



Risk management assessments for Dutch power industry

DNV has performed risk management assessments for 5 Dutch power plants. The Dutch electricity producing companies have asked DNV to do these risk assessment in relation to the rising insurance premiums. The risk pictures coming out of the assessments have been used by the Dutch power plants to re-negotiate their insurance premiums.

Critical issues

- An increase of the number and severity of incidents and associated insurance claims was observed.
- This led to higher premiums to be paid by several electricity producing companies to the re-insurance companies.
- DNV was therefore asked to perform a risk management assessment of one of each of the five power generators' sites.

Solutions

- First of all a new risk management protocol was developed, providing a quantified risk profile per site, which allows for benchmarking. The Dutch power companies have demanded a redistribution of the premiums for the five power generators based on the risk maturity score achieved.
- Several risk management audits have been carried out in a selection of power sites during less than 6 months.
- Individual assessment reports, as well as one overall benchmark report, have been delivered to the client and the benchmark results were presented to the board of these companies.

Value delivered

The assessment reports have been successfully used to demand for a redistribution of the insurance premiums. The assessment results are used for improvements to be made at the power plants.

"We are very positive about the quality of the audit. The audit results are taken very seriously and, where possible, the recommendations will be implemented" states the Corporate Risk Manager of one of the companies participating.

Contact

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