Going Global

Colorado Springs – 3rd May 2015
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Session Overview

Outline

- The placing process of international aviation risks into the London and Global insurance markets.
- Underwriting risk assessment.
- Legal & Regulatory issues.
- Case scenario of placing a Business Jet for Aircraft Hull and Liability coverages.

Session Overview

A summary of learning outcomes

At the end of the session the attendees will gain:

- **Knowledge** of how Lloyds of London operates, its capital structure, its historical evolution and its international network of Lloyds Agents.
- **Understanding** of the other main London and International (non-US) markets available, their capacity and appetite for non-US risks.
- **Knowledge** of Local Markets and their role in the placing process as a result of practical and regulatory requirements.
- **Understanding** of the role of facultative reinsurance and the underwriting and claims control measures that are used when a Local Market has no aviation expertise or accepts a minimal retention.

Session Overview

A summary of learning outcomes (continued)

- **Knowledge** of the key international and national measures that impact on an aviation risk. In particular, an **Understanding** of the European Regulation 785/2004 concerning minimum insurance requirements and how it is applied.
- **Understand** underwriting and coverage issues relevant to the different operating environments worldwide.
- **Understand** the impact of UN Sanctions, money laundering legislation and anti-bribery and corruption rules on the placement process.

The London Market

- **INSURERS**
  - Lloyds
  - Company markets
  - The overseas markets

The London Market

- **BROKERS**
  - Lloyds Brokers
  - Non-Lloyds Brokers

Placing Business in London

- **REGULATORY**
  - FCA/PRA
  - UK Government
  - Europe

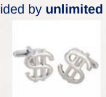
Lloyds of London

Lloyds of London
1986 Building

Lloyds of London

Unique Capital Structure

- Previously capacity provided by **unlimited** liability of individual 'names'



- Now corporate capacity with limited liability

Lloyds of London

Unique Capital Structure

Chain of Security

Three links in the chain of security:

- Syndicate level assets
- Members' funds at Lloyd's
- Central assets

Aviation Entities in Lloyds

- At the beginning of 1990s
  40 active **specialist** Lloyds Aviation syndicates

  2015
  None! But around 25 entities writing Direct aviation

Lloyds Agency Network

- 300 Lloyd's Agents and approximately the same number of Sub Agents - in every major port and commercial centre in the world
- The Lloyd's Agency Network covers more than 170 countries

Lloyds of London

Old Coffee House

Lloyds of London

Placing Business in the London Market

Strengths?

- Face to face negotiations
- Quick response
- Expertise
- International Licences held by Lloyds

Weaknesses?

- Increased competition from maturing worldwide markets
- Increased regulation

Current Issues

- **Regulations**
  - FCA/PRA
  - Contract certainty
- **Technology**
  - Electronic Placing
- **Market Conditions**
- **Sanctions**
- **Bribery & Corruption**
- **Money Laundering**

SANCTIONS

- Russia
- Crimea
- Cuba
- North Korea
- Iran
- Syria

SANCTIONS

Russia

- In response to the destabilisation in Crimea and Ukraine, the EU and US introduced **"sectorial sanctions"** on the following sectors of the Russian economy:

  - Defence

  - Finance

  - Energy

- Sectorial sanctions designed to focus on key business interests in Russia and to complement traditional asset freezing measures imposed on military and political figures in the region as well as those close to President Putin.

SANCTIONS

Crimea

EU's first response was to impose a ban on EU persons importing certain goods originating in Crimea and Sevastopol, and the provision of related (re)insurance.

July 2014, EU refined measures to target key sections of the region's economy. A ban was imposed on the supply of certain goods (and the provision of financing, and financial assistance, in connection with them) for use in the following sectors in Crimea and Sevastopol:

- Transport
- Telecommunications
- Energy
- Oil, gas and mineral resources

SANCTIONS

Crimea

- In December 2014, the previous measures were largely replaced with more extensive sanctions targeting the same sectors of the Crimean economy. **10 page list** included in the relevant EU Regulation set out the new prohibitions.
- EU and US measures imposed on Crimea gradually tightened over the course of the year.
- December 2014, US imposed similar measures concerning Crimea, broadly prohibiting US Persons from investing in or trading with Crimea.

SANCTIONS

Cuba

Marked change in tone between the US and Cuba in December 2014. The US has now implemented new policy changes, including those intended to help develop private business in Cuba in the following sectors:

- Telecommunications (including the internet)
- Financial services
- Trade
- Shipping

Although the majority of US prohibitions remain in force, the US has eased certain measures.

