

Presentation to National Air Transportation Association



Airline Service Council

May 17, 2011
Washington, DC

USAIG

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AGENDA

- USAU / USAIG
- NATA / USAIG PROGRAM
- LIBERTY MUTUAL
- GOALS

USAU/USAIG

- History
- Current Business Structure
- Branch Locations
- USAIG Member Companies

The Hat In The Ring Squadron - 1918



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The Founders

Reed M. Chambers



David C. Beebe



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Member Companies

		Ratings			
USAIG Member Companies	% Share of Capacity	S&P	A.M. Best	Fitch	Moody's
ACE American Insurance Company	33.33%	A+	A+	AA-	A2
Liberty Mutual Insurance Company	33.33%	A-	A	A-	A2
General Reinsurance Corporation	16.67%	AA+	A++	AA-	Aa1
Wesco Financial Insurance Company	16.67%	AA+	A++	AA-	Aaa



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NATA / USAIG PROGRAM

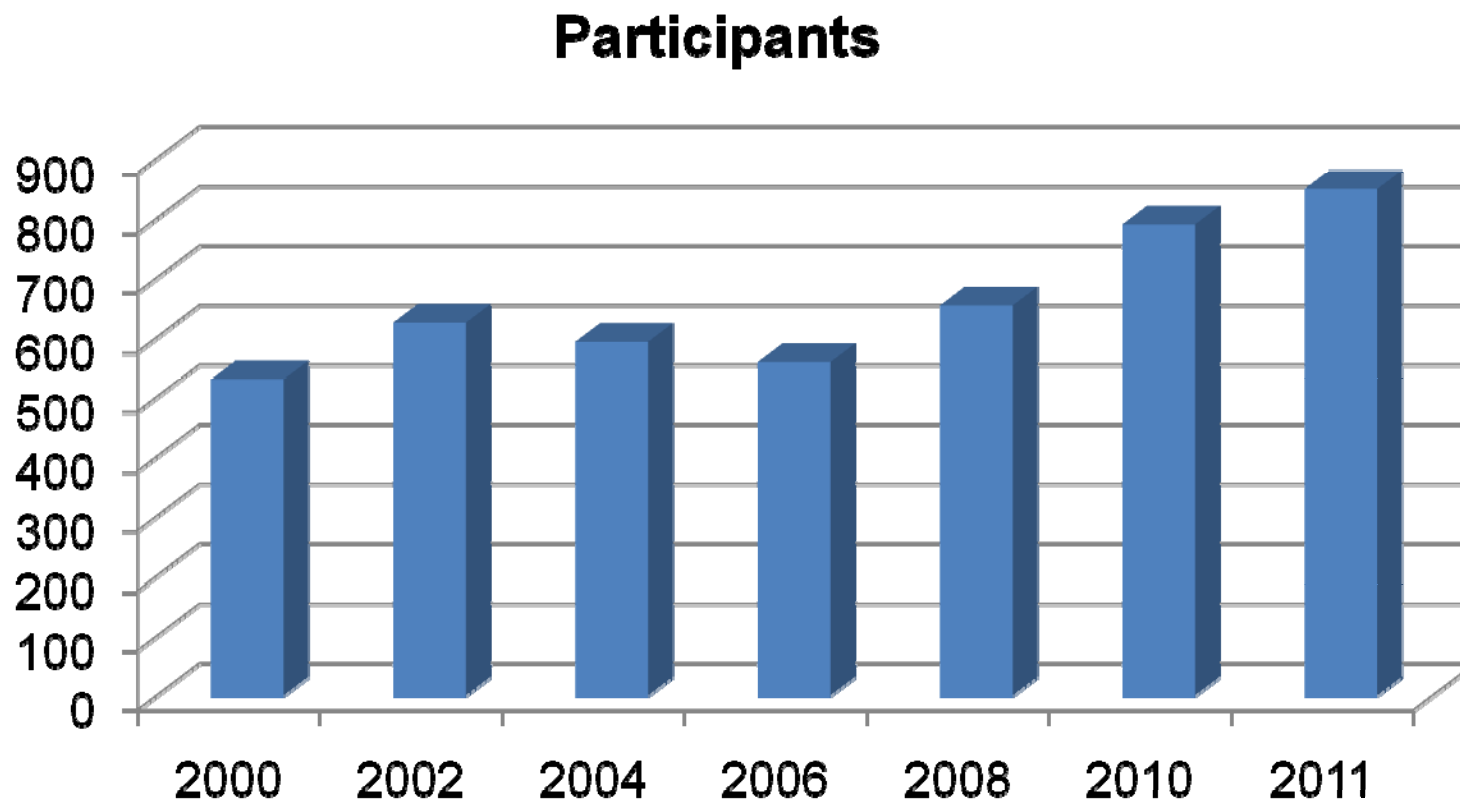
Contract Term	- January 1, 2008 to December 31, 2012
Program Years	- 2006, 2007, 2008, 2009, 2010 & 2011
Participants	- 850 estimated for 2011
Premium	- \$45,000,000 estimated for 2011
GER	- Payable each December



