



Tianjin
The Insurance
Industry's
Big Bang

TIANJIN EXPLOSION





Where Is It?



The Port Itself



TIANJIN PORT FACTS



- **170 km southeast of Beijing and 60 km east of Tianjin city**
- **Population of around 13 Million people.**
- **Largest man-made port in mainland China, and one of the largest in the world.**
- **It covers 121 square kilometers of land surface, with over 31.9 km of quay shoreline and 151 production berths at the end of 2010.**
- **Handled 500 million tonnes of cargo and 13 million TEU of containers in 2013, making it the world's fourth largest port by throughput tonnage and the ninth in container throughput.**
- **Trades with more than 600 ports in 180 countries and territories around the world.**
- **Served by over 115 regular container lines run by 60 liner companies, including all the top 20 liners.**
- **Expansion in the last two decades has been enormous, going from 30 million tonnes of cargo and 490,000 TEU in 1993 to well beyond 400 million tonnes and 10 million TEU in 2012.**
- **Capacity in 2015 said to have been 550–600 Million TEU**

Casualty Notice



- 令人十分遗憾的是天津的状况现在越来越不清楚。我们相信关于危险化学品的担忧是确实存在的，特别是关于报道的700吨氰化钠（吸入少量即可致死）。这导致更多的出入限制合法为更大的禁区（报道称从2公里扩展到3公里）。报道称有军队抵达现场，但是其目的尚不清楚。
- 报道称由于记录不准确（并且记录可能在爆炸中损毁），甚至官方都不知道在爆炸当时现场究竟存放了哪些东西。
- 这导致我们当地的渠道目前无法提供任何有意义的信息。事实上，中国内部现在控制报道，我们的渠道目前更依赖于我们提供信息，而不是给我们提供信息。
- 天津港处于运作状态。但是包括丰田和约翰迪尔在内的车辆制造企业目前宣布停产。集装箱码头仍在运营，但是不清楚其运营能力和时间。还有关于降雨预报的担心。例如，美国驻北京大使馆提醒其在北京的工作人员都需要避免淋雨，如果一旦淋到雨，需要尽快清洗身体和衣服。
- 因此，即使货物（例如汽车）没有在爆炸中受损，他们也可能很快暴露在潜在的知名化学品侵害中，也可能导致为损坏的货物全损。
- 目前还没有关于爆炸直接受损的集装箱数量的官方统计。根据所见录像，我们自己估计其大概数以千计。这还不包括那些可能受到烟雾或者化学品损害的。但是，需要注意的是其中许多集装箱似乎时空的。装载货物的集装箱很可能在数公里外的货物操作区域。整个港区面积超过121平方公里。
- 我们十分抱歉无法在现阶段提供更准确的信息。但是我们确信目前中国当局已经完全控制现场，包括信息发布。因此，近期可能不太可能有更清晰的报告。
- 当然一旦有更多的信息，我们将与您联系

Casualty Notice



- **Regrettably, the picture in Tianjin is becoming less and less clear. We believe that there are genuine concerns regarding the hazardous chemicals, not least the reported 700 tonnes of sodium cyanide (a teaspoonful alone can be lethal if inhaled). This is prompting further restrictions on access and indeed a wider exclusion zone (reports vary between 2km to 3km). There are reports of army convoys arriving at the scene, but their purpose is unknown.**
- **The reported lack of accurate record keeping (coupled with the fact that any records there may have been were destroyed in the blast) mean that even the authorities really have no idea what was at the site at the time of the explosions.**
- **As a result, our own sources on the ground are currently unable to provide any meaningful information. In fact, there has now been a further clampdown upon reporting and our sources are now more reliant upon us for news than the other way around.**
- **As you are aware, the Tianjin Port is a massive facility and certain operations are continuing to function. However, car makers, including Toyota and John Deere, have announced a halt in production at present. Parts of the container terminal are continuing to operate, but it is uncertain at what capacity or for how long. There are genuine concerns regarding the weather with rain predicted. The US Embassy in Beijing is warning its staff even in Beijing to avoid the rain when it comes and, if exposed to it, to wash themselves and any clothing as soon as possible.**
- **Thus, the concern is that even if cargoes (including cars) were not affected by the shockwaves, they could well soon be exposed to a potentially lethal chemical cocktail that could render the unaffected cargoes also a total loss.**
- **There are no official estimates as yet as to the number of containers directly affected by the blast. However, our own “educated guess” from the footage we have seen is that it is in the thousands. This does not include those which may then be affected by, at best, smoke taint and at worst chemical contamination. However, it is important to note that very many of these containers would appear to have been empty. The containers with cargoes in them would be more likely to be in the cargo handling facilities a few kilometres away. The entire port area covers more than 121 square land kilometres.**
- **We are sorry that we cannot provide more definite news at this stage, but it safe to say that the Chinese Authorities are now taking full control of the situation, including information distribution, and thus it is unlikely that a clearer picture will emerge for many days at least.**



The Big Hole



Immediate Aftermath





Immediate Aftermath



Immediate Aftermath



Immediate Aftermath



Immediate Aftermath



Immediate Aftermath



No Health Hazard?



