

GLOBAL AEROSPACE



A Decade of Change

**Russian Airlines
and the International Insurance Market**

Nick Brown

February | 2011



Russian Market | A Changing Landscape

- Insurers
- Airlines
- Passenger numbers
- Economic Development



Economic & Social Development Fuels Claims Inflation

Typical Settlement Awards *Domestic Airline Accidents*



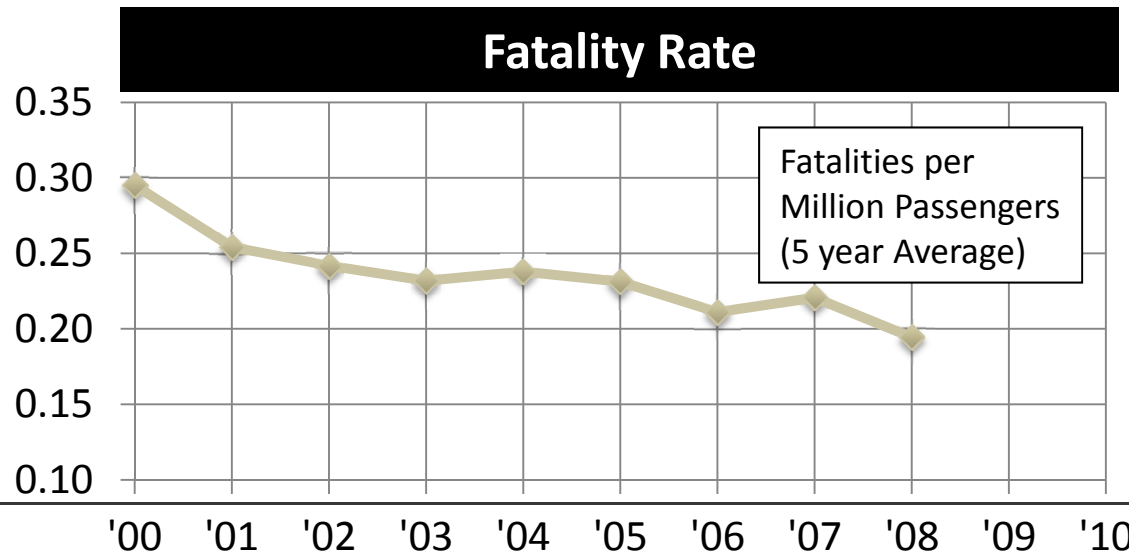
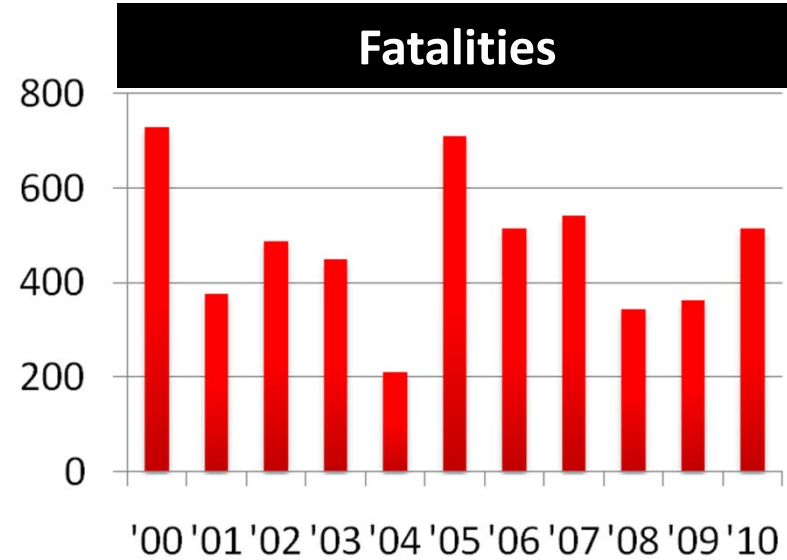
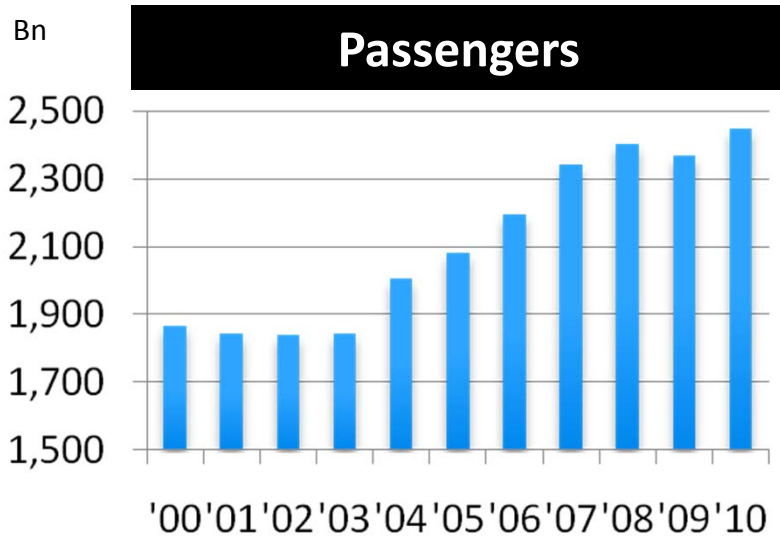
2001



