



# Offshore Construction

Over the last 10 years, the offshore construction industry has flourished, however the decline in oil price at the end of 2014 has dramatically slowed this growth trajectory. Many offshore construction projects have stalled, as the potential return on investment is no longer economically viable.

Whilst the overall number of projects has dropped, there are some strategic projects in progress and operators have become increasingly focused on finding more cost effective solutions to building E&P infrastructure as they adapt to the new reality.

Aon is extremely conscious of the cost pressures faced by operators and is intent on minimizing the cost of risk transfer in support of the CAPEX reductions being sought.

## What's covered?

WELCAR2001 has been the offshore CAR wording of choice for the last 15 years. By developing a bespoke version of this policy form, Aon has been able to broaden the coverage for the benefit of our clients.

Aon's product covers each stage of a project throughout its lifecycle as follows:



- Design and engineering
- Project management
- Procurement/fabrication



- Onshore storage
- Onshore transit
- Offshore transit



- Offshore installation
- Hook-up
- Commissioning

Coverage caters for all parties in the contractual chain for a project, including operators, joint venture partners, project managers, contractors and sub-contractors. Aon has extensive experience of all scales of project from minor platform modifications to multi-billion dollar projects.

## Key Aon enhancements

- Additional coverages in excess of policy limits
- Automatic escalation
- Non-restrictive maintenance clause
- Pollution clean up
- Widened pipeline damage definition
- Enhanced MWS clause
- No mob-demob clause
- Voluntary removal of wreck coverage
- Enhanced wear and tear coverage
- Special termination clause protecting the insured in the event of insurer default

## Why Aon?

- Aon has a dedicated offshore construction team
- As a consequence of working solely on offshore construction, the team has a wealth of experience and an in-depth understanding of how to place these risks in the most efficient and cost effective way possible
- Our dedicated in-team offshore engineer will provide invaluable technical advice and actively explain the technical intricacies of your project to insurers
- Aon adopts a total cost of risk approach, all elements of your insurance placement are equally important. Consequently we give special attention to:
  - Marine warranty scope of work
  - Schedule B accuracy
  - Wording enhancements
  - Innovative programme structures
  - Insurer selection

Aon will produce a bespoke underwriting submission, which provides all the necessary information required by insurers. This approach highlights the positive aspects whilst providing information around how challenging elements have been mitigated, which will positively differentiate your project in the eyes of insurers.

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## We're here to empower results

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## About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

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