

# TAKING FLIGHT

## *Nason Associates helps retailers take off with aviation business*

By Elisabeth Boone, CPCU

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Aviation risks are tough, complex, and challenging. So who better to handle them than a team of veteran underwriters who, from their home base in Mission, Kansas, manage accounts worth some \$13 million in aviation premium and represent a combined 70 years of aviation underwriting experience?

Heading up the management team at excess-surplus lines brokerage Nason Associates, Inc., is Linda Joy, president, whose aviation underwriting career spans some 40 years and who has been with Nason Associates since it was established in 1983. Serving as senior vice president is Lorri Shuey, who handles London business and other programs and, like Joy, is celebrating her 25th anniversary with the firm. Rounding out the team is Cindy Peck, vice president of finance, who joined Nason in 1993 and also serves as director of continuing education for the Aviation Insurance Association.

Each of these women has learned the aviation insurance business from the ground up. Joy began her insurance career in 1968 as a file clerk with Fairfax Underwriters, where she met Courtney “Corky” Nason, the man who would become her mentor and later would establish Nason Associates in 1983.

Nason, a graduate of the University of Kansas and a former naval officer, began his insurance career with Aetna Casualty & Surety in 1960 and entered the surplus lines business when he joined Fairfax Underwriters in 1962. Throughout his career, Corky Nason has worked almost exclusively in the aviation market, with emphasis on aircraft manufacturers products liability coverage. He is a licensed pilot and a past president of the Aviation Insurance Association.

Although he recently transferred ownership of the agency to Joy and her associates, Nason remains active in the business as an employee, working on a semi-retirement schedule. “He is involved in the daily placement of accounts and offers insight on many accounts,” Joy says. “We value his comments and look forward to his continued advice and direction.”

What’s more, she adds, “I still consider Mr. Nason my mentor. Working with him, I learned to handle and assist on aviation accounts that were being placed in the London market as well as domestically.”

### **Up through the ranks**

After 10 years with Fairfax, Joy went to Alexander & Alexander as an aviation marketing specialist, working with producers on large accounts. In 1982 she rejoined Nason, who at

that time was a partner in McAlear/Nason, where McAlear wrote property and casualty coverages and Nason wrote aviation business.

“The Nason side had agreed to be an MGA for Transport Indemnity Company under the name Motion Insurance Managers and write a program for older pilots and vintage aircraft,” Joy explains. “I was the aviation underwriter for the program.” Some 18 months later Transport Indemnity closed its doors, and in 1983 Nason decided to form his own wholesale brokerage firm. Joy was named senior vice president in 1991 and in 1997 became president.

Joy’s career path is impressive by any measure—even more so when you consider that at age 16 she dropped out of high school and got married. She earned her GED, and the rest is history. Today Joy is proud of her involvement with the Kansas City-area GED program.

Also claiming Nason as a mentor is Lorri Shuey, senior vice president, who met Nason while she was working in the umbrella department of Transport Indemnity. During her tenure she assisted McAlear/Nason with the placement of property and casualty business with Transport Indemnity. In 1982 the insurer closed its Kansas City office and Shuey moved to McAlear/Nason, where she assumed responsibilities in brokering property and casualty accounts.

When Nason established his own firm, Shuey worked with Joy on the Transport Indemnity MGA until that program was terminated. She then became a full-time aviation insurance broker for Nason Associates and handles London business as well as other programs.

Cindy Peck is vice president of finance and treasurer. She joined the agency in 1993 and handles all aspects of office operations. Knowledgeable about licensing and automation as well as finance, Peck has been involved with the AMS Users’ Group and was instrumental in forming a local group, in which she served as acting president for two years. Peck is currently director of continuing education for the Aviation Insurance Association.

The remainder of Nason Associates’ nine employees are customer service representatives, claims personnel, and marketing assistants.

### **All about retailers**

In case there was any doubt about who Nason Associates’ clients are, Joy explains: “We are an excess-surplus lines brokerage specializing in all lines of aviation insurance worldwide, dealing only with retail agents and brokers,” she declares.

“We currently work with approximately 400 agents throughout the United States. We do business with all of the U.S.-based aviation insurers and pools, in addition to underwriters at Lloyd’s. The only exception is Avemco, which is a direct writer,” Joy notes.