No Health Hazard?



What Did We Find?



View showing the wine contents leaked out from the cork plug of bottle. Cargo was reportedly stored at Tianjin Binhai COSCO Container Logistics' warehouse, located within 3km of the explosion site and sealed off by the Government Authorities. The Containers storing the wine were not damaged but apparently affected by the enormous heat wave generated



View showing wine contents leaking out from the cork plug and staining the edge of bottle neck seal

What Did We Find?



What Did We Find?



Cherries apparently affected by the enormous heat wave generated although the Containers, which were stored in Tianjin port, within the 3km radius, were not affected by the explosion.



What Did We Find?



What Did We Find?



View showing the premises of Globelink-trans (Tianjin) Int'l Forwarding Co., Ltd., where the cargo stored within was completely razed to the ground and debris partly cleared.. It faces Tianjin International Ruihai Logistic where the explosion took place across the road.



What Did We Find?

View showing surrounding buildings/warehouses in Globelink-trans (Tianjin) Int'l Forwarding Co Ltd razed to the ground with part of the debris cleared



The site of the warehouse after cleaning by Chinese Government Authorities.



Hi-Tech Clear up Begins!



By Numbers



2,500 tonnes	Total quantity of chemicals stored at Ruihai warehouse (including)
1,300 tonnes	Ammonium nitrate, potassium nitrate
700 tonnes	Sodium cyanide
500 tonnes	Sodium, magnesium and other flammable substances
145	Killed (including)
67	Tianjin firefighters
21	Police firefighters
9	City police
48	Other staff
28	Missing (including)
13	Tianjin firefighters
3	Police firefighters
2	City police
10	Other staff
474	Injured (including)
7	In critical condition
323	Have left hospital
17,000+	Damaged homes
170+	Damaged manufacturing companies
30,000+	People affected
Sources	Tianjin government, <i>The Beijing News</i> , China News Service

Clearing Operation



The Full Extent

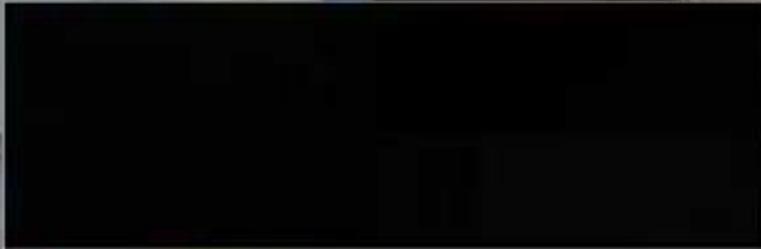


BEFORE



WK Webster

Life Continues



By Numbers



- At a recent talk on the 11th Floor in the Lloyd's Building to hear the views of IUMI on various subjects, it was stated that Insured losses from last year's Tianjin port explosion are likely to total \$5bn-6bn with some 50 per cent likely to fall under marine claims.
- Patrizia Kern-Ferretti, chairman of IUMI's facts and figures committee, described the loss event as "the largest marine loss ever", adding that the Tianjin explosion was the last opportunity that marine underwriters had to tackle the issue of accumulation and how to assess the worst possible exposure.

By Numbers



- So in SA terms:
- USD 6,000,000,000 =
- ZAR 99,310,344,827
- Nine hundred and ninety nine three hundred and eight hundred -
listen properly - nine hundred and ninety thousand three million and
twenty and seventy,

Key Market summaries

- August 15
 - JP Morgan below 1bn
 - GC Low 1-1.5bn High 3-3.25bn
- September
 - Fitch 1-1.5bn
 - JLT 3bn
 - Aon Benfield 2-2.5bn
- November
 - RMS 1.6 – 3.3BN
 - Munich Re 3.3bn
- December
 - Swiss Re 3.5bn
- February 2016
 - IUMI 5-6bn
- March
- Guy Carp Revised 2.1bn

