



CLYDE & CO



Lloyd Warwick International & Clyde & Co LLP



“Energy Claims Are Simple”

Claims will occur

Issues will arise

How do we best deal with this?

Communication

Communication

Communication



Our Panel



Angela Flaherty



Alfred Thornton



Disclaimer

Any points or observations from the panel may not wholly represent the views of their company or organisation.



Representing



Underwriters



The Insured

CLYDE & CO

Non-Disclosure Agreement

- A serious loss has arisen
- The Insured are adamant an NDA must be signed
- The NDA imposes restrictions on Adjuster and Underwriters
- Underwriters are reluctant to sign it





Representing



Reinsurer



Original Insured

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Claims Control

- The Reinsurance policy has a 99% order and a claims control clause
- Cedant retains 1%
- The Original Insured believes he should only deal with the Cedant



RCA





Representing



Underwriters



The Insured

CLYDE & CO

Root Cause Analysis (RCA)

- Major fire and explosion
- Insured undertake 3-month RCA
- Request for POA after 1 month
 - USD 10m
- RCA not yet completed





Representing



Underwriters



The Insured

CLYDE & CO

RCA Cont...

- Comprehensive reporting on:
 - Causation
 - Origin
 - System review
 - Recommendations
- Cost of RCA: USD 3.5m
- Copy of report requested by Underwriters





Representing



Underwriters



The Insured

CLYDE & CO

Values

- The unit has been completely destroyed
- The unit is listed in a separate schedule at \$100m
- The cost of reinstatement is \$120m



Policy: Overall limit of \$1,000,000,000





Representing



Underwriters



The Insured

CLYDE & CO

Inspection

- Pipes located adjacent to explosion
- \$5m spent on NDT
- No damage found





Representing



Underwriters



The Insured

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Own workforce

- Utilise own labour for repairs
- Work normal and overtime to reinstate plant
- The Insured claims for the salary costs of the workforce
 - Salary costs \$5m
 - Overtime \$2m
 - Total \$7m



Policy covers PD but not BI



Representing



Underwriters



The Insured

CLYDE & CO

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 - Salary costs \$5m
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Policy covers PD but not BI



