



TT Club Loss Prevention

2024 – A year in focus

TT Talk: **Acting on climate change**

Laurence Jones: looking back at a **50-year career**

Focus on theft: **trends of 2024**

Contractual risk management

TT Talk: **Safe mooring** – focusing on **bollards**

Nuclear verdicts



Loss prevention: a year in focus

This publication highlights a range of topics relating to loss prevention guidance produced by the TT Club in 2024. The Club produces an array of risk management guidance materials throughout the year, a key selection of which we have chosen to profile in this review. This document also highlights the global scope of TT Club's loss prevention activity. Various links are available throughout the document to access further information online. The entire library of TT's loss prevention guidance can be found at www.ttclub.com/loss-prevention/ and you are invited to email us at riskmanagement@ttclub.com or get in touch with your usual contact should you have any queries, ideas or suggestions.

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This “Year in focus” brochure takes a look back over the full 12 months of 2024 at some of the key topics that TT has covered, the key events attended and the initiatives launched, all in the name of promoting safety, security and sustainability throughout the global supply chain.

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Looking back, looking forward



Peregrine Storrs-Fox
Risk Management
Director, London

As TT forges ahead towards its sixtieth anniversary, it is a privilege to reflect over my career spanning five decades devoted to understanding and serving the dynamic transport and logistics industry.

Inevitably, many of the facets of the physical movement of goods around the globe have remained constant, although there has been an explosion of global trade through the period (as explored in TT's "*Brave new world*" – *Container transport in 2043*" report marking the Club's 50th anniversary). The phenomenal success of the container concept has not just facilitated the movement of cargo in general, but also attracted additional types of cargo, such as bulk and breakbulk, to utilise the standardised box.

The core hallmark of the professionals in the transport and logistics industry is the ability to adapt to changing circumstances and create solutions where none existed. Innovations through the decades have been substantial, although there have been many occasions where logisticians' competence has undoubtedly been stretched.

Nevertheless, despite ever-increasing digitalisation opportunities, particularly over the last twenty years, many of the background processes relating to international trade and transport have remained stubbornly manual, paper-based and riven with complexity, all of which present failure points, as well as exposure to 'bad actors'. There remains enormous potential that will spur further innovation, improving safety, increasing security and protecting the environment, delivering not just goods but benefits for society at large.

There are, of course, too many markers over the period, but some are striking. The first container ships could carry up to 1,000 TEUs; by the mid-1980s the emerging tonnage was around 3,500 TEUs. Possibly the most common size now is roughly four times that, with the largest pushing beyond seven-fold capacity. That is not simply an agglomeration of risk onboard, but

exponential complexity in achieving a compliant and effective stow, reliant entirely on full and accurate cargo declaration.

And ships load and discharge, so port infrastructure investment has abounded, needing additionally to cope with peaks and troughs of calls and trade, impacting all aspects of inland movement as well. Globalisation has so far thrived, in general, despite economic turbulence and geopolitical cross-hairs.

TT's insurance coverage has continued to adapt throughout the decades, flexing to the dynamic industry. Alongside the underwriting and claims competences provided by the Club, the loss prevention function has matured. Particularly over the last two decades, the scope of activity for loss prevention has grown far beyond purely supporting specific activities of the membership operations.

The plethora of safety, security and sustainability issues arising have enabled the Club to participate alongside many like-minded industry associations in the pursuit of successful outcomes for trade and workforce. TT has therefore been able to inform on industry trends and participate in reimagining safety and security at industry, governmental and intergovernmental levels.

Key to such developments has been the ability to attract industry stalwarts, such as Laurence Jones who retired at the end of 2024 with some 50 years of experience under his belt. Deep, practical understanding of the global industry continues to be the hallmark of TT's loss prevention; the function continues to expand with relevant and diverse expertise to ensure that the Club continues in its core mission to make the industry safer, more secure and more sustainable. We can be deeply grateful for the past and confident in the future.

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TT Talk: Acting on climate change



Neil Dalus
EMEA Risk
Assessment Manager,
Newcastle, UK

Predicted impacts on ports and waterways from [climate change](#) present a real risk to local, national and global economies. Disruption is increasingly being seen from [extreme weather events](#), causing damage to infrastructure or equipment, injuries and fatalities. However, account needs to be taken of incremental changes, such as increases in air and water temperatures, rising sea levels and seasonal rainfall intensities. Here, Neil Dalus, Risk Assessment Manager at TT Club, considers the primary areas of risk and the concept of climate adaptation.

In considering incident data relating to extreme weather, there is a concerning picture of significant disruption to the global supply chain industry. The widely recognised changing global weather patterns now demands serious attention to the potential impacts these have on all logistics operations, most particularly at the ship/port interface.

Climate models

Climate model predictions generally evidence an overall warming of the planet, which in turn drive changes in weather patterns and increases in average sea levels.

Such models necessarily reflect complex physical properties of the earth's climate and draw on scientific laws, and therefore build in levels of uncertainty. In engaging with these models in the transport and logistics industry, we are looking to predict what the climate could look like in the immediate, medium and long term to plan and adapt infrastructure and operations to accommodate any predicted changes.

Climate impacts

The impacts of these modelled climate changes vary depending upon your location on the planet. Nevertheless, as a generality for port and terminal infrastructure, there is likely increasing vulnerability to:

- Flooding from rising sea-level and increased intensity of storm surges or heavy rainfall that may exceed the design capacity of the storm water drainage system;
- High winds resulting in damage to infrastructure and assets, not to mention operational disruption due to limitations on the safe working windspeed of the port or terminal assets;
- High temperatures that exceed operational ranges of the asset that may result in asset failure or increased fire risk, together with welfare considerations for workforce in high temperatures.

These impacts are being felt now around the globe and the climate model predictions indicate that they are likely to grow in significance.

Uncertain future

Inherently, climate and related parameters play a significant part in the design of port and terminal infrastructure. Therefore, in order to develop and maintain facilities for the future it is necessary to be clear on the climate parameters that are being or have been considered. However, the variation in the higher and lower band climate predictions are significant, driven by the societal responses to the overall reduction of greenhouse gas emissions.

This variation evident in the models presents challenge, since development and asset management plans must have a degree of flexibility built in to accommodate this uncertainty, providing the ability to adapt infrastructure and assets as the climate actually changes and climate models advance.

Where to start

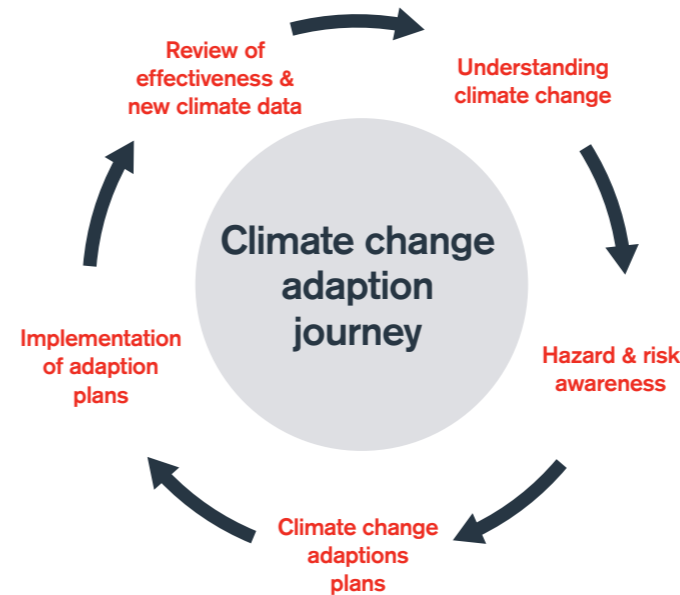
Often when initiating a large-scale project, especially with the complexity of potential climate change adaptation, simply getting started is daunting. Reliance necessarily has to be placed on one of a growing number of specialist consultancies with the experience in this industry, able to assist in making sense of the climate models and the potential impacts. However, there are some basic steps that can be done to help you on this journey, including:

- Making sense of the data – ports and terminals typically gather vast amounts of data during their normal operation, which can provide valuable insight to the current climate impacts that your facility is experiencing. Simply recording and monitoring the number and duration of things, such as down time caused by high winds or storms, will provide some insight overtime on climate impacts.
- Long-term effects – understanding the criticality of your assets and infrastructure, considering the impact on the operation of

an outage and the susceptibility of individual assets to climate change, is necessary risk assessment. This systematic review of the facility could provide the insight needed to prioritise adaptation measures.

Climate change adaptation journey

Climate change adaptation and climate resilience is not a 'one-time' exercise; it requires a continuous review of the climate models, the climate risk assessment and any programme of actions to ensure not only resilience but also efficient allocation of resources. Therefore, climate change adaptation should be thought of as a continuous cycle of review and planning on a journey to an increased resilience to the impacts of climate change. Such adaptive management can be depicted as in this diagram:



These essential steps are, thus:

1. Understanding climate change, specifically seeking appreciation of the local impacts from global and regional analyses;
2. Developing and logging awareness of the hazards and risks in your geographical location;
3. Planning for climate adaptation to address the new hazards and risks associated with the changing climate;
4. Cyclical implementation of adaptation plans;
5. Continuous review of effectiveness of the planned and implemented measures against new published climate data and local recorded climate impact data.

Key takeaways

1. Climate change adaptation is inevitably a journey and each organisation and geographical location is likely to face challenges bespoke to their facilities and operations.
2. Resilience to a changing climate requires a focused approach that considers the impacts of climate change at a whole business risk level.
3. The data, possible impacts and adaptation options can be complex. However, there are specialist consultancies with expertise to assist wherever you are on this climate adaption journey.
4. The age and long life expectancy of port infrastructure and assets require diligent engagement with climate change impacts to ensure that appropriate strategies and plans are formulated and adopted.

For more information:



Comment from Abdul Fahl – TTMS (Gulf) Director, Dubai

“ Over a period of less than 24 hours between April 14 and 15, the United Arab Emirates experienced its heaviest rainfall since records began 75 years ago. Dubai alone experienced the equivalent of more than a year and a half's worth of rain in that time. Air and road freight borne the brunt of the disruption from the torrential rain and storm. The event prompted Members to revisit the contractual obligations they have in place with their customers and operational procedures. ”

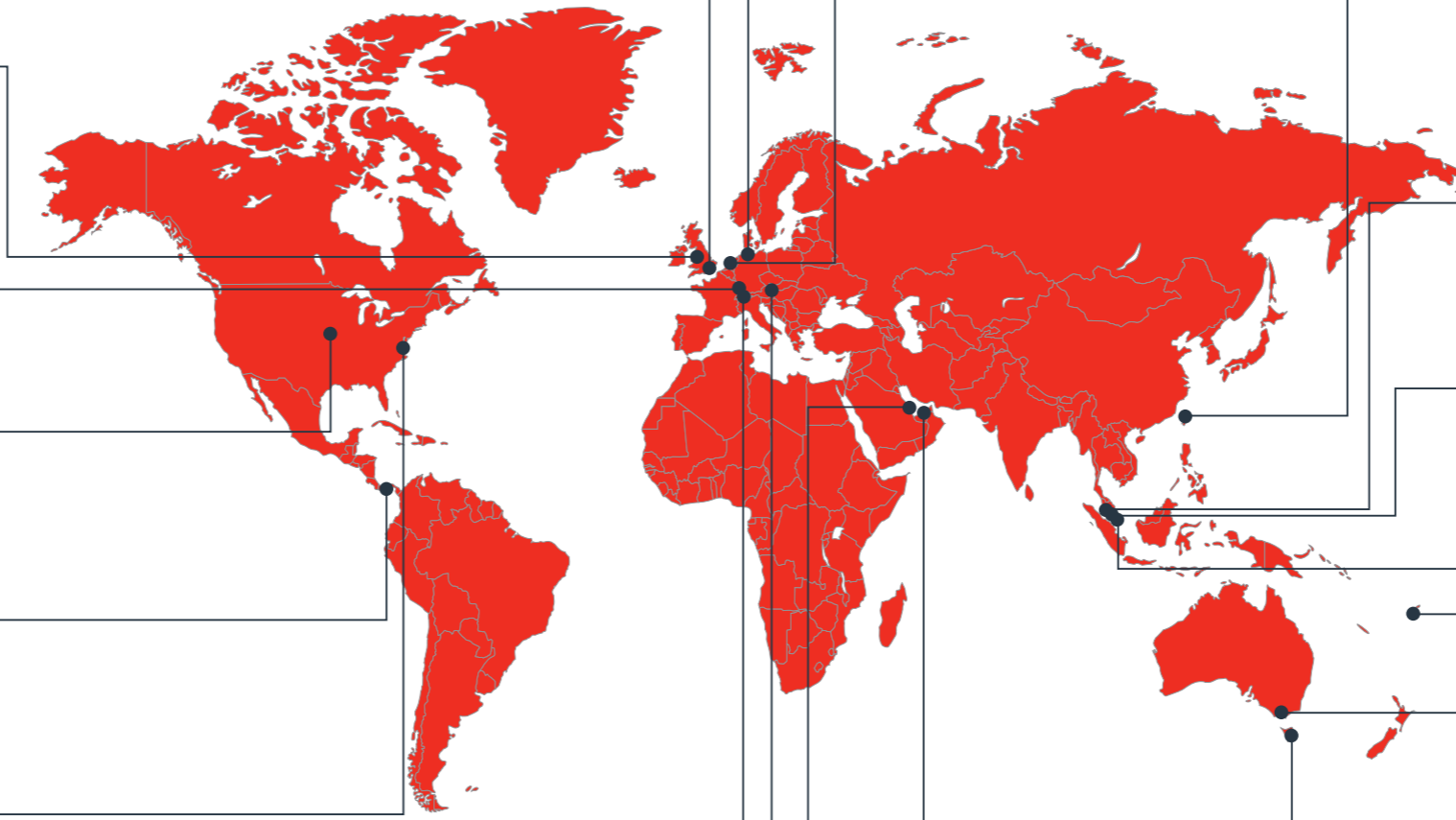


Comment from Florian Block – Claims Handler, Hamburg

“ The 2024 floods significantly impacted the logistics and transportation industry in Germany and Austria, causing major disruptions to rail and road freight transport. Companies faced supply bottlenecks and increased costs due to impassable routes and the need for alternative paths. Additional expenses arose from repairs and restorations. Many logistics companies had to adapt their strategies, investing in digital solutions for better planning and risk management. The government supported the industry with toll exemptions for aid transports and lifted lorry driving bans in Bavaria. The floods intensified discussions on sustainable logistics and climate change, highlighting the industry's vulnerability and the need for resilience strategies and improved crisis management. ”

TT leading the charge at **industry events**

2024 was another busy year of events, conferences, seminars and industry meetings. Our staff have represented the Club on a truly global stage, raising awareness of key risks such as safe mooring, temperature-controlled cargo, cargo theft, climate change resilience and safety innovation. While there isn't enough space to mention them all, here we provide a snapshot of key events throughout the year.



