

Risk, Insurance and dealing with a major incident – a *port needs to be ready*

Julien Horn - Director, Thomas Miller

Senior Underwriter @ TT Club

TT CLUB
IS MANAGED
BY THOMAS
MILLER



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.

1968

The year TT Club was established and containers revolutionised freight transport.

80%

Percentage of the world's maritime containers insured by TT Club.

46%

Percentage of the top 100 ports in which TT Club provides insurance.

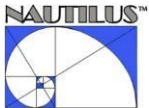
20⁺

The number of dedicated countries in which TT Club has dedicated offices.



Governed by the industry for the industry.

TT Club Board Members in the port and logistics sectors



Creating added value

Loss Prevention team

riskmanagement@ttclub.com



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Your dedicated Underwriting team

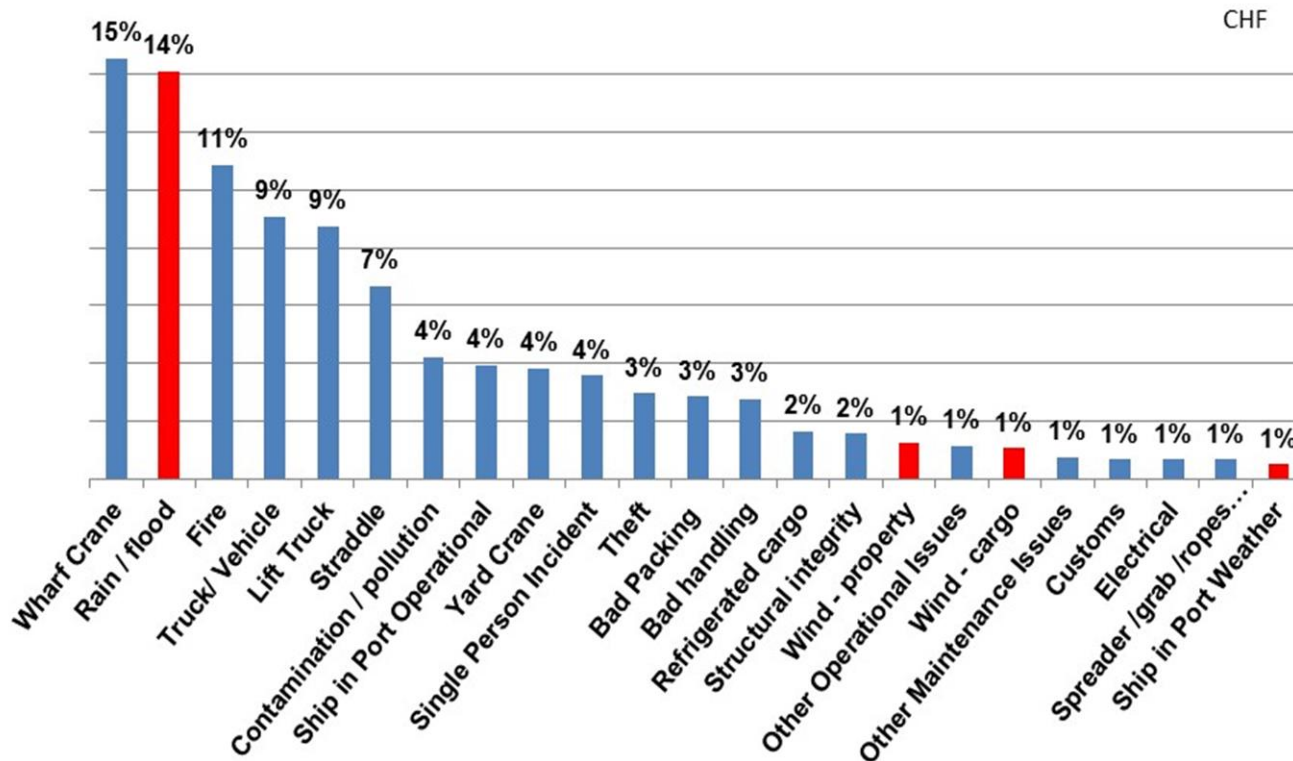


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Port & Terminal Members – Climate Change Slide – Ian Rose Luka Kopa 2022

