



TT Club Loss Prevention

2021 – A year in focus

TT Talk: **Abandoned cargo** – more than just money at stake

The importance of **collaboration**

TT Talk: **Ship fires** often start ashore

Joining forces to promote safety – the **Cargo Integrity Group**

Guidance documents – **new additions** for 2021

The future is **digital**, so is TT loss prevention

Loss prevention: a year in focus

This publication highlights a range of topics relating to loss prevention guidance produced by the TT Club in 2021. 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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2021 – a year of recovery, records, and resilience

2021 was an extraordinary year in the context of the global supply chain and one that will live long in the memory of those directly and indirectly employed, affected by and reliant upon the industry. The supply chain has been a focal point throughout the year in various contexts.

At the start of 2021, there was great optimism following the impact of the COVID-19 pandemic through 2020. Countries grappling with its challenges took varying measures to control the spread of the virus and in doing so continued to unbalance trade flows, volumes and equipment availability. The development of several vaccines were welcome news and industry attention quickly switched to how to deliver such an invaluable cargo to every corner of the globe. Coping with unprecedented troughs in 2020 and then peaks in demand in late 2020 and throughout 2021 has undoubtedly presented the industry with many challenges, which in the large part they have admirably overcome.

As the magnitude of the impact of COVID-19 continued to surprise, the blockage of the Suez Canal for six days in March was a significant and unwelcome distraction for those in the supply chain. Immediately attracting the attention of mainstream media across the globe, it served to place the supply chain further into the limelight. The cause remains under investigation, but regardless, the globe saw how a single serious incident could impact every aspect of the supply chain. The ramifications for the industry were many, including the immediate delays experienced, through to the additional stresses that this placed on the balance of available equipment where it was required most.

Strong demand for many commodities and across key trade routes has been compounded by imbalances in container availability, posing significant operational challenges. The knock-on effect being that businesses that ship goods internationally in every sector faced sharp increases in freight costs and in some instances, less reliable service caused by increasingly unpredictable congestion and delays.

The challenges faced by the industry in 2021 are largely set to continue into 2022 and potentially beyond. While it is conceivable that the imbalances of container equipment will resolve themselves back to pre-pandemic levels, the fact is that consumer behaviour driving volumes has arguably irreversibly shifted through this same period. The disparity between volumes of trade flowing from Asia has seemingly become ever more stark, resulting in greater demand for empty equipment in Asia. Achieving the pre-pandemic balances therefore should not be the focus and is arguably not going to resolve the challenges currently faced by the industry.

Many actors in the supply chain have considered resilience in their logistics models and this will continue to be a focus in 2022. Recognising dynamic circumstances and change will afford opportunities to react effectively. It is generally accepted that there is no immediate fix back to the world in which we used to trade and operate, returning to the pre-pandemic norm is arguably no longer possible, driven by changes in consumer demands. Those who elect to embrace new technologies, new ways of working, new operational strategies and new customer demands and expectations will have the greatest opportunity to flourish in the coming years.

From abandoned cargo risks to ship fires, from Brexit to supply chain security, TT Club has stood together with its Members and the wider industry throughout 2021 identifying potential risks, analysing the impact these may have and providing loss prevention guidance both to raise awareness and to mitigate risk.

Please join us then, as we look back at a year with loss prevention in focus.

“
It is generally accepted that there is no immediate fix back to the world in which we used to trade and operate
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Abandoned cargo – more than just money at stake

Abandoned cargo was a theme TT picked up in April's edition of TT Talk and has been a topic discussed in a variety of contexts throughout the year. We've seen risks of increased levels of abandoned cargo through delays and disruptions introduced by the pandemic, through to the wider impacts of large-scale incidents where such shipments are not adequately managed. In September, TT sponsored a webinar entitled "Abandoned cargo – More than money at stake" during which a distinguished panel of speakers considered all aspects of the associated risks.

Below is the April edition of TT Talk that focused on the topics explored during the webinar.

The risk of abandoned cargo is hardly new; every year the delay or failure of a consignee to collect cargo costs the industry significant time and money. Now it's costing lives.

Last August, stored ammonium nitrate fertiliser exploded at Beirut port in Lebanon, killed more than 200 people, injured 6,500 and devastated parts of the city. The dangerous stockpile had been neglected at the Beirut port for years. In the aftermath of the deadly blast, port authorities revealed that another 50 abandoned containers filled with hazardous chemicals had been discovered in an open-air storage yard. They had been languishing at the port for more than a decade.

While TT has previously highlighted the risks arising from abandoned cargo impacting freight forwarders, logistic operators and NVOs, the shocking Beirut revelations highlight the critical need for port authorities and terminal operators to take action.

Abandoned cargo is not a new challenge. Every year delivery delay or failure of the consignee to collect cargo results in substantial storage, container demurrage and container detention costs. These issues are also invariably complex and require expensive management time to resolve. There may be no legal or contractual way to escape liability or recover the costs associated with abandoned cargo, including container demurrage, port storage, disposal costs or fines.

As a result, learning how to identify risks early to help mitigate the inevitable fallout is key. Commonly, TT recommends establishing effective due diligence procedures and developing specific processes to identify suspect shipments in order to stay one step ahead. Early detection and proactive management reduces losses. However, in the complex logistics supply chain such things are not always straightforward; while sales pressures should be managed, relationships with partner operators may dictate tolerating certain bookings where assurances are less present.

The simple lesson is that all bookings should be subject to deliberate business decision-making – and procedures should be crystal clear on how to handle all exceptions. Adequate advance consideration will lead to an informed commercial decision to decline the booking or allocate additional operational attention to the shipment.

Red flags: what to look out for

There are many potential causes of cargo being abandoned at some point in the supply chain – understanding what they are should offer some protection. Most commonly, goods are abandoned at the destination port. Management controls are required to identify problematic commodities, routings and destinations. Other red flags may include uncertainties concerning the nature of the shipper or sanctions issues.

The commodity

Certain commodities present more risk – and may be influenced by geographical or seasonal conditions. Being alert at the outset of the booking process may reduce exposure.

Experience will complete your list, but here are a few commodities commonly presenting higher risk:

- Waste (all kinds including fabric, paper and wood)
- Scrap (metals, plastics, wood)
- Cargoes intended for recycling (often waste shipments with an alternate descriptor)
- Used computer equipment
- Used tyres
- Personal effects

While the reasons for uncollected cargo vary, most are relatively low value, high volume and often not newly manufactured goods. However – and particularly arising from cargo integrity concerns – it is important to recognise that declarations may also be fraudulent. Dangerous goods screening checks are equally critical.

Similarly, be alert to the risks presented by counterfeit, non-compliant and prohibited goods. Inevitably, identifying such shipments, and the criminals who are seeking to exploit legitimate transport operations, presents substantial difficulty. It is likely that the goods will not be declared accurately, both as concealment of the illicit trade, and in terms of the nature or potential hazards presented.

The nature of the shipper

Knowing your shipper is fundamental in identifying heightened risks. Not all cases of abandoned cargo involve a shipper who intentionally seeks to deceive, but conducting careful due diligence will pay dividends. The reliability of the shipper is an important consideration in order to assess any heightened risk.

Trade routing

Consider the routing of the cargo being presented for shipment. Deliberately develop knowledge over time in relation to usual trade routes for certain commodities.

Sales contracts & trade fluctuations

The underlying sales contract will not usually be visible to the freight operator, but its terms could point to a reason for abandoned cargo. Be alert to factors that may indicate potential problems, not just where cargo is "shipped to the order of" but also changes in economic or market conditions.

Sanctions issues

A subject familiar to all in the global logistics industry, keeping alert as to the identity of your counterparties and the cargo in question is ever critical.

All this and more is covered in TT's Abandoned Cargo StopLoss and podcast episode, which can be accessed below.

Further action required

As with many troublesome issues, the reality is that uncollected shipped goods affects a small fraction of transactions, although it will have disproportionate impact on time, distraction and cost. Whatever the cause – be it mistake, fraud, insolvency or fiscal issues – the lesson of Beirut sadly needs to be learned the world over. TT has been involved in other instances where dangerous goods have languished in terminal areas until their hazards were exposed.

Even amongst sophisticated and well-ordered operations, it has been known that regulated dangerous consignments have simply been 'lost' in the system. There is no room for complacency, particularly in geographic areas where extreme seasonal temperatures occur, and therefore ongoing, routine physical checks of the yard remain necessary adjuncts to technologies.

Further interactions have demonstrated that emergency planning can be woefully inadequate. Ports and terminals need to have well-considered relationships with local fire and rescue services. This means thinking about access to safety information, considering training and equipment requirements for collaborative emergency response, as well as designating 'hospital' areas for distressed cargo. For example, in one instance emergency services forbade access to a container without breathing apparatus, but fire officers did not know how to operate the reach stacker. Clarity on 'incident control' required operational information about the cargo, site and equipment.

Simple lesson – leave nothing to assumption; preparation and practice are key.

[Read more](#)



America's comment – from George Radu, Claims Executive

TT Club has witnessed an increase in abandoned cargo claims from transport operator Members in the America's region, reinforcing the need to implement robust due diligence procedures from the booking process onwards.

Transport operators should be cautious of bookings for commodities such as used tires, used auto parts, used computers and used household goods. These commodities accounting for the majority of cases owing to the fact that they are costly to dispose of legally in the United States. These commodities are often shipped to other countries as a cost effective means of disposal, disguised as used auto parts or metal scrap – and are frequently abandoned at the destination port, costing actors in the supply chain tens of thousands of dollars.

The shipper should be held liable for costs associated with the abandoned cargo, recognizing however that the shipper might not have sufficient capital to cover the costs, nor might they be motivated to do so if the costs exceed the value of the goods.

In line with policy terms, Members should notify TT Club of cases where the cargo appears to be uncollected. Transport Operators should be pro-active in the handling of this type of claim, do not assume that the shipper will eventually resolve any issues with the consignee, allowing the case languish for several months. The longer the cargo sits idle the higher the costs become and the less likely that the shipper is financially able to pay.

The TT Club claims professionals have much experience in dealing with these issues and can usually assist the Member to keep the costs from spiraling out of control.

