

Aggressive Insurance to Take Personal Approach to New General Aviation Line

Aggressive Insurance said it is planning to use what it has learned and developed as a predominantly personal lines managing general agent to take off in the general aviation market.

Specializing in automobile insurance the past several years, President and Chief Executive Officer Richard Asprey said the company saw a dislocation in the aviation market early in 2009, with "markets leaving and certain indicators pointing toward hardening of the market in the near future."

Asprey sees similarities in the auto and general aviation insurance markets, calling the aircraft insurance process "like insuring a car with wings."

"Most companies in this market today require a policyholder to either pay their policy premium in full or they require them to finance their premium at very high interest rates," Asprey said. "What we have done is take the automobile personal lines approach."

In addition, though aircraft owners may be perceived to be among the rich, Asprey said most owners are among the middle class and could benefit from an approach to aviation insurance more like auto insurance. Customers can get an insurance quote in real time whereas many companies continue to operate the process by hand. About 45% of all aircraft owners in the United States own an aircraft with a hull value of less than \$100,000 and nearly 25% are less than \$50,000, Asprey said.

"We believe that for a huge portion of the marketplace these aircraft are not necessarily toys, but they are certainly something owned by regular, middle-class families," Asprey said.

The administration systems used to provide underwriting, policy administration and claims services by Aggressive in auto and homeowners insurance were implemented to launch the aviation program in September, said Asprey, as Aggressive believes the market will continue hardening in 2010.

"The aviation business has historically been mostly agency billed or premium financed -- that was something we did in the personal lines industry 15 years ago, and it was something we tried very hard with our system to get away from," said Asprey, who has experience at brokerage firms associated with Lloyd's. "Indeed, most personal lines companies today don't have any involvement with premium financing or agency billing so we have brought our systems to bear on a line of business that has not been brought to bear on that market before."

Asprey said the company made applications in 43 states and has approvals from 32, with a goal to do business in the lower 48 states exclusively through independent agents. The target market includes small, light aircraft built on or after 1955 with a hull value of under \$1 million -- about 85% of that market in the United States, Asprey said.

Aggressive aviation products are underwritten by New York Marine and General Insurance Co., which currently has a Best's Financial Strength Rating of A (Excellent).

[To listen to the complete interview with Richard Asprey, log onto www.bestdayaudio.com]

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