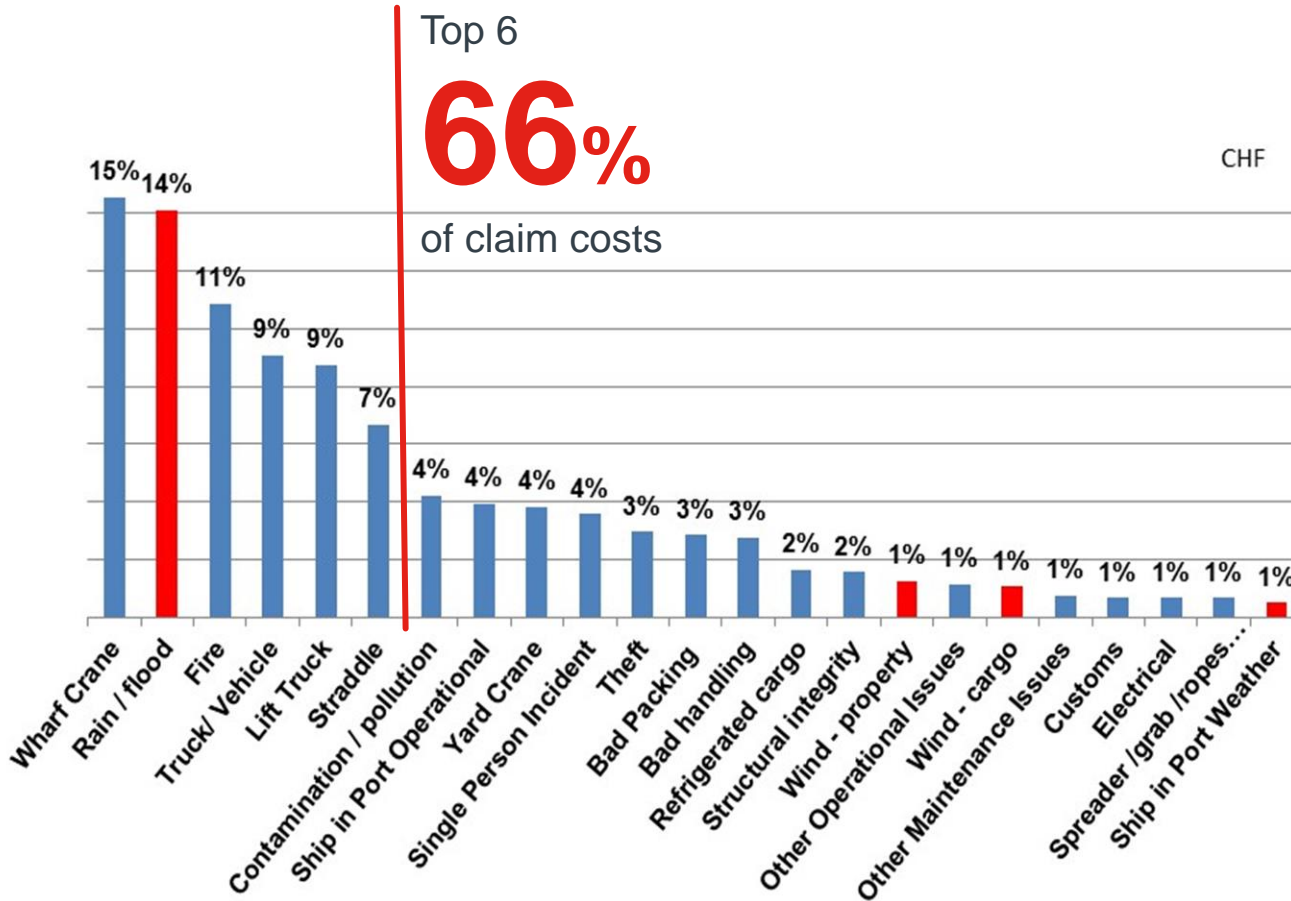


Weather issues cause

17%

of claim costs

Port & Terminal Members – Top Insurance Claim Costs



Using Equipment

44%

of claim costs

Type	Liability Insurance	1 st Party Asset Insurance	Business Interruption	Additional Covers
Risk covered	<p>Customer Liability</p> <p>Errors & Omissions</p> <p>Third Party Liability</p> <p>Fines & Duty</p> <p>Costs</p>	<p>Owned & Leased property or equipment</p> <p>Infrastructure, fences & pipes to warehouse & breakwaters</p> <p>Containers / Reefers, ISOtanks</p>	<p>Loss of revenue</p> <p>Increase cost of working (ICOW) following physical loss or damage to your insured assets</p>	