2011



Is Safety Still Improving?



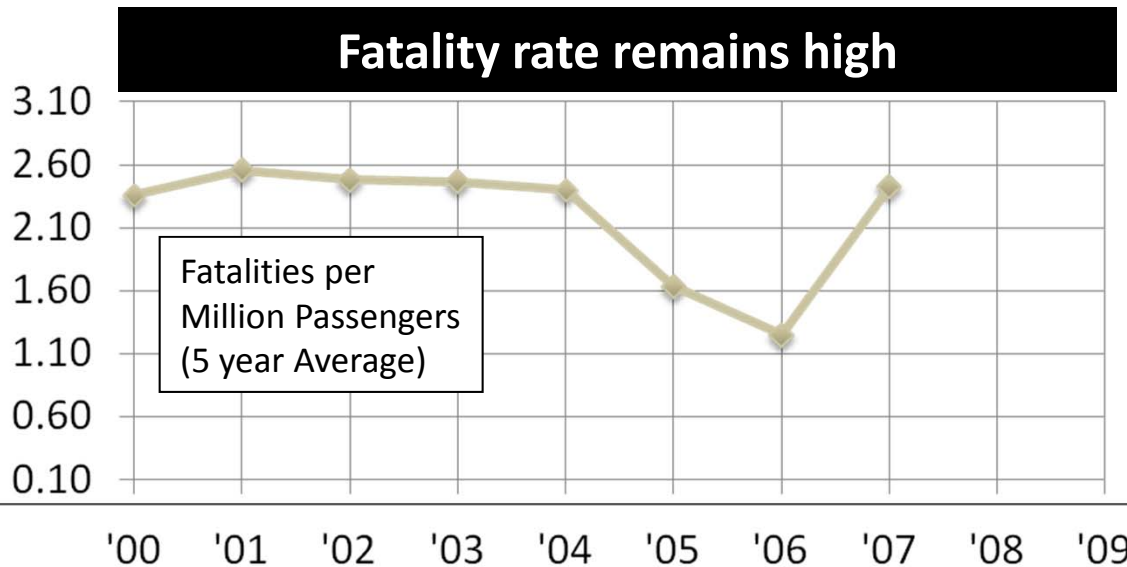
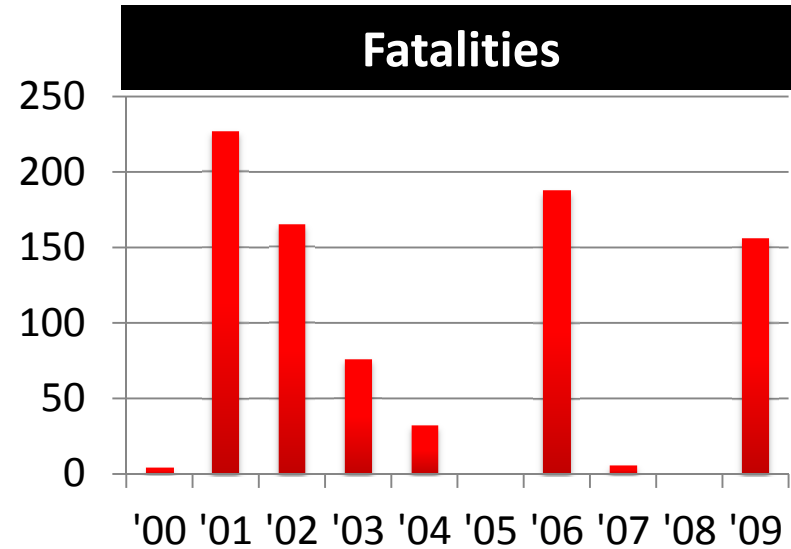
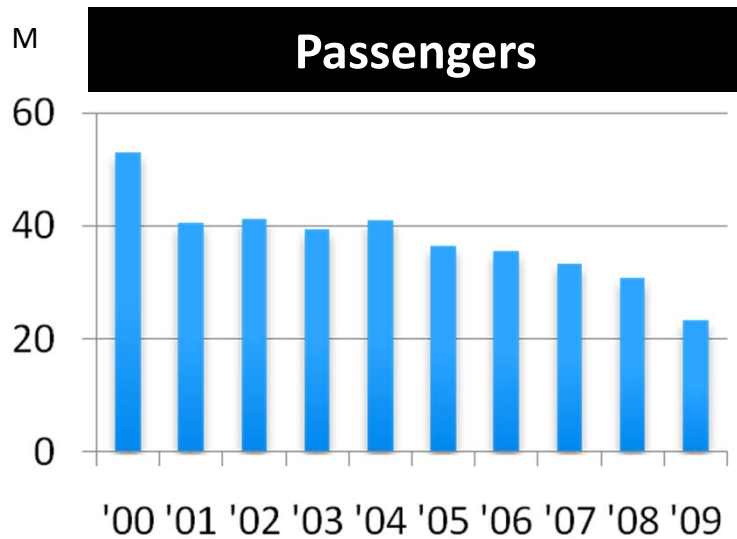
'Western' Built jet aircraft, operational losses, excluding war losses

