



Swiss Re

The background of the slide is a close-up, low-angle shot of the nose and cockpit of a large commercial airplane. A semi-transparent world map is overlaid on the image, with the map's outline filled with a grid of small white dots. The text is centered over the map.

Seminario Aviación Provincial Re – Caracas Aerolíneas

Gianni Bason / Felix Kessler, 12 de abril 2012, Swiss Reinsurance Company



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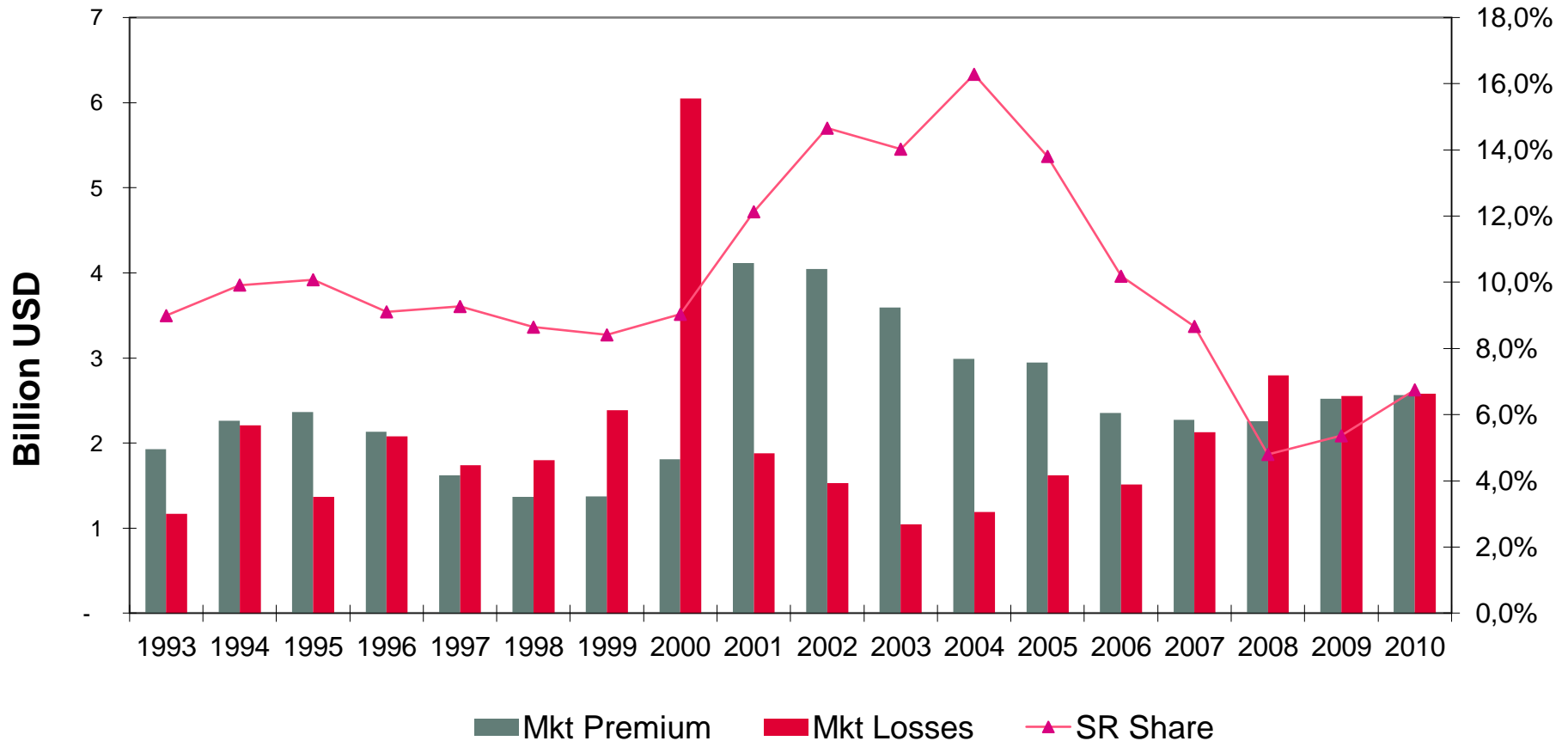
Largest losses