<p>War Risks</p> <p>Port Blockage</p> <p>Terrorism & Nuclear Event</p> <p>Cancellation</p> <p>Cyber</p>
Trigger for a claim	Error, Accident or a legal responsibility	Accident causing damage to insured assets	Accident causing damage to insured assets	As agreed

What were the three key port risk hot topics in 2016?

1. Safety of port cranes & port equipment
2. Unsafe Cargo leading to, leaks, explosions & Ship Fires
3. Landlords, Operators and their different responsibilities

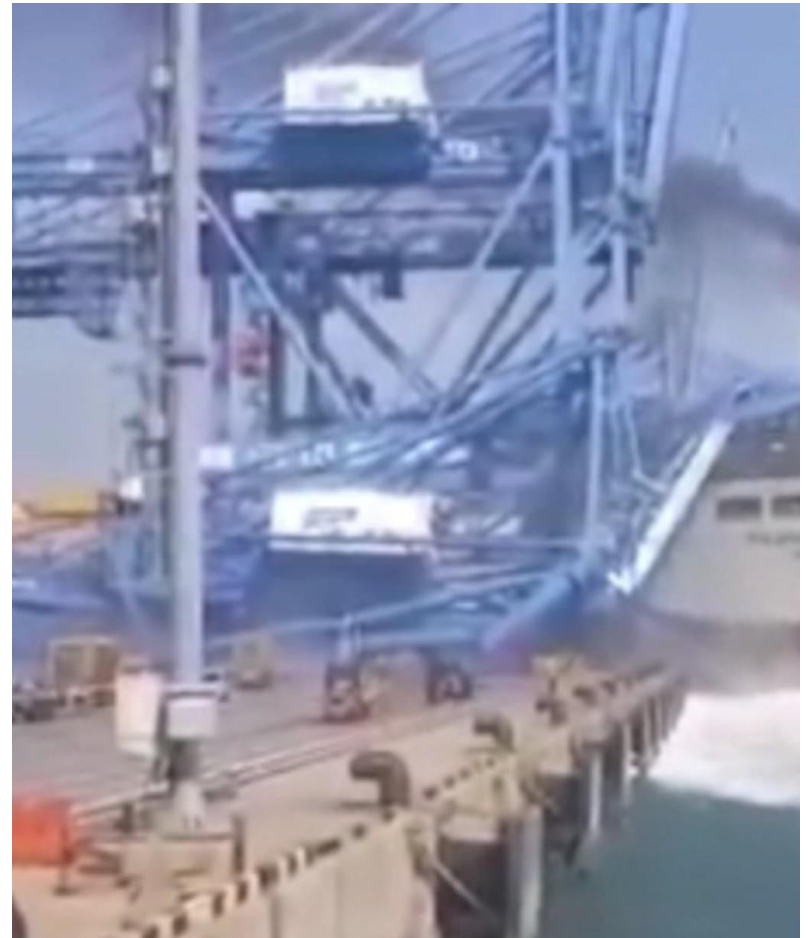
**16th Intermodal
AFRICA
2016**



Said by me on 16th November 2016 at Intermodal Africa in Mombasa

Have ships stopped hitting cranes?