SANCTIONS

North Korea

In response to the cyber-attack on Sony Pictures and threats against cinemas and moviegoers, a US asset freeze has been imposed on officials, agencies and controlled entities of both the North Korean government and the Workers' Party of Korea. US (re)insurers are prohibited from participating in cover provided to persons subject to the US asset freeze.

It is unclear whether additional sanctions measures will be imposed (by either the US or EU) during the course of 2015. The EU position remains unchanged except for amendments to the list of North Korean asset freeze targets.

SANCTIONS

Iran

In 2014 the joint plan of action (or JPOA) talks continued between the P5+1 and Iran. Deadline was extended to 30 June 2015. While this interval remains in place, certain sanctions remain suspended.

The EU's suspension of its prohibition on the provision of (re)insurance in relation to the transport of Iranian origin crude oil will continue until 30 June 2015.

The EU has increased the threshold in relation to the transfer of funds to/from Iran before authorisation must be sought from the relevant competent authority.

The relief under US sanctions is similarly continued until 30 June 2015, but largely applies only to non-US (re)insurers.

SANCTIONS

Syria

Little change to the financial sanctions first imposed on Syria by the EU in late 2011 and early 2012.

"Accent notes" have been added to the EU's sanctions programme on Syria, with the (re)insurance of jet fuel and fuel additives now being prohibited. The existing, more extensive, restrictions (including those related to energy) remain in place.

The prohibitions on providing (re)insurance to the State of Syria, its Government, its public bodies, corporations or agencies (or any person acting on their behalf or at their direction) also remain in force.

Aside from additional asset freeze designations, there were also no meaningful changes in US sanctions concerning Syria in 2014.

SANCTIONS

Future

- Sanctions to remain an important instrument in the EU and US's repertoire of diplomatic responses.
- In 2014, sectorial sanctions proved to be the foreign policy tool of choice in relation to Russia and Crimea and expected use of this tool in future is expected.

Sanctions
Consequences of Breach

So overly cautious approach often adopted.

Bribery and Corruption

- Bribery is the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust.
- Corruption is the abuse of entrusted power for private gain.
- Bribery and Corruption can take many forms (gift, cash, holidays, VIP entertainment).
- The Bribery Act 2010 tightens up the UK's legislation and also aims to simplify the law on corruption and enable faster investigation and easier prosecution.
- For the first time, charges of bribery can also be made against a commercial organisation

Bribery and Corruption

- Bribery and Corruption crosses international borders.
- The US Foreign Corrupt Practices Act applies to US nationals and US companies with a US presence.
- If you are doing business overseas; Be familiar with the bribery or corruption risk there and comply with foreign legislation. Look out for behaviour ('red flags') that may arouse suspicions of bribery and corruption.
- Whistle-blowing exists to provide a route for employees to report concerns over colleagues and possible cases of bribery on corruption.

Bribery and Corruption Consequences of Breach

SO BEWARE!

Money Laundering

Money laundering involves the proceeds of crime.

It is a way of trying to hide their illegal source so that they appear to be legitimate funds.

Criminals will use any means they can to convert the **'dirty'** money into a form which can be used without it being traced back to its original source.

It's an **offence** to:
- tip someone off
- fail to report knowledge, or suspicions of, money laundering.

Regulated firms must follow customer due diligence and look out for suspicious activities.

Money Laundering
Consequences of Breach

SO BEWARE!

The Insured

Agreed Value: USD80m
Passengers: 19
Executive Transport

Country cross-section to be considered

South America – Brazil

Asia – China

Eurasia – Russia

Africa – Nigeria

Europe – France

Europe - Turkey

Jet Hull Loss Rate - Regional

This rate includes accidents involving all jet aircraft where the accident resulted in a hull loss. The Jet Hull Loss rate is calculated as number of accidents per million sectors.

	2009	2010	2011	2012	2013	2014	Trend	2009-2013
Africa	14.38	9.14	4.36	4.63	2.22	0.00		6.83
Asia Pacific	0.89	0.84	0.26	0.49	0.71	0.44		0.63
Commonwealth of Independent States	0.00	3.50	6.34	1.91	1.79	0.83		2.74
Europe	0.46	0.47	0.00	0.15	0.15	0.15		0.24
Latin America and the Caribbean	0.00	1.99	1.44	0.45	0.45	0.41		0.87
Middle East and North Africa	5.29	1.58	2.31	0.00	0.66	0.63		1.82
North America	0.44	0.11	0.11	0.00	0.33	0.11		0.20
North Asia	0.00	0.36	0.00	0.00	0.00	0.00		0.06
Industry	0.86	0.79	0.58	0.28	0.41	0.23		0.58
IATA Member Airlines	0.69	0.26	0.42	0.00	0.30	0.12		0.33

*Note: the trend is designed to indicate the performance for each region, therefore the scale has been adjusted for each region and cannot be compared with the other trend lines. The red dot(s) correspond to the highest point(s) and the blue dot(s) to the best performance during the period.

