

Tōhoku Earthquake

Earthquake and Tsunami

On Friday 11 March 2011 a 9.0 magnitude earthquake occurred 72 kilometers off the North East coast of Honshu Island in Japan followed shortly thereafter by a massive 14 meter high tsunami.

Conservative estimates put the combined Hull and Cargo losses at US\$1.44 billion.

Impact on Shipping and Cargo

Cargo loss/damage was most severe at port and wharf installations, coastal locations and storage complexes in the path of the tsunami, including:

- Loss and damage from the quake – collapse of or damage to premises
- Loss of power causing deterioration of temperature controlled goods
- Goods swept away, damaged, engulfed or inundated by the tsunami

Hull loss/damage occurred along the North East Honshu coast:

- Vessels swept away, damaged, engulfed or inundated by the tsunami. Large bulk carriers have been found a significant distance inland and some smaller vessels many miles from the coast. Vessels may have been swept out to sea and difficult to locate
- Stranding, grounding and sinking

Radioactive Contamination

The earthquake and tsunami events have also highlighted the dangers of nuclear power generation, including radioactive contamination. Damage to the Fukushima Nuclear plant has allowed venting of radioactive substances into the open air.

Some shipping companies have commenced banning their vessels from calls at Japanese ports in an attempt to avert the potential for radioactive contamination.

Instances of refused entry to world ports following vessel calls to Japan may accompany shipping surcharges for radioactive detection and clean-up.



Radioactive Contamination Exclusion

Most, if not all Marine Hull and Cargo policies will include a Radioactive Contamination Exclusion Clause. The current Institute version of this clause is titled – **Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause 10/11/03.**

The title gives clear direction as to the intent of the exclusion.

Although Power supply companies may join with Government to offer some level of coverage for radioactive contamination events, in essence the risk of radioactive contamination (and some other agents) is seen as sufficiently catastrophic and potentially widespread in scope and scale of loss, so as to make the exposure uninsurable in the traditional marketplace.

How can I find out more?

Contact the Vero Marine Team, your Vero Business development Manager or visit our website www.vero.com.au.

The Team at Vero Marine