The importance of collaboration



Despite the absence of in-person events, TT has continued to maintain existing and forge new strategic relations with key industry organisations and those emerging as potential disruptors of the future. Of great importance in this context are the relationships TT maintains with other Thomas Miller businesses. Continued engagement with the industry affords TT benefits in furthering the core business plan mission to make the international transport and logistics industry safer and more secure. We explore the importance of collaboration here with Mike Yarwood, Managing Director Loss Prevention.

Q. Mike, what would you say the primary benefits of collaboration are for TT Club specifically?

A. Of course, there are many. But a key benefit is simply building that understanding of existing and emerging risk across various sections of the industry. You can then assess how developments in one section of the industry might impact another, which in turn allows us to provide introductions to organisations and businesses who might otherwise operate in silos while working towards similar goals. These industry connections also allow us to be closely involved in the development of industry practices, guidance and innovations and make sure that our voice and the voices of our Members are heard. TT has a wealth of expertise in the industries that are insured, providing opportunities to support industry groups and Members to understand risk and mitigate the frequency of losses. Collaboration provides opportunities to further the reach of TT Club's brand and influence.

Q. Obviously, collaboration continues to be vital in the continued success of the work the Loss Prevention team undertake, how has the COVID-19 pandemic impacted activities?

A. Many of the organisations we work closely with quickly switched, as TT did, to virtual events in place of those in person conferences and seminars. While virtual meetings are not without their limitations in the context of networking, this format has allowed us to be "in the room" for a greater number of meetings and events through the year.

Q. You mention that many organisations switched to virtual events, in your opinion, what are the benefits of virtual events and do you think that they will continue in future years?

A. I think that these events can provide a useful, cost/time effective platform. We are able to dial into an event anywhere in the world and engage with many more global companies – the time zone being the main challenge to overcome. I think as a team, we have been able to be involved in a greater number of meetings on a greater number of topics because of the shift to virtual interactions. It has enabled us to remain at the forefront of activity and aware of the latest trends and emerging risks and be more involved in developing cross-organisation industry guidance. Virtual platforms allow for increased involvement from TT, where interest across different teams exists, time is really the only cost to participate. There are also clear environmental benefits as travel is generally reduced, a factor that has, and will surely continue to impact on decisions around event attendance. Although I think that most people and organisations are keen to return to in-person events, I suspect that virtual events will remain moving forward as an additional resource, particularly as organisations strive towards a reduced carbon footprint.

Q. So, what are the downsides? Have you seen any negative impact on engagement?

A. Obviously many existing relationships are based on foundations of many years of personal interaction. The experience through the pandemic with the limited opportunity to travel and attend in-person events is that while maintaining existing relationships is less problematic due to increased virtual interaction, forging solid foundations for new relationships has required additional time and effort. It has certainly been possible and we have had successes, however an hour-long in person meeting in my opinion serves to achieve the equivalent of several hours of interaction through virtual platforms.

Thanks go out to those organisations who continue to support TT Club, collaborating to deliver positive change.



Engaging with industry innovators



Insuring an industry that is constantly evolving, TT strives to identify emerging organisations and "disruptors" at the forefront of new technologies. Whether it's the use of innovative technology to monitor cargo condition throughout its voyage, geo-spatial data to improve understanding of geographic risk patterns, or entirely new modes of transport like unmanned cargo drones, it is vital that TT remains immersed in industry developments. By ensuring that our knowledge of the industry remains relevant, we can stay ahead of the curve by identifying and assessing emerging risks as early as possible.

Oscar Egerström is a TT Club Underwriter for UK & Ireland, Nordics and Benelux regions working in the London office. He is Digital Lead for the Club focussed on identifying and monitoring digital developments in the insurance and transport industries. Here, we speak with Oscar to understand the importance of engaging with industry innovators and working towards a digital future.

Q. Oscar, this has clearly become a very important aspect of the Club's service to its membership. Are you able to provide a little background and explain the primary motivators behind TT's digital efforts?

A. As you know, 2018 witnessed TT Club's 50th anniversary. To commemorate this milestone the Club partnered with McKinsey to commission a study that would explore what the future held for the next 25 years of the container transport industry. Titled "Brave New World? – Container Shipping in 2043", the report identified and explored a series of likely scenarios, drawing from not only the expertise of McKinsey and TT Club but also prominent TT Club Members and organisations from various disciplines across the industry.

TT Club insures some of the biggest actors in the transport industry, many of whom also sit on its Board, so the partnership allowed McKinsey to understand their vision for the future of the industry. Several organisations who were already recognised in the digital space were also involved in the study, including Amazon, Clearmetal, Xvela, Hyperloop and FreightHub.

Several of the scenarios outlined in the Brave New World study carried a strong focus on digital developments within the shipping industry. Recognising that according to our research, digitalisation would be the key driver of change in the industry, and with input from the Board, the decision was made to create a role that focused on these developments, that of Digital Lead.

Q. Can you tell us more about the Digital Lead role?

A. The role was formalised in 2020 and, whilst the work had already started, the appointment added real emphasis and focus on the digital direction we wanted (and needed) to take.

Reporting to the Chief Operating Officer, the core purpose of the role is to identify and monitor digital developments affecting both the insurance industry (Insurtech) and the wider transport and shipping industry. The scope of the role is vast and includes working in close alignment with the Loss Prevention team and liaising with TT's global offices sharing contacts, experience and ideas.

I have a large degree of autonomy to explore a wide range of innovations and develop a broad understanding of how the digital landscape is changing and influencing the industries that we operate in, serve and insure. The goal is to identify the solutions presented by innovators and disruptors with a view to mapping their impact on the assessment of risk, where appropriate, adding service benefit to TT Members.

Q. What innovations have you remained closest to throughout 2021?

A. In the early stages of the Digital Lead role, I identified several key organisations in the digital space and sought to engage with them to understand how changes to Members' business environment, as they digitise, might impact the Club's product and service offering.

More specifically, I am currently leading two proof of concept projects with Insurwave and Tradelens that will continue into 2022.

Insurwave operates in the Insurtech space and aims to help create a fully automated and connected insurance experience. Their digital platform uses leading cloud and Internet of Things (IoT) technologies to connect insurers and brokers and streamline complex insurance management processes.

TradeLens is an open supply chain platform underpinned by blockchain technology that focuses on digitising international container trade. It enables vast data sharing and industry collaboration, which increase innovation, reduce trade friction and silos and ultimately promote more global trade.

Q. In your role as Digital Lead, what initiatives excite you the most?

A. Beyond the work I am doing with TradeLens and Insurwave, there are a number of other digital transformations happening in just about every discipline of supply chain operations.

The move towards electronic bills of lading is particularly fascinating and I have worked closely with a number of organisations including the Digital Container Shipping Association (DCSA) and International Chamber of Commerce (ICC) to understand the challenges and opportunities that such transferrable documents could bring.

Of course, the shipping industry is based on foundations that are in some cases hundreds of years old, such a seismic shift towards a digital future requires an entirely new framework of standards to ensure that global trade can continue to seamlessly flow. The DCSA is a non-profit, independent organisation established in 2019 by several of the largest container shipping companies, working to develop those standards. These developments are something I continue to follow with great enthusiasm.

I'd also like to mention Concirrus, which is an organisation that helps the insurance industry leverage available data and technology to create innovative insurance products and make truly informed decisions. Concirrus currently operates in the



speciality marine and automotive insurance sectors and we continue to explore how its platforms could support TT business needs. So watch this space!

Q. Digital disruptors in the supply chain come in various guises, how is TT Club engaging to understand emerging opportunities and risks?

A. Part of the Digital Lead role is to identify and monitor change across the industry, whether that be an entirely new mode of transport such as unmanned aerial drones or a digital forwarder. Understanding these developments allows us to build sustainable relationships with innovators whilst offering expert guidance and advice, positively influencing through the development stage. Working with some of the largest digital forwarders, including TT Club Member Uber Freight, has provided reciprocal opportunities to learn and develop understanding.

The work undertaken in this context will lead to the development of an underwriting strategy that will afford underwriters at TT an in-depth knowledge of the type of risk that such operations are likely to face in their respective fields.

Q. What type of innovations do you foresee having the greatest impact on the industry in 2022 and beyond?

A. I think we have already witnessed the start of an acceleration towards digitalisation across the industry. I would say that in some part such a widespread increase in innovation has been caused by the disruption the industry has faced over the past 24 months. It has forced many supply chain actors to re-evaluate their operations, particularly in the context of resilience. The logistics industry, while constantly devising innovative solutions, is founded on many ancient practices; these have been fundamentally challenged through the pandemic disruption. As a result, those driving the digital transformation agenda were able to demonstrate the benefits of such transition. Electronic bills of lading have been explored as a concept for over 30 years, but have probably moved further towards widespread adoption in the last 18 months, than they have throughout that entire period. From what I am seeing at this time, I expect that electronic bills of lading will be in much wider use in 2022, with an ever-increasing number of organisations recognising the potential benefits.

Another exciting development is the adoption of digital twin technologies enabled through enhancements in artificial intelligence (AI) and the IoT. Digital twin technology is where an object or machine is fitted with sensors and trackers that allow it to be replicated in a digital environment. In ports and terminals in particular, the ability to create and model a digital twin operation for terminal equipment can be a very effective risk management tool when considering fundamental changes, maintenance routines or increasing efficiency. Marginal alterations in performance that were previously unmeasurable can now provide insight and opportunity to increase efficiencies and avoid costly breakdowns.

More generally, the operational landscape will become increasingly digitally connected. We are already seeing some equipment operators benefiting from increased data to identify and conduct preventative maintenance. We're seeing IoT and AI technologies used to model expected and unexpected weather events to better prepare for ever-growing climate change risks. Then there's the development of smart equipment such as fenders and bollards, sensing pressures on the quay and port infrastructure that affords greater transparency and enables ever greater levels of risk management.

Q. Innovation is becoming increasingly important in a number of ways, arguably, those who elect not to innovate risk being left behind. What else is TT doing to make sure it keeps up?

A. You're absolutely right. TT has adopted an increased focus on innovation through 2021, the relevance of which continues to grow both for insurers and supply chain actors. TT is embarking on a legacy modernisation project and has recently appointed its first Chief Technology Officer, Kevin Blunsum, which I think demonstrates its recognition of the importance of this aspect of its operations. Together with other Thomas Miller companies, TT continues to develop its Member and broker digital services platform to allow instant access to key policy information in the same way that we all enjoy 24/7 access to our banking.

