

MARSH

23 April 2008

Ports and Terminals Liability Insurance



Marsh & McLennan Companies

Port Authority

- **What is a Port Authority?**
 - **A body (corporate or incorporate) which owns and/or runs the infrastructure of the Port:-**
 - wharves, docks, quays, moorings
 - terminal buildings and port equipment
 - road/rail facilities within the installation
 - Car parks / roads / bridges
 - **May also provide:**
 - security / emergency services / customs
 - Waste disposal
 - Bunkering
 - buoys &/or moorings &/or dolphins
 - navigational aids, channels, approaches to terminal
 - pipelines
 - Electricity / water supply

Port Authority

- **What is a Port Authority?**
 - **It may in addition**
 - **Lease space to terminal operators**
 - **Receive revenue mainly from rental charges or provision of services.**

Terminal Operator

- **What is a Terminal Operator**
 - **Physical operation of a dock / pier**
 - **Stevedoring of vessels**
 - **Storage of cargo**
 - **Loading / unloading of trucks / railcars etc**
 - **Stuffing / unstuffing of containers**
 - **Mooring of vessels**

Insurance Coverages

- **Types Of Coverage**
 - **Liability**
 - **Property Damage**
 - **Business Interruption**
 - **Hull and P&I**

Liability

Liability

Liability to who / from where

- **Imposed by Law**
- **Assumed under contract**
 - **with vessel owner**
 - **with cargo owner**
 - **with stevedores**
 - **with Port Authority / Terminal**

Customer Liability

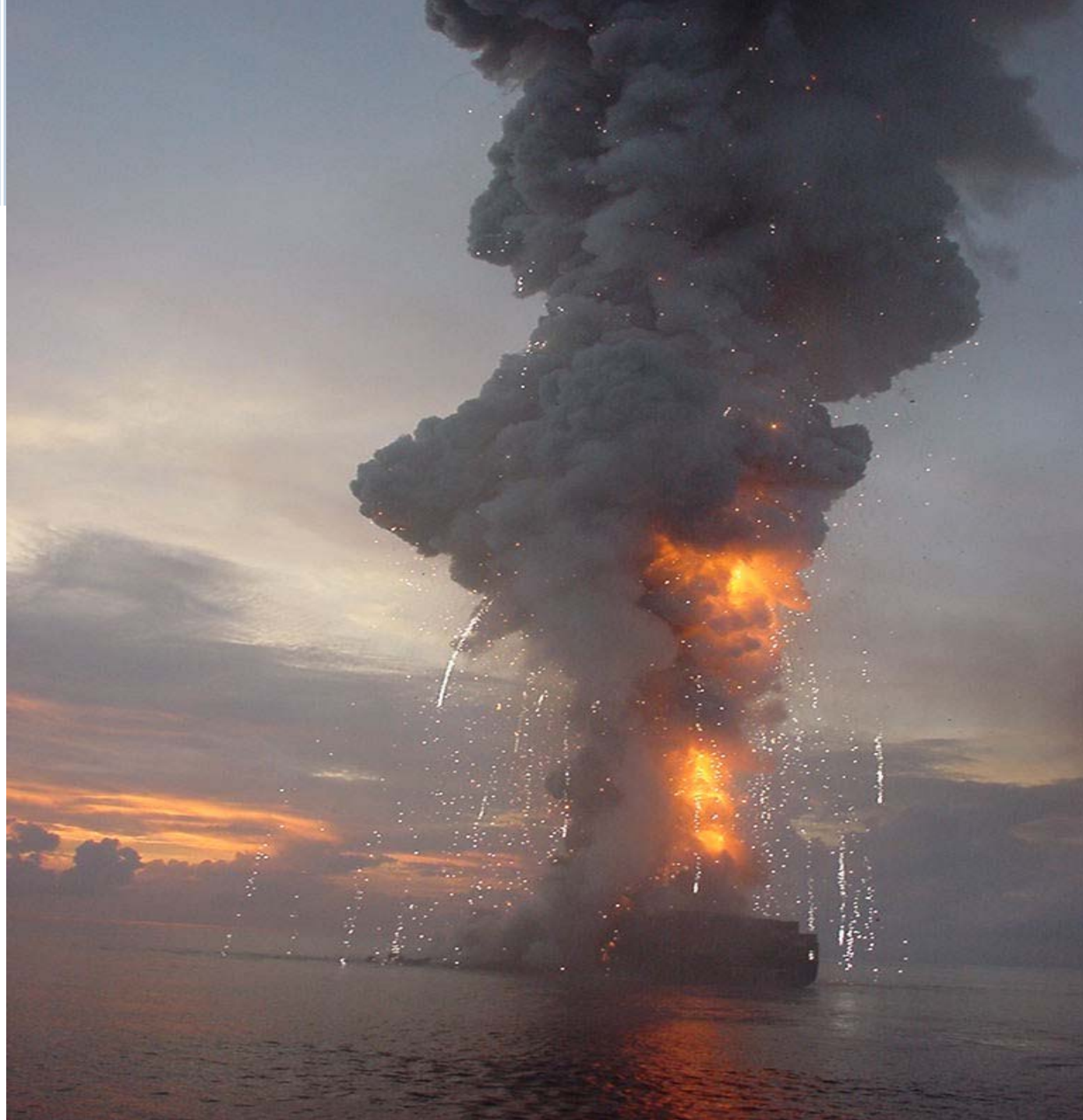
- **Insurance for liability for physical loss / damage to cargo and consequential loss arising therefrom**
- **Loss / Damage to Cargo**
 - **fire**
 - **impact damage**
 - **operation of handling equipment**
 - **failure of equipment**
 - **wet damage**
 - **contamination**
 - **theft (outsiders and insiders - or both)**
 - **temperature controlled cargo**

