

The Use of an Excess and Surplus Lines Broker in the Aviation Field

by C.H. Nason

Following are some of my thoughts about the use of an Excess and Surplus Lines broker in the Aviation field. First of all, our firm has been active in the Aviation market for a number of years, exclusively dealing with agents, brokers, and insurance companies on a reinsurance basis. Our guiding consideration has always been that unless our firm can add something to the transaction (value to the agent's and/or customer's work), then we have no reason to exist.

When I first started as an Excess and Surplus Lines broker in the Aviation field in the 1960's, it was common for very few agents to have any knowledge of the markets and coverages that were available. By 1995, this was not the case. The airplane has come of age, and the uncertainty has, to some extent, gone out of the Aviation insurance field.

The biggest advantages of using an Excess and Surplus Lines broker who specializes in Aviation are simple. We are in touch with all of the major markets, we are familiar with the on-going developments, and we can anticipate the needs of the customer.

Nason Associates functions in the following ways to assist agents and brokers in the Excess and Surplus Lines field:

- 1. We represent all major domestic Aviation markets who deal with agents and brokers, and most of the international markets, including those on the European continent. This puts us in touch on a monthly basis with everyone who writes Aviation insurance. We know who is increasing and decreasing their rates, who has the broadest forms of coverage, and who has limited forms of coverage.**
- 2. When an agent or broker calls with a small private business and pleasure or industrial aid risk, we will quite often direct him to the best possible market in order that he may serve his client. Why do we do this? We feel we do not add anything to the transaction if the risk is straightforward, and we would like the agent to collect the maximum commission. We do ask, when we direct an agent or broker to a market on a direct basis, that he keep us in mind when the risk becomes more difficult and when we can use our expertise.**

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- 3. Some agents do not feel that it is worthwhile to start their own Aviation departments, so they come to us on all Aviation risks, thus assuring themselves of a quality product.**

- 4. Many agents use us when they have a client who, for example, has an inexperienced pilot flying a complex aircraft, or when the Chairman of the Board or President wants to fly a jet-powered aircraft. These are difficult risks, and sometimes require long and tedious hours of working with the world markets in order to cover them. These accounts demand all of our brokering skill and experience.**

- 5. Nason Associates also has great expertise in the Aircraft Products Liability field. Most normal insurance companies have an Aircraft Products exclusion. It is then necessary for us to find a market that is willing to provide Aircraft Products coverage and is also willing to restructure the program, giving the insured the proper limits. We perhaps will even find a market that will include Aircraft Products in their umbrella coverage.**

- 6. Some agents and brokers use Nason Associates for their Underwriters at Lloyds and foreign business only. We have access to a number of Lloyds brokerage firms, in addition to our European and Far East connections. Agents come to us for higher limits of Excess Liability, and for those risks which are written only by the Lloyds and foreign markets.**

- 7. Some brokers come to us just because they like our personnel and our upbeat, positive attitude. If that is the reason, then we thank you very much!**

As a brief summary, Nason Associates, Inc. is an Excess and Surplus Lines brokerage specializing in Aviation, willing to do any type of Aviation risk on which an agent or broker desires assistance. We always ask what markets the agent would like to approach direct, so that we do not interfere with this marketing. If the agent wishes for us to do all of the marketing, we are happy to do so. We do have the ability to write every type of aircraft, from the smallest home-built airplanes up through major airliners, 747's, etc. We would certainly welcome your inquiries, and we hope that we can be of help to any agent or broker who needs our services.