Frequencies

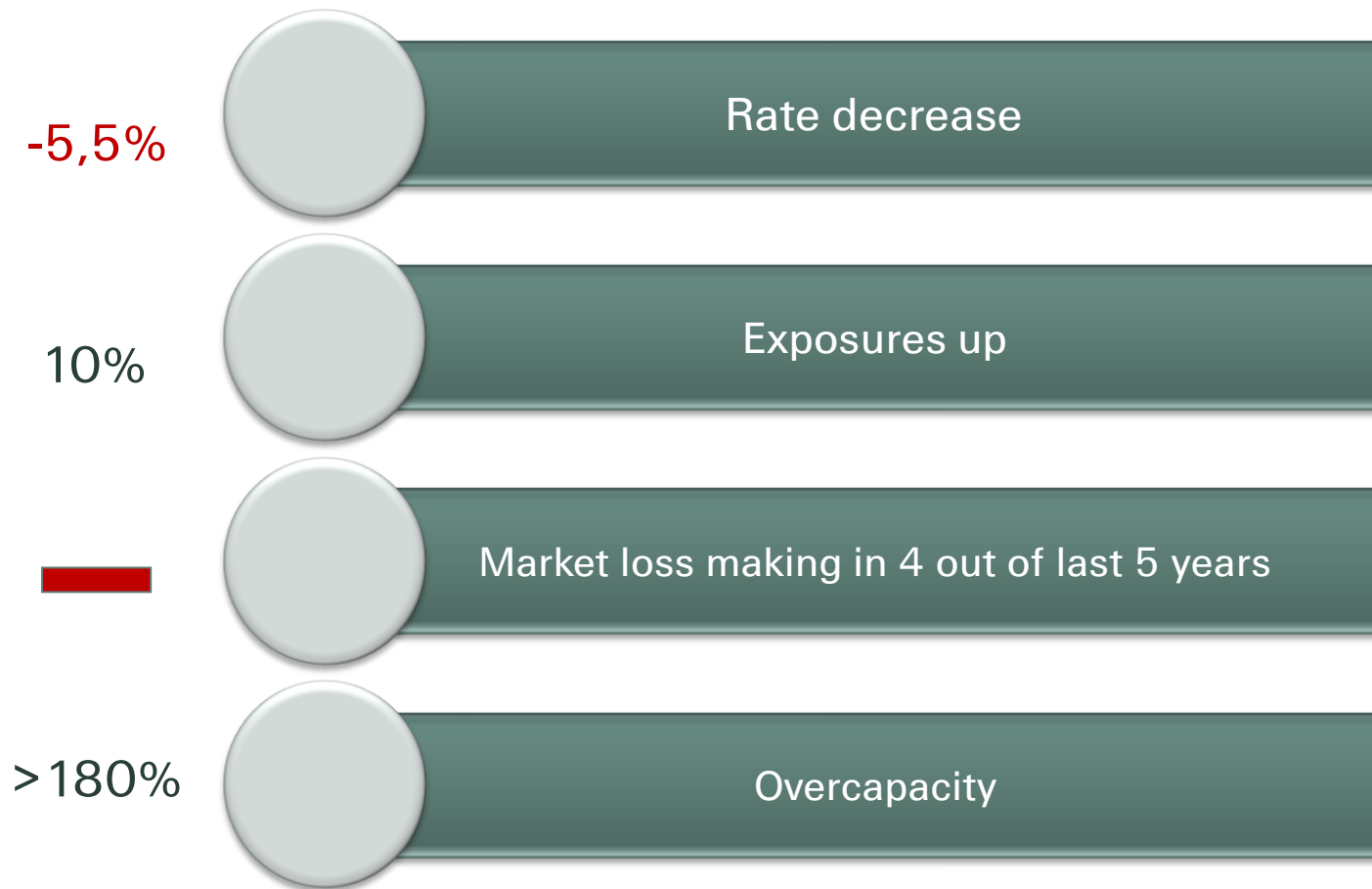
Severities



Proactive Cycle Management



Market Environment





Largest airline policies

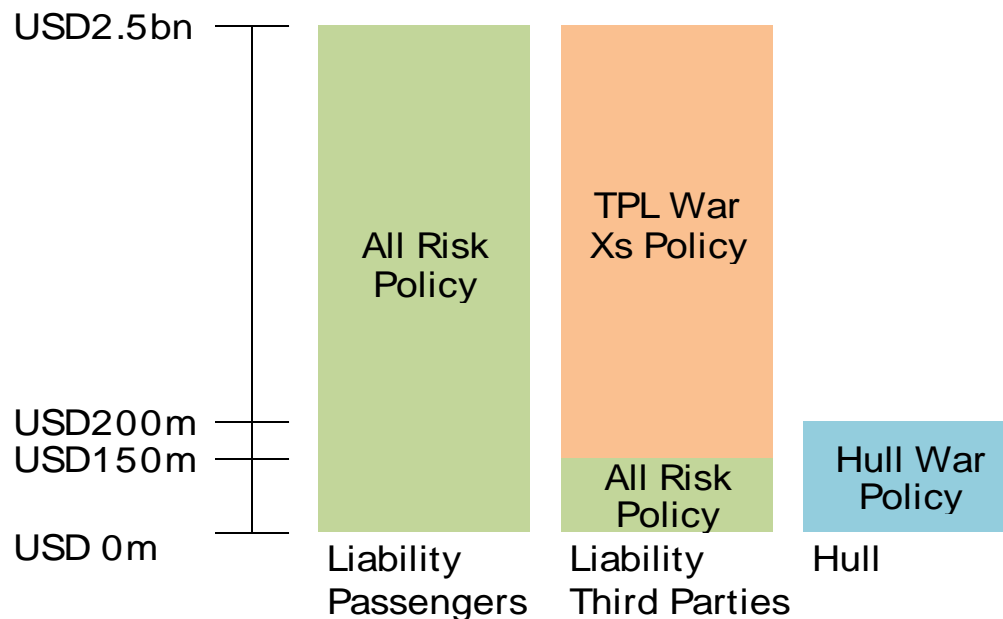
Airline Name	Departures	PAX	AFV
CAAC	2'238'539	223'943'085	63'676'690'232
Deutsche Lufthansa AG	1'995'000	172'431'000	44'528'000'000
Air France	1'188'774	117'880'437	34'478'731'682
Continental Airlines Inc.	811'390	105'369'274	28'231'306'734
Emirates Airline	174'816	35'140'781	21'612'791'531
Cathay Pacific Airways Ltd	198'656	35'627'250	21'249'424'504
American Airlines	1'248'072	107'225'277	19'986'810'065
Qantas Airways Limited	610'021	65'448'725	19'855'132'036
British Airways Plc	567'877	67'435'590	16'637'530'573
Delta Airlines Inc.	1'006'338	119'121'000	15'367'183'925
Singapore Airlines	127'298	23'017'250	14'801'541'918
SFIT Group	943'771	67'465'413	14'793'601'407
Southwest Airlines Co.	1'406'606	134'157'000	14'688'000'000
All Nippon Airways	344'898	48'094'187	12'744'584'342



Terrorism

- Up to 2001 (WTC) Terrorism was fully covered in insurance and reinsurance policies. After the attacks of 9/11 Third Party Liability (e.g. ground damage) was sub-limited and a separate market for this coverage established, allowing for targeted use of capacity.
- The US government provides full indemnity to US commercial airlines

War/Terror



AV48B:

- a) War
- b) Nuclear Explosion
- c) Strikes / Civil Commotion
- d) Terrorism
- e) Sabotage
- f) Confiscation
- g) Hijacking

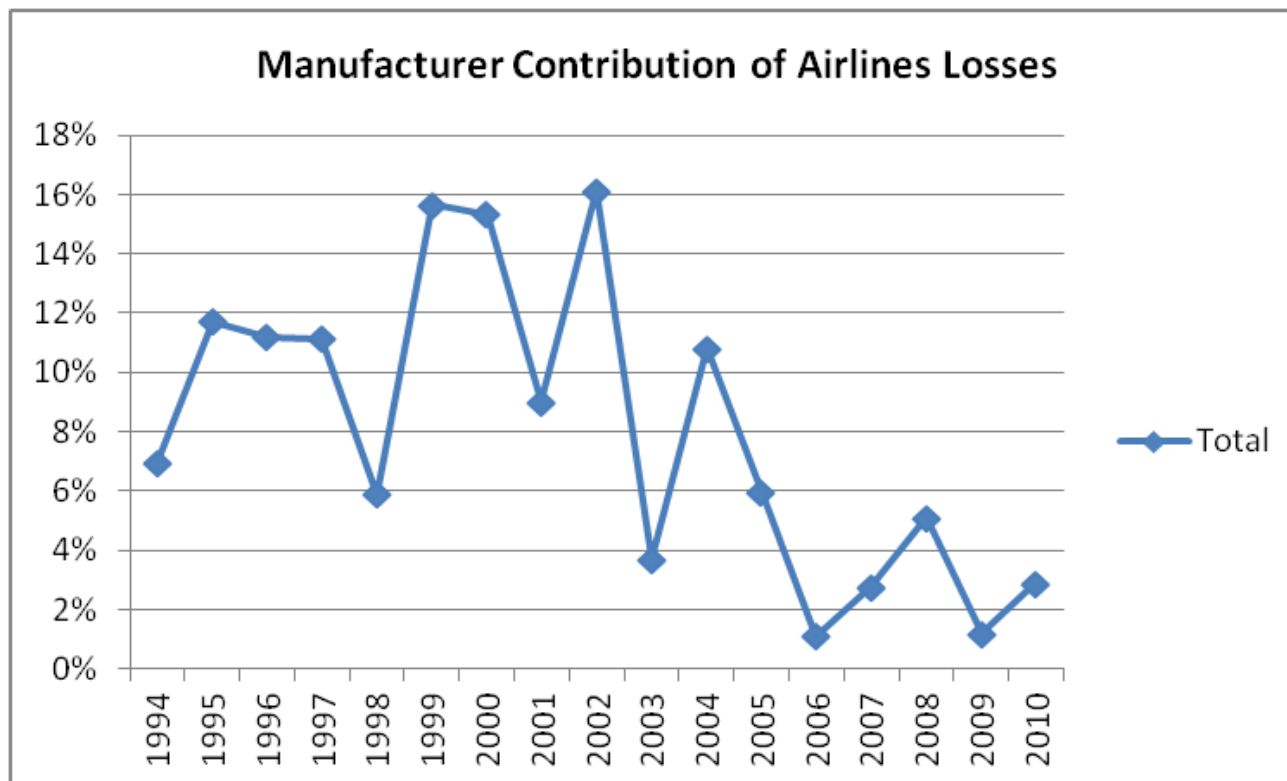
AVN52 (Liability), LSW555 (Hull)