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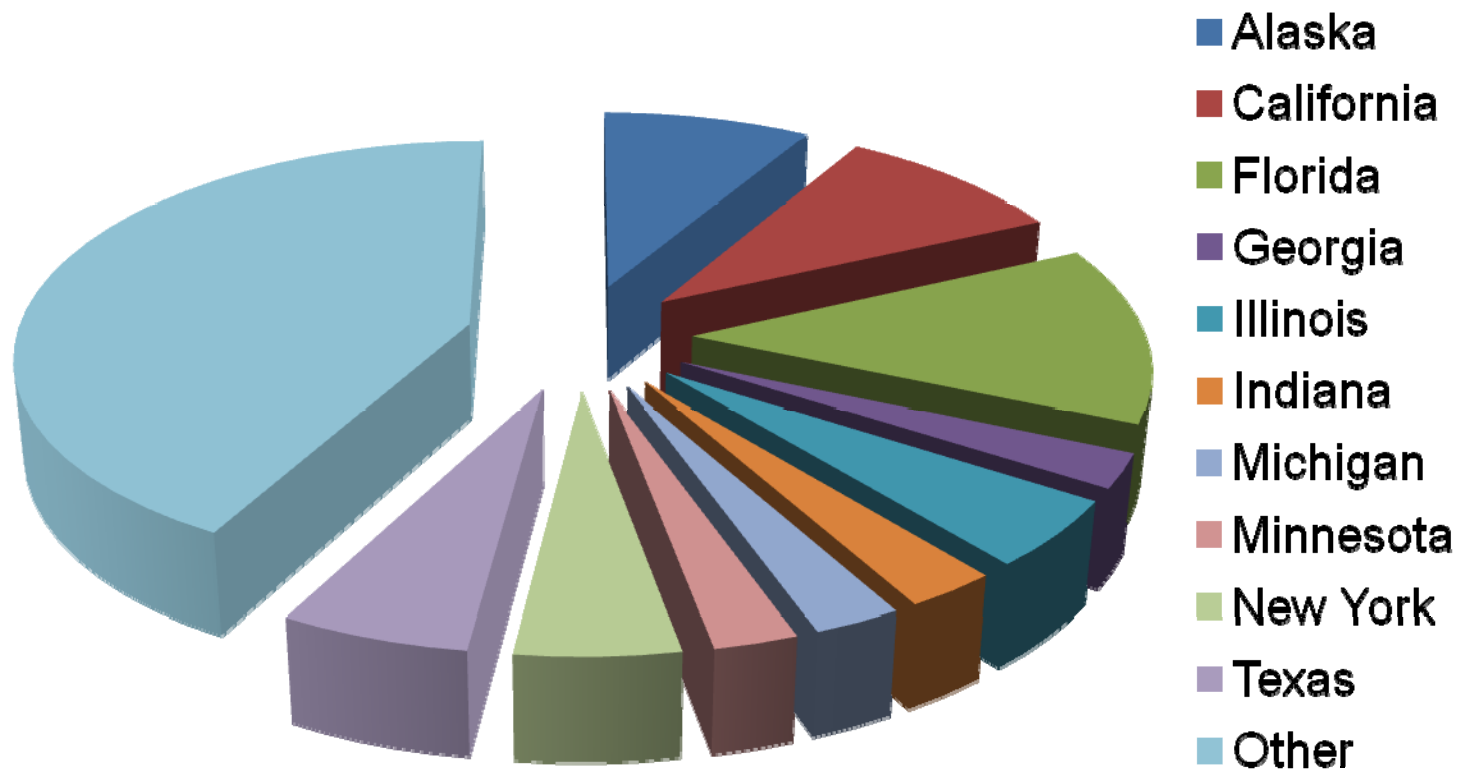
NATA / USAIG PROGRAM