Source: Ascend

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Is Safety Still Improving?



'Eastern' Built jet aircraft, operational losses, excluding war losses

Source: Ascend

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5

Sukhoi Superjet | First “International” Russian Aircraft

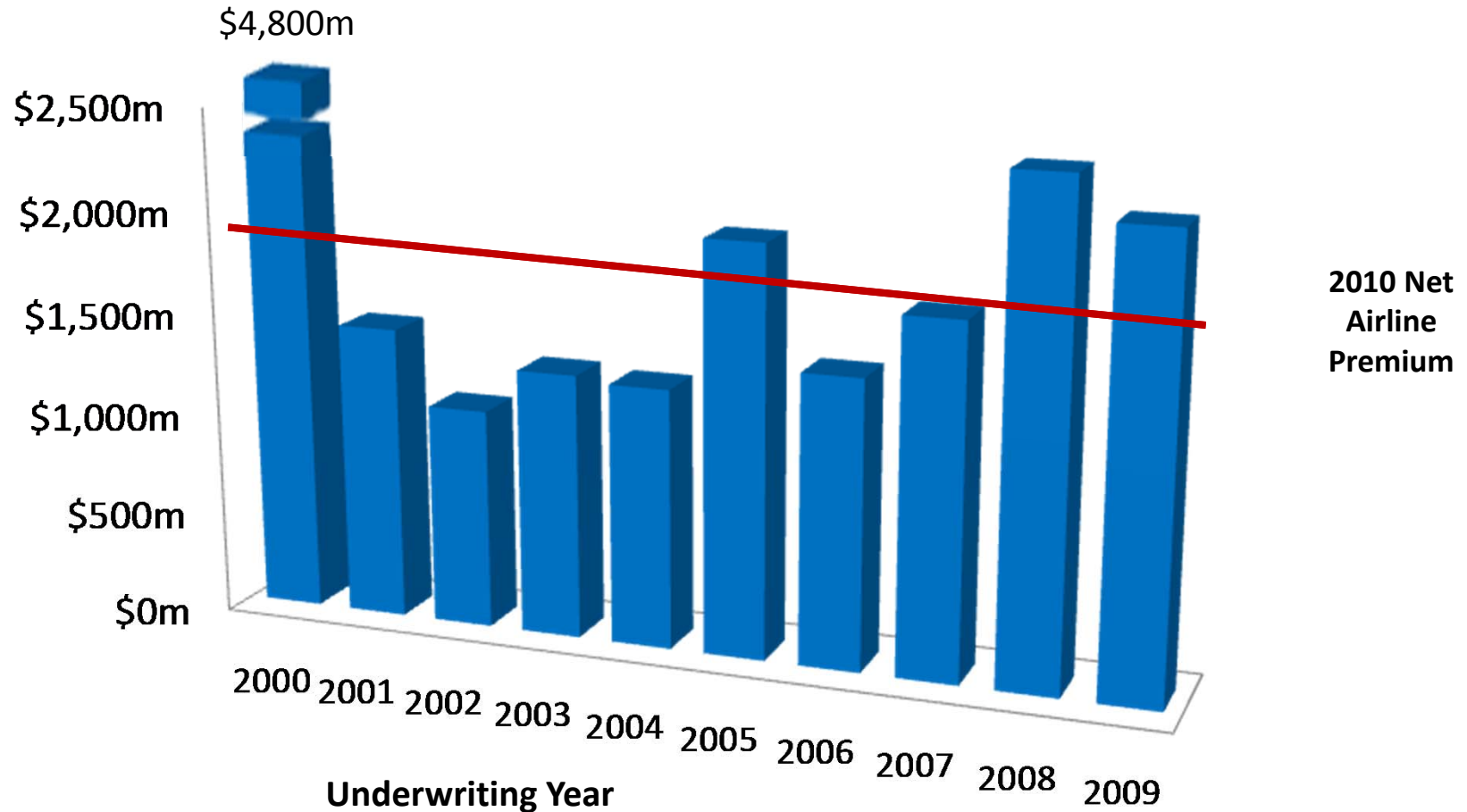


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Worldwide Airlines Insurance | A Marginal Call

