



Mariella Dauphinee, President

CBMU Spring Conference 2018
May 23, 2018 – May 24, 2018

Marine Insurance Association of British Columbia

The Marine Insurance Association of British Columbia is a non-profit organization formerly known as the Association of Marine Underwriters of British Columbia.

The purpose of the MIABC is to promote education, harmony, fellowship and good practice in the profession, the interchange of views, opinion and personal experience and discussion of topics of interest of the profession.

Our first meeting was held in 1929.

Current Membership

- Our membership is comprised of Full Members consisting of licensed Insurance Companies, Underwriting Agencies, Brokers and Agents transacting marine insurance business in B.C. (28)
- Associate Members consisting of qualified Marine Underwriters not resident in B.C., and all other companies associated with the business of marine insurance. (35)
- Country members: May be granted to any member who has been a member in good standing of the Association and has retired or partially retired.(11)
- Honorary Members: (4)

MIABC Executive

Executive Team

Mariella Dauphinee – President, Intact Insurance Company

Celeste Atal – Vice President, CNA Canada

Gerry Clayton – Past President

Jason Lattanzio – Executive Member, Alexander Holburn Beaudin & Lang LLP

Jennifer Bensley – Executive Member, Intact Insurance Company

Tyson Daniels, Executive Member, Harlock Murray Underwriting

MIABC Committees

- Legislative Committee - Chair – Jason Lattanzio – Alexander Holburn Beaudin & Lang LLP
- Underwriting Committee – Chair – Lee Varseveld - Pacific Cost Fishermen’s Mutual Marine Insurance Company
- Claims Committee – Chair - Kyla Benz - Harlock Murray Underwriting Ltd.
- Education Committee – Chair Patrick Treacy – Burns& Wilcox
- Social Committee - Chair Jackie Farquharson – Harlock Murray Underwriting
- Communications Committee – Tyson Daniels – Harlock Murray Underwriting
- Treasurer: Mark Wilson - Reliance Insurance
- Secretary: Andrea Dey – Marsh Canada

MIABC Survey

What matters?

- Education, Education, Education
- Networking events

Education Seminars

Spring Series:

The Association takes an active role in providing opportunities for its membership to attend and participate in educational seminars that offer accreditation with the Insurance Council of BC:

Half Day Seminar – The Logging Industry in BC

Luncheon Seminars

- Rail Industry in Canada and interface with the port and maritime industry
- Barges 101
- Trucking Industry in Canada with reference to the import and export of cargo.

Social Committee

- Net working pub night - March 22, 2018
- World Cup net working event June 28, 2018
- Golf Tournament: September 11, 2018
- Wine Tasting Event November 2018
- President's Christmas Reception- December 12, 2018
- AGM – January 22, 2019

Market Conditions

- Really little change in the local market in the past 6/12 months on the commercial side.
- Rates continue to remain low on commercial side.
- Resistance by Underwriters to requests to lower rates further (unless volumes have increased). Renewals being done on a flat basis.
- Pleasure craft business has seen rate increases imposed by Lloyds to the various local cover note holders, triggered by the CAT wind losses in the Caribbean.

Claims:

- Boat Fire: \$1 million
- Logs – red cedar lost when barge took on water and listed: \$600,000
- Barge laden with logs grounded: \$1.2 Million
- Barge grounding \$1.2 Million
- Tug Engine claim: \$300,000
- Whale strikes fishing guide excursion, seriously injuring passenger.

2018 set to be record year for BC's West Coast cruise season!

