Welcome and introduction

James Bean
Offshore Syndicate Director

London Offshore Forum, 13 May 2015

The Standard

Today's programme

The Standard

Time	Topic	Speaker
1510	Market overview	Stephen Gordon, Clarkson Research Services Ltd
1530	Offshore structures decommissioning – what's required and where are the pitfalls, issues and risks involved?	Alan Clifton, LOC
1550	International regimes governing trans-boundary movements of waste	Nick Rock, Reed Smith LLP
1610	Decommissioning insurance: the insurance market view	Jeremy Jiggins, Marsh
1630	P&I cover for decommissioning	John Croucher, Underwriting Director

1645	**Break**

Charles Taylor

Today's programme

The Standard

Time	Topic	Speaker
1700	Comparative approaches to causation	Nigel Chapman, Clyde & Co
1720	P&I claims trends	Fabien Lerede, Syndicate Claims Director
1740	Changing and emerging risks	Joseph Divis, Underwriter
1800	Loss prevention initiatives	Julian Hines, Senior Surveyor
1810	The Standard Syndicate 1884	Robert Dorey, The Standard Syndicate
1830	Round up and questions	
1845	**Drinks reception**	
1930	**Dinner**	
2230	**Carriages**	

Charles Taylor

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Offshore Market Overview & Decommissioning

Standard Club Offshore Forum, 13th May London

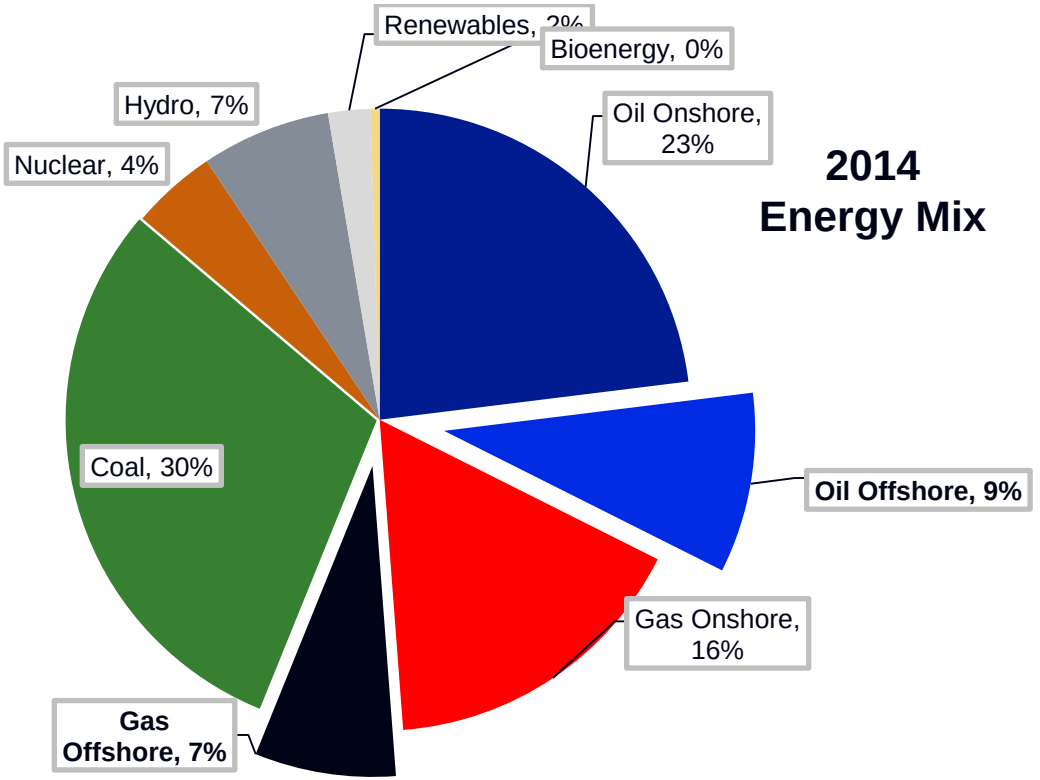
Stephen Gordon, Managing Director
Clarkson Research

CRSL-A3466-15

Agenda

1. Offshore & Global Energy Markets
2. Oil Price, E&P, Rigs, Market Challenges
3. Fleet & Orderbook
4. Decommissioning
5. Summary

Offshore & the Global Energy Markets

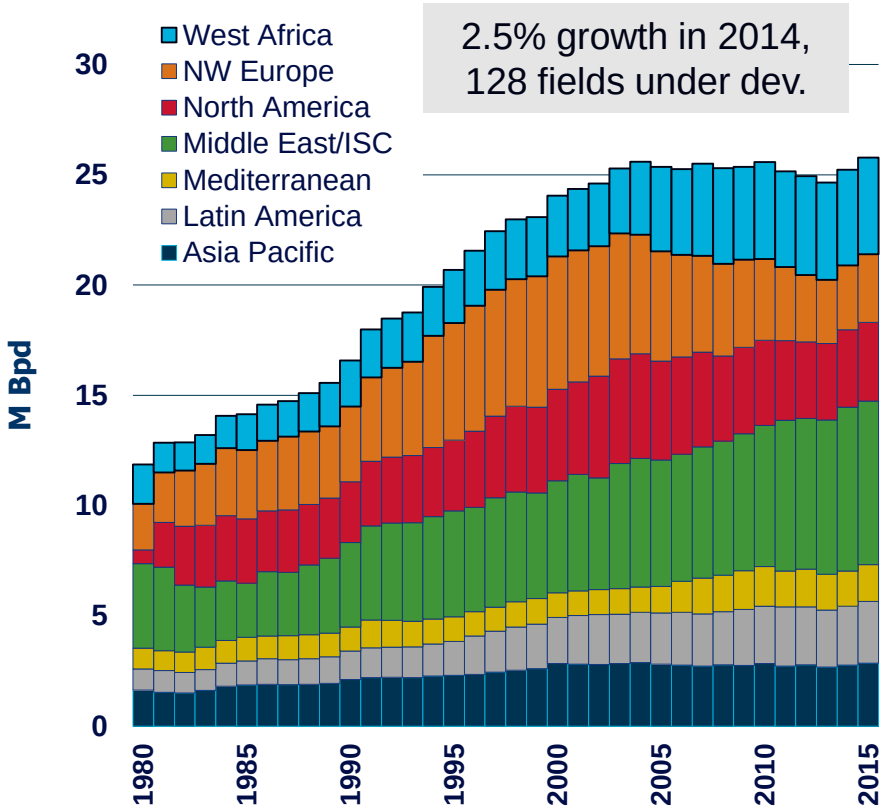


- Offshore Oil and Gas represent a total share of 16% of total world energy.
- Offshore oil production 26.1m bpd and 30% of all oil production.
- Offshore gas production of 108 cufd and 31% of all gas production

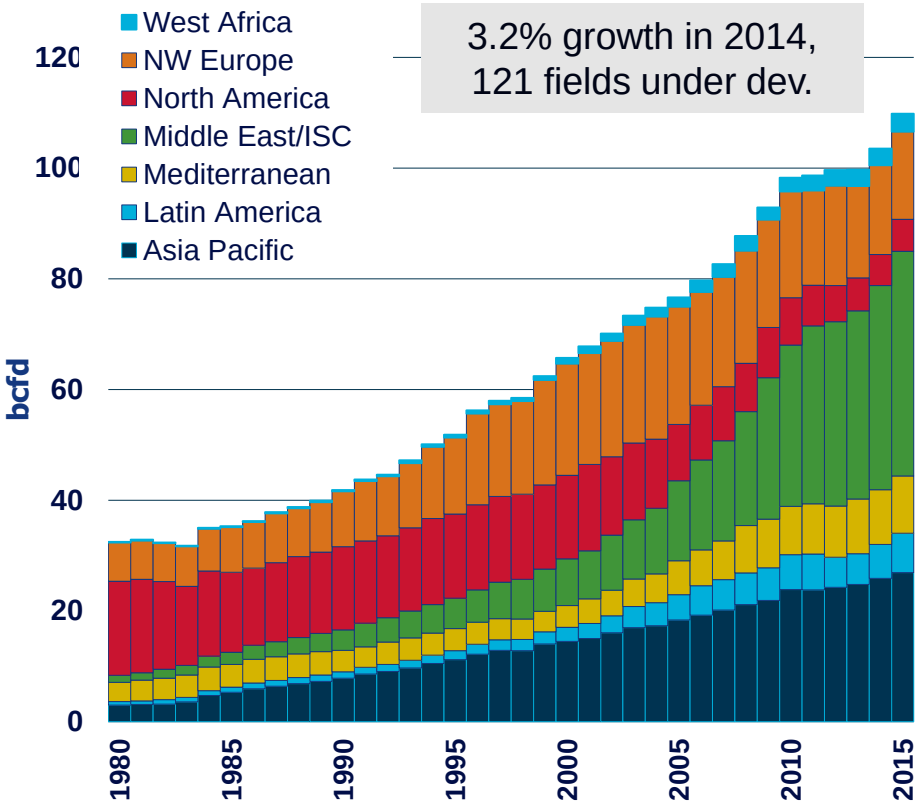
Data Source: Clarkson Research , BP Statistical Review

Offshore Production…… more international

Long-Term Oil Production



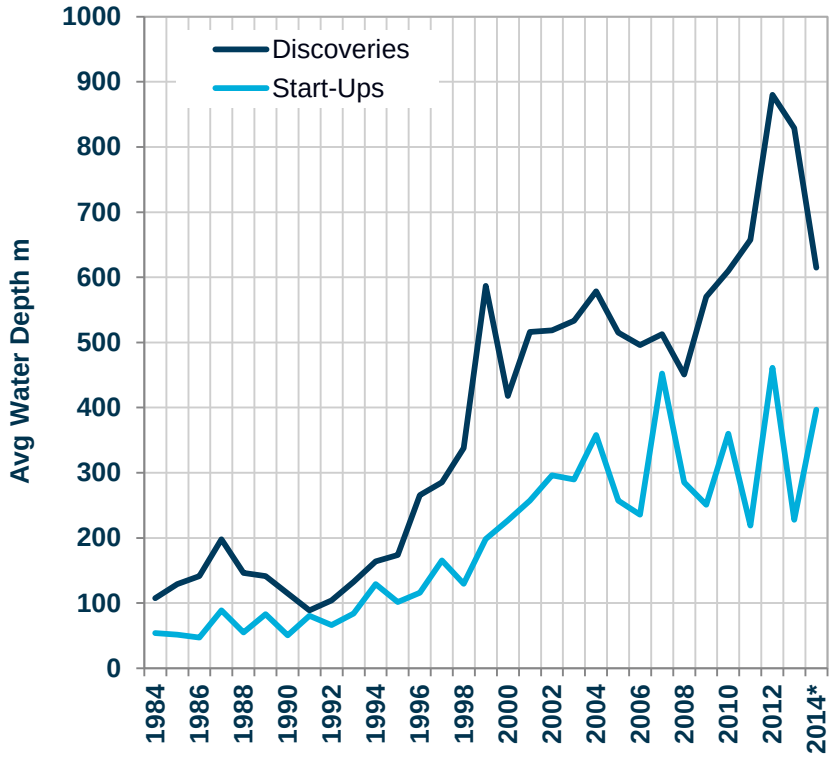
Long-Term Gas Production



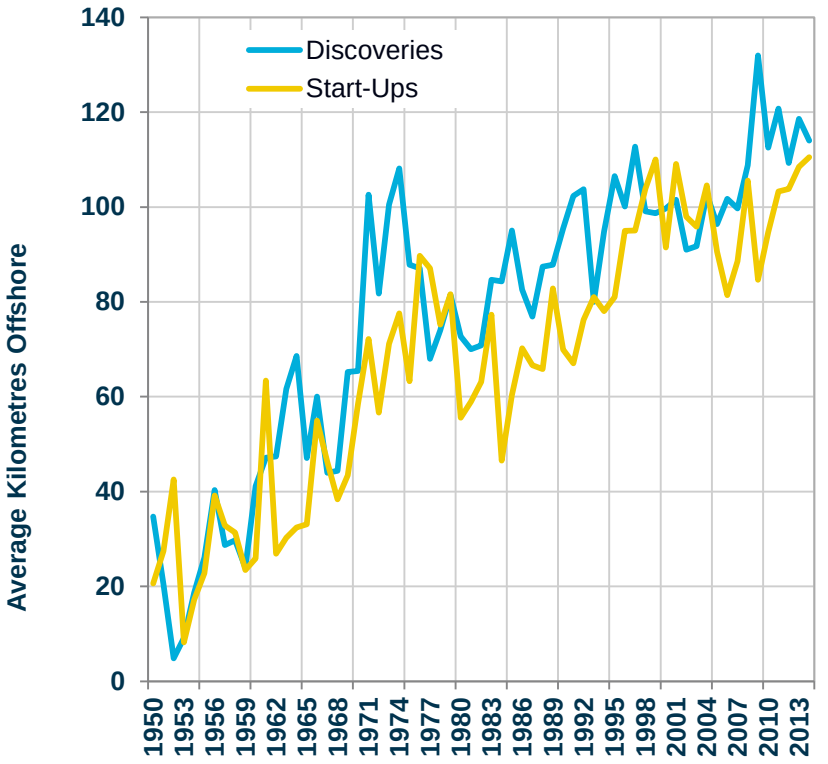
Data Source: Clarkson Research Services

Deeper Water, Further From Shore……

Depth



Distance

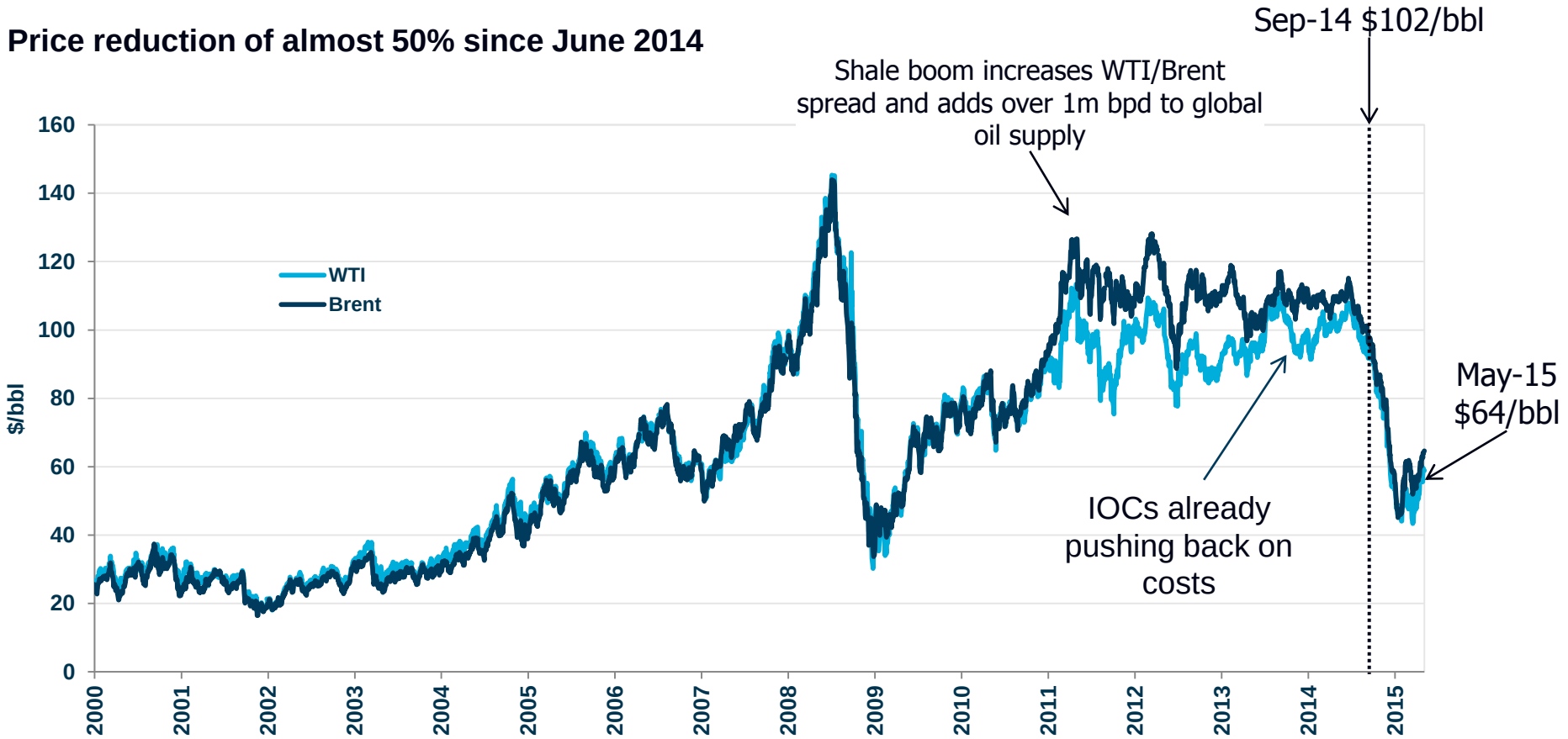


Also more Subsea, more FPSO……

Data Source: Clarkson Research Services

Oil Price

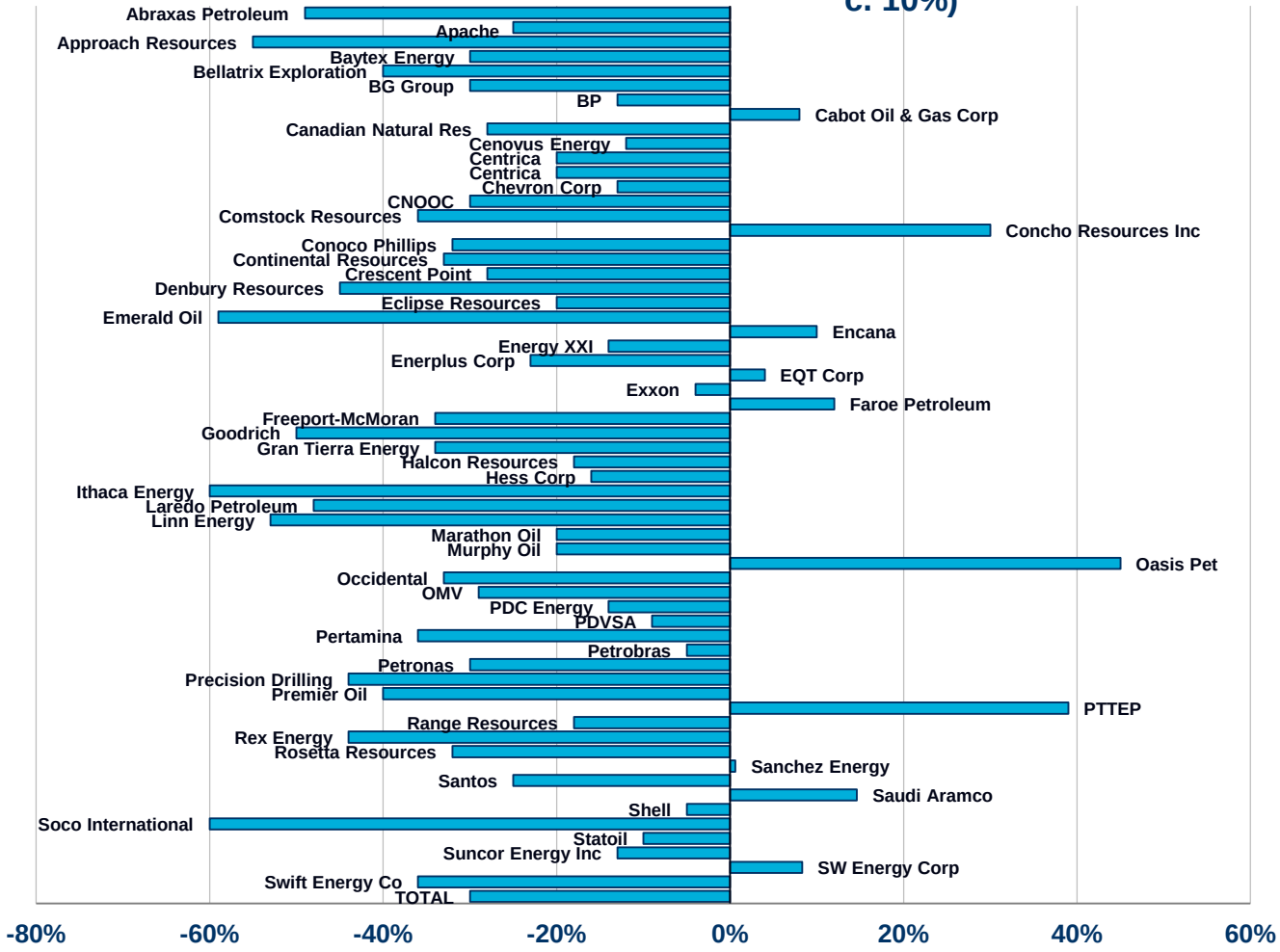
Price reduction of almost 50% since June 2014



