

# Global Property

## Energy and Engineered Risk



## About

AIG's Global Property division brings sophisticated and extensive capabilities to our clients' risk management programs. AIG's unrivalled worldwide network provides a superior platform to harness best practices.

AIG is a leading provider of risk management and loss prevention services for commercial property, energy and highly engineered risks, worldwide. Through the company's multi-disciplined Global Property division, AIG serves the worldwide property protection needs of a diverse portfolio of clients.

With unparalleled expertise, the Global Property team offers innovative, comprehensive solutions across multiple industry segments. Through two highly specialized units — Commercial Property and Energy and Engineered Risk — the division provides access to an extensive global team of specialists in underwriting, engineering, claims, risk management and multinational disciplines.

## Key Differentiators

- Global, uniform, stable capacity
- Efficient worldwide operating platforms and policy delivery
- Security through AIG's financial strength and ratings

## Choose Stability, Worldwide

AIG brings robust, market-leading capacity and expertise to our clients around the world. Clients can leverage Global Property's significant per risk and catastrophe capacity on a global scale. Our comprehensive coverage is grounded in a consistent worldwide appetite and stable approach to underwriting.

We partner with our brokers and clients through adverse events and economic conditions and help craft solutions that address risk management needs. This helps clients identify and prioritize their investment in risk improvements. Our disciplined, long-view, partnership approach to property risk is creating a new paradigm in the insurance marketplace.

AIG has been a provider of energy property insurance solutions for over 75 years.

## Energy Property Underwriting

### Longtime Leader in the Energy and Engineered Risk Marketplace

Global Property's Energy and Engineered Risk unit can offer up to \$1 billion in capacity worldwide, among the highest limits available in the energy property marketplace today.

As a longtime industry leader, Energy and Engineered Risk has an unmatched track record protecting the physical assets of businesses, from large multinationals to single location enterprises.

Comprehensive coverages contemplate our clients' full exposure — from property damage to business interruption and contingent business interruption to terrorism — both onshore and offshore. And the programs are customized for each business.

Clients receive more than just property insurance. Our team of experts provides robust solutions, including risk management and multinational programs, as well as comprehensive loss prevention engineering capabilities. We are structured to support the market segments we serve. Our underwriters are well-known for their deeply specialized industry segment knowledge and expertise, a key competitive differentiator.

Clients can secure uniform coverage on a global basis and can take advantage of our streamlined approach to addressing exposures locally, everywhere they have risks.

### Energy Industry Specialization

In addition to world class property offerings, Energy and Engineered Risk is a core part of AIG's Global Energy Industry Practice Group (IPG). The IPG has dedicated specialists focused on client and broker needs in targeted industries — Oil and Petrochemicals, Power Generation, Chemicals and Pharmaceuticals, and Mining and Related Industries — offering AIG's full suite of products and service innovation. This integrated product approach provides seamless commercial risk solutions including, but not limited to, property, casualty, management liability and specialty lines.

We have one of the insurance industry's largest and most experienced global teams dedicated to assessing offshore, onshore, construction, property and boiler and machinery related risks, including exposures unique to those occupancies.

## Products And Coverage

### Onshore Operational Property

- Energy and Engineered Risk provides onshore property insurance for a full spectrum of energy and related businesses in the oil and petrochemicals, power generation, chemical and mining industries. *Available limits of up to \$1 billion.*
- All-Risk Property. Insurance programs providing coverage for property damage, business interruption and extra expense may be written for any energy and energy-related businesses.
- Machinery Breakdown Insurance. Specialized coverage protects machinery and equipment, and boilers and pressure vessels.
- Contractors All Risk and Erection All Risk (CAR/EAR) Insurance. Comprehensive coverage is provided for the myriad of risks inherent in construction projects, from project inception through completion and beyond. Delay in start-up coverage (DSU) is also available. *\$200 million of Probable Maximum Loss (PML) capacity available for this segment.*

### Focused Segments, Tailored Coverage

Energy and Engineered Risk has concentrated expertise serving businesses in these key segments:

- Oil and Petrochemicals (mid and downstream)
- Power Generation and Utilities
- Chemicals
- Mining and Related Industries
- Oil Rig (upstream exploration and production)
- Construction

AIG offers flexible, comprehensive solutions for new frontiers of energy risks. We specialize in addressing the needs of alternative and renewable energy risks, including wind, biofuels, solar, clean coal, geothermal and waste-to-energy.

## Oil Rig

Energy and Engineered Risk offers upstream energy property package coverages that provide necessary protection for oil and gas companies, lease operators and drilling contractors in the event of damage to an offshore or onshore rig or production facility.