Understanding the art of the possible is critical in assessing opportunities and futureproofing TT's operations alongside the operations of its Members. I am convinced that as we head into 2022 and beyond, the importance of a digital focus will continue to increase.



TT continues to develop relationships with a wide range of innovators.

If you know of someone seeking to bring about change, please let us know at riskmanagement@ttclub.com

TT Talk – Ship fires often start ashore

February's edition of TT Talk turned focus towards the hot topic of container ship fires. The full article is set out below here. Significant ship fire casualties continue to grab attention, but it is the weekly frequency of 'near miss' events that is truly concerning. Many of these incidents are fortunately managed and controlled by the crew on board, however each and every incident holds the potential for catastrophe.

Through January, February and March, TT collaborated with sister companies UK P&I Club and Brookes Bell as well as experts from International Fire Investigators and Consultants Limited (IFIC) and Container Owners Association (COA) to explore the associated risks from the correct declaration of cargo, through the challenges of fighting fire aboard to the investigation process that follows such an event.

Change to the way containerised cargo is entered into the supply chain is critical – as well as how it's loaded on board ships. When cargo of any kind is incorrectly declared and packed, it can lead to catastrophic ship fires at sea. Poor packing not only leads to tragic loss of life, but is estimated to cost the industry more than USD6 billion each year.

- TT Club statistics indicate that as much as **66%** of incidents related to cargo damage in the intermodal supply chain can be attributed in part to poor packing practices;
- CTU packing non-compliance exceeds **50%** according to US based [NCB](#);
- Industry estimates are that **10%** of containerised cargo is declared dangerous goods and it is thought that a further **5%** could be mis- or undeclared;
- A survey undertaken by Shashi Kallada suggested that **33%** of mis-declarations are wilful.

Cargoes commonly involved in incidents, whether or not declared properly, include known chemical cargoes, such as those used in paints, cosmetics, cleaning products, fertilisers, weedkillers and aerosols. However, many consumer goods, as well as components used in the manufacture of industrial products, domestic white goods and automobiles are also non-compliant. Further hazards are presented with cargoes such as BBQ charcoal, battery powered electronic devices, fireworks, hand sanitiser, wool, cotton, vegetable fibres, marble, granite and other building materials, fishmeal, seed cake and many more.

How and why things go wrong

- The **regulatory framework** starts from the premise that no dangerous goods should be transported. The regulations for maritime trade – [IMDG Code](#) – are derived from the [UN Model Regulations](#), developed over many decades. There is no doubt that these are very complex and require diligence and expertise (often scientific) to follow.

As with anything written, the text is often open to interpretation – even between experts. However, the dangerous goods regulations are simply the baseline; those shipping cargo need to consider all relevant risks and communicate them to the carrier, as a [judgment](#) in 2018 made clear.

- **How goods are declared is determined by the shipper.** It is evident that descriptions used may not always be accurate, which puts carriers at a significant disadvantage, particularly due to the volume of shipments that need verifying – a point that was accepted in the carrier's defence in one major litigation.
- **Classification of chemicals** follows the [Globally Harmonized System of Classification and Labelling of Chemicals](#) (GHS) for classifying and communicating hazards. Inevitably, new and variant chemicals are being developed continually, resulting in a need to have adequate controls over the scientific

analysis. The facility to use a designation of 'Not Otherwise Specified' (NOS) may add a degree of obfuscation.

- Further, **Special Provisions**, that may have the effect of derogating from the full application of the regulations, present further challenge to carriers, who have no easy way to verify the necessary controls have been correctly applied.
- The **different codings** used for the various aspects of international transactions adds complexity. For example, the [Harmonized System](#) (HS) is used in a non-mandatory fashion for customs/fiscal purposes, whereas classification for transport follows the GHS. While inevitably 'chemicals' are a subset of HS, there is currently no complete read across between the two coding systems that could validate declarations (even if they were to be viewed together).
- In the shipping process, there are **multiple tracks for data** that are generally not correlated. In relation to dangerous goods, the data relating to the transport contract (eg. bill of lading) runs in one flow, potentially supported by a [Safety Data Sheet](#) (SDS), but the Dangerous Goods Declaration (DGD) is required for ship stowage considerations.

Hence, **expertise and often experience are very much required – and from the evidence of incidents insufficiently available.** This is particularly an issue in the intermodal supply chain where so many individuals and entities may be involved in evaluating decisions and communicating accurately. And each actor throughout the movement of cargo is reliant on the steps taken beforehand.

Providing assurance

Elements of shipping have always involved **trust** and reliance on others acting aright. The explosion of containerised trade over recent decades merely emphasises the need for the whole **truth** – after all, each consignment will be jostling like a packed commuter train together with thousands of others with unknown ills. In these days of rapid digitalisation, the additional necessity of **transparency** should be coming within grasp. The current 'state of the art' is reviewed in the following paragraphs.

“
Know your
customer
”

“How can we prevent or discourage the shipment of undeclared goods?”

Simply, 'know your customer'. It is critical to gather whatever data is available about the customer, including things like government registrations, physical or at least online map checks (that can verify the nature of the shipper) etc. This is made more difficult when many relationships in the containerised supply chain are indirect.

“Can screening systems detect potential declaration errors?”

There have been significant advances in the tools available to liner operators to detect fraudulent and mistaken declarations. Recent initiatives appear to utilise machine learning techniques and draw in multiple layers of customer data in order to validate shipments.

“What role does dangerous goods compliance software play?”

Where used, this toolset inevitably assists actors in following the rules with regard to segregation, documentation and suchlike. However, their value still relies on the whole truth in relation to the cargo being processed.

“Could scanning of containers prevent undeclared cargo being loaded on board ship?”

For nearly two decades various parties, particularly from a security perspective, have aspired to implement such controls. These options are emerging, but probably would mainly only support more intrusive interventions, such as inspections.

“Surely container inspections can identify problems in cargo packing or declaration?”

Clearly, inspections – both government and commercial – have a role in supporting good practice. The speed and controlled nature (e.g. customs) prevent such interventions regularly. Where implemented systematically, inspection programmes have improved practices.

“Will the advent of smart containers be the solution?”

Such IoT (Internet of Things) devices clearly are capable of monitoring many aspects of cargo integrity during the transit and potentially providing alerts. The current would not prevent mis- or undeclared cargo being packed and dispatched.

“What steps can governments take to support industry initiatives?”

Enforcement of national and international regulations is critically important. There are numerous structural and prioritisation reasons why this does not happen consistently. Stated baldly, wilful mis-declaration is fraud; this should be criminal in any jurisdiction.

TT Club cares

TT has [highlighted these issues repeatedly](#) – and will continue until the incidents materially improve. The Club has participated in debates across the industry and at intergovernmental level, as well as putting together guidance material, often collaboratively, such as 'CTU Code – a quick guide' and 'Book it Right and Pack it Tight'.

Join with us to change the safety culture!

Read more

Joining forces to promote safety



The Cargo Integrity Group (CIG)

The Cargo Integrity Group is a growing collaboration formed over the last decade, bringing together likeminded safety-focused actors from key sectors across the global supply chain. In this interview with Peregrine Storrs-Fox, Risk Management Director, we explore more about the activities of the Cargo Integrity Group and TT Club's involvement.

Q. Who and what is the Cargo Integrity Group?

A. Although only named as such in 2020, the Cargo Integrity Group (CIG) is a partnership of global organisations that have been working together increasingly since the dawn of VGM in 2010. Collectively, we are promoting high standards in the packing of cargo in freight containers and other transport units. From the outset, the partnership has involved five organisations, though 2022 will see the addition of other key players to enhance our skillset and industry reach.

Q. What are the primary aims, aspirations and goals for the group?

A. CIG is dedicated to improving safety and security, and to protecting the environment, through the logistics supply chain. Based on discussion of the range of issues that result in compromised safety and security in the freight supply chain, the partners agreed on objectives grouped in the following four areas:

- Promoting awareness & adoption of the CTU Code
- Seeking changes in regulatory requirements
- Monitoring of CTU packing performance
- Working with other industry & governmental stakeholders

The most public output from CIG has been publication in 2021 of 'CTU Code – a Quick Guide', incorporating a checklist of actions required of those packing cargo in freight containers. The partners are also actively engaged in an international debate concerning movement of invasive pests and issued a joint statement on the avoidance of visible pest contamination in freight containers and their cargoes.

Q. What, in your opinion has been the greatest achievement of the Cargo Integrity Group to date?

A. Undoubtedly the publication of the Quick Guide and Container Packing Checklist has been significant. Apart from being taken up in various parts of the industry, this document has been applauded by the UN agencies sponsoring the CTU Code, specifically IMO and UNECE. In striving for greater awareness and usage of the CTU Code, the Quick Guide has now been made available in all six official UN languages and, additionally, Italian.

“ In part this is ‘joining the dots’ to other issues of deficient practice... ”

Q. How does the work of the Cargo Integrity Group integrate with TT Club's objectives?

A. TT's claims over the decades demonstrate that issues relating to cargo integrity impact not simply cargo loss experience, but also numerous third-party liabilities and bodily injuries. Extrapolating this, TT has stated that poor practices in the overall cargo transport unit (CTU) packing process, including not just load distribution and cargo securing, but also the workflow from classification and documentation through to declaration and effective data transfer, can be estimated to cost the transport and logistics industry in excess of USD6 billion annually.

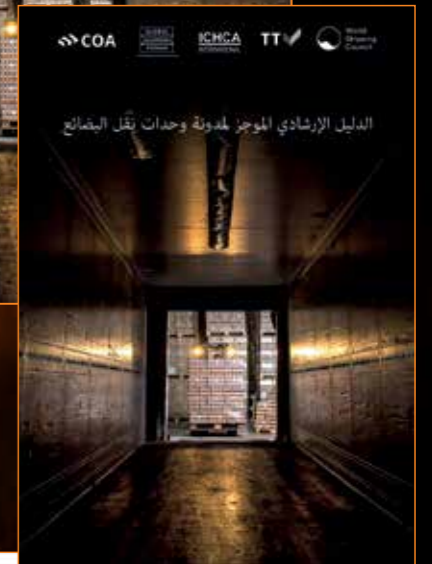
CIG partners jointly believe that promoting the CTU Code is a means of impacting behaviours across all those involved in packing and securing cargo in units – particularly in warehouses and manufacturing facilities, as well as shippers and forwarders.