Program Participants – 2000 thru 2010



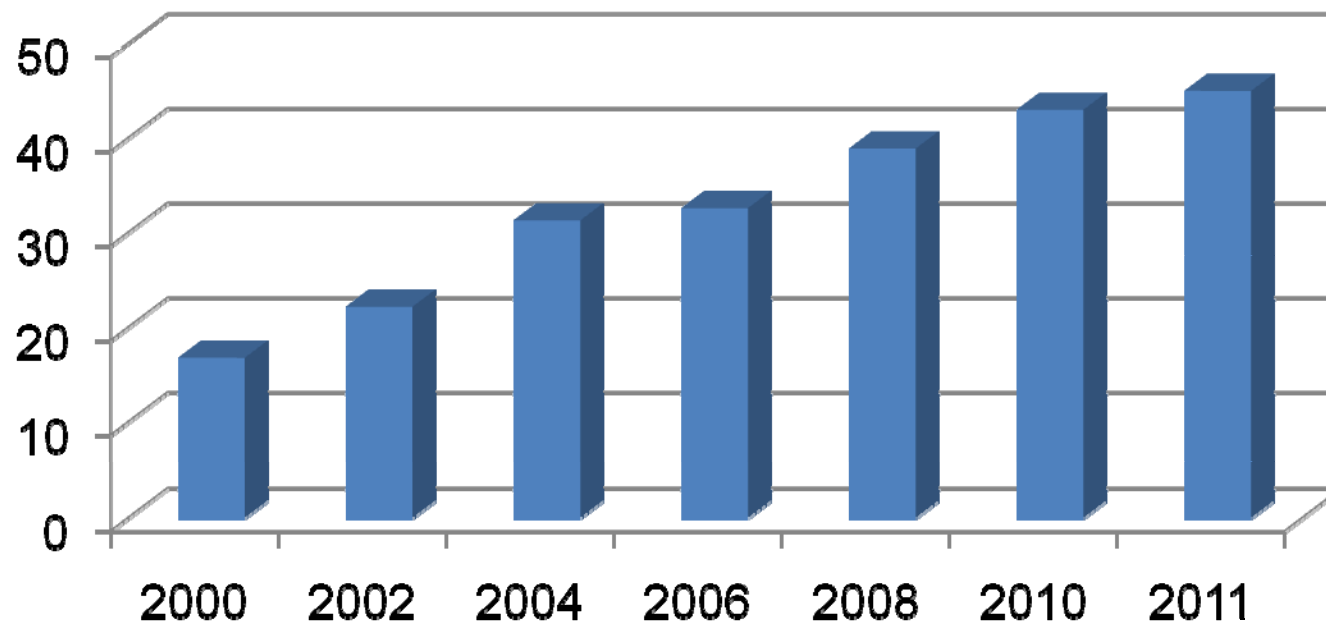
NATA / USAIG PROGRAM

2010 STATE BREAKDOWN



NATA / USAIG PROGRAM

**Premium by Program Year
In Millions**



NATA / USAIG Program

Program growth for 2011 and beyond

- New Business added to date during 2011
 - 46
- Current NATA Membership by Category
 - Regular 1,171
 - Associates 162
 - Affiliate 160
 - Airline Service 16
 - Total 1,509

NATA / USAIG Program

- Current NATA Membership

Total	1,509
Less Monopolistic States	70
Less Associate Members	<u>162</u>
Available for Program	1,277

- Current Market Share

- 63% as we have 800 participants out of 1,277 available
- Renewal Retention rate 93%

- Estimated Available Premium

- \$23,850,000 (477 accounts with an average premium size of \$50,000)



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NATA / USAIG PROGRAM

Adjustments for Actual GER

Each Program Year is subject to five adjustments. Using premiums and losses valued July 31, experience for all accounts are pooled together by Program Year during the five year adjustment process. The first adjustment of a Program Year takes place nineteen months from the inception of the Program Year. For example, the first adjustment of the 2010 Program Year would be based on the valuation date July 31, 2011. The final adjustment would be based on the valuation date July 31, 2015.



