



Handling a Major Disaster

Prepared by Aon Risk Solutions
Global Broking Centre | Aviation

Brief Overview of Air Algerie and Tassili Airlines Cover

- Aircraft Insured up to a maximum of USD200,000,000 any one aircraft, and down to USD50,000 in respect of Air Algerie, and USD25,000 in respect of Tassili Airlines
- CTL can be declared when repair costs are estimated at 75% or more of the agreed value
- AVS103 50/50 clause
- Spares Coverage USD250,000,000 any one occurrence
- CSL USD1,000,000,000 any one occurrence

Exposure Facing Aviation Insurers

- Over 1,250 Boeing 737 aircraft are estimated to be in the air at any one time
- Airlines carry an estimated six million people every day
- At peak times at Heathrow Airport there are 115 aircraft, these value in excess of US\$9 billion
- There are over 2,600 aircraft movements per day at Chicago O'Hare Airport
- Every 1.8 Seconds an aircraft is refuelled somewhere on the planet



Scandinavian Airlines SAS, Milan, Linate-Italy 8 October 2001 (MD-87)

Aircraft: McDonnell Douglas MD-87
Flight No.: 686

Fatalities: 114:114



Helios Airways, Grammatikos, Greece 14 August 2005 (Boeing 737)

Aircraft: Boeing 737-31S
Flight No.: 686

Fatalities: 121:121



Spanair, Madrid, Spain

20 August 2008

- Aircraft: McDonnell Douglas MD-82
- Flight No: JK5502
- Fatalities: 153: 172



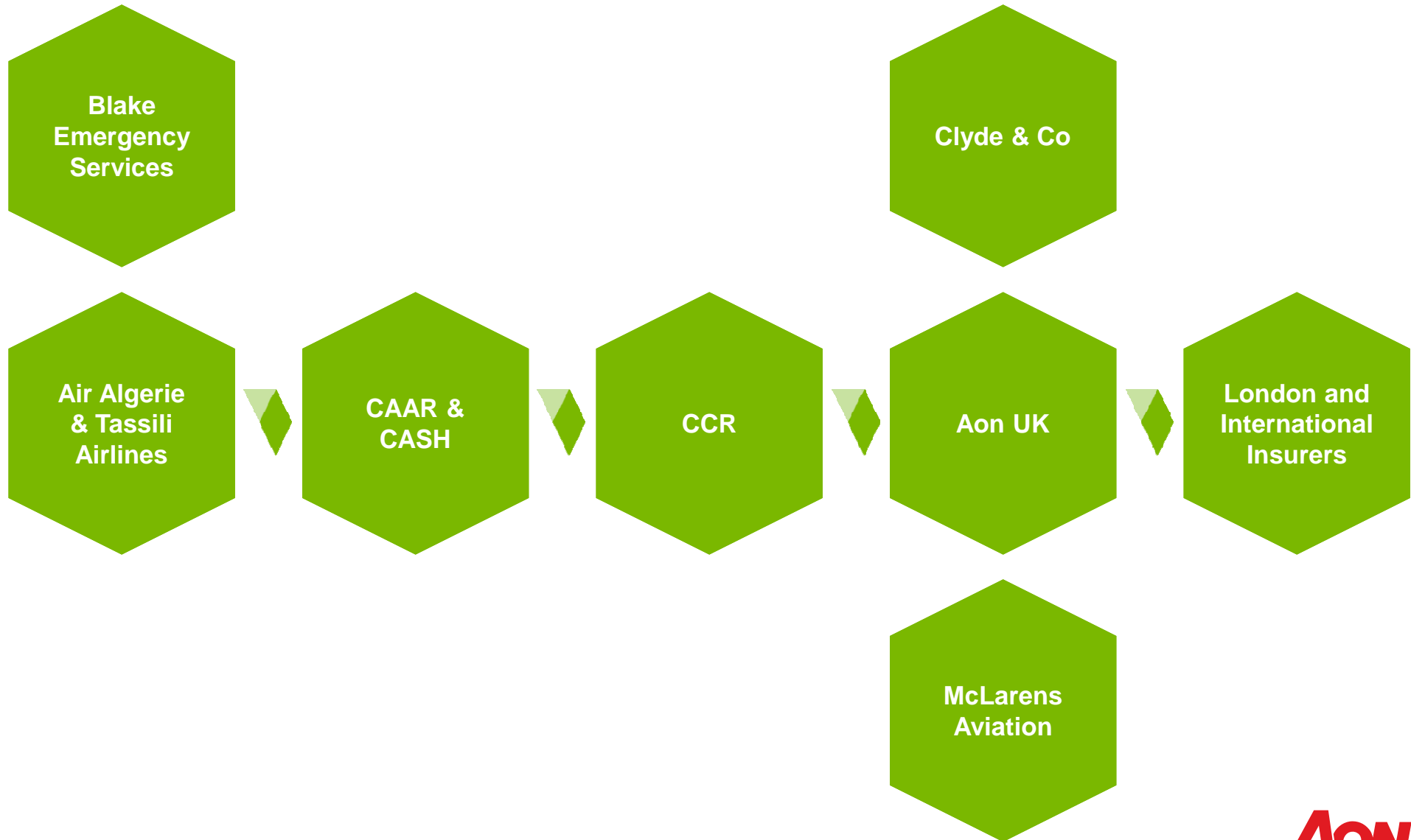
Aon Services: Major Claims Handled

The Aon claims team has been directly involved in many of the world's most prominent aviation losses. The following table, although tragic, will testify the depth of our experience.

On all of these occasions we were closely involved with the cases management to ensure that our clients' interests were protected.

Incident	Date of Loss	Aircraft Type	Loss Location	Passenger Fatalities
Lamia	28/11/2016	RJ85	La Union, Colombia	71