Q. What does the future hold for the Cargo Integrity Group?

A. CIG continues to work with other industry and governmental stakeholders with diverse interests across the international supply chain to instil a better understanding of safe cargo packing and handling practices, both relating to the CTU Code and relevant instruments at international and national levels. In part this is 'joining the dots' to other issues of deficient practice, such as fiscal fraud, freight crime and illicit trades. Additionally, CIG is already involved in multiple initiatives relating to revision of aspects of declaration, handling and transport of regulated dangerous goods.

The Group's aspirations are broad and the partners are therefore delighted to have secured commitment to be joined by two important organisations from January 2022, namely FIATA and BIC. Both these will bring valuable contributions, as well as expand the group's skillset and industry reach.

“ CIG is dedicated to improving safety and security, and to protecting the environment, through the logistics supply chain ”



Partnering soon





TT Talk – Urgent action: identifying the real pest risk

Through interactions with TT's Cargo Integrity Group partners, the risk of transporting invasive species through the intermodal supply chain was identified as a critical topic. It's an issue that affects actors in the supply chain and far beyond with the potential to cause significant permanent damage to entire ecosystems and economies. This theme was explored in detail in June's edition of TT Talk, which we revisit here.

Calls for intrusive inspections of import and export freight to counter the risks of invasive pests in cargo and containers risk disrupting trade more severely than either COVID-19 or the Suez blockage.

Steps being considered by governments concerned about pest control – under the auspices of the International Plant Protection Convention (IPPC) – include a potential mandatory 'Certificate of Cleanliness' for all containers prior to loading on board a ship.

The Cargo Integrity Group (CIG) partners are firmly opposed to the proposed sweeping mandatory requirements, while recognising that strenuous action is required across all stakeholders in the intermodal supply chain to bring about seismic change to the risks from invasive pest contamination. Compliance and enforcement costs of certifying the 220 million container movements a year would clearly be substantial. It is estimated that the additional costs to the industry of such measures could be some US\$20 billion a year, and this burden would fall disproportionately on exporting countries. Moreover, the infrastructure necessary – for both governments and industry – to implement certification could gridlock global trade.

Urgent action needed

CIG has submitted a [statement](#) pinpointing the impractical consequences of the certification proposal. The statement also expresses serious concern over the infestation issue and the Group's desire to help configure proportionate and effective solutions to reduce the risks. It is recognised that more serious risks

occur among certain types of goods, from identified regions and during specific times of year. As a result, the CIG recommendations revolve around a more sensible use of scarce resources in providing proper risk assessments in identifiable trades of prime concern, where mandatory measures can then be imposed as needed.

The CIG accepts there are identified risk areas and cargoes which must be addressed. However, the fact that the vast majority of trade takes place in environments where these risks do not arise, or are insignificant, must also be considered.

The five partners in the CIG recognise the vital importance of focusing on the threat of invasive pests to natural resources across the world, and of the urgency in crafting risk reduction measures that address the situation. The CIG is committed to ensuring that international trade is conducted in a safe, secure and environmentally sustainable manner. Addressing the serious issue of the transfer of invasive pests between different natural ecosystems is very much a part of that commitment.

The CIG rigorously promotes the use of the [Code of Practice for the Packing of Cargo Transport Units](#), published by the [IMO](#), the [ILO](#) and the [UNECE](#). The Group published its [Quick Guide](#) to the CTU Code as a means of increasing awareness of the framework of good practice in relation to all aspects of cargo packing, including addressing phytosanitary concerns and reflecting the Code's Chapter 8 and Annex 6.

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More serious risks occur among certain types of goods, from identified regions and during specific times of year

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We are calling for urgent action from actors in global supply chains to reduce the risk of pest transference facilitated through international cargo movements. At the same time, we encourage all stakeholders to understand the international debate around invasive pests and be prepared to work with industry counterparts and governments to ensure trade continues uninterrupted.

Almost anything concerning the intermodal supply chain comprises complexity; without seeking to over-simplify or claim to be exhaustive, here are some tips:

- Container operators should ensure that any storage of units is on hard, well-drained surfaces, away from vegetation. Releasing units for packing should also involve ensuring that they are checked for pest contamination, including considering the base structure, where possible. Such things will often require you to consider also contractual obligations with depots.
- Shippers, including Beneficial Cargo Owners, should take [responsibility](#) to consider the impact of their procurement and fulfilment actions, specifically here relating to pest contamination risks at the point of packing.
- Packers should be alert to all aspects of pest contamination risks throughout the process of packing containers, taking account of the immediate environment, the time of year and use of artificial lighting, for example.
- Intermodal carriers, particularly by road, should consider the routing of vehicles to minimise the contamination risks, for example from debris thrown up from un-made surfaces.
- Receivers should ensure after unpacking that the container is clean and pest free.
- Anyone who spots pest infestations of any description on, or in, intermodal freight containers or their cargoes should alert National Plant Protection or (if contamination is of animal origin) Animal Quarantine agencies.

A [video sequence](#) produced by the North American Plant Protection Organization ([NAPPO](#)) provides an overview of the risks.

[Read more](#)



Five minutes with **Abdul Fahl:** risk in the Middle East

Abdul is Director of TT Club's branch in Dubai, TTMS (Gulf) Ltd. He joined the Club in January 2013 initially as a Senior Claims Executive in the London office before relocating to Dubai in August 2020.

Throughout 2021, Abdul has worked closely with the Loss Prevention team in London to run bespoke online seminars for the Members in the Middle East and Africa region as well as presenting at a Transport Events conference in Djibouti. Abdul has also worked to translate key loss prevention guidance into Arabic for the local market including the "CTU Code – a Quick Guide" publication and the TT Brief series.

We caught up with Abdul to find out more about the risk patterns he's seen throughout 2021 and his predictions for 2022.

Abdul Fahl
TTMS (Gulf) Director



Abdul, in your view, what have been the key risks you've seen in the Middle East in 2021?

I would say that abandoned cargo was one of the main concerns and generators of claims for a number of Members across the region in 2021. With consumer demand plummeting as a consequence of continued lockdown in parts of the Middle East and commodity prices fluctuating, an increasing number of consignees went out of business. This meant that cargo and containers were left in ports uncollected causing considerable storage, container demurrage and container detention costs for freight forwarders. It is not just Members, of course, the region has still been suffering the aftermath of the deadly blast in Beirut port in August 2020. This disaster highlighted the critical need for port authorities and terminal operators to take quick and decisive action when it comes to abandoned cargo.

Fraud-related incidents have also been on the increase throughout 2020/2021. Specifically, we have seen incidents of criminals taking possession of cargo using forged documentation. We have also seen exporters fraudulently mis-declaring the nature of dangerous goods inside a container to save on freight charges, which can result in serious damage to the ship, cargo and sadly, loss of life in some cases. The Club's joint publication "CTU Code - a Quick Guide" was translated to Arabic to reemphasise the message to regional container operators and those packing units to fulfill their responsibilities as defined under the Code.

And, what do you expect for 2022?

The pressure felt through the supply chain as a result of the COVID-19 pandemic accelerated the trends toward digitalisation across the transport and logistics industry. We are seeing an increasing number of shipping lines and freight forwarders in the region adopting electronic bills of lading as a way to improve efficiency and reduce costs. Other Members, like DP World (Dubai-based terminals operator) are embracing technological innovation to offer safe, fast and more sustainable supply chain solutions to their customers. We expect the momentum behind the digital cause to build significantly in 2022, which is very much consistent with the Club's joint work with McKinsey & Co, 'Brave new world? – Container transport in 2043' that concluded that pursuing digitalisation was fundamental to the future for the container shipping industry.

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In 2022, we see ourselves continuing to offer Members tailored loss prevention sessions based on analysis of their claims data

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What can TT Club Members expect from the Dubai team in 2022?

In 2021, the Middle East and Loss Prevention teams in London and Dubai delivered over 20 webinars and in-person seminars to Members and brokers in the region discussing subjects ranging from mitigating the risks associated with abandoned cargo, proper handling of temperature-controlled cargo and dangerous goods as well as counterparty due diligence. In 2022, we see ourselves continuing to offer Members tailored loss prevention sessions based on analysis of their claims data. We will also focus on showcasing the Club's work on digitalisation to underline the future importance of technology in building a safer and more secure transport and logistics industry – the Club's core mission.

Why do you think that loss prevention is important to the membership and industry?

Loss prevention underpins the Club's mission statement: to make the transport and logistics industry safer and more secure. The loss prevention material that the Club produces tends to address issues of the day, which are relevant to Members' daily operations (as much as other industry actors). The feedback we receive from Members and prospects is what determines the value of this guidance and it has been very encouraging throughout the year.

You mentioned translating guidance into Arabic; why do you think this is a valuable activity?

The Middle East region covers 22 countries where Arabic is spoken and read. In 15 of these countries Arabic is the preferred spoken language in daily business dealings. Producing loss prevention materials in Arabic ensures far-reaching delivery of the Club's message but also helps with brand recognition. We find that preventing losses and incidents comes down to the men and women who are on the frontline doing the right thing, whether they are operating a forklift in a warehouse, driving a truck on public road or operating a gantry crane. During our visits to Members, we find that these frontline employees are more comfortable implementing advice or instructions when it is communicated to them in Arabic. This is why we are placing increased importance on translated loss prevention materials.

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We expect the momentum behind the digital cause to build significantly in 2022

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Guidance documents – new additions for 2021

One of TT's primary tools in influencing safety and security practice and behaviours is the many publications and guidance documents in our armoury. Through 2021, we maintained production of the traditional guidance documents in our library but also added a few new ones.

StopLoss

StopLoss briefings have been a key means of disseminating loss prevention advice for decades now. The series is freely available to download from the TT website, and provides a practitioner's review of relevant topics incorporating detailed text outlining risks and providing practical risk mitigation strategies. They are intended to be used as a strategic risk management tool and provide thought leadership for TT Club Members and the wider industry alike. 2021 saw the production of one new StopLoss and a revamped design that sought to make the information more easily digestible.

