

**CNA Hardy Emerging trends in the marine market**



**Presented by: Neil Atkinson**

**September 28, 2016**

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**About CNA Hardy**

Neil Atkinson

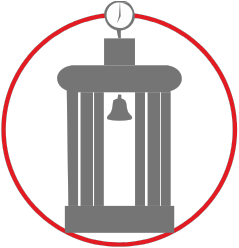
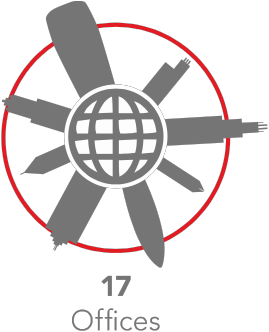
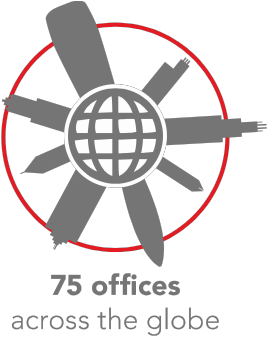
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**CNA Hardy - Company overview** 5



Property Casualty Marine Specialty



Our **Industry Specialisms:**



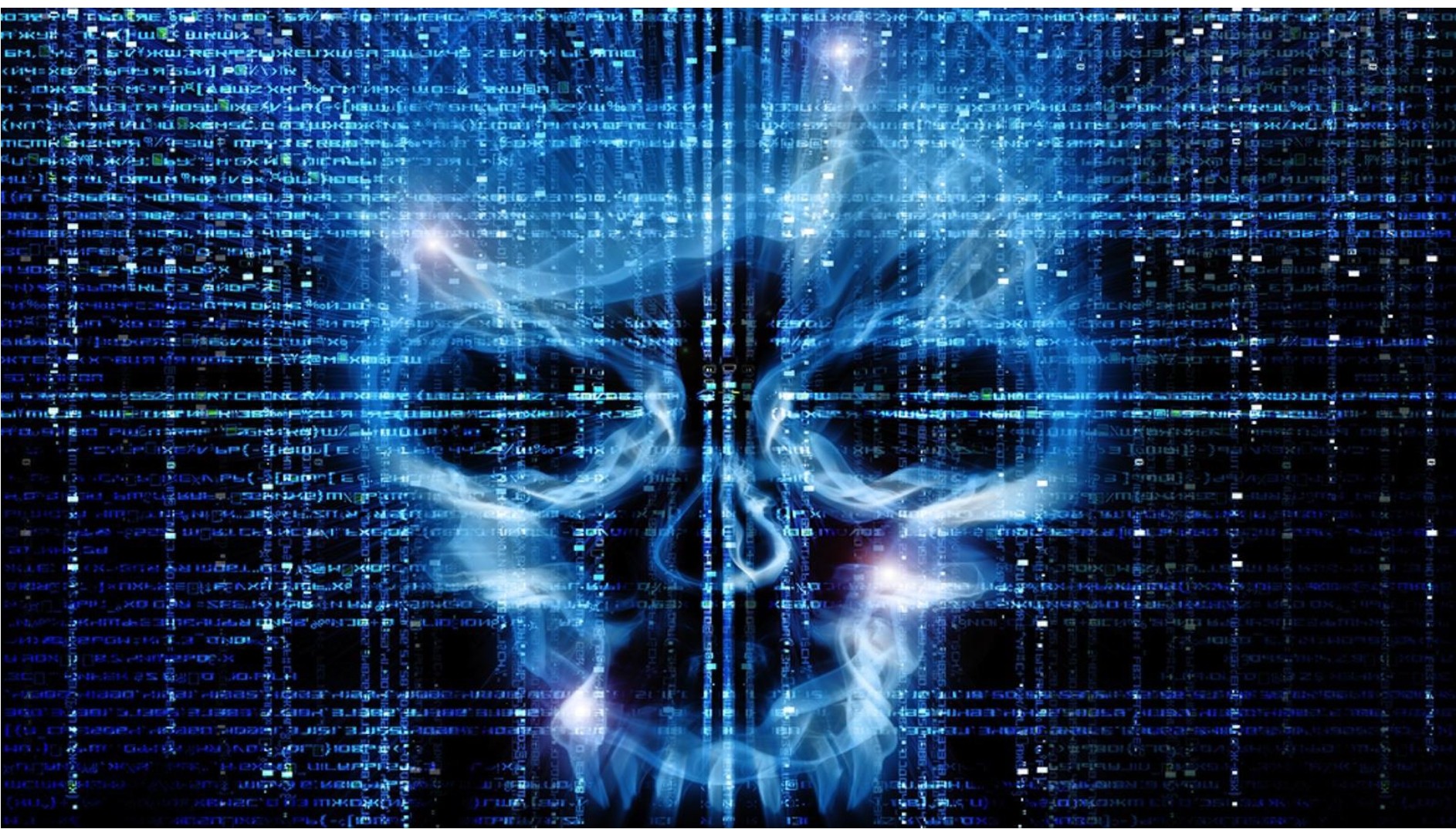
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**Cyber**



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• Data leakage

• Piracy

• Recent studies on potential effects for marine market

• Problems with power supply – cold stores



• Cyber exclusion

• Problems with the Cyber Exclusion Clause

• “…in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by …. the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or

process **or any other electronic system**....”

