

Ports facing changing climatic risk

An introduction by the TT Club for Black Sea & Caspian Sea Ports & Shipping, 2022

Ian Rose

Director, Thomas Miller

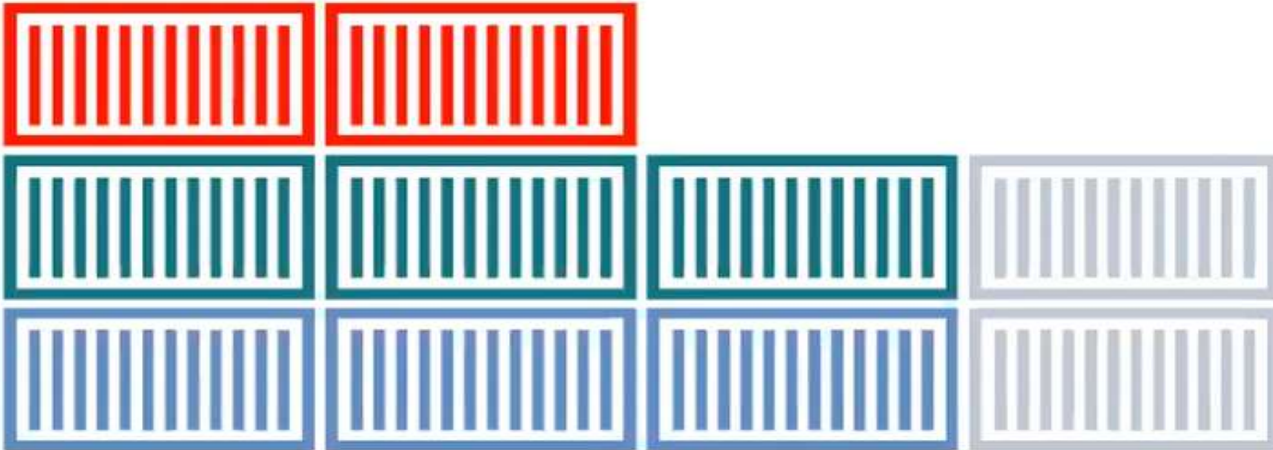
Senior Underwriter, TT Club

TT CLUB
IS MANAGED
BY THOMAS
MILLER



TT Club overview

80%
OF THE WORLD'S CONTAINERS
ARE INSURED BY US



Insurable interest

46%
TOP 100 PORTS



Number of members

1100+
MEMBERS



Industry engagement

We engage in international forums and trade associations.

Our enthusiastic involvement not only keeps us ahead of the curve regarding industry developments, but also ensures that we are able to make a positive contribution to issues that affect our Members.



OCEMA



“

It's not the usual relationship between an insurer and the assured. Ours is a long-term partnership where TT Club has supported us as our business has grown and our needs have changed.

Member (30+ years)

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Governed by the industry for the industry



Ports facing changing climatic risk



Changes in climatic conditions

- Tidal surges, wind microbursts and unprecedented rainfall
- Assessment of the changing risk profile
- Protecting your personnel, operations, equipment, property and importantly your customers' property
- Meteorological advances
- Advanced technology (monitor, record, predict weather patterns) can help to make informed decisions

