We will share our expertise to ensure you are compliant.

Costs influence your efficiencies and business management.

Risk loss and risk exposure.

We will reduce and optimise.

Risk and comply.

To ensure you are improve your risk management.

Influence your business efficiencies costs.
If you read our various publications you will see a consistent theme that highlights our focus; Willis is a leading global risk advisor operating on every continent to deliver seamless expertise to our clients. Nowhere is this delivery of expertise platform more important than it is for our clients involved with complex Public-Private Partnerships (PPP).

Equity, parent guarantees, structured project finance, evolving regulatory reforms, design-build-operate, and compliance are just a sampling of the issues around PPPs. Each and every variable outlined creates significant potential for opportunity while at the same time, risk of significant loss. Since the inception of the PPP concept, Willis has been on the leading edge with guidance, product development and the global connection of our clients through every step of the process.

As Willis' Global Head of Construction I am proud to highlight our PPP Solutions Team. We fully understand the importance of assisting and guiding you throughout the process and contributing to your team’s successful outcome. We appreciate our clients who have already made us a leader in this very important segment of the marketplace and we hope you too will allow us to show you the advantage Willis can provide you.

Bill Creedon
Global Head of Construction
Willis PPP Solutions
Willis recognises the growing importance of Public Private Partnerships (PPP) around the world as it becomes the pre-eminent means of procuring economic and social infrastructure by the public sector.

In order to provide our global client base with a unified best practice level of service in respect of their PPP investment requirements, Willis has a global dedicated team of experts who have been intimately involved in all aspects of the specialist services required by the key stakeholders to such projects, drawn together as Willis PPP Solutions.

One of the key principles of PPP is that risks are allocated to the party best placed to manage them most cost effectively. The inherent flexibility of the PPP model enables responsibility for the key risks to be distributed on a bespoke basis between the key stakeholders. This allows for the key stakeholders to negotiate and agree the optimal allocation of risk and responsibilities and to deliver the best value for money solution. The assessment of value for money is an evaluation of:

- the perception of the likelihood of an event occurring
- financing and other costs
- the cost of risk retained by the public sector over the life of the project

We work with all parties to the contract, at all stages of the project lifecycle.

A core principle of Willis PPP Solutions, is having distinct teams who specialise in representing each of the key stakeholders. Willis has vast experience in working across the full spectrum of sectors from road and rail to health and education to waste and renewables. The coupling of this specialisation and depth of experience enables Willis to provide practical advice based on our PPP and insurance market knowledge.

Public Sector Expertise
Willis has government and public entities advisory experts who assist and support public sector clients in the management of insurable risk issues which arise through their PPP contract and procurement activity.

Using the Willis government sector team ensures the public sector can be confident of our experience and insight to offer an unparalleled range of project insurance due diligence, risk management, risk financing and insurance programme design. The Willis team is skilled and resourced to deliver insurance expertise both during the procurement of a new project and relative to insurance issues throughout its lifetime.

Depending on the nature and location of the particular project, Willis will, through a transparent and detailed process, participate in the following ways:

- Advise on the application of insurance mechanics and solutions to manage risk associated with a project (e.g. uninsurability and premium volatility risk)
- Assist in the development and undertake an analysis of risk registers, conduct insurable risk studies and provide advice on required insurance programme scope and design to protect the separate interests of the public sector entity
• Draft procedures to help the public sector identify risk issues/opportunities early on in negotiations thereby avoiding unnecessary acceptance of risk, poor value for money and improving the quality/compliance of commercial responses
• Assist in the review and drafting of bespoke, practical and sustainable required insurance regimes and obligations in contracts
• Organise and facilitate workshops to train and help guide the public sector in both insurance negotiations and in contractual compliance requirements
• Negotiate with other parties and their advisers and brief the public sector on achievability (or otherwise) of draft proposals and preferred contractual solutions
• Evaluate private sector insurance proposals relative to compliance with the public sector requirement and determine acceptable total cost of insured risk for a project

**Private Sector Expertise**

The private sector engagement with Willis PPP Solutions can take many forms from initial investment through tender, construction, operation and secondary market transactions. Private sector parties’ interest and attitude towards risk will vary depending on their role as well as the stage and duration of their interest in the project.

One of the key areas is the transition from the construction phase into operations. Through gaining an in-depth understanding of the project we will ensure that the insurance programme design reflects the changing basis of the exposure.

Willis is at the forefront of this sector in the creation and development of operational portfolios which, under the aegis of a common equity provider, drive efficiency in premium and optimise coverage. The competitive nature of PPP means that aggressive yet robust operational premiums over the concession period are a key operating cost which can differentiate the affordability during the tender process. These costs also need to be carefully predicted so not to leave the Special Purpose Vehicle (SPV) exposed in the event of significant premium increases.