Data Source: Clarkson Research Services

2015 E & P Spending

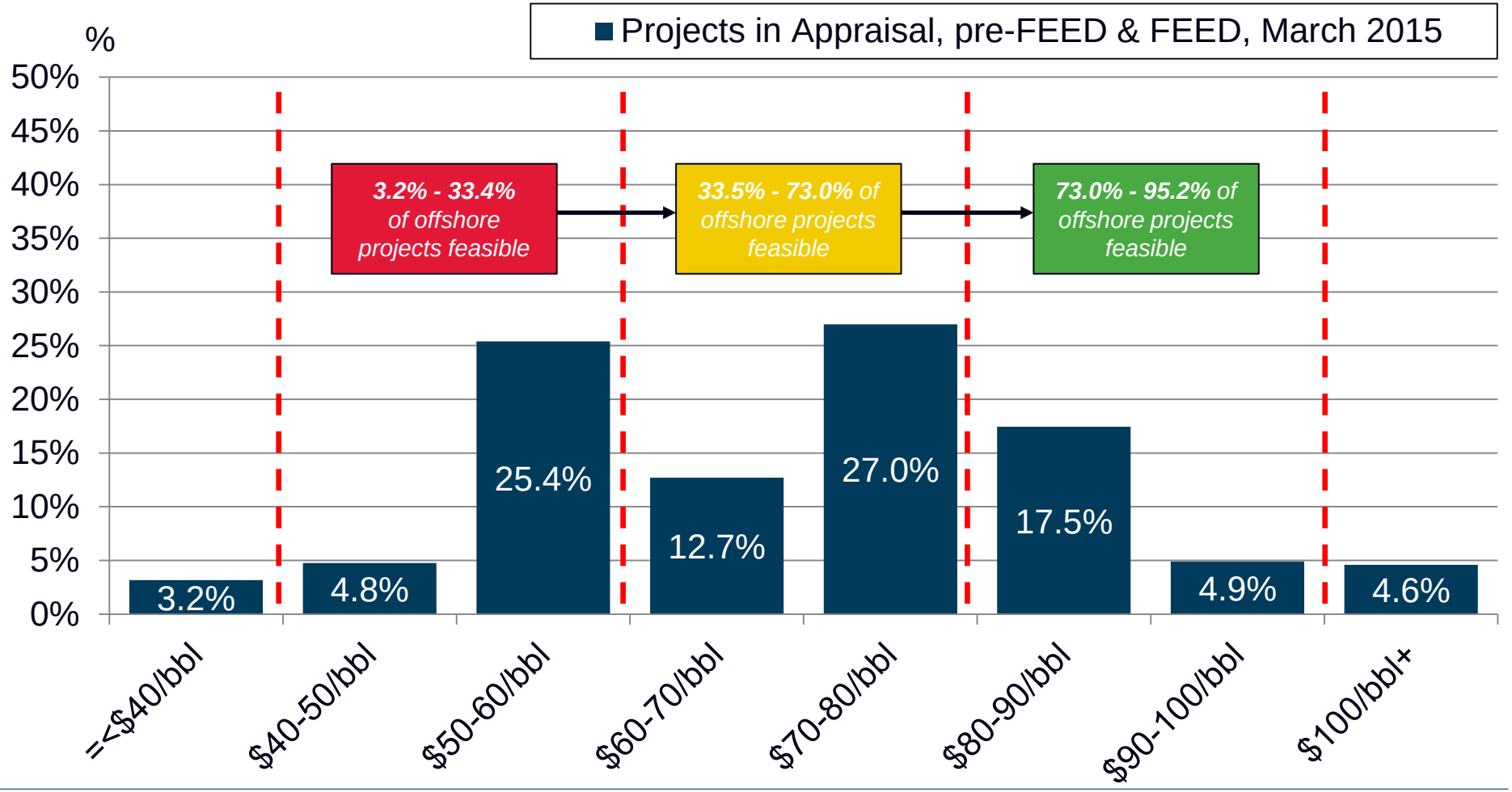
Most announcements are highlighting budget reductions. Average for offshore-focussed companies is - 19%. (2009 was c. 10%)



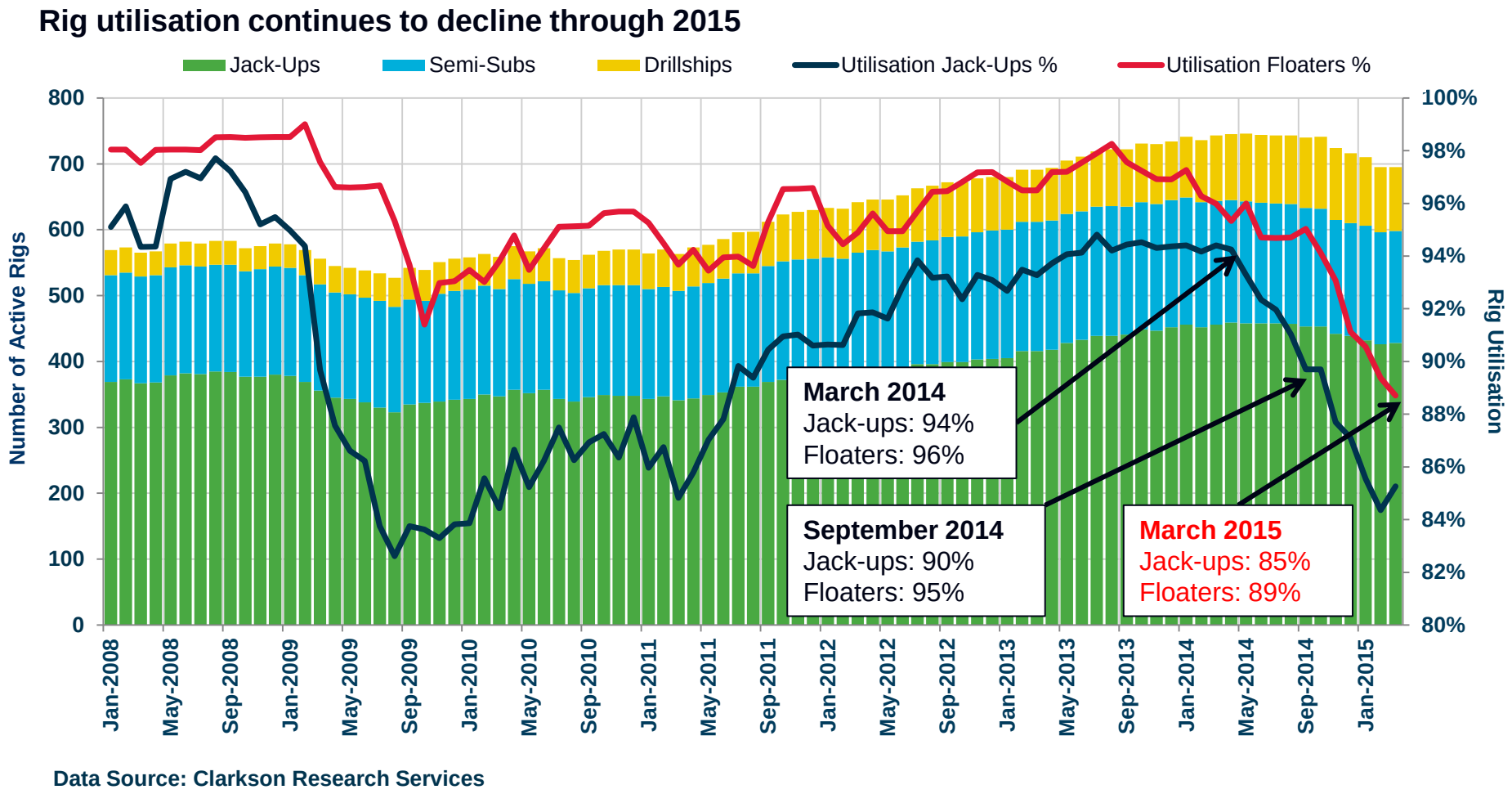
Key Companies with Offshore Exposure*	2015 Budget y-o-y change
Chevron	-13%
CNOOC	-30%
Shell	-5%
ENI	TBA mid Feb
TOTAL	-30%
Apache	-25%
ExxonMobil	-4%
BP	-13%
Statoil	-10%
Petrobras	TBA
Pertamina	-36%
ConocoPhillips	-36%

*Ordered by number of fields operated. Some figures shown are preliminary guidance and all are subject to change given current high market uncertainty

Offshore Project Oil Price Distribution

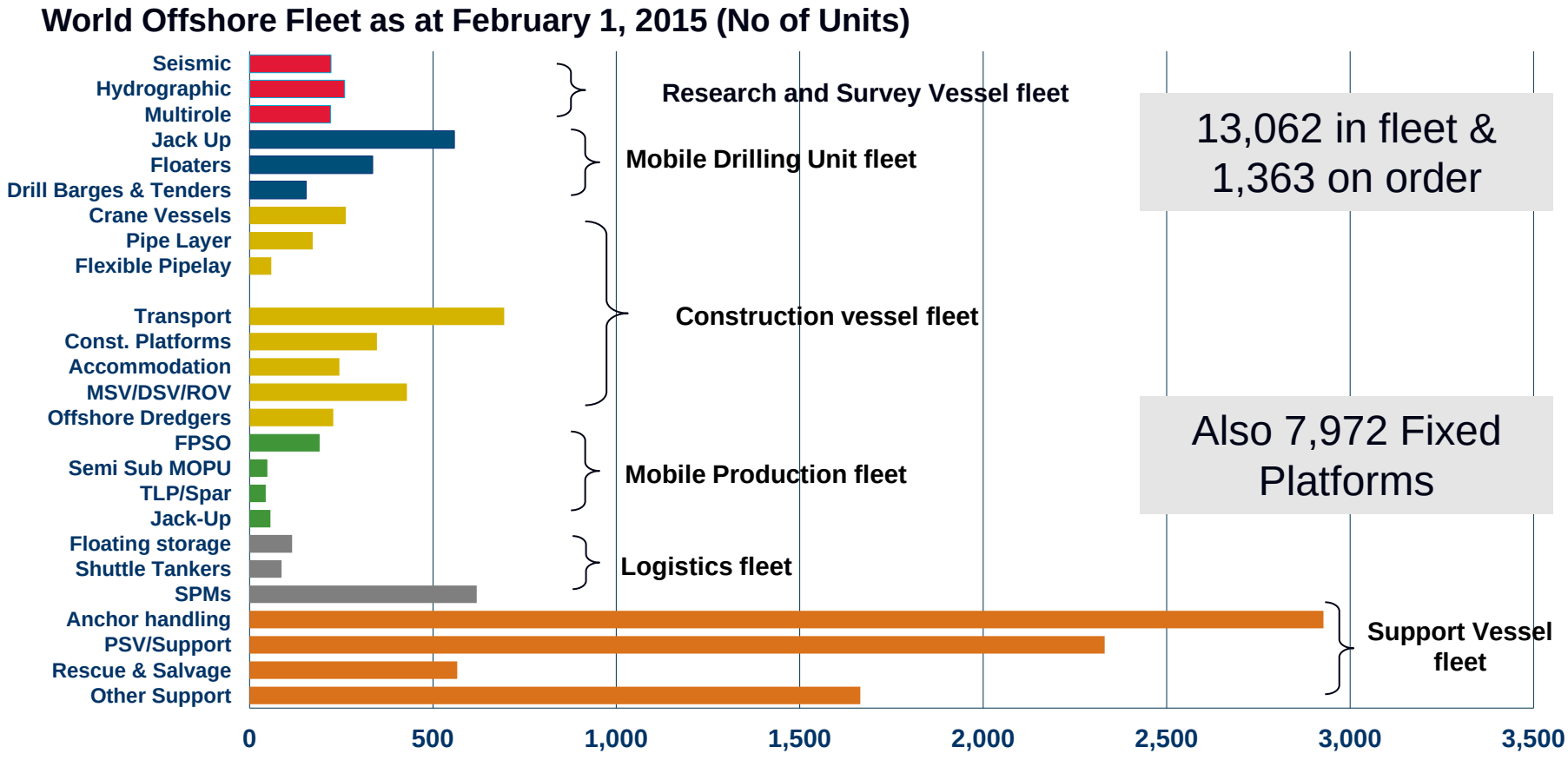


Global Rig Utisation



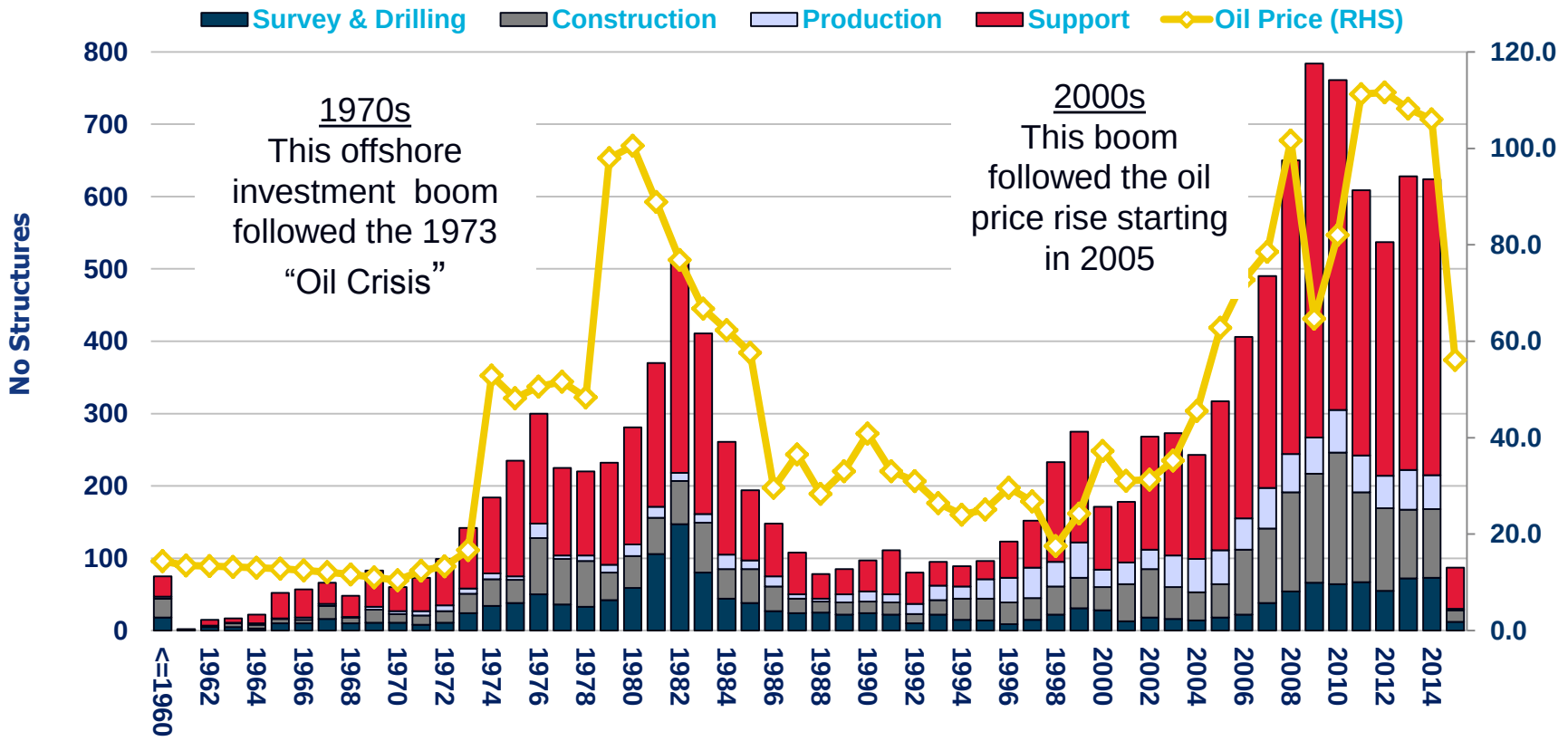
Data Source: Clarkson Research Services

World Offshore Fleet – Supporting Field Life Cycle



Data Source: Clarkson Research Services

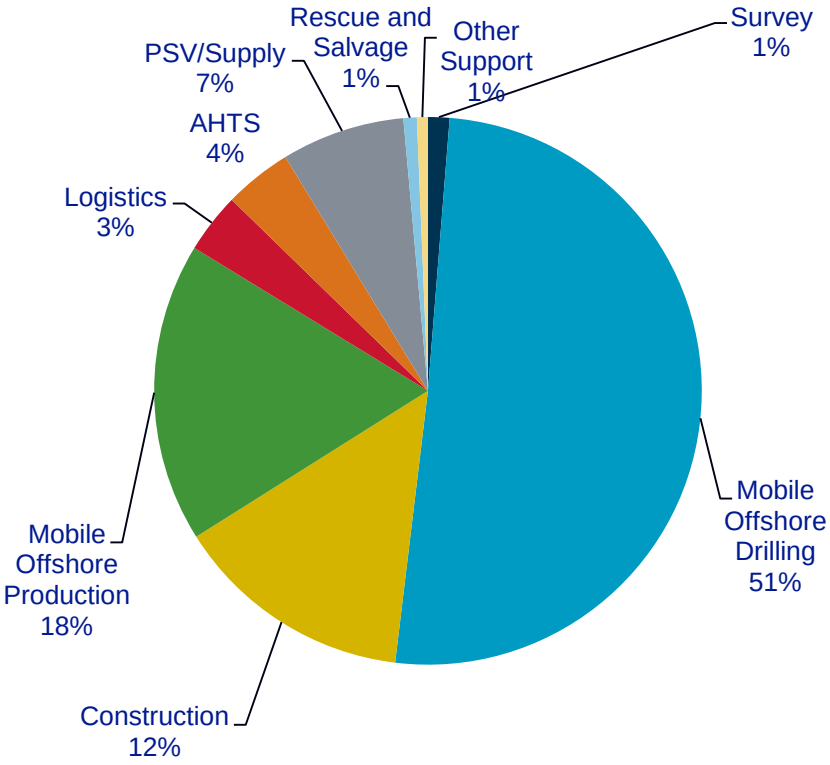
Mobile Offshore Age Profile



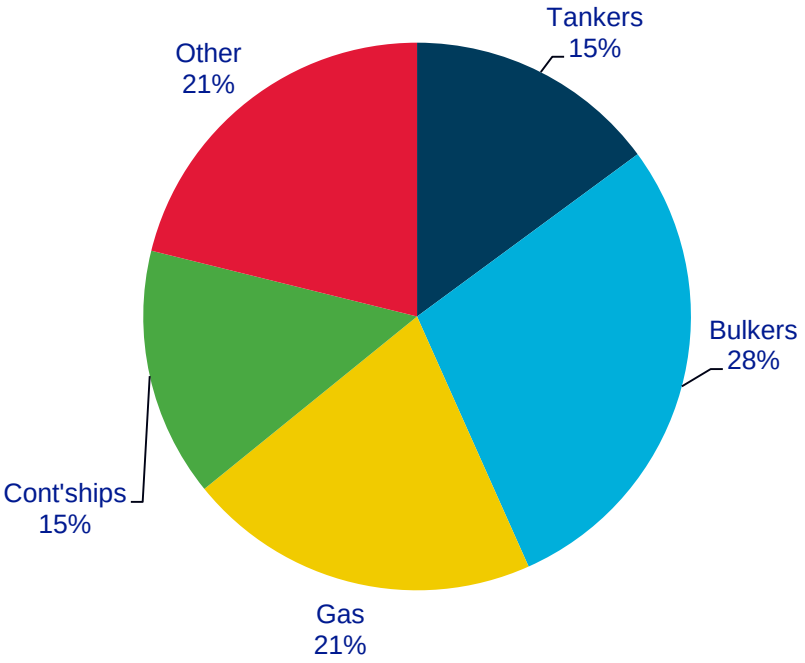
Data Source: Clarkson Research Services

Offshore & Marine Orderbook – Value by Type

Offshore (US$170 billion)



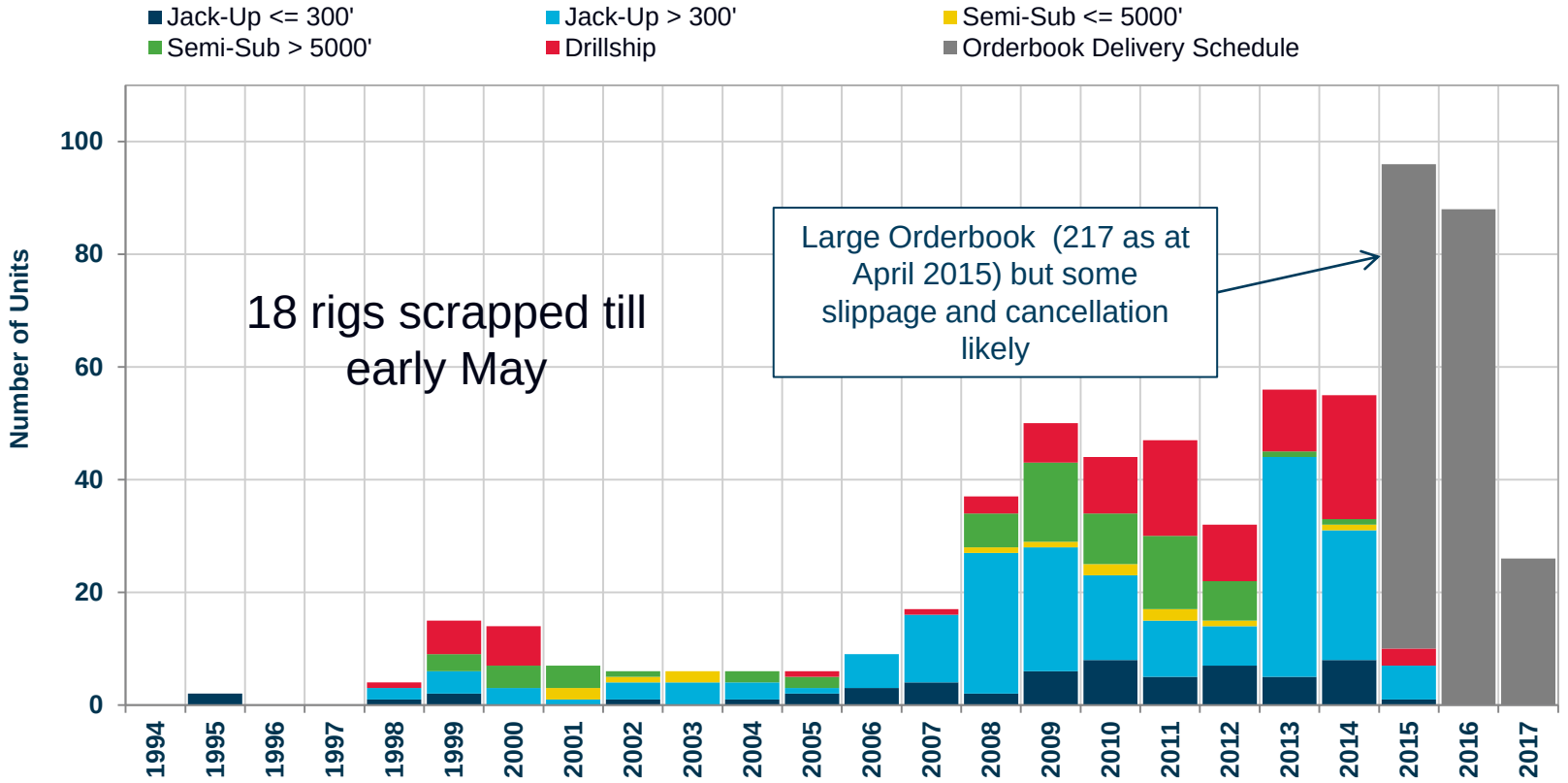
Shipping (US$200 billion)



Data Source: Clarkson Research Services

Rig Deliveries

174 rig deliveries are scheduled in remainder 2015-2016 as at April 2015.