Neil Dalus
Safe mooring seminar,
London, UK
28 March 2024

The mooring of a vessel requires careful coordination from multiple stakeholders from both the vessel and shore side. This multi-stakeholder approach was exactly what was needed when developing a seminar focused on improving safety when mooring vessels. Bringing together fantastic speakers representing Harbour Masters, Master Mariners, Port Operations and Mooring Equipment Suppliers, all with the common focus of improving safety in mooring operation provided an insightful day of discussion.



Dorota Jilli
IAPH World Ports Conference,
Hamburg, Germany
8–10 October 2024



Mike Yarwood
TOC Europe,
Rotterdam, Netherlands
11–13 June 2024



Josh Finch
Port and Terminal Seminar,
Rotterdam, Netherlands
11 April 2024

TT hosted an afternoon seminar for the Benelux region on risk trends and mitigation strategies for ports and terminals in the region. Topics included drug smuggling, drones, cargo theft as well as current market dynamics.



Peregrine Storrs-Fox
Loss Prevention Seminar,
Taipei, Taiwan
22 March 2024



Suki Kwan
Maritime Anti-Corruption Network
Members Meeting,
Kuala Lumpur, Malaysia
22 October 2024



Sandro Chu
ASEAN Ports and Shipping,
Johor, Malaysia
22–24 October 2024



Neil Dalus & Kamel Tlili
TOC Asia,
Singapore
26–27 November 2024



Marcus John
46th Pacific Maritime Transport Alliance
Conference,
Nadi, Fiji
24–25 July 2024

Marcus John attended this biennial conference in Fiji and spoke about wreck removal, in particular the insurance and legal requirements for ports.



Karim Bizri
Australian Grain Industry Conference
Melbourne, Australia
31 July – 1 August 2024



Marcus John
Ports Australia Biennial Conference
Hobart, Tasmania
29–31 October 2024



Neil Dalus
Port Skills and Safety Port Safety Group,
Liverpool, UK
24 September 2024



Oscar Egerström & Neil Dalus
TT Club seminar: Inland ports
navigating climate change,
Strasbourg, France
6 June 2024

Oscar worked closely with the European Federation of Inland Ports (EFIP) to organise a seminar addressing how climate change was impacting inland ports and what they might do to adapt and mitigate these impacts.



Andy Stephen
Lockton Transportation Summit,
Kansas City, USA
7–8 October 2024



Mike Yarwood & Josh Finch
FIATA,
Panama
23–27 September 2024



Josh Finch
Port of Virginia Emergency Response
Summit, Norfolk, USA
5–6 November 2024



Dorota Jilli
SPEDLOGSWISS Forum
Zürich, Switzerland
6 March 2024



Alison Wixley
UNCITRAL Working Group VI – Vienna,
Austria
9–13 December 2024

TT is accredited as an observer for the UNCITRAL Working Group VI, which proposed a convention on Negotiable Cargo Documents. Alison attended on behalf of the Club at the UN build in Vienna.



Abdul Fahl
TT Club seminar: Temperature-controlled
cargo in the logistics supply chain,
Dubai, United Arab Emirates
21 May 2024



Abdul Fahl
Saudi Maritime Congress,
Damman, Saudi Arabia
18–19 September 2024

Five minutes with Suki Kwan

Suki joined TT Club in 2004 and handles claims for TT Club in the Hong Kong office. She also has the sub-regional responsibilities for membership in Japan and South Korea. This year Suki was promoted to the role of Deputy Regional Claims Director for the Asia-Pacific. She has recently been working closely with the Club's Loss Prevention team to deliver a series of webinars for TT Club Members in the region, and caught up with us to tell us more about this initiative.

Suki Kwan
Regional Claims Director
for Asia-Pacific,
Hong Kong



Suki, it's a pleasure to speak to you. Congratulations on your new role as Deputy Regional Claims Director based in Hong Kong. Can you tell us a bit about your background and what led you to this position?

Thank you, I have been with the TT Club for several years, working in various capacities within the claims department. My experience in handling complex claims and my passion for risk management have prepared me well for this new role. I'm excited to contribute to the club's mission of supporting our Members and mitigating risks in the transport industry.

Can you share more about the motivation behind the webinar series initiative you are working on?

Absolutely. The idea for the webinar series emerged from numerous interactions with our Members and the claims we were handling. We noticed recurring queries on certain topics and themes, which indicated a need for more comprehensive guidance. By working with the loss prevention team, we identified four key topics that would be beneficial for our wider membership to consider in managing risks through their supply chains: inventory management, climate change and adaptation, contractual risk management and warehouse fires.

“**It's clear that our Members are eager to engage with these topics and gain insights that can help them manage risks more effectively.**”

Why do you think these themes are particularly relevant to TT's Members?

These themes are critical because they address some of the most pressing challenges our Members face. Inventory management is essential for maintaining efficient operations and minimising losses, many of the claims we see could have been avoided had there been robust inventory management protocol in place. Then we chose climate change adaptation because we are seeing more extreme weather events impacting supply chains in the region, serious windstorms and flooding for example, we are all seeing these stories in the media. Contractual risk management has always been a key topic for our region, and will continue to be an area we focus on to help our Members navigate the complexities of legal agreements and mitigate potential disputes. Lastly, we chose warehouse fires because they pose significant risks to both property and business continuity, especially now that businesses are storing lithium batteries in greater quantities, making it crucial to have robust prevention and response strategies in place.

The first webinar, led by Josh Finch, focused on inventory management and took place in November. It was great to see over 100 participants from the region join us. How do you feel about the response so far?

The response has been very encouraging. It's clear that our Members are eager to engage with these topics and gain insights that can help them manage risks more effectively. The high participation rate also reflects the relevance of the content we are providing. We are looking forward to continuing the series and addressing the other key topics in the coming months.

The Asia Pacific region accounts for approximately 25% of the club's gross written premium globally, with 580 Members in the region. How do you see this webinar series benefiting our Members in this region specifically?

The Asia Pacific region is a significant part of our global operations, and our Members here face unique challenges. By providing targeted, relevant content through these webinars, we can help them stay informed about best practices and emerging risks. This proactive approach not only supports their risk management efforts but also strengthens our relationship with them as a trusted partner in their operations.

ESG

At TT Club, our dedication to Environmental, Social, and Governance (ESG) matters is at the heart of our mission to support the global transport and logistics industry. 84% of TT Club's Members surveyed in this year's Customer Satisfaction Survey thought that the Club could add value in supporting ESG matters.

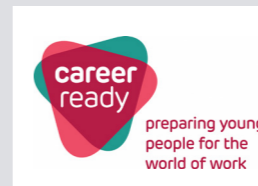
This year, we've taken steps to advance sustainability, safety, and security. Our 2024 Sustainability Report highlights our strategic approach to ESG, and we've introduced an ESG Toolkit to provide our members with valuable insights and resources. Under the guidance of our CEO, Kevin King, we've also ramped up efforts to address climate-related risks and bolster industry resilience. Together, we're driving positive change and fostering a more sustainable future for all.



In September, TT Club published its [2024 Sustainability report](#), with updates to development goals.

Career Ready

Thomas Miller also partnered this year with Career Ready, a social mobility charity that connects employers with young people from diverse backgrounds. Geraldine Savin, Senior Claims Executive, mentored a student over the summer.



“Last year, I was fortunate enough to become a mentor in the Career Ready program. The charity took great care to match me with a young and bright teen who shares similar interests and personality traits with me. My role was to introduce her to the working world; she knew all about working hard but had little knowledge about working in an office. Last summer, my mentee was able to spend a four-week internship at TT Club. During her internship, I trust she gained the confidence to pursue a career as a lawyer, compliance officer (her favourite experience), underwriter, or claims executive.”



ESG toolkit

The ESG toolkit was launched in January 2024 and now contains over 15 case studies from our Members, suppliers, technology partners and the Club's manager, Thomas Miller. It continues to be a valuable source of guidance, with case studies and actionable advice identified by Members as being the most valuable.



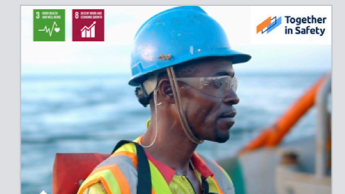
Steps to prevent persistent wildlife crime
06/03/2024

Wildlife crime is a topic TT has profiled before, but remains a critical threat to biodiversity, local and national economies, national and international security, and global health. The global pandemic itself highlighted emerging infectious diseases, 60% of which are considered zoonotic, that is infectious diseases that are able to pass between animals and humans, and elevated discussions around the impact of wildlife crime and unregulated trade.



Modernising lighting infrastructure at APM Terminals Vado Ligure
01/03/2024

APM Terminals' port system in Vado Ligure comprises two integrated terminals: the existing Reefer Terminal and the newly established Vado Gateway, which operates semi-automated facilities. Positioned strategically, the Vado Port System provides efficient access to central and northern European markets such as Switzerland, Germany, France, and various regions in Northern Italy.



Together in Safety - The Golden Safety Rules
25/10/2024

The Golden Safety Rules provide insight to the risk, prompt a risk assessment and encourage individuals not to rush.

DEI forum

Thomas Miller launched its Diversity, Equity and Inclusion (DEI) Forum this year in May and four members of TT Club staff volunteered to take part. TT Club's Change Manager, Renée Bell, is part of the forum.



“I joined the DEI employee forum because I believe in the power of diverse perspectives and inclusive environments. By contributing to this forum, I aim to help foster a workplace where everyone feels valued and respected, but also drive change in equality and culture for the generations to come.

Overall, I think it's a great initiative to the betterment of all employees, which can lead to greater job satisfaction, improved performance, and a stronger sense of community.”

For more information:



TT Talk: Energy transition for a cleaner future



Neil Dalus
EMEA Risk
Assessment Manager,
Newcastle, UK

Nearly a decade on from the Paris Agreement, as society transitions away from the use of fossil fuels to provide the energy to sustain industrial, business and domestic life aimed at reducing global carbon emissions and tackling climate change, ports, terminals and logistics operators find themselves at an energy crossroad. In this article, Neil Dalus, EMEA Risk Assessment Manager, explores the options available for ports and terminals looking to transition to cleaner energy sources.

In the complex world of energy transition, innovators within the energy sector are constantly pushing the boundaries with the vision of a new clean fuel source that is sustainable, not just in the context of reducing emissions, but also ensuring that sufficient quantities can be produced to serve the vast demand. This results in multiple fuel sources for manufacturers' R&D functions to contemplate in the development the next generation of clean port, terminal and logistics equipment.

While renewable electricity is the current forerunner in terms of scalable clean energy, the manufacture of batteries to store and

deliver the energy is not without environmental impact, not least at their end of life. For example, many of the raw materials to manufacture lithium-ion batteries are currently sourced from a small number of countries, giving rise to uncertainties in the context of sustainable availability and ethical issues to overcome.

Furthermore, in most if not all countries, supply is struggling to keep pace with the growth in demand (see fig 2). It is generally accepted that national grids, in both power generation and electrical infrastructure, are not capable of supplying sufficient quantities of electricity to power the supply chain and transport sector, as well as maintaining the lifestyle many have come to expect. Further, with the International Energy Agency predicting a growth in demand of circa 900 terrawatt-hours per year over the next two years, this supply issue may not lessen in the short-term.