Public Loss Information from Reinsurers – Tianjin 2015

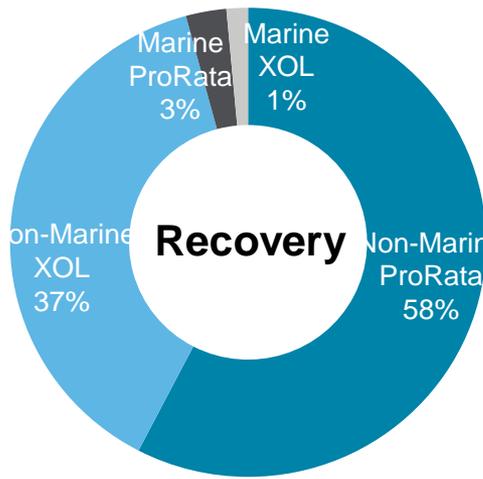
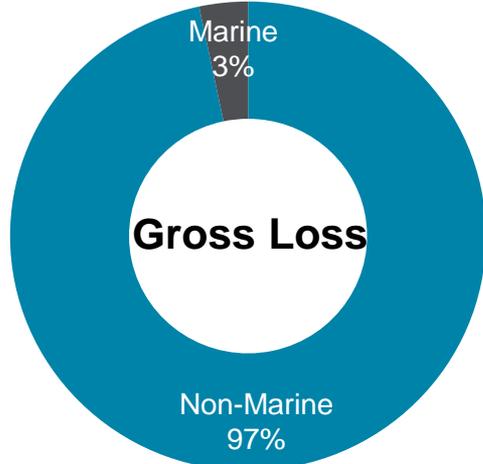
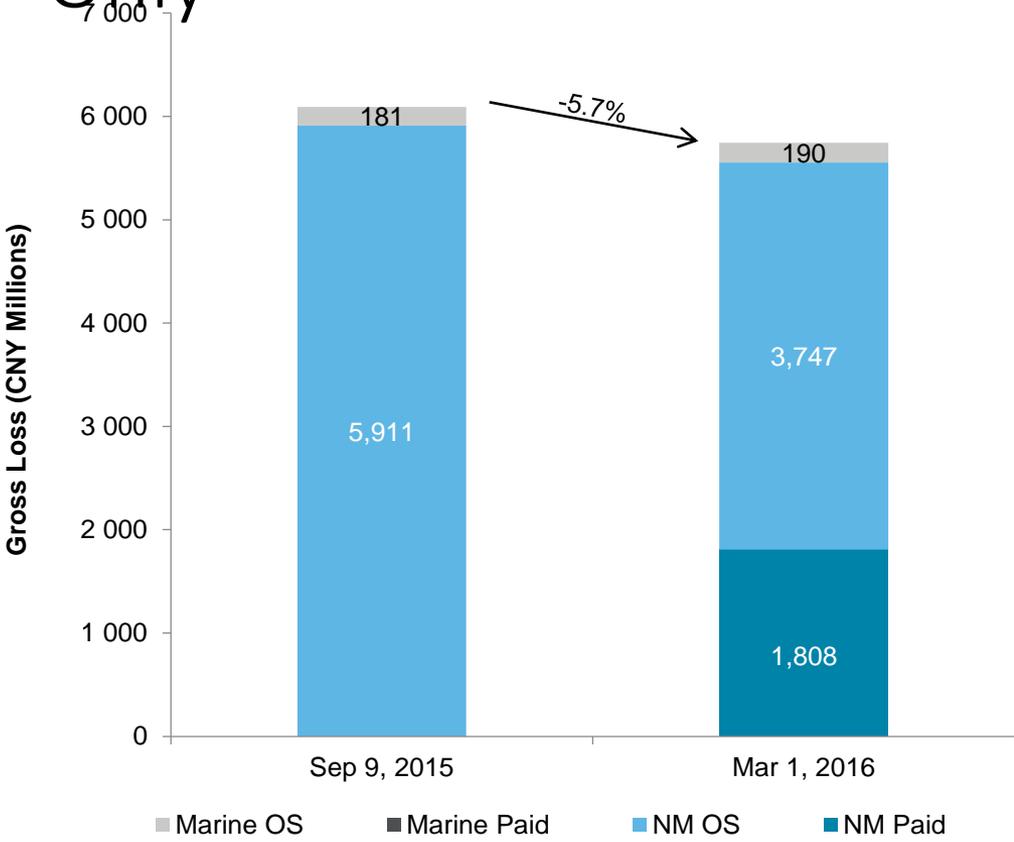
Company	Reported Net Loss	Loss by Segment	Resource	As of Date	Company	Reported Net Loss	Loss by Segment	Resource	As of Date
Zurich	275.0	General Insurance	3Q Report	11/5/2015	SCOR	35.6	EUR32M	3Q Report	11/4/2015
Swiss Re	250.0	P&C Re: 235M Corporate Solutions: 15M	3Q Report	10/29/2015	Alleghany	31.5	TransRe	3Q Report	11/3/2015
Munich Re	194.7	EUR175M	3Q Report	11/5/2015	Aspen	30.0	Reins: 27M and Ins: 3M	3Q Report	11/2/2015
China Re	174.0	CNY900M to CNY1,100M	IPO	10/13/2015	AXIS	30.0	Reins: 20M and Ins: 10M	3Q Report	10/27/2015
Berkshire	130.0	Gen Re: 44M Berkshire Re: 86M	3Q Report	11/6/2015	Allied World	28.9	Rein: 25.9M, NA Ins: 2.75M and Global Ins: 0.25M	3Q Report	10/21/2015
Talanx	126.8	Total EUR114M, Hannover Re EUR96M and Industrial Lines EUR18M	3Q Report	11/4/2015	Ren Re	26.0	Catastrophe Reinsurance: 19.1M and Specialty Reinsurance 5.9M	3Q Report	11/4/2015
XL Group	95.7	Reins70% and Ins 30%	3Q Report	10/26/2015	ACR	26.0		3Q Report	10/30/2015
Allianz	71.2	EUR64M	3Q Report	11/6/2015	ACE	22.0		3Q Report	11/4/2015
Partner Re	60.0	Non-US P&C: 22M, Global Specialty: 19M, Cat: 16M and North American: 3M	3Q Report	10/26/2015	White Mountains	15.0	From Sirius Group	3Q Report	11/2/2015
Everest Re	60.0		3Q Report	10/26/2015	Hiscox	10.0		3Q Report	11/9/2015
Fairfax	52.9	OdysseyRe	3Q Report	10/29/2015	Argo	9.0		3Q Report	11/6/2015
AIG	52.3	one-quarter of \$209M	3Q Call	11/3/2015	Endurance	8.3		3Q Report	11/6/2015
Validus	43.9	Validus Re: 32.7 M Talbot: 11.2M	3Q Report	10/29/2015	Total	1,858.7			

