



RENEWABLE ENERGY

Offshore Wind Power

Marsh's extensive project risk management experience with offshore wind projects has made us the leading risk advisor and insurance broker to this industry.

We begin the risk management process by advising our clients on the proper retention and transfer of risk, through:

- review of power purchase agreement contracts for the purpose of advising clients on appropriate risk transfer and retention as well as adequate insurance protection;
- production of detailed risk analysis reports for the construction and operational phases;
- designing and placing of comprehensive insurance programs; and management of any 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. Our skilled energy professionals evaluate the

unique risk facing each project and produce detailed risk analysis reports. These reports provide valuable information including education of the insurance market on risks inherent to wind power. This allows Marsh to obtain favorable insurance terms and conditions to the satisfaction of our clients.

Key risk issues

Marsh's breadth of experience allows us to continue to address with our clients and the insurance markets, the following key risks:

- **Delay in Start-Up** – This includes availability of vessels, 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?

To what depth are they buried? Are there any crossing points with other cables or pipelines? How are these crossings managed and is there any redundancy in the number of export cables?

- **Offshore Wind Force and Wave Load Disruption** – A recognition of the impact of sea conditions on all offshore work. The combined forces of the wind and waves could significantly affect construction activity, damage foundations and delay any repair work.
- **Offshore Collision** – What are the risk management procedures and protection methods that are in place to avoid vessels colliding with the wind farm?
- **Subsurface Conditions** – Have the necessary geological surveys been undertaken with regard to foundation/piling and cable lying?
- **Technology** – What technology is being used and what is its operating experience? There are a number of turbines proposed that have limited operating experience

and track records. Marsh will help developers manage the technology risk, review manufacturer's guarantees and attempt to ensure that insurance fits in and around these guarantees to avoid gaps in coverage.

- **Damage Caused by Lightning**
 - Is there any lightning protection in place or any other mitigating factors and/or studies?

Insurance

Over the years, Marsh has developed creative insurance solutions. Globally, Marsh has developed strong relationships with insurers. During the initial phase, insurers will provide a package "all risks" policy covering the offshore construction risks, including the cable laying and all transit risks. The basic construction policy can be expanded to include cargo, delay in start-up risk and third-party liability.

If a project is financed by a third party, the lenders are likely to require delay in start-up coverage to indemnify them for any loss of gross revenue. The construction all risks coverage can include extensions for:

- extra expenses;
- expediting expenses;
- offshore cancellation costs;
- stand-by costs;
- removal of wreck/debris;
- sue and labor;
- marine limitations of liability;
- marine pollution; and
- loss or damage to goods in transit.

This coverage is often structured to transition into the operating phase covering property damage, business interruption and third-party liability. Marsh's Marine & Energy Practice is dedicated to supporting the needs of our clients and in doing so, furthering the growth of renewable energy generation worldwide. We are one of the market leaders for both the construction and operating phases of offshore wind farms and are committed to continuing to develop customized risk solutions to drive the industry forward.

Claims Excellence

Our expertise lies in managing large and highly complex claims. Every day. If you are interested in our Claims-Excellence settlement service, we would be happy to provide you with further information.

Interested?

If you are interested in our services, we would be happy to provide you with further information in person. Just get in touch!

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OUR EXPERTISE

Marsh's Marine & Energy Practice places a substantial share of all international wind energy projects. Working directly with wind industry developers, manufacturers and contractors, Marsh assists clients in managing their risks throughout the life of their projects. In doing so, we help to further the growth of renewable energy generation worldwide. We are one of 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.

ABOUT MARSH

Marsh is the world's leading insurance broker and risk adviser. With over 35,000 colleagues operating in more than 130 countries, Marsh serves commercial and individual clients with data driven risk solutions and advisory services. Marsh GmbH has approximately 700 employees based in Baden-Baden, Berlin, Detmold, Dusseldorf, Frankfurt, Hamburg, Leipzig, Munich, Saarbrücken and Stuttgart.

Marsh is a wholly owned subsidiary of Marsh & McLennan Companies (NYSE: MMC), the leading global professional services firm in the areas of risk, strategy and people. MMC helps clients navigate an increasingly dynamic and complex environment through four market-leading firms: Marsh, Guy Carpenter, Mercer, and Oliver Wyman.

For further information go to www.marsh.de and www.mmc.com

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