Source IATA

Turboprop Hull Loss Rate - Regional

This rate includes accidents involving all turboprop aircraft where the accident resulted in a hull loss. The Turboprop Hull Loss rate is calculated as number of accidents per million sectors.

	2009	2010	2011	2012	2013	2014	Trend	2009-2013
Africa	5.25	10.97	7.58	17.14	7.51	14.13		9.62
Asia Pacific	1.50	2.12	2.65	1.92	2.50	0.00		2.16
Commonwealth of Independent States	5.82	11.85	17.61	18.73	6.49	11.95		12.12
Europe	0.62	0.64	1.97	0.69	3.64	0.71		1.46
Latin America and the Caribbean	3.51	4.60	8.27	2.44	3.73	1.21		4.53
Middle East and North Africa	5.91	11.89	6.85	14.26	0.00	7.17		7.91
North America	0.75	1.57	0.38	1.20	1.21	1.19		1.02
North Asia	0.00	0.00	0.00	12.66	0.00	11.28		2.41
Industry	1.74	2.99	3.10	3.31	2.79	2.30		2.78
IATA Member Airlines	0.78	0.00	0.72	1.75	2.82	0.93		1.14

*Note: the trend is designed to indicate the performance for each region, therefore the scale has been adjusted for each region and cannot be compared with the other trend lines. The red dot(s) correspond to the highest point(s) and the blue dot(s) to the best performance during the period.

Source IATA

EU Minimum Liability Lines

Category	MTO(kg)	Minimum insurance(million SDRs)
1	‹ 500	0,75
2	‹ 1 000	1,5
3	‹ 2 700	3
4	‹ 6 000	7
5	‹ 12 000	18
6	‹ 25 000	80
7	‹ 50 000	150
8	‹ 200 000	300
9	‹ 500 000	500
10	≥ 500 000	700

Typical Placement Structure

INSURED
|
LOCAL BROKER
|
LOCAL INSURER
|
LONDON RE/INSURANCE BROKER
|
LONDON & INTERNATIONAL MARKETS

Underwriting and Claims Control

- Reinsurance underwriting and claims control:
  - Clause AVN41A
- Claims control
  - Clause AVN25
- Claims co-operation
  - Clause AVN21

Brazil



FULL NAME: Federative Republic of Brazil
CAPITAL CITY: Brasilia
LANGUAGE: Portuguese

Brazil

	2013	Global Rank
GDP (PPP terms, intl $ bn)	3,012.9	7
POPULATION (mns)	201.0	5

IMF CATEGORISATION: Developing
MAIN EXPORT PARTNERS: China 17%, US 11%, Argentina 7% (2012)
MAIN IMPORT PARTNERS: US 15%, China 15%, Argentina 7% (2012)
MAIN EXPORTS: Transport equipment, iron ore, soybeans
MAIN IMPORTS: Machinery, electrical and transport equipment, chemical products

Brazil

- **TOTAL INSURANCE MARKET WORTH US$ 29.3BN in 2013**:
- **INTERNATIONAL FOREIGN INSURERS:** Approximately a third of the Brazilian insurance market is dominated by foreign insurers, including large non-life foreign participants such as Allianz, Liberty, MAPFRE and Tokio Marine.
- **BROKER MARKET**: Reinsurance brokers continue to be main distribution channel in Brazil.

Brazil

LOCAL REINSURERS: Since the opening of the market in Brazil in 2008, 102 reinsurers were licensed by SUSEP, 48 (Local + Admitted) have local presence, a large majority of international players.

OUTLOOK: Although the current economic crisis could temporarily interrupt the sector's double-digit growth of recent years, the industry's longer-term prospects are strong. It enjoys a strong capital position to support future growth that will come from the change in regulatory environment and increasing penetration of insurance products. New investments in large-scale energy and infrastructure projects will require sophisticated insurance solutions that will further spur development of the industry. Additionally, the prospect of the 2016 Olympics in Rio is expected to positively impact the industry.

