APP ASSET PERFORMANCE PARTNERS

# Turn plant risk data into balance sheet relief

**Asset Performance Partners (APP) helps power generation asset owners use plant-level risk data to reduce retained deductible exposure and support insurance structures that better reflect how the asset is managed.**

## WHAT THE APP ENABLED DEDUCTIBLE BUY-DOWN DOES

Power generation asset owners often carry significant retained exposure under high-deductible structures on Machinery Breakdown Business Interruption (MBBI) policies. These structures may protect against major loss events, but they can still leave part of the risk sitting on the owner's balance sheet.

The APP enabled Deductible Buy-Down helps reduce the retained exposure by enabling insurers to offer cover for part of a high-deductible layer. This is made possible by APP's plant-level risk data and equipment-level analytics, which gives the insurer a clearer view of the plant's actual risk profile.

For asset owners, this creates a more direct link between how the plant is managed and how its risk can be insured. Better operational risk visibility can support a more responsive insurance structure and reduce exposure that would otherwise remain retained.

## WHY THIS IS IMPORTANT

High deductible layers can tie up balance sheet capacity and limit financial flexibility, especially for leveraged power generation assets. When part of the risk remains uninsured, owners may need to carry that exposure internally.

The challenge is that insurers need credible, granular information before they can price additional cover for those retained layers. Without that visibility, a well-managed plant may still struggle to access an insurance structure that properly reflects its actual risk position.

APP helps close that gap by turning operational plant data and equipment-level analytics into evidence insurers can use to assess the risk more confidently.

## HOW APP SUPPORTS THE PRODUCT

APP provides the risk data and analytics that support the deductible buy-down structure.

**This includes:**

- granular plant-level risk data
- equipment-level analytics
- stochastic loss modelling
- risk visibility and reporting
- underwriting analytics to support pricing decisions

**Together, these help insurers better understand the exposure and give asset owners a stronger basis for reducing retained deductible risk.**

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## REAL-WORLD APPLICATION

**In one live deployment with a thermal power plant, the APP enabled Deductible Buy-Down was used to reduce retained exposure on the Machinery Breakdown section of an MBBI policy.**

**In that case:**

- The plant's existing Business Interruption policy carried a general deductible of 60 days
- The Machinery Breakdown section carried a higher deductible of 90 days
- This left a 30-day uninsured gap on the policyholder's balance sheet
- APP's granular risk data and equipment-level analytics helped the insurer price the buy-down
- The machinery breakdown deductible was reduced to 45 days
- Approximately $14 million of previously uninsured risk was freed from the policyholder's balance sheet

**For the asset owner, this meant part of the retained exposure could be transferred into the insurance programme, creating a closer fit between the plant's operational risk profile and its insurance structure.**

## VALUE FOR ASSET OWNERS

**Improved performance through risk insight:**
Live risk notifications and active mitigation capabilities provide continuous, actionable insight that helps asset owners respond earlier to emerging issues and improve overall plant performance

**Reduced retained exposure:**
The APP enabled Deductible Buy-Down can help reduce the uninsured risk sitting on the balance sheet.

**Reduced balance-sheet pressure:**
By transferring part of the deductible layer to the insurance programme, asset owners can reduce the retained exposure they need to carry.

**A stronger insurance position:**
Plant-level risk data gives insurers a clearer view of the asset's specific risk profile.

**Better alignment between operations and insurance:**
The product helps connect how the plant is actually managed with how its risk is structured.

**More credible risk discussions:**
Asset owners can approach insurers with data-backed evidence rather than relying only on static renewal information.

**APP's Deductible Buy-Down helps asset owners use plant-level risk data to reduce retained exposure and create a stronger fit between operational risk and insurance structure.**