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Celebrating A Partnership



1975 - 2010

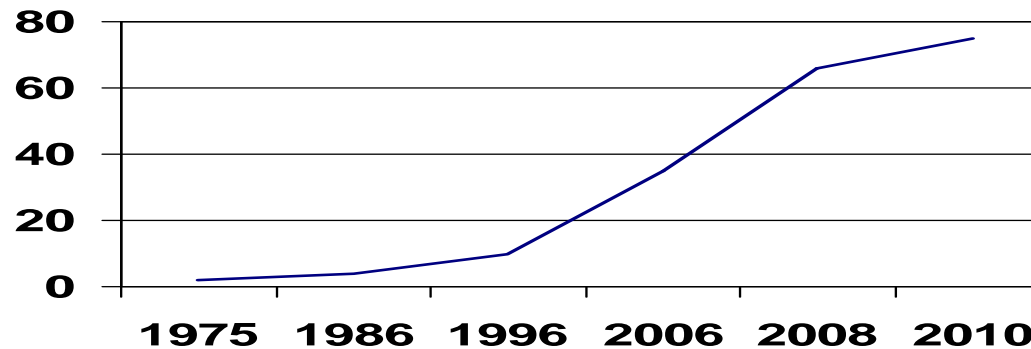
USAIG Underwriters of the NATA Safety First Workers' Compensation Plan

The Plan That Keeps Paying Good Experience Returns

\$75,000,000 Earned & Paid to Participating Members Since 1975

\$45,000,000 Earned & Paid to Participating Members Since 2003

Historical Average Return of 19.4% to Each Participating Member



Are Your Customers Taking Full Advantage of All NATA Membership Benefits?

To Become a Participating Member of the USAIG/NATA
Workers' Compensation Plan, see www.nata.aero



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USAIG Workers' Compensation Servicing Member



Liberty Mutual's commitment to helping people "live safer, more secure lives" dates back to 1912, when they issued their first workers' compensation policy. Today, thousands of companies continue to rely on Liberty Mutual's workers' compensation coverage, claims management, and loss control expertise to improve employee safety, maximize productivity, and drive down their overall cost of risk.

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Liberty Mutual Claims Service Centers

Workers Compensation Claims Service Centers	Office Address	Office Jurisdiction	Claims Manager	Manager's Number
Bedford, NH (603) 472-7100 Toll Free: 800-562-3936	10 Corporate Drive Suite 100 Bedford, NH 03110-9525	ME, NH, VT, CT, MA, RI	Jeremy Cayton	800-562-3936 x20115
Roseland, NJ (973) 533-6509 Toll Free: 800-900-4875	3 Becker Farm Road Roseland, NJ 07068	DE, DC, MD, NJ, OH, PA, WV	Chris Niesmertelny	800-900-4875 x2209
Irving, TX (972) 550-7899 Toll Free: 800-634-1955	PO Box 152800 2100 Walnut Hill Lane Suite 100 Irving, TX 75038	AL, AZ, AR, CO, LA, MS, NM, OK, UT, TX, WY	Rick Knight	972-550-7899 x3354
St. Louis, MO (314) 576-9935 Toll Free: 866-568-1119	PO Box 1035 424 South Woods Mill Rd. Woodsmill Commons, Suite 100 Chesterfield, MO 63017	IL, IA, KS, KY, MO, NE	Peter Brefczynski	866-568-1119 x33966
Charlotte, NC (704) 759-2580 Toll Free: 800-532-7706	PO Box 49000 13830 Ballantyne Corporate Place Suite 100 Charlotte, NC 28277	FL, GA, NC, SC, TN, VA	Suzanne McAuliffe	704-759-8580 x24372
Boise, ID (800) 283-4456	6123 N Cloverdale Rd Suite 150 Boise, ID 83707	ID	Dana McCracken	(800) 283-4456
Anchorage, AK (866) 893-1541	2700 Gambell St Suite 405 Anchorage, AK 99503	AK	Nancie Linley	(866) 893-1541
Missoula, MT (800) 735-7079	2291 W Broadway Suite 2 Missoula, MT 59808	MT	Jaimie Kern	(800) 735-7079
Portland (Beaverton), OR (503) 626-4100 Toll Free: 800-424-0054	12725 SW Millikan Way STE 500 Beaverton, OR 97005	CA, HI, ID, NV, OR, WA	Tom Held	503-671-7348 x2348
Syracuse, NY (315) 433-1144 Toll Free: 800-962-5157	5015 Campuswood Drive E. Syracuse, NY 13057	NY	Brian Gorman	800-962-5157 x2365
Wausau, WI (715) 845-5211 Toll Free: 800-826-1661	2000 Westwood Drive Wausau, WI 54401-7895	IN, MI, MN, ND, SD, WI	Kim Nelson	800-826-1661 x8016



