

EUROPE AND UK



Property & Energy Casebook
Issue One



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Covering 47 countries across Europe, Africa and the Middle East, our specialised team of Property & Energy Claims Professionals have a broad spectrum of experience in all types of property damage and business interruption claims.

Here we demonstrate real life examples of the added value our AIG Property Claims Professionals provide to our clients to support them through dramatic loss events — from notification of loss to settlement of claim. Our unparalleled claims knowledge, access to experts worldwide together with our unique claims promise—paying 50% within 7 days of agreed value of a loss* – all ensures our clients can get back to business with the minimum of disruption whilst our AIG claims professionals liaise closely with all parties to negotiate a fair and timely settlement.

Safe in our Hands

- Our unique property claims promise*
- Cashflow assistance through the claims lifecycle
- World Leader experience
- Access to experts worldwide
- Prioritising business continuity
- Understanding your risk

Dealing with your worst case scenario – everyday



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USD 75 Million+
paid in total indemnity on Property & Energy
claims in EMEA in 2019

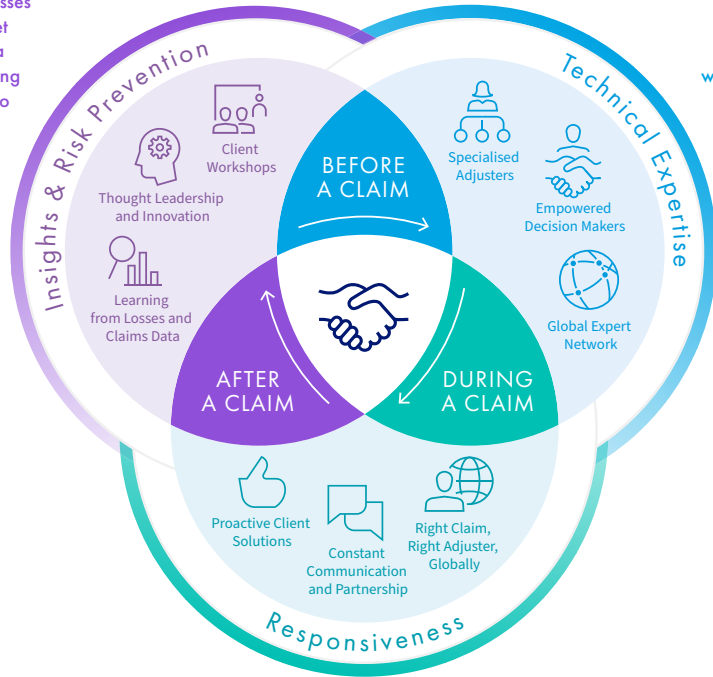
*In the event of a major claim, our Property Claims Payment Promise commits that we will confirm coverage as quickly as possible and advance our policyholders up to 50% of an agreed loss estimate within 7 days for property damage/repairs, clean-up costs, and extra expense.

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Experiencing a loss can be a devastating experience. However big or small, our priority is to resolve your claim as quickly as possible, whilst providing you with the personal and proactive support you need to get you or your business back on your feet.

Not only will we help you when a claim occurs, but we will also help you mitigate potential claims in the first place. Through our global claims data, fraud trend analysis and expertise around new exposures, we help to reduce and manage your risks more effectively.

Helping you avoid losses by sharing our market leading insights, data analytics and providing you with workshops to help you understand risks and how to avoid them.



Global network of specialist adjusters working in partnership with you, all empowered to make decisions to provide a swift claims resolution.

Proactive support tailored to get you back on your feet with speedy solutions for simple claims and expertise for complex claims, wherever you are in the world.



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Explosion at an Oil Refinery

In this case our insured, an owner and operator of a large oil refinery in Europe, suffered a furnace fire and explosion which resulted in extensive damage to their facility leading to a significant impact on production. Ultimate exposure to the market was initially estimated in excess of USD \$100m.

AIG, with market leading experience in managing this type of incident, were able to make sure the appropriate expert team were instructed and on site as soon as possible. Despite complexities associated with the loss, our AIG Major Loss Adjuster, Gerald Crymble, together with the expert team made regular site visits and were able to confirm coverage very quickly. As lead insurer we were able to support a payment for an advance close to USD \$20m. This was followed by regular payments on account which were essential in enabling our insured to manage their cash flow.

AIG and the adjustment team also liaised and supported the insured in putting temporary repairs in place, allowing operations to resume at a reduced output which significantly mitigated the loss for our insured. Once permanent repairs were complete, a fair and reasonable final settlement was achieved between the parties.



“Through our focus of building relationships and trust with our insured’s senior management team a timely and efficient resolution to a significant and complex loss was achieved.”

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Pot Freeze at Metal Smelter

During the construction of a metal smelter by our insured a substantial ‘pot freeze’ occurred – solidifying the product on a ‘pot’ line.

