



Example of Supply Chain Disruption Events

2011 – Japanese Earthquake/Tsunami

- 9.0 Earthquake struck the north eastern coast of Japan
- Global companies such as Apple, Sony and Toyota affected by supplier and transport shutdowns

2013 – Attack on Algiers Refinery

- Militants carried out an attack on an Algerian Oil refinery
- Production was impacted severely, with only one of the three plant trains able to be utilised

2015 – Tianjin Blast

- USD 9bn loss in revenue for companies with goods that transit through
- 188 Vessels awaited access at peak of the delays

2021- Ever Given

- Six day blockage of the Suez Canal by a 200,000 tonne containership, carrying 20,000 containers.
- 422 containerships queued whilst waiting to pass through the canal.
- The blockage impacted an estimated USD 9.6bn of trade per day.

2024 – Baltimore Bridge Collapse

- Vessel struck and collapsed bridge, blocking access to port, early loss estimate in excess of USD 3bn
- Large chemical and precursor material hub disrupted
- Largest US auto import facility with ~800k annual car deliveries
- Port facilities largely blocked for 2+ months of disruption

2011 – Political crisis in Egypt

- Suez Canal Closed
- Essential public and commercial services unavailable
- Impacted port operations
- Companies suspended operations
- Communication outages further hindered efforts to trade

2014 – Houston Channel Port Blockage

- 4,000 barrels of oil spilled in Galveston Bay
- The affected waterway caters to a tenth of US refining capacity
- At the peak of the five day closure approximately 100 vessels were stranded

2017 – Hurricane Irma

- Delays for cargo that needed rail transportation
- The six major ports that closed handle one of every six containers going in and out of North America
- Disruption at the two airports will have affected around USD 245m worth of air cargo per day.

2022 – Ukraine War

- Russian Invasion of Eastern Ukraine
- Impacted large areas of Ukraine, leading to an inability to export, especially soft commodities
- Vessels trapped and stockpiles unable to move
- Sanctions imposed on large amount of goods previously traded in the region

Supply Chain Risk Transfer Solutions

Opportunity:

- To work with clients and industry associations to understand their specific needs and concerns
 - *Without listening we cannot innovate and remain relevant*
- To utilise prior experiences and comprehensive data to understand “supply chain risk”, allowing underwriters to offer risk transfer opportunities
- Enhanced insight and data quality increases underwriters' confidence, allowing for better terms and conditions
- Improved underwriting information will allow additional carriers and capacity to understand supply chain and expand market limits to meet clients demands
- To develop understanding of supply chain challenges in an ever-changing geopolitical landscape for all stakeholders to allow for informed decision making

Challenges:

- Getting time and “buy-in” from relevant stakeholders to understand the challenges they are facing and produce meaningful coverage solutions
- Supply chains are more susceptible to interruption than ever before; obtaining sufficient data to assess, underwrite and price risk with confidence can be challenging and time consuming
- Increasing risk transfer capacity to be able to work with clients requiring larger limits than currently available
- Managing accumulations across portfolios given the level of “unknown” exposure
- Working alongside existing insurance coverages and client internal risk appetites to make sure any solution is working in tandem and not doubling up
- **Being bold** enough to think differently to traditional and existing coverages in an evolving risk landscape