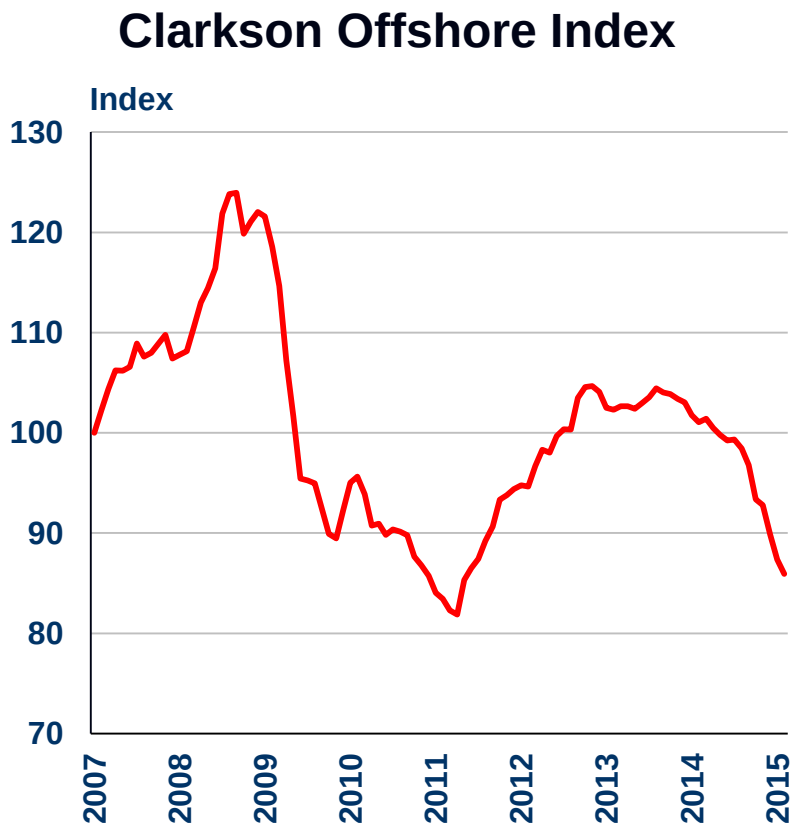


Data Source: Clarkson Research Services

Offshore Service Vessel Rates

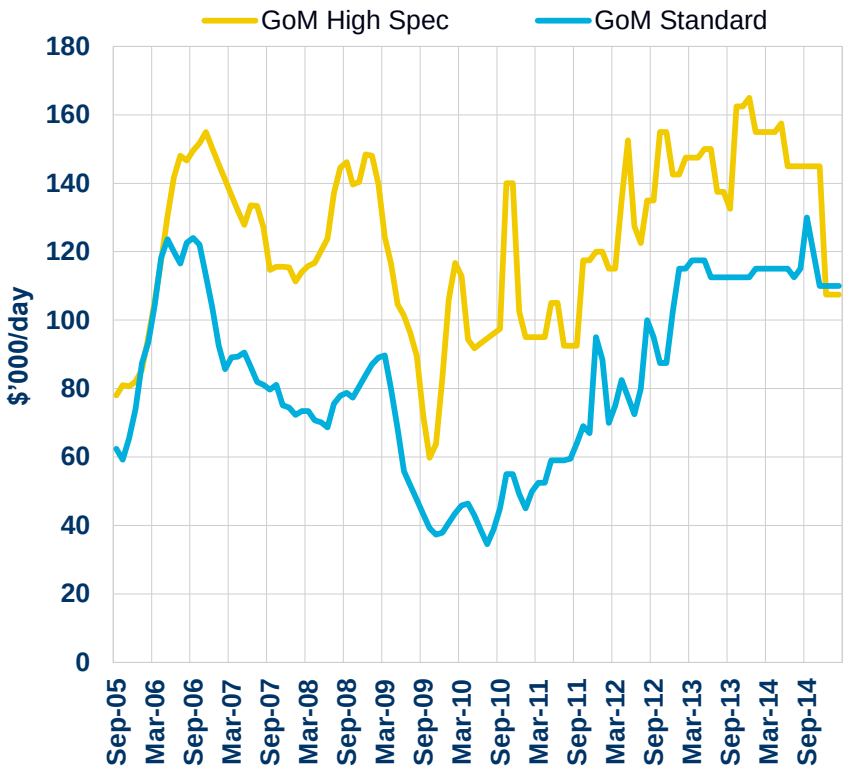
Key Trends

- A downturn that was gathering pace at our last meeting has accelerated into a severely challenged outlook. Sentiment has become very bearish since the turn of the year.
- Day rate declines in Floaters have spread to Jack Ups and OSVs. Clarkson Offshore Index has dropped from 103 to 86.
- Key indicators:
  - Oil Price down – down 50%
  - Global E&P – down 25%
  - Offshore E&P – down 17%
  - Rig Utilisation – down from 96% to 84%
  - Rig Orderbook – down from 237 to 217

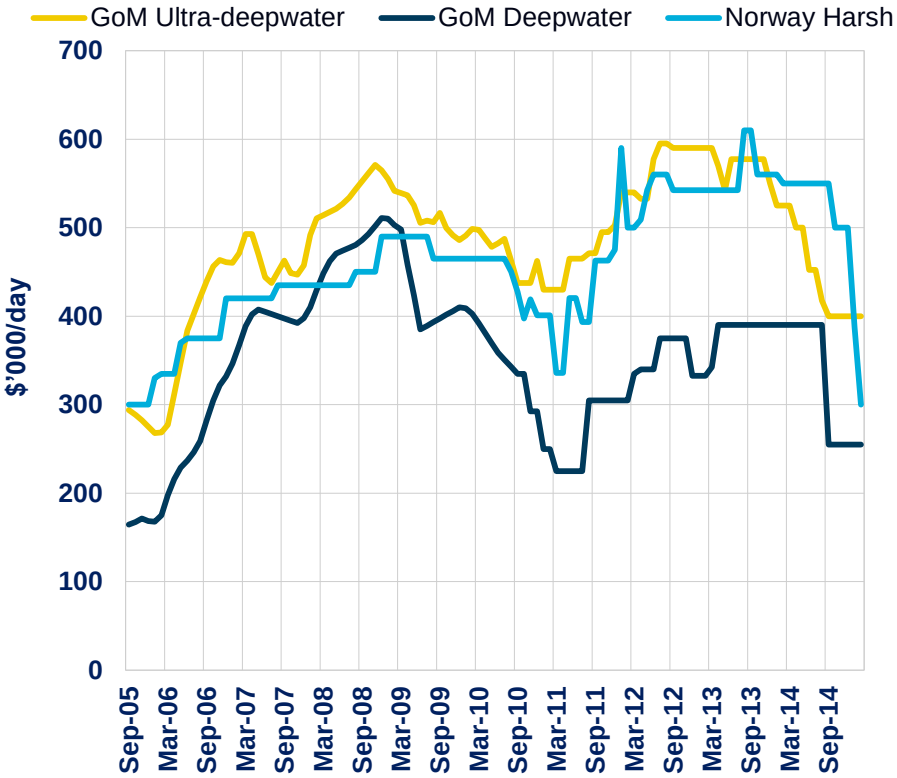


Rig Dayrates

Jack-Up Rates

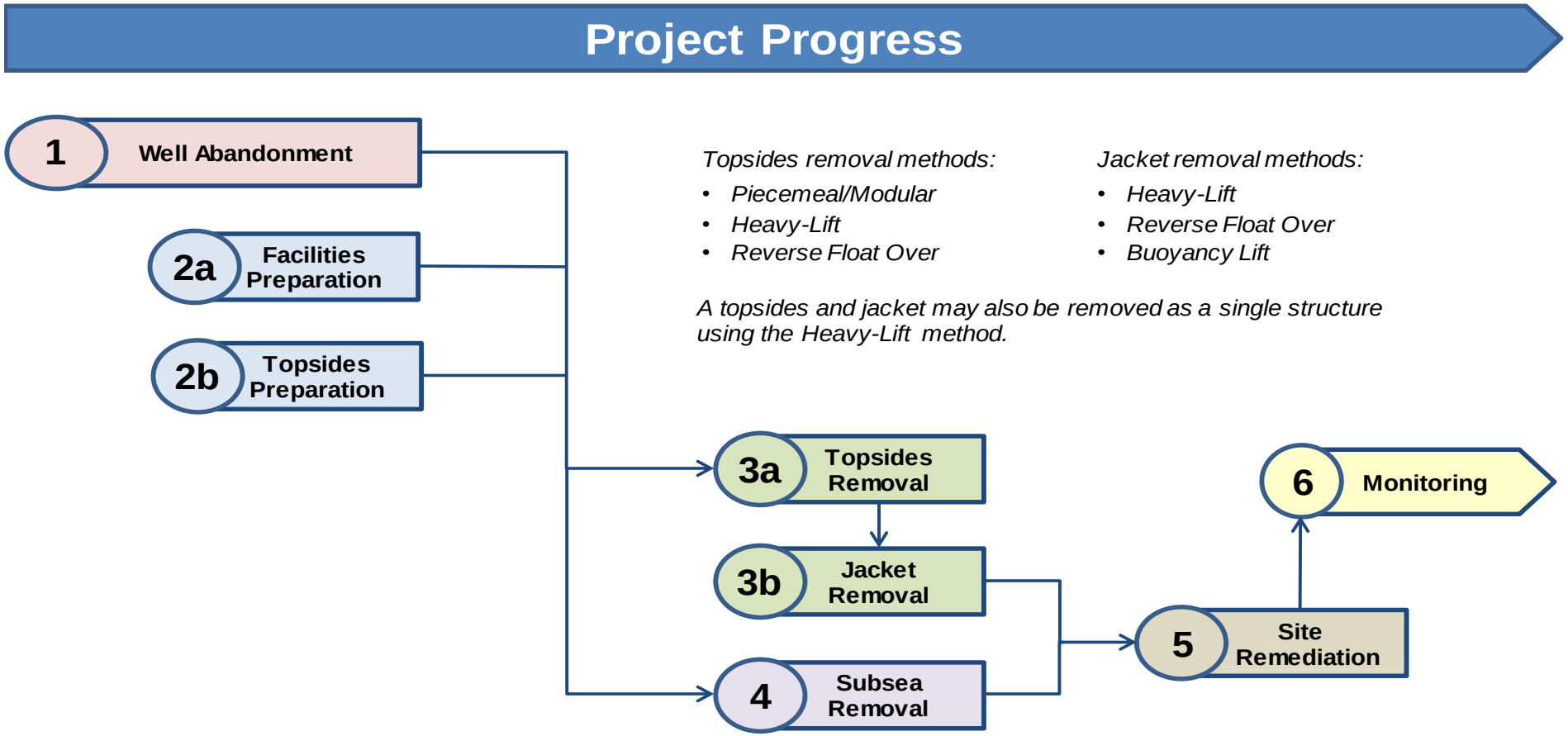


Floater Rates



Data Source: Clarkson Research Services

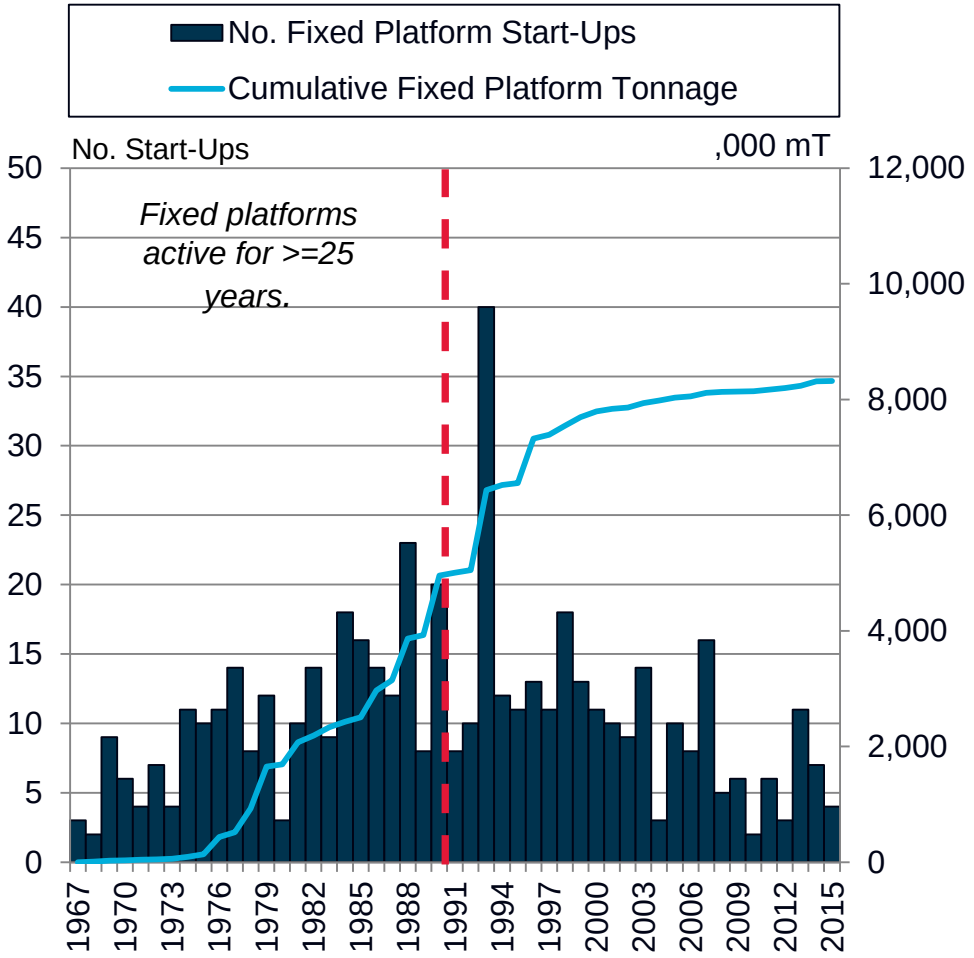
The Decommissioning Process



Decommissioning and the Offshore Fleet

		Decommissioning Project Stage					
		Well Abandonment	Preparation	Tops./Jack. Rem.	Subsea Removal	Site Remediation	Monitoring
Suvey	Seismic/Geophysical						
	Hydro/Oceanogrpahic						
	Multi-Role						
MDU	Jack-Up Drilling Unit						
	Semi-Submersible						
	Drill Ship						
	Drill Barge						
	Drill Tender						
Construction Vessel	Crane Vessels						
	Pipe Layer						
	Cable/Flexi Layer						
	Trans./Heavy Lift Vessel						
	Offshore Launch Barge						
Self Elevating/ Installation	Self Elevating Platform						
	Wind Turbine Installation						
Accommodation Unit	Jack-Up Accom. Unit						
	Accom. Vessel/Semi-Sub						
	Accommadation Barge						
Subsea Construction Support	MSV						
	DSV/ROV Support						
Dredger	Trailing Suction Hopper						
	Gravel/Stone Discharge						
Mobile Production	FPSO						
	Semi-Sub Production						
	TLP/SPAR						
	Jack-Up Production Unit						
Offshore Support Vessels	AHTS						
	AHT						
	PSV/Supply						
	Crew/Fast Supply						
Rescue & Salvage	ERRV						
	Ocean Going Tug						
Utility Support	Mainenance						
	Utility/Support						

North Sea Fixed Platform Age Profile



- 509 active fixed platforms; combined weight >8m tonnes.
- Decommissioning is a legal obligation under the provisions of the OSPAR Convention.
- 47% of North Sea fixed platforms installed more than 25 years ago.
- Only 88 platforms decommissioned so far.
- Field operators attempting to extend field/platform life with EOR and expansions, but limits now being reached, e.g. at Brent, Huldra and Renee/Ruby.
- Potential for vessel owners, especially in the construction, heavy-lift and MSV/DSV/ROV Support sectors.

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Significant Forthcoming Decommissioning Investment Projects

Project Name	Project Status	Operator	Field Dev. Type	Area	FID	Comments
Brent Decommissioning	FEED	Shell	Fixed Platform	North Sea	2014	Huge, complex and technically challenging multi-phase project: P&A; decommissioning of 4 platforms beginning with Brent D; expected to take over 120 months.
Huldra Decommissioning	FEED	Statoil	Fixed Platform	North Sea	2016	P&A of 6 gas/condensate wells and removal of the Huldra unmanned WHP; CAPEX of $335 million; pipelines to be utilised by the Tommeliten field.
Renee/Ruby Decommissioning	FEED	Endeavour Energy	Subsea to FPU	North Sea	2011	Removal of subsea structures, pipelines and umbilicals from the Renee and Ruby fields; expected to take c.48 months.
Gomez Decommissioning	EPC	Anadarko	Semi-Sub	US GoM	2013	P&A; removal of semi-sub, subsea structures, umbilicals and risers. Following the bankruptcy of operator ATP, decommissioning devolved to the original operator, Anadarko.
Heimdal Well Abandonment	EPC	Statoil	Platform Complex	North Sea	2013	P&A of 12 gas wells on the Heimdal field following depletion and shut down in December 2014; P&A awarded to Archer Well; expected to take 34 months.
Red Hawk Decommissioning	EPC	Anadarko	SPAR	US GoM	2010	P&A 2 gas wells; removal of subsea structures, umbilicals and risers; SPAR topsides scrapped; hull to be moved and then sunk as an artificial reef.
Valhall Partial Decommissioning	EPC	BP	Platform Complex	North Sea	2012	P&A; decommissioning of 3 platforms as part of the Valhall redevelopment programme; expected to take c.24 months.

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Summary

- ***Offshore.*** A third of oil and one third of gas production is offshore with “big picture” trends towards deep water, further from shore, more FPSO and more subsea.
- ***Oil Price.*** The oil price has corrected by 50% due to over supply. This is a huge challenge for the offshore industry. Forecast suggest a recovering in oil prices but a quick “bounce” looks less likely.
- ***E&P.*** IOCs has already begun to cut back 18 months ago to deal with hyper inflation. Offshore cut backs less aggressive than onshore but still estimated to be -15% to -20% in 2015 (2009: -10%).
- ***Offshore Rates & Prices:*** Challenging market and further pressure on rates and asset values are expected.
- ***Yard Delays, Cancellations, Re-sales and Conversion*** more likely so orderbook risk management a priority for yards and suppliers. ***Lay-up***, ***stacking*** increasing.
- ***Consolidation, M&A and counter cyclical*** opportunities as the cycle develops

About Clarksons Group

Broking

Clarksons' shipbroking services are unrivalled: for the number and calibre of our brokers; breadth of market coverage; geographical spread and depth of market intelligence; analysis and support. We aspire to be best-in-class and market leaders in all key sectors.

Financial

From derivative products that have been pioneered at Clarksons to full investment banking services and tailored debt solutions, we help our clients manage risk and fund and conclude deals that would often be impossible via more traditional routes.

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Clarkson Port Services provides the highest level of support to vessel owners, operators and charterers at strategically located ports in the UK and Egypt. Offering ship's agency services, we are also engaged in stevedoring and warehousing at UK ports and support to the Offshore industry.

Research

Up-to-the-minute intelligence is the cornerstone of any shipping organisation and Clarksons Research Services is recognised worldwide as the market-leading provider of comprehensive and reliable maritime information.