*Limits of up to \$250 million on any single occurrence, any one location and all interests combined, are available.*

### Land Rigs and Miscellaneous Property

- Coverage encompasses land rigs and miscellaneous production, field processing and transmission property used in the exploration and development of hydrocarbons. Examples include contractor's equipment, simple gas plants and processing facilities, infield pipelines and gathering systems.

### Operator's Extra Expense (Control of Well)

- Conventional and Unconventional Oil and Gas Offshore and Onshore. Additional coverages, available by endorsement, expand coverage to include re-drilling expense, seepage and pollution, underground blowout, evacuation expenses and property of others in the insured's care, custody and control.

### Hull and Machinery; and related Loss of Hire

- Covers Mobile Offshore Drilling Units (MODUs), such as jack-ups, semi-submersibles, drill ships and vessels servicing exploration and production risks offshore.



### Captive and Fronting

Oil Rig works with a number of large and small captives around the world to provide local fronting where needed, as well as benchmarking exercises to assist premium and rate validation for captive retentions.

### Offshore Physical Damage

- Coverage for fixed offshore production and accommodation facilities including Floating Production, Storage and Operations (FPSOs), Floating Liquefied Natural Gas (FLNGs), pipelines, subsea equipment and offshore loading buoys.

### Business Interruption/ Loss of Production Income

- Written in conjunction with our Oil Rig upstream physical damage coverage.

### Gulf of Mexico Windstorm

- All upstream risks and associated coverages exposed to Gulf of Mexico wind.

### Offshore Construction

- Fixed and/or floating CAR in yards, including load out/tows, installation, maintenance and discovery.

### Offshore Risks Covered

Our experience and expertise in the upstream property market allows us to cover an array of risks around the globe in all water depths and on land, including:

- Production Platforms (fixed and floating)
- Subsea and Pipelines
- Rigs and Drilling Equipment
- Mobile Offshore Drilling Units
- Well Control Operations (conventional and unconventional)
- Offshore Construction

## Construction

Energy and Engineered Risk is a leading provider of first party insurance solutions for onshore Contractors All Risk (CAR) and Erection All Risk (EAR) exposures, insuring the world's most complex industrial, commercial, civil and infrastructure projects. Our property insurance can be customized to combine commercial property and catastrophic cover with other specialty coverages to address the wide-ranging exposures of construction projects.

*\$200 million of Probable Maximum Loss capacity available.*

- Delay in Start-up. Including soft costs, debt service and advance loss of profits/rents.
- Builder's Risk. Designed for installation coverage for trade and smaller contractors.
- Natural Catastrophe. Including earthquake, flood and windstorm.
- Testing and Commissioning.
- Blended Construction and Operational Programs.

Our broad appetite for construction and erection exposures includes the following:

### Erection All Risk

Light and heavy industries, including:

- Power generation and utilities
- Oil, gas and petrochemicals
- Chemicals and pharmaceuticals
- Mining
- Manufacturing

### Contractors All Risk – Building Construction

Building construction of all types, including:

- Residential
- Commercial
- Government
- Industrial

### Contractors All Risk – Civil Works and Infrastructure

Civil works and infrastructure projects, including:

- Bridges, roadways, railways, pipelines, tunnels, dams and marine works
- Water and wastewater distribution
- Power transmission and distribution
- Telecommunication networks
- Pipelines and storage tanks
- Mining

Coverage can be tailored to include:

- Testing and Commissioning
- Delay in Start-Up
- Transit and Off-Site Storage
- Contractors' Plant and Equipment
- Third Party Liability
- Maintenance (Defects Liability)

The structure of AIG's net and treaty protection runs the full term of your project, whether ten months or ten years. We will be there during testing and handover, when you need us most.

### Construction Industry Specialization

Energy and Engineered Risk is also an integrated part of AIG's Construction Industry Practice Group (IPG). The IPG has experts that specialize in the targeting, educating and underwriting of construction risks.

From loss prevention to underwriting to claims handling, our team excels in complex risk management accounts, large infrastructure projects and general construction. The IPG approach provides owners and contractors of all sizes with the full spectrum of construction-related insurance from AIG.

## Global Programs

### Raising the Bar in Global Programs

Our experienced Energy and Engineered Risk team is committed to bringing our collective, worldwide knowledge to bear for each client, from distinctive risk management services, property loss prevention engineering and claims expertise, in every jurisdiction in which we operate.

Working together, we craft multinational programs that support our clients' business plans and objectives, providing proper coverage, regulatory compliance assistance and excellent service — from engineering, through underwriting, premium flows, claims and other services — all around the world.


AIG's vast network provides an outstanding platform to deliver consistent products and service on a global basis. Always innovating, accessible and flexible, the company brings sophisticated and extensive capabilities to clients' insurance programs — and to their businesses — worldwide.