Other touted alternative fuels such as ammonia, methane and hydrogen come with safety fears along with huge capital and infrastructural challenges. Pioneers are currently testing the art of the possible with some success, but developing the required infrastructure globally to ensure these fuels are readily available in sufficient quantities feels decades away.

Critically, neither governments nor industry have yet to back a winner. Something as fundamental as an industry wide definitive position would no doubt assist progress. Ports, terminals and logistics operators are likely to resist large scale investment in fuelling infrastructure, whether electric, hydrogen, ammonia or any other, until such time as there is long term security associated with these clean fuels and the equipment to run their operations.

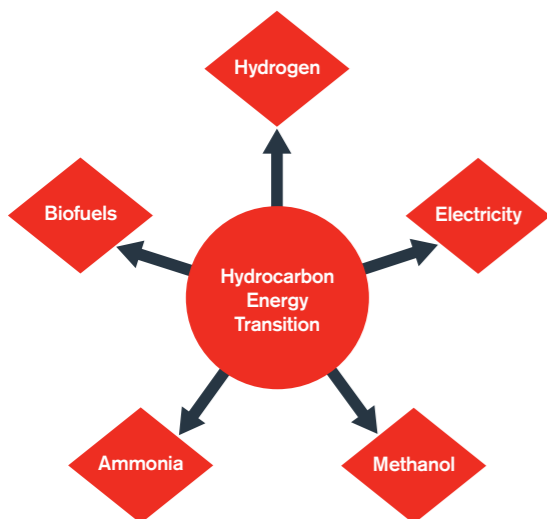


Figure 1 Energy transition crossroad

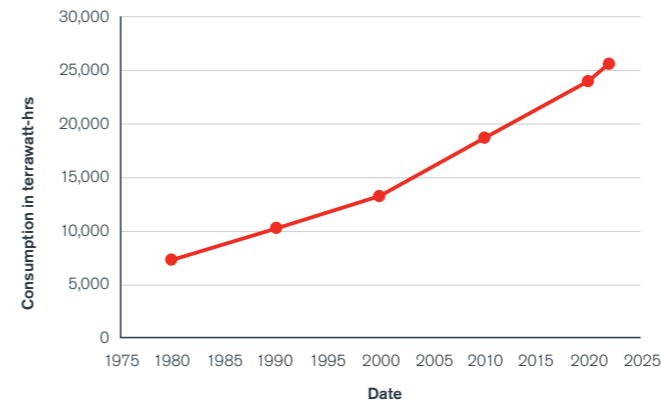


Figure 2 Showing growth in global electricity consumption (data from www.statista.com)

There are, of course, numerous facets to the global supply chain, first, middle and final mile, handling through ports, terminals and logistics or warehouse operations, as well as the maritime journey. All of these components are interlinked by the need to move cargo and all facing the challenge of reducing emissions.

A recently published white paper by APMT alongside DP World and others has taken a step in leading the direction that the cargo handling industry should take – electricity. The white paper sets out a long term vision for the electrification of cargo handling equipment in ports and terminals that will undoubtedly serve to provide confidence for equipment manufacturers to build business models to support industry demand.

The white paper may also serve to shape the direction that other industry stakeholders take on the basis of the trials carried out by the authors over many years leading to the conclusion that electrification of cargo handling equipment is the most viable solution. While this doesn't represent a silver bullet solution to reaching net zero, it should afford opportunities for all concerned to take positive steps for example to increase manufacturing productivity to meet demand.

In the absence of government intervention, the industry coming together and defining a common stance on future alternative fuels, whether to power ships, trucks or cargo handling equipment appears to be prudent. It is likely the most viable route towards industry wide adoption and will undoubtedly result in decisions being reached by

other stakeholders towards investment in the required infrastructure to deliver.

TT Club stands together with its membership and the industry. With the aspiration of demystifying a variety of related challenges that the industry will undoubtedly face in the coming years, TT has launched a new 'ESG toolkit'. This Toolkit will continue to develop and expand, with a focus on matters that impact the global transport industry in connection with environmental, social and corporate governance. The approach taken to deliver this content is not prescriptive, rather signposting, linking and connecting often disparate information, seeking to collate it in a single accessible location. The resource will continue to be enriched with a series of case studies showcasing available technologies, solutions or the valuable steps that operators have already taken along the energy transition journey.

“ In the absence of government intervention, the industry coming together and defining a common stance on future alternative fuels, whether to power ships, trucks or cargo handling equipment appears to be prudent. ”

For more information:



Comment from Jack Durrance – Trainee Underwriter, London Market Team

“ The UK has committed to achieving net zero by 2050. This, combined with ever increasing global electricity consumption, means the need for innovation and implementation of clean energy solutions has never been more prevalent for ports and terminals. One of the most promising of these green solutions is wave power, which utilises the natural movement of coastal waves to produce large amounts of renewable, emission-free electricity, a potentially optimal solution for TT's port and terminal Members. Marine Energy Council UK has also set a clear and ambitious target to deploy 300MW of wave energy by 2035, highlighting the strong directional forecast that the UK has in place to implement wave power into its diverse green energy portfolio, and therefore the opportunity for UK ports to support this transition and benefit from possible Government support. Currently there are a few prototypes in the UK in place to grow and optimise this technology, so at TT we will be keeping an eye on the outcomes of these projects, being mindful of the risks, to ensure we continue to support our Members in their journey to net zero. **”**



Laurence Jones: looking back at a 50-year career

2024 marks the final year of Laurence Jones' 52-year career, and the end of 18 years working at TT Club as the Global Risk Assessment Director. Laurence has many stories to tell from this long career, we caught up with him to see how many we could fit on this page spread.

Laurence, what a fantastically long career, can you tell us a bit about your experiences?

Well, I've been very lucky to have worked in many different industries over that time. I started a traineeship with BHP, the biggest minerals company in the world. I obtained a degree in electrical engineering from Newcastle, Australia – not Newcastle, England – and I worked for BHP for 26 years in a variety of different industries: steel, open cut mining, underground mining, engineering, design, construction. The last 15 years with BHP, I was involved in the design, build and management of bulk materials terminals. I then spent eight years in container terminals with P&O Ports, which was bought out by DP World in 2006 and I spent a bit of time there afterwards assisting integration. Then I joined the TT Club where I have been, as you said for the last 18 years.

What was the first thing you did when you joined TT Club?

Well, my role was to help Members mitigate their claims, so the first thing I asked was what were the main issues causing claims, and the answer was 'well we don't really know'. So being an engineer, I created a spreadsheet and started analysing claims to identify the top risks and the root causes. We now have 18 years of claims analysis in the TT Club. All the claims of all of our Members all around the world, which helps us identify the things that we should be focusing on to help our Members save lives and save money.

The next step was to identify how they could be mitigated to reduce accidents and incidents, loss prevention actions such as better training, better systems and procedures or technology or combination as needed. Once we had identified loss prevention actions, I then shared them with Members during our visits over the last 18 years, I have visited 452 members, roughly 25 per year.

What did you find were the main issues causing claims?

I suppose the biggest area of cost we see in our port and terminal Members is the quay cranes, which is quite understandable because they're the biggest single equipment cost item. The biggest risk of those claims is the quay crane boom colliding with the ship and unfortunately, 18 years later, it's still the biggest risk. There is technology to prevent these collisions, but it costs money and as I travel around the world, I hear too often, 'why should I spend money on that? That's why I have insurance'. But that one incident where the quay crane boom is bent and out of service for six months, could cost \$2 million to repair but \$6 million of business interruption, which is not covered by insurance. Even though there is technology there to prevent these incidents.

What technology is available to prevent these incidents?

Well, there are a number of different types of technologies, but the main one today is electronic boom anti-collision systems that use laser sensors and will cost about \$30,000 per crane to retrofit. Compared to the potential costs I mentioned earlier it seems small, but if you're a terminal with 80 quay cranes, it's a considerable

investment. Obviously, if you have it incorporated as standard into a new cranes, you are much less likely to see that cost.

Would you say that the terminals you have visited with this technology have seen significant reductions in incidents?

Well, that all comes down to whether it's being used correctly! One of the issues I've seen over the years is that third parties or even the terminals themselves install them incorrectly. One terminal I visited was about to remove their system because of false trips, which delayed operations. The sensors were installed under the boom, pointing out along the boom, but the cranes faced due east. So in the morning, as the sunlight shone into the sensors, it gave false trips. I contacted the supplier of the sensors and they advised it was a simple software commissioning setup to fix the problem. Once fixed, they had a reliable system. I see many terminals choosing to work around an issue rather than getting it addressed, bypassing a safety system is always going to defeat the object.

So what has changed over your past 18 years of risk management?

Thankfully, I've seen an increased focus on safety. 20 years ago I started speaking at TOC conferences and they put me on the last session, on the last day of the conference, I was tasked with turning off the lights and locking up as the conference ended! I was the only person that spoke about safety 20 years ago, but a couple of years ago at a conference I heard the operations director of a large global terminal operator say that their most productive terminals were also their safest. Not all, but most people now realise that it pays to be safe.

So Laurence, you have been to many places around the world during your career, what have been some of the most difficult challenges?

Luckily, I've been able to dodge some of the more dangerous areas and luckily I've never been stuck in a war zone, and unfortunately there's a few going on at the moment. I have however had some scary situations, one where I got caught up between the unions and the government during the privatisation of a terminal. The takeover was going to require a reduction in labour, and when I was at the terminal for a meeting I was told to make a sharp exit as about 100 stevedores were on the way to give me a piece of their mind. Anyway I was rushed out of a side exit before they got there!

Another time I was in Venezuela in 2000, flying into Caracas airport, which is on the coast and it's about a 40-minute drive up a mountain to get to the city of Caracas. The road is a big highway, there are no towns or anything, pretty deserted. The network partner that we had at the time emails me and says he will arrange a car to pick me up. Of course, I said don't worry, I arrive at 1:00 AM on Sunday morning and I don't want inconvenience you, I'll get a taxi. He immediately comes back and says no, for safety reasons, you must have a car, I will send you a photo of the car and a photo of the driver. I checked the government warnings at the time and it actually said, do not drive from Caracas Airport to Caracas at night, and particularly at the weekend.

So here I am arriving 1:00 AM Sunday morning, probably the worst time. It was notorious for hijacking and kidnapping. Often the hire car drivers get hijacked and then criminals pick up their client and kidnap them and hold them for ransom. Well, I arrived at the airport, the car and the driver matched my e-mail. So that was good, so far. We got in the car and flew up the mountain, probably 140-160 kmph, and as we round each bend, my heart and the driver's heart was pumping in anticipation of a roadblock. Eventually we made it to Caracas, but the tension did not stop there, driving through the city at 2:30 AM on Sunday morning, it was empty, but the driver did not stop at any stop signs or any red lights. He said that's when they put the gun through the window.

Luckily, we made it to my hotel safely but for the week I was there, I was told never to leave the hotel after dark. Venezuela is a beautiful country, but it is definitely not on my travel list for retirement at the moment.

What do you see as the key future changes and challenges in ports and terminals?

First off is automation. We know that automating equipment or placing operators in the main office to remotely control equipment will reduce injuries. We have seen injuries and insurance claims in automated stacking yards dropping to nearly zero if people are not out on the terminal mixing with mobile equipment and the chance of injuries is basically eliminated. That's my dream, to see people moved from the dangers of working in or near mobile equipment.

Then it has to be climate change. I think from a terminal's point of view there are two big issues: ships at berth breaking mooring lines and quay cranes being blown over. Ports and terminals in cyclone or hurricane-prone areas have plans in place to send ships out to see for example when a storm is forecast, but we're seeing these storms hitting ports outside of these areas, that aren't ready and prepared with mitigation steps in place for when, not if, these extreme weather events hit.

I don't know if it's a change we will see, but I would love to see legislation that ensures that manufacturers build minimum safety requirements into their machinery – as standard, not optional. It's like seatbelts in cars, many of these safety features should be standard.

Thanks Laurence. Finally, what are your plans for your retirement?

I plan to travel! I've done a lot of travelling over the years but travelling for business is not the same as travelling for pleasure. I plan to do some pleasurable travel with my partner, Ellie, but I also want to spend much more time with my family. I have four children, 10 grandchildren and three siblings who I want to see more often. So, besides travel and catching up with family, I will be looking for some hobbies. I do have some, but I'm looking for more. I think I'll be very busy during my retirement and I'm looking forward to it. Although I will miss working for TT and the industry that I've been involved in for so long.

“ I don't know if it's a change we will see, but I would love to see legislation that ensures that manufacturers build minimum safety requirements into their machinery – as standard, not optional. ”

TT Live: the go-to podcast for risk management in the global supply chain

TT Live is TT Club's loss prevention podcast. Our mission is to provide industry-leading loss prevention advice and insights to supply chain stakeholders, including packers, hauliers, and shippers. Understanding the time constraints faced by professionals in the industry, we have created this podcast to ensure that valuable guidance is accessible on the go. TT Club's Logistics Risk Manager, Josh Finch, leads each interview to delve into critical topics affecting the global supply chain, offering practical advice and expert insights.



