Q4 EDITION 2021

PLANETALKING

A SPECIALIST RISK PUBLICATION FOR THE AVIATION SECTOR

FEATURE ARTICLES

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A TIPPING POINT...

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RAMPANT INFLATION IN DAMAGES, A RISING TREND?

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STRATEGIC PARTNER IATA INTERNATIONAL AIR TRANSPORT ASSOCIATION

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Founded by Arthur J. Gallagher in Chicago in 1927, Gallagher has grown to become one of the largest insurance brokerage, risk management, and human capital consultant companies in the world. With significant reach internationally, the group employs over 32,000 people and its global network provides services in more than 150 countries.

Gallagher's specialty divisions offer expert insurance and risk management services. We provide bespoke policy wordings, programme design and risk placement solutions, and consulting support across a range of specialisms. We manage complex, large, global risks on a direct and wholesale basis and serve as primary access point to Lloyd's of London, London company markets, and international insurance markets.

WE HELP BUSINESSES GO BEYOND THEIR GOALS. IT'S THE GALLAGHER WAY.

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EDITORIAL TEAM›

RICHARD ADAMS
Partner, Gallagher Aerospace
+44 (0)204 511 4625 | Richard_Adams@ajgaerospace.com

BRAD HILLS
Partner, Gallagher Aerospace
+44 (0)204 511 4642 | Brad_Hills@ajgaerospace.com

EXECUTIVE FOREWORD

Welcome to the fourth quarter (Q4) 2021 edition of Plane Talking brought to you by the Gallagher Aerospace team.

In this year-end edition, we cover a broad range of topics from commentary on current aviation market conditions, and a Q&A with Nigel Weyman, Aerospace Global Executive at Gallagher Aerospace to a summary of recent news and market moves. Additionally, this edition features several interesting articles from external contributors including Rachel Barrie, Group Chief Executive at Global Aerospace, Andrew Nicholson, CEO of Osprey Flight Solutions and Nick Hughes, Consultant to Gallagher Aerospace at NMLH Limited. We are deeply grateful to each of these contributors for their very interesting insights.

As we reflect on the past year, it is clear that 2021 has been another hugely challenging time for aviation. The start of 2021 essentially carried on from where 2020 ended with continued travel restrictions impacting operations. As we progressed into the second half of the year, restrictions eased, flight activity increased and many of us were able to reunite with our friends, family and business colleagues. However, as the year closes, we find ourselves once again facing uncertainty around the future outlook as a new coronavirus variant has brought fresh travel restrictions which threaten to delay recovery efforts. It remains too early to say what impact this latest variant may have but we remain cautiously optimistic that we may be back on track soon.

Fortunately, from an aviation insurance buyer perspective, following a prolonged period of hardening, market conditions are improving. Capacity and competition has increased. As the fourth quarter of 2021 concludes, rating trend curves have flattened across all sectors, albeit at different levels. Looking forward, pandemic challenges may persist as a significant dimension of complexity to negotiation with insurers. Yet, we expect to see a more stable insurance market in 2022 with less price volatility. Despite ongoing and evolving demands, I am confident that brokers and insurers will continue to work together to deliver a measured, long-sighted approach that will support our mutual clients through their recovery.

From a Gallagher perspective, reflecting on 2021, I am very pleased to say that our team has remained incredibly focused and energised in helping our clients through the tremendous challenges they have encountered. We expanded our resources with more than 30 new recruits in 2021 and I look forward to welcoming our Osprey Insurance colleagues into our global Aerospace team from January 2022. We will continue to invest in our people, in recruiting specialist talent, in new tools, technology and partnerships, which I hope will maintain and indeed extend value to aviation buyers seeking the highest quality insurance advice and broking.

Lastly, we extend our deepest thanks to each and every one of our highly valued partners for your business, support and confidence throughout 2021. We wish you and your loved ones a healthy, happy and prosperous 2022.

We hope you enjoy this edition. Please don't hesitate to get in touch.

PETER ELSON
Chief Executive Officer, Gallagher Aerospace
+44 (0)204 511 4588 | Peter_Elson@ajgaerospace.com

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If so, then please contact us at:
info@ajgaerospace.com

01. LEAD LINES: IN CONVERSATION WITH RACHEL BARRIE

AUTHOR: **RACHEL BARRIE**, GROUP CHIEF EXECUTIVE AT GLOBAL AEROSPACE

In this feature, Rachel Barrie answers a series of questions, posed by Gallagher Aerospace, covering a wide-range of topics including some of the most recent trends and challenges facing the aviation insurance market.

You could say your new role begins a new era for Global. What changes, if any, would you like to make?

I am not sure if it is a new era, but it certainly is an incredibly exciting opportunity that I am looking forward to. With any change of leadership there is the chance to take stock of where we are as a company, and where we are going. I am keen to review our business across all areas, pursue opportunities and see where we can enhance our products and services.

Global's risk appetite will remain relatively unchanged in this current market environment. However, we will be focusing on areas we can grow and develop in a sustainable way. It is important to strategically review our portfolio and, by doing so, we can pivot quickly on emerging products and trends whilst maintaining our core customer focus.

I want Global to be an organisation where people aspire to work. Succession planning and continued hiring and retaining of good talent is foremost on my mind. This will be balanced with further investments in technology, leading to enhanced digitalisation and product innovation. E-trading is another area that I advocate but where we have yet to see real traction in the marketplace.

Finally, our customers deserve a review of the way we sell our services, providing longer term and more flexible products than we have in the past. Market dynamics and co-insurance placement structures currently limit opportunities for creative thinking in this area and I am keen to develop them.

Whilst no wholesale changes are immediately on the horizon, I am razor focused on continually evolving and running Global in an efficient, sustainable, and effective way to serve the changing needs of our clients. Global is an incredible brand, trusted by clients and their brokers around the world, and my goal is to further enhance our value proposition over the coming years.

Do you feel you are at a disadvantage being a mono line insurer?

Far from it. In fact, I see it as a huge advantage and differentiator. Being a specialist means that we are undistracted by other lines of business and can concentrate on how we serve our client's needs in the best possible way.

We are not a large company, but we are backed by some of the strongest security in the market. What makes us so special is our independence and our ability to make our own decisions allowing us to move quickly on opportunities.

Uniquely, our customers and brokers benefit from direct access to decision makers. To have a CEO with an aviation insurance background means our clients know that the ultimate decision maker understands their business, their concerns, and their key drivers. This extends to both underwriting and claims, as neither function reports outside of aviation, unlike many of our competitors.

The team at Global across our entire network live and breathe aviation. Our team is highly motivated to be the best, continually improving and developing our business. Being a monoline insurer is what makes Global such a unique place to work and gives us the ability to facilitate our client's insurance needs in an efficient, innovative and highly competent manner.

Some recent US liability judgements have been for extraordinarily high amounts, will these have an impact on underwriting strategy?

The level of social inflation we have seen in the US over the past 12 months is staggering, and a concerning development. I am often asked what keeps me up at night and this would top my list as the levels of awards are both unpredictable and seemingly out of control.

The issue for aviation insurers is threefold. Firstly, we give large limits when compared to other sectors. Secondly, plaintiffs can often bring litigation into the US jury system - even if the insured's

domicile is outside of the US. Finally, the legal fees required to defend a claim can be significant, and even a successful defence can lead to high associated costs.

