

Flatiron Partners

Aviasurance

Acquisition Presentation
1 April 2025

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The Outline



THE LANDSCAPE

How many planes crash in the US?



THE OPPORTUNITY

Why Aviasurance?



THE TURNAROUND

What are we going to do?

The Landscape

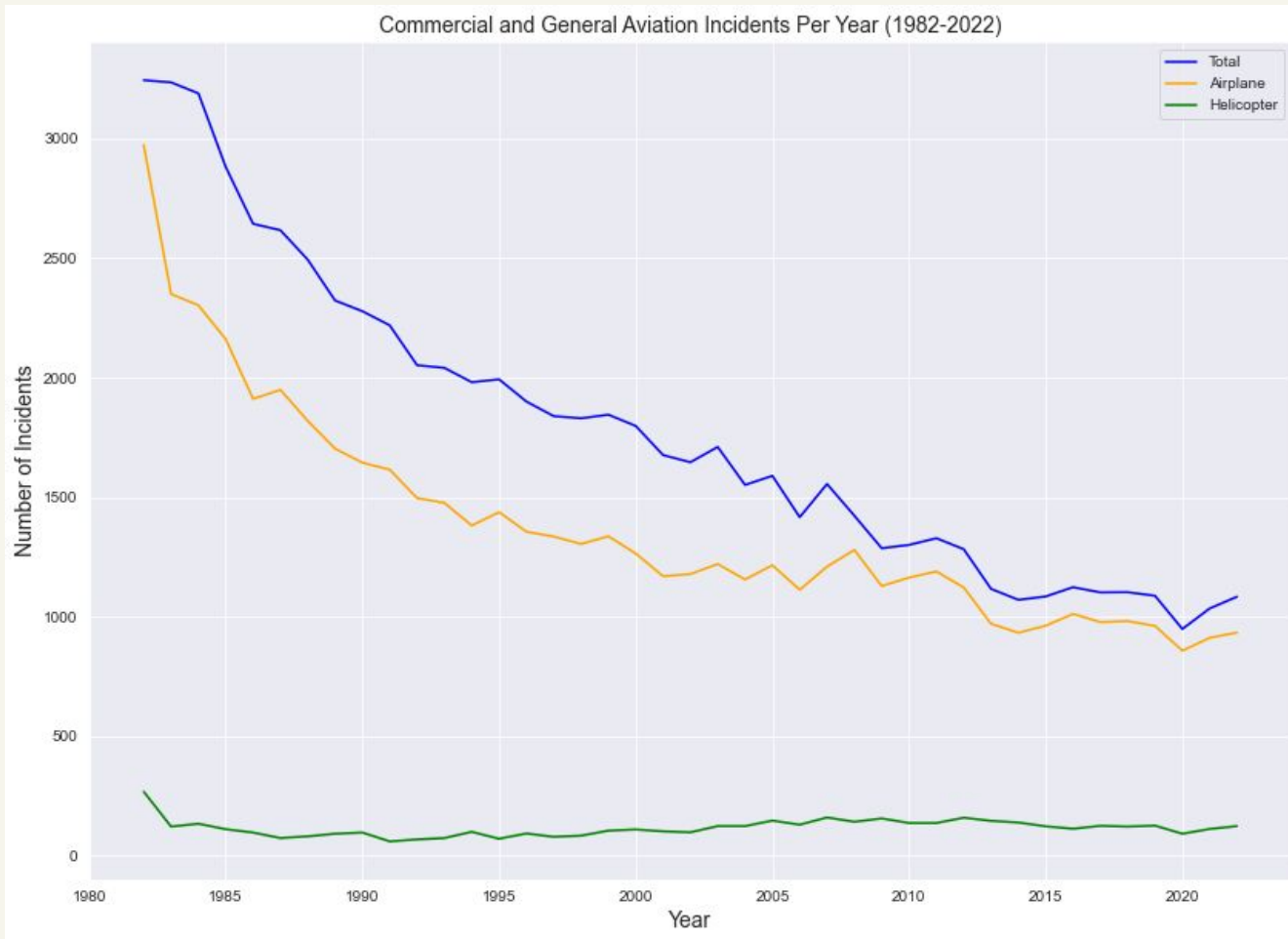
How many planes crash in the US?