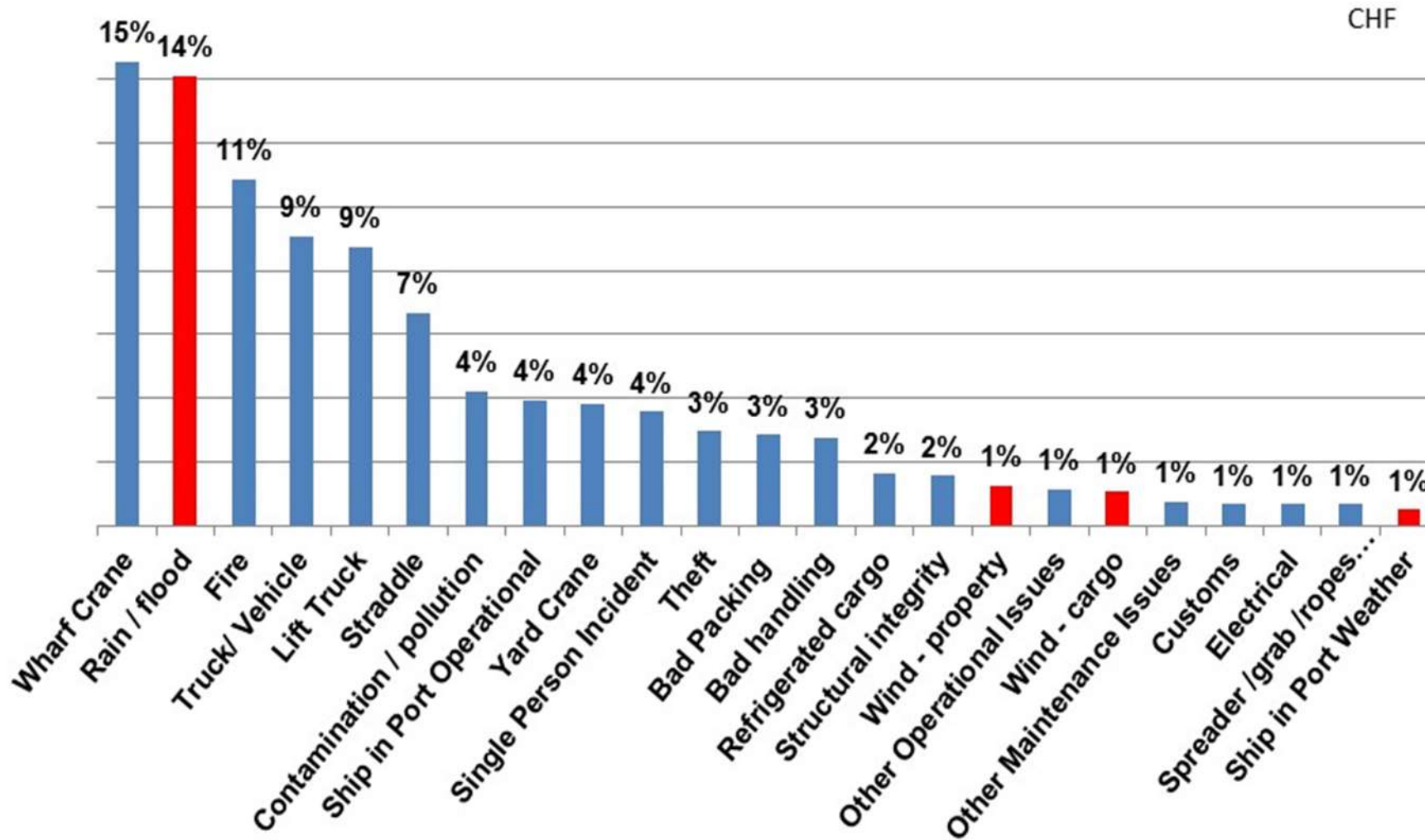


Changes in climatic conditions

- Seasonal storm events (e.g. hurricane & typhoon)
- Isolated severe weather events
- Wind strength in coastal areas
- Surge and flood risk that can cause greater problems on coastline & inland
- Flood water can be dirty/unsanitary -> increasing propensity to damage



Port & Terminal Members – Top Insurance Claim Costs



Weather issues cause

17%

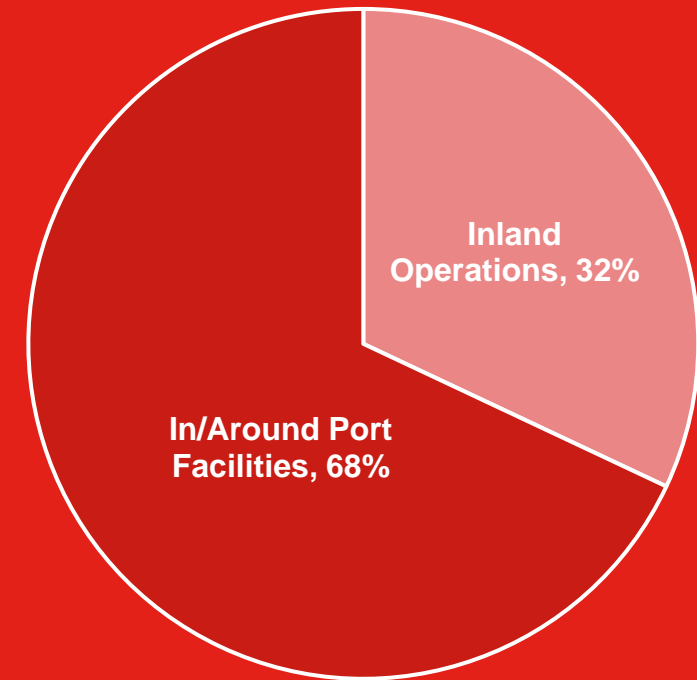
of claim costs

Claims data

Causal topics of concern

- **16%** of claims involved heavy rainfall
- **74%** of claims involved strong winds/
microbursts

Location of notified weather related claims



How to assess the risk?

Your operation

What activities, how would it be affected?

Location of your operation

Storm breach of your storage facility - yard and warehouse, exposed to high winds/floods, precautions

Historical local weather data

Investigation may provide an indication as to the propensity

Cargoes

What types, how vulnerable, are you protected? Is there an emergency evacuation plan?

How to assess the risk?

Aggregation risk

Value of cargo/is the insurer aware?

Business continuity

Quick return to full operational capacity? Maintain communication capability?



How to assess the risk?

Contractual obligations

- Compliance with contractual commitments to customers?
- Financial exposures?
- Limits of liability?
- Standard trading conditions?
- Full potential exposure?
- Potential financial penalties for non performance?
- Review terms of contract (force majeure clause)?



How to assess the risk?

Insurance

- Insured Economic Loss vs Full Economic Loss
- Disclosed all the information to the insurer incl. reasonable valuation?



“

It is important to ensure that adequate risk assessments are undertaken across the full breadth of your operation in order to understand thoroughly the various risks and, where appropriate, develop mitigating actions and controls, together with effective continuity plans to protect your business.

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Creating added value

Your dedicated Loss Prevention team

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Your dedicated Underwriting team



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Thank you

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