Any large award will make us reflect on our underwriting strategy. The situation with potential awards in the US will mean that we will have to review our portfolio to understand possible exposures and consider coverage, sub-limits, and line size deployment. Where legal liability attaches there should always be fair compensation for plaintiffs and their families, but there are some unsettling trends and we would like to see an informed jury who understand the complexities of proper damages calculations and verdict forms.

This is a highly complicated area and some of these recent 'nuclear verdicts' are for single plaintiff awards. What the total liability settlement for a US wide-bodied aircraft accident would be in this current era is difficult to estimate, but if these single awards are anything to go by, the market would need an immediate reflation. As insurance providers, we need legislative change as, without it, the liability limits available will ultimately need to be capped, to the detriment of our clients. Perhaps a real driver of change would be the aviation industry itself lobbying for Tort reform and limitation on awards, or maybe even a review of the extent and scope of international conventions.

COP26 gave renewed focus to the challenges of decarbonising the aviation sector and goals of net zero CO2 emissions by 2050. What are you doing to support your client's ESG strategies?

Over the last year we have seen the prominence of ESG in our clients overall corporate strategies and their determination to implement meaningful environmental policies. We are enthusiastic to support our clients as they promote their environmental policies, particularly through the development of new technology. Throughout Global's history, we have been at the forefront of supporting new and next generation technology. There is real excitement across Global about the investment in emerging technology to help support a sustainable future for aviation. As a specialist insurer we want to see the industry continually evolve and embrace greener technology. We are actively seeking out opportunities to work with developers of alternative propulsion systems and sustainable fuels, eVTOL manufacturers and other new technologies to provide effective insurance solutions.

In terms of our own environmental initiatives, we are carbon offsetting all our premises and business air travel as a Carbonfree® Annual Partner. In addition, Global has an environmental underwriting policy that supports and advocates the use of green and next generation technology, with additional checks on aircraft equipped with less efficient engine types. We also review the underlying business of operators and their corporate sustainability policies.

Data analysis seems to be held up as the next big step in underwriting, is this going to be a game changer or is it never going to override classic underwriting and market forces?

Underwriting has always been a mix of art and science. For high volume classes, access to a large client base and consistent data points makes data analysis highly effective and cost efficient. It is easier to use data analytics in more stable and predictable lines of business and there are meaningful cost benefits in doing so. The challenge is being able to put in place efficient data analysis in the aviation sector because of the volatility of the class and restricted data available.

That said, data analysis is a crucial part of what we do, assisting us with proactive risk assessment during the underwriting process. We have made meaningful steps in the application of data analysis through our own in-house developed systems, such as our portals and claims dashboards. As an example, our claims dashboards are bespoke, customer focused tools that allow our clients to analyse their own claims trends. Technologies such as these bring together new and legacy data in an interactive way that leads to high customer engagement and real partnership.

Is data analysis a 'game changer'? The answer is possibly. It will be critical to supporting and driving our business forward. Market forces will still have a huge influence on pricing and there will always be a strong element of art in such a niche sector of insurance as aviation. Using data more effectively will enable us to recognise opportunities, support emerging businesses and help us deliver a stable, dependable insurance product for our customers.

TO FIND OUT MORE ›

RACHEL BARRIE
Group Chief Executive, Global Aerospace
RBarrie@global-aero.com
www.global-aero.com

02.IN FOCUS: AIRLINE INSURANCE Q&A

At the end of 2020, conditions in the aviation insurance market remained challenging with airline renewals continuing to experience upwards pricing pressure in-line with an on-going hardening market trend, strong underwriting discipline and overall focus on profitability. The question was, just how would this trend develop in 2021? In this feature Q&A, Nigel Weyman, Aerospace Global Executive at Gallagher Aerospace, looks back on 2021 and discusses the latest trends and market conditions in the airline insurance market.

The aviation insurance market has been going through a prolonged period of 'hardening', how did conditions develop in 2021?

At the end of last year, in this interview, I urged insurers to put a 'hold' on further increases in order to give Airlines a chance to 'gather their breath' on their road to recovery. Positively, as we entered 2021, we started to see a deceleration of rate increases and as the year progressed rates continued to moderate further. Indeed, as we entered the final months of 2021, the rating curve was largely flat at around 'as-before' levels and on a handful of risks we even saw the introduction of small rate reductions. I doubt this market softening was as a result of my Plane Talking interview but it is clear that underwriter emphasis shifted in 2021 from its earlier focus on rate increases to rate adequacy and market share and I would hope that this leads to a more stable market in 2022.

Last year, the pandemic impacted renewal negotiations significantly, did anything change in 2021?

Unfortunately not really. Early in 2020, industry expectations were that the outlook for global airlines would brighten in the second half of the year, albeit with the pandemic continuing to pose challenges. When many of the renewals were negotiated back in 2020 (particularly the second half of the year) most airlines held this sentiment and were looking optimistically at a slow but steady recovery based on progressing vaccination programs and an expectation that things were starting to return to normal. However, this scenario did not transpire and Covid-19 brought further challenges with new variants and increased case numbers leading to fresh travel restrictions throughout the world. As a result, the actual exposures of many airlines were way below their inception forecasts, so understandably they were once again looking for a sympathetic response and premium/financial relief from their insurance partners. The consequence of this produced a repeat of 2020, with added complexity around every renewal with hard fought discussions with underwriters around the renegotiation of minimum premiums and cash flow relief, against their ambitions for more premium.

It is clear from the latest results, underwriting performance is improving, what is the current sentiment of aviation insurers and has their focus changed?

Insurer remediation efforts over past renewal cycles have improved pricing adequacy and underwriting performance, and the main focus of insurers this year seemed to be maintaining or increasing market share. Higher rates and the opportunity for greater return on capital were a likely factor but largely this was driven by low loss levels in 2020 and 2021 and the prospect of real profitability, despite depressed premium levels. This drive for market share fuelled an increase in available capacity (mainly from existing insurers) which swayed the supply and demand balance, increased competition and created an opportunity for brokers to negotiate lower prices on many renewals. The broad range of renewal results achieved were however, heavily influenced by each individual Airline's loss record. This created a feast or famine type of scenario with profitable programmes seeing a surplus of capacity that inevitably drove rates down, while conversely, loss making programmes, where insurers were standing their ground, continuing to experience little to no rate relief and in some cases further rate increases.

What happened in 2021 in respect of capacity?

As mentioned earlier, capacity increased in 2021 and this swayed the supply and demand balance towards buyers for the first time in some years. The majority of the increased capacity available in 2021 came from existing markets by way of increased appetite/participation and via expanded offerings, but we also witnessed the entry of several new markets, which brought further capacity and options. As the year progressed, a 'popular' risk could have some 15% to 20% additional capacity available at renewal, and this gave added leverage to broker negotiations and meant that many insurers would see their shares reduced or price compromised. Great news for those clients that fell into this category but no doubt frustrating for insurers!

Aviation loss levels remain down on 'normal' years due largely to the pandemic, do you expect this trend to continue?

It must be said that 2021 was an exceptionally good year in terms of major losses and attritional claims are also down, but obviously, we must be mindful that many airlines were still not operating at anything like pre-pandemic 'normal' levels. Match this low loss activity against the minimum premiums stipulated on most airline renewals and 2021 has likely been a very profitable year for insurers. However, this scenario may be a little bit of a 'fool's paradise' as it is inevitable that loss frequency will increase to some degree as operational levels pick up. Add into the mix the growing severity of loss, both in terms of cost of repairs to new generation aircraft and engines as well as inflation in liability awards (some of which have really shocked the industry) then things may not be as benign as they may initially appear. Time will tell.