Customer Liability

- **Loss / Damage to Cargo - CFS Problems**
 - handling accidents
 - method of stuffing containers
 - method of securing cargo
 - minor theft
 - misdirection

Customer Liability

- **Liability for Loss / Damage to Ships and consequential loss arising therefrom**
 - dropping of cargo
 - operation or toppling of gantry crane
 - condition of berth
 - pilotage / towage
 - stuffing of container



Customer Liability

- Terrorism
- ISPS Code

Customer Liability

- **Loss / Damage to Containers**
 - dropping of container
 - damage by handling equipment
 - collapse of stack

Customer Liability

- **Errors and Omissions (not resulting in physical loss / damage)**
 - **delay**
 - **wrongful delivery**
 - **other contractual breaches**
 - **misdirection of cargo**

Third Party Liability

- **Liability for loss / damage to third party property**
- **Liability for death, injury , illness of third parties**
- **Eg Damage / Injury to Visitor (eg to trucker or crew member)**
 - **incorrect operation of equipment**
 - **inadequate traffic system**
 - **inadequate maintenance of equipment**
 - **inadequate maintenance of port property (eg surfaces causing trip and fall)**



Third Party Liability

- **CFS**
 - **improper stuffing of cargo causing unstable cargo or leakage**
- **Environmental**
 - **water pollution**
 - **air pollution**

Employees

- **Damage / Injury to Employees**

Fines

- **Loss of Cargo subject to Duty**
- **Pollution fines**

Costs

- Legal
- Survey
- Expert
- Disposal

Other

- **Removal of Wreck**
- **Advise & Information Risks**
- **Tenants Legal Liability**







8 9:32

Hull

Hull

- **Hull for owned vessels**
- **P&I (to hull value) – port risks**
- **Excess P&I**
- **P&I cover with a specialist P&I insurer eg P&I Club**

Limit selection

Liability Limits

- **Geographical location?**
- **Amounts imposed by Government regulation**
- **How easy is it to breach statutory limits?**
- **Any contractual obligation to Vessel owners?**
 - **Buy excess layers**
- **In theory, cover needed to the highest valued vessel using the installation, including cargo value**

Controlling Risks by Contract

- **Need contractual or statutory protection**
- **Typically port only liable for negligence, plus possibly certain specific exclusions**

Controlling Risks by Contract

- **Liability for cargo limited by weight or per container or per incident**
 - also reliance on ship operator's ability to limit
- **Liability for container limited by deemed value**
- **Liability for ship limited to specified sum**
- **Aggregate limit**
- **No liability for delay**



Thank you