Remember 44% of claims involve equipment



12 Steps to Berth and Terminal Equipment Damage Recovery

Follow these 12 steps to minimise the impact of ship damage to your property

Step	Timeframe	Action	Explanation
Before the ship leaves port			
1	Whilst the ship is still at the port/terminal	Notify broker and insurer	Provide the following information: date of incident, name of ship, location of incident, description of incident.
2		Send letter of demand to owners holding them liable for damage	TT Club has a suggested wording available.
		Send letter of demand to owners holding them liable for damage	
3		Compile estimate of quantum of physical damage and business interruption losses.	For the purposes of insurance notification and estimating and obtaining security. This will involve both port engineers to advise on property damage and finance staff to advise on potential business interruption losses.
4		Investigate ownership and value of ship and any possible implications of Statutory Limitation.	Relevant to obtaining security.
5		Negotiate and obtain security	If security is not forthcoming, the port or terminal may arrest the ship if necessary.
After the incident			
6	On receipt of estimate of damage promptly after incident	Appoint Surveyor/Assessor	Generally, the insurer will appoint a surveyor if the damage is more than minor.
7	Promptly after incident	Call for tenders for berth/equipment repairs	The port or terminal, in conjunction with assessor and if applicable, will call for tenders as they will be the contracting party.
8	During period of tender validity	Review, consider and accept tender	Once at least two (ideally more) tenders are received, the port or terminal will review in conjunction with their insurer and assessors and accept the most appropriate tender. The port or terminal must ensure the P&I Club, or their assessor, is involved in the tender review and ideally is in agreement with the repair method and cost.
9	Will vary depending on contractor's availability and urgency of repairs however ideally as soon as possible after incident	Arrange and/or undertake repairs	The port or terminal will be the contracting party and will settle the contractor's invoices directly. Once these invoices are approved by the insurer's appointed assessor, the port or terminal will be reimbursed for any amounts exceeding the deductible. Note that the insurer will not reimburse the port or terminal for any improvements made during the repair process. They will continue to maintain transparency with the shipowner / P&I club in order to maximise recovery prospects.
10	Once repairs have been completed	Negotiate recovery	Bear in mind the potential availability of strict liability for berth damage. Direct claim on P&I Club if Letter of Undertaking is issued.
11	Promptly after settlement	Obtain payment of agreed settlement	The port or terminal will normally be required to sign a release in favour of the liable party, confirming that they have no further claims against that party.
12	Once settlement funds have been received	Return of security to ship's insurer	Once the claim has been paid, the original Letter of Undertaking should be returned to the P&I Club.