Aviation underwriter and broker personnel movement continued in 2021, what impact, if any, has this had?

The industry as a whole is experiencing a war for talent and staff defections, M&A activity, market disruptors and other factors continue to create resource pressures, for those affected. There has been significant movement in both the insurer and broker sectors of late, which has impacted the industry both now and will also in the future. The high profile aborted acquisition of WTW by Aon destabilised both companies from an employee and business point of view. This resulted in high personnel movements and some lost business. On the underwriting side, several high profile movements took place which will impact next year once their employment caveats end and it will be interesting to see how the consequences of these moves affects the incumbent insurer relationships with their clients. Fortunately, for Gallagher, our aerospace team has remained stable throughout this disruption and has in fact continued to grow, enabling us to focus all our efforts on our clients and delivering service excellence and results.

What do you see as the biggest threat to the aviation insurance market?

With insurers having given back large portions of premiums on the back of missed exposure forecasts and exceptionally low loss levels, there is the risk that insurer management will attempt to impose underwriting restraints to try to stop the current market softening, or worse, possibly attempt to increase rates again should loss levels revert to pre-pandemic 'normal' levels. Clients cannot deal with such uncertainty when it comes to insurance pricing, particularly when they are trying to battle the ongoing pandemic challenges and unknown. They need stability and predictability and, ideally, an insurance product that can sympathetically adjust to reflect their changes in exposures as they happen. We have seen (and encouraged!) these acts of generosity and largely insurers have responded positively to assist those clients adversely impacted by the pandemic, but insurers need to have some expectation of profitability to be able to do so. We need a period of low loss activity as airlines gradually bring operational levels back to normality. If this happens then insurers can build on the natural growth in the business to harvest more premium and keep their books balanced. If loss levels are high however then panic may set in, capacity will tighten and the fight will be on.

Similarly, what do you see as the biggest opportunities?

Relationships between people are truly tested and proven when times are tough. They have never been tougher in the Airline sector than they are now. How we, the brokers and insurers, conduct ourselves at this moment will impact how we are viewed in the future. I think for the most part the market response has been sympathetic and sensibly commercial and the trust and goodwill is being well earned. That is why the team at Gallagher always go that extra mile for our clients in terms of delivering innovation and value, because we know that what we achieve, particularly in challenging times such as these, represent one of the biggest opportunities we have to increase trust and confidence with our clients for the future.

Lastly, what can aviation insurance buyers expect in 2022, how do you see the market trending?

Future trending will all be about the loss levels and growth in the business. If both of these factors are on the right side then capacity will remain committed, competition will continue and this will have a positive impact on every negotiation. In this scenario, rates are likely to continue on their current downwards trajectory, and the sporadic reductions seen on some renewals in the latter part of the final quarter could become a more prominent feature. However, if loss levels become high and exposure growth does not deliver a natural improvement in overall premium it could be a tough 2022. Regardless of future trending, I am extremely confident that the Gallagher team has the necessary resources, team innovation and expertise to deliver for our clients.

TO FIND OUT MORE ›

NIGEL WEYMAN

Aerospace Global Executive, Gallagher Aerospace
+44 (0)204 511 4583 | Nigel_Weyman@ajgaerospace.com

AVIATION SECURITY RISK MANAGEMENT

AUTHOR: **ANDREW NICHOLSON**, CEO, OSPREY FLIGHT SOLUTIONS

In a dynamic and rapidly changing operating environment for air transport, the need to maintain the strongest focus on threat intelligence remains paramount to ensuring safe and secure operations in line with ICAO Annex 17 requirements.

Gallagher Aerospace appreciate the critical nature of threat intelligence in aviation security risk management and the importance of accessing the most up to date analytics and data for informed flight operations decision making. We are committed to delivering enhanced risk management value to all our industry clients beyond the core insurance product.

With this in mind, Gallagher Aerospace are pleased to advise their collaboration with Osprey Flight Solutions, the leading provider of aviation security risk management solutions for the air transport industry. By seamlessly integrating cutting-edge technology with world-class human analysis, we believe the Osprey system is set apart as an industry resource for understanding the risks in the global aviation operating environment.

The collaboration is geared to enabling client access to this service and strengthening value to them from insurers' appreciation of the enhanced risk mitigation this delivers.

To mark the opening of this new initiative we are now delighted to share the following thoughts on the aviation security risk environment from the CEO of Osprey Flight Solutions, Andrew Nicholson.

"We are living in a complex world. A cliché phrase I know; much overused, much misunderstood and much ignored. But, when taken at face value, it describes the biggest challenge that faces any sector that needs to understand the environmental factors at play in order to support, inform or make operational decisions.

Historically, there has not been a consistent or objective model used in security risk management. In reality, there have been as many models as there have been aviation security analysts. Every single one has had a slightly different way of viewing the world, coloured by hundreds of sub-conscious preconceptions that are an inherent and unique part of every single one of us. This has, and continues to, completely undermine the true value of security risk management in the aviation sector.

Static risk assessments, subjective analysis, the lack of quantification and data supporting analysis all lead to the perception (usually, if not entirely correct) that security risk assessments or analysis are simply someone's 'opinion' and can therefore, even if sub-consciously, be dismissed in favour of an assessment that better fits the requirement or that doesn't pose the same internally political challenges. If an external organisation assesses an environment as EXTREME risk, and the internal policies or perceptions mean that the word EXTREME will have a significant operational (and commercial) impact, then that assessment, even if it is the best assessment that has ever been conducted, can be dismissed as opinion (because it is) and superseded by an internal assessment that is more acceptable and therefore will have less of an impact.

It is not surprising that we are in this situation. Dealing with all these challenges requires an Herculean effort firstly to reject the status quo, harder still to admit that we were wrong and even harder still to be unrelenting in our self-criticism. Practically it requires the development of new tools to enable us to firstly better understand the environment through the creation and maintenance of models that are complex enough to reflect reality in a useful way, but simple enough to understand quickly and effectively, and secondly that can communicate that understanding in an operationally useful way. But most importantly it requires data to fill those models. Massive amounts of data.

In the last decade the amount of data created, captured, copied and consumed worldwide has exploded. In parallel with this, AI capabilities to ingest, understand, analyse and monitor huge amounts of data have developed exponentially. It was inevitable that, at some point, we would hit a tipping point when the amount of open source data and the computing power would both be sufficient to create a model of the aviation security

environment sufficiently complex to adequately reflect reality, which could be visualised and utilised in a way that would make it both understandable and operationally effective.

We hit that point about 5 years ago.