In 2024 we released 8 episodes, all available on our website and wherever you listen to podcasts.



Josh Finch
TT Live Host



What happens when there's a casualty of the sea? An inside look 21/03/2024

Kerime Huseyin, Senior Claims Executive based in TT Club's London office, joins Josh to discuss various maritime incidents, such as fires and pirate attacks, and their impact on the global supply chain. They also explain the crucial role of insurance providers like TT Club in managing these risks and the processes involved in salvage operations and General Average declarations.



Safety innovation – perspectives from the port and the warehouse 06/08/2024

Neil Dalus, EMEA Risk Assessment Manager based in Newcastle, UK, joins Josh to explore the complexities of safety and innovation in the global supply chain, focusing on ports and warehouses. They draw on their operational experience to discuss the unique operational challenges, the impact of climate change, and the role of technology in enhancing safety measures.



Changing risk: spotlight on a 50-year career 03/12/2024

In this episode of TT Live, Josh Finch interviews Laurence Jones, Risk Assessment Director, to mark his retirement after a career spanning over 50 years. Laurence reflects on his career journey, changes in the industry, key issues he has faced, and his future retirement plans.



Supporting young supply chain professionals 18/09/2024

In this episode, Josh interviews Andre Gerber, the 2023 winner of the FIATA Young Logistics Professional Award. They discuss the challenges Andre has faced in his career, including moving a reactor from Italy to South Africa and relocating a sweets factory from South Africa to Angola.



Strategic cargo theft: a growing threat in North America 17/01/2024

Guillermo Cancio, Senior Claims Executive based in TT Club's New Jersey office, joins Josh to discuss the growing threat of strategic cargo theft in North America, where criminals target and steal cargo before it leaves the shipping point. They highlight the sophisticated tactics used by criminal organisations and emphasise the need for increased industry collaboration and vigilance to combat these thefts.



Customer-led demands and their impact on logistics operations 12/03/2024

Mike Yarwood, Managing Director Loss Prevention, joins Josh to discuss how customer demands can impact logistics operations, highlighting risks such as weakened packaging and compromised security measures. They emphasise the importance of open communication and collaboration between customers and logistics operators to mitigate these risks.



Respond and report, what to do after an incident 04/07/2024

Andrea Gentile, Senior Claims Executive based in Milan, joins Josh to discuss the best actions to take following incidents of cargo theft or damage. His advice focuses on the importance of promptly reporting incidents to insurers, the police, and all involved parties to ensure proper investigation and liability management.



ESG – a South African perspective 10/09/2024

Alison Wixley, Senior Claims Executive based in London, joins Josh to discuss practical Environmental, Social, and Governance (ESG) initiatives from a South African perspective. They highlight how companies can implement impactful ESG practices without incurring significant costs, benefiting both the environment and local communities.

For more information:





TT Talk: Inventory management



Josh Finch
Logistics Risk
Manager, London

While images of ships, trains and trucks are emblematic of the freight industry, effective management of the supply chain entails many diverse activities. The risks inherent in each supply chain operation are impacted directly and indirectly by an array of roles and activities. One such is the effective management of stockholding and order flow, referred to here as inventory management. Failure to exercise adequate controls can have enormous consequences for security, reputation and contractual liabilities. Drawing on his vast knowledge and experience in warehousing, Logistics Risk Manager, Josh Finch, explains how solid inventory management might be one of the best tools in your arsenal for mitigating common risks.

Systemic organisation

Theft risks tend to escalate in environments characterised by confusion or disorganisation. Inventory management is central for maintaining security since it defines the very system by which organisation is maintained. Inventory management runs quietly in the background until something goes wrong. Unfortunately, small issues can turn into large and costly errors where they are not quickly observed and rectified. Further, they create the conditions for overt threats to security.

Warehouses are often managed using a combination of systems, including a warehouse management system (WMS), an order management system (OMS) and a transportation management system (TMS). Where they exist in concert, each system communicates via an electronic data interchange (EDI) to ensure that actions taken in one system are recorded in the others. Where stockholding is managed by a third party, the central stockholding database may be managed by the owners of the stock using enterprise software (ERP). This adds further complexity in data management coordination between disparate organisations.

Errors may emerge through miscommunication between the various systems; each is highly complex, designed for a specific function. The TMS manages the movement of cargo in the wider supply chain. Once cargo enters a warehouse, the WMS tracks the movement of stock around the warehouse. The OMS manages orders from customers and, as such, often sits between the WMS and the ERP database. Accuracy in data input and communication is fundamental to avoid the potential for errors. Where different businesses or internal departments are responsible for managing the data stored

in the various systems, it may be some time before discrepancies are uncovered, resulting in ongoing and costly errors.

Traceability

The ultimate goal of managing these data is to provide full traceability of goods as they move through the supply chain. A well-designed system should systemically mirror all physical movements of goods. When auditing the security of a particular item as it moves through the supply chain, it is prudent to focus attention on circumstances where traceability breaks down. This may occur when a user fails to adhere to the correct process. For example, an inbound stock process may dictate that each pallet of stock should be scanned into the system. Contrary to this process, a rushed operative may decide to unload a container and move all the pallets it contains into a storage location without scanning. The goods will likely be added to the system eventually, either by scanning or back receiving the goods in bulk, but, regardless, a gap in traceability has been introduced.

There are also circumstances where a lack of traceability forms standard operating procedure. This may result from a failure to map physical procedures adequately but it may also result from limitations of the systems themselves. For instance, some systems may prohibit storing 'picked' stock in warehouse locations.

Stock that is not traceable is at risk. It may be stolen or may simply go missing and it is very difficult to determine where the process has broken down. It is important that supply chain operators responsible for management stockholding be aware and seek to maximise traceability throughout the entire journey of a particular item of stock.



Theft risks tend to escalate in environments characterised by confusion or disorganisation.



Best practice vs. commercial reality

Stockholding requires constant tending to maintain accuracy and full traceability. Physical inventory cycle counts should take place at regular intervals so that each warehouse location is audited multiple times per year. Full stock counts, whereby the entire stockholding is counted, should take place at least once per year. In order to do so accurately, it may be necessary to stop all order processing, as well as inbound and outbound movements of stock. It may be beneficial to involve an independent auditor to observe the stock count and certify the results.

The best practice described above is costly and the reality is that inventory management practices are often a result of a commercial decisions taken by actors far removed from the reality of managing the security of the warehouse. As inventory management is an opaque aspect of the supply chain, commercial managers may fail to anticipate the importance of the agreements they make in this regard. While customers within the supply chain may hesitate to invest in stockholding management, supply chain businesses should not underestimate the cost of failure.

Security culture

Few aspects of site management impact on effective security culture to the same degree as inventory management. Well-defined stock control procedures help to ensure that the stockholding is maintained in an orderly state and that opportunities for theft are minimised. Furthermore, enforcement of established procedures to maintain traceability of goods throughout their supply chain journey is essential, even when those procedures are time consuming.

It is equally important to respond appropriately when things don't go according to plan. All discrepancies should undergo thorough investigation. Such discrepancies may be the result of theft or operator error, but it is important to be mindful also of discrepancies in data held by the various IT systems. Systemic discrepancies may be difficult to uncover, but very costly if left unaddressed.

Summary

Inventory management is vital for supply chain security, promoting organisation and reducing theft risks. It relies on accurate data input and communication across diverse systems. Traceability throughout is crucial for uncovering discrepancies promptly. Best practices include regular audits and strict procedures, stemming commercial decisions that prioritise cost over security.

Recognise that the consequences of inadequate inventory management can be severe, extending beyond the cost of cargo loss and theft, risking negative impact on commercial relationships. It plays a key role in fostering a security culture within supply chain operations by enforcing procedures, maintaining traceability, and responding to discrepancies effectively. Overall, prioritising effective inventory management is essential for both security and efficiency in supply chain operations.



Systemic discrepancies may be difficult to uncover, but very costly if left unaddressed.



For more information:



Comment from Neil Dalus – EMEA Risk Assessment Manager, Newcastle, UK



Another crucial aspect of inventory management, which often goes unnoticed or overlooked, is the management of spare part inventories. Managing spare part inventories, especially when dealing with the vast array of different spares and their associated suppliers that are required to keep ports, terminals and logistics operations running is not an easy task. This important task typically does not get the attention it merits until something goes wrong and by this point will likely already have had serious impact on your operations. You do not want to be waiting months to get a piece of equipment back in action because you didn't have the correct spare part and the supplier is unable to provide it any quicker. Depending on the piece of equipment, this delay could seriously affect your throughput and bottom line. As our operations and equipment evolve, so must our spare parts inventory management strategy.



Focus on theft: trends of 2024

Cargo theft trends continue to evolve globally, arguably having an increasing impact on all stakeholders in the supply chain and beyond. The financial impact is most visible, however the typically non-insured costs associated with reputational and brand damage should not be underestimated. TT has remained steadfast together with our Members to develop understanding of the ever-changing risk landscape. Raising awareness of emerging risks and solutions and regularly communicating to the membership at all levels of their organisations.



Freight Crime in Italian Supply Chains



Claims data highlighted two trends in terms of frequency, the first in the US and the second in Italy. The team worked to develop an understanding of both regions and the underlying trends and published practical guidance through the Supply Chain Security Bulletin and a stand-alone country level report considering the risk in Italy.



Insider threat



An increasingly common theme in the Club's data where theft claims are analysed is that of insider threat. This might come in the form of access to data or information or physical access to a facility. A new edition of the TT Brief series was published considering this particular risk and what steps operators can take to mitigate the risk exposure.



The importance of raising the security standards of lorry parking facilities

In the UK, Mike was approached to chair a Department for Transport Task and Finish Group focused on promoting better standards at lorry parking facilities. The working group consisted of a range of operational leaders representing all aspects of the industry, including insurers, haulage companies, industry organisations, DfT, planning departments, Police and authorities, lorry park operators, security standards organisations and the motor way service area operators. This was a unique group, working together for the first time, with the common aim of increasing security standards across lorry parks in England.

The output from the group will be a joint industry written report that will be published in the first quarter of 2025. The report will provide insight and recommendations from data analysis, expert risk analysis, interviews and surveys and will include a full comparison of the available security standards undertaken by Josh and a series of case studies highlighting positive stories from the lorry parking facility operators who have elected to secure their site.

The loss prevention team has developed and maintain a range of communication channels, recognising the importance of influencing those in the C-suite as well as front line personnel. All resources can be found on the Club's website.

For more information:



Other resources:

- Animations
- TT Live
- Supply chain security bulletin – Latest version yet to be published
- TT Brief
- Reports

Five minutes with Alison Wixley: UNCITRAL

Alison joined the TT Club as a Senior Claims Executive in March 2023. She has more than 15 years' experience in the freight and logistics industry, including cargo handling facility and transport operator claims management. She previously worked as the Head of Legal and Risk for Bidvest Freight in South Africa, with responsibility for the insurance portfolio, legal advice, risk management and ESG reporting. This year, TT Club was invited to take part in UNCITRAL's working group on negotiable cargo documents. Alison attended the meeting and joins us now to talk about the project.

Alison, could you start by telling us a bit about UNCITRAL and its role in international trade law?

The United Nations Commission on International Trade Law (UNCITRAL) is a subsidiary organ of the United Nations General Assembly, established in 1966. Its main goal is to further the progressive harmonization and modernization of international trade law. UNCITRAL by preparing and adopting both legislative and non-legislative instruments. These instruments are negotiated through an international process involving a variety of participants, including all UN member States, invited intergovernmental organizations (IGOs), non-governmental organizations (NGOs) and industry observers such as TT Club.

In 2019, UNCITRAL started working on an international instrument on negotiable cargo documents. What prompted this initiative?

The initiative was driven by several factors. Often in international trade, goods are not sold directly to the end user but to intermediaries such as commodity traders. In commodity trade, goods are frequently sold multiple times while in transit. A negotiable cargo document, once developed, could allow goods being carried by any mode of transport in a multimodal or unimodal context to be sold while in transit. This could be further facilitated when negotiable electronic cargo records are issued.

What are some of the benefits of having negotiable cargo documents?

The flexibility to sell goods to another buyer is becoming an important part of building resilience into supply chains, especially during times of disruption. For example, the decision by many shipping lines to reroute vessels away from the Red Sea and Suez Canal has prompted the development of new services combining shipping with road, rail, and/or air transport. Being able to switch between modes and sell goods to another buyer is of potential interest to shippers, depending on their assessment of risk in their supply chains.

Can you give an example of how this could impact trade finance?

In China, for example, buyers often face difficulties obtaining trade finance, particularly letters of credit, when sellers in Europe choose to transport goods by railway. Letters of credit are essentially guarantees issued by banks to promise that they will pay the seller the full amount as long as certain documents are presented. Banks can mitigate risks by requiring negotiable transport documents evidencing ownership, which they can take as collateral. This is based on the established legal framework and can decrease banks' capital requirements depending on applicable regulations. Therefore, banks often prefer maritime bills of lading over non-negotiable transport documents.

Alison Wixley
Senior Claims Executive,
London



What is the current status of this project?