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Liberty Mutual Service Portal

(Available to USAIG Clients and their Brokers)

The Liberty “**myServices**” portal allows you to immediately report claims and provides you with tools and resources that will allow you to benefit from the following:

Claims Reporting Profile:

Pre-filled account information that you have set up in advance of reporting

Provider Referral Services:

Allows access to provider networks within specified locations

ClaimStatus PLUS:

Create loss reports, review claim details and set up alerts when changes are made to claim information. Loss control and Claim service team rosters

SafetyNet and SafetySmart Online:

Providing training, web based safety audits and other resources to support loss control



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2010

Liberty Mutual

Loss Control Advisory Services

Service Capabilities

For

USAU Customers

USAIG

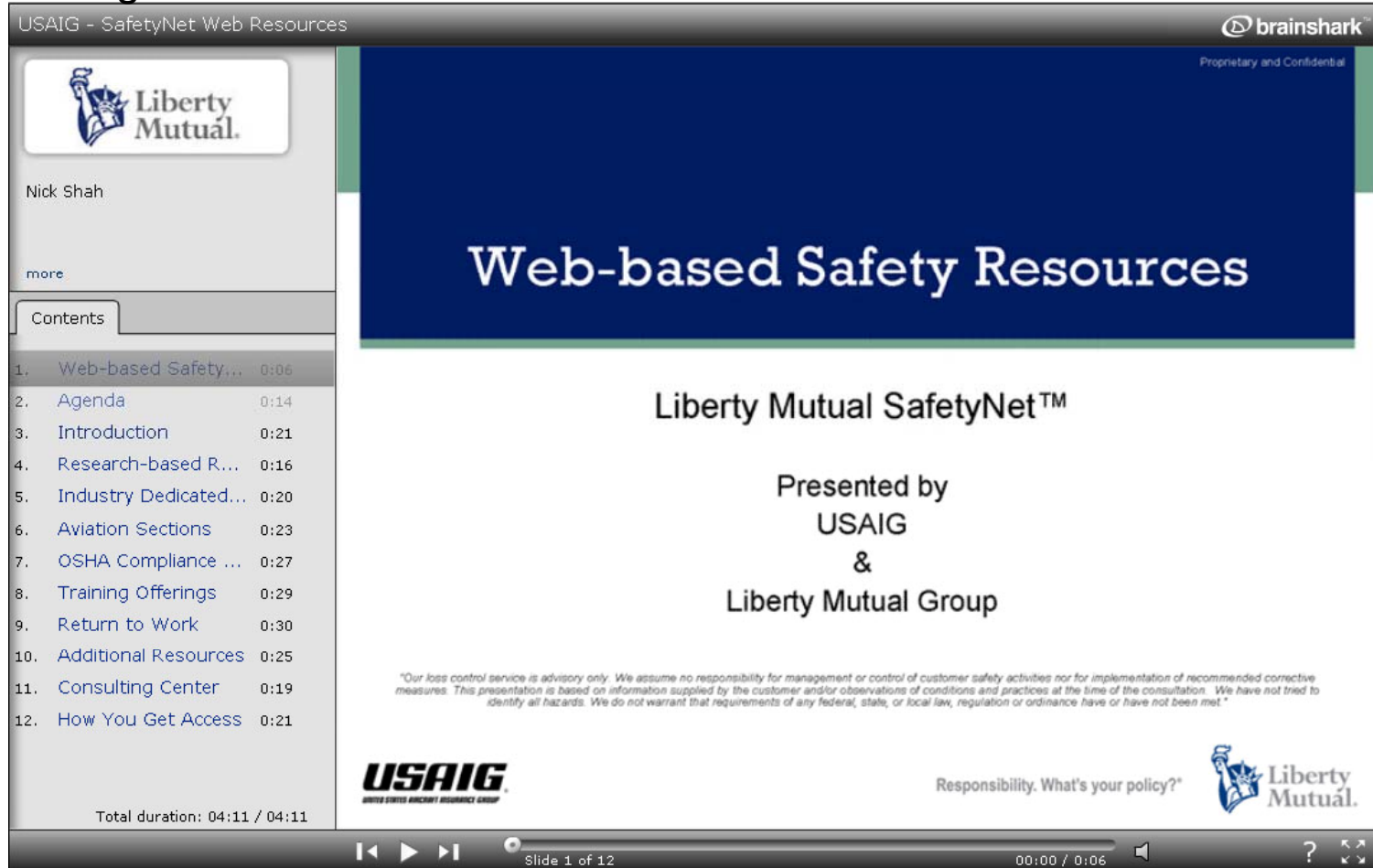
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Liberty Mutual – Safety Services