Reinstatement work involved removing the solidified product from over 300 pots and with the ‘pot’ lines approximately 2 km in length – this was a huge undertaking.

In agreement with the insured the appointed loss adjuster monitored activity and reported to the insurers while a small specialised team of experts assisted without the need for multiple resources – an approach favoured by the insured.

Our loss investigation and adjustment team determined causation within an expedited period. On-site, following the initial hive of activity, our team met to discuss the repair programme with the insured and their contractor

to look at expediting measures for a prompt return to operation. Agreement to labour rates and incentives for more work shifts at the height of repair activity resulted in the contractor commissioning individual pots at a faster rate than during the original construction phase of the project.

The AIG Major Loss Adjuster was on site and during initial visits offered the insured an interim payment of USD \$30m against the property damage element of the loss. Further substantial interim payments were made for property damage and business interruption and subsequently the loss was concluded within 14 months.



“Pre-loss operational status was achieved within eight months and full settlement of over USD \$125m was concluded within 14 months, a major achievement given the magnitude of the loss both in terms of damage and cost.”

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Major fire at large Industrial warehouse

We were notified of a major loss, caused by arson, at a warehouse occupied by a large online retail company of which AIG were the lead insurer. At the time of loss, the insured had stock including clothing and accessories which we understand was valued at over GBP £100m.

The fire spread through fire control vents onto multiple floors before being contained by the activation of the sprinkler system, causing significant fire damage to racking, as well as smoke and water damage to a significant amount of clothing in the warehouse.

Major Loss Adjuster David Cook was on site within 24 hours of the incident occurring to evaluate the loss. These immediate discussions enabled us to identify with the client the key priorities of counting and verifying lost stock and ensuring the online website was available to meet customers' demands alongside the initial focus on the cleanup of the building. The speed of this happening was essential as the online facility was key to millions of pounds of sales each day.

Through working closely with the insured, AIG were able to assist and the website was back up and running within 2 days, reducing our insured's claim considerably. After establishing liability we were able to agree to our share of an advance of GBP £5m within 7 days, which was welcomed by the insured and broker. This was followed up by a further advance payment of GBP £4.5m within five weeks the loss occurring.

Whilst the original loss was estimated to be in the region of GBP £40m, the AIG Major Loss Adjuster worked closely with the adjustment team and the insured's loss assessors and it was possible to finalise the claim within 5 months for an overall amount of less than GBP £20m.

Property's Claims Promise

"After establishing liability we were able to agree to our share of an advance of GBP £5m within 7 days which was welcomed by the insured and broker."

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Explosion at a Manufacturing facility

Our insured, a leading manufacturer of medical devices and equipment suffered a major loss event at their production plant. An explosion took place causing massive damage to the surrounding machinery and equipment as well as to parts of the building and some finished and semi-finished stock.

AIG were the lead insurer and Major Loss Adjuster Thiemo Schroeter immediately contacted the insured and organised for a loss adjuster to be on site to assess the damage. As a result of quick action and decision making, parts of the plant less damaged or unaffected by the explosion were up and running only a few days after the incident, mitigating the business interruption loss.

We worked quickly to progress an advance payment which the insured and broker were very pleased with.

Whilst this loss had the potential to result in a significant business interruption loss and was initially estimated at over EUR €100m this was greatly reduced by deploying loss mitigation measures – all through close liaison between the insured, AIG, broker and adjuster.



“Supporting our insured in getting back to production mitigated the loss by over EUR €90m.”