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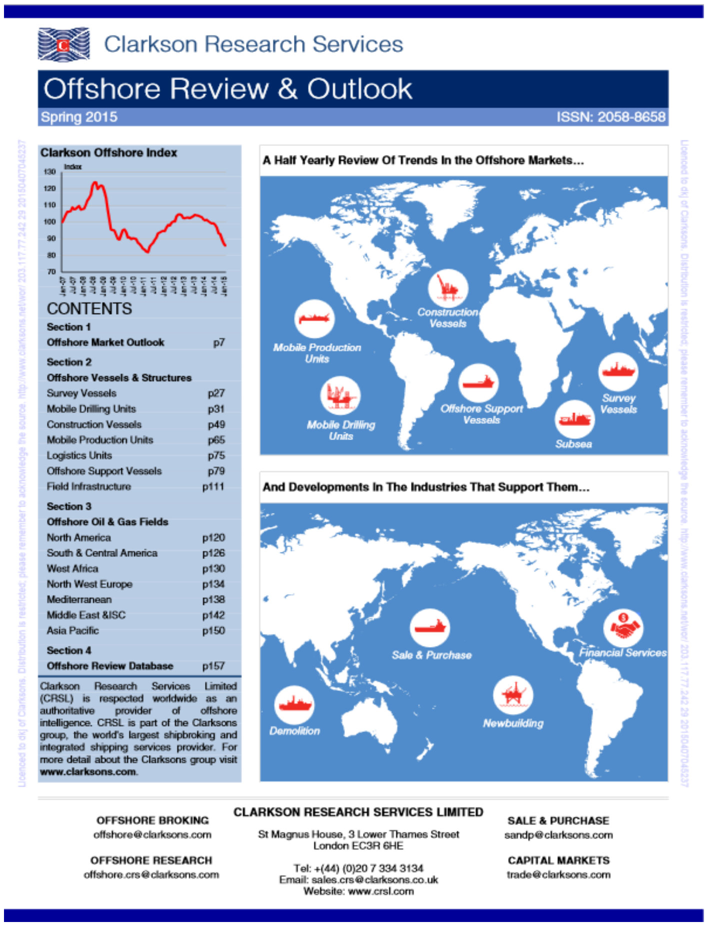
Offshore Review & Outlook

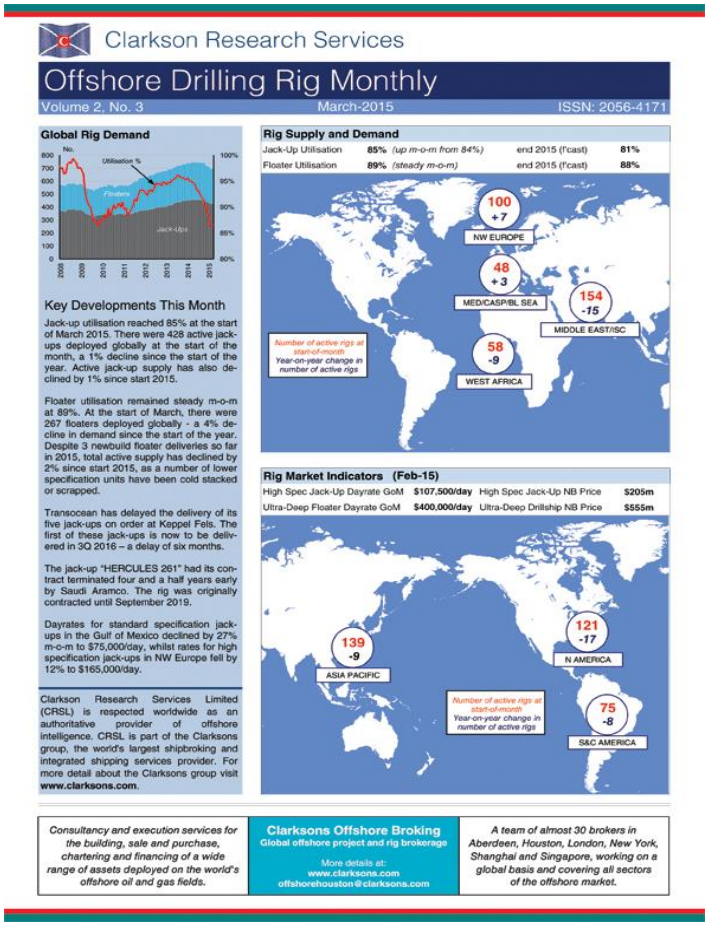


Biannual Publication (Spring & Autumn)

- Offshore Review and Outlook - Important intelligence for a challenging market.

- Contents include:
  - Offshore Market Outlook
  - Oil & Gas Markets
  - Mobile Drilling Rig Market
  - Support Vessel Market, Subsea Vessel Market
  - The Shipbuilding Market
  - Offshore Fleet
  - Survey Vessels
  - Mobile Drilling Units, Construction Vessels
  - Utility Support
  - Field Infrastructure

Offshore Drilling Rig Monthly


Clarkson Research Services

Offshore Drilling Rig Monthly

Volume 2, No. 3 March-2015 ISSN: 2056-4171

Global Rig Demand

Rig Supply and Demand

Jack-Up Utilisation 85% (up m-o-m from 84%) end 2015 (f'cast) 81%

Floater Utilisation 89% (steady m-o-m) end 2015 (f'cast) 88%

100 +7 NW EUROPE

48 +3 MED/CASP/BL SEA

154 -15 MIDDLE EAST/ISC

58 -9 WEST AFRICA

Number of active rigs at start-of-month

Year-on-year change in number of active rigs

Rig Market Indicators (Feb-15)

High Spec Jack-Up Dayrate GoM $107,500/day High Spec Jack-Up NB Price $205m

Ultra-Deep Floater Dayrate GoM $400,000/day Ultra-Deep Drillship NB Price $555m

139 -9 ASIA PACIFIC

121 -17 N AMERICA

75 -8 S&C AMERICA

Key Developments This Month

Jack-up utilisation reached 85% at the start of March 2015. There were 428 active jack-ups deployed globally at the start of the month, a 1% decline since the start of the year. Active jack-up supply has also declined by 1% since start 2015.

Floater utilisation remained steady m-o-m at 89%. At the start of March, there were 267 floaters deployed globally - a 4% decline in demand since the start of the year. Despite 3 newbuild floater deliveries so far in 2015, total active supply has declined by 2% since start 2015, as a number of lower specification units have been cold stacked or scrapped.

Transocean has delayed the delivery of its five jack-ups on order at Keppel Fels. The first of these jack-ups is now to be delivered in 3Q 2016 – a delay of six months.

The jack-up "HERCULES 261" had its contract terminated four and a half years early by Saudi Aramco. The rig was originally contracted until September 2019.

Dayrates for standard specification jack-ups in the Gulf of Mexico declined by 27% m-o-m to $75,000/day, whilst rates for high specification jack-ups in NW Europe fell by 12% to $165,000/day.

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Monthly Publication

- Offshore Drilling Rig Monthly - A unique and comprehensive analysis of the drilling rig market produced each month.

- Contents include:
  - Rig Sector Summary
  - Jack-Up Utilisation, Floater Utilisation
  - Global and Regional Rig Deployment
  - Rig Utilisation in Key Areas, Rig Utilisation by Specification
  - Jack-Up Market, Floater Market
  - Contract Extensions & Rate Adjustments
  - Newbuild Contracting, Rig Deliveries, Fleet Outlook
  - Rig Orderbook, Rig Age Profile
  - Top Builders, Owners, Operators
  - Offshore Exploration Activity

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Offshore Structures Decommissioning

What's required and where are the Pit-falls, Issues and Risks Involved?

Alan Clifton – Managing Director of LOC Norge AS

Standard Club Event, Offshore Member Forum, London 13th May 2015

Introduction

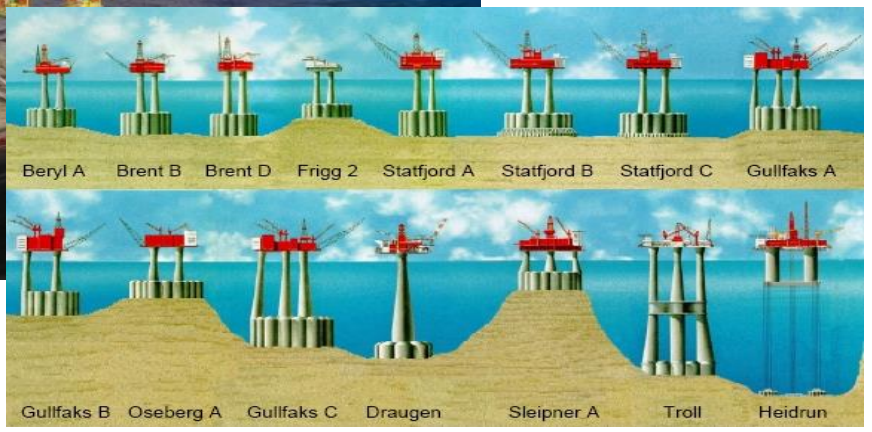
Decommissioning

LOC present the issues involved

Who am I?

- Alan Clifton – Managing Director of LOC Norge
- Worked in the Offshore Construction Industry for over 35 years, based in Norway since 1981, joined LOC Norge in 2002
- LOC Group have been Marine Warranty Surveyors on a number of the largest and most challenging decommissioning projects to date

What are we discussing? – There are many different types of installations



Source: Scottish Enterprise and Aker Solutions

Offshore Installation Removals
Questions; Why? Extent? How? Cost? Risks?

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Why and to what Extent?

In the North Sea – the OSPAR Convention – This basically states that everything has to be removed

But this is obviously not the case in other areas of the World, so the first step is of course is to chart what is required in the area involved

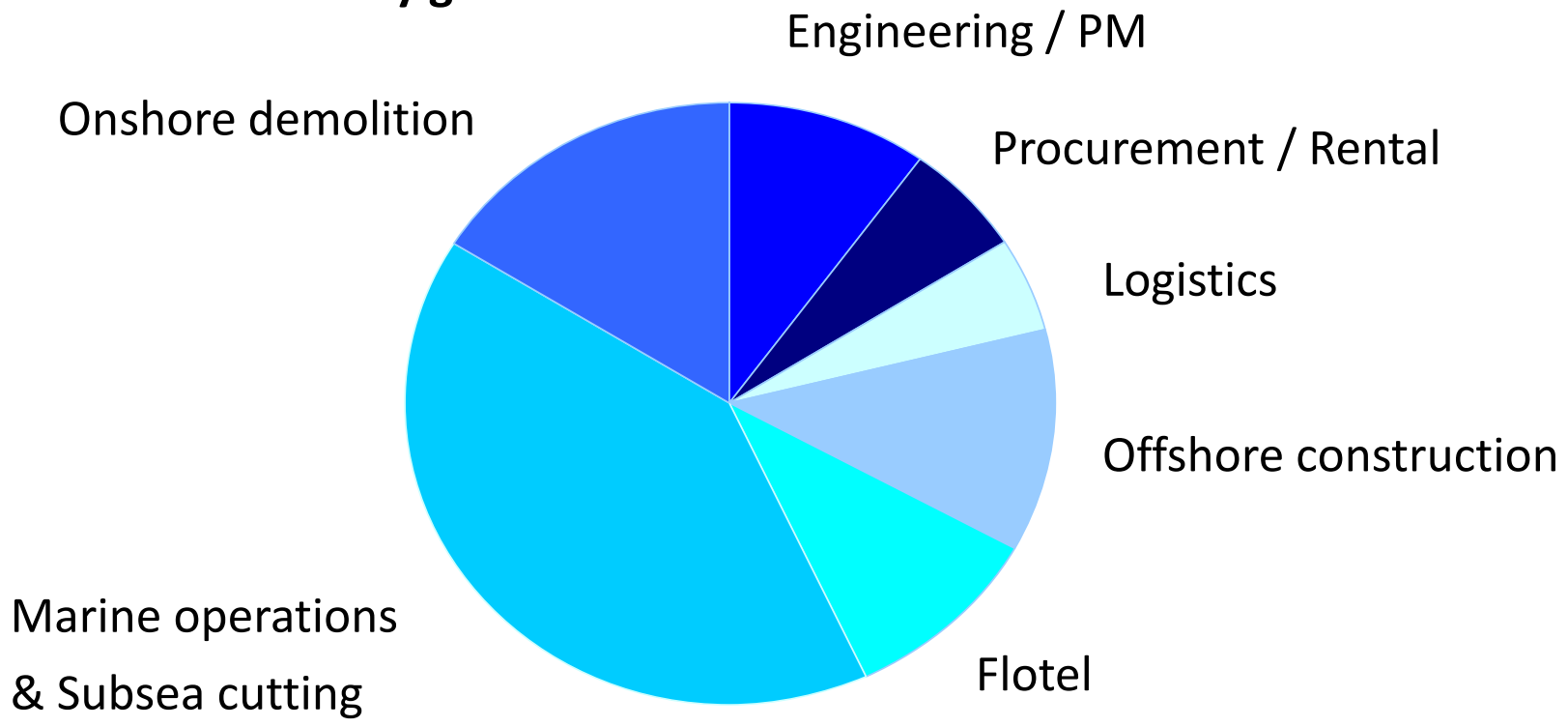
HOW?

There are 6 Stages involved:

- Stage 1 – Acceptance by Authorities & Removal Preparation's
- Stage 2 – Removal
- Stage 3 - Transportation
- Stage 4 – Offload
- Stage 5 – Break-up
- Stage 6 – Disposal

Costs?

Costs - Where do they go?



(Typical removal of modular topside and steel jacket)

A Detailed Look – Costs ?

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Decommissioning costs more than Installation ?

- Attract the best engineers to the industry – Glamour in removals?
- Removals should be seen in a positive light, in a marketing sense – Public Opinion / Perception
- Platform removal projects should be on the opposite track to construction projects, thus ensuring competitive tendering
- Reduce time spent offshore as much as possible
- Reduce current 3 phase engineering costs; Contractor, 3rd Party Verification & MWS – To 2 only ?

General Risks - The known and the unknown

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Limited choice of method and reception facilities

Most items to be removed are ‘old’ or ‘used’ and may not be in very good condition

Documentation, may either not be available or not be up to date

The Environment – remote offshore site, challenging weather and working conditions

General Risks - The known and the unknown

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Hazardous material handling (haz mat list varies from location to location and over period involved)

Removal and Disposal at Lowest Cost

Maintenance prior to removal – Low priority asset

Stage 1 – Preparation

Preparation :

- End of economic life of a field
- License Partners Agreement and Approval for Closure
- Legislation process
- Shutdown studies
- Removal Contractor Tender Process
- Platform Shutdown
- Removal preparations (cleaning Topsides and Subsea)

Stage 1 – Preparation

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Key Risks during Platform Shutdown and Preparations for Removal;

- Platform not shut down in a proper manner
- System cleaning not adequately completed
- Hazardous materials not adequately identified and removed or contained
- Handling of hazardous materials
- Environmental damage, through spills.

Mitigation;

- Use existing experienced platform personnel
- Use external experienced specialist external sub-contractors

A Detailed Look – Where to start ?

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Platform Preparations

- Existing Platform Personnel are a valuable asset in the process – Nobody knows their work place better than they do
- Platform preparations and the Mapping of hazardous materials must involve existing Platform personnel
- Continued minimum maintenance of a shut down platform will aid the removal process
- Platform structure verification to ensure that the available as-built information is up to date and complete

Stage 2 – Removal

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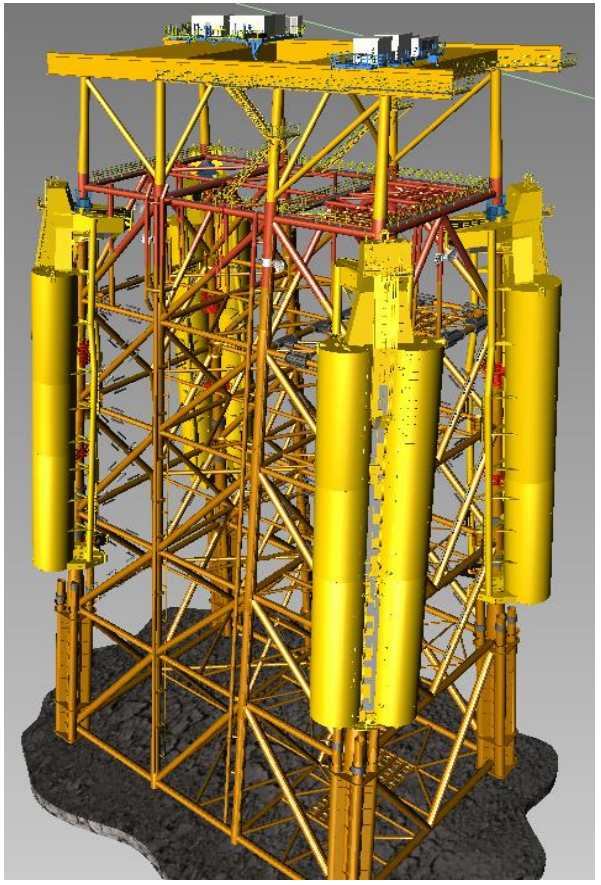
Removal Methods:

- Modular
- Reversal
- Piece small
- Innovative



A Detailed Look – Method of Removal ?

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Modular, Reversal, Piece small

- Normally dependent on type of platform and it's original construction method
- Choice made through normal tender and bid evaluation process
- Method's – Currently main stream removal equipment is the same 30 year old equipment that was used to install the platforms

A Detailed Look – Removal Contractors ?

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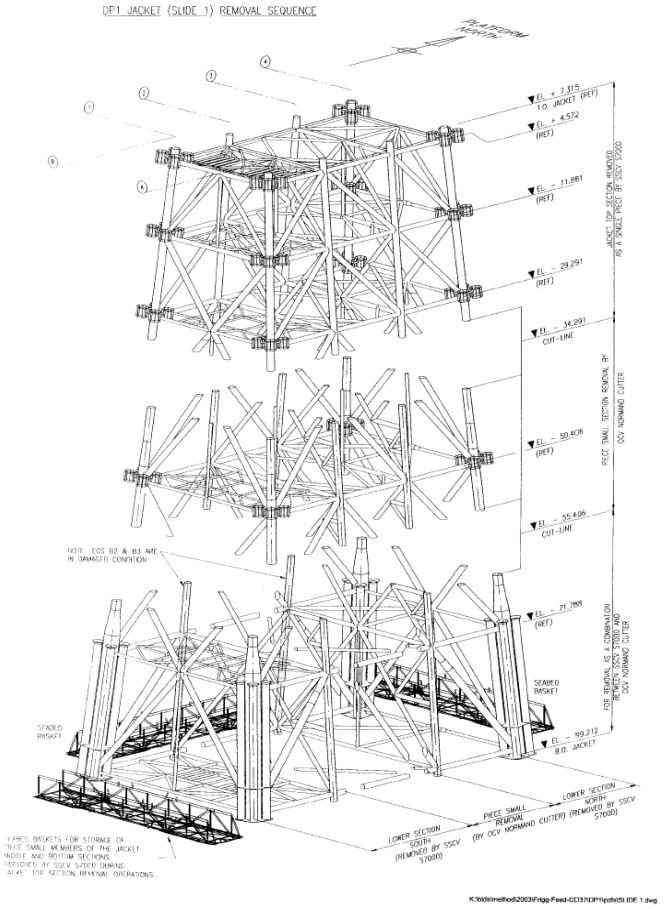
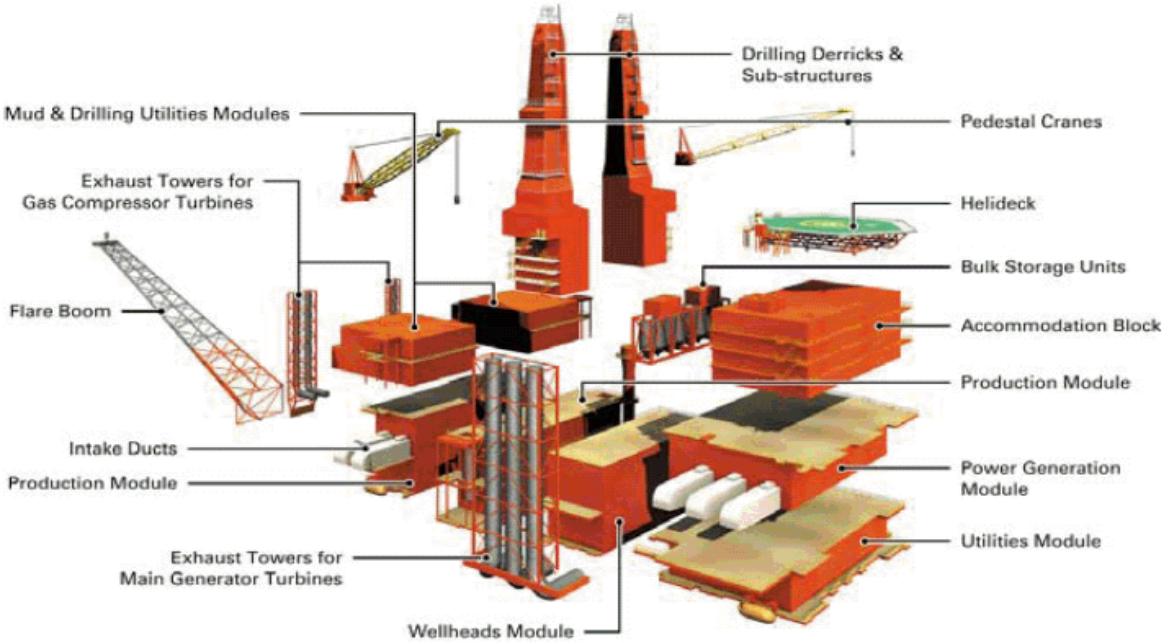
Split SOW or Single Contractor ?

