



JARDINE LLOYD THOMPSON  
Group plc

# P R E S S   R E L E A S E

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## **Construction industry identifies improvements in communication and monitoring to improve the value of Delay in Start Up insurance**

**18<sup>th</sup> February 2008**

London, 18<sup>th</sup> February 2007 – More than 90 practitioners participated in a conference facilitated by Jardine Lloyd Thompson aimed at demystifying and improving Delay in Start Up Insurance (DSU) knowledge. The forum focused on the importance of communication to ensure that everyone understood the extent of insurance protection and could present the claim appropriately in the event of a loss.

Everyone agreed that a more consistent approach was needed to reduce uncertainty and help to provide insurance cover that clients need at the price they recognise as being value for money, and with higher levels of transparency and understanding in providing information at the underwriting and claims stages.

Contractors, project owners, government officials, lawyers, loss adjusters, financiers, insurance executives and construction consultants from across Europe were introduced to the DSU issues by four leading industry speakers. The speakers looked at the topic from an Underwriter, Financier, Client and Claims Management perspective, before entering a lively question and answer debate. The main key points agreed were:

1. The insured party, their brokers and insurers need to improve communication before the construction project commences to ensure that everyone understood what was insured and how the policy is expected to respond;
2. It is often difficult to identify the insured delay and ultimate claims cost after the loss. By continually monitoring the project schedule against the critical path, if a claim occurs it can be adjusted much more efficiently and fairly.

**Jeff Powell, Chairman of Jardine Lloyd Thompson's Construction Division commented "DSU is a confusing and expensive area of insurance where satisfactory claims settlement is not always achieved. We hope that by bringing the key parties together and debating the issues we have helped clarify and improve the understanding of this important part of a construction insurance programme."**

**-- ENDS --**

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**Editors Notes:**

**Jardine Lloyd Thompson Group:**

Jardine Lloyd Thompson Group plc is a leading risk management adviser and insurance and reinsurance broker, as well as a major provider of employee benefit administration services and related consultancy advice. JLT is the largest European-headquartered company providing these services and is one of the largest firms of its type in the world.

**Jardine Lloyd Thompson Limited – Construction**

Jardine Lloyd Thompson Limited is the London market's leading Construction insurance broker, placing more than £275m premium into the market. We have a team of over 120 construction insurance professionals managing global construction risks and they have a reputation for excellence, built on knowledge and performance. This makes us the partner of choice for some of the world's major construction projects, leading UK and European contractors and PFI/PPP projects.

The team have arranged around 350 Construction policies with Delay in Start-Up insurance, some with sums insured that have tested the insurance market's capacity. Examples include a UK PFI project (£500m cover), an Rail network (US\$750m) and numerous power station projects around the world with limits up to as much as US\$1m per day.

### **The DSU Seminar**

The DSU Seminar is available as a recorded webcast and a special newsletter capturing the key aspects of the discussion has been produced. To get access to the webcast and view the newsletter visit

[www.jltgroup.com](http://www.jltgroup.com)

### **About DSU**

DSU covers the financial loss arising from a delay in completing the project caused by insured damage during the construction. The policy can cover loss of anticipated profits or compensate for additional finance and other fixed costs incurred. Project owners or special purpose vehicles set up to manage the construction project usually purchase DSU. It can be due to a request from their bank, because they are concerned about the risk and potential economic loss caused by a delay or it can help them secure better finance rates.