Source: Market Intelligence, Country Profile, Lloyds of London

Brazil

Insurance

Lloyd's underwriters are not licensed to write insurance in or from Brazil.

Resolution 197/2008, non-admitted placements are only permitted in this territory in the following cases:

- When the insured is a person resident in Brazil and needs insurance coverage only for the period s/he is temporarily in a foreign country.
- Insurances that, at the time of the publication of Law 126/2007 and according to the laws in force, were placed with foreign insurers.
- When there is no insurance coverage available in Brazil, provided the insurance operation does not infringe any law; and Insurances of hull, machinery and liability in respect of vessels registered with the Brazilian Special Registry (REB), according to paragraph 2, Article 11 of Law 9432/1997.

Brazil

Reinsurance

Lloyd's is registered as an admitted reinsurer in Brazil. This registration enables Lloyd's underwriters to write reinsurance business on a cross-border basis only.

Brazilian insurance companies are required to cede at least 40% of each reinsurance cession to local reinsurers. However, if all local reinsurers decline to underwrite, or accept only a portion of a risk, then admitted reinsurers may be able to underwrite the remaining portion.

Aircraft Insurance Placement Brazil

- Placement Considerations
- Underwriting Considerations
  - Hull factors
  - Liability factors
- Claims Considerations

China

FULL NAME: People's Republic of China
CAPITAL CITY: Beijing
LANGUAGE: Mandarin Chinese
Putonghua, or
Common Language

China

GDP (PPP)	US$ 13,581bn (Global Rank #2)
POPULATION	1,360m (Global Rank #1)
IMF CATEGORISATION:	Emerging / Developing
MAIN EXPORT PARTNERS:	US 17%, Hong Kong 14%, Japan 8% (2011)
MAIN IMPORT PARTNERS:	Japan 11%, South Korea 9%, US 7% (2011)
MAIN EXPORTS:	Electrical and other machinery, data processing equipment, apparel
MAIN IMPORTS:	Electrical and other machinery, oil and mineral fuels, optical and medical equipment

China

THE CHINESE NON-LIFE INSURANCE MARKET IS ESTIMATED TO BE AROUND US$ 87.3BN IN 2012:

China

MARKET PLAYERS: The market is dominated by state-owned and local players, with foreign insurers only servicing few clients in comparison. There is intense competition amongst domestic rivals, whilst foreign companies have so far made modest inroads, mostly in lines where there is less local expertise.

BROKER MARKET: Largely untapped and continuously developing market. Direct market is currently dominated by direct sales forces and has only an emerging broking channel.

China

OUTLOOK: The non-life market has been growing by around 25% a year since 2003. China is the fast-growing economy in the world and is currently the sixth largest insurance market in the world, but is forecast to become number two behind the US in the next 10 years. Premium-wise, the total China market grew by 27.9% whilst global insurance premiums grew by 2.7%.

Source: Market Intelligence, Country Profile, Lloyds of London

China

Lloyd's underwriters are permitted to write non-life direct business in China through Lloyd's Insurance Company (China) Ltd (LICCL).

Under China's World Trade Organisation (WTO) commitments, non-admitted insurers may write international marine, aviation and transport insurance (MAT). There is no requirement for a Chinese intermediary for MAT business under PRC laws and regulations.

China

Lloyd's underwriters are permitted to write reinsurance business from China through Lloyd's Insurance Company (China) Ltd (LICCL) or on a cross-border basis.

With the exception of aviation, aerospace, nuclear, oil and credit reinsurance contracts, the amount of proportional business ceded to any one reinsurer in respect of any one risk shall not exceed 80% of the sum insured or liability limit of the direct insurance policy. The amount of each facultative cession to an affiliated company of the policyholder should not exceed 20% of the sum insured or limit of liability of the direct insurance policy.

Aircraft Insurance Placement China

- Placement Considerations
- Underwriting Considerations
  - Hull factors
  - Liability factors
- Claims Considerations

Russia

FULL NAME: Russian Federation
CAPITAL CITY: Moscow
LANGUAGE: Russian

Russia

GDP (PPP)	US$ 2643bn (Global Rank #6)
POPULATION	141m (Global Rank #9)
IMF CATEGORISATION:	Emerging / Developing
MAIN EXPORT PARTNERS:	Netherlands 12%, China 6%, Italy 6% (2011)
MAIN IMPORT PARTNERS:	China 16%, Germany 10%, Ukraine 7% (2011)
MAIN EXPORTS:	Petroleum and petroleum products, natural gas, metals
MAIN IMPORTS:	Machinery, vehicles, pharmaceutical products, Chemicals

Russia

THE SIZE OF THE (VOLUNTARY) NON-LIFE INSURANCE MARKET WAS ESTIMATED TO BE US$ 22.2BN IN 2011: Russia is the dominant insurance market in the Commonwealth of Independent States (CIS) region representing the majority of total premiums.