In September, we published a new StopLoss edition considering the risks of abandonment of cargo. The pandemic season has elevated the importance of this particular topic for many actors through the supply chain not least the financial and safety implications. The StopLoss is aimed at a wide range of actors including freight forwarders, NVOC's, logistics operators, container terminal operators and beneficial cargo owners and explores the common risks, red flags and best practice procedures providing practical guidance to those for whom the consequences of abandoned cargo are the greatest.

As the trends of 2020 and 2021 appear set to continue into 2022 and beyond, there remains a heightened risk of cargo abandonment, which all actors should bear in mind. This StopLoss edition is an invaluable tool to understanding the risks, reducing incidence and mitigating the impact of such cases if they do arise.

[Read more](#)

“We have started to produce regional reports focused on specific cargo theft trends”

Industry reports

Throughout 2021, we expanded collaborative engagements with key industry organisations to develop rich supply chain security reports highlighting trends and providing practical risk mitigation guidance, with new relationships forged.

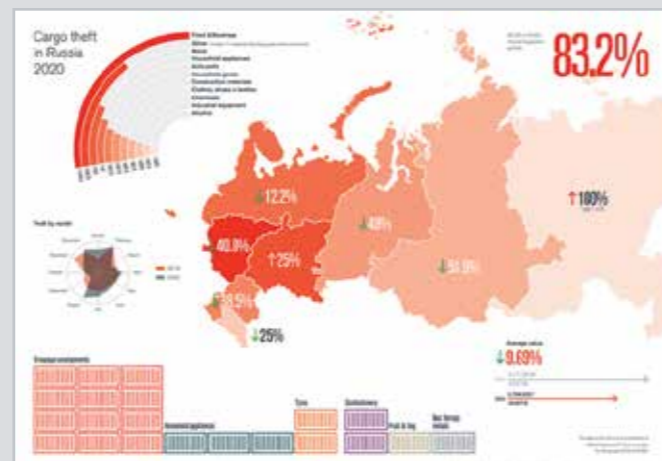
On top of our usual annual global cargo theft report produced with BSI Supply Chain Services and Solutions, we have started to produce regional reports focused on specific cargo theft trends. This began in 2020 with a report focused on cargo crime in South Africa.

Having recognised the importance and value of this approach, we sought to expand our reach and partner with other prominent and influential organisations including IMPACT, Transport Asset Protection Association (TAPA) and the International Road Union (IRU). The goal was to engage with experts within like-minded organisations, who can provide greater levels of data, insight and expertise to produce an enriched report that would provide greatest value to TT Members and the wider industry.

Within the Loss Prevention Team, it's Mike Yarwood who leads on the production of such reports. He commented, "The development of this type of report and analysis of the raw data is always fascinating. Identifying and expanding upon key trends and raising awareness of issues of concern is a valuable means of helping the industry better understand the risks and take steps to mitigate exposure."

Key trends highlighted in our 2021 reports marked changes in the commodities targeted by criminals, and illustrated the impact of market forces on the underpinning criminal "industry". One regional report in 2021 produced with IMPACT and TAPA focused on the Russian market and particularly on fraud and the fraudulent activity that leads to stolen cargo. Not only do we try to outline the data and trends in these reports, we also look to outline the risk mitigation strategies, something we built on in our fraud series of TT Talk articles in the summer months."

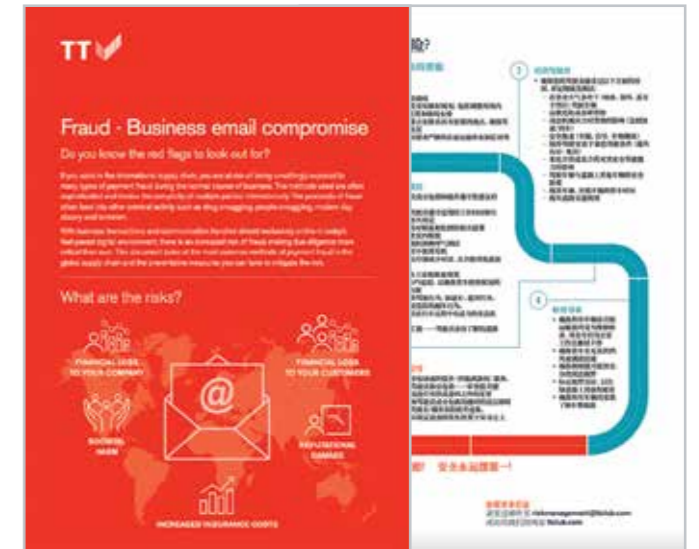
Further joint industry reports are planned for 2022, including an annual cargo theft report in partnership with BSI. Opportunities will be explored to continue collaboration with existing and new partners.



“There remains a heightened risk of cargo abandonment”

TT Brief series:

2021 witnessed the release of a new suite of loss prevention guidance documents under the identity "TT Brief". TT Brief documents provide high-level awareness and guidance on a range of topics, designed to be impactful and easy to access. Where appropriate, infographics are incorporated into the design of the guidance and to date TT Brief documents have been translated into a number of languages including Turkish, French, simplified Chinese and Arabic.



Developing the TT Brief series

The TT Brief initiative was developed by Duncan Mann, Underwriter for Middle East, Africa and the Eastern Mediterranean based in London. Here we ask how the initiative came about and what the plans are for the future.



Q. Duncan, what was the impetus behind this suite of documents?

A. The idea really started from working with TT Members in Turkey. Having won some large Turkish accounts over the past few years, we decided to do a deep dive into the resulting claims data that had accumulated in the first few years of their membership with TT to see whether we could identify any claim trends for which we could then tailor in-house training. From my perspective, it was important to get beyond the traditional format of only meeting a Member's risk management team and instead get in front of the operational staff. There we could discuss the Club ethos, breadth of cover and statistical analysis of their claims trends with a view to providing clear advice on how these types of claims can be avoided in the future. Unsurprisingly, while some Members experienced some types of claims more than others, generally speaking cargo damage, cargo theft, and road traffic accidents were the most common themes – and not just for Turkish Members. It therefore seemed appropriate to produce short, easily accessible documents focussed on these risks that we could leave with Members' risk management teams and operational staff alike. As these risks were common across all regions, it also made sense to distribute to the wider membership, while also raising our profile by distributing them on social media platforms like LinkedIn.

Q. So, an important factor was to produce guidance at a level that would be accessible to operational personnel?

A. Absolutely. I wanted something that was visually impactful, instructional and easily digestible. Once produced, these documents were to be distributed in the local language and shared in PDF format to the operational staff that had previously attended our in-house training and beyond. I was delighted to see that other teams both in EMEA and Asia Pacific regions have subsequently translated these documents, which are now available in eight languages. My vision is to design and print the

documents in poster format and encourage Members to put them up in office kitchens, canteens, loading bays, receptions and other communal staff areas, so that both our advice and brand are front and centre – even when we're not there. We're not quite there yet, but I'm working on it!

Q. An important question, given the development process in this instance, is whether you view the series as a success?

A. It is of course impossible to quantify how many claims we have prevented with our loss prevention efforts. However, the feedback from Members has been overwhelmingly positive and we have had tens of thousands of views of these documents on LinkedIn, so in the context of raising the Club profile and feeding through to the Club's objective of making the transport and logistics industry safer and more secure, I would say it has been a success.

Q. We have released a series of six editions so far, but what does the future hold for the TT Brief suite?

A. We have a series of five new documents concentrating on risks associated with warehouse operations, which are in the advanced stages of development. We also have another two or three ideas at slightly earlier stages of production on topics that will be of general interest to all of those involved in the supply chain. Short videos that relate to the topics covered by the TT Briefs is also something I am interested in investigating. My priority at the moment is to hit the road, touch base with Members and prospects face to face to understand how they adapted to the new working environment during the pandemic, what changes have taken place operationally as a result and establish how we can help. This will, I am sure, inspire and inform more in-house training and future editions of the TT Brief series. Further inspiration will be drawn from speaking with my colleagues across the globe, with whom I hope to collaborate to produce TT Briefs that are relevant to operators, wherever they might be.

The future is digital, so is **TT loss prevention**

Our publication “Brave New World – container transport in 2043” drew on data and qualitative research to build a picture of the following 25 years of containerised transport. One of the key conclusions of the report was that the future would be digital. Little did we know before the world was hit by a global pandemic how quickly we would all need to adapt.

Extended periods of remote working and unpredictable international travel restrictions have impacted the way that we have traditionally interacted with our audience – through visits and live events. We have taken this opportunity to focus on the benefits of digital media as a means of engaging with Members and the wider industry.

We have sought to embrace a variety of media to continue to disseminate our loss prevention guidance and extend our reach throughout the pandemic including webinars, podcasts, animations and digital services.

Webinars

While virtual meetings and webinars will never entirely replicate the benefits of in person events, they are not without merit. The ability to attract hundreds of people in all time zones to engage through webinars has been a key part of our activity through 2021, allowing us to address over 2,100 delegates in 112 countries. Whether it's a Member-only or public event, those attending have the ability to do so without taking extended time away from their desk and day job and importantly without having to travel, making events much more accessible and safer in today's environment.

The webinars this year have covered a variety of topics including container ship fires, cool chain challenges, tank container operator risks, the CMR convention and abandoned cargo risks. Recordings of many of the webinars are available to view through the News & resources section on the TT website by clicking through to events.