Safe Cargo / Cargo Integrity


Tianjin – Explosion at logistics facility

Beirut – Explosion abandoned / unsafe cargo

X-press Pearl - Ships fire caused by cargo

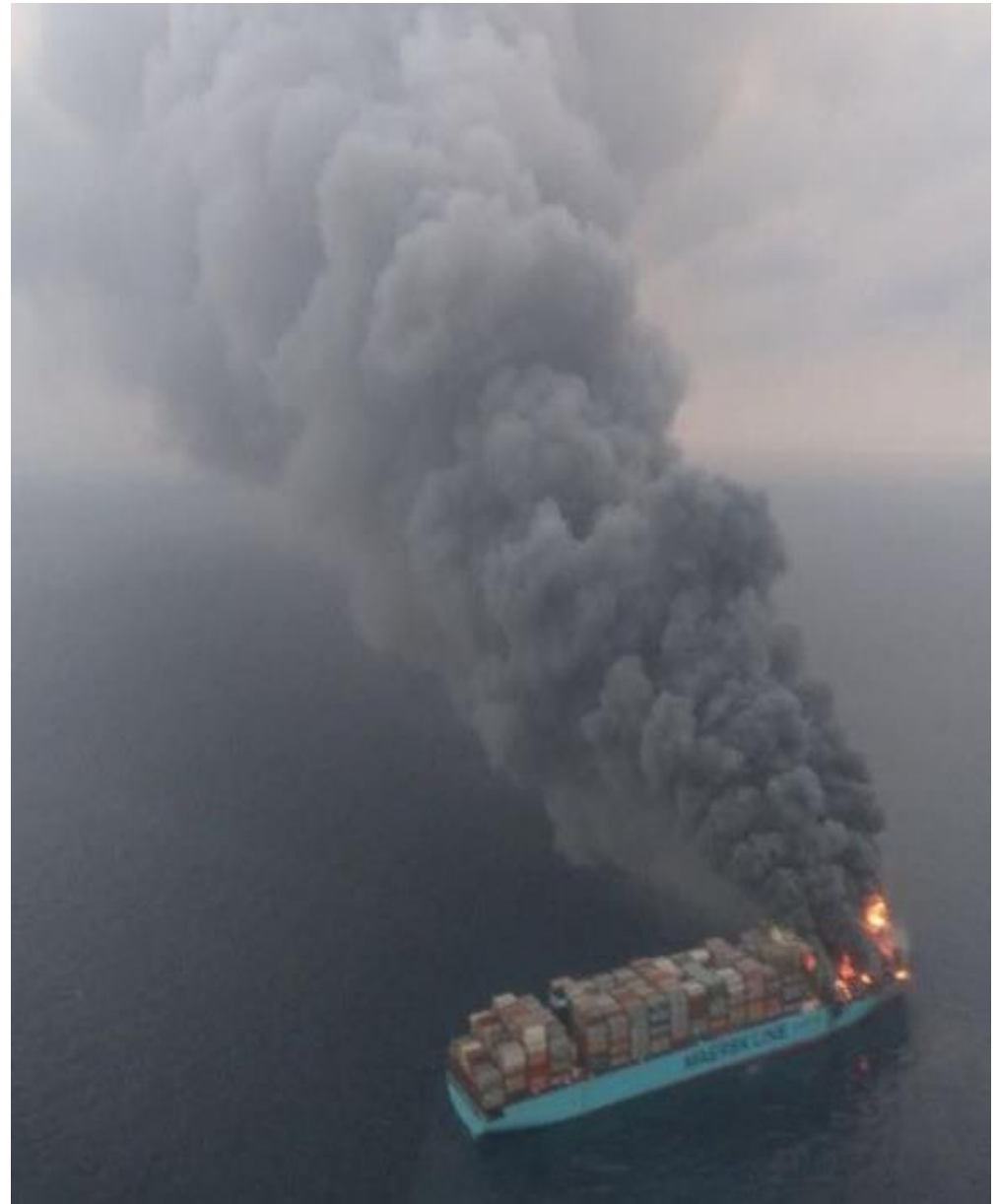
Ocean Trader – explosion at the berth unsafe cargo





Dealing with a major incident
or acting as a port of refuge
are you ready?