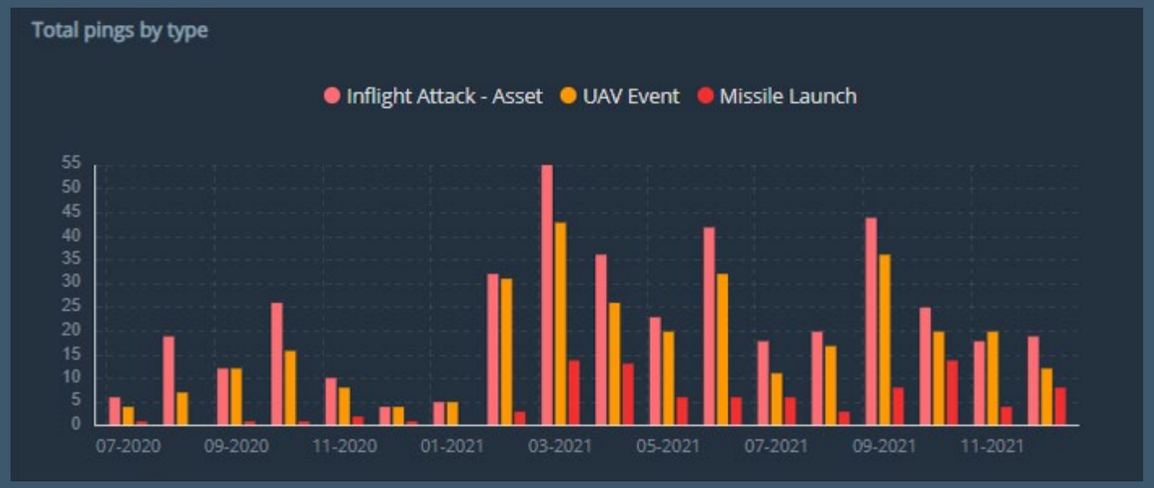
We have a model of the global aviation security environment that reflects reality sufficiently that it can forecast even relatively minor changes in the risk. This is very clear in dramatic events. For example, Osprey's data and analysis isolated the risk of misidentification and shootdown, and we advised against all flight operations within FIR TEHRAN almost 2 hours prior to the regrettable loss incident involving flight PS752, not to mention our circulation of all the alerts and data that was available and highlighted the escalation. But it is also the case for monitoring changing dynamics within an existing situation:

Saudi Arabia – Abha Airport

The military conflict between the Saudi-led coalition (SLC) and Yemeni Houthi rebels has been ongoing since March 2015. Surface-to-surface missile (SSM) and drone attacks against the southwest provinces in Saudi Arabia dropped significantly following peaks in August-September 2019 and remained at consistent levels through 2020. However, there was a sustained increase in such attacks and downings since the start of February 2021. Based on the significant increase of drone and SSM strikes as well as shoot-downs both inside the southwest provinces (Asir, Jizan & Najran) as well as over multiple areas deep inside the interior of the kingdom in early 2021, Osprey assessed there was an increased likelihood of further deterioration of the airspace operating environment over Saudi Arabia in the months ahead. Osprey issued dozens of alerts during this period and raised our airspace risk levels for Saudi Arabian airspace in early 2021. Our alerts allowed the industry to make informed decisions on flight operations within the kingdom amid a dynamically evolving airspace risk environment over Saudi Arabia.

Changing the conversation

The European Union Aviation Safety Agency (EASA) shares the belief that a cooperative partnership within the aviation community, where continuous, dynamic, comprehensive and consistent information sharing becomes the industry standard, is critical for the future of flight safety and security. In early 2021, Osprey was selected as EASA's partner in developing and supporting The European Information Sharing and Cooperation Platform on Conflict Zones. Through their commitment to information sharing, they have achieved what no other government or regulatory body has ever achieved in the history of aviation; a platform that provides a consistent view of all airspaces in which there is a threat or risk to aviation in flight, along with the ability to engage and discuss across the industry within a secure forum.



Source: Osprey Flight Solutions: Explore chart showing SSM launches, drone attacks and intercepts in Saudi Arabia over the past 18 months.

Now the challenge is to get the wider industry to be open to that same self-awareness that is needed to move towards a more globally consistent view of aviation security risk, to understand the security environment better and be able to avoid or mitigate those risks effectively and efficiently.

We all have to admit that there is a better way of doing this. We need to change the conversation."

Gallagher Aerospace sees the collaboration with Osprey as an important investment in supporting our clients around a critical area of their operations and risk profile. Both Osprey and Gallagher Aerospace are registered strategic partners of IATA and Osprey are not only active on projects with them but also have industry engagement for their services with several leading regulators including the TSA and EASA as well as a number of major airlines.

A new age for aviation security risk management – co-founded in 2017 by Andrew Nicholson, Osprey fuses real-time information, technology, and industry-leading expertise to deliver the most advanced aviation risk analysis available anywhere. Our revolutionary data-driven approach provides instant situational intelligence to power dynamic decision making. Being able to see, understand and react to threats as they emerge sets a new standard for ensuring the safety and security of passengers, crew, and aircraft. Because risk isn't static in a fast-moving, turbulent world.

TO FIND OUT MORE ›

RICHARD WILLIS

Client Development Director, Osprey Flight Solutions
Richard.Willis@ospreyfs.com
www.ospreyflightsolutions.com

MARTIN ROSSITER

Partner, Gallagher Aerospace
Martin_Rossiter@ajgaerospace.com

03.IN FOCUS: GENERAL AVIATION (GA)

AUTHOR: **MATTHEW TRUNDLE,** DIVISIONAL DIRECTOR, GALLAGHER AEROSPACE (SINGAPORE)

History would tell us that the hard market cycle never lasts as long as the soft market cycle and once again, this has proven to be the case for the global GA market as we close out 2021. Over recent months we have continued to witness a swing in momentum within the GA market with the previous trend of high-level rate increases now a thing of past. As we enter in to 2022, the GA market looks poised to continue softening and become a more favourable buying environment for GA clients.

Rates and Premium

The start of 2021 essentially carried on from where 2020 left off and the GA market was a challenging environment with steady rate increases and a continued level of discipline within the underwriting community. Full capacity wasn't always utilised on any given risk and as a result 'working capacity' at the right pricing levels still created Brokers and clients with a challenging renewal. In general, insurers had maintained the momentum they gained in 2020 and were continuing to push for an overall 'correction' of rating levels.

Fast forward to the end of the first quarter and market conditions were showing some signs of levelling out. Each individual risk was still being reviewed and rated on its own merits but those with clean loss records and growth were benefiting from more favourable terms. In addition to this, competition for lead position and market share had returned and as a result, the position started to look more favourable for buyers again. As we continued to navigate through 2021, the market softened further and rate momentum tapered off as competition increased and underwriter resolve waned. In particular, we are seeing an increased level of competition from following markets as market share becomes a priority. This in turn has enabled the brokers to leverage out any insurers who achieved higher premiums than the leader in previous years and replace their capacity with alternative markets at more competitive levels of premium, including those insurers already on the placement that are looking to increase their share.

As we enter in to 2022, 'as before' rates have become a starting point for most renewal negotiations, with relatively clean/profitable business able to achieve and in some cases even improve on this position. Whilst some readers will feel differently (mainly from our underwriting community!), absent of major losses, our outlook for 2022 will see the return of rate reductions for those risks that are profitable and have a good reputation within the market. Loss-active/un-profitable accounts and or those risks requiring large limit capacity remain a slightly more challenging market however, things have improved significantly from where we were 12 months ago.

In general, GA market activity has stayed fairly stable throughout the pandemic, meaning the overall premium base has not been as heavily impacted compared to other sectors. The insurer remediation efforts we have witnessed over the past few renewal cycles appear to have moved technical rating levels close to target adequacy and these factors coupled with reduced loss activity, has allowed insurers to deliver improved underwriting performance. Subsequently, the focus of insurers now seems to have shifted towards retention and growth, a positive factor for GA insurance buyers. It yet remains to be seen however, if the newly built global premium base will support an acceptable level of profitability for underwriters should loss activity increase to pre-pandemic levels, however we do believe that the market is now trending in the right direction for buyers again and this allows us to be very optimistic.