- Sole Contractor or Split between removal preparations and removal
- A single contractor keeps the responsibility in one place and limits the scope for contractual disagreements
- Removal on a Part-time basis

Removal method - Modular





Source: Saipem - BP

Removal method - Modular

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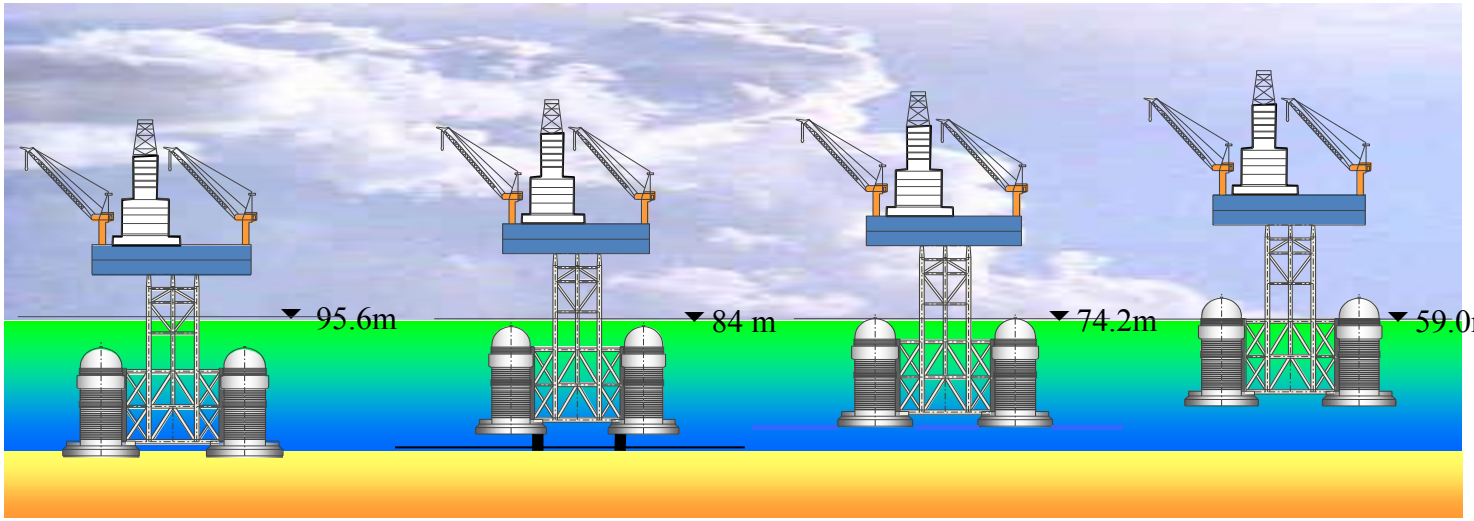
Risks;

- Structural integrity of the items being removed is inadequate and leads to structure collapse
- CoG of the units being removed is incorrect and causes a problem with the removal (weight estimates – units unlikely to be weighed)
- Dropped objects (not normally main steel, but secondary steel items)
- Parts of the structures (temporary steel) have been removed since installation and the structures can no longer be removed in the same way they were installed

Mitigation;

- Structural verification and NDE testing where required

Removal method - Reverse Installation



Removal method - Reverse Installation

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Risks;

- Structural integrity
- Buoyancy integrity
- Stability
- Leaks and spills
- Sinks / Wreck (worst case scenario)
- Crossing other subsea assets
- Marine growth
- Unknown Weights
- Residual substances

Mitigation;

- Engineering
- Pressure testing
- Monitoring
- Model Testing
- Flushing

Removal method - Piece small

Hydraulic shears
used Offshore

Source: Scandinavia Metal AS

Removal method - Piece small

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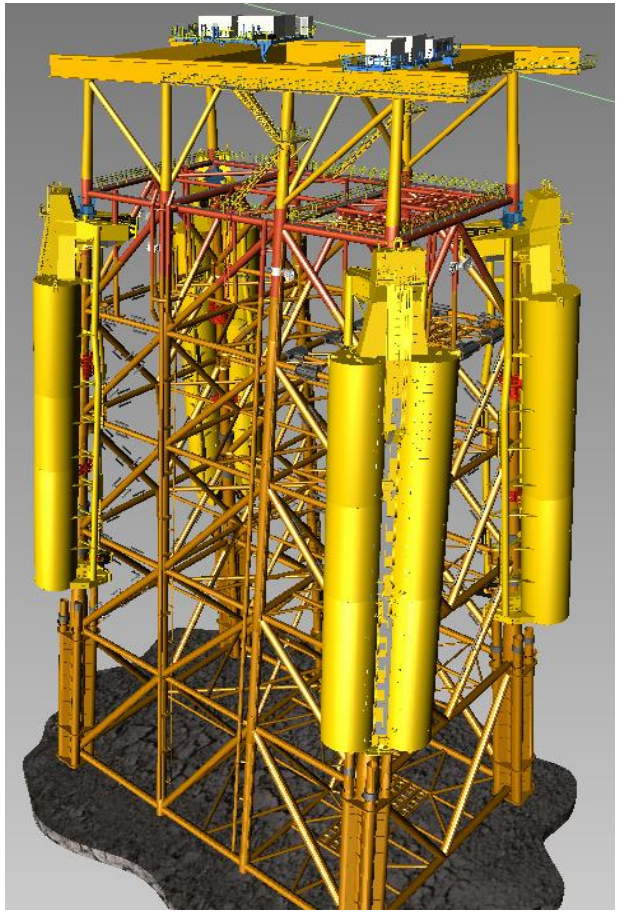
Risks;

- Structural integrity
- Dropped objects

Mitigation;

- Demolition sequence
- Experienced contractor

Removal method - Innovative



Retro-fitted ballast tanks to lift Jacket and tow to shore

Source: Aker Solutions AS

Removal method - Innovative

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Risks;

- Spiraling Costs

Mitigation;

- Planned Multi use (???)

Stage 3 – Transportation

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Transportation Methods:

- On cargo barge
- On crane vessel / Hung from Crane
- Tow to shore
- In baskets or containers

Stage 3 – Transportation

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Risks;

- Back loading to transport barge
- Loss of cargo during transit
- Affect on the fatigue life of the removal equipment

Mitigation;

- Weather criteria
- Set down guides
- Ease of sea-fastening / securing

Stage 4 – Offload

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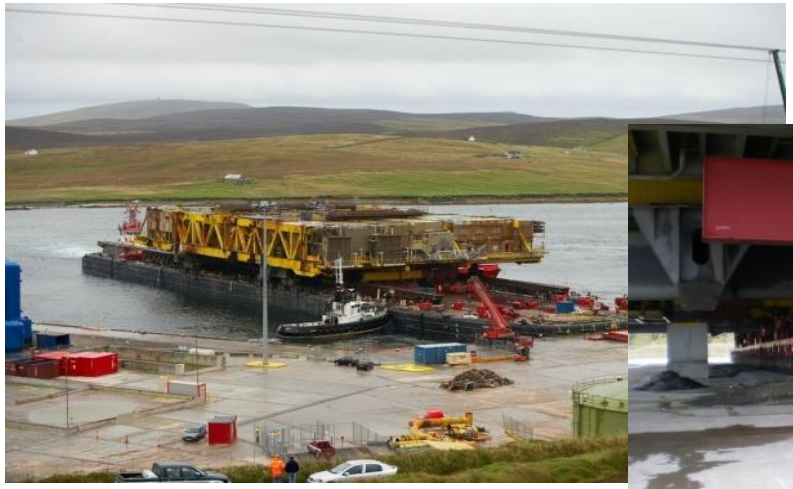
Discharge by:

- Crane
- SPMT
- ???



Stage 5 – Break-up & Dismantling

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Break-Up / Dismantling:

- Excavators
- Gas cutting
- Diamond wire cutting
- Inshore / Onshore

Stage 6 – Disposal

Disposal:

- Scrap handling
- Waste handling and segregation
- Accounting and inventory **(tax liability)**
- Environmental report

Known Incidents During Removals

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- Oil / Fluid / Gas found in pipes
- Hazardous substances found that haven’t been mapped
- Structure not as expected
- Internal Lifting Tool (ILT) Slip when loaded to 1800t - Subsea
- Pile slippage during Jacket removal
- Grout on seabed due to seal failure during original installation
- Water (under pressure) in stair tower column

A Detailed Look – Removal Guidelines ?

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DNV- RP- H102 –
Adequate? Out of date?

- Marine Guidelines for Removal ? - Currently only one in wide spread in use - DNV
- Does this guideline go far enough in it's relaxation of requirements for the removal of 'scrap' as opposed to the installation of new structures ? - Not in the opinion of the usual platform removal Contractors
- Please refer excel hand-out, for comparison and status

Has the future arrived?

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Allseas – Pioneering Spirit;

Undergoing final construction activities and testing, due to come into service for decommissioning / Installation activities during 2015 / 2016

She is capable of lifting and transporting to a disposal site a Topsides of up to 48000t in a single operation

‘think safety, act safely’

(thank you for your attention)

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ReedSmith

The business of relationships.SM

Standard Club Offshore Member Forum 2015:

International regimes governing trans-boundary movement of waste

Nicholas Rock
Partner & Head of EMEA Environmental Practice
Reed Smith LLP, London

Introduction

- **Reed Smith LLP**
  - 1,800 lawyers
  - 25 offices throughout Europe, Middle East, Asia and the United States
  - Clients instruct us for our legal expertise in and knowledge of, among other sectors:
    - shipping
    - construction & engineering
    - energy & natural resources
  - We have a strong offshore infrastructure projects group (covering both transactions and disputes)

- **Ranked Band 1 for Shipping** - Chambers & Partners UK

- "***Reed Smith's team is first class and in tune with the industry, with truly vast quality and breadth of expertise***" – Legal 500 UK

Transboundary movement of waste: overview

- **A global regime**:
  - prohibits or restricts movements of waste across international boundaries
- **May apply to all actors in the supply chain (local law Q) including:**
  - Consignor
  - Transporter
  - Sub-contractors
  - "any other person involved in the shipment of waste"
- **Complex & uncertain**
- **Widely misunderstood/unknown**
- **Applies – depending on jurisdictions involved - to hazardous and non-hazardous waste, whether destined for recovery or disposal, with no *de minimis* exception**
- **"Waste" is a much broader concept than many expect**
- **Applies to decommissioning waste**
  - but also of much broader relevance
- **Criminal**, typically **strict liability** (no fault) offences, **rigorously enforced**
- **Significant practical (cost, delay etc.) implications**

Key legislation:

A Global Regime

Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, as amended, to which **183 countries are party**

Regulation (EC) No. 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste (as amended) covering all 28 EU member states

OECD Decision C(2001)107/FINAL

Local waste law requirements in the states of export, import and transit

Except for intra-EU movements of non-haz waste for recovery purposes, these rules will typically either:

- Prohibit international movement of waste outright, or
- Require prior informed consent to be obtained from regulators in the states of export, import and transit
- Allow two months

What is waste?

It is not…

(at least not necessarily) limited to things that:

- Have reached the end of their useful life; or
- Have no further economic value; or
- Nobody else wants; or
- Have been disposed of in a landfill or consigned to some other waste treatment process; or
- Are dangerous.

It is…

- Any substance or object which the holder:
  - Discards*; or
  - Intends to discard*; or
  - Is required to discard*

The general legal position is that the instant the holder decides to discard (or dispose) of a substance, it is waste

* The word “discard” is used in the EU Regulations. Basel applies the same test but uses the word “dispose”. There is little practical difference

Hazardous or Non-Hazardous?

- The EU Regulations apply to both hazardous and non-hazardous wastes (albeit with differing outcomes) – see next slide
- By contrast, generally waste will not fall within the Basel (non-EU) regime unless it is hazardous
- Under Basel, a waste will only be characterised as hazardous in two circumstances:
  - If it belongs to any category contained in Basel Annex I, unless it does not possess any of the characteristics listed in Annex III; or
  - If, regardless of the position under the annexes to Basel - it is defined as, or considered to be, hazardous waste by the domestic legislation of the country of export or import or transit.
- Note: Basel also permits individual states to entirely prohibit the import of certain hazardous substances (even if Basel itself would permit import subject to prior informed consent).

Which rules apply?

The precise legal requirements vary depending on, among other things:

- The country of origin/export of the waste;
- The country of destination/import;
- The laws of any and all countries of transit;
- Whether waste is “hazardous” or “non-hazardous”;
- Whether the waste is destined for “recovery” or “disposal”; and
- Whether one or more exceptions apply

Which rules apply (2)?

	EU to EU		EU to Outside EU			Outside EU to EU	
Disposal	All wastes	PNC – A.3(1)(a)	To countries that are part of EFTA and are Basel countries (where not otherwise prohibited)		PNC with modifications – A.35(2)	From countries that are parties to (a) Basel, or (b) subject to other agreements;	PNC with modifications **only** if request from exporting country that it can't dispose of waste – A.41
						From countries during situations of crisis or war.	PNC not required – A.42(2)(b).
			To all other non-EU countries and overseas territories		Prohibited – A.34	For all other countries	Prohibited – A.41
Recovery	Hazardous	PNC - A.3(1)(b)	Hazardous	Non-OECD countries and overseas territories	Prohibited – A.36	From countries that are parties to (a) Basel, (b) OECD decision, (c) other agreements.	PNC with modifications – A.43 for Hazardous Waste and General Information Requirements for 'Green' Listed waste
			Hazardous	OECD	PNC with modifications – A.38	From countries during situations of crisis or war.	PNC not required – A.44(2)(c).
	'Green' Listed	General Information Requirements – A.18	'Green' Listed	Non-OECD and overseas territories	Depends on response of country to Commission letter – A.37	All other countries	Prohibited – A.43
			'Green Listed'	OECD	PNC with modifications- A.38		

The MARPOL or “normal operations of a ship” exception

Both the Basel Convention and the EU Regulations provide that in the case of waste derived from the “normal operations of a ship”, it is MARPOL that should be applied

One of the biggest flaws in the current regime is the uncertainty surrounding the scope of the “MARPOL exclusion”.

MARPOL regulates, among other things, the discharge of ship wastes

The phrase “normal operations of a ship” is not defined in the Basel Convention, in the EU Regulations or in MARPOL itself

DECC decommissioning guidance: section 9

- "*Given the highly specialised nature of waste shipment controls, operators planning to carry out any decommissioning or an associated activity involving waste generated on offshore platforms should contact the relevant Agency*"

- *"Movements of waste from the UKCS to other Member States and Non-Member States are deemed to be a transboundary movement and therefore subject to transfrontier regulations"*

- *"Unless wastes are exempt, any movements for disposal would be prohibited"*

- *"While wastes generated by the normal operation of oil platforms may be exempt from the scope of the [EU Regulations], decommissioned installations are not"*

Contact details

Nicholas Rock
Partner
Energy & Natural Resources
nrock@reedsmith.com
D: +44 (0)20 3116 3685
M: +44 (0)77 4059 9058

Reed Smith
The Broadgate Tower
20 Primrose Street
London EC2A 2RS
T: +44 (0)20 3116 3000
F: +44 (0)20 3116 3999
DX1066 City / DX18 London
reedsmith.com

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DECOMMISSIONING INSURANCE THE INSURANCE MARKET VIEW

2015

Jeremy Jiggins

Marsh London

MARSH & McLENNAN COMPANIES

Discussion Items

- **Introduction**
- **How the current contracting regime seems to work**
- **How the current contracting regime fits with insurance**
- **Typical Insurance Structure for Decommissioning Projects**
- **What is a Decommissioning Policy (often referred to as a DAR)**
- **Review of London Market Coverages and Wording**
- **Coverage Considerations**

Introduction

Jeremy Jiggins, Senior Vice President, Marsh London:

- **Worked in the Lloyd's Market for 25 years (18 with Marsh) specialising in Marine and Offshore Energy Liabilities**
- **Current Head of Marsh Marine Liability Team**
- **Created A Unique Decommissioning Market Product**
- **Involved in the placement of over 23 complete platform decommissioning projects over the past 5 years and various other structures / subsea templates and equipment / loading buoys decommissioning projects.**

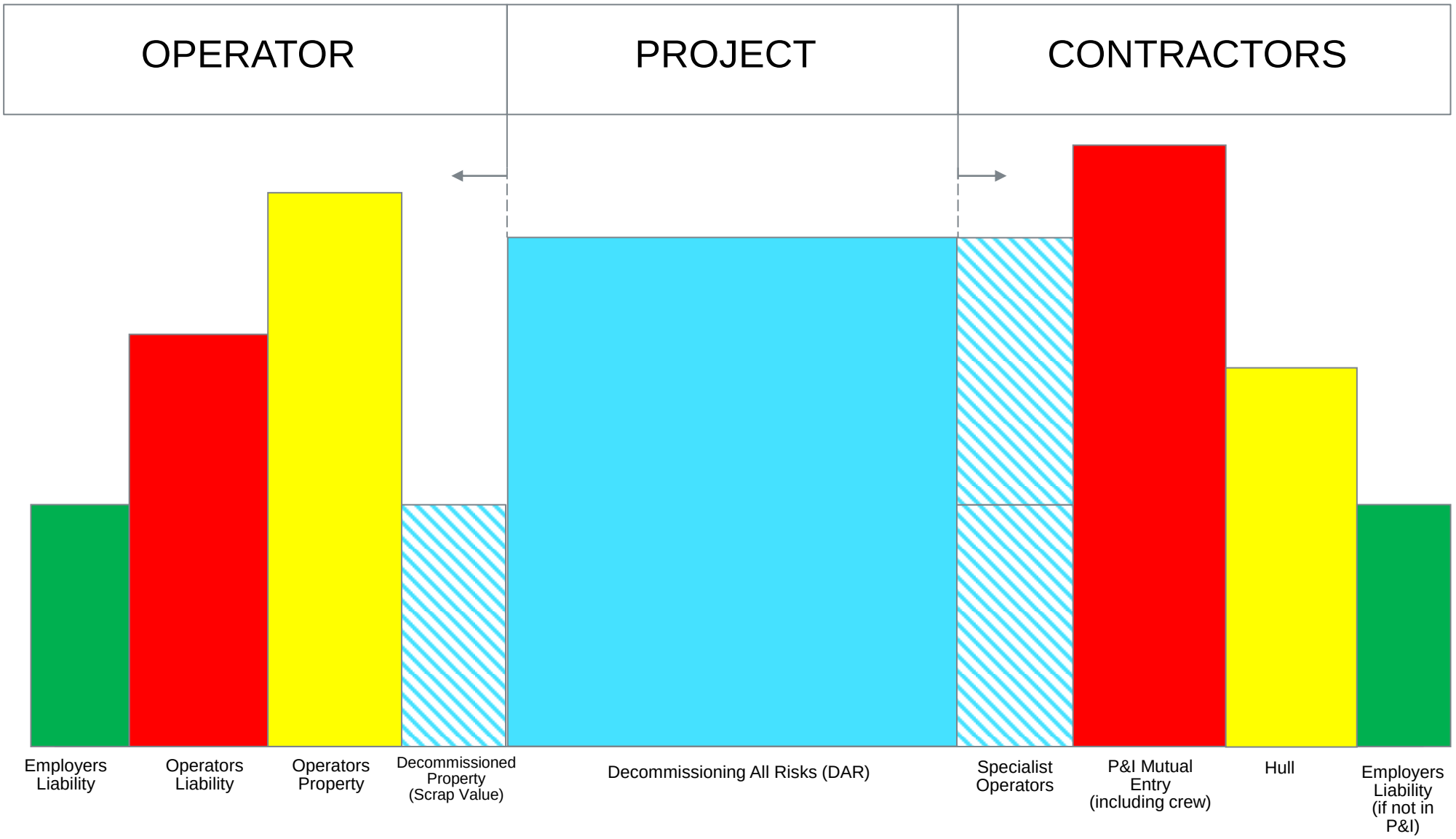
How the current contracting regime seems to work

- Since the infancy of Decommissioning typically contracts between the Operators and Contractors have been clear and simple from a liability perspective.
- Basic “Knock for Knock” contracting makes for simple insurance solutions for all parties, one “project insurance” to cover all parties for the work they perform without high deductibles/SIR’s forcing Contractors to seek additional policies.
- Typically ownership of the Decommissioned items remains with the Operator until reaching land. Most have limited “scrap” value only meaning the Operator can choose to insure during lifting and transit operations without passing unnecessary contractual requirements onto the Contractors.

How the current contracting regime fits with Insurance

- Each party maintains their existing Employers Liability responsibilities, insured via EL / Crew coverages
- Each party maintains their owned property responsibilities, insured via Operators policies or Hull policies etc.
- Contractors Vessels will maintain their basic Third Party Liabilities (collision, pollution and removal of wreck etc.), insured via (Mutual) P&I coverages
- Operator maintains their existing Third Party Liabilities for the ownership of the facility (and surrounding property) to be decommissioned, insured via their Operators policy until commencement of the Decommissioning work, then coverage provided under the project (decommissioning) policy.
- “Specialist Operations” (heavy lift etc.) can be insured within the project (Decommissioning) Insurance either excess of the limits obtained by the contractor via their P&I Club or from the ground up, or they can remain entirely with the Contractors extended P&I coverage and excluded from the project insurance.