Air Algerie	24/07/2014	MD-83	Near Gossi, Mali	110
Ethiopian Airlines	12/07/2013	B787-8	Heathrow, London UK	Nil
Dana Air	03/06/2012	MD-83	Agege, Lagos, Nigeria	146
Caribbean Airlines	30/07/2011	B737-800	Georgetown, Guyana	Nil
EgyptAir	29/07/2011	B777-200	Cairo, Egypt	Nil
Afriqiyah Airways	11/05/2010	A330-200	Tripoli, Libya	104
Ethiopian Airlines	25/01/2010	B737-800	Off Beirut, Lebanon	82
Air India	04/09/2009	B747-400	Mumbai, India	Nil
Lionair	09/03/2009	MD-90	Jakarta, Indonesia	Nil
Colgan Air	12/02/2009	DHC-8	Buffalo, New York	46
Spanair	20/08/2008	MD-82	Madrid, Spain	148
China Airlines	20/08/2007	B737-800	Okinawa, Japan	Nil
Bellview Airlines	22/10/2005	B737-200	Lisa, Nigeria	118

Placement Structure



Emergency Procedures

- Telephone numbers work/home
 - Brokers
 - Loss Adjusters
 - Lawyers

Who does the Broker work for?



- The broker:
 - Always acts in the clients best interest
 - Is your partner in the risk/Insurance field
 - Provides immediate support when a claim occurs
 - Protects client interests
 - Encourages insurers to be sympathetic to our client's needs
 - Promotes constant awareness of client image and reputation
 - Provides effective and lasting claims solutions

What Happens with a Major Disaster?

- When an aircraft crashes there are two areas of immediate concern for both Operators and Insurers
 - The vital concern of securing the well being of survivors and assisting the families of those killed to deal with the material consequences of their bereavement in both the short and long-term
 - The other principle area of immediate concern is the desire to establish the circumstances in which the incident occurred.
This is of the utmost importance because not only the need to establish the cause of loss for safety reason but also so that Aon can on your behalf immediately collect the money that are due from Insurers

