

MAJOR TERMINAL INCIDENTS



Craig Neame, Partner
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Major Terminal Incidents

1. Major incidents
2. Consequences
3. Balance sheet issues
4. Insurance claims
5. HFW lessons learned
6. And finally...

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Guayaquil, April 2010



Mumbai, August 2010



Shanghai, May 2008



Antwerp, August 2006



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Consequences

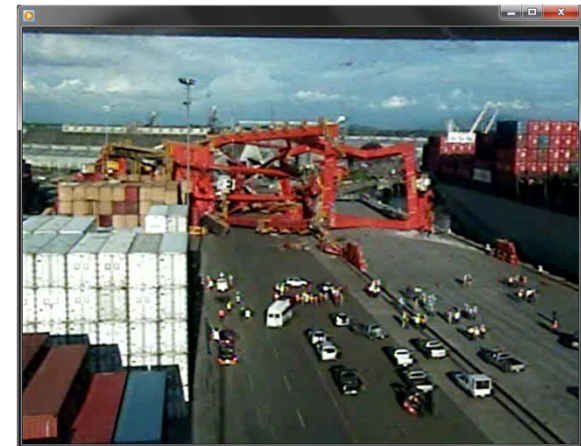
1. Operational problems
2. Expenses and financial losses
3. Reputational risk and loss
4. Insurance claims management
5. Legal proceedings
6. Wasted management time

Consequences

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Operational problems

- Port closure
- Congestion and missed calls
- Stranded and perishable cargoes
- Pollution
- Floating objects
- Less efficient terminal logistics



Consequences

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Expenses and financial losses

- Terminal property damage (berths, cranes, etc)
- Vessel damage
- Wreck removal
- Death and personal injury
- Cargo loss and damage
- Third party claims
- Increased operational costs
- Lost business

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Legal proceedings

- Court Surveyor (etc) investigation
- Health & safety enquiries
- Criminal prosecutions
- Public enquiries
- Civil claims
 - Jurisdiction
 - Applicable law



Balance sheet issues

- Limitation and security for claims
- Provision for unrecoverable losses
- Provision for claims against terminal
- Insurance recoveries
- Working capital and cashflow
- Investor relations
- Auditors

Insurance claims

- Fully insured
- Partially insured
- Deductibles (annual and per incident)
- Local and global policies
- Broker relationships are crucial

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HFW lessons learned

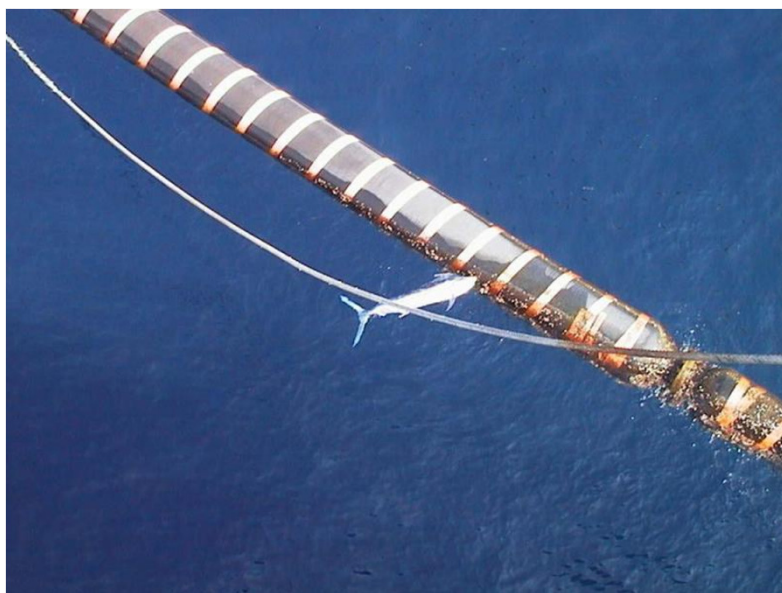
- Causation is almost always disputed
- Quantum is always disputed
- Claims take some time to resolve
- Evidence and expertise are crucial
- Clarify balance sheet risk appetite
- Be ready!



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And finally.....don't forget the fish!



Blue Marlin stuck in crude oil loading hose off the coast of Angola. Loading operations suspended for several days so that loading hose could be replaced.

Lawyers for international commerce



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