

# Loss Estimation

# Charles Taylor technical

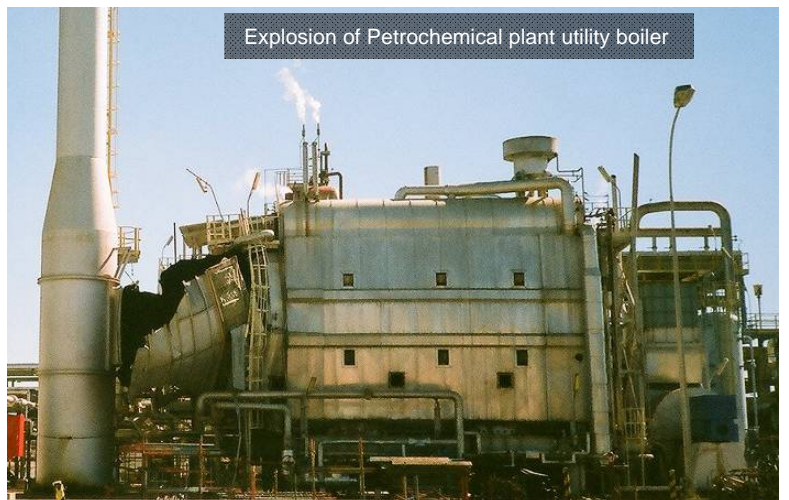


## Loss Estimation

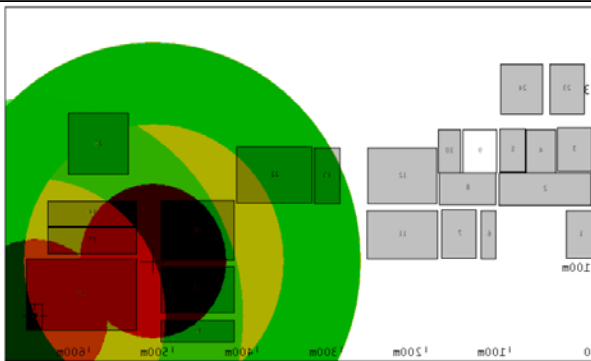
Accurate loss estimation is a basic requirement of underwriters. All Charles Taylor technical (CTt) survey reports include a loss estimate. In addition CTt have undertaken a number of standalone loss estimation studies. Loss estimate calculations are explained in a step by step format allowing the calculation method to be clearly followed. The majority of calculations are for property damage purposes but a significant proportion also include machinery breakdown, business interruption and occasionally, liability.

CTt undertakes loss estimation calculations in the following industries:

- Oil, Gas & Petrochemicals
- Offshore installations
- Pipelines
- Power plants
- Utilities
- Construction
- Commercial and industrial buildings
- Heavy industry
- Steel industry



## Case Histories



### Vapour Cloud Explosions (VCEs)

VCEs usually generate the worst case event in oil, gas and petrochemical installations. CTt uses the well known Swiss Re ExTool methodology. This utilises simple calculation methods well accepted within the insurance world.

Frequently a range of calculations is necessary to establish which of several possible scenarios is the worst case. At some locations, the worst case scenario may change over time as new units are added. LNG liquefaction facilities offer a further complication as frequently there is different ownership of different parts of the site.

### Power Generation

Calculation methods vary depending on a number of factors including the type of facilities involved, fuel used, layout and configuration of control and utility systems. Large turbine halls and closely spaced machines may result in damage to multiple units, particularly where large reservoirs of lube oil are not contained. Many of our studies have identified risks previously overlooked, particularly when business interruption exposures are considered and there is large liquid fuel storage at a facility where individual generators are well spaced.



### Offshore Installations

CTt were appointed by a major European oil company to review the loss potential to a number of North Sea offshore complexes and associated pipelines. The study reviewed exposures and the estimated losses associated with well control, fire/explosion, collision and pipeline damage.

Studies should be repeated at intervals to reflect changes in crude price, day rates for drilling rigs and other specialist vessels, changes in technology and reductions in the extent of recoverable reserves..

The technical team within Charles Taylor provides risk focussed technical expertise. Services include Technical investigations of failures, Risk Research, Risk Surveys, Loss Estimation and Benchmarking.

A worldwide capability is available drawing on the resources of the CTC Group.

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