a, c, d, e, f, g



Product Manufacturer Contribution

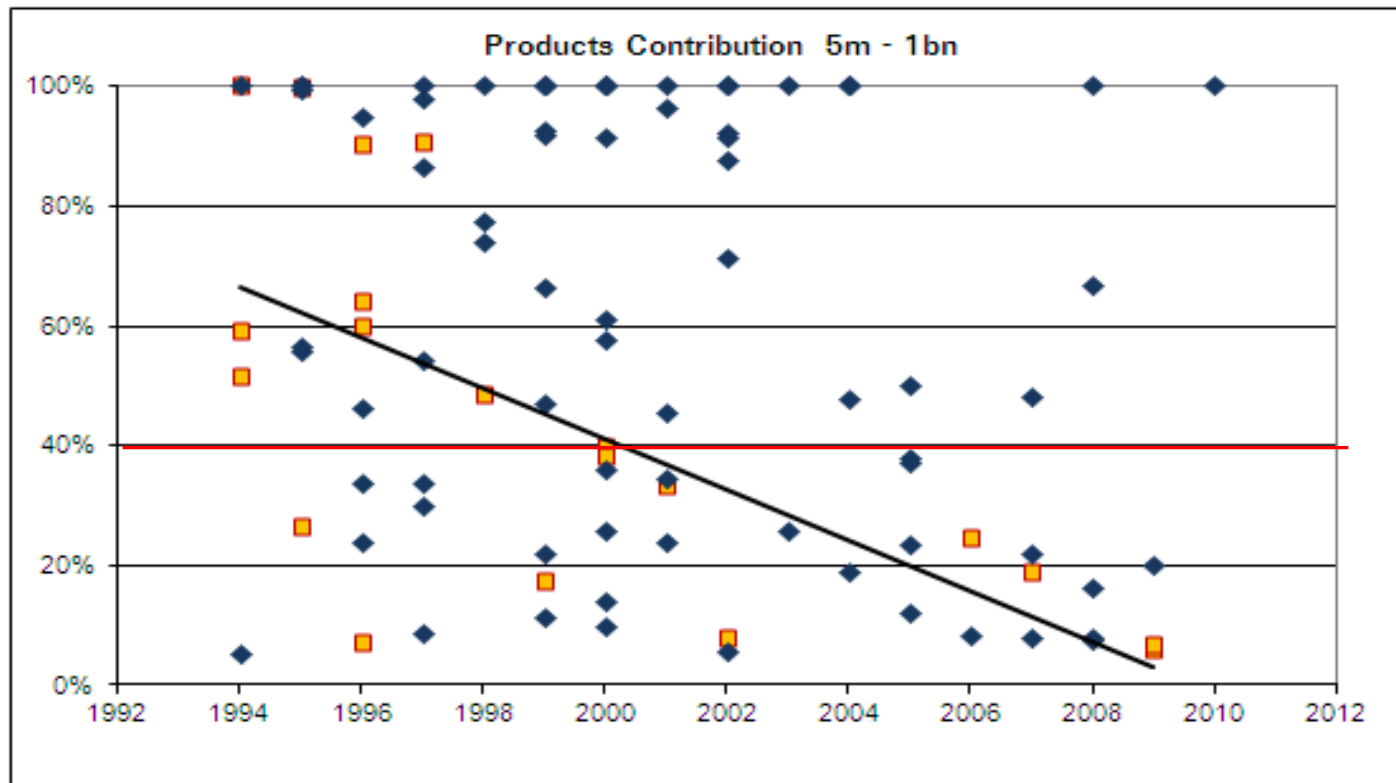
- Manufacturers have been claiming for years that they are subsidizing the airlines insurance market. This can, of course, change with one large loss but the trend is also becoming difficult to ignore
- Chart below includes losses where there is no Manufacturer involvement





Product Manufacturer Contribution

- Chart below includes only losses with Manufacturer involvement greater than 5% and serve to illustrate whether the proportion paid by the manufacturers *given that they are involved* has changed
- The yellow points indicate losses excess 250m





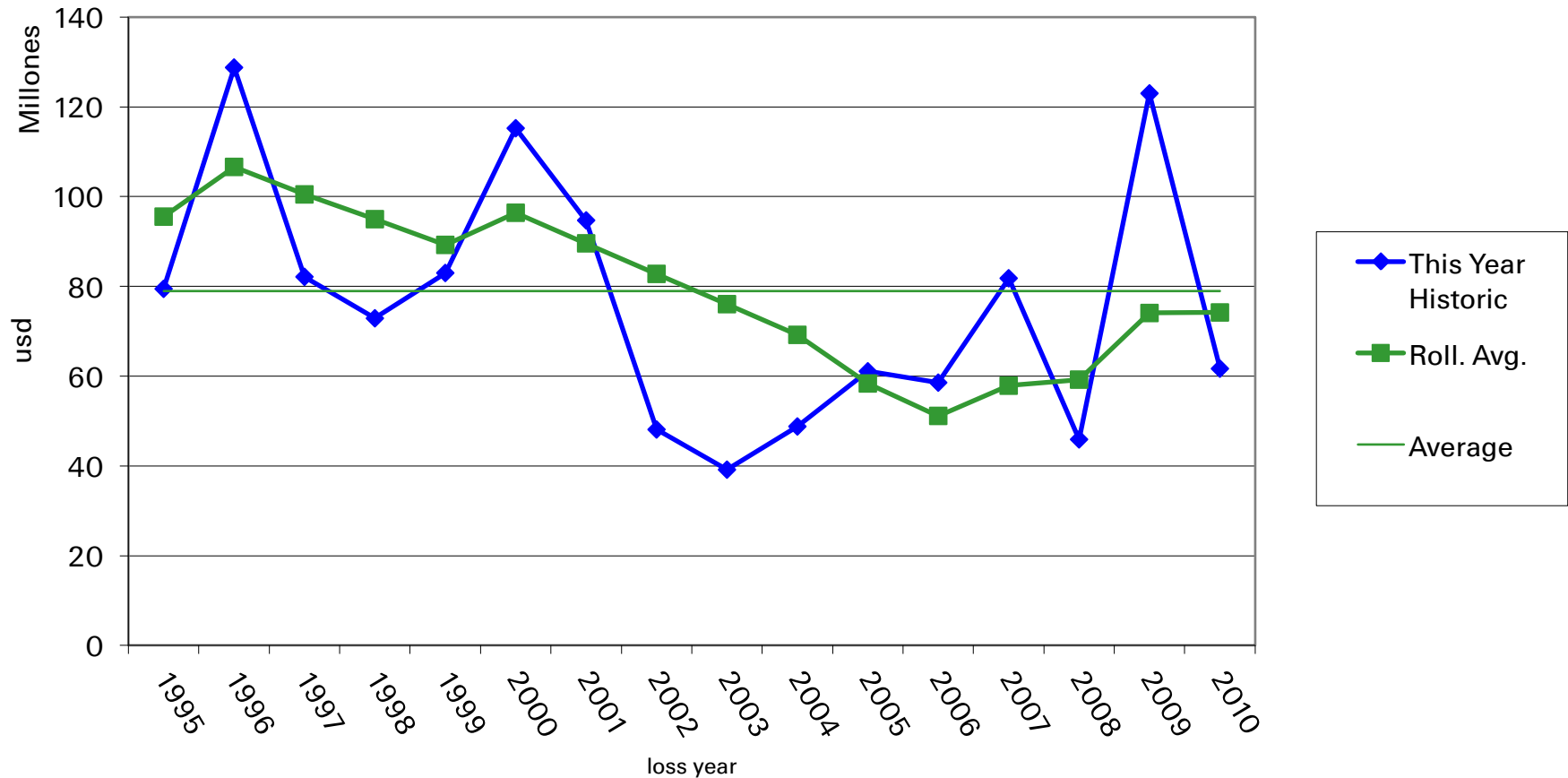
20 Largest Latin American Airline Losses

Loss Date	Insured	Hull	Liability	Products	Other	OML
17.07.2007	TAM Linhas Aéreas S.A.	42'235'500	390'833'006	90'247'305	0	523'315'811
29.09.2006	GOL	37'476'511	194'980'774	63'479'396	11'750'000	307'686'681
31.10.1996	TAM	29'181'936	61'732'426	91'761'604	0	182'675'966
02.10.1996	Aero Peru and & or Cintra	59'953'040	92'354'460	7'100'227	0	159'407'727
30.05.2008	Grupo TACA	37'576'786	45'100'000	1'500'000	0	84'176'786
16.08.2010	AIRES	35'200'000	41'672'500	1'000'000	0	77'872'500
21.02.2008	Santa Barbara Airlines Lineas Aereas Privadas	3'474'632	57'000'000	64'500	0	60'539'132
31.08.1999	Argentinas (LAPA)	4'994'730	45'000'000	168'874	0	50'163'604
04.11.2010	Cuban Airlines	7'000'000	41'000'000	0	0	48'000'000
17.07.2007	Aerorepublica	30'917'496	175'000	0	0	31'092'496
10.10.1997	Austral Lineas Aereas	3'010'050	18'550'000	9'357'272	0	30'917'322
13.09.2010	Conviasa Venezuela	10'540'000	19'360'000	0	0	29'900'000
23.08.2005	TANS Peru	3'588'828	19'685'400	5'964'012	0	29'238'240
29.02.1996	Faucett Peru Aerolineas de Guatemala	5'064'240	21'977'898	932	0	27'043'070
09.08.1995	(Aviateca)	10'517'341	15'000'000	13'260	62'654	25'593'255
11.04.2000	Compania Mexicana de Aviacion S.A. de C.V.	9'025'629	0	14'858'786	0	23'884'415
28.01.2002	T.A. Militares Ecuatorianos (TAME)	1'543'248	22'000'000	137'807	0	23'681'055
24.02.1999	Aerolineas Argentinas	19'996'531	0	0	0	19'996'531
05.05.2010	SATENA	17'825'000	0	0	0	17'825'000
08.01.2005	Aerorepublica	17'218'363	160'982	0	0	17'379'345

