

# Ports facing changing climatic risks

An introduction by the TT Club for the Mediterranean Ports & Shipping conference, 2022

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Director, Thomas Miller

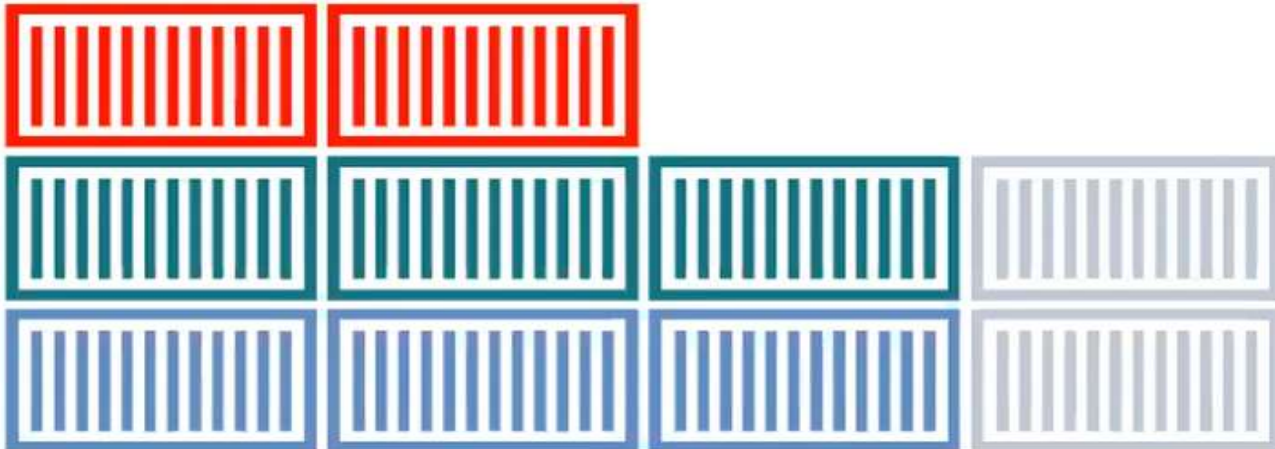
Senior Underwriter, TT Club

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**



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**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



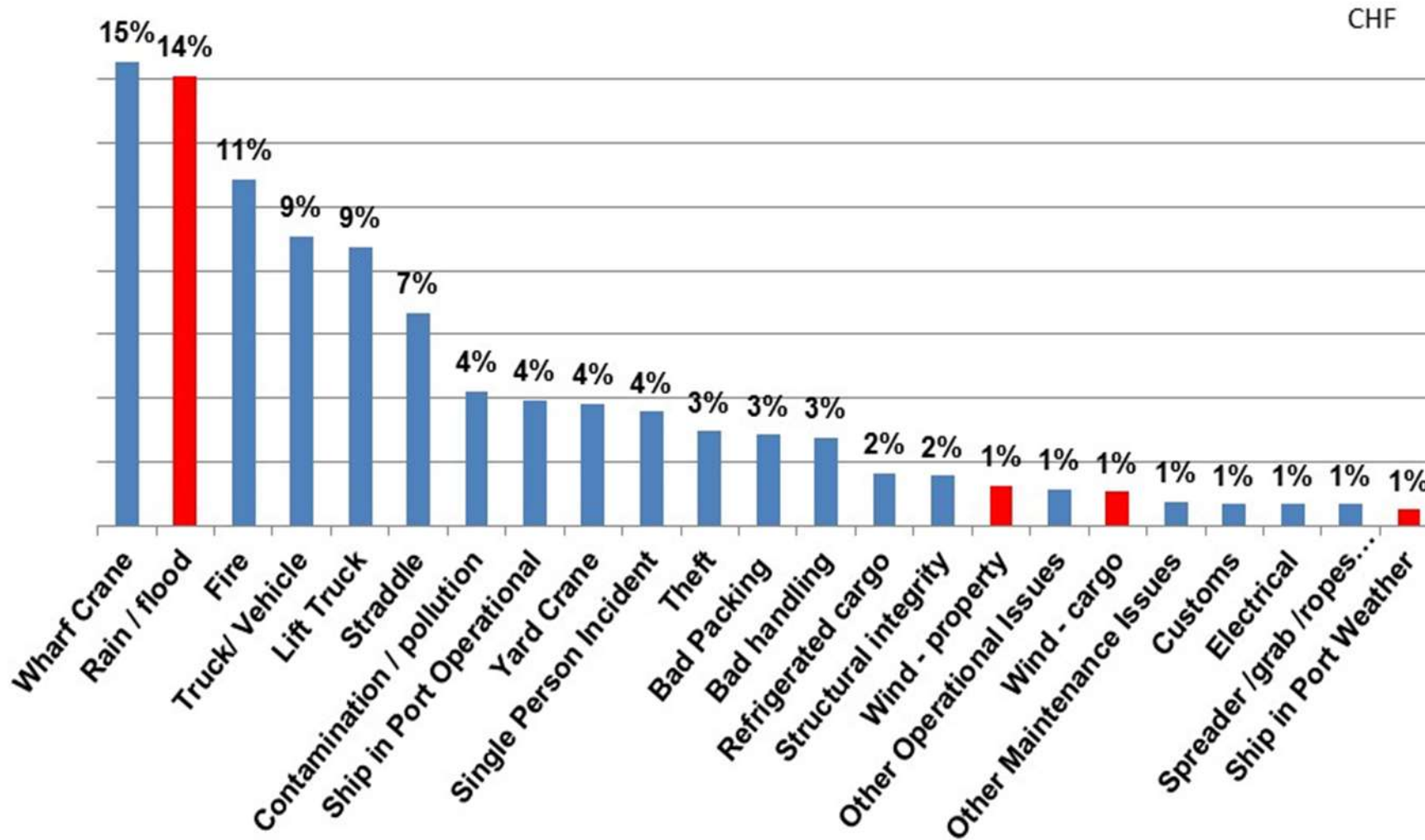
## Changes in climatic conditions

- 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

## How to assess the risk?

### **Your operation**

What activities, how would it be affected?

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### **Location of your operation**

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

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### **Historical local weather data**

Investigation may provide an indication as to the propensity

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### **Cargoes**

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

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# How to assess the risk?

## Aggregation risk

Value of cargo/is the insurer aware?

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## Business continuity

Quick return to full operational capacity? Maintain communication capability?

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## 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?



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**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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