- Loss Control Visits – premiums greater than \$100,000
 - 133 accounts have received 3,900 hours of service
- Web based Safety Resources
 - Available to all accounts, especially for those with premium less than \$100,000

USAIG – SafetyNet Web Resources


Click image to launch website.



USAIG – SafetyNet Web Resources

brainshark™

Proprietary and Confidential

 Liberty Mutual

Nick Shah

more

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Web-based Safety Resources

Liberty Mutual SafetyNet™

Presented by
USAIG
&
Liberty Mutual Group

"Our loss control service is advisory only. We assume no responsibility for management or control of customer safety activities nor for implementation of recommended corrective measures. This presentation is based on information supplied by the customer and/or observations of conditions and practices at the time of the consultation. We have not tried to identify all hazards. We do not warrant that requirements of any federal, state, or local law, regulation or ordinance have or have not been met."

 **USAIG**
UNITED STATES AVIATION INSURANCE GROUP

Responsibility. What's your policy?™ 

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SafetyNet Home Page



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- RESEARCH AND REFERENCES ▶
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- SAFETY TRAINING ▶
- INDUSTRIAL HYGIENE SERVICES
- INDUSTRIES ▶
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- OSHA PROGRAMS
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SafetySmart ONLINE™

Safety talks, articles, clipart and safety management tools to help you build a strong safety culture in your organization.

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Safety Quiz

Test Your Knowledge!

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SafetyNet Loss Control Advisory Services

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Features...



Additional Aviation Industry Resources Available
Additional classes of business have been added to the Aviation Industry section. Click [here](#) to view information on: Aircraft Maintenance, Airport Management Services and Offshore Helicopter Services.



Safety Training Schedules
We offer several levels of training to suit the novice or the seasoned person responsible for safety in any organization. View the [2011 training schedules](#).



Bureau of National Affairs
BNA Product Safety & Liability Monitor provides intensive coverage of legal and regulatory information. Stay up to date on the issues you need to know. [BNA](#).



OSHA Compliance Tools and Resources: OSHA 300 Log Summaries
Employers are required to post a summary of their 2010 OSHA 300 logs for employees by February 1. The summary, [OSHA Form 300A](#), must remain posted through April 30. For additional information, see Injury/Illness Recordkeeping on our [OSHA programs](#) page.



Toolkits
Toolkits are a collection of assessment tools, solution guides and training designed to be a comprehensive, quick "one stop shopping" site for various exposures. [See all Toolkits](#).



Change the Way You Work in 15 Minutes! Computer Workstation Self Assessment Tool
Download our new self assessment tool and find out how to correctly set up your workstation in just 15 minutes. [Click here](#) for more information.


Safety and Wellness Tip of the Month: Check for broken or cracked sockets, frayed or bare wires, or loose connections, which can lead to electrical shocks. At-home workers should check computers, phones and fax machines. According to the latest Liberty Mutual Research Institute for Safety study, office equipment is a significant source of work-related electrical injuries. Review the findings on non-fatal electrical injuries in the latest [Scientific Update](#).

New/Updated Safety Materials **Resource Showcase**

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Aviation Industry Home Page




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SafetyNet Loss Control Advisory Services

HOME > INDUSTRIES > Aviation

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Aviation Industry Overview



The Aviation Industry section provides helpful safety and risk reduction resources for eight main classes of business. Information on major loss drivers, access to Liberty Mutual materials and quick links to external resources are readily available.

