Removal of Wreck, Cargo Aggregation and the Ultra Large Container Ships

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Piper Alpha

- Piper Alpha blowout occurred 7/6/88
- Post disaster report found that Safety procedures were lacking and new higher standards were implemented
- LMX Spiral exposed
- $3.4B claim became a $30.0B claim
Hurricane Katrina

- Costliest natural disaster ever estimated $108B in losses
- Third most intense storm to hit landfall
- Offshore Energy loss $3B
- Market reaction - Wind aggregation severely limited and Q/S caps
Costa Concordia

- Date of casualty – January 13th (Friday) 2012
- Insured cost – estimated to be in excess of $2.0B
- Long complex Removal of Wreck (2yrs)
- Market reaction – International Group considering sub-limiting ROW
Rena

- **Date of Casualty** - October 5, 2011
- **Insured cost** – estimated to be in excess of $420.0M
- **ROW** – contending with pollution, and general clean up salvage still ongoing 3.5 yrs later!
- **Market reaction** – Same as for the Concordia claim
The Major Cost Factors for Removal of Wreck

- Impact of location
- Impact of cargo removal from incidents involving container ships
- Bunker removal operations
- Impact of government or other authority on operations
Unique Challenges Posed by ULCS

- Cargo Aggregation/Hazardous Cargo
- Environmental damage – large fuel capacity
- Salvage concerns - Equipment needed