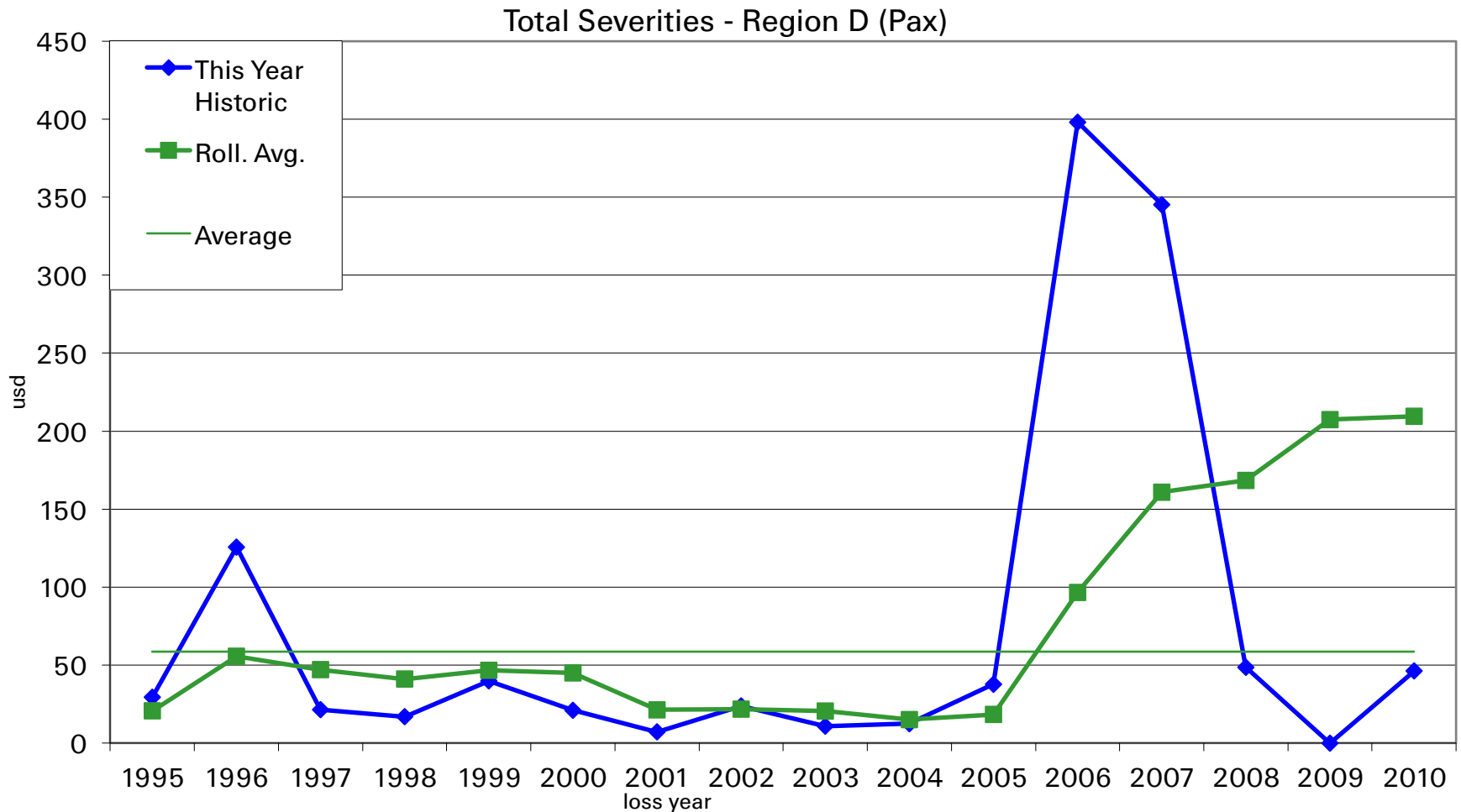


Average Loss Amount Total Losses All Regions

Total Severities - Overall (incl. Non-Pax)