Click on the specific class of business below for more information:

- [Air Ambulance Services \(fixed wing and helicopter\)](#)
- [Airline Services/Fixed Base Operations \(FBO\)](#)
- [Aviation Products Manufacturing and Installation](#)
- [Aircraft Maintenance \(including maintenance, repair, and overhaul\)](#)
- [Airport Management Services](#)
- [Offshore Helicopter Services](#)
- [Aircraft Cargo \(Coming Soon\)](#)
- [Aviation Training Services \(Coming Soon\)](#)

Industry Information

For more information about industry issues/concerns read the [First Research Article](#). This industry covers a range of sectors. Other First Research articles of interest may include [Air Charter Services](#), [Aviation Services](#), [Aircraft Parts Manufacture](#), and [Ambulance Services](#).

[More information](#) on Business Challenges, Size and Scope of the Industry, and Employment Trends.



If you have suggestions or comments, contact us at LCASWebDevelopment@libertymutual.com.

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Safety talks, articles, clipart and safety management tools to help you build a strong safety culture in your organization.

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Fixed Base Operations Home Page

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SafetyNet

Loss Control Advisory Services

SafetyNet > NA > Airline Services/Fixed Base Operations

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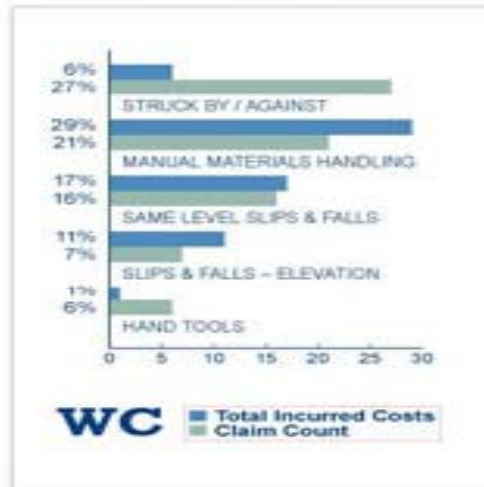
Airlines Services/Fixed Base Operations

[Back to Aviation Industry](#)

A Fixed Based Operation (FBO) is a service center at an airport that may be a private enterprise or may be a department of the municipality that the airport serves.

At a minimum, most FBO's offer aircraft fuel, oil and parking, along with access to washrooms and telephones. Some offer additional aircraft services such as hangar (indoor) storage, maintenance, aircraft charter or rental, flight training, deicing, and ground services such as towing and baggage handling. They may also offer services not directly related to the aircraft, such as rental cars, lounges and hotel reservations.

Click any loss area in the chart below for more information. Aviation Industry - Airline Services/Fixed Base Operations Top Loss Areas, 5 Years Ending 12/31/2009.



Major Loss Drivers - Workers Compensation (WC): Major loss driver falls under a catch all category of Struck By / Against injuries which includes objects in eyes, falling material, walking into aircraft/objects or being struck by objects. Manual material handling injuries are common in this industry due to the handling of aircraft parts and material as well as fueling operations. Same level falls due to slippery surfaces in hangars, ice and snow and objects on floors. Other hazards are falls from vehicles and other mobile equipment, stairs of aircraft and while working from ladders on aircraft. Due to the nature of this class of business hand tool injuries are also common.

[More information](#) on Business Challenges, Size and Scope of the Industry, and Employment Trends.

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Fixed Base Operations Home Page

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Industry Information

- [Aerofiles Glossary](#)
- [Air Charter Guide](#)
- [Air Taxi Association](#)
- [Air Transport Association](#)
- [Air Transport World](#)
- [Airline Industry Today - Fixed Base Operator News](#)
- [Boeing - Aircraft List Prices](#)
- [Boeing - Current Market Outlook](#)
- [EIA - Jet Fuel](#)
- [Ground Support Worldwide](#)
- [Independent Fixed Base Operations Association](#)
- [International Air Transport Association \(IATA\)](#)
- [International Aviation Ground Support Association](#)
- [International Business Aviation Administration](#)
- [Landings.com](#)
- [National Institute for Aviation Research](#)
- [National Transportation Safety Board - Aviation](#)
- [Regional Airline Association](#)
- [The Air Charter Journal](#)
- [VLJ News](#)