Incident Trends

Overall Number of Incidents

Airplane incidents are **down 69%**

Helicopter incidents are **down 54%**



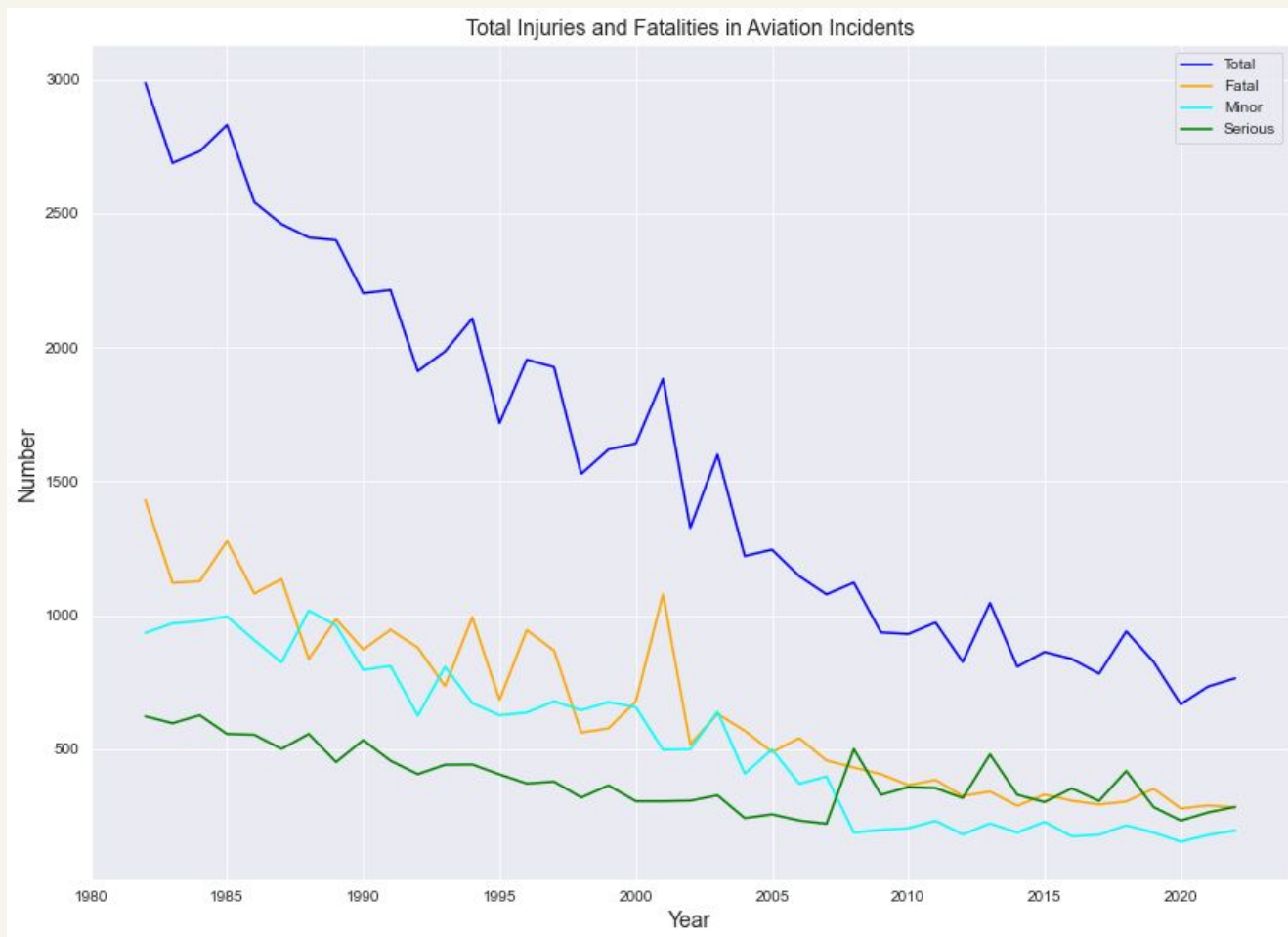
Incident Trends

Overall Number of Injuries and Fatalities

Total injuries and fatalities **down 74%**

Fatalities **down 80%**

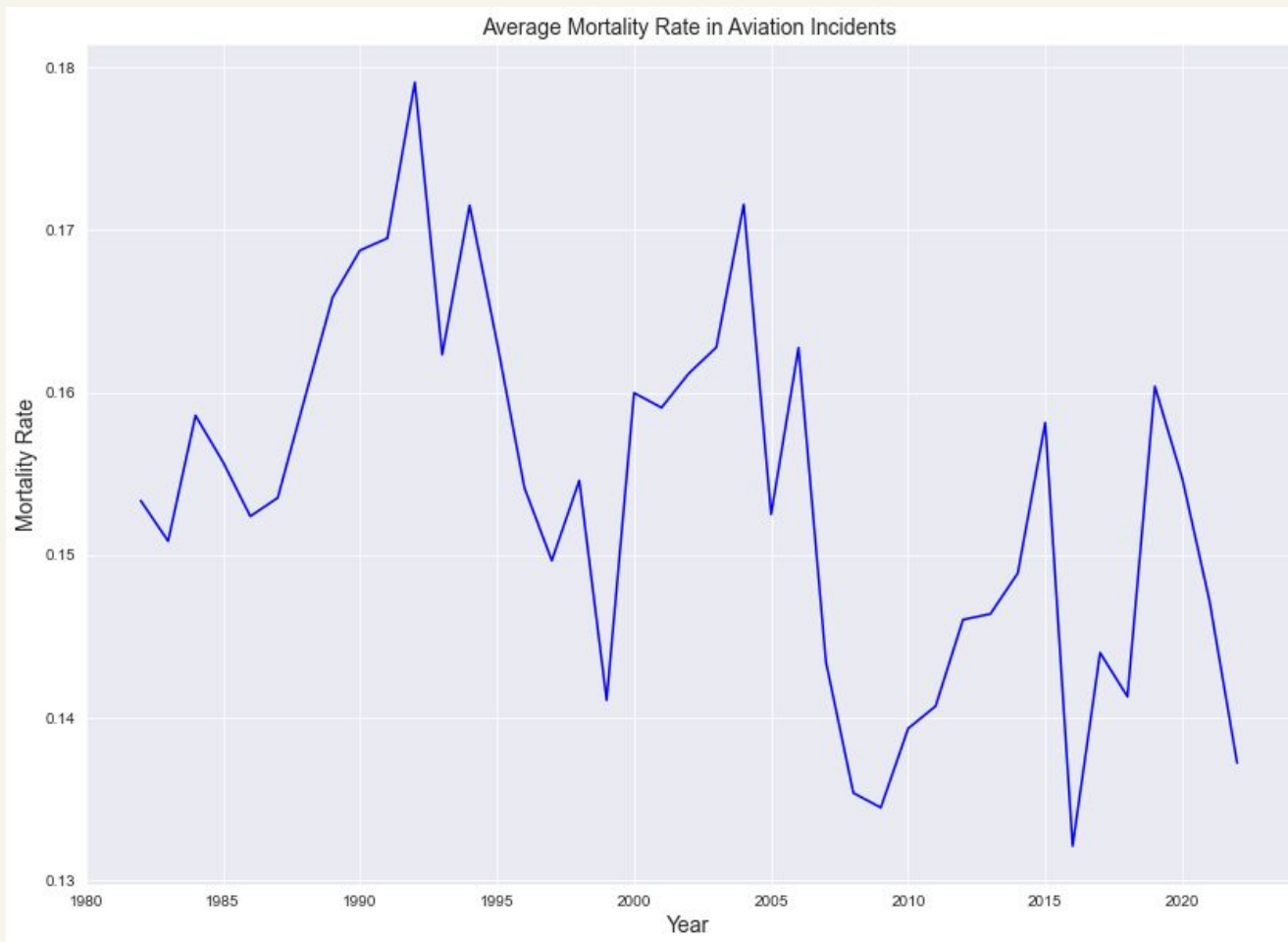
Serious injuries **only down 54%**



Incident Trends

Average Mortality Rate

Average mortality rate **down**
10.5%



The Opportunity

Why Aviasurance?

The Opportunity

- Flatiron Partners is looking to expand its portfolio into aviation insurance
- Aviasurance is an insurance firm that has struggled with risk management in recent years
- Aviasurance offers entry into the market with an established customer base and an opportunity to improve performance



The Turnaround

What are we going to do?

Profit Drivers in Insurance

Revenue Growth

- Customer acquisition
- Data monetization
- Investment income

Expense Minimization

- Risk pricing improvements
- Policy requirements
- Overhead / automation

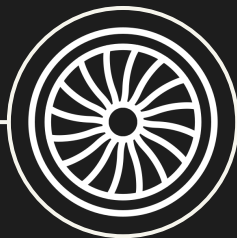
A Note on Data

- Data sourced from flight incidents in the US from 1982 to 2022
- Does not include all flights during this time period, which imposes some limitations on analysis:
 - Less sense of potential revenues
 - Comparative claims limited to within sample (i.e., can say which plane is ***likely to have a worse crash*** but **not** which is ***most likely to crash***)