Whilst the steps will vary depending on the stakeholder’s interest, these are the key elements of the service offered:

• Identification of key project risks and advice on risk allocation and available risk transfer tools including insurance
• Contract review and input into the negotiation of indemnity, insurance clauses and the insurance schedule
• Review and provision of advice upon contractual allocation of risk and ability to transfer such to the most appropriate party
• Robust insurance costings and analytical advice on market capacity and cycles
• Advice on insurability, benchmarking of premiums and consequences of significant changes in insurance market conditions
• Identifying uninsured and uninsurable risks
• Placement of insurance programme for construction, interim services and operations
• Satisfaction of the public sector and lenders requirements including letters of undertaking, evidence of cover and premium risk sharing reports
• Design and management of portfolio placements
• Purchaser and vendor due diligence

Our strong sector expertise and insurance market insight and relationships will ensure that you get the right solution at the right price.

Project Finance
Lending on future profits rather than against assets brings inherent risk, not least of which is that of disruption to the revenue stream. In order to transfer risk, Lenders will need to be sure that the projects on which they are lending are appropriately insured.

Through the Project Finance consultancy team Willis works with Lenders to provide insurance due diligence and advisory services ensuring the insurance programme is bankable and that Lenders security has been optimised. With a team of consultants based in London, Sao Paulo and New York the Willis Project Finance team is dedicated to the provision of independent insurance and risk management advice on project finance transactions, to Lenders. Since being established in 1995 the team have developed into one of the world’s most experienced project finance teams comprising consultants with a diversity of backgrounds and relevant expertise plus unrestricted access to the global resources of the Willis specialist broking teams, practice groups and knowledge databases.

Key aspects of our service include:

• Review and comment on appropriate project contracts and documents
• Review insurance law and implications for the project
• Review proposed insurance programme including levels of sums insured and deductibles
• Review, comment on and assist in drafting the relevant sections of the loan documentation in respect of insurance (including Lenders’ interest endorsements) and comment on whether the insurances meet the requirements of the loan and other project documents
• Comment on the financial standing of the selected insurance companies
• Review insurance policy wordings in detail
• Audit insurance cover notes and policy wordings against the requirements of the loan agreement and security documentation
• Prepare a report drawing together findings and conclusions on all of the above
• Ongoing resolution of outstanding issues raised in earlier reports, if any
• Review and monitor the insurance programme
• Prepare annual reports of the insurance programme throughout the period of the loan
Willis’ Global PPP Service Capability

With team members located across the globe in all major centres including the United States, Canada, United Kingdom, Europe, Australia, Middle/Far East, and South America, we are committed to supporting our clients on the ground to provide our full spectrum of industry expertise working in specialist teams to represent the different interests in the sector shown below:
Applying the experience

Our understanding of the PPP model allows us to apply our risk management, risk financing and insurance knowledge in a way which will benefit your organisation irrespective of whether you are embarking on a PPP project for the first time or have a wealth of experience in the sector. We will ensure that you stay competitive and compliant and deliver solutions which reflect the interests of the various stakeholders to these projects.

Innovative Solutions

Our team of experts work with clients to build innovative insurance and commercial solutions, taking a unique look at each project to understand how our skills can add value to your business.

We get under the skin of your project by having an in-depth understanding of the projects’ risks. Comprehensive advisory services address all phases of the project and its insurability from start to finish. We have seen many examples of where design decisions have a considerable knock-on impact to the attitude of insurers in the operational phase.

Ultimately effective risk allocation and professional risk and insurance advisory services drive the most competitive bid and reduce risk exposures for both public and private sectors.

MANAGING CONFLICT OF INTERESTS

As a leading PPP industry specialist, Willis may be approached by more than one party on the same project. Such a situation is not uncommon in a specialist service industry and Willis has an embedded Conflict of Interest management policy to deal with this potential issue. The policy provides total transparency and ensures that no employee represents the interests of more than one party.

A core project team is devoted exclusively to each party and enters into a mutually acceptable Confidentiality Agreement.
About Willis

Willis Group Holdings plc is a leading global risk advisor, insurance and reinsurance broker. With roots dating to 1828, Willis operates today on every continent with more than 18,000 employees in over 400 offices. Willis offers its clients superior expertise, teamwork, innovation and market-leading products and professional services in risk management and transfer. Our experts rank among the world’s leading authorities on analytics, modelling and mitigation strategies at the intersection of global commerce and extreme events. Find more information at our website, www.willis.com, our leadership journal, Resilience, or our up-to-the-minute blog on breaking news, WillisWire. Across geographies, industries and specialisms, Willis provides its local and multinational clients with resilience for a risky world.
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