Typical Insurance Structure for Decommissioning Projects



What is a Decommissioning Policy (often referred to as a DAR)

- Product created originally for a large offshore decommissioning project with specific design requirements to establish a clear coverage form for both Operator (Principal) and their Contractors operating under a basic “Knock for Knock” contractual basis.
- Coverage required to appease all “environmental concerns” (NGO’s).
- Cradle to grave coverage requirements……and further.
- Designed by Marine people and placed with Marine markets who understand the contractors needs.
- These projects are not “reverse construction” and should not be viewed by the market in the same way as construction projects (Liability driven not Physical Damage driven).
- Most decommissioned equipment has only scrap value so no Physical Damage coverage required.
- Heavy lift operations etc. are considered “Specialist Operations” (a Marine Term)

Review of London Market Coverages and Wording

Bespoke Third Party Liability Coverage “MarshDecom1”

Insuring both Principals (Operator) and Contractors

Coverage period for the duration of the offshore works….and further for the Principal Insured (Operator)

Legal Liability and Liability assumed under contract

Clear and specific coverage's for “Bodily Injury”, “Property Damage” (including loss of use), “Removal of Wreck/debris”, “Specialist Operations” if required, “Clean Up” and Defence Expenses

Additional Coverage's for “**Voluntary** Removal of wreck”, “Charterers Liability” and “Contingent Owners Legal Liability”*

•For Principal Insured only (or Owner of the decommissioned structures)

Review of London Market Coverages and Wording

Wording Exclusions:-

- Employers Liability (all Insured's)
- "Health Hazard", but limited buyback for loading and transportation
- Property Damage to owned property of any Insured
- Liquidated damages / performance guarantees / failure to perform
- Property Damage to the items being decommissioned
- Seepage and Pollution, but S&A time element buyback
- Wreck Removal if failing to comply with MWS recommendations
- "Standard" P&I (mutual entries i.e. basic navigation, crew etc.)
- Generic exclusions (Products liability, fines, auto, antitrust violations, D&O)

Review of London Market Coverages and Wording

Market Exclusions (Paramount Clauses)

- Sanctions
- Radioactive Contamination etc CL370
- Cyber Attack – CL380
- OPA Disclaimer (where applicable)
- War
- Terrorism – But Limited “Marine and Offshore” Buyback

Review of London Market Coverages and Wording

Extension Endorsements

- Number 1 – “Voluntary Removal of Wreck”
- Number 2 – “Charterers Liability”
- Number 3 – “Contingent Owners Legal Liability”
- *Number 4 – “Property Coverage” (if required)*

Coverage Considerations

- Surrounding Third Party Property.
- MWS Scope of Work (not a subjectivity).
- Disposal (location and contract).
- Commencement of Work (P&A etc. often covered prior to Decommissioning Project).
- Completion Certificate.
- Timeline of work, location of work and time of year of work.
- Contractual obligations and responsibilities between all parties.
- Equipment used and methodology of work

P&I cover for Decommissioning

John Croucher
Offshore Underwriting Director

London Offshore Forum, 13 May 2015

The Standard

Club cover and decommissioning

The Standard

- Pooling Agreement and relevant exclusions
- Scope of work and different ship types
- How does this impact availability of cover?
- What does this mean for contractors?

Charles Taylor

Pooling Agreement and relevant exclusions

– No direct reference to “Decommissioning, Dismantling or Removal”

– Scope of Specialist Operations Exclusion is non exhaustive:

Rule 5.11 – Non Exhaustive Definition

“including but not limited to …. well stimulation, cable or pipe laying, construction, installation or maintenance work….”

– Decommissioning falls within this exclusion from poolable cover

What does this mean for cover?

The Standard

Depends on scope of work and nature of decommissioning spread

Four broad categories of parties involved:

1. Entered unit being decommissioned

2. Principal decommissioning Contractors

3. Transportation subcontractors

4. Supply / Support Ships

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Entered unit being decommissioned

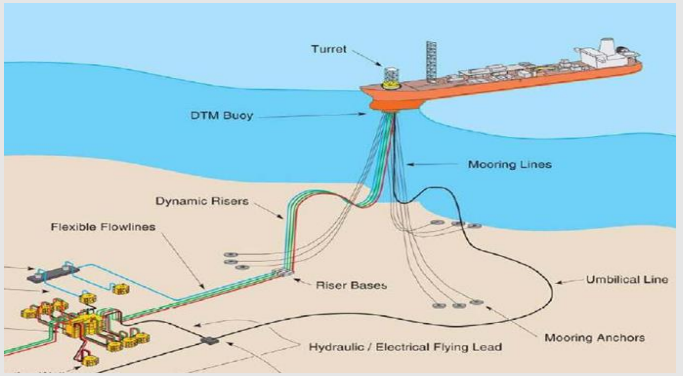
The Standard

Applicable to entered production units

FPSO Hull

Cover under the SOR can be maintained
To US$1bn

Flowlines, risers, umbilical etc.



Once disconnected cover under OLE to US$5m sublimit

"Field Property" excluded

Charles Taylor

Wider decommissioning spread

The Standard

Important to look at the scope of Specialist Operations Exclusion

Applies - during course of performing specialist operations and arising out of specialist nature of operation

1. **Poolable** - Personal Injury, Pollution and Removal of Wreck of entered ship remain poolable

2. **Non Poolable** - Other Third Party P&I liabilities are covered to limit of the extension

3. **Excludes** - Contract Work and failure to perform

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Principle decommissioning contractors

Drilling Units – Plugging and Abandoning Wells – SOR – Max US$500m

Other structural decommissioning -

1. Pollution / ROW / Personal Injury – Poolable
2. Other third party P&I liability – Covered to limits of Specialist Operations / Contractual cover N.B expect 500m zone indemnity
3. Loss, damage to, ROW, or pollution from Contract Work – Excluded from P&I. Covered under DAR Policy
4. Failure to perform – Operational Risk

Transportation Subcontractors

The Standard

1. Movement within 500m Zone – Specialist Operation

2. Transportation to Shore – Pooling agreement restriction – Heavycon or better

3. Cargo Barges – We would expect an indemnity for loss, damage or wreck removal of cargo

Charles Taylor

Supply / Support

The Standard

1. At Law – right to limit maintained

2. Knock for knock contracts

3. Scope of work key – specialist operations defined by nature of work not ship type

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Summary

1. P&I cover is designed for marine liabilities

2. Obligation to leave a clean sea bed is a field operator's risk and not to be deferred as a liability under a subcontract

3. Market placement of DAR cover is designed to give you access to cover which is excluded under P&I

Break

The Standard

Today's programme

The Standard

Time	Topic	Speaker
1700	Comparative approaches to causation	Nigel Chapman, Clyde & Co
1720	P&I claims trends	Fabien Lerede, Syndicate Claims Director
1740	Changing and emerging risks	Joseph Divis, Underwriter
1800	Loss prevention initiatives	Julian Hines, Senior Surveyor
1810	The Standard Syndicate 1884	Robert Dorey, The Standard Syndicate
1830	Round up and questions	
1845	**Drinks reception**	
1930	**Dinner**	
2230	**Carriages**	

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CLYDE&CO

Comparative approaches to causation

Nigel Chapman

Standard Club Offshore Member Forum, 13 May 2015

Comparing what with what?

- **Contract and tort under English law as to**
  - Analysis of operative cause
  - Remoteness of resulting loss – where is the cut-off?
  - What loss is recoverable

- **Brief look at approaches in other jurisdictions, eg**
  - USA
  - Mexico
  - China

Analysis of operative cause

- **“But for” cause**
  - The breach
  - or as originating cause
  - Intervening event

- **“Predominant” cause**
  - Subsequent intervening event
  - Multiple causes

- **The court is not Sherlock Holmes**

Remoteness/foreseeability of loss

- **Contract test is narrower than tortious test**
- **Contract – Hadley v Baxendale**

  Losses naturally resulting from breach, provided that they could be reasonably foreseen at the time of contract as a natural result of such breach or were otherwise reasonably within the contemplation of the parties at that time as a probable consequence of breach. "Special circumstances" falling outside that test must be specifically explained at the time of contract.

- **Tort - Wagon Mound 1 and 2**

  Recoverable if the kind of damage is reasonably foreseeable at the time of breach in principle, notwithstanding that the extent or degree of damage and the mechanism of occurrence are unexpected.

What loss is recoverable?

- **Contract**

  Innocent party placed in same position as if contract had been performed.

- **Tort**

  Innocent party placed in same position as if tort had not been committed.

- **Example application: misrepresentation**

Other jurisdictions? – 3 contrasting positions

- **USA**
  - Distinction between contract and tort applies
  - Punitive element to damages; intervening act will not break causation

- **Mexico**
  - Same approach to contract and extra-contractual loss
  - Any intervening event will break chain. Loss recoverable is only that directly resulting from breach.

- **China**
  - Reasonable foreseeability is test for both contract and tort
  - Lack of mitigation by victim and act of third party will break causation

CLYDE&CO

Thank you for listening

See: www.clydeco.com/offshore for a more detailed article on this subject

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P&I claims trends

Fabien Lerede
Offshore Syndicate Claims Director

London Offshore Forum, 13 May 2015

The Standard

Cover responds to P&I risks

The Standard

- people
- cargo
- property
- collision
- pollution
- wreck removal
- fines

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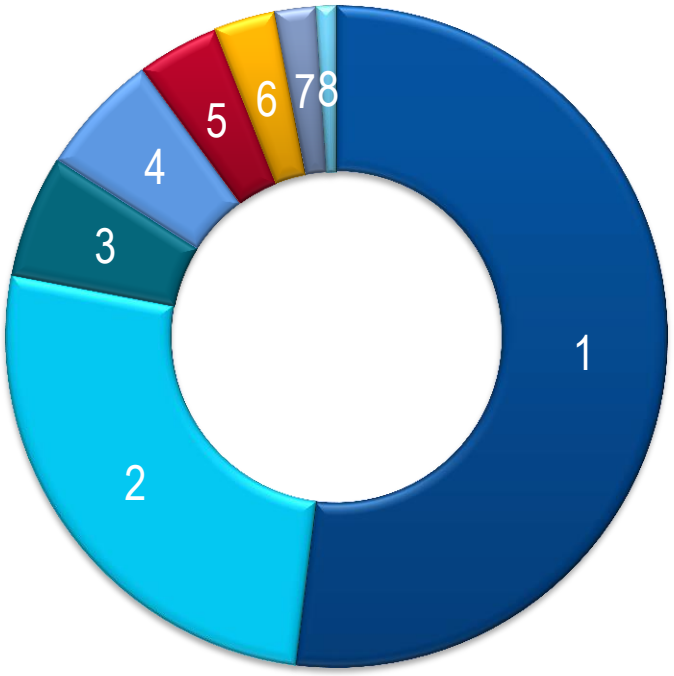
P&I claims by claim type

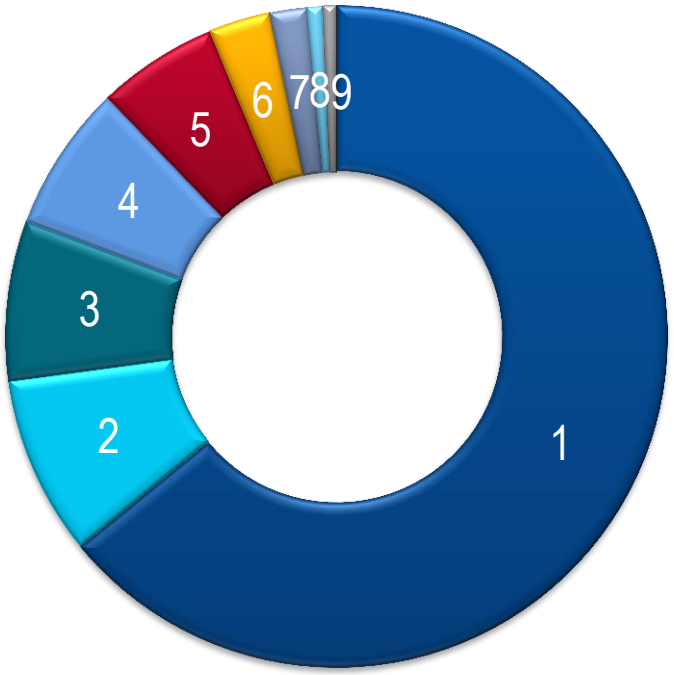
2009-2015 number of claims



1	Cargo	52%
2	Personal Injury	26%
3	Other	6%
4	FFO	6%
5	Fines	4%
6	Collision	3%
7	DTH	2%
8	Pollution	1%
9	Wreck	<1%

Offshore claims by claim type

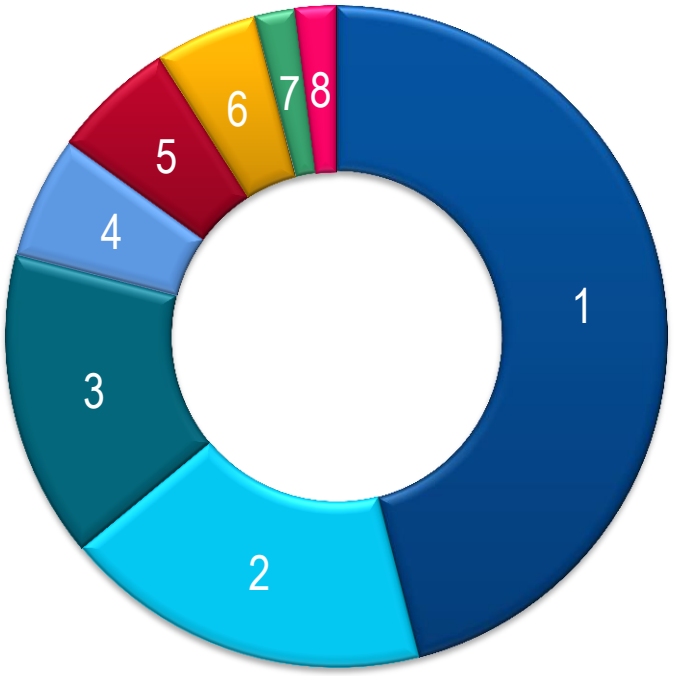
2009-2015 number of claims



1	Personal Injury	64%
2	Collision	9%
3	Other	8%
4	Fixed and floating objects	7%
5	Fines	6%
6	Pollution	3%
7	Cargo	2%
8	Wreck	1%
9	Towage	<1%

P&I claims by claim type

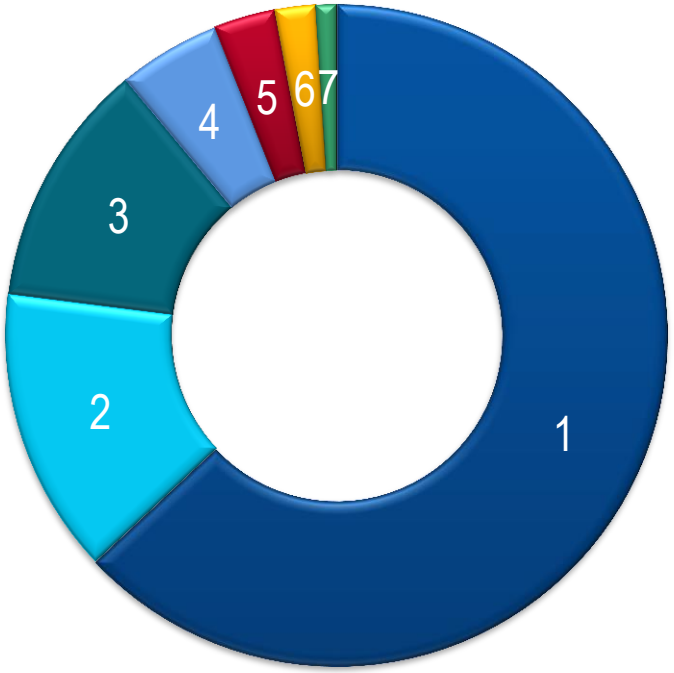
2009-2015 value of claims (uncapped)



1	Wreck	46%
2	Cargo	18%
3	Personal Injury	15%
4	Fixed and floating objects	6%
5	Pollution	6%
6	Collision	5%
7	Fines	2%
8	Other	2%

Offshore claims by claim type

2009-2015 value of claims



1	Wreck	63%
2	Fines	14%
3	Personal injury	12%
4	Pollution	5%
5	FFO	3%
6	Collision	2%
7	Other	1%

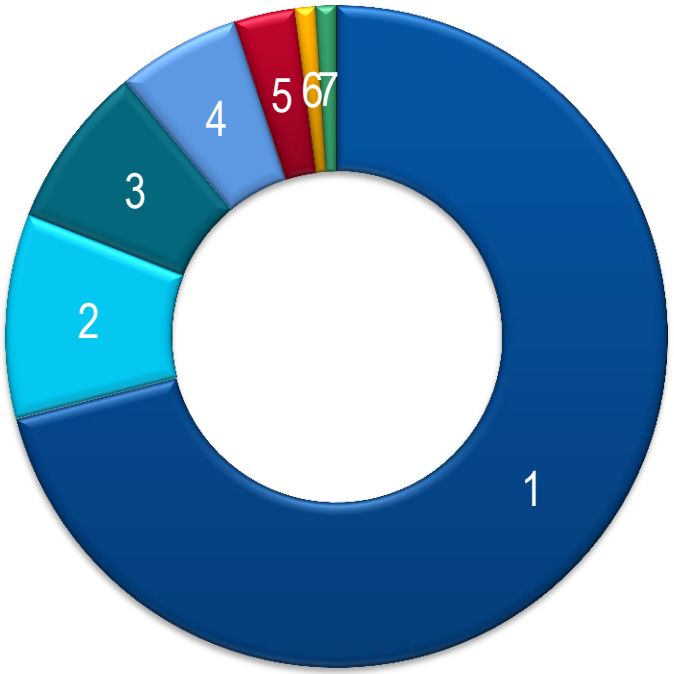
P&I claims by claim type

2009-2015 value of claims (capped at $9m per claim)

