

SHOPPING EVERY YEAR

There are two ways to get a good reading on the condition of the market. One is to have a good aviation insurance agent that is very active in the market. This type of agent quotes risks every day and will know what a reasonable quotation is for your risk.

Another way to know where you are in the market cycle and to know what is a fair premium is to shop all the insurance companies that would have an appetite for your business. We have clients that request that we shop their risk every year. If that is what they want, that is what we will do. Shopping a risk every year, however, is counterproductive. There are a limited number of companies that will offer a quotation. Keep in mind the aviation world is a very small community. The insurance companies log every submission and every quotation into their computer systems. Before offering a quotation, they will search their computers to see if they have been offered the account before. When they see an annual shopper they lose their enthusiasm for the account.

We recommend that you shop your account no more than every three years unless the market is extremely volatile. You will ultimately receive a better effort from the underwriting community. I guess it could be said that the underwriters don't need any more practice.