

Risk comes in many forms!

This presentation will cover:

TT Club Insurance

Risk comes in many forms:

- **Accidents disrupt operations.**
 - **Has Tianjin changed the world?**
 - **What is VGM and did it make a difference?**
 - **Was insurance the answer to Hanjin?**
-

Final thought (cyber)



TT CLUB



Mutual Insurance Limited



**Over 70%
of
world
container
fleet**



**4,000
Logistics
Operators**

established expertise



**47 of top 100
World Ports**

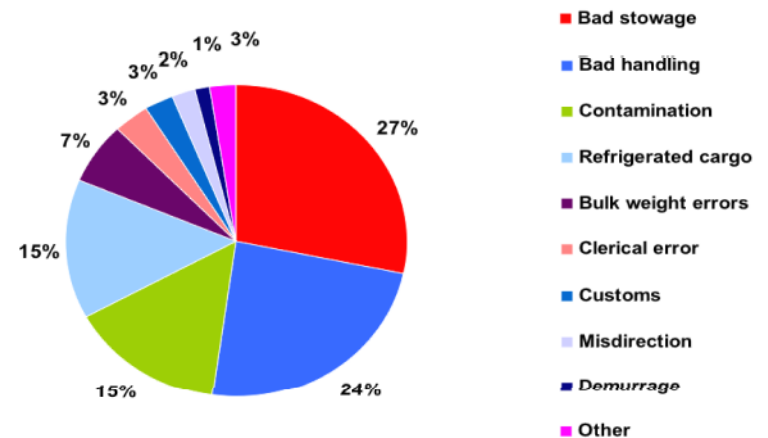
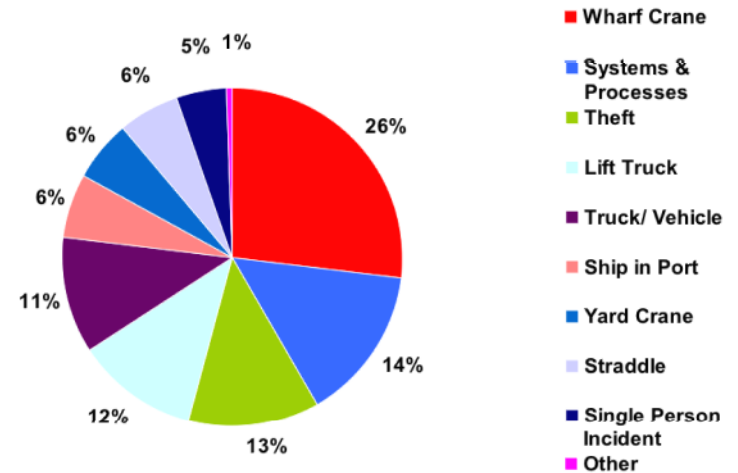
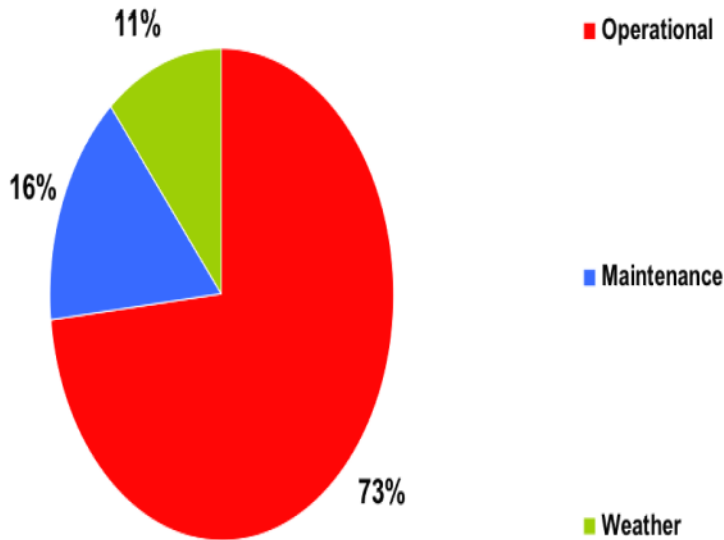
Governed by the industry for the industry



Risk:

- **Accidents affect Operations.**
- **Third party events affect your operations.**
- **VGM – did it affect you ?**
- **Hanjin - was insurance the answer ?**

**Over 90%
Human Error**



Wharf Crane accidents:

- Crane Boom hits Ship
- Ship hits Crane
- Box Lifted with twist locks not released
- Damage to Ship or truck
- Weather

Wharf Crane costs about USD 10,000,000

- Operated by a human (with help)
- Key to operations

There is technology to prevent risk: it's been around for years!

- Boom collision with ship (USD 10,000 = 0.1% of crane value)
- Twist lock sensors prevent lifting when attached & sense concentrically stuffed containers
- 26% of operational terminal claims
- 51% of claims from bad stowage or handling





- Explosion at Tianjin Port on 12th August 2015
- Ruihai Logistics
- Over 173 Dead (8 Missing)
- 2 Explosions 30 seconds apart
- 800 tonnes on ammonium nitrate

What are you storing?

Who is your next door neighbour?

How thick is the wall between chambers in a warehouse?

Dangerous goods:

Are you responsible without fault for goods in your control?

How will this affect your operations?

Contingency planning – are all your operations in one place?

How much oversight in there in your area?



Can a small problem cause a big problem?

Effective 1st July 2016

Applies Globally

3 Month settling in period

Time for being ‘pragmatic and practical’ is over - 1st October 2016 - IMO

Method A:

Weigh Sealed Container

Method B:

Weigh contents + tare



No one fined so far (that we know of) with compliance levels at 95% (WSC)

VGM weight is irrelevant to cargo weight

Every Country (competent authority) was able to interpret the rules themselves using the IMO guidance

Has it made a difference?

Is VGM data correct or are we shipping a lot of **helium?**



When will we find out how well SOLAS VGM regulation





Was insurance the answer?

- Not all are Hanjin Boxes
- Box Could be in 4 places
- Commercial Risk
- Did you see it coming and if so did you take steps to protect yourself commercially?
- What did you promise customers?



No single answer or common problem:

- Owners & Charterers
- Alliance partners
- Vessel Sharing agreements
- Freight Forwarders
- NVOCC
- Ports & Terminals
- Project Logistics
- Traders getting goods to market



Causing headaches and costing money but very little fa

Cyber Attack - everybody is worried or interested.
Most think it's someone else problem / risk!



Cyber insurance
vs. Liability
insurance



Who got
attacked?



Was your system
compromised?



Who picked up a
USB stick
today?



Thank you
Any questions?

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