The project was assigned to UNCITRAL Working Group VI in 2022. Since then, four Working Group sessions have taken place in Vienna and New York. Representatives of the TT Club have been involved in this global law-making process since 2023, and the TT Club was officially accredited as an observer in early 2024 to advise Working Group VI on matters relating to the marine liability insurance industry.

What are some key issues that have been raised by the TT Club?

The TT Club has highlighted several key issues, including the additional risks for a transport operator who issues a negotiable cargo document and how to mitigate these risks. They are also concerned about the impact this may have on the operator's liability insurance cover. Another important issue is the intended interaction of this convention with the liability regimes under existing transport conventions and how to deal with any conflicts that may arise.

Finally, what are the next steps for this project?

The next session of Working Group VI will take place in March 2025. TT Club will be reviewing the latest draft of the proposed instrument, which is an international convention, in light of the issues raised and providing comments if necessary. It is hoped that it will be ready to present to UNCITRAL for adoption in late 2025.

For more information:



Contractual risk management



Contractual risk management refers to the steps you take to protect your business when entering into contracts with your customers or subcontractors. You achieve this by negotiating contracts that are fair, reasonable and which describe clearly the duties, responsibilities and liabilities of each party. This year, TT published its “Risk Bytes: Contractual risk management” document to ensure that Members have certainty should something go wrong, when cargo is lost or damaged, for example.

In promoting this document, we have reached out to colleagues across TT’s global offices to understand which contractual challenges are greatest for TT Club Members.



Henry Steindl, Sydney

The overarching theme we continue to see is our members' need to balance commerciality and risk. We understand that our members need to be able to do business with their customers, but they also need to be aware of the risks that they are taking on so that they can be managed.

The keys to this are understanding what services are being provided and where the member is sitting in the contractual chain. From here we can understand what laws or conventions might apply versus where liability provisions can be freely negotiated, what sort of protections and limitations are available to the member, and which risks are best avoided.

We continue to assist our members in managing these contractual liability exposures by running contractual management workshops and building contractual management into their procurement processes. This might involve developing checklists and tracking sheets; assigning contractual review responsibility to certain individuals within the business; and based on our claims data, providing insights into the risks the member might be signing up to.

Members that have robust contractual management processes in place inevitably have better claims histories and this helps manage their insurance premium spend.

For our members operating in Australia, the recent changes to Unfair Contract Terms law have presented a unique challenge in terms of managing contractual liabilities for small business customers and suppliers. The local industry is still adapting to these changes and TT Club has worked with its members, insurance brokers, and industry bodies to develop a pack, including updated Model Standard Trading Conditions, to address these changes.



John Thompson, Sydney

Contractual risk management is essential to mitigating liability in the event of a claim. Finding the right balance between commerciality and protecting Members' business interests is critical, particularly in Australia with new Unfair Contract Terms Law giving Courts powers to strike out “unfair” terms in small business contracts, potentially exposing Members to unlimited liability.



Abdul Fahl, Dubai

Incorporation of STCs is a subject which regularly comes up in our conversation with members and brokers. Whilst UAE Courts consider express agreement (e.g. signing the STCs) the adequate method of incorporation but also referencing the STCs in an email or on the front of an agreement is considered sufficient provided the operator's customer had adequate notice of the relevant STCs before, or at the time the contract was made. We recommend that members ensure that the relevant STCs are emailed/sent together with or at the time of the quotation or proposal.

Incorporation of STCs is a key tool to protect an operator's business; if there is any doubt that they have been incorporated, the Courts are likely to give the operator's customer the benefit of the doubt and rule against the operator.



Kate Andrews

From an underwriter's perspective the contracts that our Members enter into are fundamental to our understanding of the risk the member is exposed to. Alongside the expected contractual standards of time bar, force majeure, law and jurisdiction, etc, we are focused on relevance, clarity, limitation, link to negligence and no unnecessary extensions. We consistently see contracts that do not fit these criteria and these can quickly become problematic depending on how contracts are drafted and when we are involved in the process. This can range from “master contracts” which are not fit for purpose being non-relevant for the service provided (and sometimes even designed for a completely different function such as procurement) to extensions in the contract which are beyond the scope of the terms of insurance. Of course, we will always look to assist our members to find solutions where it is feasible but in my view it is equally as important for members to understand when their contracts are exposing their business to a very real financial risk because they are entering into agreements where they accept liability outside of their insurance.

It is not our role to tell any of our members what contracts they can or cannot enter into but I cannot stress enough the value of contracts and contract review to protect all parties both financially and reputationally; taking on risk should always be an informed decision that needs to be backed up by a well drafted contract.

“Taking on risk should always be an informed decision that needs to be backed up by a well drafted contract.”

For more information:



TT Talk: Safe mooring – focusing on bollards



Neil Dalus
EMEA Risk Assessment Manager,
Newcastle, UK

While the container sector has experienced increase in ship size of some 1,500% over the last 50 years, there have also been significant increases for other ship types, including cruise and car carriers. Regardless of future trends, the risk elements for port operations are writ large. Combining this with changing weather patterns around the globe, safety for navigation and mooring in ports are dynamic issues. With over 20 years' experience in engineering, a decade of which he spent in the port industry, EMEA Risk Assessment Manager, Neil Dalus, draws on this vast experience to look at how ports can ensure mooring practices remain safe as ship sizes continue to increase.

Mooring is essentially the procedure for securing or making fast a ship with a fixed (or floating) object so that the ship is safely confined in a particular location, most commonly to allow for the transfer of people or cargo.

Successful and safe mooring requires a high degree of communication between the ship and landside operatives, all suitably trained, experienced and provided with the correct equipment for the operation. These teams need to have a clear understanding of not only their own role, but also the roles of their counterparts.

Although the responsibility of the coordination of the mooring lies with the ship's Master, there are other key stakeholders:

- Harbour Master
- Pilot
- Port Authority

The mooring components required for a connection between the berth and ship are:

Bollard	<ul style="list-style-type: none"> • Designed to provide tension between the ship and the berth so that the ship can be held in place by the mooring lines • Provides a structural connection (transfer of loads) between the berth and the ship
Fender	<ul style="list-style-type: none"> • Provides a safe connection between the ship and the berth that protects both berth and ship from damage • Designed to transfer the berthing energy/loads from the mooring ship into the berthing structure
Mooring line/rope	<ul style="list-style-type: none"> • Mooring ropes typically provided by the ship provide the connection between the ship and the mooring bollard

“ Successful and safe mooring requires a high degree of communication between the ship and landside operatives. ”

Potential risks

Mooring bollards are in common use and face the following risks that could result in their in-service failure:

1. Overload resulting from higher than anticipated loads due to larger ships or more extreme weather conditions in the form of high winds or wave conditions;
2. Condition deterioration resulting in a lower load capacity from environmental degradation or damage to the bollard from impact or overload; and
3. Poor or incorrect installation of the bollard during the original installation resulting from the incorrect torquing of the bolts or poor bedding of the bollard to evenly transfer the loads into the berth.

Considering bollards

Design

Bollard spacing is typically between 5m and 30m. The load capacity is dependent on the size of ship and design parameters of the given berth. The table below sets out typical spacing and load capacity¹. It can be seen that the size of the ship has a significant impact on the required capacity of the bollards and the layout on the berth.

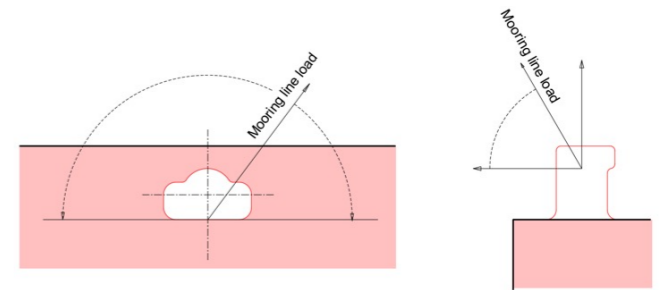
Ship size (displacement in tonnes)	Bollard load	Bollard spacing approx. (m)
2,000	10.2	10
5,000	20.4	15
10,000	30.6	20
20,000	51.0	20
30,000	61.2	25
50,000	81.6	25
100,000	102.0	30
200,000	153.0	30
>200,000	203.9	35

Loads

The design of bollards assumes that the mooring line will act in any direction within 180° around the bollard facing the ship and between horizontal and 60° upwards towards the ship as shown below.

Asset management

Bollards are necessarily situated in one of the most exposed parts of the port facility, dealing with often harsh environmental conditions and susceptible to impact damage from quayside operations. Consequently, bollards should be included within a robust inspection and maintenance regime to ensure:



1. The bollards remain in serviceable condition; and
2. Any incidents (impact or overload) are subject to inspection and verification before being put back into service.

The management of a port's bollards requires an understanding of both the designed loads and the calculated loads from the ships that will be berthed alongside, ensuring that bollards will not be loaded beyond their Safe Working Load. This requires ongoing review as the size and type of ships accepted by ports change.

Potential pitfall

Mooring bollards are not a "fit and forget" asset. They can be subjected to challenging environmental conditions and increased loading from larger ships during the typically long service life of a berth and its mooring bollards.

Importantly, mooring bollard incidents happen. It is not difficult to see how these assets can get overlooked when managing the numerous and diverse range of assets used within ports and terminals. However, overlooking their deliberate management has the potential to cause significant damage and cost, and even death considering the loads that mooring bollards are subjected to.

Top 3 takeaways

1. Bollards are an often under-considered part of the port infrastructure, providing the connection between the ships and the berth. However, when these assets fail in service (under load) the consequences can prove serious due to the release of significant amounts of energy.
2. As with any key asset, especially with the forces involved with keeping a ship secured to the berth, effective asset management is vitally important. This should include in-service inspection, maintenance and prevention of overload.
3. Post incident, whether it be impact damage or suspected overload, bollards should be inspected by suitably qualified and experienced engineers before further use. You need to be confident that any bollard remains capable of safely accepting the loads expected from berthing ships.

For more information:



Comment from Neil Dalus

“ The mooring of vessel requires careful coordination from multiple stakeholders from both the ship and shore side. This multi-stakeholder approach was exactly what was needed when developing a seminar focused on improving safety when mooring vessels. Bringing together fantastic speakers representing Harbour Masters, Master Mariners, Port Operations and Mooring Equipment Suppliers all with the common focus of improving safety in mooring operation provided an insightful day of discussion. ”

Innovation



Mike Yarwood
Managing Director,
Loss Prevention,
London

Throughout 2024, TT Club has once again been at the forefront of promoting innovation in safety within the global transport and logistics industry. TT Club has actively collaborated with industry partners to share best practices and foster a culture of continuous improvement in safety. These efforts underscore TT Club's unwavering commitment to making the global supply chain safer and more resilient. Here, Mike Yarwood, Managing Director Loss Prevention, looks back at a year in safety innovation.

TT Club Innovation in Safety Award

Alongside ICHCA, TT Club hosted the Innovation in Safety Award for the sixth year, attracting 28 outstanding entries, which showcased innovative solutions, from advanced safety technologies to novel operational practices.

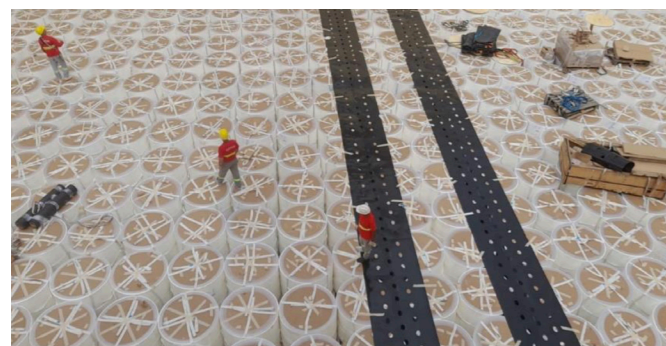
The winner of the 2024 award was the partnership between Cross Currents 88 and G2 Ocean AS for their "Spyder Netting" innovation, a thin layer of plastic film designed to prevent falls from height during cargo operations. This innovative solution has already proven life-saving in real-world applications, which ensured top marks from the judging panel.

The two highly commended entries were from Royal HaskoningDHV and Trendsetter Vulcan Offshore. Royal HaskoningDHV was recognised for their advanced mooring safety technology, while Trendsetter Vulcan Offshore was commended for their innovative approach to improving the safety and stability of containers on board ships.

The judges are already reviewing the entries for the 2025 Award, and we look forward to announcing the winners at the ceremony on 26 February 2025 with the support of TOC Events.