Capital and solvency requirements are being raised by the regulator. This is subsequently leading to significant level of consolidation within the insurance sector with a number of firms leaving the insurance market, and larger firms acquiring smaller ones.

Russia

INTERNATIONAL FOREIGN INSURERS: Foreign involvement in the market is very limited. Foreign controlled insurers and reinsurers are subject to higher capital requirements than local companies.

BROKER MARKET: Brokers were only introduced to the market after communism was abolished in the nation and the use of them has increased greatly over the past few years. Foreign owned insurers rely heavily on insurance brokers for the non-direct part of their business, as they have not invested in their own sales networks.

Russia

FOREIGN COMPANIES DOMINATE THE REINSURANCE MARKET: Even though Russian reinsurers' tariffs are often lower, the majority of outward reinsurance goes to foreign companies. This is due to perceived lower financial reliability of local reinsurers, requirements of the insured party (minimum security ratings…), higher country risk, insufficient capacity of the local reinsurance market, lack of experience in certain classes and an unwillingness to disclose business details to local reinsurers (competitors in the direct market).

OUTLOOK: The Russian insurance industry has limited finance literacy as well as limited risk based capital strength, and is characterized by a large number of under-capitalised insurers.

Source: Market Intelligence,Country Profile,
Lloyds of London

Russia

Insurance

Lloyd's underwriters are generally not licensed to write insurance in or from Russia.

Reinsurance

Lloyd's underwriters are permitted to write reinsurance from Russia.

Aircraft Insurance Placement
Russia

- Placement Considerations
- Underwriting Considerations
  - Hull factors
  - Liability factors
- Claims Considerations

Nigeria

FULL NAME: Nigeria
CAPITAL CITY: Abuja
LANGUAGE: English (official), Hausa, Yoruba, Igbo (Ibo), Fulani, over 500 additional indigenous languages

Nigeria

GDP (PPP)	US$ 509bn (Global Rank #31)
POPULATION	177m (Global Rank #15)
IMF CATEGORISATION:	Emerging / Developing
MAIN EXPORT PARTNERS:	US 17%, India 12%, Brazil 8% (2012)
MAIN IMPORT PARTNERS:	China 18%, US 10%, India 5% (2012)
MAIN EXPORTS:	Petroleum and petroleum products, cocoa, rubber
MAIN IMPORTS:	Machinery, chemicals, transport equipment

Nigeria

NIGERIA'S NON-LIFE INSURANCE SECTOR: An on-going challenge for the non-life insurance community is the intense competition between players and the evolving regulatory regime.

MARKET PLAYERS: The number of insurance companies in Nigeria dropped from 103 to 49 after several mergers and acquisitions.

OUTLOOK: Nigeria's rapidly improving financial sector and growing wealth for the population is linked to expectations of insurance premium growth in the long term.

Source: Market Intelligence, Country Profile, Lloyds of London

Nigeria

Insurance

Lloyd's underwriters are not licensed to write insurance in or from Nigeria.

Exceptions:
Lloyd's underwriters may write insurance where there is no local market for the risk or because of the exceptional nature of the risk. Permission/explicit approval is required from the National Insurance Commission (NAICOM).
Reinsurance

Lloyd's underwriters are not permitted to write reinsurance in or from Nigeria.

Exceptions:
Lloyd's underwriters may write reinsurance where there is no local market for the risk or by reason of the exceptional nature of the risk. Permission/explicit approval is required from NAICOM.

It should be noted that local insurance legislation does not apply to Africa Re which therefore has permission to retrocede business outside of the domestic market.

