



PORT METRO  
**vancouver**

# Enterprise Risk Management and Liabilities

*Case Study*



**IUMI**  
International Union of  
Marine Insurance

# Agenda

- Introduction to Port Metro Vancouver
- Strategic Objectives
- Risk Assessment
- Risk Control & Financing
- Conclusions

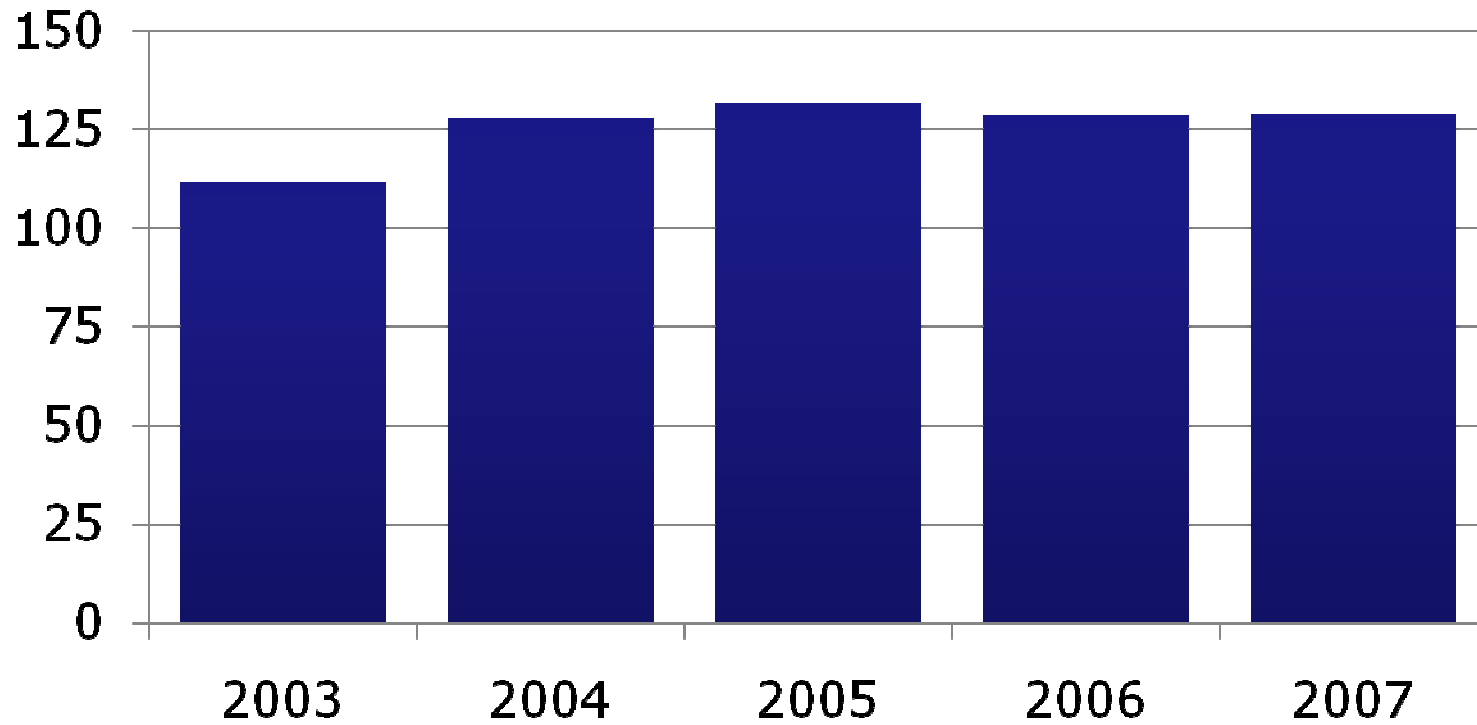


# About Port Metro Vancouver

- Formerly 3 Canada Port Authorities
- Accountable to the Federal Minister of Transportation
- Trade with 120 economies
- Borders 16 municipalities
- More than 600 km of coastline
- Largest port in Canada



