

Press Release

Deregulated Electricity Markets: Engineering Insurance BI Exposures related to Construction and Operation of Power Generation Plants

Working group paper presented at IMIA Conference 2009, Gleneagles 16th Sep. 2008

The power generation sector has the potential to give rise to huge business interruption losses, but in the event such losses can often be minimised by off-setting against other savings. Complicated trading arrangements for electricity can lead to anomalies, and it is important to understand the workings of the market which is insured.

This paper explains some examples how the electricity market can work, how Business Interruption insurance is given, which sources of energy supply are used and gives valuable information on claims issues including a case study illustration the difficulties encountered when assessing such losses.