

# MARSH



MARSH MERCER KROLL  
GUY CARPENTER OLIVER WYMAN

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## **Assessing the risks** Risk and insurance for marine renewables

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- Marsh and renewable energy
- Insurance market context
- Procurement best practise



**Assessing the risks**  
Marsh and renewable energy



## Marsh and renewable energy

- Market leading risk advisor and insurance broker
  - 26,000 employees
  - Annual revenues of U\$5bn
- Organised by client, industry and risk categories
  - dedicated renewable energy team
- Specific experience with commercial offshore wind projects



**Assessing the risks**  
Insurance market context



## Insurance market context

- Marine renewables - new class of risk
- However, insurers do have relevant experience
  - marine hull, machinery & subsea equipment
  - offshore energy
  - marine cable risks
- recently familiar with offshore wind
- willing to support the sector
- developing dedicated resource
- flexible



## Underwriting considerations

- Limited physical experience
  - claims
  - operational performance
- Multiple units / serial loss implications
- Inherent site risks
- Maintainability / accessibility
- Survivability
  
- Prototype risk – R&D?



## Underwriting considerations

- Relative low values
- Little spread of risk
- Appropriate risk sharing?



## Insurance implications

- Many insurers will not consider:
  - design / efficacy risk
  - business interruption cover
  - but some insurers will - if familiar with the technology
- Premiums are high
- Low pool of premium
- High sensitive to any losses



**Assessing the risks**  
Insurance buying



## Insurance procurement best practice

- Underwriting information requirements
  - design phase risk reviews
  - hardware features (engineering standards / design / spares)
  - software features (HSE / training / experience)
  - emergency control procedures
  - construction processes / management
- Loss scenarios and estimated maximum losses
- Benchmarking against industry best practice



## Insurance procurement best practice

- Report and presentation to market
- Communication and information sharing is vital:
  - demonstrate project competence
  - increase insurers' understanding of
    - risks
    - mitigation
    - contingencies
  - encourages insurance participation / competition



# Assessing the risks

## Summary



## Summary

- To obtain optimal insurance terms:
  - demonstrate that Project has
    - identified risks
    - analysed risks
    - managed risks
  - help enhance insurers knowledge
  - be aware of changing insurance market dynamics
  - have a clear, long term, insurance procurement strategy



## Summary

Partnership approach - we all have the same goal

Developers

Contractors

Manufacturers

Insurers

Brokers

Consultants

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