TT Live has listeners in **over 75** locations

Angola	Denmark	Jamaica	Oman	Sri Lanka
Argentina	Djibouti	Japan	Pakistan	Suriname
Armenia	Dominican Republic	Jordan	Panama	Sweden
Australia	Ecuador	Kenya	Paraguay	Switzerland
Austria	Egypt	Kuwait	Peru	Taiwan
Bahamas	El Salvador	Latvia	Philippines	Thailand
Bahrain	Estonia	Lebanon	Poland	Togo
Belarus	Ethiopia	Lithuania	Portugal	Trinidad and Tobago
Belgium	Finland	Madagascar	Puerto Rico	Turkey
Bolivia	France	Malawi	Qatar	United Arab Emirates
Brazil	Germany	Malaysia	Russian Federation	United Kingdom
Bulgaria	Ghana	Malta	San Marino	United States
Cameroon	Greece	Mauritius	Saudi Arabia	United States Minor Outlying Islands
Canada	Honduras	Mexico	Senegal	Uruguay
Chile	Hong Kong	Morocco	Serbia	Vanuatu
China	Iceland	Mozambique	Singapore	Venezuela
Colombia	India	Nepal	Slovenia	Zimbabwe
Costa Rica	Indonesia	Netherlands	Somalia	
Cote d'Ivoire	Ireland	New Zealand	South Africa	
Cyprus	Israel	Nicaragua	South Korea	
Czech Republic	Italy	Nigeria	Spain	

Podcasts – “TT Live”

Launched in November 2020 with its contractual challenges series, we have continued to develop our podcast channel “TT Live” throughout 2021. All editions of TT Talk since July 2020 are available in audio version on the podcast channel, giving our TT Talk readership another means of consuming the guidance.

In 2021 we launched a brand new series of episodes focused on supply chain security. This second series drew on expertise from within the TT team, the wider Thomas Miller family and also external speakers to develop an in-depth overview of some of the key security challenges that the industry faces. Topics covered within the series of six episodes include common strategies employed by cargo thieves, common fraud schemes and the effects of inadequate secure truck parking facilities.



Animations

Through earlier work developing a number of animations on the topic of cargo integrity, we forged a strong working relationship with creative agency FDG. Animations provide a short, digestible, visual representation of a real risk. They transcend language, cultural and industry to clearly illustrate a common issue.

Supply chain security and freight crime remains a strong focus given the ongoing levels of losses suffered by the industry globally. Working with industry organisations and enforcement agencies, it became apparent that there were common strategies used by criminals to access cargo as it transits through the supply chain.

We are able to take the viewer on a journey, placing them in the shoes of the driver or logistics operator, illustrating the steps that unfold leading to cargo theft.

We are also currently working with the Cargo Integrity Group and FDG to develop a short series of animations illustrating how invasive species might inadvertently be transported through the intermodal supply chain. This is a hugely important topic for both the industry and national economies. Being able to identify and convey the potential ways invasive species might be transported and the ramifications in a graphic format, will alert supply chain actors globally to take steps to mitigate this serious risk.

These short animations are hosted on the TT website.

[Read more](#)

Digital services platform

In 2019, TT Club alongside other Thomas Miller businesses launched its digital services platform allowing Members and brokers to access their live policy information 24/7. Over the following two years, TT Club Underwriter, Kate Andrews, worked to develop the tool and enhance functionality to make sure that the Club's digital offering matched its high standard of service. Here we talk to Kate about the platform and her vision for the future.



Q. Kate, in a nutshell, what is the digital services platform?

A. The digital services platform is specifically designed to meet clients' daily needs related to their insurance(s) with the Club. Not only is it a store for policy documentation but also live claims data, access to loss prevention guidance, first notification of loss forms and risk assessment tools. It can be accessed via mobile, tablet or laptop and we are constantly reviewing and developing new functionality to ensure we are meeting Members' and brokers' ever-changing needs.

Q. You mention that the platform is used by both Members and brokers. As a Member, what kind of loss prevention tools could I access on the digital services platform?

A. Currently, the primary loss prevention tool is the operational risk assessment that allows a Member to assess their own operation against a number of set criteria and receive tailored feedback. Across the platform you also have access to all publicly available content on the TT Club website in addition to Member-only content such as Model Conditions and recordings of Member-only webinars.

Q. So, what are the plans for 2022?

A. Loss prevention will be a key focus area for developments through 2022. We are in the process of implementing enhanced search functionality so users will be able to set their own parameters to access more bespoke loss prevention content. This would be attached to a Member profile, providing easy access to the guidance most relevant to their respective operations or claims experience.

“**The digital services platform is specifically designed to meet clients' daily needs related to their insurance(s) with the Club**”

[Read more](#)

[Read more](#)

TT Talk – Correlating global freight crime with societal harm

Freight crime remains a constant threat to the integrity of the supply chain. There are obvious and immediate costs, not least the loss of the cargo itself, but what about the less obvious, indirect costs and the impact on wider society? March's edition of TT Talk focused in on this very question.

There are dots to be joined between freight crime and societal challenges, such as those related to narcotics, people trafficking and terrorism. It is time to take concerted action.

Definitions can be important. In this context, 'societal harm' is considered as the challenge to social order and values. Freight related crime, such as cargo theft, may not feature particularly in many jurisdictions in relation to investigative resources or crime prevention initiatives. This fact alone may determine the degree of exploitative energy focused by the criminal fraternity.

Assuming connections can properly be made between such crime and domestic and cross-border harm, urgent focus on supply chain security is required.

Annual global cargo theft analysis

TT has over a number of years collaborated with BSI to understand the trends and impact of cargo theft globally. The [latest cargo theft report](#), looking primarily at 2020, has now been released.

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The pandemic has threatened supply chain security, continuity and resilience
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As the 2020 report makes clear, the pandemic has threatened supply chain security, continuity and resilience. This has led to disruptions not only in supply/demand trade flows, but also through difficulties in the logistics infrastructure to process and clear goods effectively. Such issues have been compounded by workforce absences and shortages, needs to adapt procedures to accommodate dislocated practices and necessary distancing, together with utilising temporary additional storage facilities in many instances.

Quite simply the working world has turned upside down. Remote working, where possible, presents risks ranging from cyber security to simple home distractions. Where in-person activity happens at the workplace, there are challenges in maintaining ordinary procedures, including from reduced workforce availability, general security systems and necessary social distancing.

There has been a significant rise in the drive to digitalisation to overcome paper trails and physical transfers – some of these have been implemented at speed, which presents additional risks.

Such risk issues have been canvassed in [TT's COVID webpage](#). The challenges in maintaining thoroughly secure systems and procedures are substantial – but clearly diligence and vigilance are required. As cargo theft continues to threaten the global supply chain, [how to avoid being a statistic](#) becomes invaluable.

Furthermore, migrating 'value systems' have resulted in different commodities being of interest. Bizarrely, in some places toilet paper briefly became highly desirable, but unsurprisingly personal protective equipment (PPE) has been regularly targeted for theft. Nevertheless, consumer products, fuel and foodstuffs have continued to top the list, almost certainly in part because of the ease of disposal to fresh 'markets'.

Inevitably, the report reveals variations around the globe that need detailed consideration, reflecting differing cultural approaches, socio-economic drivers and geo-political risks. In some instances these provide an echo to the 'correlation' discussion – such as the unintended impact of working hours regulations, the responses to economic migration and even the destruction of established practices brought on by Brexit.

The endemic attraction of corruption is also made plain, whether resulting from 'insider' actions or relating to lapses in border and customs controls. The transport and logistics industry is particularly adept at facilitating and managing cross-border interactions – these are the essence of trade – but it is equally vulnerable where controls do not operate as expected. Worse, it can be exploited and infiltrated by those who thrive off narcotics or people trafficking.

Responding to the changing threat universe – 2020 & beyond

While continuing and renewed prevention efforts need to be focused, the solutions are not simply more devices – cameras, improved tracking and geo-fencing etc – and this truth applies to the broader linkages between freight crime and the more significant issues that most directly concern governmental authorities.

The last year has demonstrated how resilient and adaptable the business of crime is. Commodities of interest and value have changed – PPE is clearly more important and quality issues or counterfeits pose heightened risks. Whether or not related to the pandemic, sophisticated smuggling supply chains have emerged – and the general risks of stowaways and people migration continue.

There are continuing issues around the globe relating to container shortages and port congestion. The world is substantially geared towards new vaccine supply chains that present inherent transport risks relating to temperature control, without concern over intrinsic value of each consignment or the potential for counterfeiting.

The pandemic has released much energy and investment towards digitalisation, which in all probability had already passed a tipping point but has inevitably been brought from the horizon into sharp focus. While such concentration is welcome in an industry bedevilled with traditions and paper, urgency and expediency may also expose to the darker side of cybercrime.

Considering hierarchies

Inspired by considering Maslow's "[hierarchy of needs](#)" TT sees a "hierarchy of crime", where the pinnacle would represent the most



Comment from Australia – John Thomson, Senior Claims Executive

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We have seen an increase in cargo theft claims in Australia. Thieves have used a number of different strategies including targeting cargo in transit, accessing container depots and more forceful breaking and entry to warehouse facilities. In several incidents, while unproven, it was strongly suspected that there was some degree of insider involvement, based on the extremely targeted nature of the thefts. Robust due diligence procedures to perform background checks on permanent and temporary personnel and strict physical and information control and access policies will assist in mitigating these risks.
”

Read more

“
TT sees a
“hierarchy of crime”
”

heinous crime barons operating internationally, controlling 'supply chains' involving narcotics or people trafficking and funding terrorism.

The nature of all crime activity starts at a lower, frequent level. Moving from the base to the point of the triangle, there is increasing deliberateness, sophistication and intrigue – in proportion to the return on investment and resulting in deepening challenge to societal order and value. And in some instances it is concerning to see the audacity in actors who not only plan in intricate detail to takeover entire – previously legitimate – supply chains but brazenly 'buy' loyalty from regular workers and officials alike.

The prevalence and magnitude of the issues identified here, and the emerging clarity of criminal 'food chain' requires deliberate, coordinated and collaborative response between industry and governments, nationally and internationally in order to:

- Overcome indifference;
- Mitigate unintended consequences;
- Energise enforcement & reporting; and
- Promote commonality of objectives.

Five minutes with **Guillermo Cancio:** cargo theft in the US

Guillermo Cancio is a Senior Claims Executive for Thomas Miller Americas based in New Jersey and handles TT Club Member claims. Guillermo has experience in a vast range of complex cases and sees first-hand the effects of these claims on individual businesses.

One type of claim that Guillermo sees time and time again, is that of cargo theft. Cargo theft in the United States is a USD15-35 billion industry. Depending on the type of cargo, thieves can walk away with thousands to millions of dollars' worth of goods. Unfortunately, cargo thieves often avoid conviction by frequently changing their modus operandi.

Here we talk to Guillermo about his experience of theft-related claims and what TT Club Members can do to mitigate the risk.