As a specialty aviation wholesale facility, Joy says, “We basically act as the aviation arm of property/casualty agencies whose clients have aviation exposures. We do not do business directly with insureds,” she emphasizes. “However, if asked by the agent, we will go on a call to discuss any areas of concern the insured may have on his or her aviation exposure,” she continues. “We believe that the independent agent has his finger on the pulse of the client’s insurance needs, and the agent will contact us to help provide whatever aviation coverage the client needs.”

Nason Associates arranges coverage for a wide array of aviation-related risks: airlines, aircraft (from large commercial aircraft to small pleasure craft, including small home-built

craft), airports and heliports, aircraft manufacturers products liability, and fixed base operators (FBOs). (These facilities usually offer aircraft fuel, oil, and parking.)

Some FBOs offer additional services such as hangar storage, maintenance, aircraft charter or rental, flight training, deicing, and ground services such as towing and baggage handling.

Nason also provides workers compensation, airport property, and auto coverage, and the firm can arrange insurance for special events like air shows.

In underwriting an aviation risk, Joy says, Nason specialists consider factors such as type of business operation, type of aircraft, and loss history. "Whether the risk is an airport, FBO, aircraft manufacturer, or owner-flown aircraft, each risk is rated on its own merits," she explains. "The rating structure for an aviation account can be complex, and the information required is significantly more detailed than would be needed for the standard auto or property policy."

Asked to name some factors that give Nason Associates a competitive advantage, Joy says, "We have an important edge because we do nothing but aviation-related business. Not only do we have access to the branch offices of the aviation markets, but we also have the ear of the home offices because of our longevity and the respect we command in the business. We pride ourselves on obtaining complete, detailed underwriting information," she continues, "and our carriers feel comfortable with the information we provide."

What's more, Joy comments, "We are aware of any new developments in the market and can respond quickly to changes and challenges. We sell our knowledge of exposures and policy forms. We have the expertise to handle difficult exposures, and that's why we're a resource for property and casualty agents around the country."

Joy notes that according to *Business Insurance* and its *Market Sourcebook*, Nason Associates' 2006 premium volume ranks it as the 21st largest wholesale insurance broker.

### **Building relationships**

Some specialty wholesalers prefer to work primarily or exclusively with retail producers who have a large book of business in that specialty. That's not the case for Nason Associates.

"We generally make it a rule not to work with aviation-only agents," Joy says. We prefer to work with independent property/casualty agents who write the insured's whole account, and aviation is just a portion. We work with agents who may have only one aviation account, and also with some agents who have as many as 100 accounts. We welcome new agents," she continues. "We have no specific volume or policy count requirements for our agents."

"The aviation market is currently soft and has been for the past three years," Joy says. "During this time we have had about four new players enter the market. Capacity has increased, and we now have access to 16 markets. Each of these markets writes a different mix of coverages, so where one carrier is a player on a certain risk, it may not be a market for the next insured."

The extent to which capacity has expanded and premiums have declined depends on the nature of the risk, Joy comments. "Premiums in many areas have decreased, and some classes have seen more of a reduction than others. However, there are still classes that remain pretty flat, as the new markets that have come on the scene are not looking at those classes," she explains.

“Most of the new markets are looking for the cream of the crop, which is the newer large turboprop/jet industrial aircraft flown by professional pilots. For high-quality risks in this class, capacity has increased dramatically, and rate reductions can be as much as 20%. On other classes, we see expiring carriers attempting to keep their renewals if threatened by another market. In an effort to book premium,” Joy continues, “some carriers may take a closer look at accounts they have never considered before.”

### **A look back—and a look ahead**

Reflecting on her 40-year career in the aviation insurance industry, Linda Joy knows she’s come a long way from her file clerk days. Clearly proud of her successful climb up a long ladder, Joy is deeply grateful to her mentor, Corky Nason, and others who have helped her along the way. “I was in the right place at the right time,” she says.

Looking to the future, you know that Joy is eager to apply herself to the challenges of running the agency she and her colleagues have just acquired, and that she has the determination and drive to pilot this craft with exquisite precision.

“What a great life ride—and it’s still going on!” she exclaims. \*

### **For more information:**

Nason Associates, Inc.

Web site: [www.nasonassoc.com](http://www.nasonassoc.com)

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[Return to Table of Contents](#)

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