Capacity

Pre 2021, the previous few years had seen considerable challenges for GA renewals in respect of capacity. A number of prominent insurers exited the class, both via withdrawals and through merger activity, overall appetite reduced, line sizes contracted and there were fewer lead options available. The result brought considerable pricing pressure on GA risks, particularly those that required the participation of two or more insurers.

However, as we entered 2021, several new markets and expanded offerings appeared, adding options, and it wasn't long before we started to see competition increase and insurers looking to deploy larger shares at more competitive terms. This trend continued to develop throughout 2021, and by the fourth quarter all but the most challenged risks were in the position where there was sufficient, if not excess capacity, available at renewal. This was a key factor in the overall softening of rates seen in this sector.

Looking ahead, we expect capacity to remain stable, several carriers recently announced increased Hull and Liability capacity for 2022 and we could see additional new entrants and options become available. That said, as we have mentioned previously loss experience will remain the main driving factor to the capacity available. Although some risks will continue to face capacity challenges in 2022, for those clients with the 'right' risk profile and levels of account profitability there is increased competition and options which is welcome news after a prolonged period of hardening.

Losses

While due to the diverse nature of GA there is limited data around exposures and claims in this sector, the general market consensus is that the GA sector has experienced another good year in terms of overall losses. Most would agree that pandemic has undoubtedly led to some reduction in claims, but just how much is impossible to quantify. According to preliminary data released by the AOPA Air Safety Institute the number of GA accidents fell for the third year in a row with the lowest number of fatal losses recorded in the past decade. Loss of control during the landing phase and VFR flight into instrument conditions continue to be the leading causes of fatal losses, with the greatest number of accidents reported for private single-engine aircraft.

Unlike airline equipment, GA aircraft are typically lower value. Most GA losses tend to involve just one or two insurers, as opposed to multiple markets, meaning the likelihood of a GA loss becoming a market event is considerably low. That said, severe weather events, such as tornados, hail or flood, do represent a risk in this respect given their aggregated damage potential. Although most GA clients are often able to evacuate/secure equipment quickly and at short notice, there have been several weather events in recent years, which have led to some significant market claims. Indeed, in March 2020, a tornado stuck John C. Tune Airport in Nashville, resulting in an estimated USD 100 million in combined claims, some 90 plus aircraft were damaged. Meanwhile, 2021 has witnessed two notable hail storm incidents in which multiple aircraft were damaged. The most recent event, was recorded in December 2021, when a deadly tornado struck Danville-Boyle County Airport in Kentucky damaging around a dozen aircraft and some 18 hangars. The full extent of damage is unconfirmed but initial indications are that the aircraft were piston airplanes and the airports large corporate GA hangar escaped unscathed, therefore overall claims are likely to be islolated to individual insurers and minimal in comparison to the 2020 Nashville loss.

Although severe weather events are unpredictable, for GA clients, having a thorough understanding of your risk, location perils and having appropriate risk procedures in place is critical to helping mitigate against losses. It can also help reduce your insurance costs, as many underwriters are typically willing to offer pricing incentives to those clients that can demonstrate enhanced safety protocols surrounding elements such as the evacuation of aircraft or storage of spares.

Future outlook

- Signs of a more positive environment for GA insurance buyers in 2022
- Absent of high loss levels, or a major event, we anticipate further moderation in technical rates
- Capacity levels and competition expected to increase
- Individual loss records will remain a major driving factor in pricing
- The individual circumstances and policy specifics of each operator will influence the results
- Variation in pricing levels between risks in different geographies and operational sub-sets will also remain

WOULD YOU LIKE TO TALK?

MATTHEW TRUNDLE

Partner & Divisional Director, Gallagher Aerospace

Matthew_trundle@ajg.com

04.IN FOCUS: AEROSPACE INFRASTRUCTURE

AUTHOR: PAUL WRENN, PARTNER, GALLAGHER AEROSPACE

In our last update, we reported a continuing trend towards market stabilisation, primarily derived from a more measured approach by insurers as industry stakeholders collectively emerged into what appeared to be the beginnings of a post-pandemic era. This trend continued throughout Q4, but by year-end it was clear that there will be further pandemic headwinds that need to be navigated as we move into 2022.

Current trends

Previous editions of Plane Talking have highlighted the necessity to manage the implications and impacts of the COVID-19 pandemic, which has extended its reach to overshadow a second round of renewals within the aerospace infrastructure sector. Positively, in 2021, restrictions eased and by Q3 the industry found itself on a path to exposure recovery, one of the key drivers of insurer pricing models. However, as the year concluded the emergence of the new Omicron variant provided a reminder to insurers of what has come before and the potential uncertainty that lies ahead as it continues to push for a sustainable Premium base.

The claims of the past ten years, in particular 2018/19 where the overall loss to the Aerospace Infrastructure market was circa USD2bn, continue to dominate Insurers' pricing models. Many insurers were looking to the next 12-24 months as a post pandemic period with the expectations that premium income would grow as risk exposure came back online. Insurers remain focussed on inflating their premium base to ensure a sustainable platform to write from in the future, so if exposure does not return as expected, then the knock on effect is likely to be a period of uncertainty while insurers review their budgets and strategies.

A strong market balance sheet will ultimately benefit our clients in the aerospace community over the longer term, but it does mean that premium increases are still being targeted, albeit at more moderate levels, and this is continuing to hinder clients as they also look to rebuild their balance sheets during these uncertain times. While the push for premium increases remains, we have observed more willingness from Insurers to work harder and be more flexible to maintain shares on risks they value. This is a step change from 2020/early 2021, when many Insurers were prepared to walk away from any risk, regardless of its quality, if they were unable to achieve the required increase mandated by their senior management. This more commercial approach should lead to a more stable market in 2022 and can only benefit clients in moving negotiations more in favour of buyers, but we remain someway off from a return to a soft market.

Capacity

Since Q3, capacity has steadily increased as appetite from individual insurers creeps back, particularly in those more desirable sectors. With premiums still on the rise and approaching a more adequate level, insurers are now more willing to deploy greater capacity on individual risks. This will ultimately drive competition, but at this point insurers still proclaim that further premium growth is needed to achieve true sustainability, once the world fully re-opens and operations return to pre-pandemic levels. This message remained consistent for the second half of 2021, but as the year closed, a small number of Insurers did look to trade pricing against share of risk to cover budget shortfalls.

Losses

2020 and 2021 remain inactive in terms of large losses so far in this sector. There is a concern about the level of attritional losses in the airport and ground handling sectors, with continued claims during the pandemic when exposures have been limited, and this is fuelling insurers' worries about premium income sufficiency. The focus does remain on US litigation though, where social inflation continues to push claims awards higher, and in some cases to extreme levels as evidenced in the recent award against Allied Aviation Fueling (Allied) following an incident in 2019.

The 2021 verdict found both Allied and its employee liable and a significant sum of over USD352 million in damages was awarded to the Plaintiff and his family. This award has naturally concerned insurers, both those participating on the Allied policy and those writing similar types of business globally. Many Insurers cite this as further evidence of "social inflation" and some may attempt to re-rate certain risks arguing that claims should be settled faster to try to avoid similar outcomes.

