

## ABC 2009 Underwriters Presentation - Voting Results

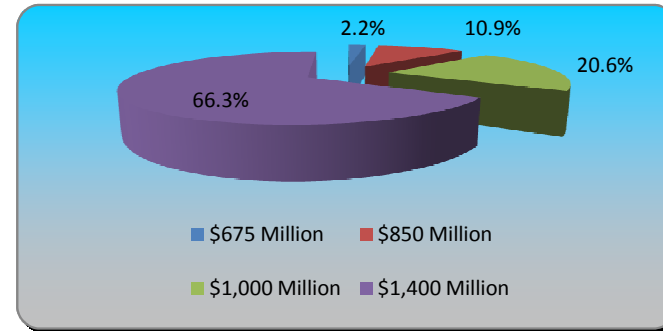
**Correct answers are highlighted**

1977 aviation accident in Europe involving two 747 Aircraft- 583 passenger fatalities – Cost of Liability settlements below \$150 Million. If the loss occurred in 2009 what would be the approximate cost?

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- \$675 Million
- \$850 Million
- \$1,000 Million
- \$1,400 Million**

*The majority of delegates answered CORRECTLY.*

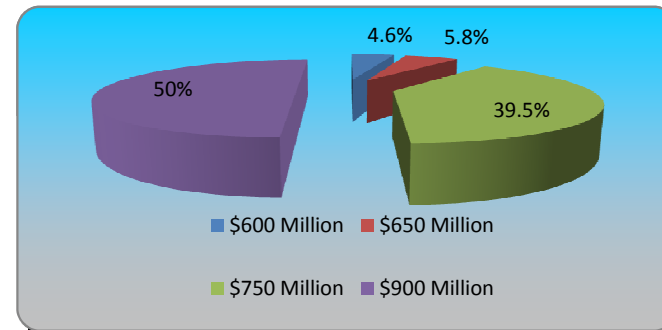


1994 aircraft accident in USA – 126 passenger fatalities. Cost of liability settlement over \$400 Million. Again – if the loss occurred in 2009 what is the approximate cost of the settlement?

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- \$600 Million
- \$650 Million
- \$750 Million**
- \$900 Million

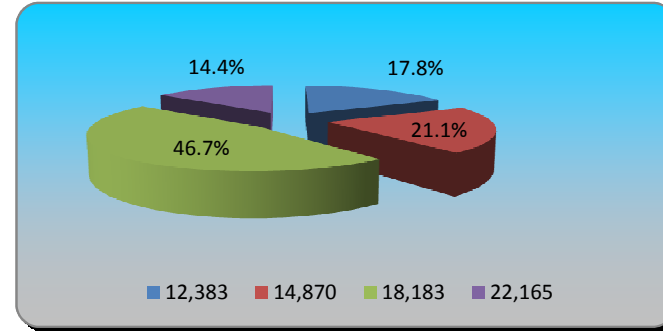
*Surprisingly compared to the previous question ONLY 40% were CORRECT and 50% OVER-INFLATED!*



In 2000 13,679 western-built jet airliners were in service, how many as at August 2009?

- 12,383
- 14,870
- 18,183**
- 22,165

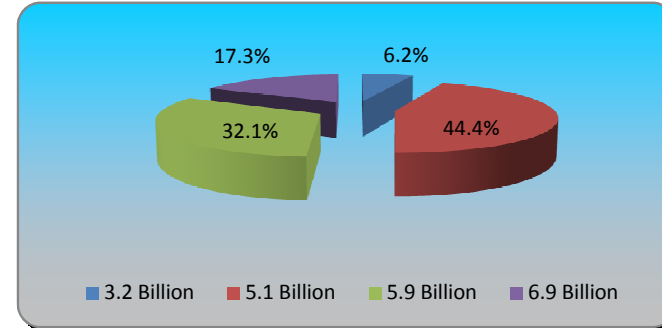
Majority CORRECT with the answer showing a 33% increase in airliners from 2000 to 2009.



In 2000 there were 3.8B RPKs worldwide, how many as at 12 months ending June 2009?

- 3.2 Billion
- 5.1 Billion**
- 5.9 Billion
- 6.9 Billion

Another CORRECT majority with a 34% increase from 2000 to 2009.

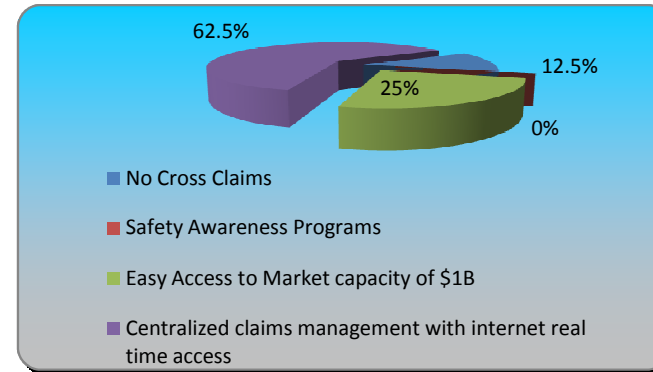


The next question related to average awards re accidents in Asia. Interestingly the MAJORITY of delegates UNDER-ESTIMATED the correct answer.

