

## BUSINESS INTERRUPTION TEAM



Business Interruption (BI) exposures for a company are often much larger than the associated Property Damage (PD) or Machinery Breakdown (MB) exposures. Having a clear understanding of the scenarios that may lead to Business Interruption is essential in making an assessment of the BI exposures. This understanding is also critical when defining a suitable risk transfer strategy.

A comprehensive BI assessment by a proficient team of specialists, in combination with the appropriate insurance coverage, can successfully protect a company's cash flow following a loss. Marsh's Energy Practice BI team are experienced energy industry and insurance professionals specialising in BI. We offer our clients a range of services related to the management of BI exposures.

### MARSH'S ENERGY PRACTICE BI TEAM

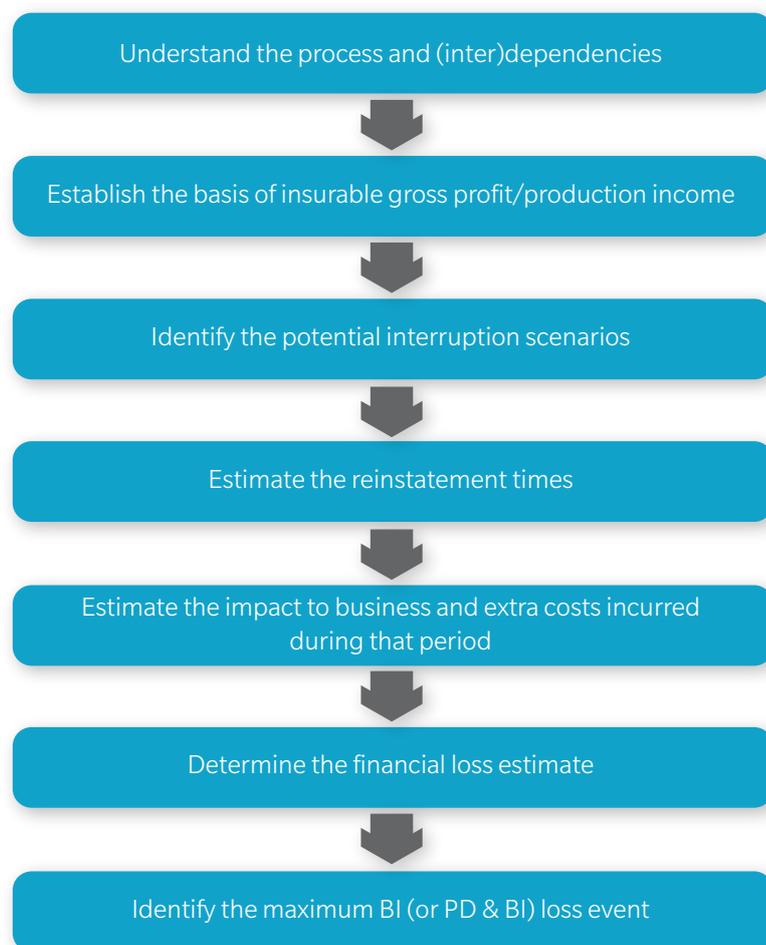
The team comprises engineers, wordings specialists, claims specialists and accountants, all with in-depth knowledge of the energy industry and insurance market. The team has the expertise necessary to comprehend the intricacies of your business, identify the hazards to which it is exposed, assess the associated risks and advise on the appropriate risk transfer solutions.

### THE SERVICES

We provide services for the assessment and management of BI exposures tailored to individual company requirements. In the early stages of our process, we make an assessment of potential financial loss due to BI following damage to assets. Based on this assessment, we provide advice on risk transfer solutions specific to addressing a company's needs. Where existing BI insurance is in place, we may review programme structures and wordings to establish an optimum package to transfer the risk. In instances where BI insurance is sought for the first time, we are able to construct an appropriate risk transfer solution, tailored to the needs identified.

A BI study involves in-depth discussions with a company's operations, finance, planning and legal departments to identify loss scenarios and quantify loss exposures. Our assessments consistently follow a seven stage process.

## THE PROCESS



Our comprehensive BI analysis includes assessments of:

- **DIRECT BI EXPOSURES:** Loss of insurable gross profit following damage of assets at a company's own facilities.
- **CONTINGENT BI EXPOSURES:** Loss of insurable gross profit for a company following damage of assets at a location on which the company is dependent. For instance, damage of assets at a supplier's location leading to loss of feedstock or at a customer's location leading to loss of customer. Third party import, export, storage and utilities facilities would also be considered.
- **INTERDEPENDENCIES:** Key interactions between facilities, on and off site, that are important to a company's operations.
- **OPERATING COSTS:** To determine those that reduce or increase during an interruption, including discussion of contractual issues such as 'take or pay' and 'force majeure'.

## BENEFITS AND FEATURES OF A BI REVIEW

- A range of scenarios will be identified that will assist in determining a company's retained risk and insurance purchasing strategy.
- Identification of potential loss prevention features and mitigation actions that could reduce the financial impact in the event of a loss.
- A report will be produced that will provide a comprehensive record of the company's BI exposures. This report can be updated in line with future business trends.
- An analysis of the current insurance programme and policy wordings can be made and recommendations given to improve the quality of both. This may lead to improved cover and could reduce costs.

## CONTACT US

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