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FLYING HIGH

Nigel Minett's long career in loss adjusting has seen him deployed in all corners of the globe. Now in the cockpit as McLarens Aviation managing director, he tells Post how his international experience will ensure the firm's expansion plans really take off

By Callum Brodie

Having packed in a jet-setting career in loss adjusting in favour of taking over the controls of an aviation specialist, it is perhaps fitting that Nigel Minett's primary target as managing director of McLarens Aviation will be setting the course for business expansion across the globe.

In an adjusting career spanning 34 years and five overseas postings, Minett is accustomed to the challenges involved in establishing a truly international footprint. And delivering exactly that is what is expected of him in his role at McLarens' renamed and refocused aviation operation, which accounts for approximately 20% of overall group turnover.

The decision to rebrand the Airclaims business in the year it celebrates its 50th anniversary was not taken lightly, but the opportunity to extend the adjuster's international reach beyond its 24 offices in 14 countries outweighed any concerns around potential upheaval.

Minett, who was named Airclaims MD in February last year having risen through the McLarens ranks via East Africa and Latin America, explains: "Airclaims had grown to become one of the world's leading aviation loss adjusters and was a very valuable brand, so it was important to think carefully about the timing of the rebrand. It was a gradual and carefully handled process.

"However, we are almost three years into the merger [between Airclaims and McLarens, which took place in September 2011] and in that period we have integrated our overseas offices and entities, the company has become fully absorbed and our clients recognise us as part of McLarens."

“Asia is an important place to be, it's one of our biggest operations. We have a very big operation in Singapore, but one of our target areas is China

With Minett confident the continuity of staff at the aviation operation will ensure the rebrand's smooth landing with clients, he is turning his attention to touching down in new destinations around the world.

McLarens' global presence – 300 offices and affiliates in more than 80 countries – will serve as a springboard for Minett's ambitious growth plans, with work already underway towards exploiting the booming aviation market in Asia.

Minett says: "Asia is an important place to be, it's one of our biggest operations. We have a very big operation in Singapore, but one of our target areas is China, which is becoming increasingly important for us as a business and is an area where McLarens has invested heavily over the years.

"We've got 14 offices with more than 100 staff at McLarens in China and obviously that creates a good opportunity for us to extend those resources and add an aviation presence. We hope to do that within the next 18 months, but at the moment

losses will be dealt with from our Singapore hub.

"We've been investing in overseas offices for many years – the idea being there is less travel time involved and we're responsive to losses everywhere they occur."

With plans also afoot to build on the firm's North American and Latin American presence via the opening of a fourth US aviation office in Chicago, Minett believes the strengthening of his business's international network of offices will supplement existing expertise and additional growth plans to ensure McLarens Aviation registers strongly on the radar of global clients.

He adds: "At Airclaims we have a staff of 137 but we have 73 surveyors and loss adjusters who are all qualified aviation engineers. They have all come to this business from the big airlines such as British Airways, Qantas and Virgin.

"Many of those are also pilots but have gone on to have training as claims and loss adjusting professionals. We also have six lawyers within the business. Because it's a specialist business, we have all our expertise in house – we don't have to hire experts, [unlike] the non-aviation adjusters."

New products

Meanwhile, it is hoped the introduction of new product lines, such as an aviation liability offering that will launch in August, will compensate for the overriding effects of a soft market, while also marking McLarens Aviation out as a business primed for take-off.

He says: "Our core business is the airline business. We have a lot of the flagship international carrier accounts and we focus on those hull and liability claims. However, it is a soft market at ▶ 14



Interview Nigel Minett



◀ 12 the moment that has been brought about by a general reduction in the amount of major losses resulting from increased aircraft safety, and the number of airline major losses is slightly down.

"With that in mind, we're looking to build up our other product lines. General aviation is one of those, and internationally we do a lot of that type of work, which accounts for up to 40% of the business. That involves business jets and helicopters, right down to single-seat light aircraft.

"We will also move into aviation liability and, in order to do that, we've recruited a team of five adjusters from GAB Robins who will be joining us in mid-August to start that new operation for us."

Despite a notable reduction in major losses, Minett expects McLarens Aviation to continue to handle up to 2900 insurance-related assignments a year and remains buoyant on the prospect of maintaining his firm's market share for claims, which he estimates at around 50% worldwide.

Nevertheless, the adjusting veteran is keen to emphasise the drop in major losses is likely to have less of a bearing on his business compared with certain rivals whose operations are purely based around claims. He explains: "It's not all about claims [at McLarens Aviation]; we have a large risk and management division, which is growing quite well. This is another part of the business we are keen to build. We are seeing more requests for risk surveys from oil and gas companies for conducting audits on their aircraft operators.

"The asset management business is also gaining momentum. Risk and asset management account for between 15% and 20% of our overall business."

As Minett lists the various attributes McLarens Aviation brings to the loss adjusting table — sitting in his soundproofed Heathrow office just yards away from aircraft thundering down onto the tarmac — it is easy to forget he is a relative newcomer to the ever-changing world of aviation.

Based in the City since 1999, he most recently served for six years as McLarens' UK executive director, before receiving a call from group chief executive Vern Chalfant last year informing him

“ Modern aircraft will be much safer and survivability of passengers will be much improved

that a management restructure had resulted in the departure of former Airclaims boss Mark Hunter and that he was the frontrunner to take over.