Which of these are available to ABC insureds?

No Cross Claims  
Safety Awareness Programs  
Easy Access to Market capacity of \$1B  
Centralized claims management with internet real time access

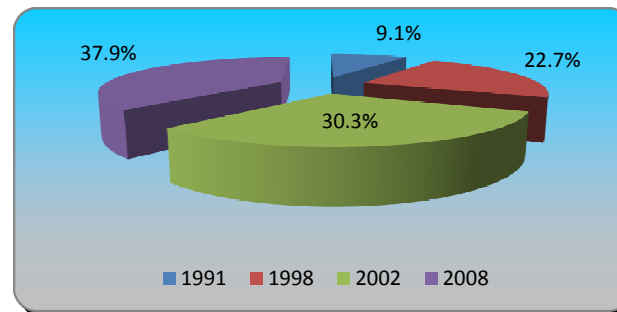
ALL OF THE ABOVE are CORRECT and amazingly no delegate believed that Product Integrity Programs and Seminars at insureds' facilities are at NO ADDITIONAL COST - see [www.aircraftbuilders.com](http://www.aircraftbuilders.com)



At year end 2008, looking at underwriting years 1990 to 2008, which of these had the highest incurred loss amount at the 12 month stage?

1991  
1998  
2002  
2008

2008 after the 12 month stage is by a long way the worst year which is of great concern especially when it takes 3 to 4 years for this class of business to mature.



In summary, despite the Global Recession, exposures are still increasing - the number of operational aircraft and claims inflation are still showing positive growth/RPKs since 1999 are up over 30%. No one should be fooled into thinking that the Products Liability exposure is reducing. Exposures are on the up and the long term trend is double digit growth every 15 years (see Airbus presentation). Coupled with this, the Accident Rate is flat lining; indeed in North America it has actually increased in the last 12 months. Now is not the time for complacency, as an industry we need to ensure adequate pricing for risk in a growth industry.

We also asked ABC attendees to answer the following questions regarding the conference

**Most popular answer highlighted**

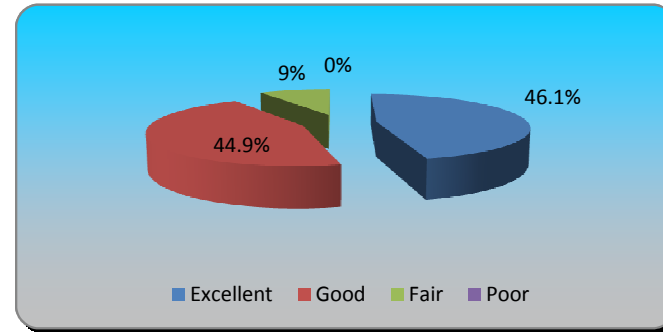
Please rate the Renaissance Esmeralda Resort & Spa.

**Excellent**

Good

Fair

Poor

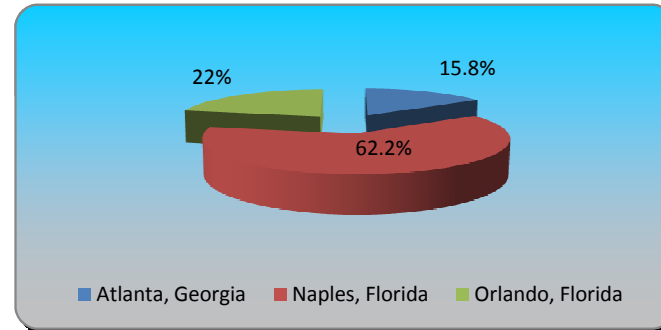


Please pick your first choice of the following eastern locations for future ABC conferences:

Atlanta, Georgia

**Naples, Florida**

Orlando, Florida



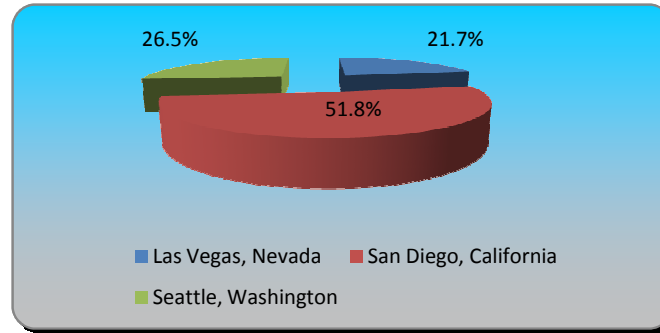
**Please pick your first choice of the following western locations for future ABC conferences:**

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Las Vegas, Nevada

**San Diego, California**

Seattle, Washington



**Please choose your preferred Conference venue-type:**

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City

Resort (Inland)

**Resort (Waterfront)**