While the scale of the Allied award is a concern for all industry stakeholders, it should be viewed in perspective. This is a single claim and it remains unclear what the final quantum will be should the defence appeal and be successful. It also needs to be emphasised that this is not the first time we have seen what appears to be a vastly overinflated award, and it won't be the last, but fortunately such instances are still rare. What is important for buyers to remember is, regardless of jurisdiction, there is no overwhelming need to rush to settle under or over the odds just because of the perceived precedent set by the Allied case. As ever, the correct broker and legal representation remains key.

Future outlook

- We have a far more confident outlook as we move into Q1 2022 in the form of a marketplace that seems to be stabilising, but the impact of Omicron needs to be monitored
- Capacity continues to grow, but may level-off as markets begin to fill 2022 budgets.
- Less consistency in premium percentage change due to differing exposure development.
- Rating adequacies remain at the forefront of insurers underwriting.

WOULD YOU LIKE TO TALK?

PAUL WRENN

Partner, Gallagher Aerospace

+44 (0)204 511 4692 | paul_wrenn@ajgaerospace.com

SPECIAL FEATURE – RAMPANT INFLATION IN DAMAGES, A RISING TREND?

AUTHOR: **NICK HUGHES**, CONSULTANT TO GALLAGHER AEROSPACE AT NMLH LIMITED

The damages recently awarded at trial by a Jury in Texas, in a very serious injuries case, reconfirm the substantial exposures faced by businesses today. The damages are so large that in another case whether, as here, for an individual or for multiple victims, similar verdicts could challenge the adequacy of traditional insurance limits. This situation arises not out of punitive damages but out of an award of compensatory damages.

On 7 September 2019 at Houston Intercontinental Airport, wing walker Ulysses Cruz, was struck from behind by a vehicle driven by a Reginald Willis, an Allied Aviation Fueling Company employee. Ulysses had been walking behind a United Airlines aircraft, under tow, wearing a high visibility jacket but reportedly Willis did not see him as the sun was in his eyes early in the morning. Ulysses suffered multiple injuries and was paralysed, he later suffered a stroke. The accident will obviously have changed his life and that of his immediate family.

The Jury found that the accident was caused by Mr Willis driving but that Allied Aviation were also negligent in failing to properly train him, they apportioned liability as to 30% Willis and 70% Allied. Ulysses was deemed blameless.

The noteworthy aspect of this case, is the size of the damages. A huge sum of over USD 352 million was awarded on 25 October 2021. The combined elements of the Verdict, for each of the Plaintiffs (the injured man, his wife and two children) amount to approximately USD 35 million as compensation for their economic losses and nearly USD 318 for their non-economic damages, as illustrated below:

Economic Damages	Award (USD)
Medical Costs (Past)	$2,000,000
Medical Expenses (Future)	$30,000,000
Loss of Earning Capacity (Past)	$290,000
Loss of Earning Capacity (Future)	$2,600,000
Loss of Household Services (Past)	$32,000
Loss of Household Services (Future)	$100,000
Subtotal:	**$35,022,000**
Non-Economic Damages	Award (USD)
Physical Pain (Past)	$15,000,000
Physical Pain (Future)	$70,000,000
Mental Anguish (Past)	$15,000,000
Mental Anguish (Future)	$70,000,000
Physical Impairment (Past)	$15,000,000
Physical Impairment (Future)	$35,000,000
Disfigurement (Past)	$10,000,000
Disfigurement (Future)	$22,500,000
Loss of Consortium (Past)	$150,000
Loss of Consortium (Future)	$25,000,000
Loss of Parental Consortium (Past)	$50,000
Loss of Parental Consortium (Future)	$20,000,000
Loss of Parental Consortium (Past)	$50,000
Loss of Parental Consortium (Future)	$20,000,000
Subtotal:	**$317,750,000**

Source: Harris County District Clerk.

The verdict on liability may or may not be arguable. The amount of damages awarded could even in the context of other awards, be held to be excessive but to an extent this is uncertain until the case resolves. Under usual arrangements, either of the parties can ask the Judge to review the Award or proceed to one of two intermediate appellate Courts and ultimately to the State Supreme Court. There may be negotiations to settle at a different amount. However, the case will still result in a very high figure in damages that commands attention.

The Court was the State District Court for Harris County in Texas, a big Court with some 26 Judges and approximately 70,000 pending cases (criminal and civil) a year. Located in Houston, it's part of one of the most populous counties in the USA, so, many other cases, including, as here, arising out of aviation risks, will be filed there and Awards picked up in other places.

The Judge, Ravi K. Sandill took charge of the case late on after an earlier Judge had ruled that the case should be decided by her without a Jury, which led to a series of appeals before a Jury trial ('in person') was ordered. Judge Sandhill is one of the more experienced Judges in the County. He did not assess the damages. The Jury did that but in terms of any post Trial review some counsel in the USA will make, as a general point, that elected Judges with political affiliations and a polarised situation between the major parties can possibly have an influence on approach.

The Jury are always to an extent an unknown quantity and no one knows how the Covid pandemic has impacted their thoughts and processes. This was an in person jury and that has not been common in the last year or so.

The Parties' selection of lawyers and their team working and tactics can of course influence outcomes. The claimants' attorney has been a leader of Texas bar associations and is a well-regarded, highly capable lawyer. The lead trial lawyer for Allied/Cruz is a famous high-profile criminal-defence and commercial lawyer who worked with a local firm very experienced in personal-injury cases.

The way a case is managed can also be influential. Concerns about the first judge may help explain why Allied/Cruz petitioned the District Court of Appeals to have the claims decided by a jury rather than by the judge. Only the parties know the full story but many Defendants prefer to avoid a jury particularly when it comes to deciding the amounts of damages to be awarded. There may have been settlement negotiations which, for whatever reasons, failed.

So are we now seeing rampant inflation in damage awards?

Damage awards such as these in the USA are a particular challenge. There is some debate as to whether the concept of what, to a Jury, is regarded as a 'big number' has changed in recent years and whether such awards are part of a rising trend. There are other examples of substantial damage awards in aviation cases. However, such occurrences are rare, and secondly, although each case is different, all were materially less than this latest example. They include a pre-trial award of over USD 100 million to a flight nurse severely burned following an Air Methods Airbus helicopter crash in 2018, and an award of over USD 148 million to a woman paralysed following a shelter collapse at O'Hare International Airport in 2017. Also, as in the latter example, lawyers appealed the verdict as "excessive" and ultimately settled at the lower amount of USD 115 million. Such post-verdict settlements are not uncommon and indeed lawyers will reportedly appeal the Willis/Allied award. Nevertheless, based on the reductions seen in past examples, any revised award or settlement is still likely be a very substantial figure.

In summary, whilst very high damage awards are justifiably a concern, awards in excess of USD 50 million are infrequent. We therefore need to put these very high value cases in context; if we consider the size of the aviation market and how many people are or could be injured at airports/on aircraft every day, then it is difficult to argue that the limited number of cases of such magnitude during the past decade constitute evidence of rampant inflation in damages generally but rather of very serious injury cases giving scope to be very costly examples.

The solution is as always to manage all the risks. Clearly, businesses will be managing the workplace to keep things safe. When, nevertheless, an accident happens businesses will also look to the best possible post event management of the situation and of any resultant litigation. Behind this, the risk transfer by insurance can remain as valuable as ever should the stakes go up, again.