Guillermo Cancio
Senior Claims Executive



Guillermo, freight crime has become a constant threat to those in the global supply chain, how has this risk been felt by TT Club Members in the United States?

Our claims experience in some ways bucks the industry trend, suggesting that there has not been a noticeable increase in new theft matters in terms of volume over the last twelve months. However, the circumstances surrounding a growing number of this type of claim does appear to have changed. For example, we have seen incidents involving armed hijackings, which are not ordinarily expected in the United States, and a rash of runaway drivers, disappearing with loads.

Unfortunately, crime is alive and well. The tactics of these criminals continue to evolve and therefore Members need to continue to be aware of the risks while remaining vigilant in order to mitigate their exposure.

Industry reports suggest that there was a general shift in strategy, with criminals targeting warehouses and facilities versus cargo in transit through Q3 and Q4 of 2021, is this a trend that you are seeing through TT's claims experience?

Amazingly, no matter how much things change, they also stay the same. Criminals are doing their best to exploit operators' weaknesses. Whether it's a missing or fraudulent document in a driver onboarding, a routine high-value delivery, or a warehouse security system weakness, criminals are not resting; why should any logistics operator? In a number of investigations, particularly relating to thefts from warehouse facilities, there have been suspicions of insider knowledge. Recent claims experience reminds us: 1) due diligence around relationships matters more than ever in the transportation business, and 2) third parties exploit weak links to make away with cargo. All operators should make every effort to undertake thorough due diligence and maintain strong relationships with vendors and employees.

There was one case in particular that exemplifies this risk that involved the theft of over US\$100,000 of electrical goods from a warehouse. The thieves appeared to have valuable knowledge of the security arrangements around the facility and were able to leverage this knowledge to facilitate the theft without being caught.

A second claim involved the armed hijacking of a contractor's vehicle, transporting a high-value consignment of medical supplies. The route taken by the vehicle was run once a week from the same

warehouse, with the driver leaving at the same time and presumably making the same stops each week. The criminals had been able to profile the vehicle's movements, having a good knowledge of what the cargo was likely to be and strike when the vehicle was most vulnerable.

In both of these examples, law enforcement has been unable to evidence how thieves came about their "insider" knowledge of the operations. However, if experience is our guide, we will not be surprised if the source of information is a disgruntled current or former employee or an indiscreet vendor.

You mentioned medical supplies in one of the examples there. Globally in 2020, through the early stages of the pandemic, the industry witnessed a move away from the theft of traditionally attractive electronic and luxury goods towards those items that people needed the most. Suddenly face masks, anti-bacterial gels and other medical supplies became highly sought after. Do you think it's fair to say that traditional market forces directly impact the type of goods that are stolen?

In terms of the type of goods we have seen stolen in the United States in the last twelve months there appears to be a slight reversal of that trend, in a direction heading back towards the electronic and luxury type items. Foodstuffs and pharmaceuticals do trend as targets, naturally there will always be a fast moving market for these goods. TT has also seen several cases of non-ferrous metals and electronic goods being stolen through the year, so more of a mix.

The power of market forces shouldn't be underestimated when considering risk mitigation and counter measures. While there are cases of what appear to be opportunistic thefts on the face of it, where maybe a groupage consignment is stolen, many incidents of cargo theft are carefully orchestrated, with goods pretty much stolen to order.

Freight crime is a constantly evolving risk landscape. What should logistics operators in the United States be thinking about in terms of protecting themselves from exposure to this type of crime?

There are numerous aspects to supply chain security, from more obvious physical measures like security fences and gates, to less obvious procedural measures through due diligence, all of which are critical.

Operators should continue to engage with industry bodies and with TT, who frequently raise awareness of these risks, highlighting current trends – knowledge is power. Criminals will always try to be one step ahead, so logisticians should continue to think security and build deterrents into operational activities.

Sometimes even the smallest deterrent, making a criminal's job marginally more difficult or risky, will result in them rethinking their plans which could avoid a loss. Deploying CCTV, tracking devices or other security counter measures will all assist in reducing your risk exposure. Being less predictable in your operations, even where regular routes make the most sense, will increase doubt in the criminals' minds, making their decisions that little more challenging.

All operators should be aware of the threat of the insider and how these risks can be effectively managed. Currently, the market is tight in terms of the availability of trucks and labour and there is arguably a higher risk that a disgruntled or former employee might use their knowledge of your operations against you. An information security risk assessment could be a great starting point, who holds what operationally valuable information, can this be restricted further on a need-to-know basis? The less information in circulation, the lower the risk that valuable information lands in the wrong hands.

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Without data, compelling local, state and federal authorities and institutions to focus funding and attention to these crimes is difficult

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For those unfortunate operators who do suffer cargo theft losses, what should they be thinking about in the period immediately following the loss?

Any operator should ensure where possible that they move quickly to report any incident to both the authorities and TT (or other insurer) and to consider recovery. If they know what the processes are, they should be safe in the knowledge that they did everything possible.

We encourage operators to follow a standard procedure when cargo is reported stolen. For example, we strongly recommend the theft be reported immediately to local law enforcement with details about the stolen shipment. Law enforcement will often treat the reporting of a stolen tractor or trailer as a stolen vehicle investigation. Purposefully reporting the cargo details will result in the law enforcement documentation reflecting this and mitigate the risk of an early close to the investigation if and when the tractor or trailer is recovered.

Second, we encourage operators to report the theft to the National Insurance Crime Bureau and ensure all relevant insurers, including but not limited to the motor truck cargo legal liability insurer, be placed on notice of claim. Reporting incidents locally and nationally should not be considered a duplication of effort. The United States has over 17,000 law enforcement jurisdictions, and reporting to both ensures that local, regional, and national law enforcement can have a micro and macro view of the cargo theft problem. Lastly, when relevant, we ask operators to file an interest letter with the investigating agency.

Why is it important for the industry to ensure they are thorough in reporting any freight crime?

The importance of freight crime reporting should not be underestimated. With data we can start to manage freight crime. Data affords opportunities to map risk trends: where thieves are operating, the strategies they employ, the types of vehicles they use, all of which can serve to empower the freight operator, the freight forwarder and truckers to build defences and mitigate risks.

A data driven approach led by consistent crime reporting can assist in raising awareness and provide opportunities to build resilience through the supply chain – making it more difficult for criminals. Where stolen cargo is found by the authorities, it can be challenging to identify the cargo, evidence that it is stolen and bring those responsible to justice without sufficient crime reporting.

Data will also evidence the true extent of freight crime and the impact on the industry, the economy and society. Without data, compelling local, state and federal authorities and institutions to focus funding and attention to these crimes is difficult. Engagement at all these levels will assist in creating greater deterrents for the criminals. Data derived from freight crime reports will ultimately help drive and influence positive change.

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Many incidents of cargo theft are carefully orchestrated, with goods virtually stolen to order

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Celebrating innovation in safety

At a time of increased operational demands on supply chain flows, cargo handling infrastructure and every logistics operation worldwide, the TT Club Innovation in Safety Award both champions and celebrates the many companies and individuals around the globe who are fully dedicated to 'making it safe' every day. The award acknowledges and fosters innovation to improve safety in cargo operations and logistics.



Both ICHCA International and TT Club have a fundamental objective to reduce risk throughout the supply chain and enhance safety within cargo handling operations. Promoting safety awareness and advice is paramount to the ethos of the two organisations and the award reflects this commitment.

TT Club has always emphasised the critical nature of loss prevention in its role as a dedicated supplier of liability and asset insurance to those operating in the freight supply chain industry. As such, we remain steadfast in encouraging safety awareness and are delighted to maintain our support of this joint initiative with ICHCA.

Peregrine Storrs-Fox has been instrumental in the planning, judging and execution of the award since its inception and we talk to him now about the importance of such schemes.

Q. Peregrine, what is the primary objective of the Innovation in Safety Award?

A. The introduction above sets out the goals of this Award, really. At its heart is a realisation that there is always room for improvement, whether relating to processes and workflow, or to situations where working practices or environments inherently present danger to those involved. The freight industry is both diverse and complex, but there is much ingenious and imaginative talent resolving 'real' issues globally.

While some such innovation becomes known – perhaps due to the involvement of a technical partner – this Award gives opportunity for an objective panel assessment and broader industry profiling. This enables peers to consider applying ideas to their own similar situations, as well providing commercial opportunity to explain solutions that have been developed.

Many are dedicated to 'making it safe' every day; this Award seeks to give proper recognition to potentially game-changing solutions that might otherwise struggle to gain the traction they need to effect real industry change.

Q. Is there a particular type of innovation that is submitted?

A. We are not overly restrictive with entry criteria, as innovation can come in many shapes and forms. Award entrants are required to show that a product, idea, solution, process, scheme or other innovation has resulted in a demonstrable improvement to safety.

Entries cover a broad range – physical change, technologies, processes, systems and approaches – that deal with all kinds of safety issues in cargo operations at sea and on land. These have included everything from anti-piracy to bulk operations, collision detection to container stacking, dangerous goods compliance to electrical risks, working at height and much more.



TT Club Innovation in Safety Award Winner 2019

L-R: Heike Deggim, IMO; Stephan Trauth, Yardeye; Peregrine Storrs-Fox, TT Club



TT Club Innovation in Safety Award Highly Commended 2019

L-R: Heike Deggim, IMO; John Warda (on behalf of LINS); Peregrine Storrs-Fox, TT Club



Q. Have you seen any particular innovations that excite you in terms of risk reduction?

A. Many of the submissions are of huge value in their own right, greatly improving risk exposure in their immediate environment. We were thrilled that there were 34 entries this time, demonstrating dynamism in the industry and much advance over the last couple of pandemic years. Each entry has merit and some are clearly transferable across the industry in ways that could materially reduce risk profiles.

Q. How does TT champion those innovators that participate in the award program?

A. The immediate target of the Award process is the event, which will be held (virtually this time) on 22 February 2022. This will be followed by the publication of a digest of all entries. It is expected that industry press will want to interview some of the entrants and further promote the innovation. The Club maintains interactions with many innovators, including some who are not yet at a stage to submit an entry; where appropriate, we will continue to make introductions to see safety enhanced.

