



Delay in Start Up Insurance

London Market Working Party 2012
Supported by IMIA and The London Engineering Group

DSU Overview and Worksheet

Introduction

The shift to privately financed projects has greatly increased demand for Delay in Start Up Insurance (DSU), over the past 25 years.

More recently CEOs/CFOs have become increasingly accountable for poorly performing projects. This accountability can be mitigated by DSU where a delay in project completion has been caused by an indemnifiable event of physical loss or damage.

There has however often been a mismatch of expectation between insured, insurers, lenders and brokers, with regard to the key principles, the underwriting information required, scope of cover and proof of loss.

Recent high profile DSU loss events have further accentuated this mismatch.

During 2012 a group of insurers, brokers and loss adjusters considered how more closely to align the expectations of the interested parties. To this end they have prepared 2 documents (DSU Overview and DSU Worksheet respectively).

DSU Overview

This explains the fundamentals of DSU and is primarily aimed at Risk Managers, CFOs and Lenders.

DSU Worksheet

This seeks to translate the financial model of a project into the main heads of cover available under DSU. The document is designed to be completed by the Insured with advice from their insurance broker, and will allow both the insured and insurers a transparent and shared understanding of what is, and is not, insured.

Advantages

These two documents will confer the following benefits on the interested parties:

- The insured: a greater understanding of what he has (and has not) purchased.
- The insurer will sell a more credible product.
- Lenders will have increased confidence in its efficacy
- The broker will continue to demonstrate his added value to all parties.

All parties will enjoy a swifter and more certain claims process.

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