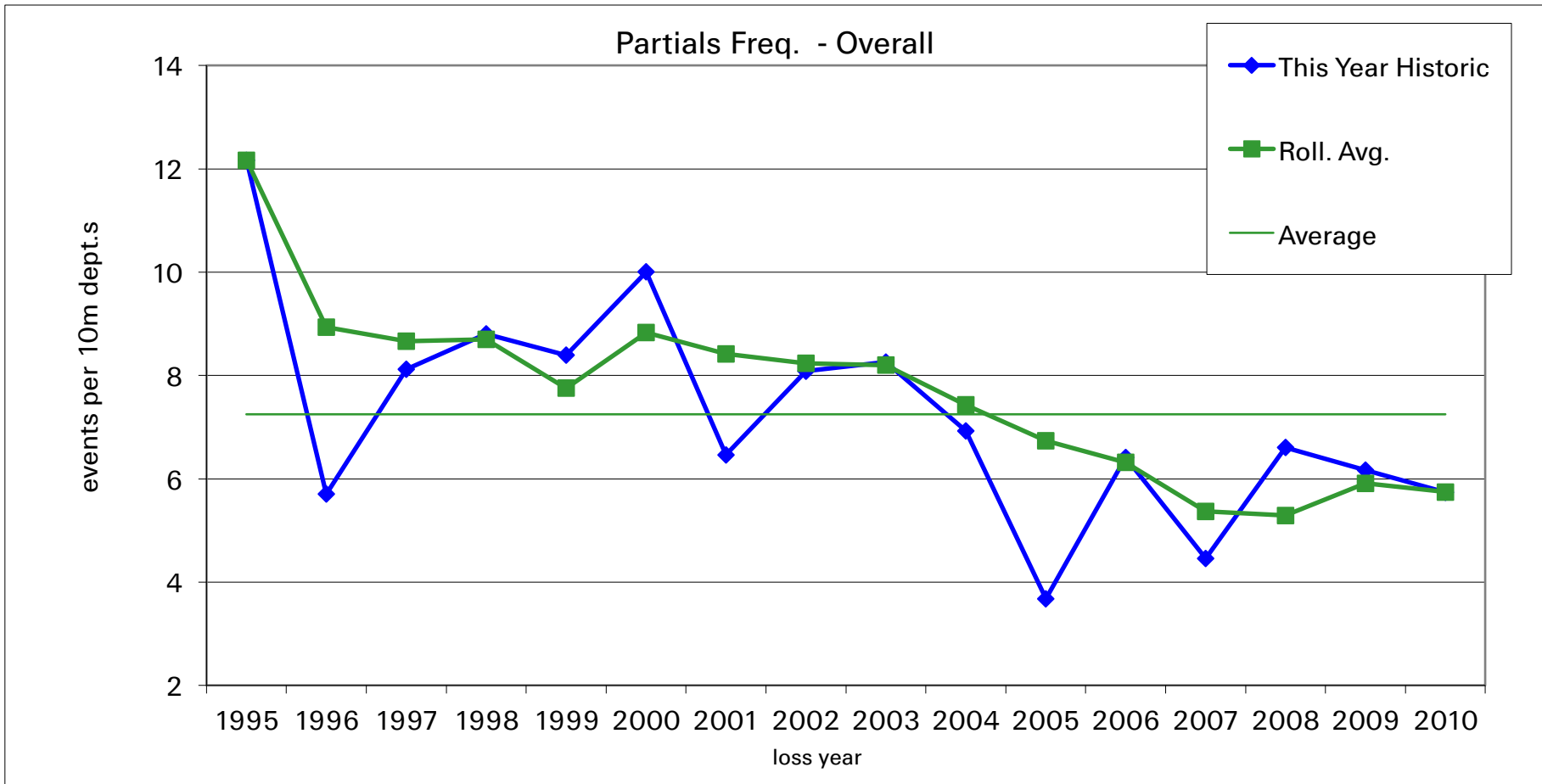


Average Loss Amount Total Losses Latin America





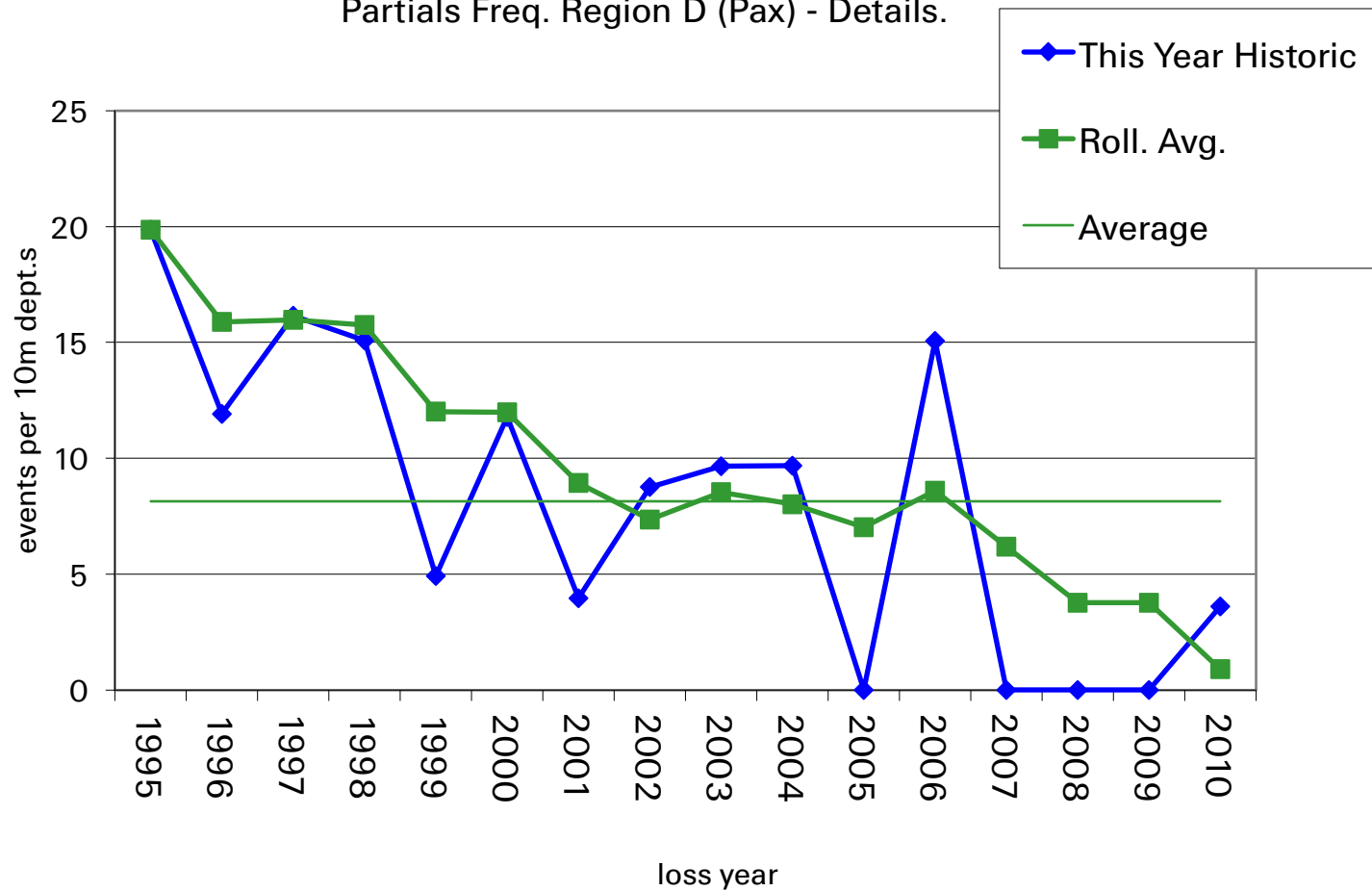
Number of losses per 10mio departure all regions for major partials





Number of losses per 10mio departure Latin America for major partials

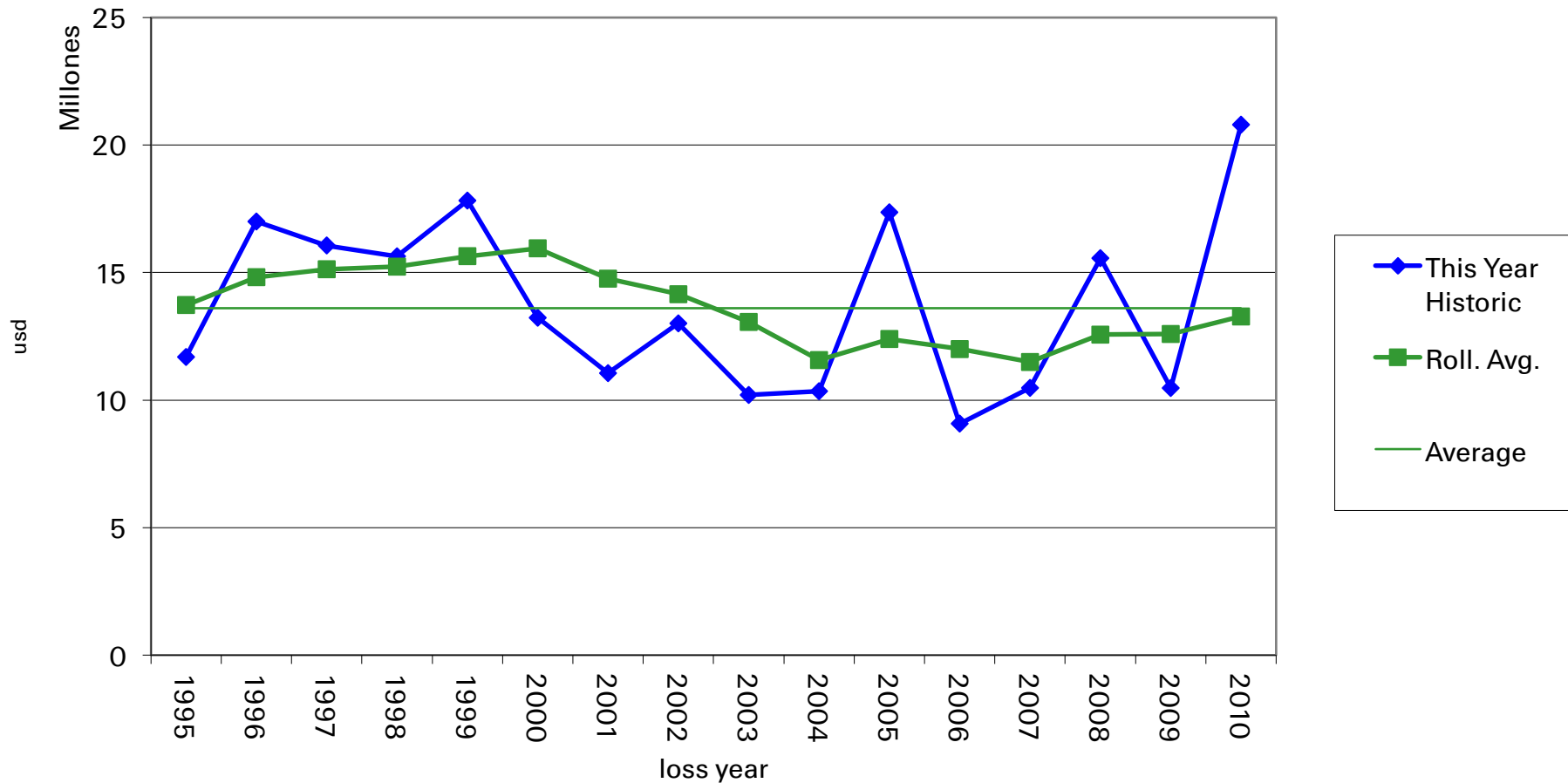
Partials Freq. Region D (Pax) - Details.





