

Good protection can attract better investment

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International businesses can gain significant benefits from Tokio Marine Kiln's specialist delay in delivery insurance.

An international oil and gas drilling contractor* had commissioned a shipyard in China to construct two drilling vessels worth between \$500 and \$750 million each. Financing had been arranged to fund the builds and contracts, and delivery and start dates agreed for the completed rigs to begin work. The client sought cover that would pay costs in the event of a delay in the delivery of the vessels beyond the agreed dates.

Before underwriting the risk, Tokio Marine Kiln took into account the track record, reputation and experience of the shipyard, the nature of any shipment plans for equipment critical to the build, the point of delivery and built-in contingency time with the yard's schedule.

Tokio Marine Kiln crafted a policy that would pay set daily costs in respect of contractual penalties and loan financing costs following delay in delivery due to physical loss following specific insured events, for up to 365 days for each vessel.

This cover enabled the client to fix costs at the start of the project, remove the risk from its balance sheet, and ultimately to negotiate favourable terms for the financing of the project.

365 days

coverage policy for
delay in delivery
for each vessel

*This is a hypothetical client, whose business needs are based on our experience of a number of similar clients

Tokio Marine Kiln

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