Expense Minimization

Recommendations



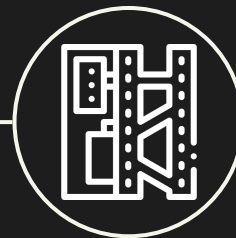
ENGINE PRICING

Set premiums as a function of engine count



MAKE PRICING

Set premiums as a function of aircraft make



POLICY REQUIREMENTS

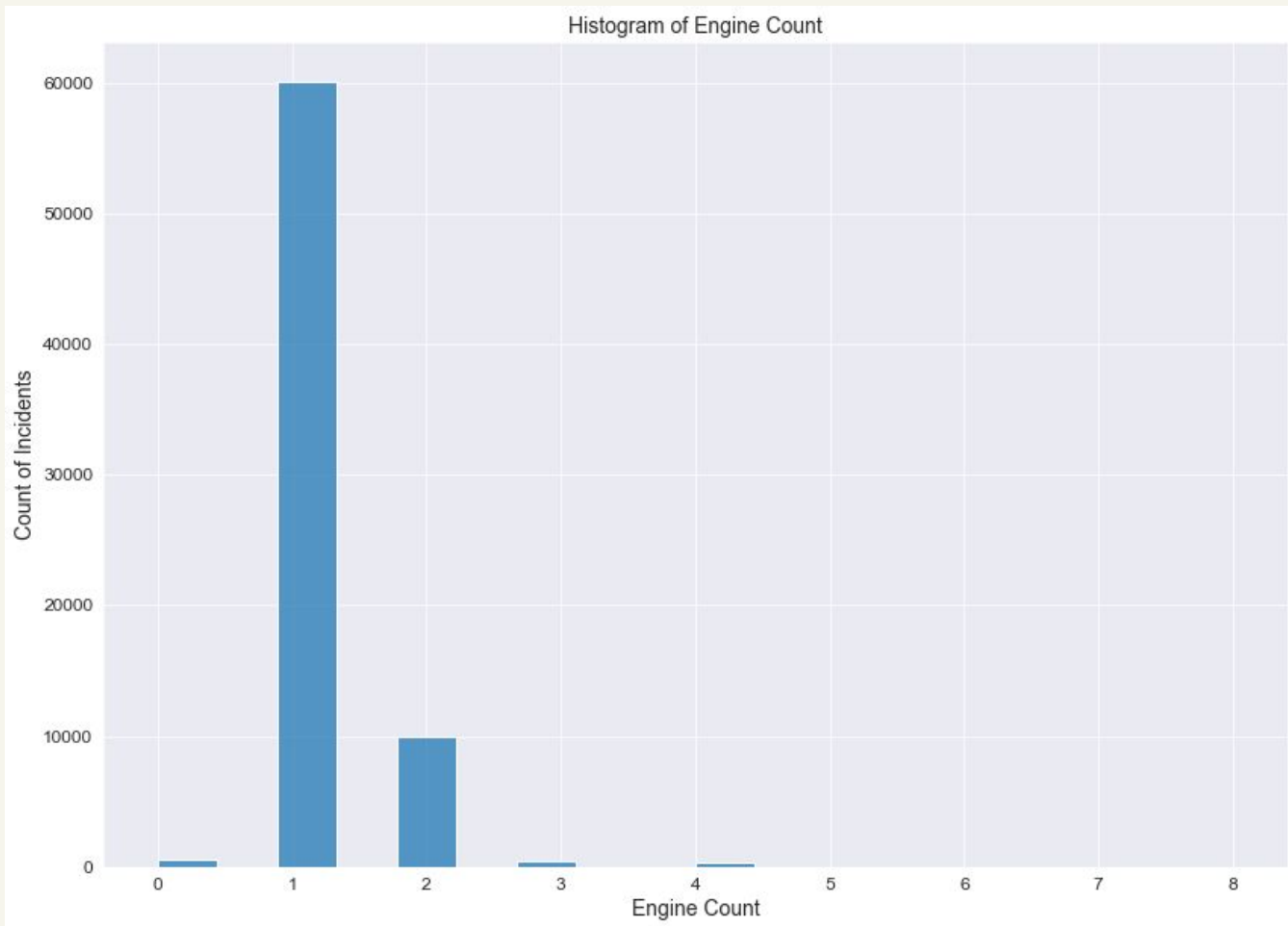
Incentivize policyholders to improve safety during certain flight phases

Turnaround principles for Aviasurance focus on ***improved risk pricing*** and ***smarter policy requirements***

