

Onshore wind power



For the past two decades Marsh has served as a trusted risk management advisor in the world of wind energy. Working directly with wind industry developers, manufacturers, contractors, and utility companies, Marsh assists clients in managing their project risks throughout the life cycle. This risk management process includes but is not limited to:

- review of power purchase agreement contracts, engineering procurement and construction contracts and other supplier and lender contracts for the purpose of advising clients on appropriate risk transfer, risk retention and necessary loan covenant requirements
- production of detailed risk analysis reports for the construction and operational phases
- design and placement of comprehensive insurance programs
- management of claims arising from the projects

Our close relationships with our global wind clients have enabled Marsh to develop a strong understanding of the exposures inherent in the wind industry. This allows us to convey to the insurance community an accurate assessment of wind farm risk and allows Marsh to obtain favorable insurance terms and conditions to the satisfaction of our clients.

Key risk issues

Based on Marsh's extensive onshore wind project experience, following is a brief summary of key risk issues:

- **Substation and Power Delivery** – Marsh helps clients reduce loss potential by analyzing transformer and generator downtime and the availability of replacement parts. This analysis delivers beneficial and cost-effective solutions to clients.
- **Natural Catastrophe** – Marsh's earthquake assessments may help drive down pricing and increase capacity proposed by insurers.
- **Wind Force Disruption** – During construction and repair, Marsh can provide guidance on the operation and use of cranes during high winds.
- **Delay in Start-Up** – This includes availability of equipment, access to the construction site, losses at suppliers premises and damage to the equipment while in transit or during installation.
- **Cabling** – What type of cables are being used? How will they be laid and to what depth? Are there any crossing points with other cables or pipelines and how are these crossings managed?
- **Damage Caused by Lightning** – Is there any lightning protection in place or any other mitigating factors and/or studies?
- **Subsurface Conditions** – Have the necessary geological surveys been undertaken with regard to foundations/piling and cable laying?

- **Technology** – What technology is being used and what is its operating experience? Marsh will help developers and owners assess the technology risk from an insurance standpoint, review manufacturer's guarantees and attempt to ensure that insurance fits in and around these guarantees to avoid gaps in coverage.

Marsh's global Marine & Energy Practice and Power & Utilities Practice is dedicated to supporting the needs of our clients. In doing so, we help to further the growth of renewable energy generation worldwide.

We are the market leaders for all phases of onshore wind farms and are committed to continuing to develop customized risk solutions to drive the industry forward in this growing and increasingly essential energy arena.

Insurance

Over the years, Marsh has developed creative insurance solutions for renewable energy. Whether on a per project basis or for comprehensive programs, Marsh is dedicated to meeting clients' needs.

During the initial phase of development and permitting, we can package property and casualty coverages and provide required casualty policies for auto, workers' compensation, and excess liability. Auto identification cards and certificates are delivered promptly showing landlords as additional insureds. This is all a part of our overall service package.

Subsequently, when material transit and construction commences, Marsh will negotiate with a broad spectrum of insurance providers (both companies and dedicated wind facilities) to deliver tailor-made all risk/builders risk policies. These policies will cover both property damage and, if needed, delay in start-up. Property damage coverage includes coverage for the collector systems and interconnects to the main step-up transformers. Third-party liability coverage during construction is also available on either a standalone basis or as a part of a master policy. In addition, Marine Cargo coverage can be purchased for any international transit exposures.

Lastly, coverage is provided for the operational phase of wind farms. In some instances this coverage can be attached to the construction policy for a specified period of time so as to avoid claims-handling issues associated with the commencement date of operations. Otherwise, Marsh is prepared to provide a complete risk management and insurance program once the client's operations have commenced.

For further information please contact the Global Marine and Energy Practice:

www.marsh.com

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