TO FIND OUT MORE ›

NICK HUGHES

NMLH Limited, Consultant to Gallagher Aerospace

nmlhughes@outlook.com

05.IN FOCUS: SPACE

AUTHOR: **PETER ELSON,** CEO, GALLAGHER AEROSPACE

At this time last year Gallagher's outlook for 2021 was optimistic. We predicted rates stabilising as a result of improving supply and increased insurer appetite to deploy capacity. As 2021 concludes, we can report that this trend did in fact materialise but, particularly in the latter half of the year, somewhat surpassed our prediction with the emergence of downward pressure on rating for attractive launch and in orbit risks.

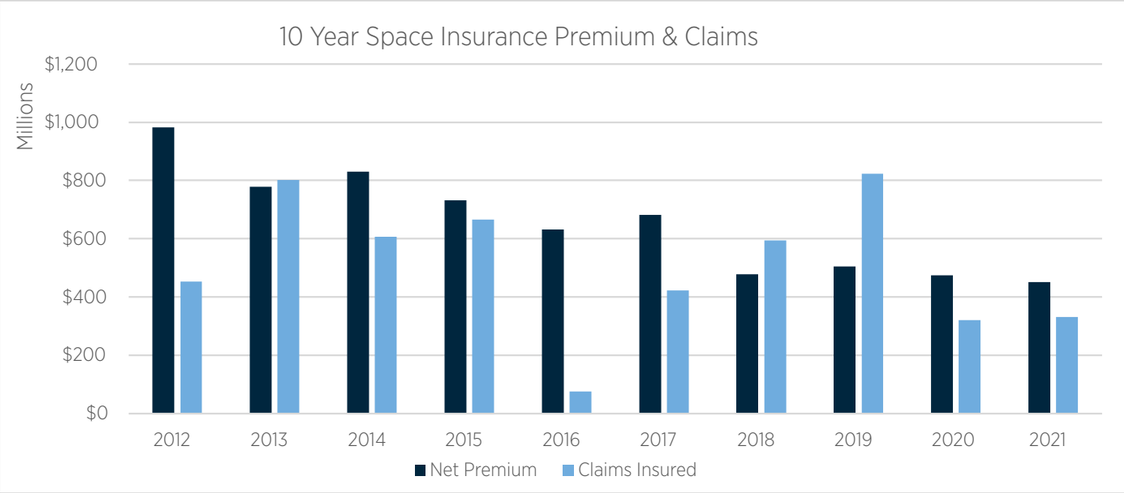
2021 Overview

As we approach the end of 2021, capacity in the space insurance market has remained at a sufficient level for buyers. Insurers have competed to obtain their preferred share on the majority of risks. As such, for attractive risks (primarily those without technical issues or overly large sums insured) premium rating has reduced over that achieved in 2020, especially in the second half of the year.

A particular focus for space underwriters in 2021 has been the drive to secure their preferred participation on a number of "blue chip" Geostationary (GEO) launch risks which inject the majority of the insurance premium into the market. These risks highlight the availability of capacity and strong competition between insurers for these highly sought after risks.

Despite the loss of Sirius SXM-7 very early in the year, cumulative losses for 2021 are currently tracking in line with 2020. With the value of losses so far sitting lower than the premium amounts placed in the market, this has allowed underwriters to be flexible and for the premium rating to start to reduce from the highs seen in 2019 and 2020. For 2021 many market sources are predicting a "small profit" for the market as a whole, with those underwriters not participating on Sirius SXM7 posting very positive end of year results.

A number of impacts relating to COVID-19 still persist, however launch cadence is returning to pre-COVID levels and the supply chain issues that have been noted by manufacturers are abating. On the market side, insurers now have significantly more clarity regarding potential COVID-19 claims and as such are able to analyse this data more comprehensively and achieve a better grasp of the likely overall affect on their portfolios.



Source: Gallagher data, AXAXL and publicly available information.

Looking forward to 2022

2021 delivered in broadly line with Gallagher predictions with volatility reducing, rates stabilising and capacity remaining sufficient for most risks. Gallagher expects this trend to continue into 2022. Absent a significant market event or multiple large losses, we foresee the downward pressure on rates continuing as insurers compete for business.

The key drivers of risk pricing are likely to remain capacity required and the technical characteristics of individual risks. Those placements utilising the majority of the market capacity available will see higher ratings from insurers across the board, alongside additional expense if the most expensive markets are needed to complete final syndication. The implementation of new technologies or risks with a challenging technical profile will also see underwriters look to apply higher premium rating, as well as targeting technical margin to distance themselves from certain elements of risk exposure.

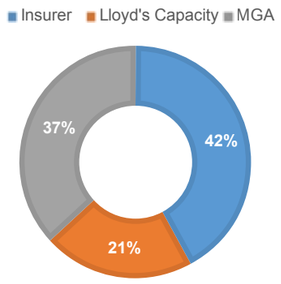
Several large GEO launch packages were placed in 2021 covering several years forward, and as a result 2022 may prove to be a relatively lean placement year for underwriters. Gallagher would expect insurers to once again compete strongly to secure participations on attractive launch risks in 2022, especially multi-launch packages, to ensure their premium targets can be met.

However, we note that considerable volatility remains inherent in this sector as a consequence of its narrow spread of risk. We would therefore expect a significant response from underwriters on both pricing and available capacity in the event of several large claims in close succession, as we witnessed in 2019.

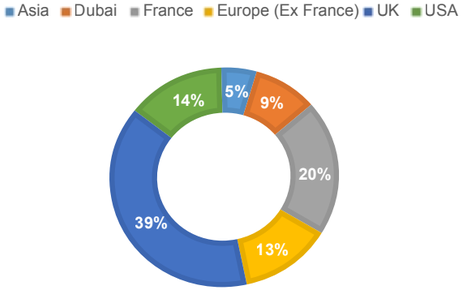
2022 Capacity

Looking forward into 2022 capacity levels remain more than adequate, with that lost during 2019 and early 2020 now being replaced with new markets re-entering the space insurance market or existing markets obtaining increased capacity from their backers. Notably, Ascot will enter the space insurance market at the start of 2022 with a maximum capacity of USD25m having employed the highly experienced Space team that previously worked at AIG.

CAPACITY BY TYPE



CAPACITY BY LOCATION



Source: Gallagher data, AXAXL and publicly available information.

There has also been a number of recent mergers and/or personnel movements in late 2021 (e.g. Partner Re space team moving to Applied Underwriters Aerospace, LLC and Canopius having acquired Assure Space) however these changes in themselves are not expected to impact overall capacity or market conditions in 2022.

We note that in light of expanding capacity levels, Gallagher is working closely with our clients to take a more forensic view of individual insurers and their relative strengths and structures. This analysis has been very well received and allows our clients to better identify preferred long-term partners, align their needs and style with insurers and to implement the most effective strategies to elicit the best possible results during placement.

Small Satellite Focus

2021 has seen the NewSpace sector advance at pace with multiple key players now moving into commercial operations after many years of development.

Amongst the achievers are Virgin Orbit which will be launching its LauncherOne rocket with Spire's ADLER-1 three-unit cubesat joining the manifest. The deal was turned around in less than a month, fulfilling plans for rapid access to space.