Acting as a Port of Refuge



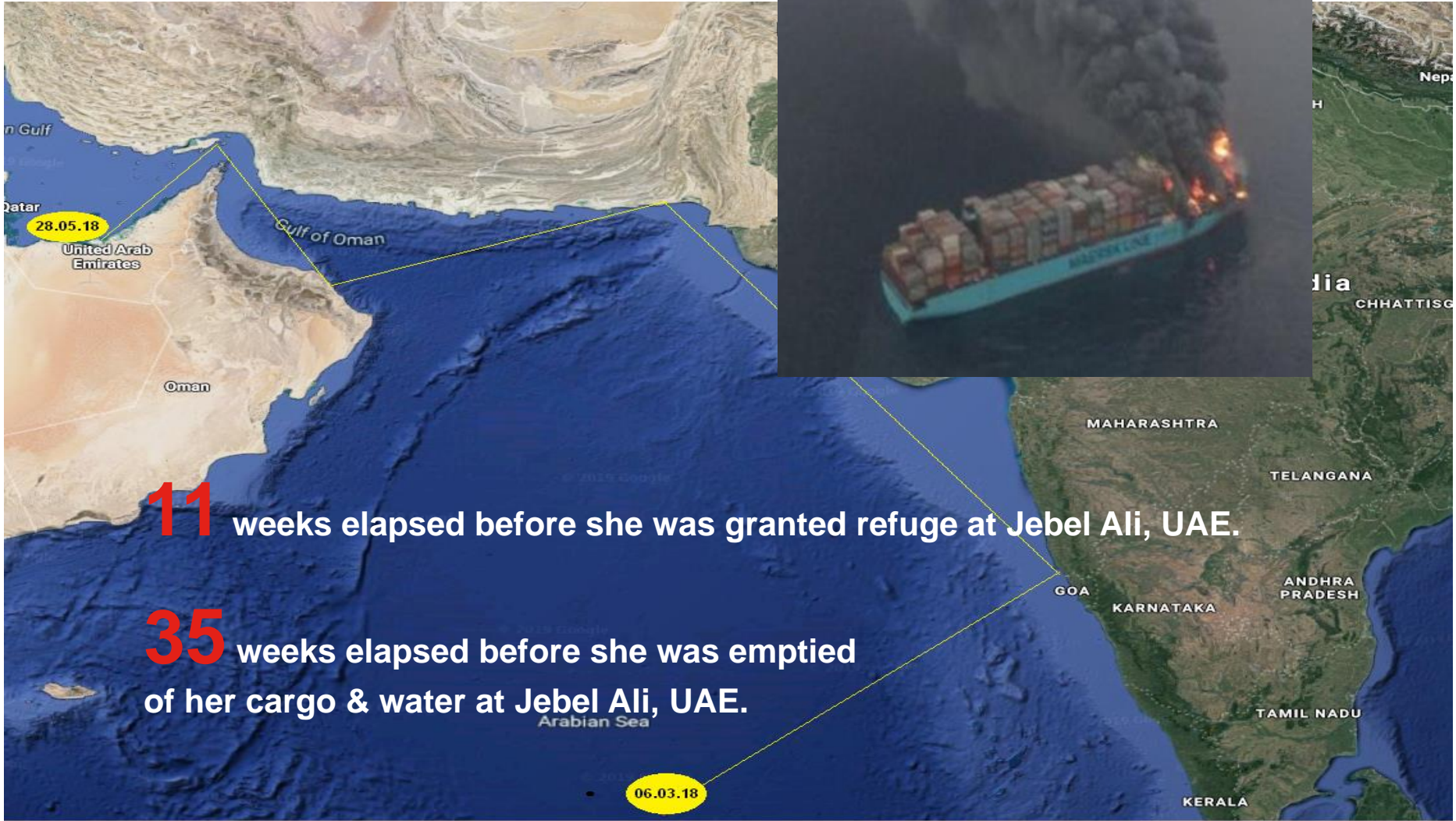
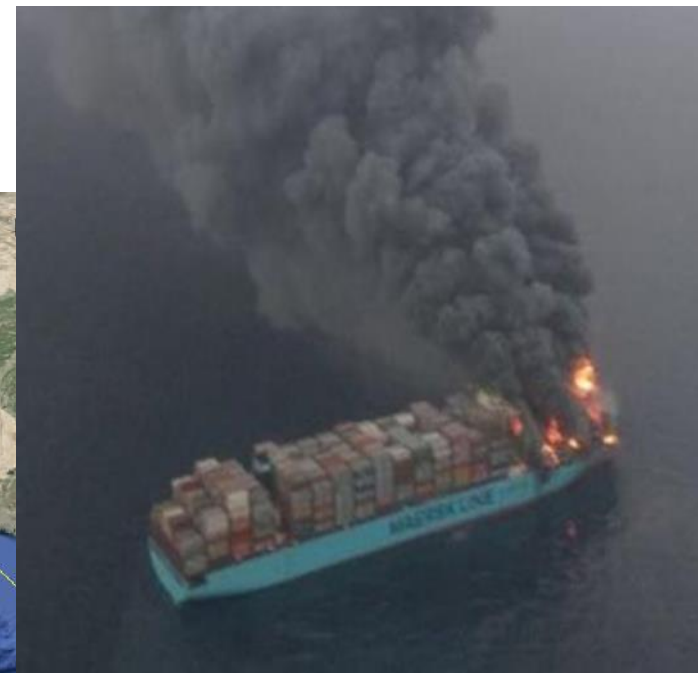


Port of refuge

A port of refuge is a port where a ship in need of assistance can take shelter to enable it to stabilize its condition and reduce the hazards to navigation, protect human life and the environment.

- Economics losses can be incurred as a result of the decision to accept the ship in distress
- Pollution
- Blockage to channel or ports
- IMO Guidelines states that *“when a request for an access to a place of refuge is made, there is no obligation for the coastal State to grant it, but the coastal State should weight all the factors and risks in a balanced manner and give shelter whenever reasonably possible”*

Maersk Honam



11 weeks elapsed before she was granted refuge at Jebel Ali, UAE.