Aircraft Insurance Placement Nigeria

- Placement Considerations
- Underwriting Considerations
  - Hull factors
  - Liability factors
- Claims Considerations

France

FULL NAME: French Republic
CAPITAL CITY: Paris
LANGUAGE: French

France

GDP (PPP)	US$ 2,273bn (Global Rank #10)
POPULATION	65.9m (Global Rank #22)
IMF CATEGORISATION:	Developed
MAIN EXPORT PARTNERS:	Germany 17%, Belgium 8%, Italy 8% (2012)
MAIN IMPORT PARTNERS:	Germany 20%, Belgium 11%, Italy 8% (2012)
MAIN EXPORTS:	Machinery and transportation equipment, aircraft, plastics
MAIN IMPORTS:	Machinery and equipment, vehicles, crude oil

France

THE FRENCH NON-LIFE INSURANCE MARKET IS ESTIMATED TO BE AROUND US$ 92.5BN FOR 2013:

France is a sophisticated insurance market and among the largest in the world. The French insurance market has consolidated in the past few years, as several of the largest insurers have undergone acquisition and/or rationalisation of their structures. The leading companies include the following French financial giants, AXA, Covea, SFEREN and Groupama.

France

INTERNATIONAL FOREIGN INSURERS: There are predominantly two foreign insurers, Allianz (formerly AGF) of Germany and Generali of Italy.

BROKER MARKET: Since the distributions of general agents in France are decreasing, brokers' service is under an increasing demand.

France

LOCAL REINSURERS: The French local reinsurance market is dominated by SCOR and CCR, which has a unique agreement which governs its relations with the French State.

OUTLOOK: In the context of the new solvency norms and new demands in terms of equity and risk management, acquisitions and mergers are forecast in the market, particularly among smaller insurance companies or mutuals.

Source: Market Intelligence, Country Profile, Lloyds of London

France

Insurance

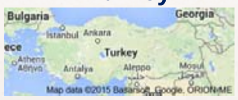
Lloyd's underwriters are authorised to write:
All classes of insurance in this territory on a freedom of services basis, and

All classes, except term life, on an establishment basis.

Aircraft Insurance Placement France

- Placement Considerations
- Underwriting Considerations
  - Hull factors
  - Liability factors
- Claims Considerations

Turkey



FULL NAME: Republic of Turkey
CAPITAL CITY: Ankara
LANGUAGE: Turkish (official), Kurdish

Turkey

GDP (PPP)	US$ 1181bn (Global Rank #16)
POPULATION	76m (Global Rank #18)
IMF CATEGORISATION:	Emerging / Developing
MAIN EXPORT PARTNERS:	Germany 10%, Iraq 6%, UK 6% (2011)
MAIN IMPORT PARTNERS:	Russia 10%, Germany 10%, China 9% (2011)
MAIN EXPORTS:	Apparel, foodstuffs, textiles
MAIN IMPORTS:	Machinery, chemicals, semi-finished goods

Turkey

NON-LIFE INSURANCE MARKET IS WORTH US$ 9.5BN FOR 2012: Together with Poland, Turkey has been among the fastest growing insurance markets of its size in Europe. Along with the rapid growth in the Turkish insurance sector, there have been major changes to the Turkish insurance legislation in the last few years. New legislation has improved the regulatory framework and has brought the industry more into line with international practice. The general trend for the last decade in the Turkish non-life insurance market was that premium growth tends to be twice as high as economic growth. This trend is estimated to continue in the near future.

FOREIGN INSURERS: Turkey is seen by many foreign insurance companies as a prospective market. Some foreign players such as Axa, Allianz, Groupama and Mapfre have now gained a significant position in the Turkish market. It is estimated that around 2/3 of the Turkish non-life market is generated by foreign insurers.

Turkey

BROKER MARKET: Agency networks currently account for around 70% of insurance sales in Turkey. Brokers are firmly established for complex products as the market demands and risks become more complex.

FOREIGN REINSURERS DOMINATE: The majority of the Turkish insurance industry's need for reinsurance coverage is met by the international market.

OUTLOOK: Many analysts expect positive outcomes for the insurance industry owing to the expansion of the Turkish economy, maturing relations with the EU and the alignment of laws and regulations with EU legislation.

Source: Market Intelligence, Country Profile, Lloyds of London

Turkey

Insurance

Lloyd's underwriters are not licensed to write insurance in or from Turkey.

Main Exceptions:

Marine and aviation cargo insurances covering imports and exports.
Marine and aircraft hull insurance, when purchased with overseas credit (or leased from overseas).
Liability insurances arising out of the operation of ships.

Reinsurance

Lloyd's underwriters are permitted to write reinsurance originating from Turkey on a cross-border basis only. The underwriting must take place outside of the territory.

Aircraft Insurance Placement Turkey

- Placement Considerations
- Underwriting Considerations
  - Hull factors
  - Liability factors
- Claims Considerations