1	Cargo	32%
2	Personal Injury	24%
3	FFO	11%
4	Pollution	9%
5	Collision	7%
6	Wreck	5%
7	DTH	4%
8	Fines	4%
9	Other	4%

Offshore claims by claim type

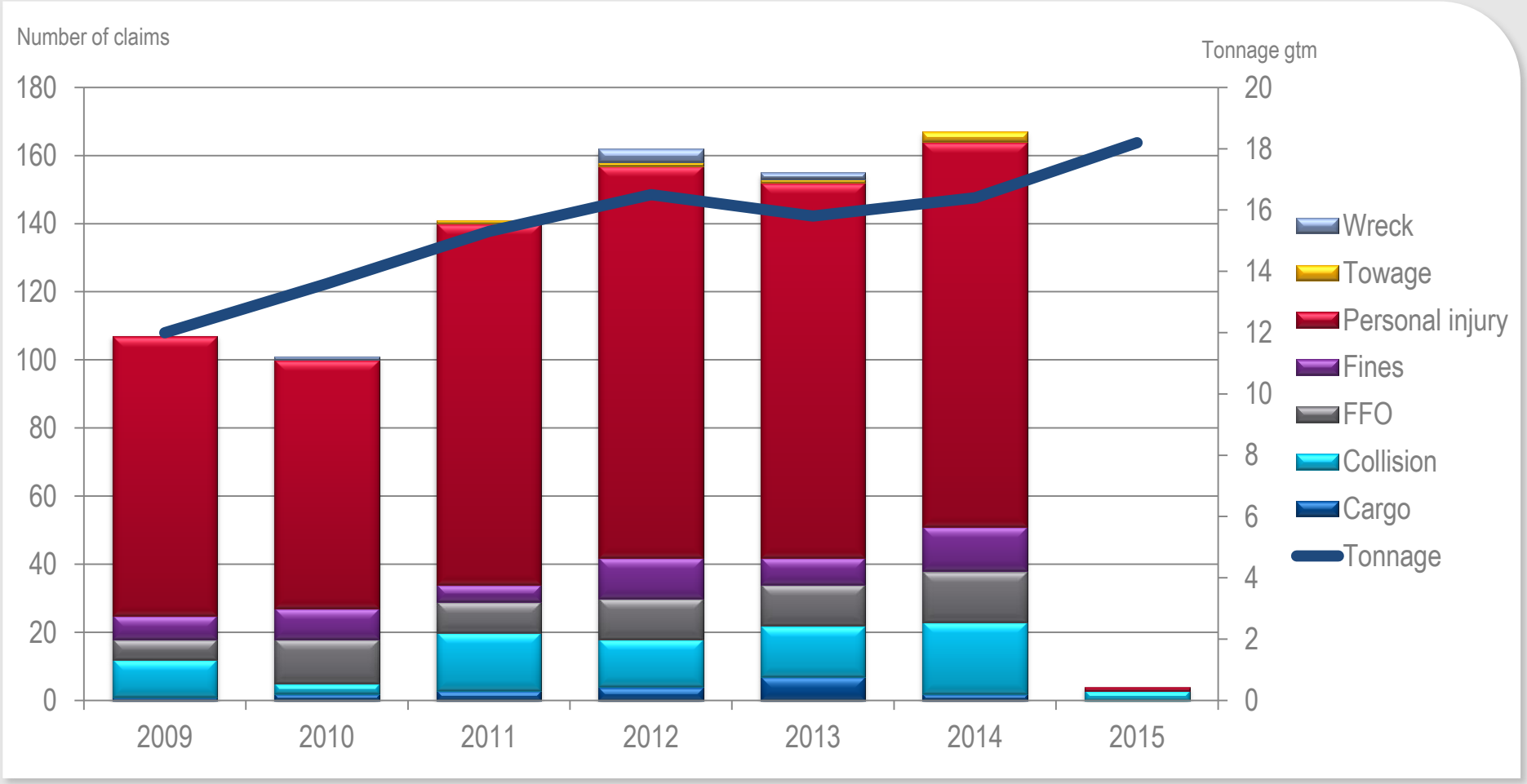
2009-2015 value of claims capped at $9m



1	Personal Injury	71%
2	Collision	10%
3	FFO	8%
4	Fines	6%
5	Pollution	3%
6	Wreck	1%
7	Other	1%

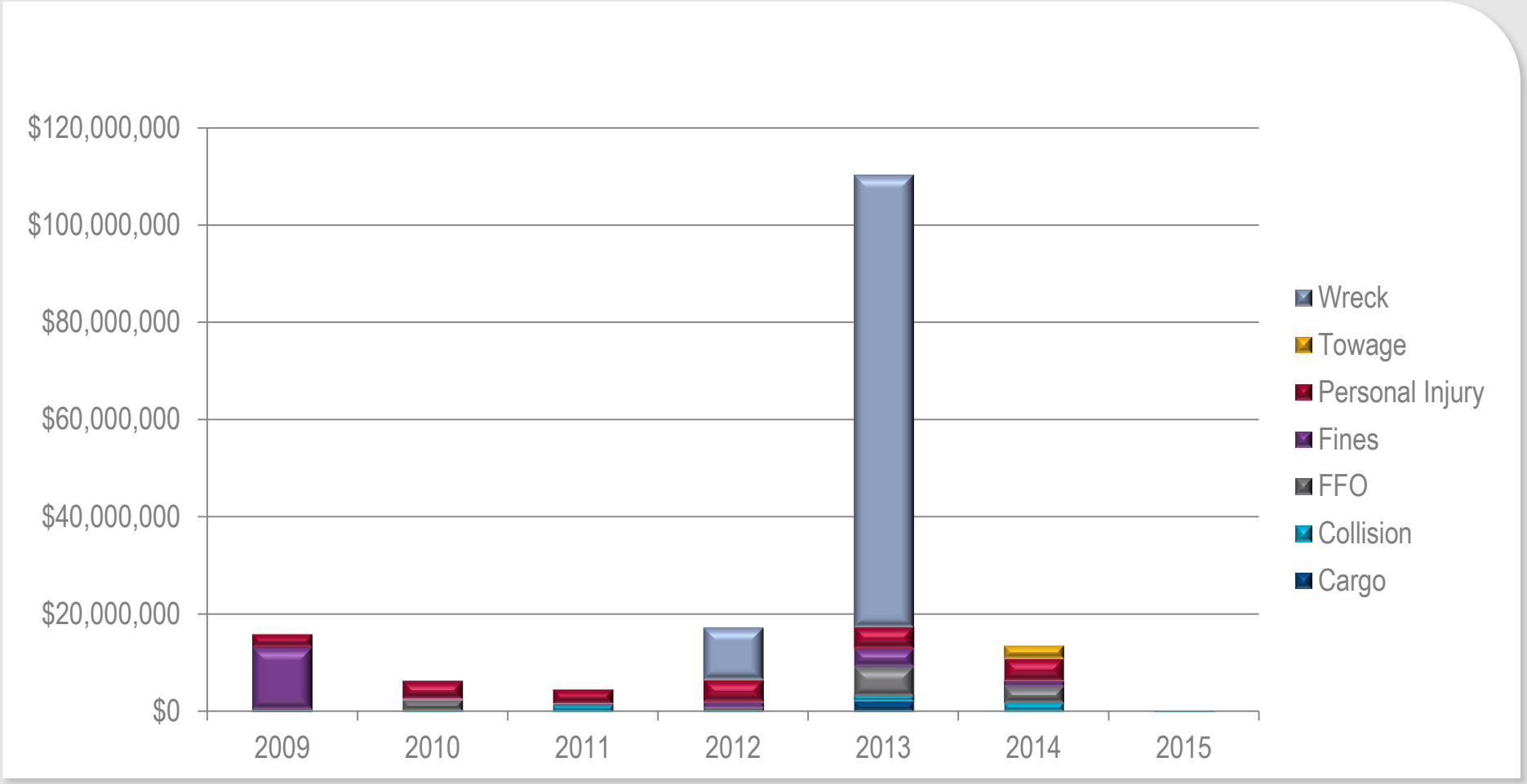
Offshore claims trend

By number



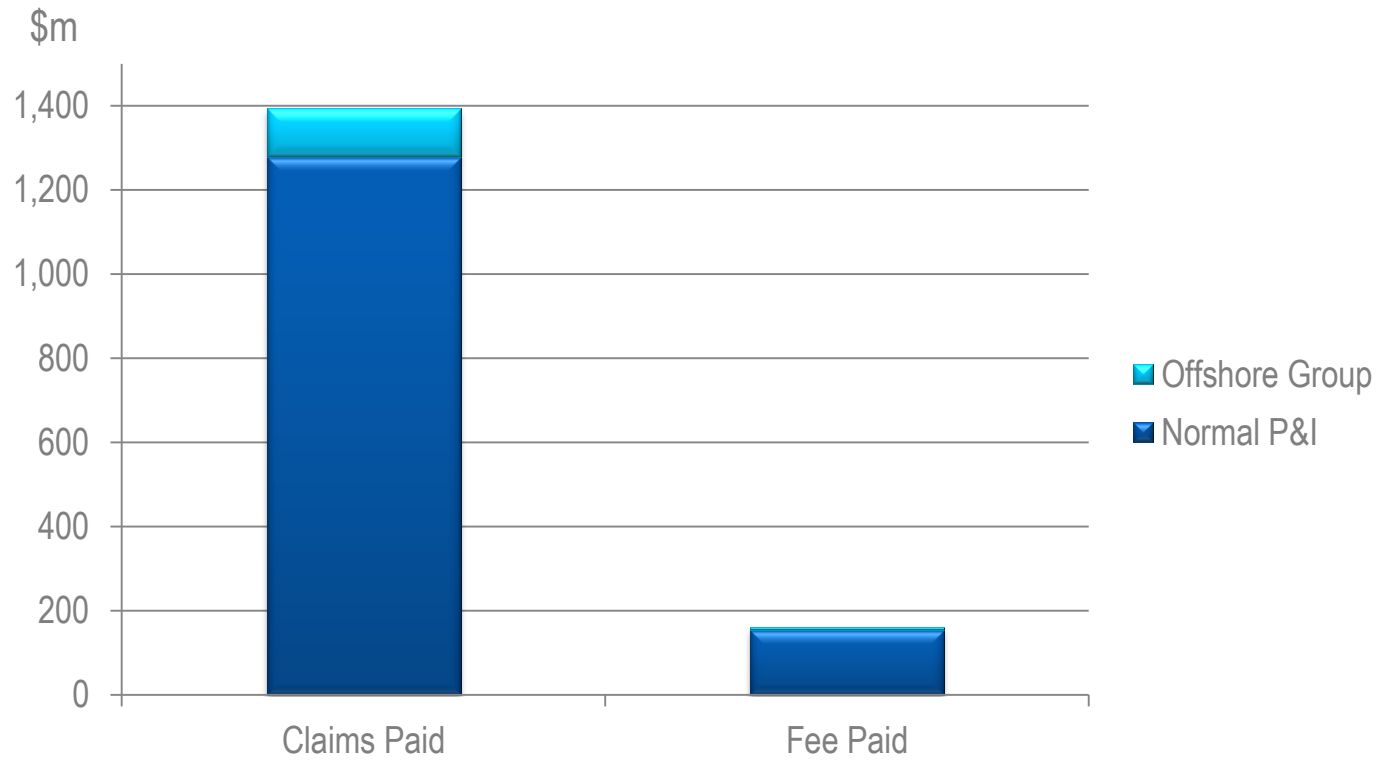
Offshore claims trend

By value



Claims & fees

2009-2015 Normal P&I v Offshore



Offshore ship types

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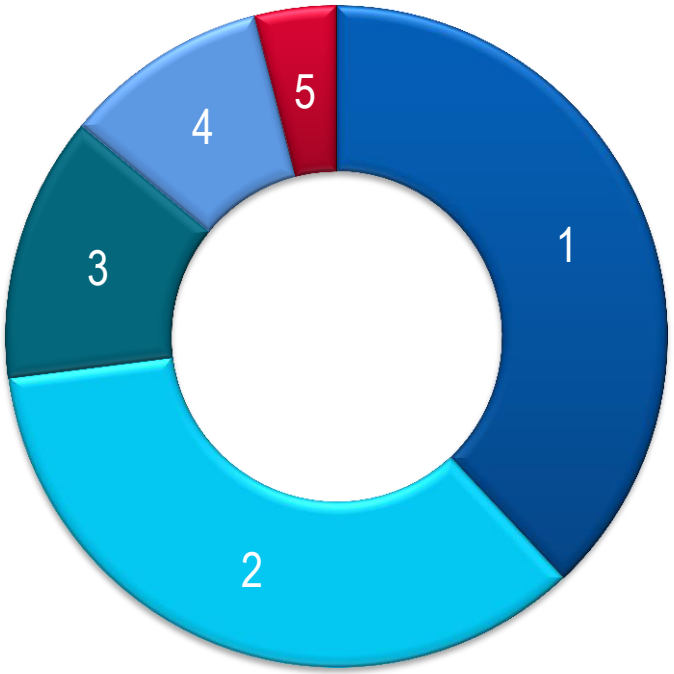
Offshore claims by type of ships

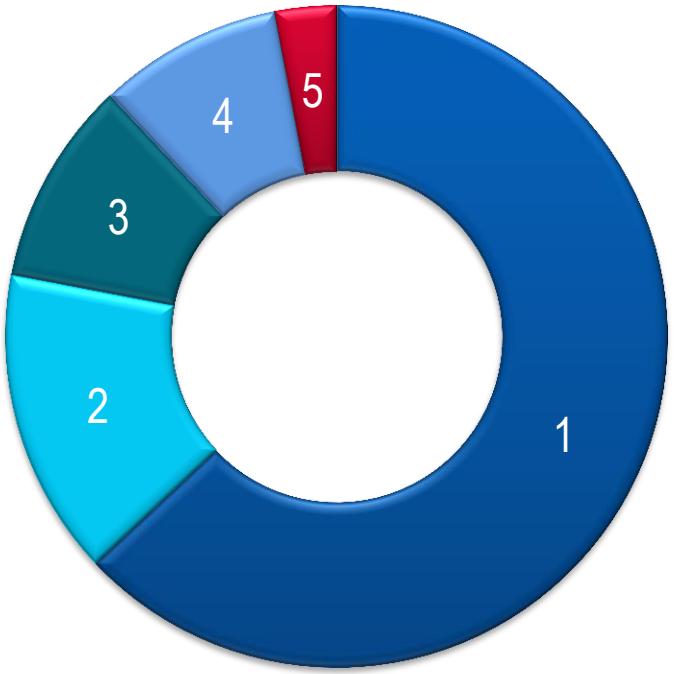
2009-2015 Number of claims



1	Supply support	38%
2	Installation/construction	35%
3	Drilling	13%
4	Production	10%
5	Accommodation	4%

Offshore claims by type of ships

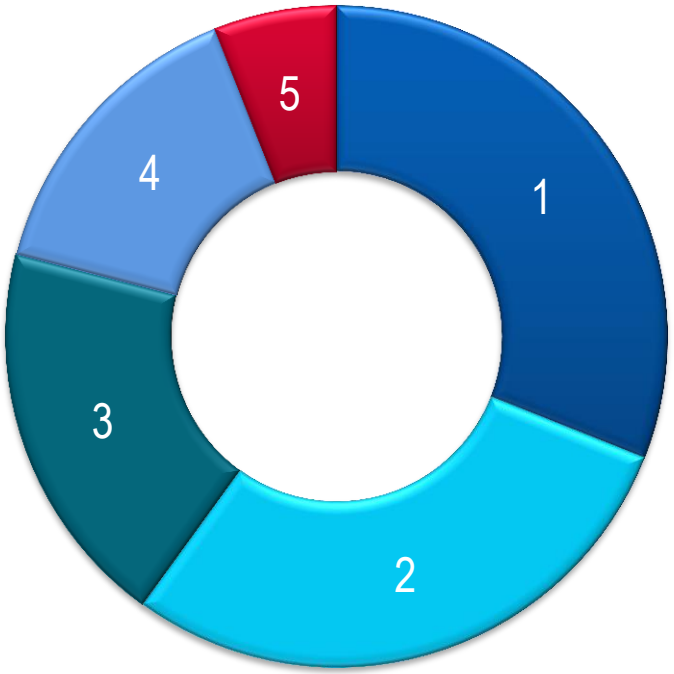
2009-2015 Value of claims (uncapped)



1	Drilling	63%
2	Installation/construction	15%
3	Supply support	10%
4	Production	9%
5	Accommodation	3%

Offshore claims by type of ships

2009-2015 Value of claims (capped at $9)



1	Drilling	**31%**
2	Installation/construction	**29%**
3	Supply support	**19%**
4	Production	**15%**
5	Accommodation	**6%**

Conclusion

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- Offshore is a good risk
- A cost effective management of the claims
- Training crew/personal is the key to reduce personal injury and navigational risks

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Changing and emerging risks

Joseph Divis
Offshore Underwriter

London Offshore Forum, 13 May 2015

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Changing Risks

The Standard

1975 → 2015

1st offshore Entry

Newest risks

40 year involvement in Offshore

From exploration to decommissioning

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Incidents

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1980

Alexander Kielland

1988

Piper Alpha

2009

West Atlas

2010

Deepwater Horizon

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Influencing factors

- Technological
- Geographical
- Contractual
- Market

Technological

Increased Size / Value

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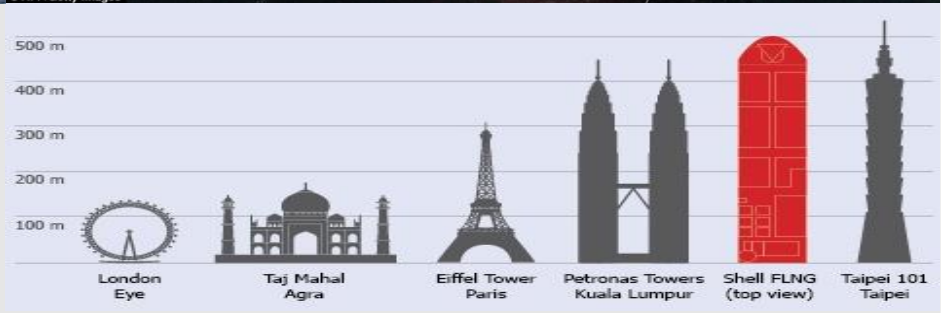
Impact on P&I exposure:

– Wreck removal
– Pollution
– Personnel (Crew / Accommodees)



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Technological

Increased complexity

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– New activities (decommissioning)

– Multifunctional

– Increased Lifting capacities (heavier / more valuable cargos)

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Technological

Enhanced functionality

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— Enhanced Oil Recovery (EOR) – for life extension
— High Temperature / High Pressure (HT/HP) drilling – for Deep-water

Deep-water record = **+ 10,000ft!**

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Technological
New risks

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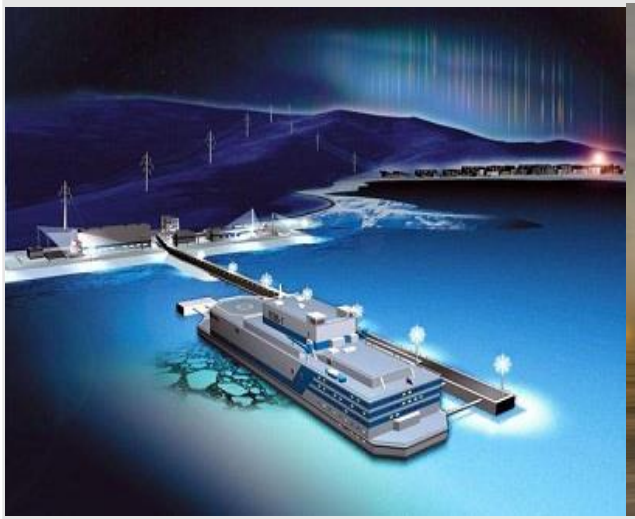

Floating Nuclear

Vertical Axis Wind Turbines (VAWT)

Automation/
Subsea Robotics

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Geographical

Arctic

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High risk / High Reward

- 13% of the world undiscovered oil
- 30% of undiscovered gas
- $100bn investment in next decade

Challenges;

- Environmental, lack of infrastructure, political, ……Greenpeace!

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Geographical

East Africa

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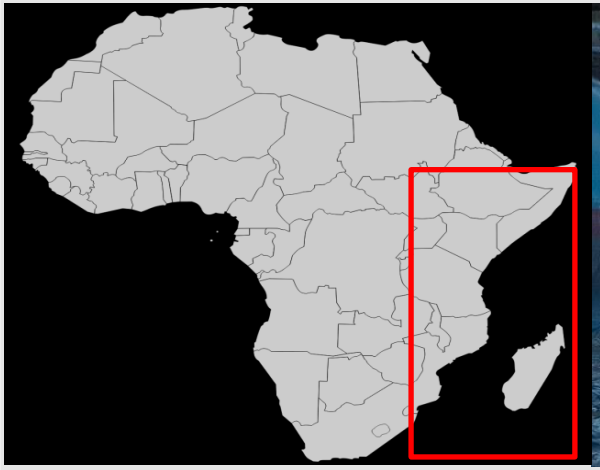

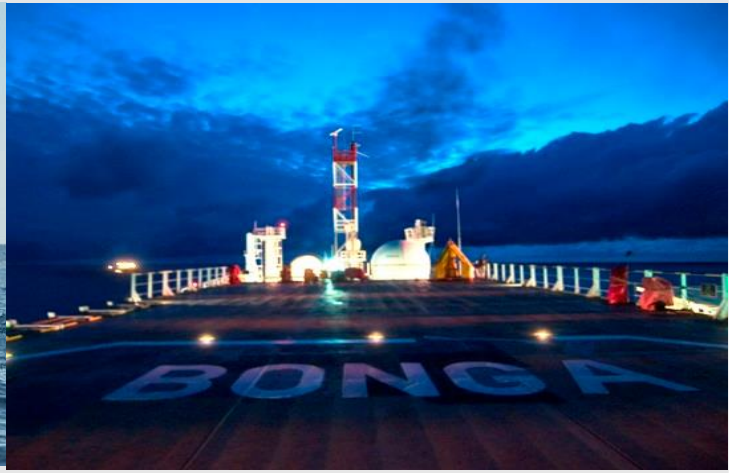

Next production epicentre

- 1/3 new discoveries made in last 5 years have been in sub-Saharan Africa (IEA)
- Close proximity to Asian market

Challenges;

- Infrastructure, Piracy, Terrorism, Political

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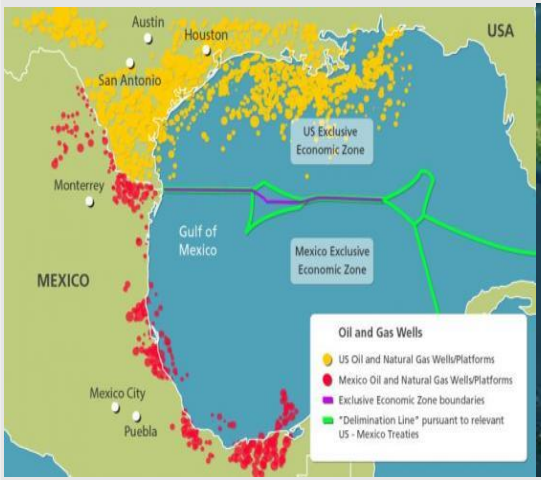
Geographical
Other Areas



E&P Potential

— Mexico : first offshore licencing round since 1938
— Canada, Colombia, Falklands, Myanmar..