Pricing Inputs

Number of Engines

6x more single engine aircraft than dual engine aircraft



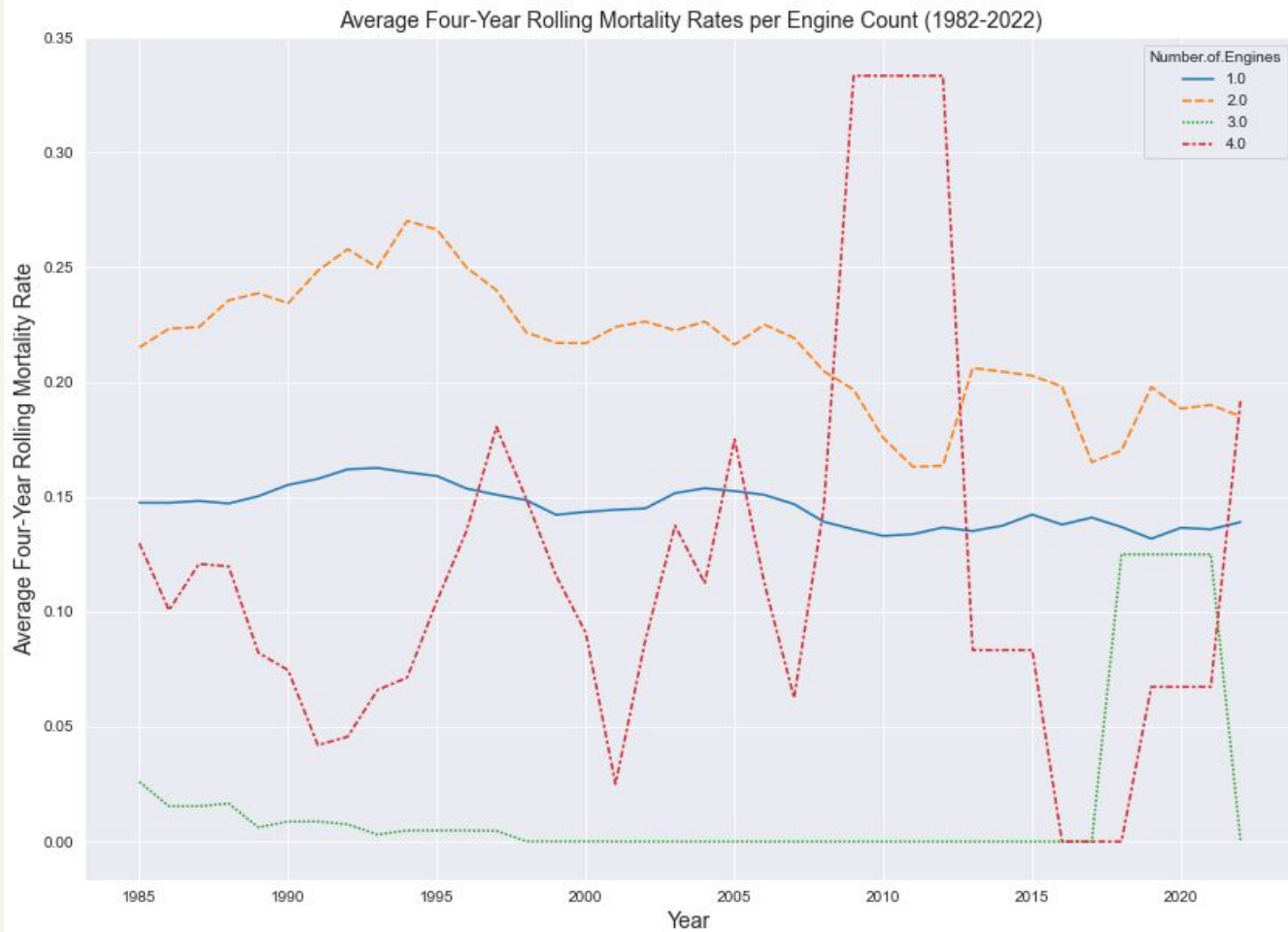
Pricing Inputs

Number of Engines

On average, dual engine mortality rate is **~150%** the single engine rate