Port of Vancouver

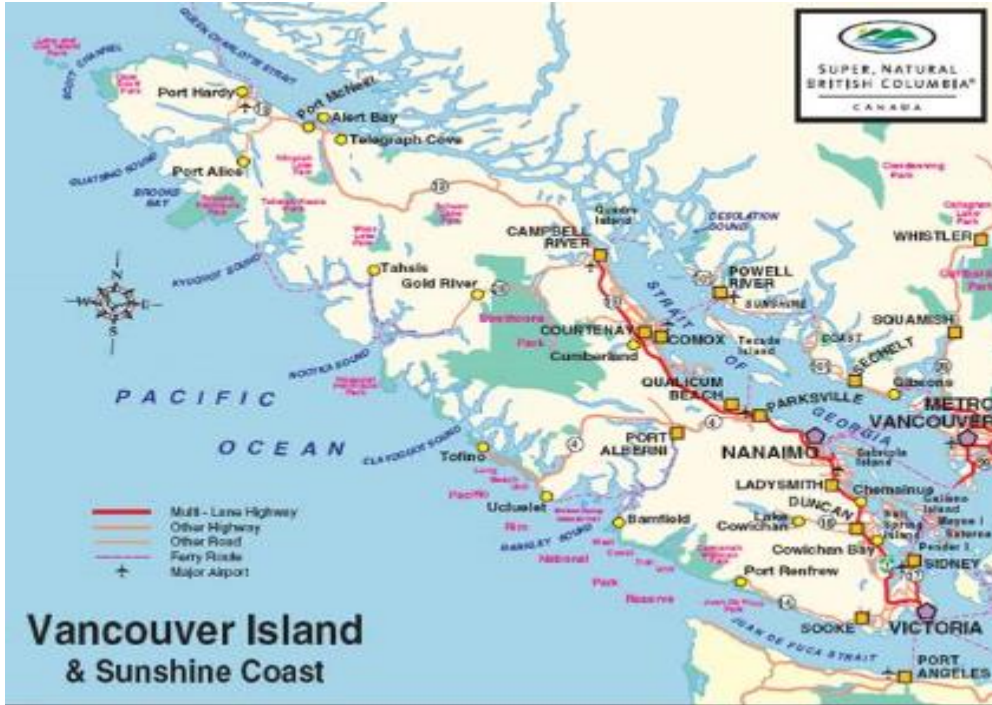
The port of Vancouver is expecting to welcome 900,000 passengers through Canada Place on more than 240 vessel calls from 14 different cruise lines in 2018.

This represents an eight per cent growth over 2017, which brought 842,928 passengers on 237 vessel calls to Vancouver.

The port will reach an important milestone as it welcomes its 25 millionth cruise passenger at its iconic Canada Place cruise terminal early in the season.



The ports of Vancouver, Victoria, Prince Rupert and Nanaimo account for over half of Canada's cruise passenger traffic



- Victoria Odgen Point will welcome 247 cruise ship calls, a 3% increase
- Nanaimo Port Authority
- The Port of Prince Rupert
- Port Alberni Port Authority (back in 2019)

BC Ferries

BC Ferries has a number of projects on line and completed in Gdansk, Poland, including:

Spirit of British Columbia one of BC Ferries two Spirit Class flagship vessels, is currently under going a mid-life upgrade at the Remontowa shipyard in Gdansk Poland. The main upgrade is a new dual-fuel main engines that will primarily burn LNG, reducing fuel cost and emissions.

Three new Salish Class vessels were recently delivered from the Gdansk yard. The Salish Class vessels replace the *Queen of Nanaimo* and the now retired *Queen of Burnaby*. The Salish Class vessels are capable of running as dual-fuel on either natural gas or ultra low sulphur diesel.

Use of natural gas for the Salish Class vessels results in the reduction of an estimated 9,000 metric tonnes of carbon dioxide equivalent per year, which is the same as taking 1,900 passenger vehicles off the road annually.



The future is looking grainy

As ships wait for grain, port building boom continues in Vancouver...

Fuelling the growth of exports is a string of good years in Canadian crops, those increases in capacity and growing appetites and changing diets in Asia. As China and India's GDP increases, people's diets switch a bit more protein-based and so that's leading to demand for grains to feed livestock.

- Federal government aiming to boost agriculture exports to \$75 billion by 2025...

Projects

G3 Grain Terminal

- G3 Global Holdings: Joint venture G3 Holdings and Western Stevedoring Limited.
- Export grain terminal at Lynntern West Gate (North Vancouver)
- 180,000 tonne of storage (cereal grains, oilseeds, pulses and special crops). It will hold:
 - 48 14-storey grain silos
 - An 80 metre tall work building
 - A one-kilometre rail loop track capable of holding three trains more than 130 cars long, unique among existing grain export terminals.
- The design will allow prairie grain trains to travel to Vancouver, unload while in continuous motion and travel back to G3's Canada's primary elevators without detaching from the locomotives



Fraser Grain Terminal Ltd.

Grain Export Facility Project

- Grain export facility to trans-ship up to 3.5 million metric tonnes per annum of bulk grain products.
- On the Fraser River via an existing berth at Fraser Surrey Docks.
- 34 steel storage silos
- A travelling ship-loader
- A semi-loop rail track
- Container loading facility
- Storage yard



Fibreco Export Inc Project

- Another player entering the game is Fibreco in North Vancouver.
- It is transitioning out of the wood pellet business and spending \$85 million to build 56 new steel agricultural silos on the terminal site, ranging from 12 to 18 storey and capable of handling 170,000 tonnes.