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Flooding at a Hospital

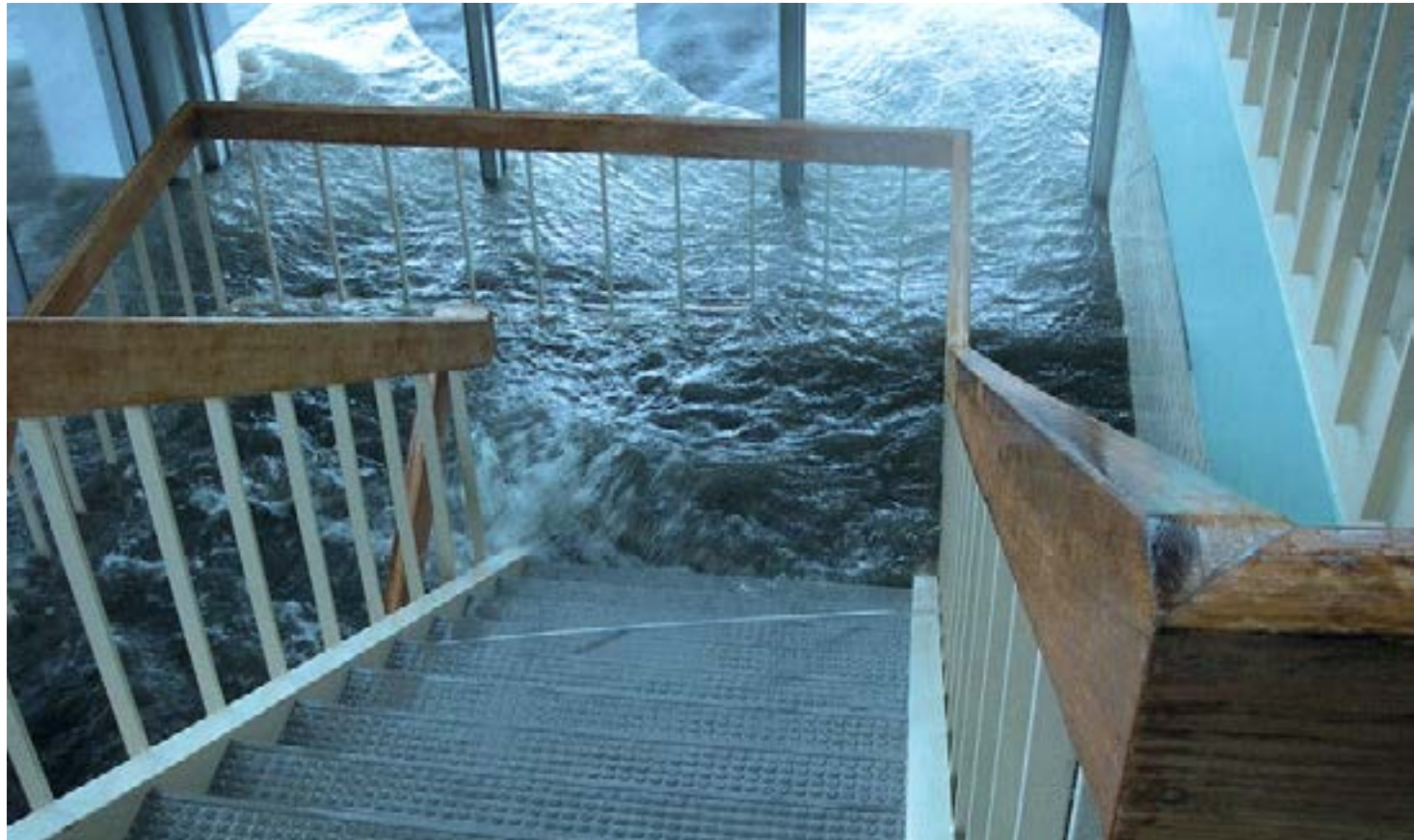
A flood occurred at our insured's 200 bed hospital following a period of heavy rainfall.

Built in the late 1980s, the original plans for the hospital were approved as the location was considered to be susceptible to a flood event only once in every 150 years. However, multiple construction projects around the hospital in the intervening years significantly impacted the risk profile. As a result, following a period of heavy rainfall, the hospital suffered flooding throughout its single storey premises, up to a depth of 120cm.

Our loss adjuster was on site within 24 hours and the team, including our Major Loss Claims Adjuster David Lovering was there within 72 hours, at which time a USD \$10m payment on account was agreed.

The insured ultimately decided not to permanently reinstate the flooded property but rather to build a new Wing on higher ground, to mitigate future flood.

We worked with the insured and looked at the reinstatement options. We adopted a flexible approach and were able to negotiate a settlement based on a notional cost and time of reinstating the original building – just 9 months after the event.



“We visited site immediately, quickly agreeing an advance and adopted a flexible approach enabling us to conclude the claim just 9 months after the event.”

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“Post loss, AIG’s claims and underwriting teams worked closely with the insured and broker to re-write the cargo section to ensure it provided the coverage the client required.”

Sinking of a jack-up rig

A jack up rig was in the process of spudding down offshore and experienced a punch-through before sinking 12 hours later.

That evening, before a loss had even been notified, AIG learnt of the incident and all available information suggested there was little doubt this was a total loss.

On that basis, AIG proposed to other co-insurers that consideration be given to settling the claim in full. Regardless of the 30 days settlement stipulation in the policy, we then worked with the other leaders in order to settle the full value, in excess of EUR €100m, as quickly as possible. During this process, we promptly established there was a covered event and then ensured the whole market was willing to finalise the loss within 13 days of the incident.

The insured also presented a cargo claim resulting from the incident. As there were some challenges with regards to how this section responded to the loss, our AIG Claims Adjuster Jonathan Blackstaffe visited the insured in person to talk through their coverage and agree on a strategy for resolving this element of the claim.

From this there followed a settlement meeting involving all leaders at which agreement was reached to resolve this element of the claim. There was a general understanding that all parties would look to clarify the cargo coverage at renewal.

The client is the reason we continually look to improve

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