

Understanding Energy Insurance

Construction, Erection, and Operational Risks

Why Choose this Training Course?

Risk and insurance aspects are key components of energy project contract documents. Most energy projects require specific insurances to be arranged for the project, equipment, and third-party protection. Indemnity is essential to safeguard the employer or client, often defined in the Joint Operating Agreement (JOA) for oil drilling activities.

This course addresses various risk aspects in energy project implementation. Insurance is presented as a risk transfer mechanism, while risk management strategies focus on reducing exposures like fire, explosion, collapse, and design or workmanship defects.

Objectives

By the end of this training, delegates will be able to:

- Understand how insurance coverage for energy schemes is arranged and underwritten
- Identify underwriters' concerns with energy-related risks
- Apply risk management steps during project implementation and beyond
- Appreciate how the risk transfer process operates
- Highlight key points of different insurance policies and how they are triggered
- Apply best practices through case studies and discussions

Who Should Attend?

This program is ideal for professionals involved in Construction, Erection, and Operational Risks within the energy sector, including:

- Senior Executives, Engineers, and Managers
- Energy & Power Industry stakeholders (Plant Operators, Suppliers, Equipment Vendors)
- Government Officials, Regulators, and Public Sector Agencies
- Banks, Financial Institutions & Fund Managers
- Contractors, Builders, and Sub-Contractors
- Oil & Gas Consultants, Architects, Surveyors, and Design Specialists
- Insurance & Reinsurance professionals, Brokers, and Regulators
- Legal Experts, Arbitrators, and Loss Adjusters

Organisational Benefits

- Improved management of insurance procurement and coverage
- Enhanced compliance with underwriters' expectations
- Stronger risk management practices leading to safer operations
- Potential savings through optimized premium renewals
- More professional handling of insurance claims

Course Outline

Day 1: Overview of the Energy Industry and Insurance Aspects

- Types of oil & gas risks: erection vs. operational exposure
- Renewable energy and global trends
- World oil economics & shale gas
- Coal-fired & gas turbine plants
- Offshore risks and marine issues
- Coverage provided by various insurance policies

Day 2: Understanding Energy Projects – Construction & Erection Insurances

- Principles of insurance with examples
- CAR vs. EAR policies: key differences
- Trade risks and underwriting considerations
- Risk transfer mechanisms
- Challenges during incidents at energy project sites

Day 3: Policy Wordings – Section I & II

- Material damage & third-party liability
- Concerns of risk surveyors
- Importance of failure investigations
- Role of loss adjusters/assessors
- Handling third-party damage claims

Day 4: Operational Risks in the Energy Sector

- Property insurance: IAR/Fire policies
- Offshore operating risks
- Business interruption insurance
- Third-party liability (general & pollution)
- Operator's extra expenses insurance
- Offshore construction risks

Day 5: Claims, Risk Management & Recoveries

- Subrogation and recoveries after claims
- Loss adjustment process
- Application of deductibles and excess
- Importance of risk management in energy projects