Renewable projects

- Japan
- United States

Contracting

e.g. Heavylift sector

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Increasing onerous contractual liability regimes

- Irrespective of fault assumptions for cargo
- Unfair risk/reward ratios
- Unnecessary duplication of insurance/ avoidable costs

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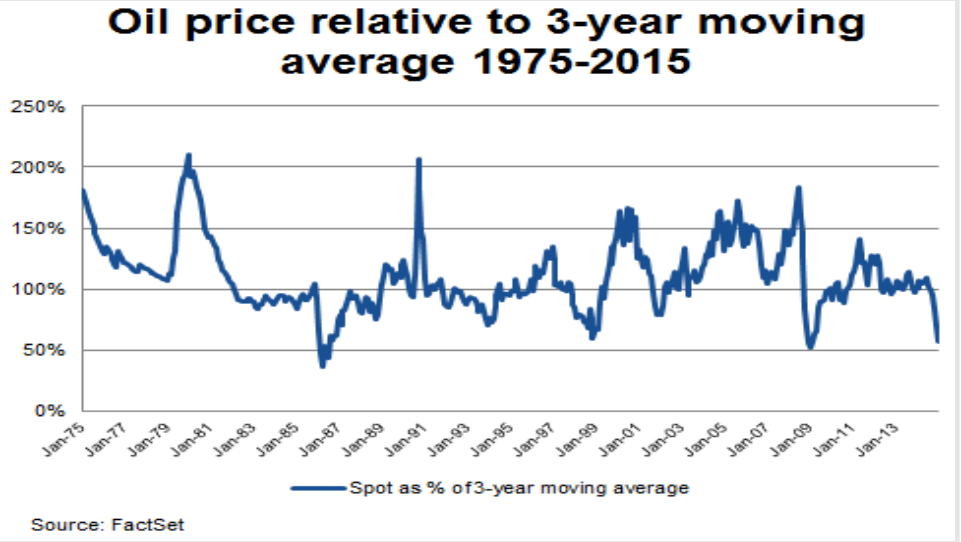
Market

Challenges



Fall in price of oil

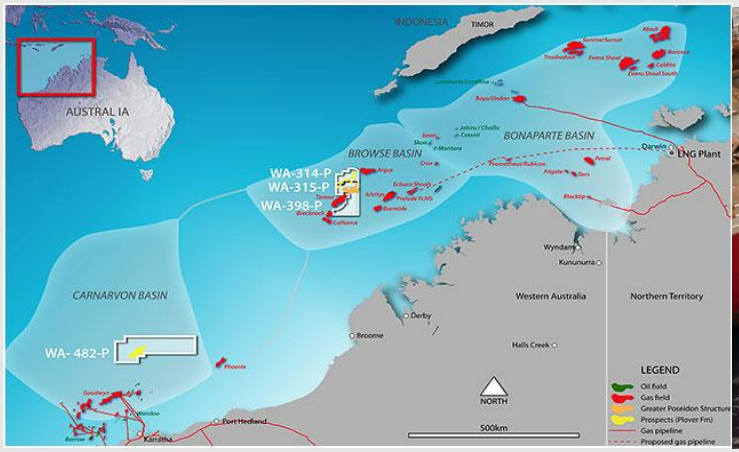
– OPEX cuts for operators
  - Crew training / retention
  - Vessel Maintenance

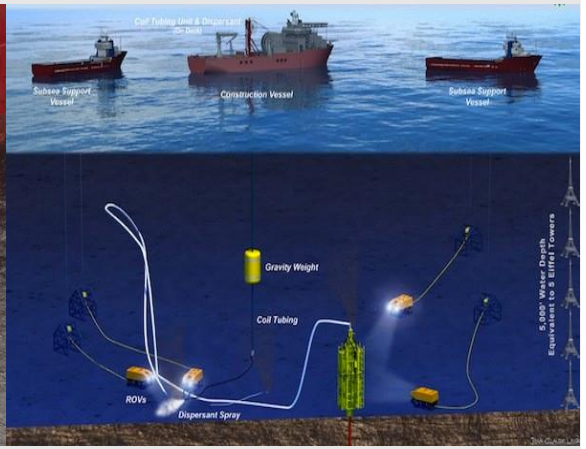
Industry historically cyclical

– Club seen fall in oil price before

Market

Opportunities





New opportunities

– 'The New Oil Order' / 'The Golden age of Gas'

– $Billion Projects

e.g. Gorgon, Ithaca, Ichthys, Wheatstone

Summary

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Key Points

- Risks continue to change
- Club will keep on top of issues
- Communicate and adapt to find solutions for membership

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Loss prevention initiatives

Julian Hines
Senior Surveyor

London Offshore Forum, 13 May 2015

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Loss prevention department

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underwriting	loss prevention	claims handling
— assessment of risk — quality, not quantity — comprehensive cover — consistency — realistic approach	assist: — members in loss prevention — managers in risk selection — managers in claims prevention	— prompt, flexible response — understands commercial realities — access to global support — seven major claims centres — approximately 600 correspondents

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Loss prevention department

The Standard

- member risk review
- ship risk review
- safety and loss advisory committee (SLAC)
- safety & loss publications, training, seminars
- desk top risk assessment

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Loss prevention department

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- safety and loss advisory committee (SLAC)
  - bring together senior technical and marine managers
  - claims review and analysis
  - lessons learnt promulgated amongst membership
  - implications of new regulations
  - custom and practice
- safety & loss publications, training, seminars

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Loss prevention initiatives - past

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- in-house loss prevention specialist team
- Member Risk Review
  - TMSA roots, focus on risk exposure
  - questions included on all aspects of ship / unit management
- Ship Risk Review
  - own checklist - focus on risk exposure
    (reviewed annually to include latest and upcoming regulations)
- since 2009 surveyed over 2,000 ships
  - captured survey findings
  - analysed data
  - experience developed a desk top risk assessment

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Loss prevention initiatives - present

The Standard

- desk top risk assessment

- based on 10 criteria, including:
  - type and age of ship / unit and operations
  - structural integrity
  - mooring and positioning system
  - operating environment
  - management
  - compliance
  - inspection records, PSC and casualty profile

- early assessment of a ship or offshore unit and potential risk triggers

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Loss prevention initiatives - present

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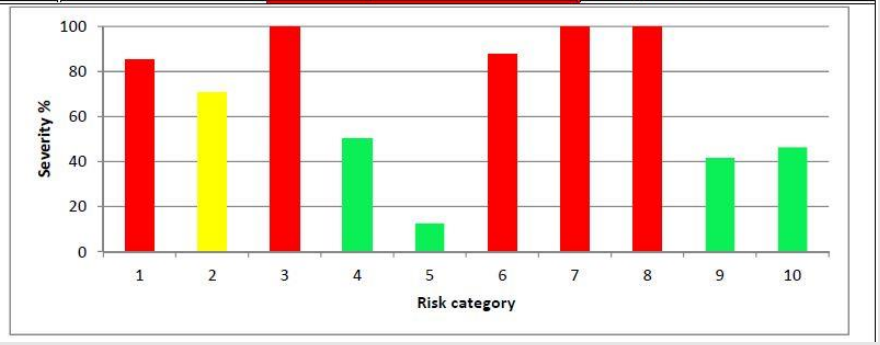
No.	Category	Rating	Indicator	Comments
1	General description	34	Exercise Caution	Elderly single hull tanker; converted in 2001 in Singapore.
2	Management	17	Marginal	Chartered to SNPC
3	Compliance	70	Exercise Caution	Compliant to Congo regulatory regime, but no mention of independent verification bodies or best practice.
4	Manning	26	Good	Minimal information on experience factor
5	Operating environment	3	Good	Benign
6	Position keeping	21	Exercise Caution	design life
7	Security	25	Exercise Caution	Known area of civil unrest
8	Shipboard operations	45	Exercise Caution	Heavy high sulphur crude. H2S ship ?
9	Offtake operations	10	Good	
10	Additional services	13	Good	
	Overall Evaluation	32	Exercise Caution	Appeared to have dropped out of class due to steel diminution. Heavy high sulphur crude possibly a H2S ship. Been on field since 2001 and has exceeded initial design life. Marginal field.



Material data that may increase risk		
No.	Increased risk	
1	Hull configuration	Single hull
2	Class / Certificating authority	Non IACS
3	Business management system verification	None
4	Safety case or equivilent regime area	No
5	Competence of inspection regime	West Africa
6	Mooring design life	Exceeded
7	Regional security	West Africa
8	Known piracy / civil unrest area	Yes
9	Marginal field production	< 10,000 bbls/day
10	Field life remaining	Extended life
11	Recovered crude oil type	Heavy Sour
12	Hydrogen Sulphide content (H2S)	High

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Loss prevention initiatives – future

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FPSO assessment - same hazards but different risks

Over the course of the FPSO life

- change in production fluid properties
- structural fatigue
  - cyclic loading
  - corrosion and erosion
- mooring arrangement fatigue
- change from original design spec
- extended design life

Market forces suppressed oil prices

- less maintenance
  - more physical / structural defects
- unit upgrades deferred
- change of crew and experience lost
- change of class/flag - less onus regimes

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Loss prevention department

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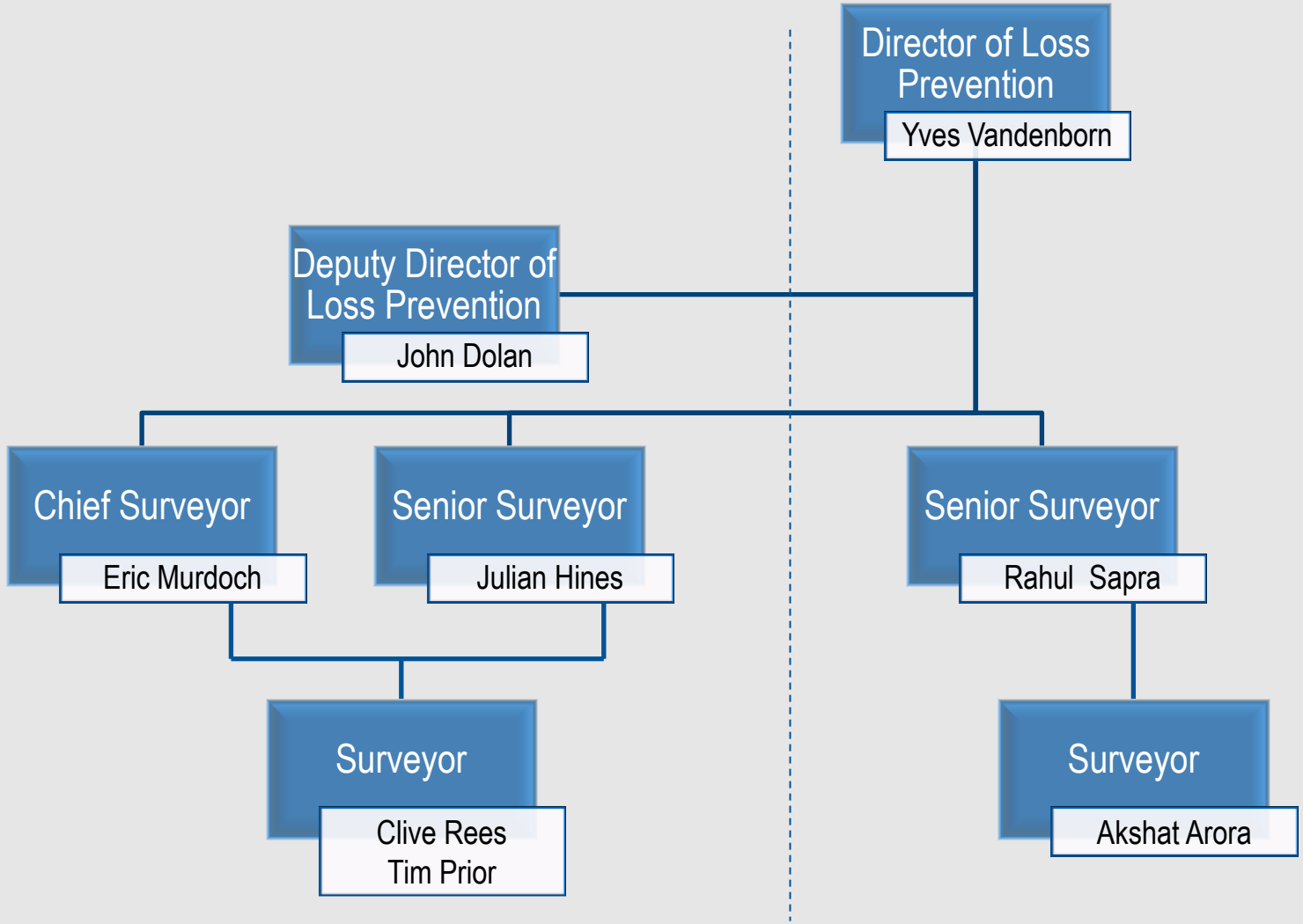

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Prevention is better than cure

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Loss Prevention is a service department

- provide technical due diligence
- provide an internationally based focus on accurate risk assessment
- provide technical experts and advice to our members on loss prevention

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The Standard Syndicate

The Standard Syndicate

May 2015

Robert Dorey, Active Underwriter

Charles Taylor MANAGING AGENCY

The Standard Syndicate

Introduction

Charles Taylor MANAGING AGENCY

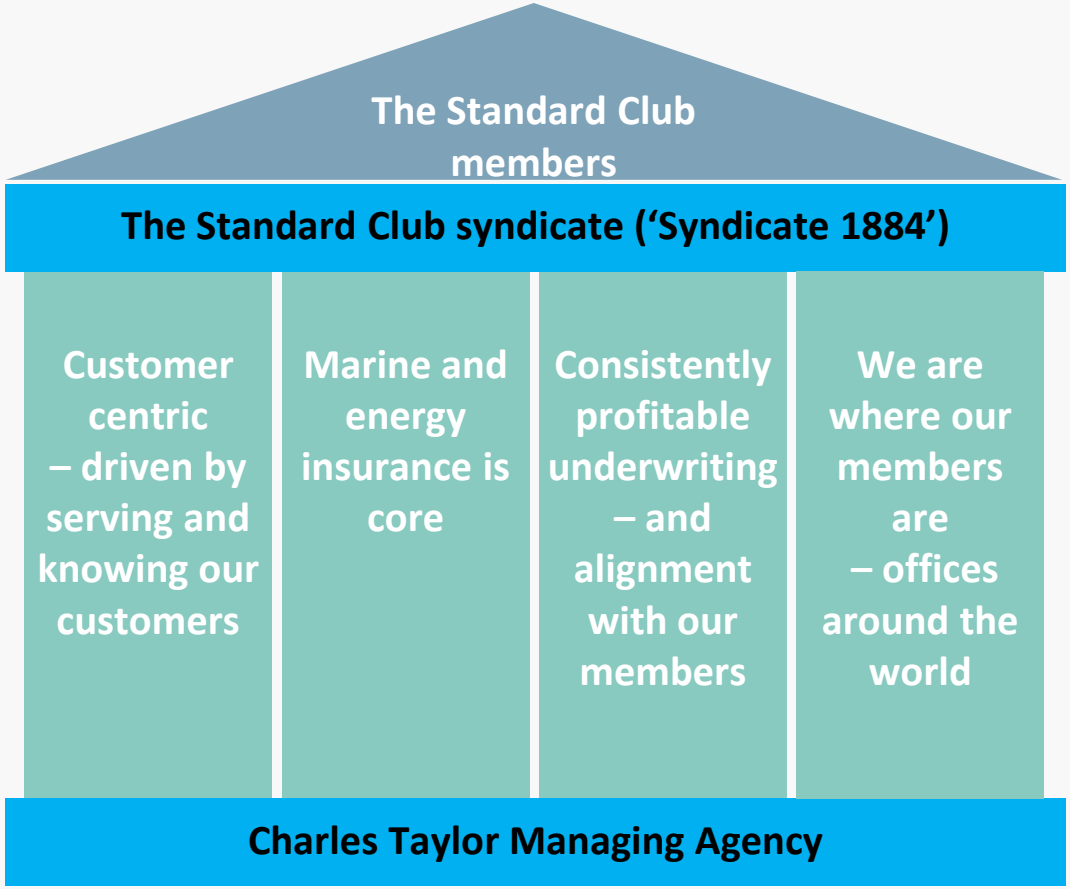
Introduction

- The Standard Club has established a new Marine and Energy syndicate at Lloyd's – The Standard Syndicate
- The Standard Syndicate will initially focus on 6 classes of business – Hull, Energy, Liability, Wet Property, Cargo & Specie and D&O / E&O
- The Syndicate will be managed by a new Managing Agent which is jointly owned by the Club and Charles Taylor
- Live from 1 April 2015, regulators and Lloyd's have approved the Syndicate and the Managing Agent

Why is the Club setting up The Standard Syndicate?

- To enable members to access a broader range of products that are backed by the Club's service proposition
- To enhance the financial strength of the Club over time
- To utilise the Club's reserves as efficiently as possible
- To leverage Club relationships and knowledge
  - 130 years of knowledge on ship-owners and drivers of losses
  - Relationships with 25% of world’s ship-owners
- To build on lessons learned from other Marine & Energy start-ups
- Offer the energy and marine industries Club/ mutual style claims handling in London

Vision for The Standard Syndicate



Our aims

- Lead business as soon as practical to drive service, handle claims and influence risk management
- Develop products & services with the Lloyd's market that will attract more business from current Club members and new clients
- Build on our global reach to create a pipeline of non-Lloyd's business into the market with our Syndicate as the conduit

The Standard Syndicate

Marine and energy lines

Charles Taylor MANAGING AGENCY

Energy Physical Damage

The Standard Syndicate

Class Overview

- The majority of exposures underwritten will be European, African and South East Asian, with overall US exposures accounting for no more than 10% of the portfolio. Limited GoM exposure, especially wind
- Lloyd's average statistics for last 20 years do not reflect changes following windstorm years
- TLP and Mosquito oil companies within our target
- Club members' historical challenge was lack of holistic offering P&I and open market insurances – this fills in the gap
- Establish energy consortium to leverage Club relationships and claims competence

Hull and Machinery

The Standard Syndicate

Class Overview

- Primarily support the vessels owned or managed by Standard Club members
- Target is balanced portfolio
- Target local markets/containers and use access to ferries and passenger
- No one country to make up more than 15% of the book

Liabilities

The Standard Syndicate

Class Overview

- Clubs ability to identify quality management processes and carry out contract reviews to identify unmitigated liabilities, leading to better risk selection

- **Other Marine Liabilities**: Cruise Operators' extensions/P&I/TurkP&I/Other liability classes such as ship repair/ builders, Transport Operators liability

- Energy Liabilities -good alternative to Gard, Swedish club and Norwegian Club offerings

Marine Property

The Standard Syndicate

Class Overview

- General property: Non-marine and non-storage “dry” property covering business operations of our members including head office premises
- Storage: for stand-alone storage related risk, primarily away from port areas with reduced catastrophe exposure. Waterfront warehouses that store cargo (excl cargo)
- Goods stored: stand-alone storage of goods, primarily non-volatile general cargo and items such as ship and E&P operations spare parts.
- Excess facultative cover for high value storage
- Tank farms storing oil and gas
- Wet property: being port and terminal operations’ properties

Cargo and Specie

Class Overview

- General Cargo: Cargo interests for SME and blue chips. Members require coverage for movement of supplies and spare parts globally

- Cargo / Logistics: New type of coverage born from co-ordinated logistics industry where two different policies (cargo and freight forwarder liability) is not always appropriate

- Specialist Cargo: Wet and dry bulk such as oil, chemicals, coal and ore

- 40% of members are engaged in activities outside of traditional shipowner operations – and therefore have demand for cargo insurance and currently purchase this class
- 60% of members are traditional cargo carrying operations where wealth is held in family structures appealing then to the specie portfolio

E&O / D&O

Class Overview

- Professional lines cover required by members for head office activities extend Standard Club / Charles Taylor professional lines facility established in 2012
- Support for member operations or other maritime companies well known and understood to the Club
- Not underwriting financial institutions or lawyers due to the volatility and exposure to class actions, avoid listed co's and US domiciled companies
- The Standard Club already source D&O / E&O business through a facility led by Chubb; look to market this more widely

Accessing the syndicate

The Standard Syndicate

Line sizes:

- Energy - $35m any one complex or asset (maximum $20m per insured)
- Marine - $10m
- Liabilities - $10m
- Cargo - $10m
- D&O / E&O - $5m

Locations:

- 4th Gallery Lloyd's of London
- Boxes 435 & 436
- TSS
- s1884

Who's Who?

The Standard Syndicate

Robert Dorey – Active Underwriter/Liability, D&O and E&O

- Joined Charles Taylor in 1996, as a claims handler from legal practice
- 5 years in claims; 5 years mutual underwriting
- 2006 lead and managed the Standard Offshore team (19 people) offshore/energy liabilities
- Only Club that could secure $1bn limit of reinsurance in the market
- Grew offshore book of Club from $26m premium (GN) in 2006 to $71m in 2014 – average loss ratio for the period 55%
- April 2014 full time move over to CTMA to lead underwriting plan and delivery

Oliver Paine – Class Energy Underwriter

- Joined team at travellers in 2006, from Marsh
- Since 2009 team has written an upstream energy book excluding Gulf of Mexico windstorm with average current gross incurred loss ratios of 45% over from 2009-2014
- Over the last four years significantly beaten target ULR and provided an ROE in excess of the syndicate and company's expectations
- Over this period gross premium income has risen from $32.6m in 2009 to $52.3m in 2014 ($38.4m net written premium prior to treaty reinsurance costs)
- Running the book since 2011 which is from when there has been the majority of growth

Tom Graham – Class Property Underwriter

- Worked at Insure London LLP (MGA) for 5 years specialising in Ports and Terminals property (Argenta were part of the program)
- Wrote "wet" property risks worldwide; capacity fluctuated between $15m and $5m
- Average incurred loss ratio was circa 45% over 5 years
- Joined Skuld Syndicate in 2012 to set up the Ports and Terminals Property sector alongside Marine Liability
- First year capacity was $10m and produced a Net premium of $5m with 6.6% incurred loss ratio
- Lead 1/3 of the business that was written, 1/3 was written combined with marine liability, 1/3 was standalone property

Nick Holding – Class Cargo Underwriter

- Most recently at FM Global delivering cargo insurance products and servicing to Fortune 500/Footsie100 type companies
- Most recently running a cargo book of approx. $12m GPI with combined ratio (net loss ratio plus expenses) averaging 55-70% over last 5 years of account
- Over 25 years cargo insurance experience in underwriting and broking roles
- Maritime Business degree/ACII qualified

Kate Butlin – Hull Underwriter

- Was a Class Underwriter at Talbot Underwriting writing Hull and all ancillary interests including Marine War.
- Previously at Atrium Underwriting
- Over 15 years experience in Marine Hull Insurance
- Holds an LLB (Hons) Law Degree / DipCII
- Joined The Standard Syndicate March 2015

Charles Taylor MANAGING AGENCY

The Standard Syndicate

Charles Taylor MANAGING AGENCY

Round up and questions

London Offshore Forum, 13 May 2015

The Standard

Please feel free to contact us with feedback or suggestions for our future forums.

Regulatory status

The Standard

The Standard Club Ltd is regulated by the Bermuda Monetary Authority. The Standard Club Ltd is the holding company of the Standard Club Europe Ltd and the Standard Club Asia Ltd. The Standard Club Europe Ltd is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The Standard Club Asia Ltd is regulated by the Monetary Authority of Singapore.

Charles Taylor Services Limited (CTS) is authorised and regulated by the Financial Conduct Authority to carry out general insurance mediation activities for commercial clients. For more details please see www.fsa.gov.uk/register/home.do or call the FCA on 0845 606 1234. CTS is a wholly owned subsidiary of Charles Taylor Holdings Limited. The ultimate parent and controlling company is Charles Taylor plc.

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The Standard

www.standard-club.com

Charles Taylor

www.ctplc.com