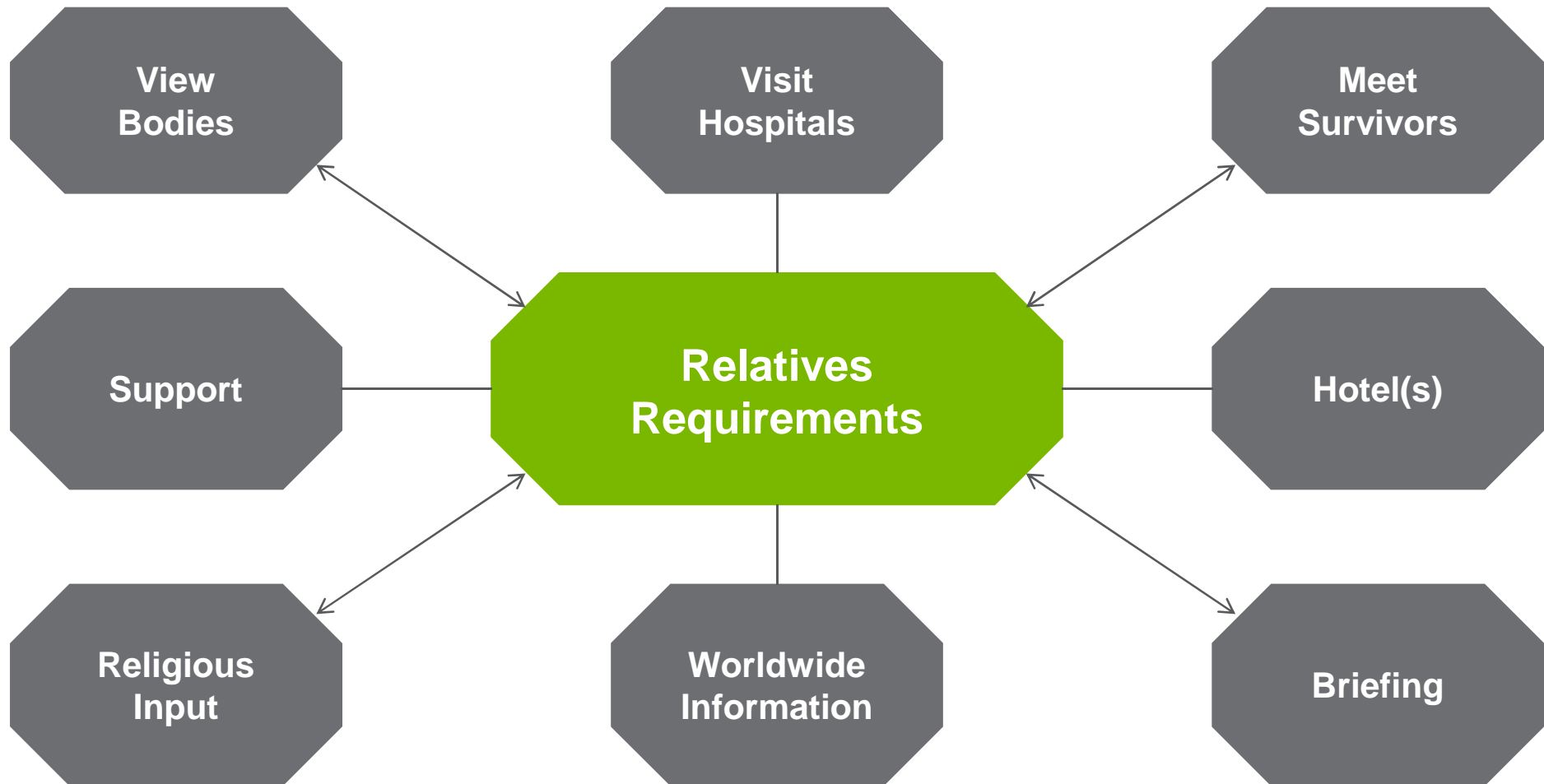
The Insurer's Case for Adequate Loss Reserving Practices

- Auditing requirements
- Regulatory requirements
- More stability/predictability in market results
- Created flexibility to:
 - Negotiate difficult cases
 - Defend against aggressive plaintiffs
 - Settle challenging claims when necessary
- Claims do not get better with age!

Financial Implications

- Importance of consultation with broker, lawyers and the insurers
- Meeting the immediate financial needs of passengers and relatives of the deceased
- Record keeping
- Additional demands on staff
- Meeting immediate financial needs and issues of compensation

Disaster Management



Average Passenger Settlements