### Risk Management and Multinational Platforms

Sophisticated indigenous and multinational corporations are increasingly looking for effective risk retention strategies to better manage their property risks. With a Controlled Master Program, clients can oversee their worldwide insurance placements, address domestic and foreign property exposures and track premium under a single tower of coverage. Ingrained in our operations is comprehensive knowledge of local practices and customs.

Further, our experienced team of underwriters can design multifaceted captive programs, allowing clients to retain portions of their risk, while maintaining a high level of control over their insurance program and related costs. Other creative alternative risk solutions, such as rent-a-captives and special purpose vehicles, can also be structured to address unique operating exposures.





Real value comes from our specialization: we assign seasoned engineers to clients not by geography, but by energy and construction expertise.

## Loss Prevention Engineering

Clients can access worldwide, world class loss prevention and engineering capabilities that serve all disciplines and occupancies, including a full suite of High Hazard services that support our Energy and Engineered Risk clients.

AIG's global engineering capabilities support our market-leading capacity of up to \$1 billion for well-protected, well-managed risks. Clients benefit from our unique partnership approach that embraces collaboration and transparency to deliver cost-effective and client-centric improvements.

Further, our engineering group has sophisticated benchmarking systems and other proprietary metrics. These programs help clients tangibly evaluate the cost-benefits of potential risk improvements and make well-informed decisions in deploying resources. The success of our services is evident in measurable results that positively impact our clients' bottom lines.

## Energy and Engineered Risk Specialization

We have over 100 engineers around the world who specialize in energy industries, from exploration and production of gas, oil and minerals to transportation and storage, refining and processing. Our engineers also have expertise in chemical occupancies and many types of power generation. AIG is home to valuation experts, as well as experts in rotating equipment, electrical equipment and civil works. Our focused technical expertise and decades of energy and construction experience amplifies the power of our loss prevention for sophisticated projects and operations.

Our engineering disciplines include, but are not limited to:

- Site inspections and risk assessments
- Fire protection planning and impairment programs
- Sprinkler design and approval
- Boiler and machinery operations
- Equipment breakdown
- Contingency planning
- Thermographic surveys and Transformer Oil Gas Analysis (TOGA) (North America)

## Claims Capabilities

Our Energy and Engineered Risk claims team has handled some of the biggest and most complex energy and construction property claims in history. We draw on local, first-hand knowledge of forms, business practices, legal and regulatory issues all over the world.

Our customer service claims professionals provide 24-hour response claim acknowledgement to ensure clients' peace of mind. Catastrophe response teams are deployed quickly; we have the ability to mobilize large numbers of claim technicians and experts to respond to any catastrophe.

Further, we have superior technical resources and standing partnerships with premier investigators, engineering firms, consultants, origin cause specialists, subrogation and forensic accounting specialists. As a result, we can bring the right resources to bear for our clients quickly and efficiently when a loss occurs.

Our dedicated team of claims professionals has an average experience level of 24 years.

They coordinate the claims management process, from account set-up to first notice of loss and investigation, through mitigation, claim management and resolution.

Energy and Engineered Risk claims teams are well-equipped and authorized to provide advanced payments to help our clients return to operations as soon as is practical.

## Key Differentiating Capabilities

- Catastrophe Advantage Program<sup>SM</sup> (CAP) — A proprietary program through which claims professionals can identify the most vulnerable insured locations and secure priority access to vital claim adjustment resources prior to any storm landfall.
- Major Loss Event (MLE) Process — Enables us to promptly gather coverage information following a major loss incident anywhere in the world, facilitating rapid response and investigation to minimize damages.
- IntelliRisk<sup>®</sup> — An online risk management information system that provides real-time claims data for clients and brokers.

## Lasting Solutions from a Global Leader

AIG is a worldwide market leader and one of the few truly global property casualty insurers. Through Global Property, you get a proven and steady provider that can meet your energy property needs — and virtually all of your insurance needs — worldwide. In a market where reactionary swings have long been the norm, Energy and Engineered Risk brings a refreshing commitment to long-term, stable underwriting, loss prevention engineering and risk management.

To learn more about Global Property and other commercial and consumer coverages available from AIG, please visit [www.aig.com/globalproperty](http://www.aig.com/globalproperty).

Our claims team specializes in a comprehensive set of energy and construction segments.



Bring on tomorrow

American International Group, Inc. (AIG) is a leading international insurance organization serving customers in more than 130 countries. AIG companies serve commercial, institutional, and individual customers through one of the most extensive worldwide property-casualty networks of any insurer. In addition, AIG companies are leading providers of life insurance and retirement services in the United States. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

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