"Mega constellations" continue to grow, led by SpaceX's Starlink constellation of 1,600+ operational satellites (with at least 3,000 more due to be launched) along with OneWeb's constellation of 250+ operational (with 400 more due to be launched). Both of these projects are aimed principally at providing worldwide broadband internet connection. In addition, there are numerous microsat telecommunications constellations that are either close to or have become operational.

Spire completed its acquisition of exactEarth, becoming a global leader in space-based maritime data and analytics utilising its 68 microsatellites. Globalstar's 2nd generation constellation now provides internet and Internet-of-Things (IoT) services, and Swarm Technologies' IoT constellation of 120+ CubeSats took its network live this year.

These companies are just the tip of the iceberg with many more looking to become operational within the next twelve months.

A number of insurers are continuing to develop bespoke insurance products for this NewSpace sector but for now, the majority of NewSpace company satellites in LEO do not maintain in-orbit coverage.

Summary

As we look forward from 2021, when capacity expansion has led increased competition between insurers for attractive risks, we feel the environment is increasingly positive for insurance buyers looking to secure space insurance cover in 2022.

The industry as a whole continues to move forward at pace with the impacts of COVID-19 being better understood and the small satellite sector making large strides as several key players such as Virgin Orbit and Spire firmly establish commercial operations. We look forward to working with our clients as this industry growth continues to accelerate in 2022.

The space team at Gallagher has been able to secure several significant wins in 2021 considerably increasing market share and has once again delivered outstanding results on risk pricing, risk coverage, compliance, audit and service for our clients. Gallagher Space remains as committed as always to securing the very best outcomes for our clients in this dynamic and evolving marketplace.

TO FIND OUT MORE ›

PETER ELSON

Chief Executive Officer (CEO), Gallagher Aerospace

+44 (0)204 511 4588 | Peter_Elson@ajgaerospace.com

06.GALLAGHER UPDATE

Gallagher expands its Aerospace team

We are pleased to announce the following new appointments to our global Aerospace practice in Q4 2021:

- **Charlie Burrells** has joined as an Associate Director based in London.
- **Sayne Cabrera-Suarez** has joined as a Junior Placing Broker based in London.
- **Sam Holland-Bosworth** has joined Hayward Aviation (Gallagher's specialist GA subsidiary) as a Junior Broker based in London.

Additionally...

We are pleased to announce that Osprey insurance Brokers (which was acquired by Artex, a subsidiary of Arthur J. Gallagher & Co back in 2018) will now report into our global Aerospace practice effective from January 2022.

Since its inception in 1995, Osprey has handled the insurance requirements of Maltese aviation, placing circa EUR 3.5m of premium into the global aviation and aerospace markets. The specialist aviation insurance broker works closely with the London and international markets in the placement of insurance for airlines and other ancillary aviation-related service providers.

We welcome **Suzanne Chambers** (Managing Director), **Martin Azzopardi** (Chairman) and their specialist colleagues into our team.

"I am delighted to announce these latest appointments and to welcome the Osprey team into our growing Aerospace practice. We will continue to invest in our people, in recruiting specialist talent, in new tools, technology and partnerships, which I hope will maintain and indeed extend value to aviation buyers seeking the highest quality insurance advice and broking".

Peter Elson, CEO of Gallagher Aerospace

Gallagher completes acquisition of Willis Re operations

Gallagher has completed its acquisition of Willis Towers Watson's treaty reinsurance brokerage operations.

Together with Gallagher's existing reinsurance operations, the combined businesses will trade as Gallagher Re from more than 70 offices across 31 countries and incorporate circa 2,400 colleagues. This acquisition brings specialist expertise, underpinned by a portfolio of analytics capabilities including catastrophe modelling, dynamic financial analysis, rating agency analysis and capital modelling that will immediately provide exceptional value to insurance carriers and insurance capital providers around the world.

For further information visit our **website**.

MARKET PERSONNEL NEWS IN Q4

Applied Underwriters

Steven Allen has joined to launch a new underwriting unit on the company's MGA platform. He was previously Head of Aviation at QBE North America.

AXA XL

Andrew Innes has been promoted to Global Practice Leader for products & airport, aerospace. He will also join the division's global aerospace leadership team.

Chubb Global Markets

Emma Walker has been promoted to Head of Aerospace based in London. She was previously a Senior Aviation Underwriter for EMEA and assumes the new position with immediate effect.

Elseco

Alain Burguiere has joined as the new Head of Aviation, following his departure from AXA XL in April. Antoine Lamy, Elseco's current Head of Aviation, has not left the business and will work under incoming chief Burguiere, who will relocate to Dubai.

Fidelis

Dominic Tillyard, Head of Marine, Aerospace and Bespoke UK at Fidelis, has resigned and is set to depart the business. His next destination is not known.

IQUW

Simon Herring has joined as Lead Underwriter to lead the companys new Aviation portfolio. The new portfolio launches with immediate effect following approval from Lloyd's and will write Hull and Liability business for airlines and commercial general aviation.

La Reunion Aerienne & Spatiale (LRA-S)

Dzung Nguyen Tu has been appointed as Deputy CEO. His most recent role was Chief Underwriting Officer at AXA XL global aviation and space.

Nexus

Toby Brymer has been promoted to Claims Manager for Aviation & Marine.

QBE North America

David Watkins has been appointed Head of Aviation. He was previously Head of General Aviation for Allianz Global Corporate & Specialty (AGCS).

Sompo International

Peter Buckley has been appointed Vice President Aerospace, as part of the company's plans to expand its general aviation offering. Prior to joining Sompo, his most recent role was at Cincinnati Global Underwriting.

Tokio Marine Kiln (TMK)

David Slevin will take up the role of departmental Head of Aviation. He is expected to start in Spring 2022. He was previously an aviation product head with Chubb Global Markets.

Source: Market knowledge and publicly available information.

BUSINESS CONTACTS

UK

PETER ELSON

CEO, Gallagher Aerospace
+44 (0)204 511 4588 | Peter_Elson@ajgaerospace.com

NIGEL WEYMAN

Global Executive, Gallagher Aerospace
+44 (0)204 511 4583 | Nigel_Weyman@ajgaerospace.com

WILLIAM SMITH

Global Executive, Gallagher Aerospace
+44 (0)204 511 4620 | William_Smith@ajgaerospace.com

Asia Pacific

ADAM SULLIVAN

Managing Director, Aerospace Asia Pacific – Gallagher
+65 6411 9394 | Adam_Sullivan@ajg.com

Australia, New Zealand and Pacific

JOANNE GREEN

Divisional Manager, Aerospace Australia, NZ and Pacific
+61 (07) 3002 2293 / Ext: 72293 | Joanne.Green@ajg.com.au

Middle East & Africa

PAUL WARING

Senior Partner, Gallagher Aerospace
+44 (0)204 511 4591 | Paul_Waring@ajgaerospace.com

USA

STEVE LLOYD

CEO, Aerospace USA – Gallagher
+1 312 315 1944 | Steve_Lloyd@ajg.com

Canada

GRANT S. ROBINSON

Managing Director – Gallagher
+1 403 298 4314 | Grant_S_Robinson@ajg.com

Latin America

EDUARDO DUERI

Managing Director, Aerospace LATAM – Gallagher
+57 1600 4000 (Ext:249) | Eduardo_Dueri@ajg.com

ajg.com/uk | gallagher-uk | @GallagherUK

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