinsurers worldwide, with operations in all key global insurance markets. QBE is an Australian-listed company based in

Sydney, with offices in 49 countries employing more than 13,500 staff worldwide." (QBE Americas Overview AMER 1000.pdf)

QBE Insurance Group is A rated by A.M. Best rating. In 2010 they wrote \$5.2 billion in premiums. What do they know about aviation? Some of the senior level managers and line underwriters left Phoenix Aviation Managers in April to build the aviation practice at QBE. With knowledgeable staff on hand, QBE hit the ground running on May 1st. QBE isn't licensed in all states yet, but they are working on it. Their appetite for risk will likely evolve over time, but currently they are writing FBO's, owner and pro flown aircraft, flight schools, and repair stations. Their capacity for aircraft hull coverage is \$25,000,000 and \$250,000,000 for liability. Currently they are physically underwriting each submission that comes across their desk; they have no automated quoting system. This means they do not necessarily want to quote single engine, single owner risks at this time. QBE has been very competitive in the turbo-prop, cabin class twin, jet, and flight school market. We have placed a couple of King Air's and two Phenom 100's with QBE thus far.



Aviation Solutions

FIND OUT MORE



Aviation Solutions is more than an agent of aviation insurance. We are brokers, finding you the best value, in coverage and dollars.

What is the difference between a broker and an agent? Assume you insure your home with State Farm, then you are working with an agent. An agent represents one carrier. A broker represents the buyer and has contracts to place your business with multiple carriers. Like your investment advisor, we analyze your needs and desires to formulate the best plan for you. Our resources are virtually limitless. We have contracts with every aviation carrier doing business in the US, as well as the Lloyd's of London market. So while you may need to "shop around" for your home owners or auto insurance each year, you can rest assured *your broker* at Aviation Solutions is doing the shopping for you. As brokers, we represent you, not the carrier.

We are also risk specialists and benefits advisors. Most importantly, we are aviation specialists, with roots going back to 1978. We develop solutions so you can soar. If it is an aviation business or an aviation related exposure, we have an insurance solution for you.

Wishing you blue sky and tailwinds,

The Aviation Solutions Team
(877) 353-1047

Sharon J. Agee
(816) 447-2999
sharonagee@aviationsolutions.aero

Dana Boucher
(816) 510-5462
danaboucher@aviationsolutions.aero

Carl Grimmett
(816) 516-7981
carlgrimmett@aviationsolutions.aero

Monica Harris -King
(816) 263-1779
monicaking@aviationsolutions.aero

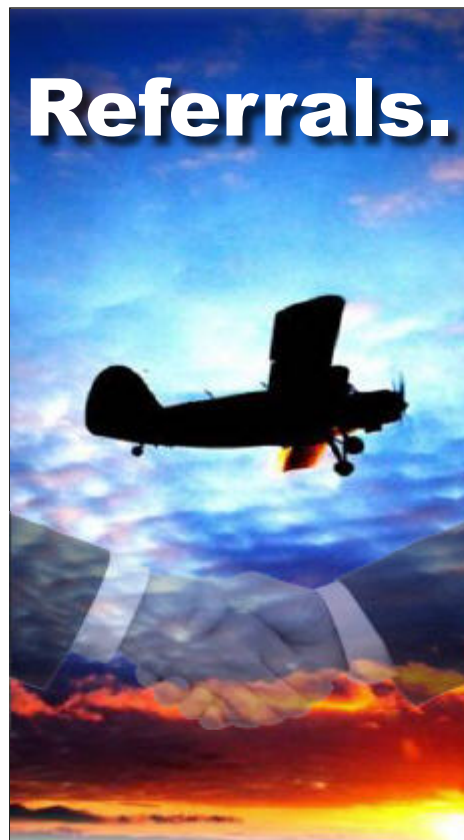
Michelle Limback
(660) 641-5636
michellelimback@aviationsolutions.aero

Jeff McClaran
(816) 309-4104
jeffmcclaran@aviationsolutions.aero

Kyle White
(816) 260-1083
kylewhite@aviationsolutions.aero



Referrals.



Aviation Solutions is Referral Based, Client Centered!

The greatest honor in this business is when your clients trust referring their family and friends to you. We are proud to say that our largest amount of new clients comes from referrals.

In our last issue we announced our commitment to Angel Flight Central. Thanks to all of our clients that referred new customers to our brokers, **we were able to make a donation in the amount of \$957.28.** We believe in giving back to aviation related charitable organizations. If you have an idea of a worthy not for profit organization, let your broker know.

Referring is easy to do, just give us a call with your friends contact information and we'll do the rest. Or, have your friend give us a call.



CASH IS KING!

HOW WOULD YOU LIKE TO PAY YOUR INSURANCE FOR ONE MONTH IN ADVANCE INSTEAD OF ONE YEAR IN ADVANCE?

Today's economic times are tough and cash is KING. The strong businesses are the ones who have figured out how to turn their receivables faster while prolonging their account payables. This yields more cash in your hand to operate and invest in capital. We have negotiated some unique payment strategies with our underwriters for your behalf. Some of the carriers have agreed to no interest payments. Some carriers are offering payments quarterly and/or monthly.



Sneak Peak

INSIDE THIS ISSUE

- ▶ RISK MANAGEMENT & INSURANCE EDUCATION FOR CHARTER OPERATORS & OWNERS
- ▶ FAST, RELIABLE, AND SAFE
- ▶ YOUR POLICY SAYS YOU HAVE \$50,000,000 BUT THE JUDGE SAYS YOU ONLY HAVE \$25,000,000
- ▶ ANOTHER INSURANCE CARRIER HAS ENTERED THE MARKET!
- ▶ WHAT'S THE DIFFERENCE BETWEEN AN AGENT AND A BROKER?
- ▶ LAST MONTH'S REFERRAL DONATION WAS A SUCCESS, THANK YOU!



PO Box 18067, Kansas City, MO 64133

Presorted Std
US Postage
PAID
Lees Summit MO
Permit #93

Return to Aviation Solutions Website:

www.aviationsolutions.aero