



# International Union of Aerospace Insurers (IUAI)

Members Conference 30 May – 1 June 2022





# Major Loss Trends

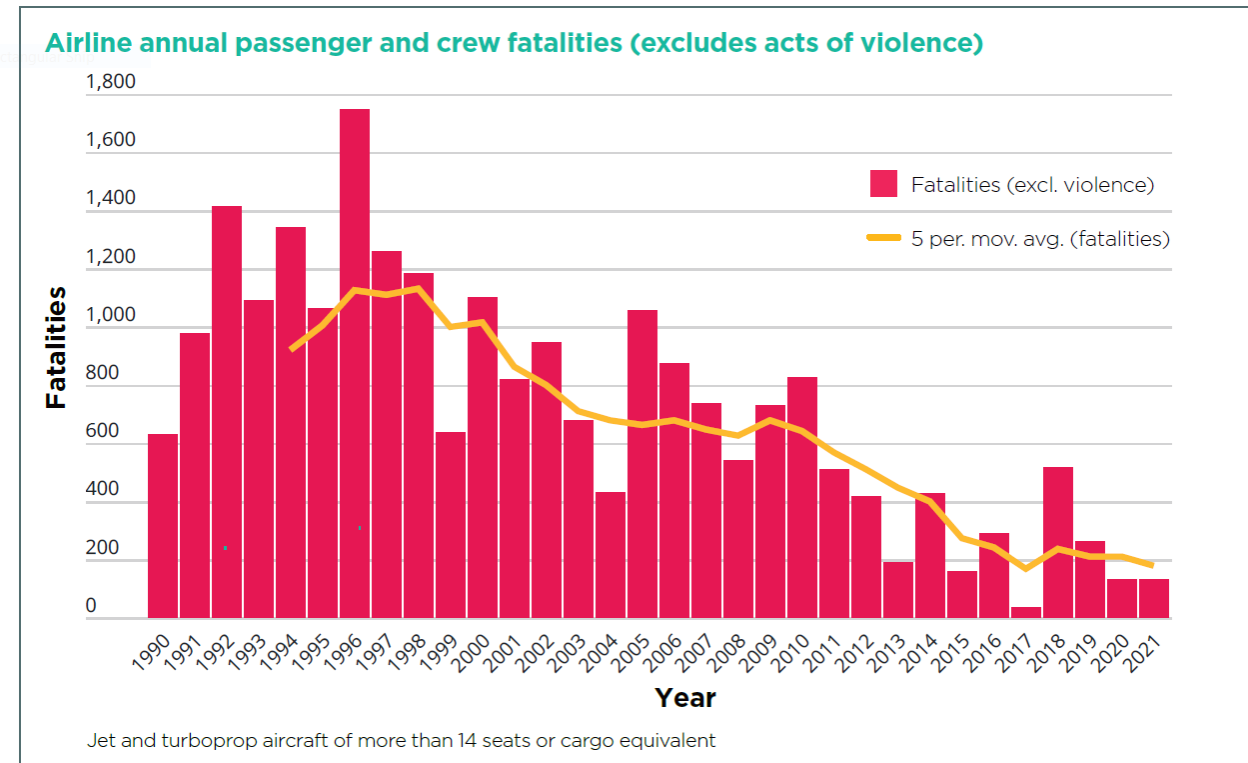
Brendan Lumb AXA XL

# Airline Accidents

- Accident/fatality rate continues its low level
- China Eastern Airlines 21 March 2022 first western built aircraft fatality loss since January 2021.
- 132 killed, investigation ongoing, no suspected product failure, all Chinese nationals
- Boeing Max litigation continuing reserve volatility

Lion Air: 186 out of 189 claims resolved

Ethiopian Airlines: around 130 claims still to resolve



# Other airline exposures

- 2021 hail events:
  - 3 May. 63 Boeing Max aircraft damaged at San Antonio
  - 11 July. Around 300 aircraft damaged at Roswell.
  - 1 October. 43 aircraft damaged at Dalian, China
- United Airlines B777-200 PW4000 engine failure 20 February 2021
  - 128 aircraft grounded 12 - 15 months
  - 52 United Airlines aircraft recently approved to return to service