Average Loss Amount Major Partial All Regions

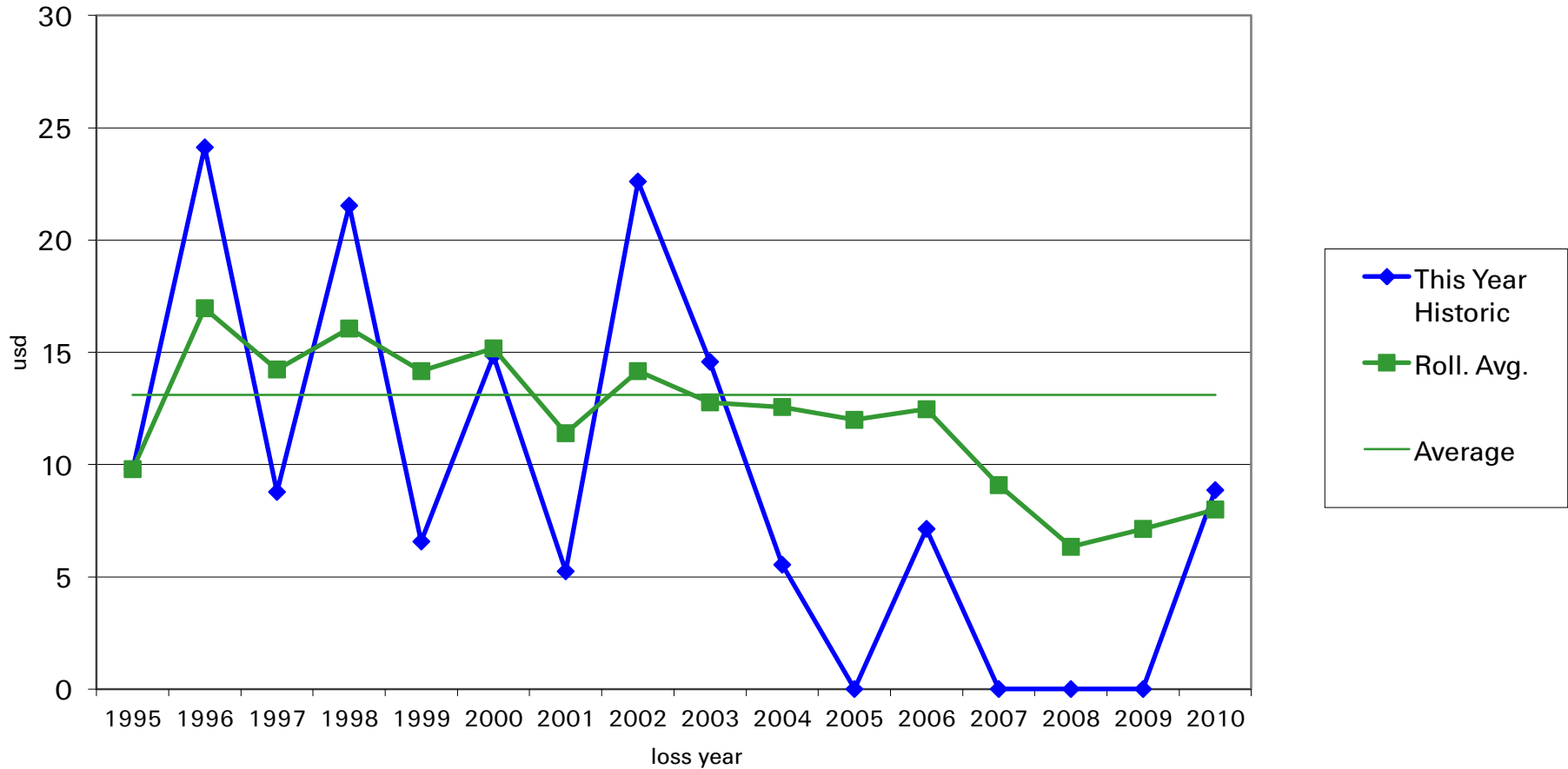
Major Partial Severities - Overall (incl. Non-Pax)





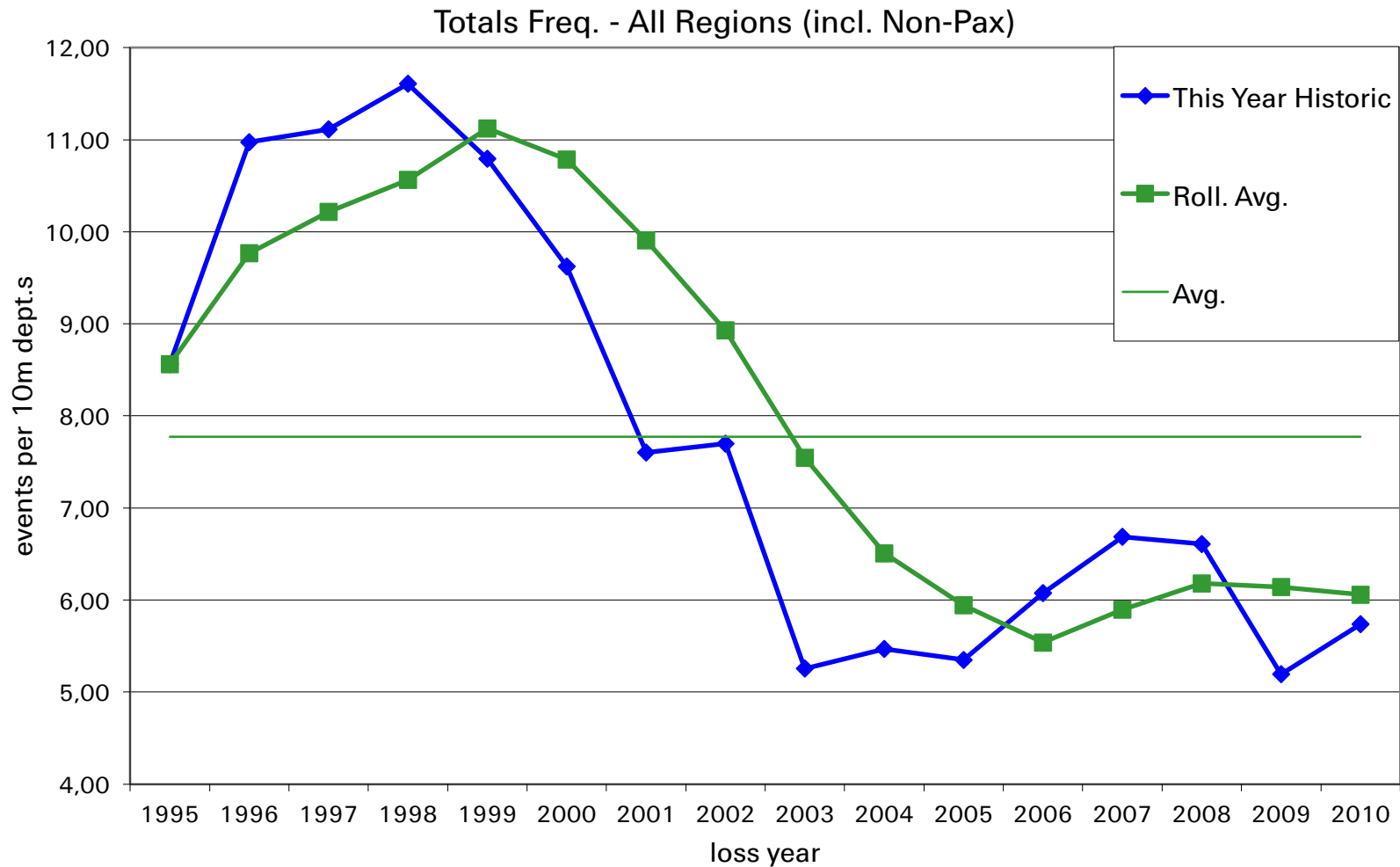
Average Loss Amount Major Partial Latin America

