

Insuring infrastructure projects from concept to completion

Infrastructure projects are complex, often large and long-term undertaking, and the inherent risk can have far-reaching consequences for every stakeholder throughout their lifecycle. Yet they are generally perceived as the greatest growth opportunity in sub-Saharan Africa.



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Given the African context, these risks include "geopolitical issues, economic uncertainties, country risks, political violence and terrorism", says Peter Cook, head of infrastructure insurance at Marsh Africa.

These types of risk can adversely impact specific assets, capital structure and the cash flow needed to service fixed obligations and underpin yield over the period of the infrastructure investment. Therefore, insurance should cover the professional risks inherent in project development, project construction - including delay in start-up and marine transit, surety risk, environmental risk as well as political risk.

Cook adds that the all phases - from development and design, construction and handover to commercial operation and maintenance - also need to be considered.

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