Representing



Underwriters

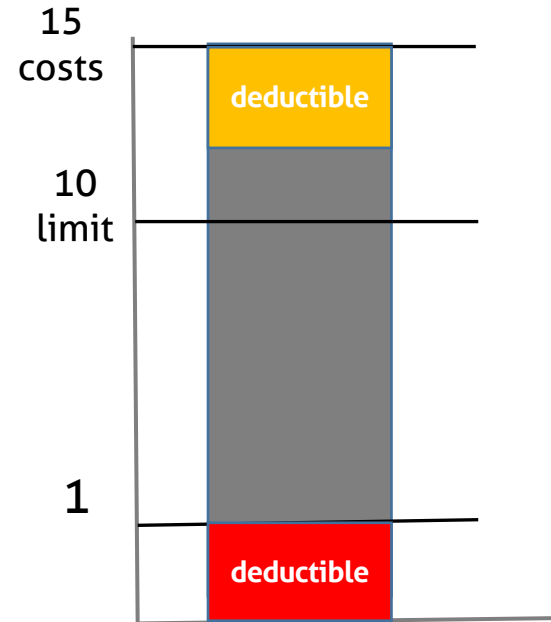


The Insured

CLYDE & CO

Sub limit

- Costs: \$15m
- Sub Limit: \$10m
- Deductible: \$1m



Policy: No Average clause, deductible wording not an excess



Representing



Underwriters

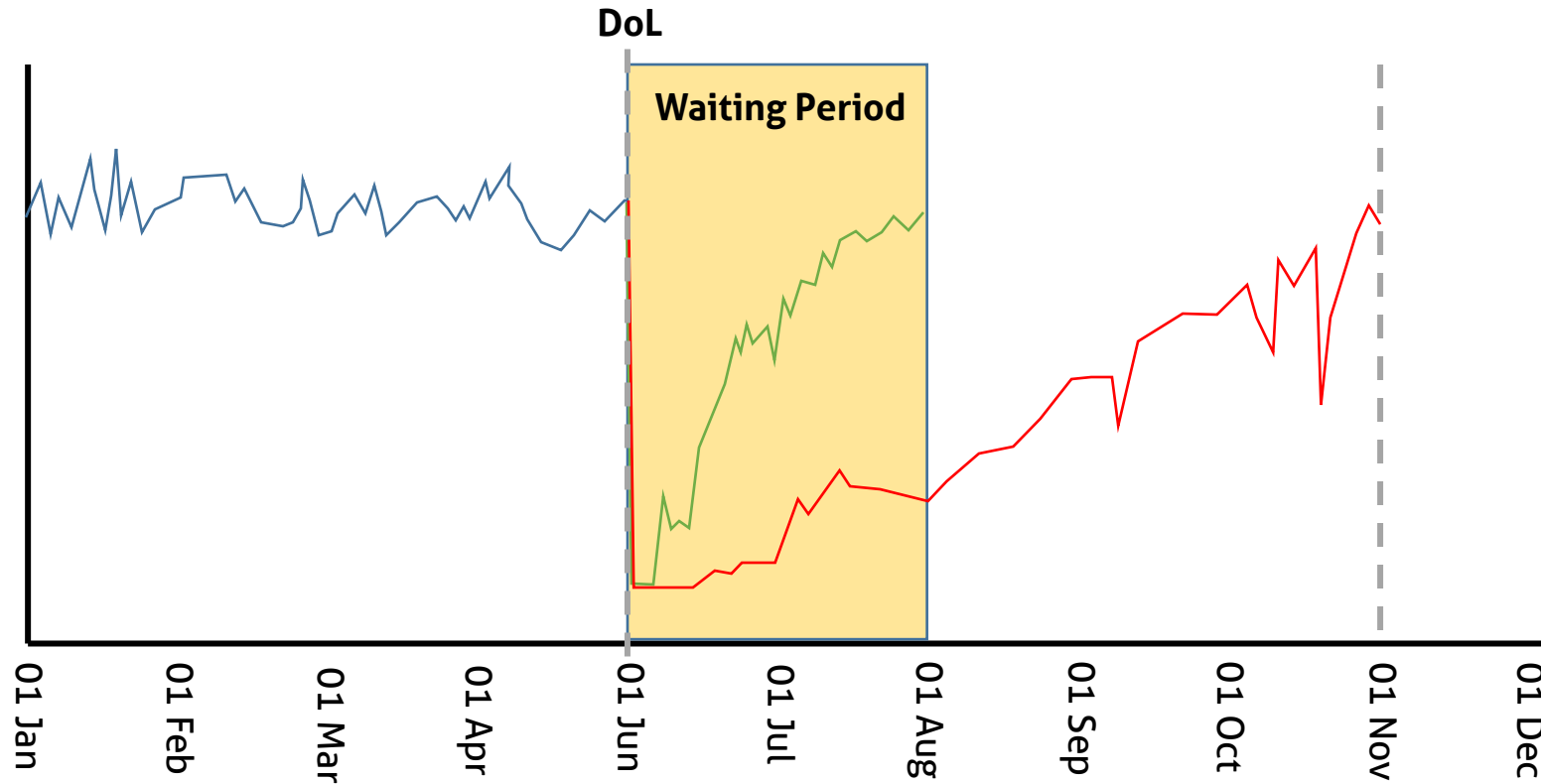


The Insured

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Increased costs of working

- ICOW incurred during BI waiting period



Policy: Section 2 - Retention: 60 day waiting period; Cover: BI & ICOW



Representing



Underwriters



The Insured

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Onshore Pipe blockage

- Pressure drop too high across underground line
- On investigation, line found to be blocked with hydrates
- “Repairs” will cost \$10m



Policy: All Risks of sudden and accidental direct physical loss or damage to insured property