The dual engine mortality rate has **fallen by 14%**

The single engine mortality rate has **fallen by 6%**

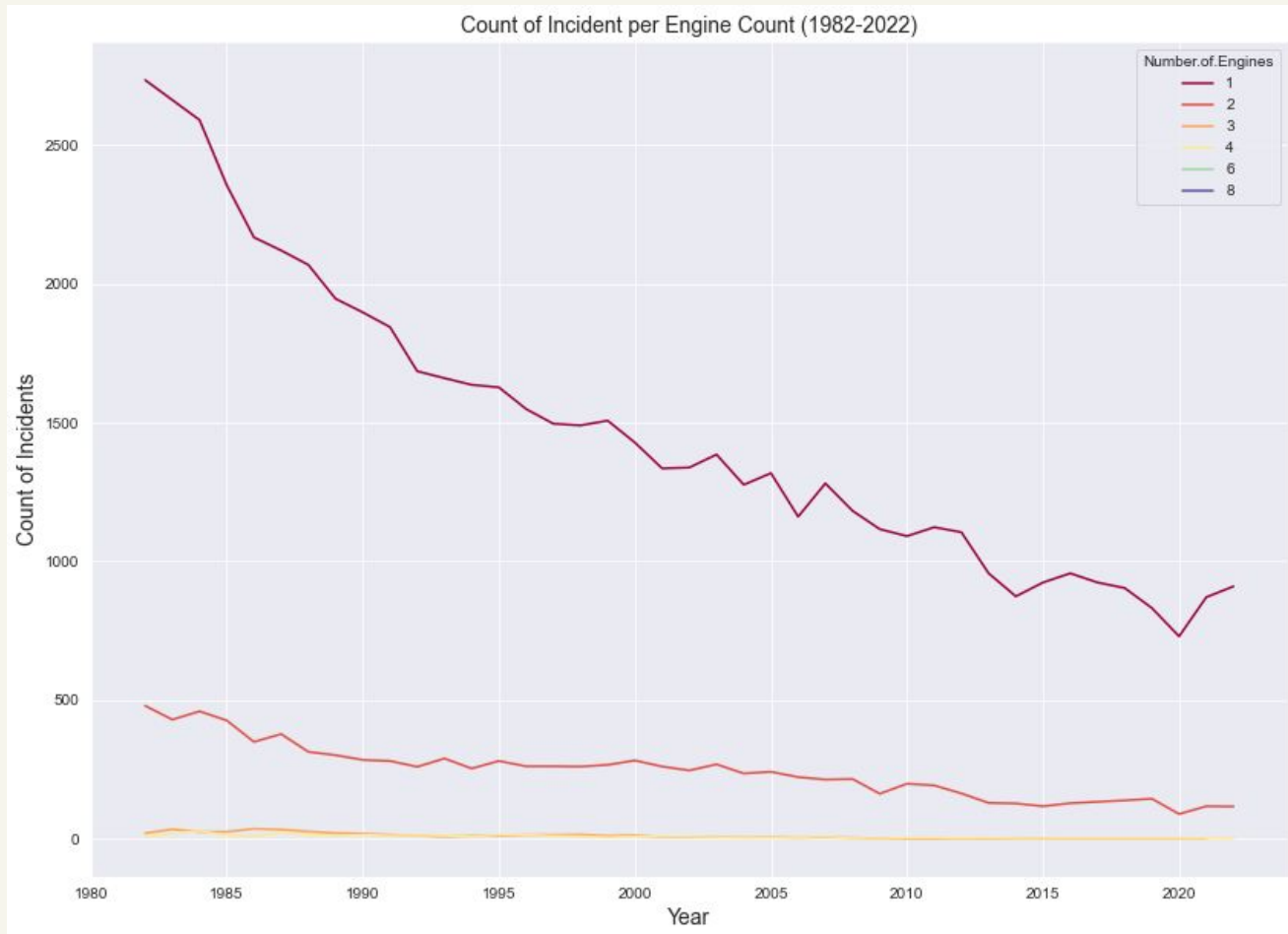


Pricing Inputs

Number of Engines

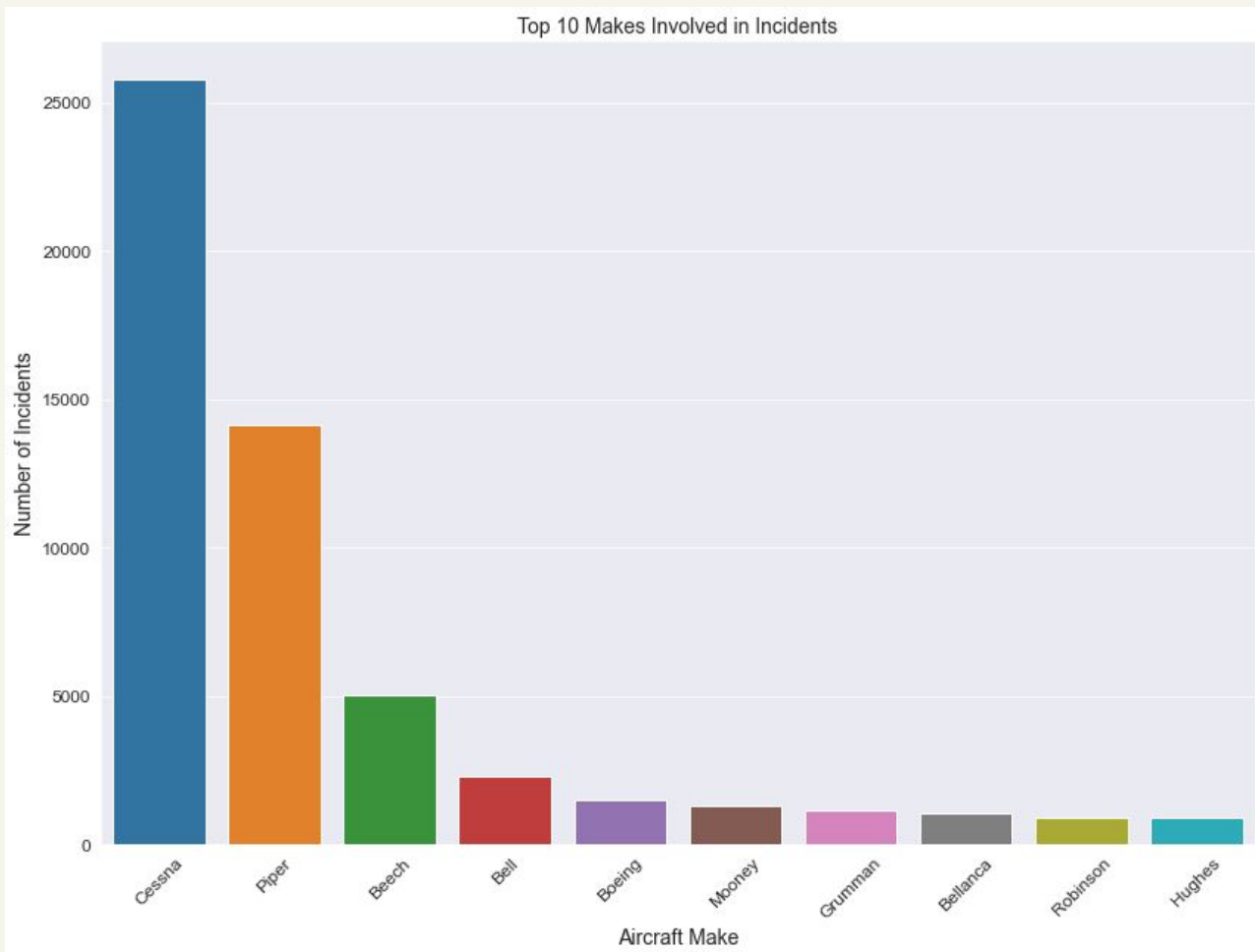
The count of single engine aircraft incidents has **fallen by 67%**