Major Partial Severities - Region D (Pax)





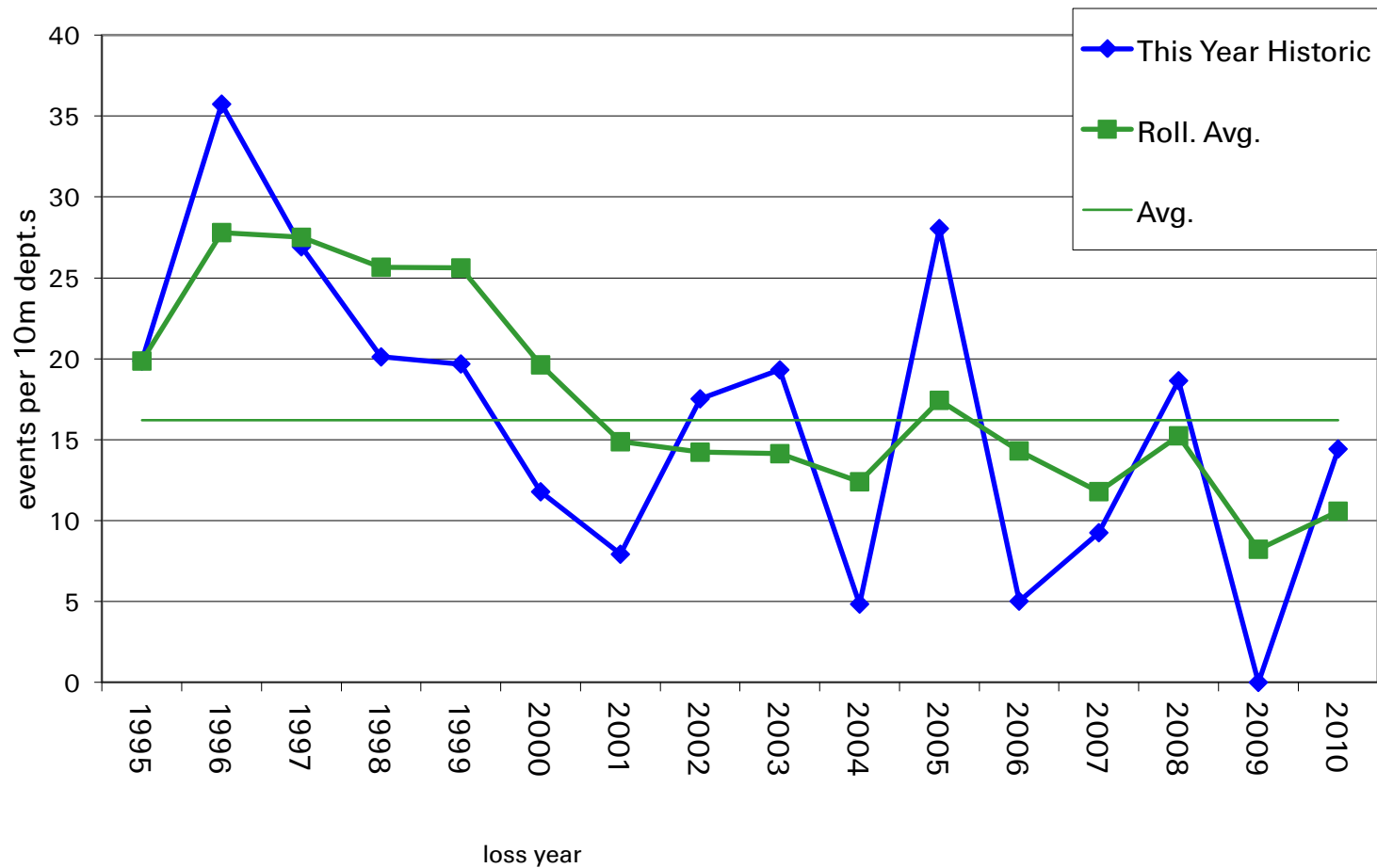
Total Losses: Number of Losses All Regions