When asked whether the transition has proved a steep learning curve, Minett offers a candid response: "It was, because I've always been on the non-aviation side. But ultimately most of the business is still loss adjusting.

"I've been in the role now for 15 months, having been asked by Vern to take over the running of Airclaims in February 2013. It is a global business and, obviously, having had experience in working overseas for 13 years in five different postings, [I] was seen as being very valuable.

"It's been a new challenge; for the past 34 years I have been a practicing loss adjuster and to move into a pure management role is different. Fortunately we've just had one of the best years ever, both financially and operationally."

While acclimatising to a managerial position after so long as an adjuster has proved relatively seamless, grasping the finer points of the aviation market has thrown up its own challenges. Nevertheless, despite sidestepping a question on the claims implications of the missing Malaysia Airlines flight MH370 — due to it being an account his firm does not hold — Minett is forthright in his views on the nature of emerging risks in the market.

He says: "Previously we have seen the volcanic ash cloud [following eruptions from Icelandic

volcano Eyjafjallajökull in 2010] that presented a different kind of risk to aviation, but that situation did not result in any insured losses or engine claims. We have seen issues with Lithium batteries used in some modern aircraft and there have been additional political violence risks in some parts of the world.

"Perhaps new risks to be aware of will relate to the new technologies found in modern aircraft such as the Airbus 380 and the Boeing 787, which incorporate new design and construction having composite components and the latest control systems.

"These modern aircraft will be much safer and survivability of passengers will be much improved, as seen in the Asiana Airlines event in San Francisco last year. Major repairs involving these new technologies will present technical and cost challenges."

Emerging risks

Looking to the future, Minett also touches on the use of remote-piloted aircraft systems — or drones — as an emerging risk that McLarens Aviation has already begun tracking. "There is more use of unmanned aircraft, mainly for military purposes, but the technology is there for more commercial applications," he says. "There is even talk of these being used for traffic control or parcel delivery, although not for some considerable time.

"It will also be interesting to see how new technology changes the role of the flight crew, which over the last 50 years has reduced to just two — a pilot and co-pilot. Automation of ground and aircraft-based systems will continue at pace."

Yet regardless of the obstacles technological evolution throws up, Minett is positive the industry will find a route to success: "Experience shows us that whenever new risks emerge in the aviation world, the insurance market will quickly get these assessed and find solutions."

Identifying answers to difficult questions is something Minett believes should be addressed at

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CV: Nigel Minett

- Present 2013** Managing director, **McLarens Aviation**
- Executive director, **McLarens UK**
- 2007** UK operations director, **McLarens Young International**
- 2004** Commercial director, **McLarens International Group**
- 2001** Managing director, **McLarens International Group**
- 1999** Vice-president and regional managing director **McLarens Toplis Latin America**
- 1995** Director, London, **McLarens Overseas**
- 1991** Director, Kenya, **McLarens Toplis Kenya**
- 1989** Various UK and overseas loss adjusting positions, including:
Technical director Kuala Lumpur, Malaysia
Regional manager Barbados, Caribbean
Assistant manager Dubai, United Arab Emirates
Assistant adjuster, London head office
Graham Miller
- 1980** Lloyd's placing broker, **Hogg Robinson Gardner Mountain**
- 1978** Lloyd's claims broker, **Andrew Weir London**
- 1976**

an early stage, and stands as a significant factor in his passion for professional qualifications and industry training. He says: "Interestingly, I think I'm the only Chartered Institute of Loss Adjusters-qualified loss adjuster to be running an aviation loss adjusting firm, which has allowed me to encourage some of the surveyors to start sitting the CILA examinations – over the last year we've brought through seven student members."

While Minett is leading the drive towards providing personal development opportunities within his operation's workforce, he is equally determined to introduce prospects for school leavers at his growing business.

He says: "We encourage that – in fact, we've just taken one on. But because our business is so specialist and because most of our guys have had a 10-year apprenticeship in the hangers of major airlines, it can be quite difficult. However, as we develop our aviation business it will be an opportunity for us to bring in and train up either graduates or school leavers through the [CII] or the CILA."

Minett's own introduction to insurance was typical of many of his senior industry peers, in the sense that it was an unplanned career path. Having missed out on the required A-level grades to study accountancy at university, he opted instead for a job direct from school as a Lloyd's

claims broker at Andrew Weir London in 1976 – before being lured away to the arguably more glamorous world of international loss adjusting.

He explains: "I wanted to work overseas and, at the time, there were great opportunities in loss adjusting. I joined a firm called Graham Miller International, which in its day was the first truly international loss adjusting company.

"After training for three years in London I was posted out to Dubai for a two-year assignment and then carried on with other assignments in Barbados, Kuala Lumpur, Malaysia and Kenya. It was a great exposure at a young age – I was 24 when I moved to Dubai. There were very few glass-fronted buildings in those days, it was a very different world."

As a recent first-time father at 56 years old, Minett – who cites his five years overseeing catastrophe claims in Mexico City as his favourite international assignment – concedes his jet-setting ways are now a thing of the past. "I still travel enough for business and my wife is Brazilian so we spend a lot of time in Brazil, but I have a two-month-old daughter who takes up nearly all of my time outside work," he says.

While Minett's feet may finally be planted firmly on UK soil, under his stewardship McLarens Aviation will continue to circle the globe in pursuit of its next big international opportunity. ■

Where Minett has worked