Port of Vancouver climbs up the global rankings ladder

- Alphaliner's recently released list of the top 110 container ports in the world shows the Port of Vancouver ranked No. 45 in 2017.
- That's up from its No. 48 position in 2016.
- Vancouver is the only Canadian port in the list's top 50.
- The ranking reflects a record 3.3 million 20 ft equivalent units (TEU's) handled by Vancouver's container terminals in 2017 an increase of 11% over 2016's total.
- This supports analyst's views that trade on the robust transpacific cargo route is recovering from the dark days of 2016.



Centerm, Expansion Project

Port Metro Vancouver and DP World's \$250M Expansion

It includes a series of improvements to Centerm container terminal and port roads to help meet anticipated demand for containers to be shipped through Vancouver.

The on-terminal improvements would increase the maximum container handling capacity at Centerm by two-thirds, from 900,000 20 TEU's to 1.5 million TEU's.

The project includes increase to the terminal's footprint by 15% and reconfiguration of the terminal to increase the container capacity of Centerm.



Roberts Bank Terminal 2 Project

Delta, BC

- \$2 billion expansion project to expand the Roberts Bank terminal in Delta.
- A new three-berth container terminal at Roberts Bank.
- The project would expand terminal capacity from 1.8 million TEUs per year to 2.4 million TEU's of container capacity., handling 260 container ship calls annually.
- Presently undergoing environmental assessment.
- The project will be funded by the Vancouver Fraser Port Authority and private funding



Port of Prince Rupert

Completion of Fairview Terminal Phase II North Project.

- DP World's expansion of the Fairview Container Terminal grows the terminal's annual throughput capacity from 850,000 to 1.35 million TEUs.
- The terminal now includes a second vessel berth serviced by three new Malacca-max allowing 20,000 + TEU vessels to reach the terminal to access the terminal.
- In addition, there are 6,000 more feet of on dock rail and an 11 hectare increase to the terminals' footprint.



The Trans Mountain Expansion Project

- A 7.4 billion construction project.
- The expansion will parallel 1.150km route of the existing Trans Mountain Pipeline, built in 1953.
- Pipeline capacity would increase from 300,000 to 890,000 barrels of oil per day.
- The project would add 980 km of new pipeline and reactivate 93 km of existing pipeline.
- 12 new pump stations, 19 new tanks added to storage terminals in Burnaby, and 3 new berths at Westridge Marine Terminal.

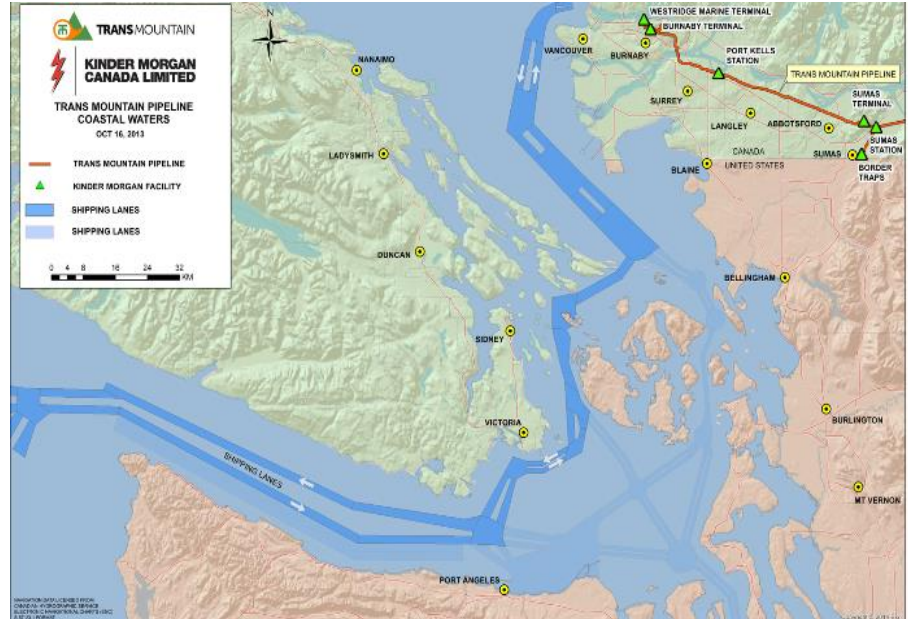


TBA

BC Premier: John Horgan:

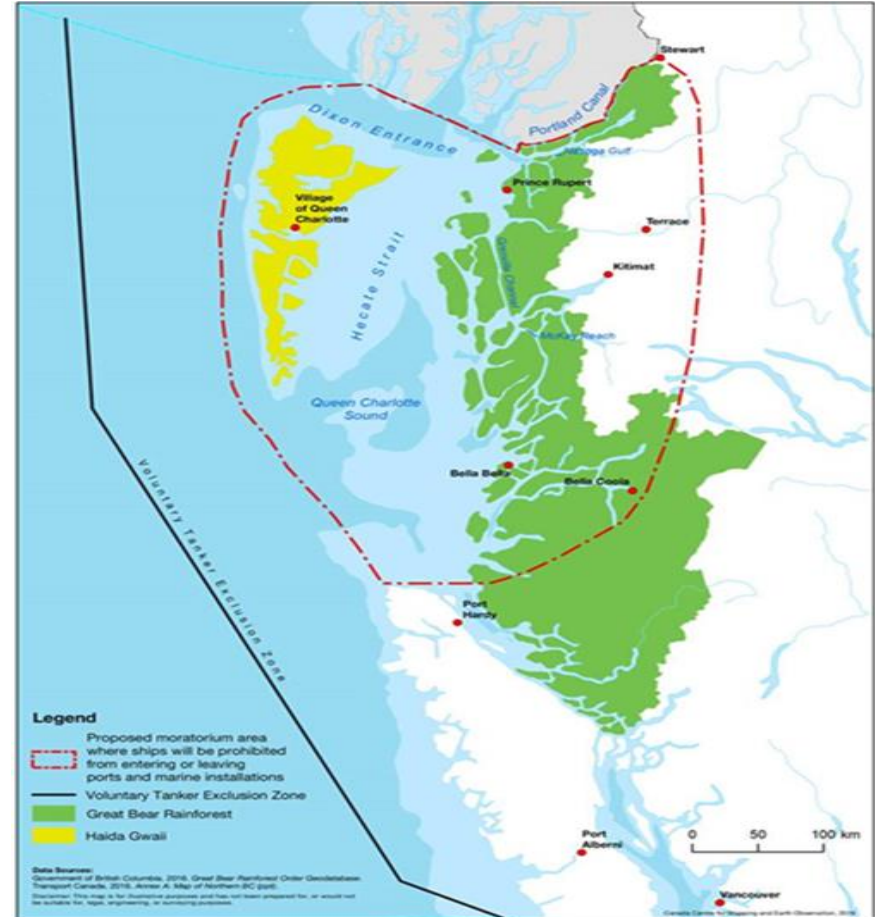
- “The interests of Texas boardrooms are not the interests of British Columbians”

The 7.4 billion Kinder Morgan project may be scrapped entirely unless agreements can be reached by May 31, 2018 to resolve uncertainty created by British Columbian government opposition to the project, the Company announced April 8, 2018.



Bill C-48- Oil Tanker Moratorium Act

- Bill C-48, the Oil Tanker Moratorium Act would put a stop to crude oil tanker traffic on the BC North Coast and prohibit all oil tankers carrying crude and persistent oils as cargo from stopping, loading and unloading at ports in northern BC.
- The Bill would allow vessels carrying less than 12,500 metric tonnes of crude and persistent to operate in the area to ensure northern communities can receive critical shipments of necessary oil.
- Legal Challenge as Lax Kw'alaams Band files suit in Supreme Court of British Columbia “the tanker ban discriminates against the plaintiffs by prohibiting the development of land in an area that has the best deep-water ports in Canada” (March 2018).



Government of Canada funds the removal and disposal of abandoned boats through the Oceans Protection Plan

\$90,000 to remove 12 abandoned boats and wrecks

- The Vancouver Fraser Port Authority
- Town of Lady Smith

\$140,000 to remove 9 abandoned boats and at small craft fishing harbours

- Ford Cove Harbour Authority, BC
- Powell River Harbour Authority, BC
- Port Edward Harbour Authority, BC
- Port Saunders Harbour Authority, Newfoundland

\$90,000 to remove 26 abandoned boats and wrecks

- The Capital Regional District of Victoria
- The Pender Harbour Authority Council
- The District of Sechelt

\$45,000 Education and Awareness Component of the Abandoned Boat Programs

- Capital Region District of Victoria
- The Boating British Columbia Association
- Fisheries and Marine Institute of Memorial University of Newfoundland and Labrador
- The Boating Ontario Association
- The Eastern Nova Scotia Marine Stewardship Society

\$475,000 to Research and Development of environmentally friendly methods to recycle and dispose of boats at their end of life

- Innovation Maritime
- CleanTech Renewables Limited
- PlaySafe Production

THANK YOU