Left to right: Richard Steele (ICHCA International), David Robinson MBE, Jan Andreassen (G2 Ocean), Thomas Keenan (Cross Currents 88), Mike Yarwood (TT Club)

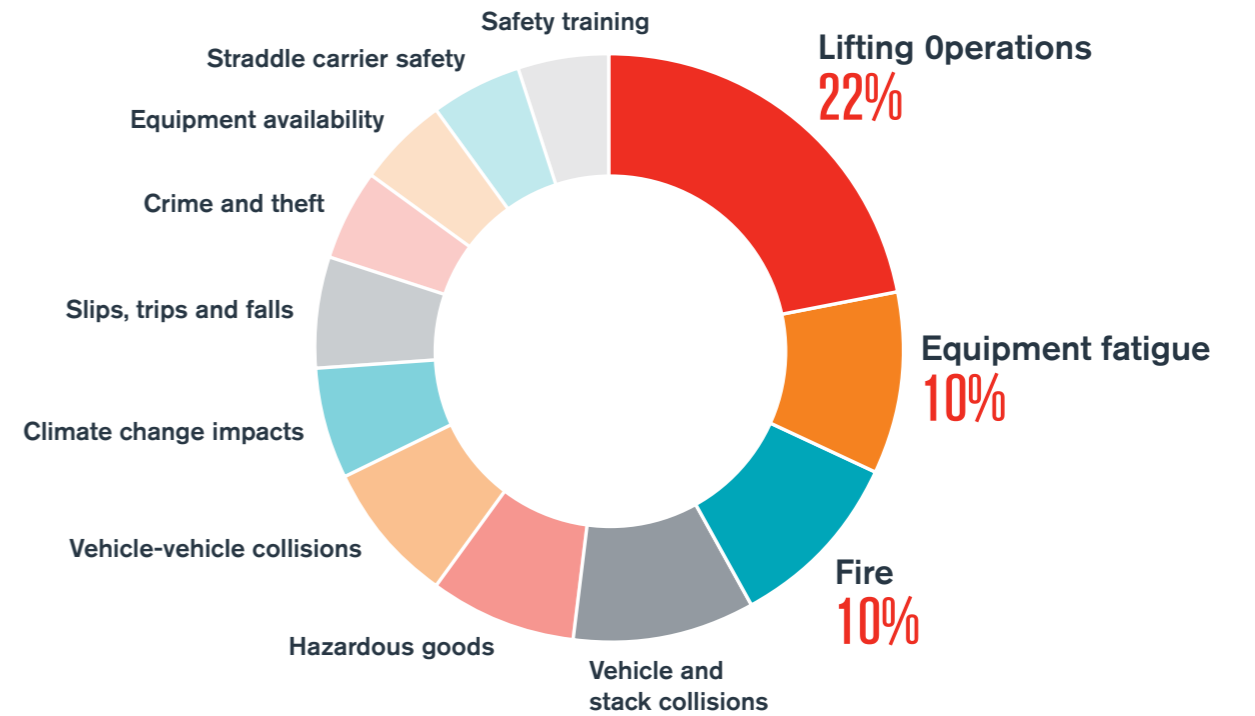


TOC Safety Village

TT Club once again collaborated with ICHCA International and TOC to host the third TOC Safety Village at TOC Europe in Rotterdam. Ahead of the exhibition we ran a survey to understand the key safety concerns for the port and terminal industry. The top three concerns were:

- Lifting operations safety (crane and lift equipment)
- Equipment service life/fatigue
- Fires

This year's event featured an expanded stage for panels and workshops, a larger networking area, and dedicated exhibition pods for companies to showcase their latest safety devices, processes, and products. The content programme consisted of an impressive line-up of expert panellists, first discussing how to integrate safety into the business strategy, and then looking at how to benchmark safety. Day two of the conference was "demo day" with demonstrations of solutions that targeted the top safety concerns raised in the pre-event survey. Mi-Jack Europe led a session on lifting operations safety, Dafo Vehicle Fire Protection led a session on fire risk mitigation, and Villari led a session on equipment service life and maintenance.

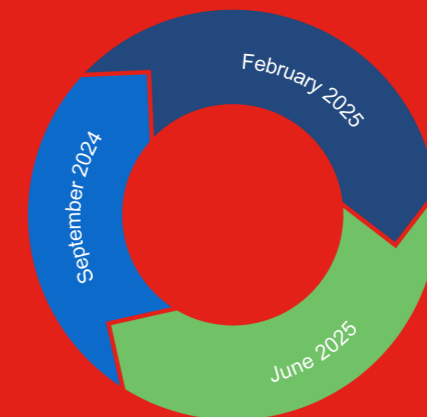


Creating the cycle

Innovation in safety never stops. At TT Club, we recognise that innovation is a constant process of improvement and development, so we have pledged to create a cycle that encourages and celebrates safety innovation continuously throughout the year.

September 2024

Every year in September, ICHCA's TT Club Innovation in Safety Award opens for entries. The award seeks to celebrate anyone that can show that a product, process or other innovation has resulted in a demonstrable improvement to safety in the global supply chain. Entries closed in November 2023.



26 February 2025

In February, the winner is announced at an awards ceremony in London. Innovators, operators and industry experts gather to discuss key industry concerns and hear from the outstanding entrants.

17-19 June 2025

In June 2025, the Safety Village returns to TOC Europe to demonstrate the best of safety innovation with a jam-packed schedule of risk management presentations.

There are opportunities to get involved in promoting safety innovation all year round, get in touch if you have an idea or want to find out more!



For more information:



Five minutes with Kerime Huseyin: Red Sea attacks

Kerime joined TT Club as Senior Claims Executive in March 2020. She first studied law before starting work as a claims handler and has since built up more than 10 years' experience working in transport and logistics claims management. Kerime took time this year to speak to us about the worrying developments in the Middle East this year, and what this might mean for ships that choose or are forced to avoid transiting the Red Sea and take a long diversion around the Cape of Good Hope.

Kerime Huseyin
Senior Claims Executive,
London



Kerime, please can you give us a brief explanation of what has been happening in the Red Sea?

Throughout the year there have been attacks with drones and missiles on vessels which are taking the Red Sea route. The Red Sea route is one of the main routes which connects Asia, the Middle East and Europe. It is also the shortest route. These attacks began shortly after the Hamas' attack on Israel, in October 2023. Houthi militants are said to be targeting any ship operated by Western shipping lines. Attacks have been carried out against major shipping lines and military vessels which are not directly linked to the conflict.

So, with increasing risks associated with the transit through the Red Sea, what is the alternative?

As a result of the attacks, most shipping lines ("Carriers") are now taking the alternative route via The Cape of Good Hope. This route adds on 3500 nautical miles to the journey extending the average shipping time by around 10 days in comparison to sailing through the Red Sea and Suez Canal.

“
Deviations and the resulting liabilities are a complex issue which needs to be considered on a case by case basis as per contract.
”

What should Freight Forwarders & Carriers consider when deciding the best route to take?

The most important first thing to consider is due diligence – that is consider your customer, the carrier, the cargo, and the routes. I would suggest looking at each of the following factors:

- 1. Geographical location of consignees:** Will these shipments typically be shipped via the Red Sea?
- 2. Voyage Route:** Does the Freight Forwarder know prior to booking a carriage whether the intended route will be via The Cape of Good Hope rather than the Red Sea?
- 3. Type of Shipment:** Is the cargo shipped in containers, as bulk, or is it project cargo? This will be relevant in respect of the type of bill of lading the carrier issues.
- 4. Type of Cargo:** Time sensitive shipments. (e.g. fruit, temperature sensitive) or not? In case of deviation via the Cape, is your customer's cargo likely to suffer a loss due to delay?
- 5. Domicile of Carrier:** This will help determine if the shipping line is at risk of being attacked. However, whilst the attacks were said to have targeted ships linked to Israel, recent attacks have targeted Western operators with no obvious link to the conflict. It can therefore be assumed that any such ship traveling through the Red Sea route is at risk.
- 6. Contractual terms of the Carrier:** Is the freight forwarder's contract with the carrier on standard liner (B/L) terms, or has a charterparty been concluded? It is likely that either the Hague or Hague-Visby Rules are incorporated into both above

Second, but as important, freight forwarders and carriers must consider their potential liabilities for delay, loss or damage of cargo.

The freight forwarder's contractual liability depends on the terms incorporated into the contract with their customer. It is also important for Members to contract on back-to-back terms with their subcontractor to benefit from the same rights and defences as the performing carrier.

How can freight forwarders determine their liability?

The freight forwarder's contractual liability depends on the terms incorporated into the contract with their customer.

1. Hague/Hague-Visby Rules
2. Case Law
3. BIFA standard trading conditions

It is also important to consider the recent developments in case law.

Hague/Hague-Visby Rules

If the freight forwarder/NVOCC has issued a House Bill of Lading and has contracted back-to-back, they will be able to rely on the defences available to the Carrier. A freight forwarder/NVOCC should endeavour to contract with the Carrier on the same terms as

those that apply between themselves and their customer to ensure "back-to-back" liability.

Article 4, rule 4 of the Hague/Hague-Visby Rules allows the carrier to make a deviation from the agreed route to save life or property at sea or any reasonable deviation. The Red Sea situation may be deemed a "reasonable" deviation, therefore, the Carrier may be able to relieve himself from liability to loss or damage resulting therefrom.

Case Law

Where a charterparty is involved, whether there is a valid deviation defence is dependent on whether the Owner has incorporated the Hague/Hague-Visby rules into the charterparty or not. If not, the right to deviate should be expressed in the charterparty, otherwise it may only be implied where deviation is necessary to avoid danger. *Stag Line Ltd v Foscolo, Mango & Company Ltd*

It is important to note that according to the recent case of *The Polar [2024]*, where the underlying contract of carriage contained an agreement to proceed via the Red Sea, the shipowner is not permitted to simply deviate and proceed around the Cape of Good Hope in order to avoid war risks unless there has been a material change in circumstances after the contract was signed.

British Freight Forwarders Associations Standard Trading Conditions ("BIFA")

Where a House Bill of Lading has not been issued by a freight forwarder, but the freight forwarder is trading under BIFA terms, which under clauses 5 & 6 permit to sub-contract, the freight forwarder may rely on the following clause 25 which states:

'Except under special arrangements previously made in writing by an officer of the Company so authorised, the Company accepts no responsibility with regard to any failure to adhere to agreed departure or arrival dates of Goods.'

The position then is that no liability is accepted for delay in the agreed departure / arrival date of the cargo. Therefore, freight forwarders may have a defence to any liabilities which result as a delay arising from Red Sea attacks.

Clause 26(c) excludes claims arising from delay and deviation, however caused, while clause 24 also relieves the Member of liability

for loss or damage which it is unable to avoid and prevent by the exercise of due diligence.

What about the force majeure clause, frustration and applicability, can the contract be terminated?

Since the beginning of these attacks, Carriers have been seeking to rely on force majeure clauses and/or on the doctrine of frustration.

A force majeure clause incorporated into a contract typically excuses one or both parties from performance of the contract in some way following the occurrence of certain stipulated events provided for in the clause. Its underlying principle is that on the occurrence of the stipulated events, which are outside a party's control, that party is excused from, or entitled to suspend performance of all or part of its obligations.

In the absence of an express force majeure clause which covers the relevant event under which a Carrier wishes to terminate the carriage, the doctrine of frustration may apply. Frustration can apply where a serious event occurs after the formation of a contract which is both unexpected and beyond the control of the parties, which renders it physically or commercially impossible to fulfil the contract, or transforms the obligation to perform into a radically different obligation from that undertaken at the moment of entry into the contract. The act of deviating around the Cape of Good Hope in itself is not seen as an event so burdensome that it would frustrate the contract, it needs to be evidenced that the voyage has been substantially affected.

Finally, it goes without saying that if prior to concluding a contract of carriage it is known that a ship will go via The Cape of Good Hope, then it will not be deemed a deviation and 2.a – c above will not apply.

Thanks Kerime, if you had to sum up this guidance briefly, what would you draw out as the key points?

- Deviations and the resulting liabilities are a complex issue which needs to be considered on a case by case basis as per contract.
- Freight forwarders seeking to rely on a force majeure clause, frustration or BIFA terms must seek legal advice.
- Back-to-back contracting with the Carrier is recommended.



Five minutes with Noreen Arralde: Nuclear verdicts

Noreen is a Senior Claims Director for the TT Club, based in New Jersey. She worked at Thomas Miller from 2012 until 2018 and returned in January 2021 after two years at an IG Club. Prior to joining this, Noreen was a partner at a New York maritime defence firm. Noreen and her team have noticed the worrying trend of “nuclear verdicts” in US bodily injury cases and she caught up with us to tell us more about the trend and how best to combat them.

Noreen Arralde
Senior Claims Director,
New Jersey



Noreen, we're discussing the phenomenon of 'nuclear verdicts' in US litigation. To start, can you explain what a nuclear verdict is?

Certainly. A nuclear verdict generally refers to a jury verdict exceeding USD 10 million, or one where non-economic damages are disproportionately high compared to economic damages. It can also refer to a verdict of less than USD 10 million but still significantly higher than expected for the type of case.

What impact do these nuclear verdicts have on litigation?

Apart from the economic impact, litigation can become unduly prolonged as plaintiffs hold out for bigger settlements. This often leads to an extensive cycle of appeals, which as we know means the time and cost of countering them can be a real headache.

What does recent data tell us about nuclear verdicts?