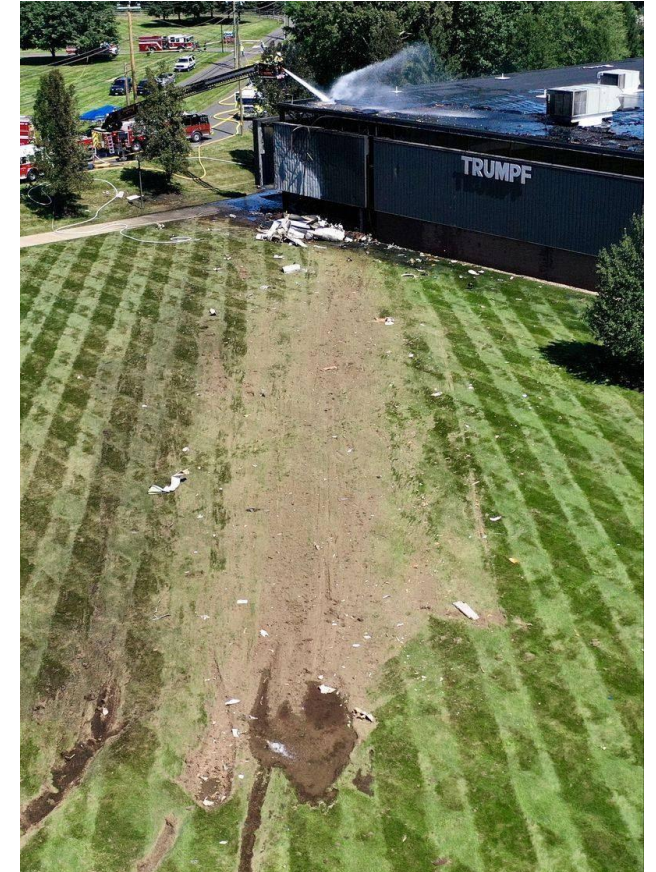
# General Aviation / Products exposure

- Deep pockets - Papillon Helicopters / Air Methods
- Long tail reserving / reserving closer to trial
- Social inflation – jury risk
- Allied Aviation ‘Nuclear verdict’ USD 352m (reduced to USD 235m) - appeal



# GA losses in last 12 months...

- Aeolus Air Charter Challenger 605 DOL 26 July 2021  
Truckee California 6 victims
- Helidosa Aviation Group Gulfstream IV DOL 15 December 2021  
Dominican Republic 9 victims
- Brook Haven Cessna Citation 560 DOL 2 September 2021  
4 victims & 4 ground victims

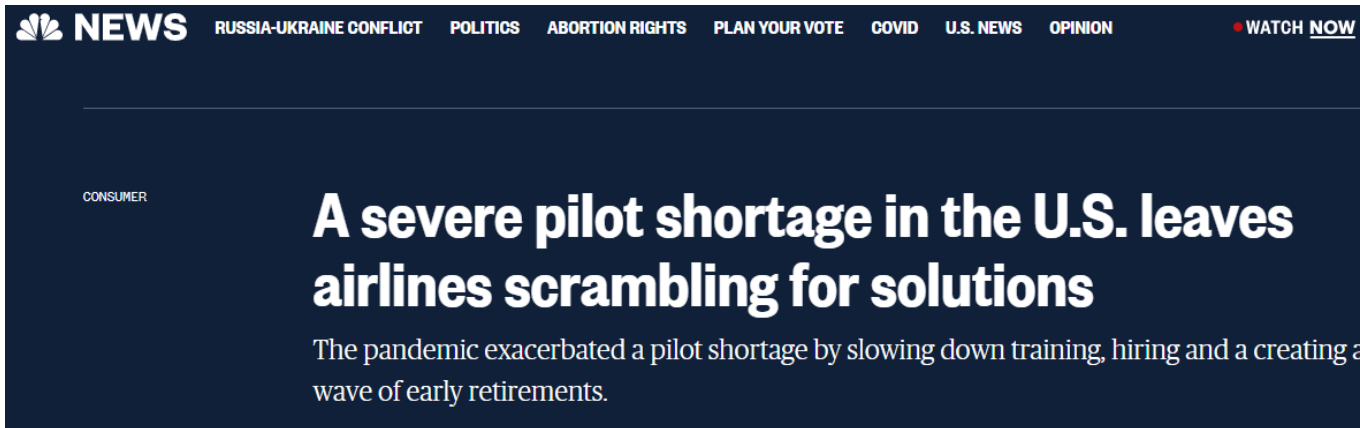


# Risk factors

- Development risk has been risk moderated in last 2 years by slowing demand / increased oversight
- But Pilot shortage / Climatic risks / Geopolitical risks continuing or increasing

*By David Hambling* 15th March 2022

Rising global temperatures might be causing hailstorms to become more violent, with larger chunks of ice and more intense downpours. But just how big can a hailstone get?



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CONSUMER

## A severe pilot shortage in the U.S. leaves airlines scrambling for solutions

The pandemic exacerbated a pilot shortage by slowing down training, hiring and a creating a wave of early retirements.

## Planes trapped in Russia highlight legal risks for leased aircraft

An estimated \$12bn to \$15bn of assets are in limbo due to sanctions imposed since the Ukraine invasion

# Conclusion

- Major losses not limited to airline accidents
- Hull exposure high, especially where multiple aircraft involved
- Increasing volatility on GA accidents where US and / or Products exposure
- Shadow of geopolitical risks