Liberty Mutual Resources

- [Preventing Outdoor Same Level Slips, Trips, and Falls](#), LC 5434
- [Training Workers in Safe Lifting and Material Handling](#), LP 148
- [Working Outdoors in Cold Weather](#), LC 5093
- [Heat Stress](#), LP 6085
- [Noise](#), LP 6103
- [Service Station Self-Inspection](#), LP 975
- [Security in People-Transport Operations](#), LC 5330
- [Tote Box Handling](#), LC 152
- [Principles of Task Redesign](#), LP 155
- [Parking Lot Inspection Checklist: Frequent Inspection](#), LP 5533

Contact Us

Can't find what you're looking for or need some guidance?

[Contact Us.](#)

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Fixed Base Operations - MMH



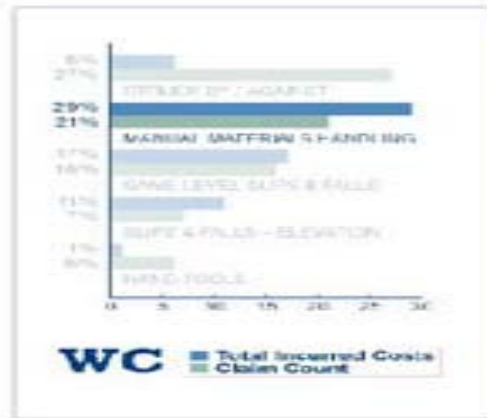
SafetyNet

Loss Control Advisory Services

SafetyNet - NA - Aviation - FBO WC Losses - Manual Material Handling



Aviation - Airline Services/Fixed Base Operations WC Losses - Manual Materials Handling



Workers Compensation Manual Materials Handling

Overexertion, including manual material handling, is the leading loss driver across all industries according to the 2009 Workplace Safety Index and accounts for 21% of claims for Fixed Base Operators. These incidents cost significantly more compared to other loss areas, the average cost being over \$8,200 per claim. Average cost of incidents is high due to long periods of disability and expensive medical treatments.

Common Costly Manual Materials Handling Claims

1. Customer Service reps, Line Service, Ramp Agents incurring strain injuries from handling luggage, bags, boxes, equipment and other cargo into planes, on/off belt loaders, on/off shuttle buses, etc.
2. Line Service Tech and Aircraft Fuelers sustained shoulder and back strains hooking up/disconnecting hoses, pulling hoses out for refueling, etc.
3. Line Service Tech, Ground Handler, etc., sustained injuries while lifting/moving tow bars and hooking up to aircraft.
4. Aircraft Techs, Mechanics, Installers, etc., sustain knee and back strains from working on aircraft in awkward positions, kneeling for extended periods, etc.
5. Line Tech/Agents sustain strains pulling chocks from aircraft/vehicle wheels.

Best Practice Tips

- Identify key operations that involve twisting, bending, carrying or lifting materials, and incorporate redesign to reduce or eliminate risk factors.
- Establish and enforce a formal policy that outlines the roles and responsibilities of all employees for manual material handling tasks.
- Train all employees on proper lifting and handling techniques during training and orientation.
- Store heavy items between shoulder and knuckle height.
- Reduce carrying distances and exposure to heavy manual handling by designing operations to facilitate mechanical aids and reduce the need to carry long distances.
- Conduct investigation of material handling incidents and implement corrective action.
- Do not place objects on the floor if they must be picked up later.

Suggested Resources

- [Training Workers in Safe Lifting and Material Handling](#), LP 148
- [Model Safety Plan: Ergonomic and Workplace Musculoskeletal Disorders](#), LP 5264
- [Principles of Task Redesign](#), LP 155
- [Manual Task Evaluation Concepts](#), LP 180
- [Ergonomic Recommendations for Workstation Design](#), LC 185
- [Materials Handling](#), LP 5177

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Goals

- Partner with NATA to continue the growth of the Program.
- Reach out to all non participating NATA Members.
- Utilize the services of NATA and Liberty Mutual to introduce new operators to the Association and Program.
- Continue to revisit members with declared, but unpaid GERs.
- Continue to pursue the Phoenix NATA accounts.

Goals

- Remain focused on our two primary objectives:
 - Provide quality service and a consistent GER to your participating members.
 - Deliver profitable results to USAIG Members.