

Wyoming Carbon Sequestration Working Group Meeting

Brokers Perspective

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Willis

Broker Role/Function

- Understand
- Liaison
- Expectations
- Anticipate
- Gather Info & Present
- Get Underwriter Interested
- Negotiation & Alignment of Interests

CCS U/W Issues & Concerns

- Coverage considerations not actuarially driven
- Very specialized & VERY NEW!!!
- More & more study?
- Diminishing returns
- No working business model
- Need commercial application/proving
- More u/w flexibility with history

The Challenge of Insuring CCS

- Similar to RSL for new/unproven technologies
- No “one size fits all” approach
- Pollution coverage – parallels to existing processes/practices
- Analogous to other construction & infrastructure projects

The Challenge of Insuring CCS

- Policy term needed
- Regulatory Risk
- Lawsuits & legal liability trends
- Insurer response

Increasing CCS Insurability

- Detail on:
 - CO² stream
 - Geology
- Demonstrate:
 - Abandoned wells are secure
 - Potable aquifers will not be contaminated
 - Minimal impact on 3rd parties

Increasing CCS Insurability

- Reliable monitoring system
- Release preparation
- Emphasize experience & similarity to other projects
- Address unknowns

Regulatory Challenge for Long Term Financial Assurance

- Markets are cyclical
- 2000 surety market impact on mine reclamation bonds
- Flexibility is key
- “or other methods acceptable to Director”

Thank You...

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