

Press Release

Desalination Plants – Technological development, Risks affecting Engineering Insurers and Claims Experience Working group paper presented at IMIA Conference 2009, Gleneagles 16th Sep. 2008

Currently the six billion people of our planet need to be supplied with fresh water at an increasing consumption per capita. This task has become a problem which is aggravated by the rapidly growing population and the decreasing availability of clean water supply (pollution and contamination). To produce fresh water from the sea is the main driver for the desalination industry today.

The goal of this paper is to help underwriters to understand the various desalination processes, the construction and operation of large desalination plants and to build up awareness for the special perils construction and operation are exposed to. It should help to perform a professional risk analysis, underwrite professionally and draws attention to possible and typical loss scenarios by a few illustrative loss examples.

This paper deals with the most common desalination processes and the technical aspects. In the second part it discusses a variety of exposures, individual underwriting considerations and safety and risk management, safety and security aspects. Finally it presents a few loss examples.

This paper does not deal in detail with small desalination plants, special aspects of desalinating brackish water, energy section of plants or wet risk consideration for intake and outfall structures. For the energy part and the wet risk consideration we refer to papers published on these topics by IMIA in the recent years which allow for consideration of specific aspects in more detail.