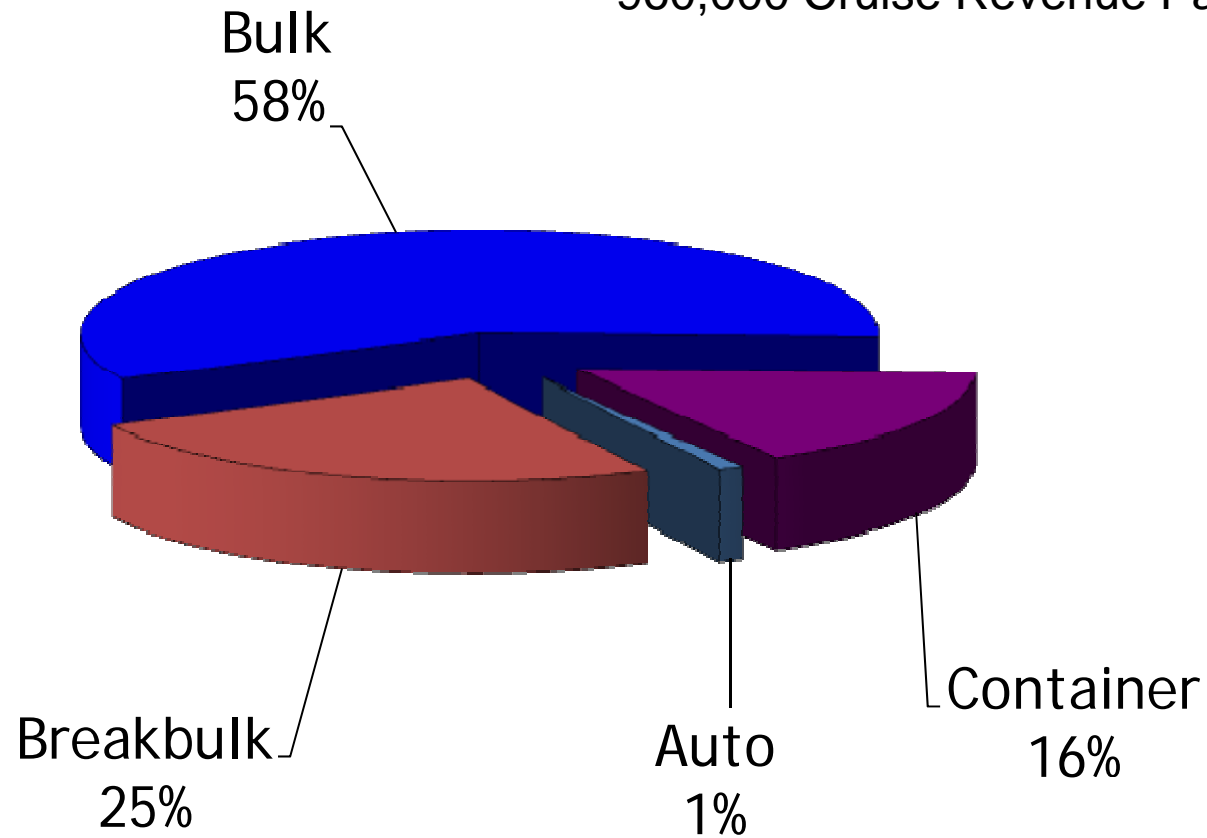
# Total Tonnage



Plus 960,000 cruise revenue passengers

# Total Tonnage by Sector

960,000 Cruise Revenue Passengers



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# Strategic Objectives

- Improve the reliability, performance and competitiveness of the transportation logistics chain.
- Ensure the sustainability of Port Metro Vancouver.
- Expand throughput capacity in the Pacific Gateway to meet customer demand and to exploit market opportunities.

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# Enterprise Risk Management Approaches

- CARD Solutions
- RIMS Risk Maturity Model for ERM
- AS/NZ 4360
- Others
- COSO

# ERM at Port Metro Vancouver

- Annual assessment of risks from all sources
- Analyzed in a likelihood/consequences matrix
- Mitigation reporting directly to the Board

# Risk Assessment Findings

## Consequences

	Notable	Minor	Important	Serious	Major	Catastrophic
Likelihood	Almost Certain		**			
	Likely	*	***** *****	***** *****	***	
	Unlikely	**	****	***** *****	*	****
	Very Unlikely		*	*****	**	*
	Extremely Unlikely			*		

# High Liability Related Risks

- Injuries (slip & fall)
  - cruise passengers
  - employees
  - port visitors
  - members of the public
- Terrorist attack

# Emerging Liability Related Risks

- Climate Change
- Radical Greening

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# Cruise Ship Passenger (Slip & Fall)

Consequences

	Notable	Minor	Important	Serious	Major	Catastrophic
Likelihood	Almost Certain	Yellow	Orange	Red	Red	Red
	Likely	Green	Yellow	Orange	Red	Red
	Unlikely	Green	Green	Yellow	Orange	Orange (with blue star)
	Very Unlikely	Green	Green	Yellow	Yellow	Orange
	Extremely Unlikely	Green	Green	Green	Yellow	Yellow

- Maintenance program for gangways and terminal
- Hold-harmless agreement with terminal manager
- Terminal operator connects the gangways
- Insurance

# Terrorist Attack

## Consequences

	Notable	Minor	Important	Serious	Major	Catastrophic
Almost Certain	Yellow	Orange	Red	Red	Red	Red
Likely	Green	Yellow	Orange	Orange	Red	Red
Unlikely	Green	Green	Yellow	Orange	Orange	Orange 
Very Unlikely	Green	Green	Yellow	Yellow	Orange	Orange
Extremely Unlikely	Green	Green	Green	Yellow	Yellow	Yellow

- ISPS/MTSR approved Security Plan in place
  - Extensive 24/7 monitored camera system in place
- No Liability Insurance



# Climate Change

## Consequences

	Notable	Minor	Important	Serious	Major	Catastrophic
Likelihood	Almost Certain	Yellow	Orange	Red	Red	Red
	Likely	Green	Yellow with blue star	Orange	Red	Red
	Unlikely	Green	Green	Yellow	Orange	Orange
	Very Unlikely	Green	Green	Yellow	Yellow	Orange
	Extremely Unlikely	Green	Green	Green	Yellow	Yellow

- No major changes are expected over 5 yr planning period
- Changes are being monitored

# Radical Greening

Consequences

	Notable	Minor	Important	Serious	Major	Catastrophic	
Likelihood	Almost Certain	Yellow	Orange	Red	Red	Red	Red
	Likely	Green	Yellow	Orange (with blue star)	Orange	Red	Red
	Unlikely	Green	Green	Yellow	Orange	Orange	Orange
	Very Unlikely	Green	Green	Yellow	Yellow	Orange	Orange
	Extremely Unlikely	Green	Green	Green	Yellow	Yellow	Yellow

- PMV is organized under a Chief Sustainability Officer
- Is seen as a leader in many area
  - Northwest Ports Clean Air Strategy
  - Differentiated Harbour Dues Program
- No insurance

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# Conclusions

- Your customers most important liability risks are often new
- ERM process implemented by your customers helps then monitor/manage new exposures
- Insurance community provides an important component of any customers ERM program