Total Losses: Number of Losses Latin America

Totals Freq. Region D (Pax) - Details



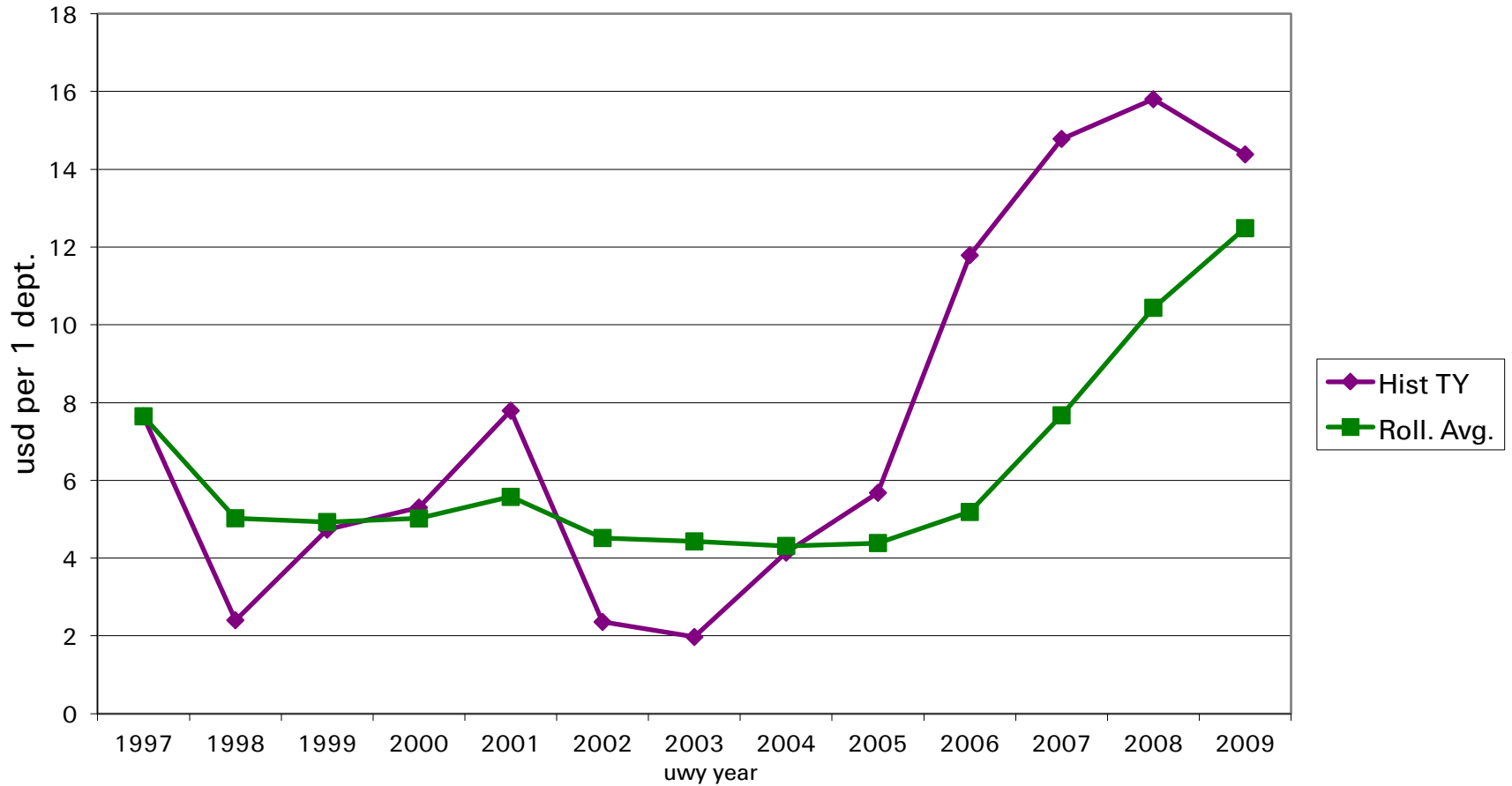
Small Hull Losses All Regions

Hull Loss Cost - All Regions



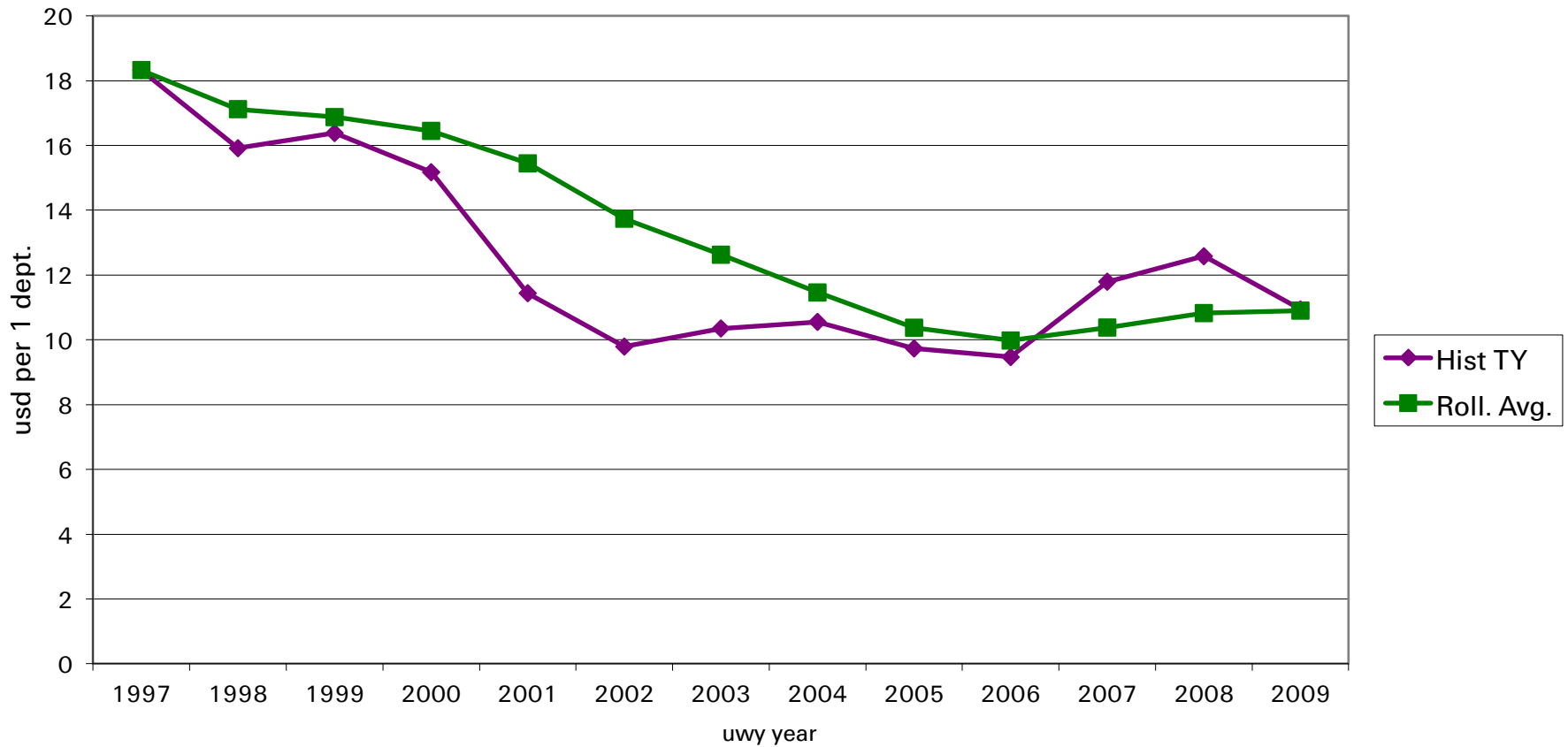
Small Hull Losses Latin America

Hull Loss Cost - Region D



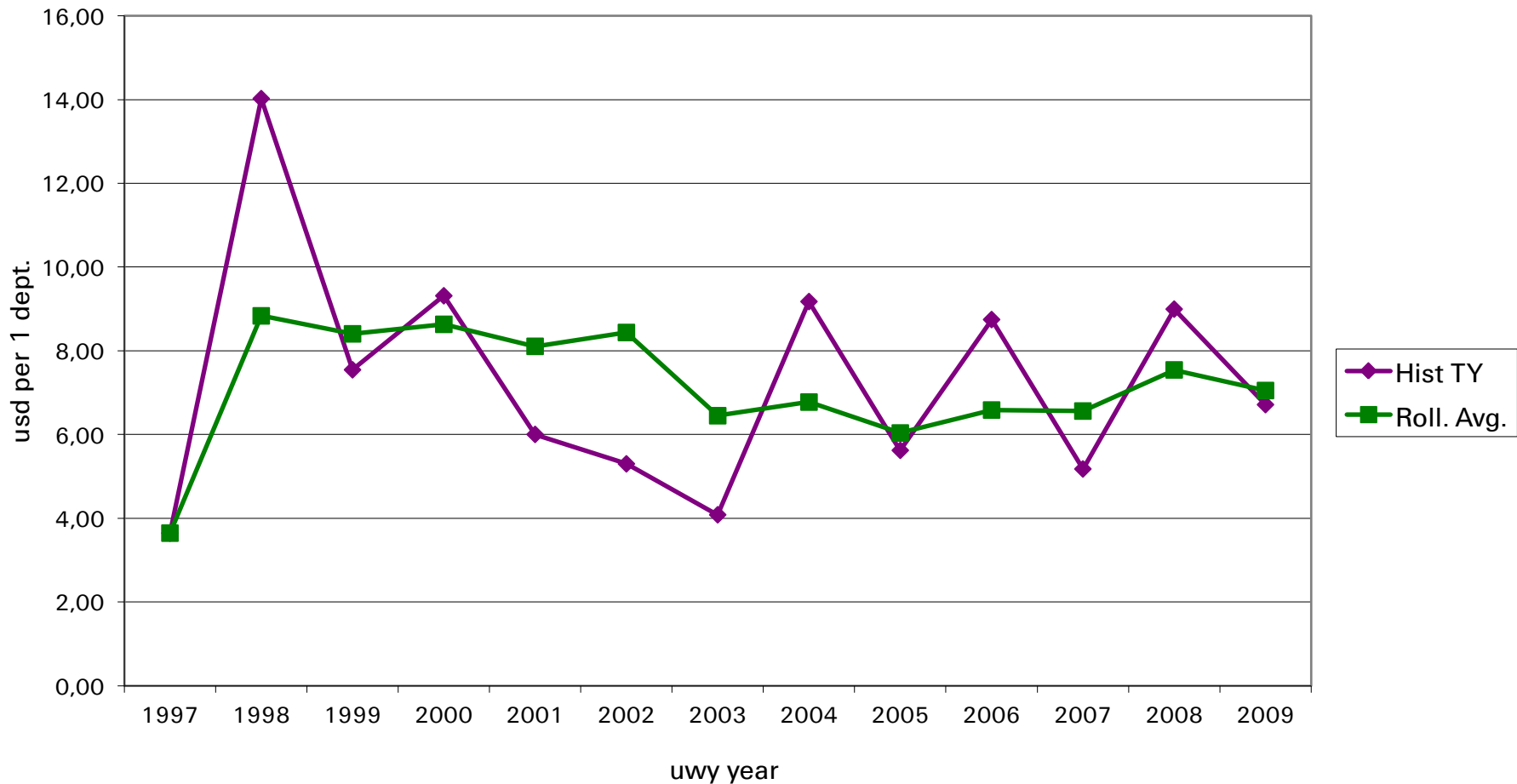
Small Liability Loss Costs All Regions

Liability Loss Cost - All Regions



Small Liability Loss Costs Latin America

Liability Loss Cost - Region D



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Thank you



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