

WATER RESILIENCE INSURANCE

AT A GLANCE



We rely upon clean water in all parts of our life – in our homes, businesses, factories, schools and hospitals. Whether privately or publicly run, water utility companies have a legal obligation to provide people with safe water. While every effort is made by all parties to implement modern quality management and assurance, the risk of pathogenic, bacterial and other contamination remains.

While most contamination incidents don't cause death or injury, water industry participants must issue boil notices, make public announcements, and take measurements to manage and rectify the situation. Activities and costs from a water contamination episode can often include providing alternate water supplies, compensation payments to commercial and private customers, third party loss of profit and expense reimbursements, and the high costs of scientific testing. In the unfortunate situation where people are physically harmed, the bodily injury and death restitution can be extremely costly. Given the extremely large number of individuals and companies serviced by a water utility, the costs of a crisis can be immense.

Water Utilities in every country also need to be prepared for potential malicious acts against the water supply. A determined villain with knowledge of a water utility's infrastructure and systems can be very difficult to protect against. Past experiences have shown that a planned crisis management response is important to managing a water supply attack.

To address these exposures Allianz Global Corporate & Specialty has developed Water Resilience, an insurance product that addresses the above risk leverage the guidance from water utility companies.

UNIQUE RESPONSE TRIGGERS

Allianz's Water Resilience solution offers Water Utility clients insurance cover with relevant additional triggers to enable the contamination response procedure to be activated when contamination is detected.

COVERAGE

The program covers:

- Water Accidental Contamination event
- Water Malicious Product Tampering event
- Water Product Extortion event

CRISIS MANAGEMENT CONSULTANTS

Allianz Global Corporate & Specialty have secured the services of WorldAware, one of the world's leading crisis management consultants, to respond and provide instant support in case of a water contamination. In addition WorldAware are available to deliver pre-incident services to clients.

Risk Prevention Services

- Assist risk assessments
- Develop crisis management plans
- Provide crisis simulation exercises
- Review program

Key services include

- Crisis Team support
- Product testing
- Product recall and traceability
- Legal support
- Crisis communications
- Technical product expertise
- Malicious product tampering investigations and support

STANDARD & POOR'S

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A.M. BEST

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FOR MORE INFORMATION
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KEY COVERAGES - ACCIDENTAL CONTAMINATION

Any accidental or unintentional contamination of Insured Water, which occurs during or as a result of its preparation, processing, storage or distribution, provided that one of the below triggers applies:

- Bodily Injury within 365 days after contamination
- Boil Notice
- Avoid Consumption Notice

KEY COVERAGES - MALICIOUS PRODUCT TAMPERING

Any actual, alleged or threatened intentional, Malicious and wrongful alteration or contamination of Insured Water, or Adverse Publicity implying such, by anyone including an employee of the Insured.

KEY COVERAGES - PRODUCT EXTORTION

Any threat or connected series of threats to commit Malicious Tampering of Water communicated to the Insured, for the purpose of demanding Ransom Monies.

COVERAGE COMPONENTS

- Crisis consultant costs
- Pre-incident sampling
- Information costs
- Transportation and accommodation
- Employee overtime
- Install/remove UV-units
- Contractors costs
- Clean/repair locations
- Warning Cards
- Sampling costs
- Alternative mass distribution
- Failure to restore supply payments
- Goodwill payments (interruption of water supplies not necessary)
- Customer loss of gross profits
- Customer extra expense
- Extortion costs

CAPACITY

- Up to €50m
- Excess capacity available

ABOUT ALLIANZ

As an international financial services company, we offer our 100 million customers worldwide products and solutions in insurance and asset management. Allianz Global Corporate & Specialty is our dedicated brand for corporate, specialty and mid market risks and insures more than three quarters of the Fortune 500® companies.