Losses at Aug 2010 USD inflated at 5% pa

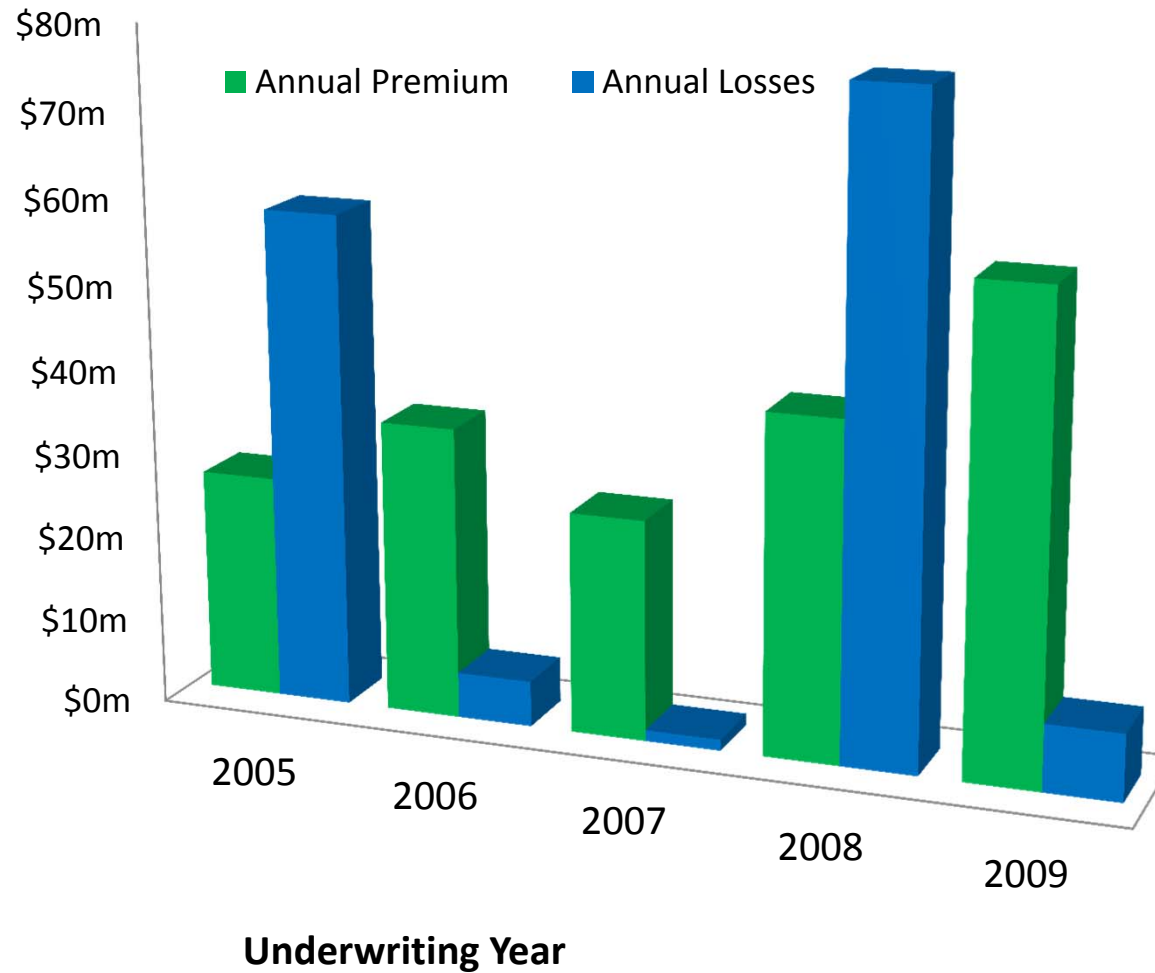


Source: Global Aerospace

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Russian Airlines Placed Internationally | Premiums v Claims



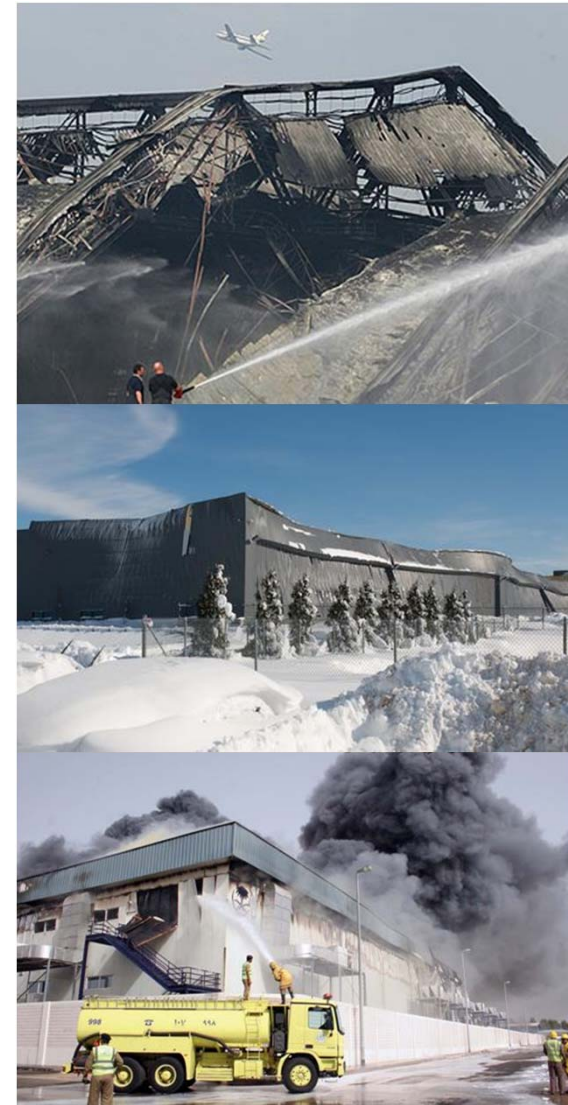
Source: Global Aerospace

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Significant “Non-operational” Losses | 2001 to 2010

Year	Loss Event	Cost \$m
2003	Dallas, hailstorm damage to aircraft	35
2004	Paris, terminal walkway collapsed	36
2006	Istanbul, warehouse fire	48
2006	Brussels, hangar fire destroyed and damaged aircraft	120
2007	Abu Dhabi, hangar fire destroyed and damaged aircraft	54
2008	Bangkok, hangar fire destroyed aircraft	69
2009	Amsterdam, hailstorm damage to aircraft	35
2010	Dulles, hangar roof collapsed damaging & destroying aircraft	200
2010	Saudi Arabia, warehouse fire destroyed aircraft spare parts	250
2010	Indianapolis hangar fire – 4 business jet aircraft damaged or destroyed	35
2011	Six planes damaged in hangar collapse at Norwood Airport. USA	Tba
Total		882



General

- **Training issues**
 - transition of pilots to 'Western' equipment
 - Language / International ATC
- **Settlement Inflation**
- **Terrorism**



Presenting your risk to the international market

- **Split fleets do not look good!**
- **Information is key**
 - Pilots sources & training
 - Spares / hangars
 - Financing



Why we are still here

- **Growth market**
- **Improving infrastructure**
- **Improving operational safety**
- **Revitalised manufacturing**
- **Professionalism & experience of primary insurers**



Спасибо



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