

Vero Marine Insurance News

Port Operators liability

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Port Operations comprise a diverse mix of marine and land based activities which challenge both the broker and insurer to establish an appropriate cover.

The activities of a Port can include:

- ▼ Marine traffic management;
- ▼ Pilotage, tug and line services;
- ▼ Channel surveys, dredging and marking;
- ▼ Wreck salvage or removal;
- ▼ Refuelling facilities;
- ▼ Power and water services;
- ▼ Port notices;
- ▼ Stevedoring/cargo handling;
- ▼ Terminal operations – Container/ Bulk storage, Bonded warehousing, cold stores, etc;
- ▼ Property owner of wharves, buildings, walkways, offices, warehouses and other cargo handling or storage facilities;
- ▼ Fire fighting and emergency services;

Australian ports are a mix of privately owned and government corporations whose scope of operations and responsibilities are enshrined in various state and federal legislation.

Each port differs not only in the climate and geography of the area in

which it is situated but also in the type of goods which it handles.

The ports of Sydney and Melbourne predominantly handle containerised trade of manufactured and consumable goods, whereas Newcastle, is one of the largest export coal ports in the world.

Many ports in Western Australia and Queensland handle a diverse mix of commodities including minerals, oil and gas, agricultural produce and live animals. All of which require specialised vessels, handling and storage facilities. Those ports with significant tourist throughput associated with cruise vessels will add a further and unique exposure element.

The last completed set of trade statistics (2009/2010), shows over 921 million tonnes of goods passed through Australian ports; highlighting the importance of these facilities to the nation's economy. The Federal Government estimates the volume of trade moving through our ports to triple by 2030.

Port facilities are often situated close to highly populated areas. Cargo handling and safety requirements and safeguards in dealing with volatile or dangerous goods, not to mention the co-existence of commercial and pleasure vessels, can present the operator and insurer with risk management and coverage challenges.

Structuring coverage to best suit the needs of the individual port is an important focus with the potential for such diverse risks and exposure. Additional risks associated with (for instance) Protection and Indemnity on the fleet of port vessels or, Ship repair and marina operator activities, may apply to selected port operations, and not to others.

Exposure assessment will need to be completed in relation to a number of potential risks including:

- ▼ Advisory Liability provided as part of the port activities
- ▼ Removal of Wreck(s)
- ▼ Fines and Penalties – e.g. customs and immigration breaches
- ▼ Tenant's and landlord liability – as applicable
- ▼ Pollution Liability and clean-up
- ▼ Delay, misdirection or wrongful delivery of cargo/goods
- ▼ Hired equipment (in and out)
- ▼ Goods sold or supplied

Once all activities and exposures have been assessed, cover can be tailored to the Insured's requirements.

How do I find out more?

Contact the Vero Marine Team or your Vero Business Development Manager.