• Cyber Clause – re-write

• Proximate cause?



**SOLAS VGM**



• What is VGM?

• Why is it needed

• Came into effect 1st July 2016

• 3 months for ports to become compliant



• Who is responsible?

• UK ports – new weigh bridges

• Overseas ports



• Problems



**Clandestine Entry**

• Problems in Calais

• Complicit officials?

• Increased use of



violence



• Striking French lorry drivers



• Driver fines

• Port strikes

• Other issues –

organised crime



• Use of warranties

– Towage/Sub-Sea market



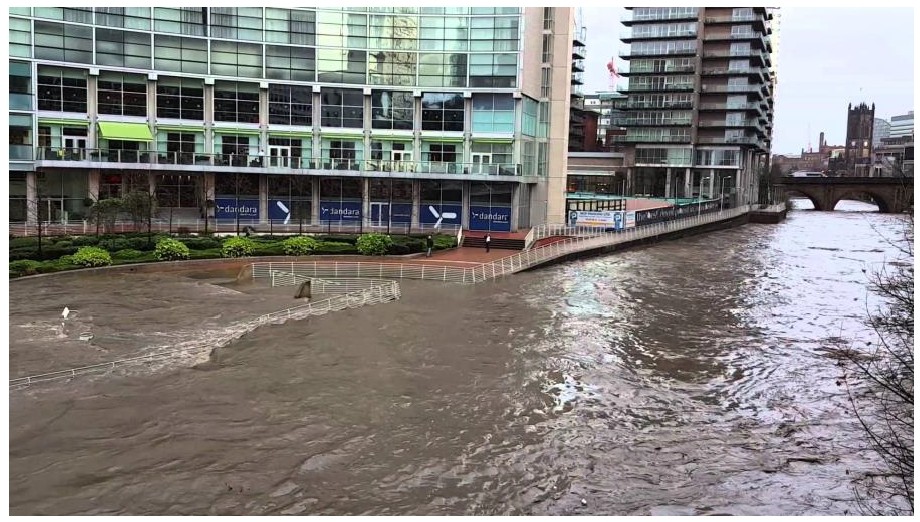
• Occasional „data dumping‟

• Use of subjectivities – warehouse surveys

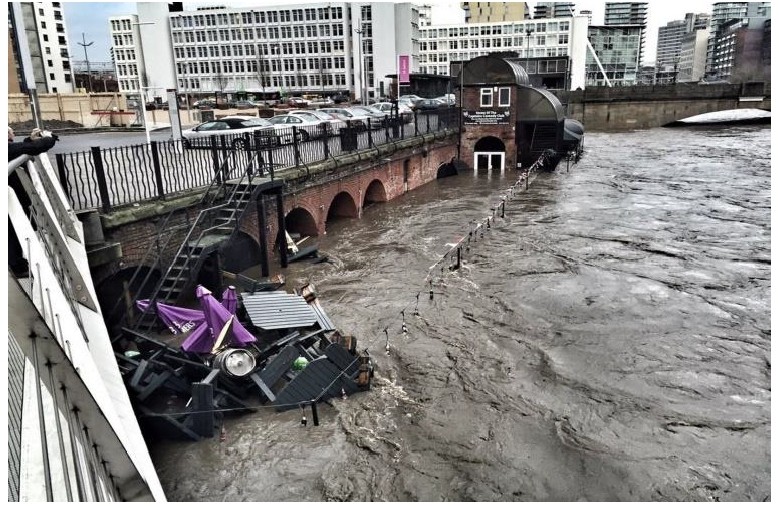
• Commerciality of marine market



**Flood**



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• Marine insurers – flood checking

• Marine Insurer v Stock Insurer!

• 2015 floods – a wake up call

• Environment Agency web-site

• Cat modelling

• Knee-jerk responses



**Relying on the carrier**

• Increased reliance on carriers

• Uplifted conditions

• Push for “All Risks” / Full Responsibility

• What is actually covered?



• Warehousing Full Responsibility

• Customer Storage Insurance

• Increase in bespoke contracts

• KPI‟s and contract penalties



• Contracts – force majeure?



**Hanjin – problems with bankruptcy**

• Hanjin – 7th largest container carrier

• 3.7 million TEU‟s annually

• 3.0% of total container capacity

• Debt of $5.5bn



• Mostly FE/US

• Will it be the last?



• What does it mean for cargo owners?

– Check contract with the Freight Forwarder

– Additional Forwarding Costs

– Leased containers?

– Perishable goods

– Delay – proximate cause

• What does it mean for T&L?

– Additional costs incurred – recoverable?

– General exclusion for insolvency



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