35 weeks elapsed before she was emptied of her cargo & water at Jebel Ali, UAE.



Dealing with an explosion at the Berth

Are you ready, what is your job title & who is in charge of coordination?

Emergency Response;

- Police & Fire Brigade
- Army / Navy?
- Medical Emergency Response
- Local Surveyors
- Salvors / Wreck Removal Experts
- Public Relations
- Lawyers
- Fire & Explosion Experts



Communication;

- Government & Authorities
- International Authorities – IMO & others
- Daily Update Reports and potentially press briefings
- Customers
- the shipowner, charterer, type A or type B*

Clean Up & Recover;

- Costs on Port Authority & Operators
- Business Interruption
- Damage to Property & Equipment
- Potential Pollution & Wreck removal

**It is
11:55pm**

Is your insurance and insurance provider fit for purpose?

Complete cover & Underwriting Expertise

- Container risks for ship operators and others
- Transport and logistic operator liabilities
- Cargo handling facility liabilities and assets
- Port authority liabilities and assets
- Forwarders' cargo all risks

Claims & Incident handling

- Our claims experts share the Club's culture of being on your side
- You can opt to deal with local offices across the globe or through a central contact
- With over 50 years of experience, we've seen almost every type of claim you can imagine



Risk Management & Loss Prevention Guides try out google...



tt club port explosion



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Tools

About 1,950,000 results (0.47 seconds)

<https://www.ttclub.com> › News & resources › News

TT Club claims handling in Tianjin Port Explosion

The **Club's** claims handlers, including those in Network Partner offices are now fully engaged in providing the Membership affected by the tragic events in ...

<https://www.ttclub.com> › ... › Publications

UN/OECD seminar in follow-up to the 2020 Beirut port explosion

17 Mar 2022 — UN/OECD seminar in follow-up to the 2020 Beirut **port explosion**. Lessons learned, experiences and good practices in managing risks of ...

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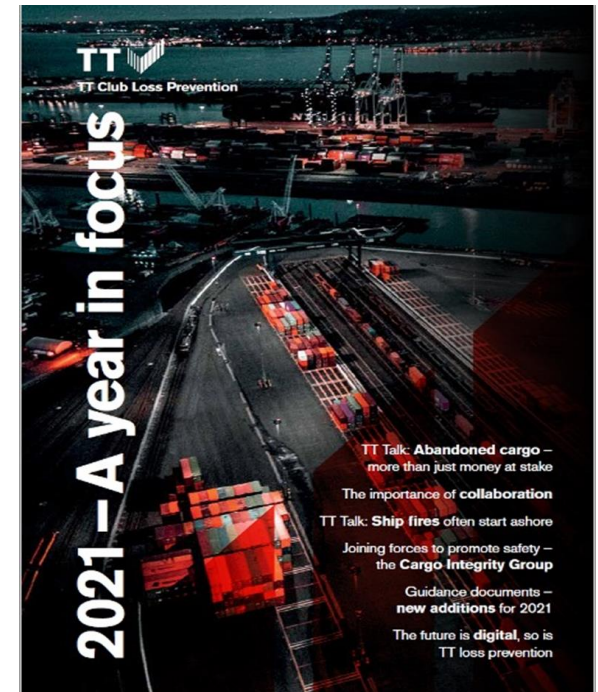
TT Talk - Fire and explosions in containers - TT Club

There have been several well publicised ship-board **explosion** and **fire** ... The crew will do all that they can to control a container **fire** incident at sea, ...

<https://www.ttclub.com> › Loss prevention

Ports & terminals risk management guidance - TT Club

Stay on top of all the risks involved with managing a storage warehouse, from flooding to **fire**, to theft and abandonment of cargo. ... Browse **TT Club** publications ...



Four points to take away

1. Adequate Insurance that fits your operations and risk
2. Supported by Incident and Claims Handling Expertise
3. Whether it is staff, equipment, expertise or training - cheapest is often not the best.
4. Contingency Planning and Disaster Recovery

What risk are you worried about ?



Thank you – Julien horn

ttclub.com

Always happy to chat about insurance and how to make your port safer