Q. Once a submission has been entered, what are the next stages of the awards process?

A. The 2021 competition closed for entries on 12 November 2021, at which point the panel of six judges started their assessments. The judging panel is comprised of independent experts from the industry. All entries are thoroughly reviewed and scored using a standard scoring template, ensuring a measured and informed response to each submission. The Award event will profile a limited number of shortlisted entries, culminating in the Award being made.

Q. How does the award support TT's mission statement?

A. This Award is a further demonstration of TT's mission to make the global transport and logistics industry safer and more secure. Celebrating things that have proven to make a difference is core to the Club's ethos.



TT Talk – Changing climatic risk



Climate change and preventing further increases in global temperature were the key areas of focus of COP26 held in Glasgow in November. This event naturally attracted great interest across the transport and logistics industry with actors anxious to understand what operational changes might be required from them to contribute to carbon reduction.

Unquestionably, climate change affects us all in different ways and to different extents. What this might translate to in 20, 30 or 50 years could be unthinkable if we don't effect immediate change. The impacts of climate change are already being felt globally, the immediate effects were explored in October's edition of TT Talk.

Everyone is well aware of weather conditions in their locality; those with responsibility for operating cargo facilities are likely to be acutely conscious of changes in local climatic conditions. Many will have seen tidal surges, [wind microbursts](#) and unprecedented rainfall become more common.

Operators of warehouses, [terminals and port](#) areas need to keep 'fresh' their assessment of the changing risk profile in relation to climate experience in order to protect personnel, operations, equipment, fixed property and infrastructure, and importantly customers' goods.

Meteorological understanding is doubtless advancing and the related technologies to assist managing risk are equally widely available. The capability to monitor, record and predict weather patterns will continue to develop. However, none of this will physically protect your operation, but, when utilised as an integral component of your ongoing risk assessment, may inform decision-making, such as where to position equipment, how best to stack empty containers and what would strengthen procurement specifications.

Whilst many storm events are considered geographically seasonal – such as those in the Tropics – the entire supply chain industry globally must take adequate steps to prepare for isolated severe weather events. Typically [wind strength](#) is most ferocious in coastal areas. However, it is often the surge and flood risk that can cause greater problems, both on the coastline and further inland.

Further, recent months have seen extraordinary volumes of rainfall over short periods in various parts of the globe, resulting in flash

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Operators of warehouses, terminals and port areas need to keep 'fresh' their assessment of the changing risk profile in relation to climate experience
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flooding and causing significant damage, including to warehouse facilities and cargo stored within them. The fact that more rain fell on a particular day than any other in recorded history does not assure legal defence if a claimant can demonstrate deficiencies in your operational risk assessment or inadequacies in the steps you took in advance of the weather event.

The associated losses of such incidents can be far reaching; water is unforgiving and has the ability to penetrate and cause significant damage. Flood water is inevitably dirty, increasing damage and in many instances creating health challenging situations.

TT claims data over the last three years suggest that inland operations were subject to damage in 32% of cases, illustrating (unsurprisingly) that operations positioned on or near a coast are more susceptible to weather related incidents (68% of cases). 16% of claims notified through the period involved heavy rainfall that overwhelmed drains and guttering causing flooding to buildings and storage facilities. Property damage through strong winds and microbursts featured in 74% of weather related claims through the period.

Whilst not exhaustive the following areas could provide a sound basis for assessing the risk to your business.

- **General operations** – Taking account of the operational activities your business undertakes, consider exposures in relation to storage, in-bound and out-bound distribution, co-packing, self-store, vehicle parking etc. How would your operation be affected in the event of your premises being flooded?
- **Location** – Since storm surge is a significant risk – for yards and warehouses – consider proximity to sea level or a river/other watercourse. If your operation is exposed to potentially high winds, precautions also need to be considered regarding, for example, the stack height of containers.
- **Weather data** – Source reliable local historic weather data and any trend analyses to consider the likelihood of heavy rainfall and flooding.
- **Cargoes** – Operational plans for cargo storage need to take account of specific sensitivities of the cargo or packaging (eg. bagged or non-palletised), as well as general vulnerabilities from site layout (eg. warehouse racking). Evaluate these risks, including considering your emergency plan to move/secure cargo.
- **Aggregation risk** – Consider the total value of the cargo you are storing and what exposure you might have (without regard to trading conditions) if it were all damaged in a single event. Ensure that your insurer is aware.
- **Business continuity** – What measures are required to protect vehicles and mobile handling equipment, any office premises and equipment, as well as maintain communication/IT/OT capability? How quickly would your business return to full operational capacity?
- **Property** – Who is responsible for upkeep and maintenance of buildings and infrastructure? Is preventative maintenance undertaken (and recorded), such as unblocking drains and guttering? Are defect resolution procedures clear (and followed)? Does the drainage capacity remain sufficient in light of emerging weather data and accounting for any site alterations (eg. extended roof area)?
- **Contractual obligations** – In the event of flooding or storm damage, aside from any damaged cargo, would you be able to satisfy your contractual commitments to your customers? Consider both acceptance/processing of further deliveries as well as distribution of existing stock. Are your [standard trading conditions properly incorporated](#) in your general business dealings? Assess your potential exposure and the limits of liability under both standard terms and any special contracts. Beware any financial penalties for non-performance which will not be covered by insurance.



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The fact that more rain fell on a particular day than any other in recorded history does not assure legal defence if a claimant can demonstrate deficiencies in your operational risk assessment
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- **Insurance & financial resilience** – It is imperative that your insurer has a sound understanding of your operational activities, your property, what cargo you are storing, what equipment is on site at any given time and a reasonable valuation of it all. Note, however, that studies have shown that there is likely to be a significant difference between an 'insured loss' and the full 'economic loss', the latter including various indirect costs, such as lost management time and reputational damage.

Extreme weather events can be challenging to predict – and even effective forecasting may only provide a matter of hours for the respective operators to react. It is important to ensure that adequate risk assessments are undertaken across the full breadth of your operation in order to understand thoroughly the various risks and, where appropriate, develop mitigating actions and controls, together with effective continuity plans to protect your business.

Further reading:
TT Club's Windstorm II: practical risk management guidance for marine & inland terminals.

[Read more](#)

Five minutes with **Laurence Jones:** assessing the key risk factors

Laurence Jones is TT Club's Global Risk Assessment Director based in Sydney. His role involves advising and supporting in underwriting decisions and claims assessment and he works proactively with clients and industry to identify areas where risks may be reduced. With storm events becoming ever-more unpredictable, we caught up with Laurence to understand his view of the key risks for ports and terminals specifically and his advice for the coming years.

Laurence Jones

Global Risk Assessment
Director



Laurence, through your analysis of TT claims data, what trends have you identified?

TT Club total claims costs and numbers have been pretty constant over the last 10 years. We have seen some variations due mainly to large single events like hurricanes, cargo fires and bodily injuries, however, overall there has been no marked trend.

There have been some positive trends where some categories of claims have decreased, like quay crane boom to ship collisions, yard crane stack collisions, and lift truck and pedestrian collisions. TT Club has consistently promoted new technologies that can prevent these incidents, which we believe has contributed to the decrease. However, these incidents are still occurring and we have to continue to encourage terminals to utilise the available technologies.

What do you think the big risk factors will be for 2022?

Regular risks like mobile equipment accidents, fires, theft, refrigeration issues, bad packing etc. will continue, and we must continue to highlight them, and provide loss prevention advice.

I see weather-related risks, severe winds and flooding, as the big risk factor for the future. 2017, 2018 and 2019 were very bad years for weather related claims, mainly hurricanes and typhoons. During 2020 with reduced movement caused by the pandemic, we actually saw very few weather-related claims. However, due to climate change, we are seeing more severe weather occurring and it is occurring in locations where this has not been typical before.

Another big risk factor is ships alliding with berths and sometimes quay cranes. As ships get bigger and ship cascading occurs, many ports are handling bigger ships. Personally, I am concerned that ship berthing incidents will increase due to handling bigger ships.

You mention climate change and severe weather being a key risk for the future, how can ports and terminals take action to mitigate these risks?

When we talk about risks caused by climate change, we are predominantly referring to severe winds and flooding.

The biggest risk with severe winds is quay cranes blowing over or along the crane rails. This has always been an issue but with climate change the risk is unquestionably higher. Whether a quay crane has storm tie-downs and/or storm pins has been dependent on the crane design and the maximum wind speed at the location where the crane will be located. As a result, there are many cranes that do not have storm tie-downs and storm pins, indeed some have neither. We saw an example in India in 2020 where three quay cranes were blown over backwards. These cranes had storm pins in operation

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We can mitigate the damage caused by rain and floods

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but no storm tie-downs. I am certainly concerned that this will begin happening more often. With climate change or especially when the crane is relocated to a windier location, it is imperative that all quay cranes have storm pins and storm tie-downs, as well as procedures to ensure they are utilised prior to a windstorm.

Like wind, we cannot yet control or prevent rain and the often resultant flooding. However we can mitigate the damage caused by rain and floods. Some loss prevention actions to mitigate flood damage are:

- Identify temporary and short-term flood protection systems that can be used in the development of a storm preparedness and emergency response program:
 - Sandbagging
 - Jersey Barriers
 - Temporary levees
 - Inflatable air or water filled dams
 - Flood-proof retractable gates and fences
- Move property and cargo to higher ground
- Place containers with cargo on top of empty containers
- Store items undercover
- Ensure buildings and yards have adequate drainage & all the drains are unblocked
- Ensure breakwaters provide adequate protection from sea swells
- Consider climate change when designing and locating future terminals.

While ports and terminals need to prepare for severe weather, many are also helping to minimise climate change by reducing greenhouse gas emissions. I applaud and encourage ports and terminals to continue to explore opportunities to reduce greenhouse gas emissions.

Thanks Laurence, finally, do you have any plans for loss prevention activities in 2022?

I'm currently working with Mike Yarwood in London to plan a series of webinars and podcasts focused on key port and terminal risks. We hope that these sessions will provide such port and terminal operators with in-depth and specific knowledge about the key causes of claims.

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Due to climate change, we are seeing more severe weather occurring and it is occurring in locations where this has not been typical before

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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 and more secure.

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.

We cannot create this content alone. 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.**