In USD \$ millions
 EUR/USD: 1.1123
 CNY/USD: 0.1582

Largest Losses written in China

Org Insured	Original Claim	Incurred Loss	Adjuster
Tianjin Train System	USD 625,000,000	USD 625,000,000	
China Automobile Trading (Chrysler)	USD 356,875,000	USD 270,312,500	Cunningham Lindsey China
Volkswagen Group	USD 200,156,250	USD 200,156,250	Cunningham Lindsey China
Beijing Glovis Co. (Hyundai & KIA)	USD 211,562,500	USD 163,281,250	Huatai Surveyors and Adjusters
Shanghai General Motors Corporation	USD 21,406,250	USD 21,406,250	-
CNOOC Engineering	USD 17,187,500	USD 17,187,500	-
COFCO Tianjin	USD 14,062,500	USD 14,062,500	-
Singamas Logistics	USD 14,062,500	USD 14,062,500	-
Total	USD 1,460,312,500	USD 1,325,468,750	

Split of (Re)insured Losses: China Portfolio Only



Chinese Domiciled cedants portfolio only

Motor Claims

Original Insured	Cars Damaged	Estimate Loss Amount	Markets Involved
Renault	5,703	USD 178,576,000	Japanese insurers
Nissan	800	USD 55,805,000	Japanese insurers
Toyota	4,700	USD 66,966,000	Japanese insurers
BMW		USD 114,958,300	Japan/Europe
Mitsubishi	600	USD 13,393,200	Japanese Insurers
Daimler		USD 29,576,650	Japan/Europe
Fiat		USD 111,610,000	Led in Germany
Chrysler		USD 46,876,200	Led in Switzerland
Audi	100	USD 2,232,200	Led in Germany
Subaru	100	USD 2,232,200	Japanese insurers
Mazda	50	USD 1,116,100	Japanese insurers
	12,053	USD 623,341,850	
Insured under non-marine policies			
VW	2,750	USD 196,634,167	PICC / Ping An
Hyundai/Kia	4,100	USD 207,855,793	Hyundai, Korean Re, Zurich, KB Insurance, China Continent, All Trust, SinoSafe, Angbang
Jaguar/Landover		USD 60,000,000	AIG and others
	6,850	USD 464,489,960	

Marine Policies

Other Marine Claims

Original Insured
Cargo (TBC)
Nutuch Company Limited
China Merchants Logistics
Kyocera Solar Energy
CATC Tianjin Automobile Trading
Yamaha Electronic
Putian Mobile
Nvidia
Lifetime Brands
McWane Inc
China Re
Safety Glass Company

These in the aggregate account for an extra USD 20 – 30m

Summary

Summary	Euros
China Market	USD 1,460,312,500
Marine Market (Cars)	USD 623,341,850
Marine (Other known)	USD 25,000,000
Known Total	USD 2,108,654,350
Corporate Views	USD 1,671,000,000
Market Rumour	USD 3,000,000,000
Therefore !!!!!	USD 2,500,000,000