Statistics show that non-economic damages, primarily for pain and suffering, are the largest component of nuclear verdicts. Between 2010 and 2019, non-economic damages in nuclear verdicts often exceeded the total economic and punitive damages combined. A study by the US Chamber of Commerce Institute for Legal Reform found that nuclear verdicts are increasing in both amount and frequency. The study analyzed over 1,300 nuclear verdicts and found that almost 50% of the awards were between USD 10 million and USD 20 million, with 33% between USD 20 million and USD 50 million. The remainder, exceeding USD 50 million, included 101 'mega' verdicts over USD 100 million. Six states – California, Florida, Illinois, New York, Pennsylvania, and Texas – accounted for 63% of these verdicts.

What factors do you think have contributed to the rise of nuclear verdicts?

There are several factors contributing to this trend.

Reptile Theory: This tactic focuses on safety and security, encouraging jurors to put themselves in the plaintiff's situation. It engages the most primal part of the brain to suggest that if a defendant's conduct is not punished, then the community at large may be in danger.

Anchoring and Adjustment: This technique presents a mental shortcut that influences the way jurors assess numerical estimates by allowing them to make a decision or solve a problem quickly with minimal mental effort. Anchoring bias refers to the tendency to rely too heavily on early information that is offered ('the anchor') when making decisions. Plaintiffs' attorneys use anchoring to propose massive awards or present arbitrary formulas to justify massive figures for pain and suffering, which are hard for jurors to quantify.

Priming and Recency: This is the practice of repeating something often enough to get jurors so used to it so that they accept it. Repetition of massive numbers is commonplace.

Large Number Bias: People generally do not understand large numbers. The psychological principle known as 'scalar variability' states that the ability to comprehend numbers decreases as the number increases. Also, asking jurors for large numbers makes them feel that they are deciding a big, important case.

Third-Party Litigation Funding: Litigation funding has become a multibillion dollar industry. Plaintiffs and their attorneys contract with third-party investors, who help fund litigation in exchange for a share of the verdict. Third-party funding may result in riskier and more speculative lawsuits being filed. Litigation funding companies have been accused of wrongfully taking control of litigation by blocking plaintiffs from accepting a settlement.

Attorney Advertising and Media: Publicity and advertising of nuclear verdicts desensitises jurors to the astronomical amounts requested at trial, leading jurors to believe that massive awards are normal and legally sound. Less attention is given to whether such awards are subsequently reduced or overturned. Further, media tend to focus on bad actions by a few corporations, creating a perception that corporations overall are bad.

So, what steps are being taken to counter nuclear verdicts?

The defense bar is adopting several strategies to combat these verdicts. Firstly, legislation is considered to cap non-economic damages, prevent misleading attorney advertising and make third-party litigation funding more transparent.

Then there are settlement considerations to assess case prospects carefully and avoid prolonged litigation.

It can also be effective to suggest alternative damage valuations early in the case, reminding jurors that they are not bound by the plaintiff's numbers. It may be effective to expose the plaintiff attorney tactic of 'anchoring' and propose a counter-anchor.

It is also important to be aware of and counter the strategies mentioned previously. Seek to strike jurors who seem susceptible to the Reptile Theory, have an anti-corporation bias, or are interested in enacting social change. Offer a jury instruction advising that an award cannot be based on fear, anger or emotion, and cannot be used to punish a defendant or 'send a message'. Remind jurors to decide the case according to the law and the facts, and that state damages are not to be based on sympathy or prejudice.

Finally, and most importantly, be proactive and act quickly after an incident to gather helpful information.

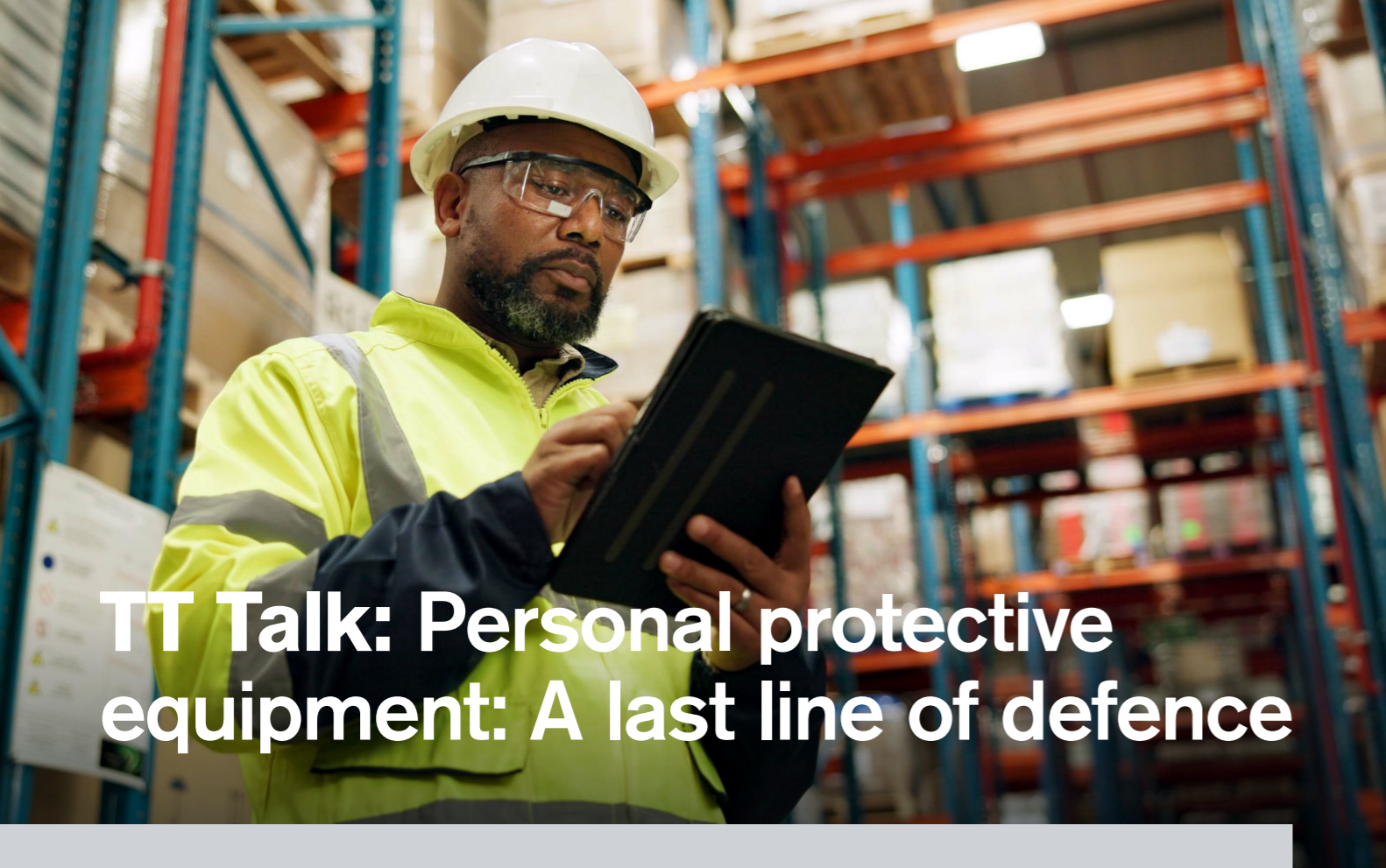
Thanks Noreen, for these insights. What are the key steps businesses should to be ensure they proactively combat these sorts of cases?

The best strategies for countering adverse verdicts begin before an incident happens. Building evidence around enhancing safety protocols, efforts to comply with safety regulations, and reliable record-keeping are vital to presenting the best case.

After an incident occurs, act quickly to investigate and gather information that may help at trial. Once in litigation, get ahead of any negative image by utilising experts to depict the company in the best possible light and managing perceptions of the company's operations and culture.

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TT Talk: Personal protective equipment: A last line of defence



Josh Finch
Logistics Risk
Manager, London

As supply chain operations seek to control risk, managers often turn to personal protective equipment (PPE) as a control measure to reduce the risk of personal injury to operational workers. Additionally, many national regulators and health and safety authorities require employers to control exposure to workplace hazards by providing workers with PPE, often free of charge. It is important that employers understand when it is appropriate to require PPE in the workplace and how to choose the correct PPE for the operation. In this article, Josh Finch provides a brief exploration of the use of PPE as a risk control measure.

Risk assessment

The first step to implementing PPE as a risk control measure is to complete risk assessments analysing the risks involved in the operation. It can be helpful to complete task-based risk assessments focused on each operational task. Where the risk assessment methodology indicates that the level of risk is unacceptable, then it is necessary to implement control measures to lower the risk to an acceptable level. It should be noted that physical controls that prevent workers from coming into contact with a hazard are preferable to controlling risk by adopting the use of PPE. For example, preventing workers from coming into contact with heavy machinery is a more effective control measure than requiring workers to wear boots with protected toes. PPE is a final line of defence when other control measures have failed or where implementing physical control measures is not practicable. Where best industry practice dictates that a physical control measure is practicable then PPE alone is not a sufficient control measure.

Risk assessments should identify what hazards exist and anticipate how injuries might occur or how health might be impacted. Hazards could include exposure to extreme temperatures, chemicals or electricity, in addition to moving or sharp objects. Additionally, dust, radiation and noise are all hazards that might require PPE to control risk of injury or ill health.

“
While PPE serves as a crucial last line of defence in mitigating workplace hazards, it should not be the sole reliance for ensuring worker safety.”

Selection of PPE

Once a risk assessment determines that a PPE control measure is necessary, it is important to choose PPE that is appropriate for the hazard. Many jurisdictions require that employers supply PPE that meets a certain standard. It is important to choose PPE that fits well and, where multiple items of PPE are worn together, that they do not impede one another. For example, where safety goggles and hard-hats are worn at the same time, it is important that each fits well. Additionally, PPE that is excessively uncomfortable or is not the correct size will discourage workers from wearing it.

Selection of PPE should take account of the hazards faced by workers as they carry out tasks. Not all PPE suitably protects against all hazards. For example, safety gloves are used to protect against many different hazards, such as cuts from sharp or jagged edges, temperature extremes and exposure to chemicals. Most safety gloves are designed to protect workers from specific hazards and the choice of safety gloves is very important. Safety gloves are often designed to protect workers from certain specific chemicals and may be ineffective against contact with other chemicals. Sometimes a safety feature that protects from one hazard may increase the risk of injury from a different hazard. For example, workers who are exposed to electrical hazards should wear non-conductive footwear. However, workers exposed to explosive atmospheres are advised to wear conductive footwear to prevent a build-up of static electricity. Researching what PPE is appropriate for a particular operational environment is an important step towards ensuring the safety of workers.

Training and maintenance

Following selection of appropriate PPE, it is important to ensure that workers are trained in its use. Many operations are highly complex, and it should not be assumed that workers understand why the use of PPE is important or how to wear items of PPE correctly to guard against operational hazards. It is equally important to ensure that workers understand the limitations of PPE. PPE is not a redundant operational control measure and workers should not bypass or circumvent other control measures while wearing it. Many jurisdictions require employers to evidence that workers have been issued with required PPE and that they have been trained in its use. Even where this is not a legal requirement, a failure to keep adequate records of PPE issuance and training may lead to complications when defending against claims in court arising from workplace injuries.

Training should also cover proper care and maintenance of PPE. It is reasonable to expect workers to maintain PPE to a standard by, for example, ensuring that the equipment is clean and functional.



A failure to keep adequate records of PPE issuance and training may lead to complications when defending against claims in court arising from workplace injuries.”

However, it is important to communicate the standard to workers and this should form part of the training. It is also reasonable to expect workers to request replacement PPE when equipment is no longer in fit condition. However, it is advisable that employers maintain some control over replacement by defining a reasonable PPE useful life, keeping records of PPE issuance and performing periodic PPE inspections. Additionally, some types of PPE should be replaced after an incident even when there is no apparent damage to the equipment. For example, a hardhat that has sustained a blow should not remain in use even if there is no visible damage.

