# Deductible Buy Down (DBD)

In the offshore energy market and wind-farm construction projects, we have seen more and more exposure being pushed down the contractual chain. In certain circumstances a contractor client must contractually assume exposure to pay for the deductible of its owner or operator counterparty.

This insurance allows a contractor client to buy that deductible down to an acceptable level. It provides a solution to a commercial challenge, not only helping the client in reviewing its contractual obligations, but also in competing to get tonnage to work.

## Example

Operator "O" contracts with contractor "C" in respect of the performance of certain offshore Construction All Risks (CAR) works. "C" shall be named a co-assured under "O'"s Offshore CAR WELCAR policy. "O" runs a high deductible on that policy.

By specific contractual provision(s), "C" is responsible for payment of "O"'s Offshore CAR policy deductible in certain situations. While the size of the deductible may be reasonable for "O", such an exposure may be onerous for "C". It could be the difference between making a profit or losing money, even possibly posing a balance sheet threat to "C".

## Norwegian Hull Club – the Preferred Leader

When placing insurance with Norwegian Hull Club as leader, an Assured has access to claims handling experience, service levels and competence of the highest quality.

We handle claims and critical situations in the most professional way. We prioritise and make claims settlements much quicker than the industry average, through practical, solution-driven claims handling and involvement from notification to final payment. Norwegian Hull Club encourages teamwork together with the Assured and the broker. Our world-leading contingency support and operational intelligence services are developed from handling 2,000 claims every year.

The Club organises a wide variety of loss-prevention activities for both ship and shore-based staff, sharing experience from actual incidents, aimed at improving industry best practice.

For a quote or further information please contact your Underwriter at Norwegian Hull Club
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