The count of dual engine aircraft incidents has **fallen by 76%**



Pricing Inputs

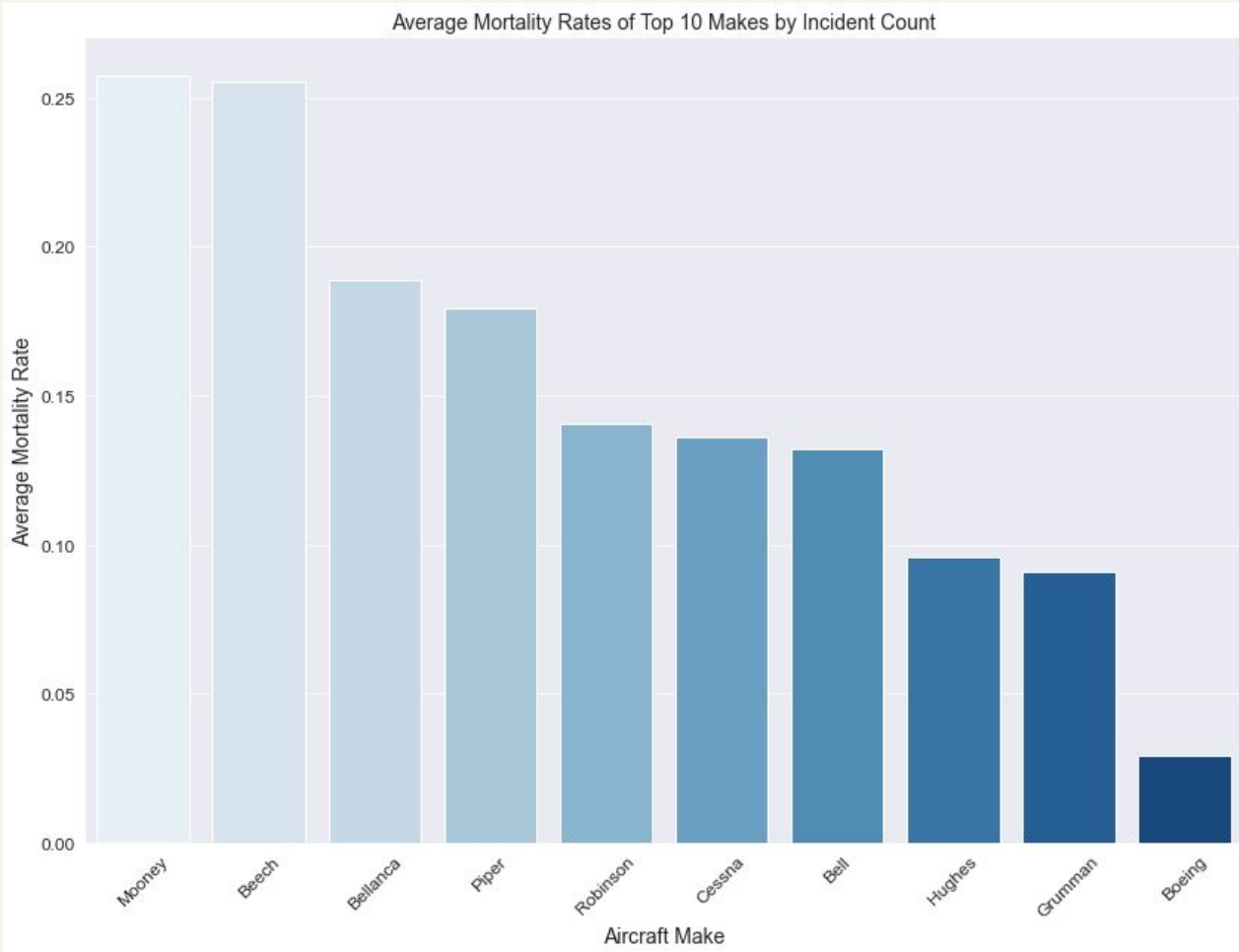
Aircraft Make



Pricing Inputs

Aircraft Make

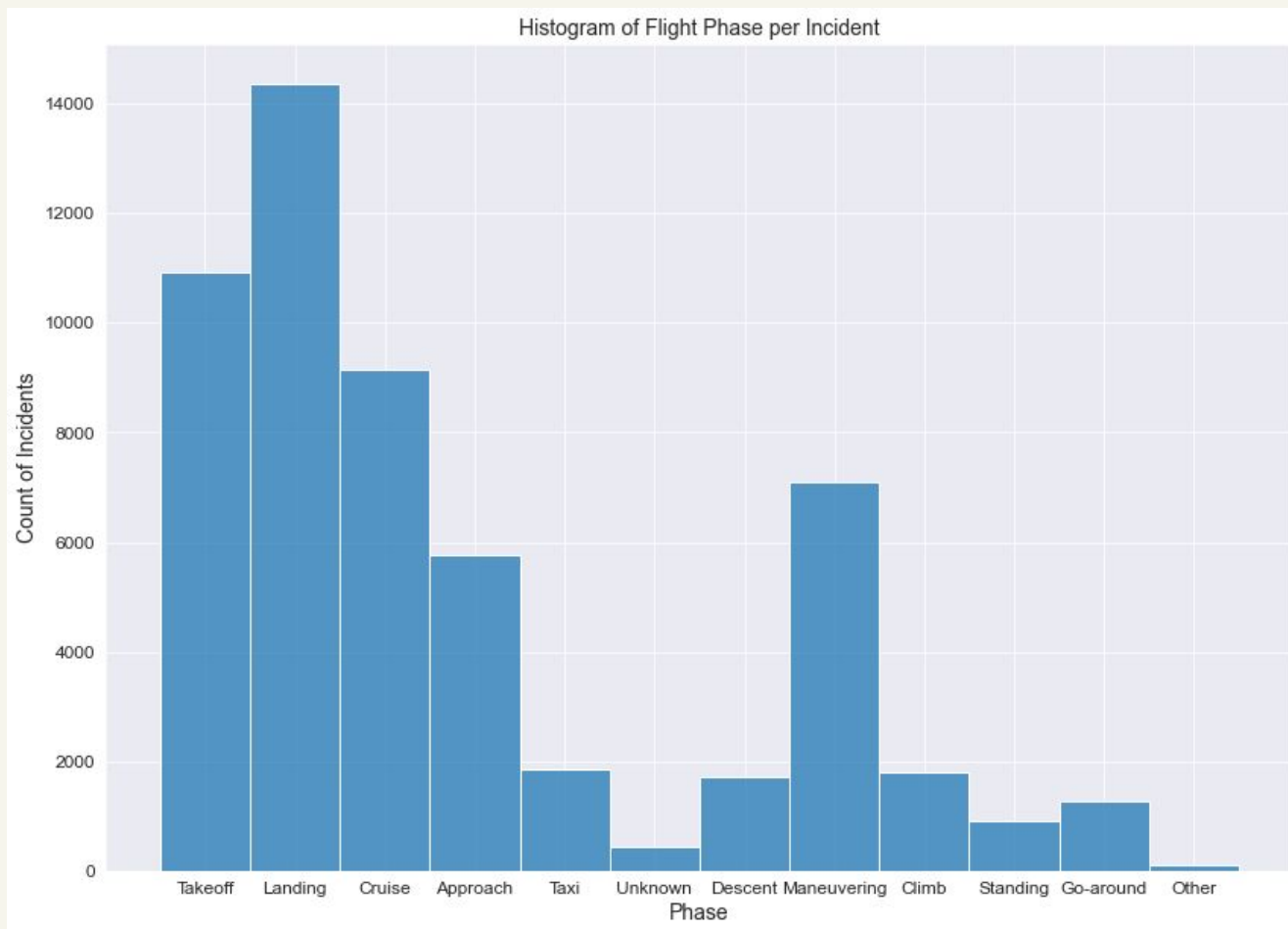
Mooney and Beech aircraft have mortality rates around **8.8x** that of Boeing



Policy Reqs

Flight Phase

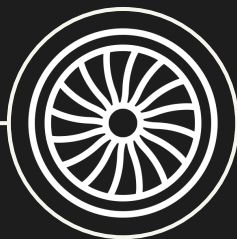
61% of incidents took place near the ground (takeoff, landing, approach, taxi, or standing)



Recommendations

Incident Data

Next step: join incident data with **overall flight data** to verify and refine recommendations



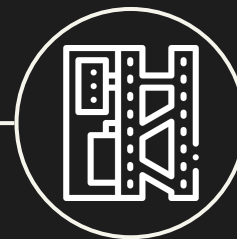
ENGINE PRICING

Charge higher rates for dual-engine aircraft



MAKE PRICING

Charge higher rates for higher-risk makes like Mooney



POLICY REQUIREMENTS

Require policyholders to review their ground operations policies on an annual basis

Questions?