Summary

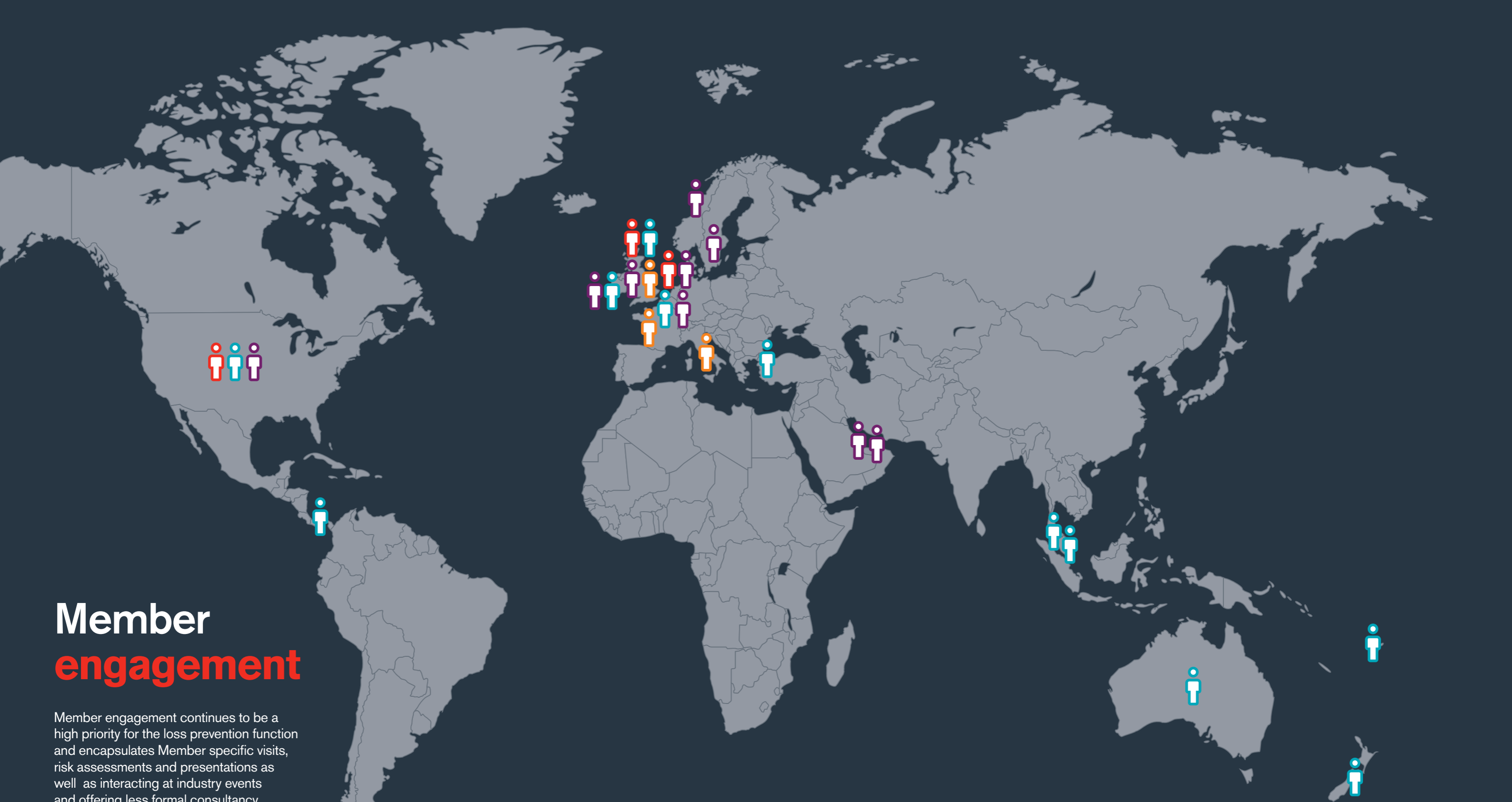
In conclusion, while PPE serves as a crucial last line of defence in mitigating workplace hazards, it should not be the sole reliance for ensuring worker safety. Effective risk management begins with thorough risk assessments and the implementation of physical control measures wherever feasible. When PPE is necessary, selecting the appropriate equipment and ensuring proper training and maintenance are essential to its effectiveness. Employers must recognize the limitations of PPE and strive to create a comprehensive safety culture that prioritizes proactive hazard control measures alongside the use of PPE. By doing so, they can better protect their workforce and comply with regulatory requirements, ultimately fostering a safer and more productive work environment.

For more information:



Comment from Josh Finch – Logistics Risk Manager, London

“ The use of PPE across the supply chain is nearly universal. Every operation I have ever managed has used PPE to help manage the risk of injury to workers. I have participated in many risk assessment working groups where PPE is the first control measure tabled for nearly every risk identified. While a focus on risk management is to be commended and encouraged, an overreliance on PPE as a control measure unfortunately demonstrates a limited understanding of the hierarchy of risk controls. By the time a worker is close enough to a hazard for PPE to prove useful, the risk to the worker is already very high. Additionally, I have often seen failings in the way the PPE is used. Often, limited sizes and styles of PPE are available which may fit some workers poorly. Procurement of PPE that fits women correctly is rare. Workers are often not trained in the use of PPE and records of PPE issuance are sometimes spotty. However, records of issuance and comprehensive training are very valuable following an incident when the regulator or the courts ask for evidence of the measures taken to control risk. By the time an incident occurs, it is already too late.”



Member engagement

Member engagement continues to be a high priority for the loss prevention function and encapsulates Member specific visits, risk assessments and presentations as well as interacting at industry events and offering less formal consultancy style guidance against a range of topics globally. Here we take a visual look at some of the Member engagements that took place throughout 2024.

Lithium-ion batteries – Emergency response

Members continue to recognise the need to consider risks that could emanate from a ship side fire involving lithium-ion batteries, particularly electric vehicles. These risks have been considered predominantly in the United States and Europe, however we have seen EV infrastructure developing rapidly in Asia and Oceania.

Port and terminal risks

Insuring over 65% of the top 100 ports and terminals globally, operational port risks are a constant area of focus for the loss prevention function. Risks range from cargo handling, training, slips, trips and falls through to maintenance and repair of cargo handling equipment.

Climate risk

Climate risk (correctly) often features in Member engagements. There is no doubt that the climate is changing and this manifests in myriad risk exposures for the Membership across all Member types. For ports and terminals it might be higher water levels, storm surge, increased frequency and intensity of windstorms, for their inland counterparts, periods of severe drought and for logistics operators flooding, wildfires and managing everything in between.

Logistics operator risks

Logistics operational risks vary widely by operator, specialism and geography. The loss prevention function were able to engage with Members on a variety of key topics amongst which were cargo theft, supply chain security and the management of temperature controlled cargoes.

Five minutes with Henry Steindl

Henry Steindl is a Senior Underwriter based in TT Club's Sydney office. He obtained a Bachelor of Commerce from the University of Sydney majoring in Accounting having studied Chemistry, Engineering and Agricultural Economics before joining a large commercial insurer in Sydney as a graduate trainee in 2015. Here, we discuss with Henry recent changes to Australian unfair contract terms laws and their impact on the sector.

Henry Steindl
Senior Underwriter,
Sydney



Henry, could you start by outlining the recent changes to the Australian unfair contract terms (UCT) laws?

The amendments to the UCT legislation, which came into effect in November 2023, have significantly broadened the definition of a 'small business.' Previously, it covered businesses with up to 20 employees, but now it includes those with up to 100 employees or a turnover of up to AUD 10 million. This change has increased the number of freight customers covered by the UCT rules and introduced substantial fines for breaches, up to AUD 50 million per violation.

How have these changes affected the standard terms and conditions (STCs) used by freight businesses in Australia?

Many freight businesses have revised their STCs to comply with the new rules, but there's still a lot of uncertainty. Some have adopted a wait-and-see approach, while others have implemented new STCs that include provisions like negligence-based liability and limitations of liability for lost or damaged goods. However, these new terms have yet to be fully tested in court, particularly regarding contractual limits on liability.

“
These new terms have yet to be fully tested in court, particularly regarding contractual limits on liability.”

What are the main challenges that transport and logistics operators face under the new UCT regime?

One of the biggest challenges is managing liability in contracts. The lack of clear guidance from regulators means that operators must navigate these changes carefully. They need to ensure that their contracts do not include unfair terms, which could lead to significant fines and increased liability. Equally, operators need to ensure that they're protecting themselves by maintaining many of the contractual protections we're accustomed to seeing in the industry such as limitations of liability and time bars.

Can you elaborate on the legal defenses available to freight businesses under the new UCT laws?

Freight businesses must demonstrate that any exclusion or limitation of liability is reasonably necessary to protect their legitimate business interests. This involves showing that their terms are essential for maintaining competitive freight rates and that customers typically insure their goods. Transparency is also crucial; terms that benefit one party should be clearly communicated to customers.

How has TT Club responded to these changes to support its Members?

We have developed new model STCs, which include weight-based limitations specifically increased for small business customers. We also provide an AUD 200,000 limitation as a fallback. Additionally, we've created supporting materials such as FAQs, incorporation guidance, and notices for both customers and members to help them navigate these changes.

What advice would you give to transport and logistics operators in Australia to mitigate the risks associated with the new UCT laws?

My primary advice is to ensure that they properly incorporate standard terms and conditions that include terms that necessary to protect their businesses. TT Club's updated UCT pack includes terms that specify a liability cap, seek indemnities from subcontractors and supply chain partners, and have sufficient insurance to cover the liability limits offered. It's also vital to stay in close communication with their insurers to ensure that any changes in their STCs do not negatively impact their coverage.

Latest documents

TT Club's commitment to producing practical guidance for the transport and logistics industry is unwavering, and 2024 has been no different. We issued 16 new or updated documents in 2024, but below are the highlights.

Insider threat

Criminals acting in the supply chain target all stakeholders and modes of transport to conduct illicit activity, including theft and trafficking of contraband goods. All employees, full time, part time and contract, are useful to criminal organisations as they seek to penetrate the defences against illicit activity. Find the key steps to mitigate this threat.

Conventions

This document provides comprehensive guidance on various international conventions governing the carriage of goods by sea, inland waterway, road, rail, and air. It covers the basics of cargo claims, the liability of transport operators, and the recourse against subcontractors. The handbook includes detailed sections on the Hague Rules, Hague-Visby Rules, Hamburg Rules, Budapest Convention, CMR, CIM, and the Montreal Convention, among others. It also addresses multimodal transport and the application of different conventions to combined carriage. The handbook emphasises the importance of understanding the legal complexities involved in international transport and provides practical advice for handling claims and disputes. Notably, there has been a recent change in the limitation of liability under the Montreal Convention, which will increase the limit to 26 SDR per kilogramme, effective from 28 December 2024.

Italy report

TT Club, BSI and TAPA EMEA have identified Italy as an area of concern for cargo theft and related freight crime. The increased frequency of incidence is highlighted in the data collated by all three organisations covering the five years to date. This joint industry report is intended to raise awareness of the current elevated threat, providing insight from all three organisations, with the aspiration of empowering freight and logistics operators with valuable information from which risk mitigation strategies can be developed.

Flexitanks

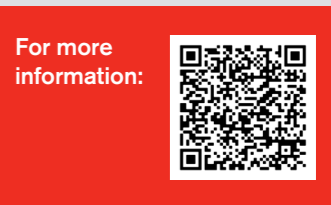
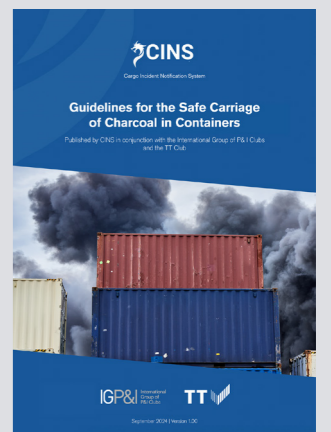
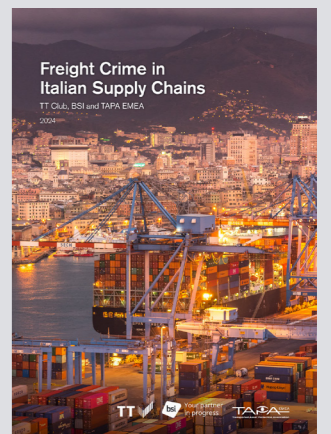
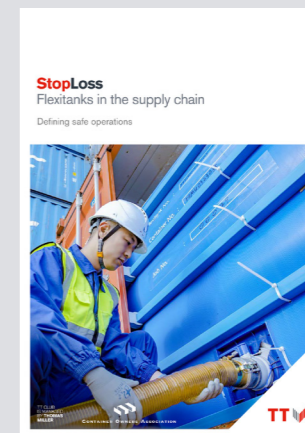
This StopLoss seeks to identify the applicable risks, highlight good practice and provide practical risk mitigation guidance for those in the supply chain who procure, fit, pack, unpack and handle cargoes being shipped in flexitanks.

Charcoal guidelines

These new "Guidelines for the Safe Carriage of Charcoal in Containers" have been issued by CINS, with the cooperation of the international Group (IG) of P&I insurance providers and TT Club. The practices set out in the document are intended to address safety concerns, recognising that the key driver for change arises from charcoal intended as a fuel for burning.

Risk byte

This Risk Byte provides an introduction to contractual risk management for transport operators. Whether you are using a house bill of lading (HBL), standard trading conditions (STCs), or are being presented with a new contract for your consideration by a customer, this document aims to explain how you should contract with your customers and subcontractors to minimise risk.



Call to action

The TT Club Loss Prevention team strives to identify topics and initiatives that add value to the TT offering and support the wider mission of helping to make the industry safer, more secure and more sustainable.

Delivering tailored content arguably provides the greatest value. Working together to understand individual business and industry needs is vital to ensure that loss prevention activities remain relevant and valuable.

While the loss prevention function lead the development of the guidance created, it works in close collaboration with colleagues in other business functions globally. The running message throughout this publication is that each and every initiative has been driven by Member and broker feedback and on-the-ground input.

We would like to take this opportunity to thank you for your support and engagement over the last twelve months and would greatly encourage you to engage further with the loss prevention team in the coming years.

Whether it be suggesting topics for webinars, podcasts or guidance documents or developing strategic relationships to better understand emerging risks, together we can achieve great things.



