CLIMATE +

CHUBB®

Insurance Solutions for Battery Energy Storage Systems

Battery energy storage systems (BESS) are rapidly expanding as a critical enabler of grid stability, renewable integration, and peak demand support. As adoption grows across utilities, developers, and industrial operators, so do exposures such as fire, thermal runaway, supply chain disruption, and regulatory complexity.

Chubb offers a comprehensive suite of insurance solutions to support the BESS value chain, from manufacturers of raw materials, component parts and battery cells to developers of single-site container systems and utility-scale installations. We help clients manage their complex exposures with robust risk management solutions.

Coverage highlights

Manufacturing and Supply Phase

Climate Tech Coverage

Errors and Omissions (E&O)
Provides coverage for BESS manufacturers, software developers and engineers against liabilities arising from manufacturing or service errors.

Public and Product Liability
Covers third-party liability claims for bodily injury and property damage arising from manufacturing operations, and product defects, including product recall expenses.

Cyber
Assists organisations in responding to and remediating cyber incidents. Coverage includes Incident Response Expenses, Data and System Recovery Costs, Cyber Extortion and Privacy Liability.

Construction and Operational Phases

Construction Phase Coverage

Erection All Risks (EAR) and Delay in Start-Up (DSU)
Covers physical loss or damage occurring during construction, and safeguards against financial losses due to project delays caused by such events.

Construction Liability
Addresses third party liability claims for property damage, bodily injury, or accidental death caused by construction activities.

Professional Liability
Provides coverage for designers, architects, engineers, contractors, and developers against liabilities arising from professional errors or negligence.

Operational Phase Coverage

Operational All Risks
Covers physical damage to the BESS facility in the event of fire, mechanical failure, natural catastrophes and other perils. Compensates for consequential income loss and expenses incurred during operation disruptions.

General Liability
Covers third-party liability claims for bodily injury and property damage, including third-party property damage claims arising from cyber incidents.

Environmental Impairment Liability (EIL)
Provides coverage for gradual, as well as sudden and accidental pollution incidents, whether during construction or ongoing operations.

Cyber Liability
Assists organisations in responding to and remediating cyber incidents.

Who we insure

- Raw material and component part suppliers
- Developers
- OEM and contract manufacturers
- EPC, contractors and engineers
- Battery manufacturers
- Operators and O&M contractors

Claims scenarios

EAR claim due to fire during testing and commissioning of a BESS site

A fire occurred due to a short circuit in battery modules during testing and commissioning of a utility-scale BESS project. Although the fire was quickly suppressed, smoke damage affected battery containers, cabling and control systems, requiring replacement works and causing a delay in project completion.

Potential Cost: USD 3m (EAR Policy)

Liability claim following electrical fire during BESS construction project

A contractor improperly installed electrical systems at a BESS site, causing a fire that damaged completed sections of the facility. The incident delayed the project, incurred repair costs, and led to liability claims from the project owner for financial losses, including missed operational deadlines.

Potential Cost: USD 2m (Construction Liability)

Cyber incident resulting in property damage at a BESS facility

A cyber incident compromised the battery management system controlling cooling and safety functions at a BESS site, causing overheating and damage to battery racks and associated equipment. The operator faced claims for equipment replacement, remediation costs and business interruption losses.

Potential Cost: USD 1m (PremierClimate Premises Liability)

Service interruption following failure of backup power systems at a BESS installation

During extension works on a BESS installation, temporary power arrangements failed, leading to a shutdown of critical systems and a fire event. The resulting outage caused significant downtime, resulting in a claim for compensation due to service interruption and delayed energy delivery.

Potential Cost: USD 6m (PremierClimate Professional Indemnity)

Environmental claim arising from emissions during BESS manufacturing

A BESS component manufacturer released hazardous substances during routine production and testing, breaching environmental regulations. The incident resulted in cleanup costs, regulatory fines and third-party claims from nearby businesses for environmental and health impacts.

Potential Cost: USD 0.5m (EIL Policy)

Single Project PI design negligence claim for BESS cooling system

An engineering firm designed an inadequate thermal management system for a BESS project, failing to meet required specifications. The oversight led to overheating, equipment damage and costly redesigns, with the project owner pursuing a professional indemnity claim for repair costs and delay losses.

Potential Cost: USD 4m (Project PI)

Why choose Chubb?

Specialist Expertise

30+ years in Asia Pacific delivering expertise in underwriting, claims and risk engineering to the renewable energy sector.

Claims Service

Chubb's award-winning claims team is consistently acknowledged as one of the best in the market.

Global Services

Offering a full spectrum of risk management solutions across 54 countries and territories.

Find the right insurance solution for your Battery Energy Storage Systems: **www.chubb.com**