



International Security
 Liability and Insurance Implications
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 Digital Ship Conference

Introduction

- 15 Years with Mutual Clubs, esp. TT Club
- Most of the 1990s spent running TT Asia
- Returned to London
- New Career in Reinvent Ltd.
- Weekly E-Zine Called Bow Wave
- Wavelength
- Transport Related Projects at CTC



Background

- Wavelength is a Consortium at Lloyd's
- Managers are Charles Taylor Consulting plc
- Provides Insurance for Ports and Terminals
- Liabilities and Assets
- All Around the World, including Rotterdam
- Large Terminal Groups such as HPH

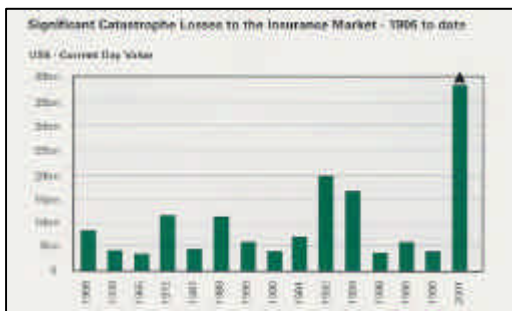


Influence of WTC Loss

- Underwriting Results Negative for 8 Years
- Even Before 911 Voices saying 2001 was Worst Insurance Year Since 1949
- With WTC Losses 2001 Worst Insurance Year by a Mile

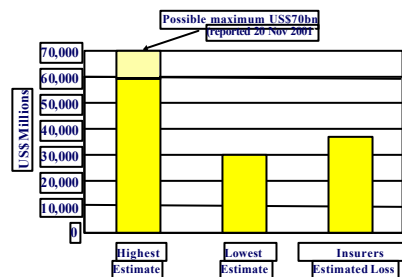


Worst Ever Year



World Trade Center Loss

Industry Loss Estimates



3rd party liability claims associated with WTC vary considerably. Estimated insured liability loss at anything from US\$5bn to US\$20bn (source - Tillinghast)



Security

- The US Legislation
- Developments at the IMO
- Recent Developments



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Scale of International Trade

- TEU's moved=240 Million each year
- Cross Border Consignments=Millions a day
- 10 000s of freight companies
- Bulk Trades Consist of Perhaps
 - 1000 operators
 - 4000 charterers
 - 1000 intermediaries



Reservations

- Limitations of Inspection
- Role of Data Search
- Technology
- Qualitative Improvement?
- Security or the Illusion of Security?
- US vs IMO Requirements
- Transparency of Ownership



Insurance Matters

- Are Terrorist Risks Insurable?
- Market Responses
- Government Responses
- The New US Draft



Insurance Issues

- War, Terrorism, Sabotage Risks
- Liability for Terrorism?
- Insurability of Delay
- Where War, Terrorism Insured Today



Conclusions

- Logistics Industry Already Alive to Problems
- Legitimate Industry
- Point to Point not Port to Port
- Trusted Trader
- Government Shipping Brokerage?
- Role of Intelligence



Thank You

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