



POLICY 5-2-1

VERSION 4

GENERAL INSURANCE

Approved: Brad Fish
Chief Executive Officer

Date: 24/08/05

PURPOSE:

The purpose of this policy is to outline the approach the Corporation will take to protect itself from severe or catastrophic financial loss from insurable events.

POLICY FRAMEWORK:

The Ports Corporation in its operations has numerous sources of potential liability. The Corporation has significant sums of money invested in port infrastructure and operational equipment that is exposed both primarily in its physical location and secondarily in terms of the consequences of its unavailability for whatever reason. The location of the ports themselves within other ecosystems and the nature of port activities is another potential source of liability. Because of this, it is necessary for the Corporation to identify and mitigate any potential losses. In doing so, the Corporation will generally follow Treasury guidelines where it is considered prudent or financially responsible to do so.

APPLICATION:

All activities of the Corporation are covered by this policy except where the activities are covered by a separate policy eg Directors & Officers Liability.

POLICY:

The Corporation seeks to:

- identify its risk exposure
- evaluate and quantify risk exposure eg frequency and severity
- develop management strategies for all material risk exposure by
 - transferring risk to contractors or users via contracts
 - managing risk exposure such as occupational health and safety, environment
 - transferring the risk to insurers where cost effective
 - deciding to self insure
- review risks and monitor outcomes

Costing of insurance against risk must be pursued. The process of cost/benefit analysis will determine whether the Corporation will transfer the risk to insurers or self-insure against the potential loss. It will include consideration of any applicable excess.

Where on consideration it is considered prudent or financially responsible to insure externally the Commercial Manager and Board Secretary will seek quotations for the cover.

The areas of insurance coverage will be reviewed every 12 months by the Commercial Manager and Board Secretary and Chief Executive Officer. That review will include consideration of any potential liabilities that may have arisen in that time.

As part of the process the Corporation will regularly update its asset values so that appropriate levels of coverage may be sought.

PROCEDURAL IMPLICATIONS:

Risk Management Policy
Shipping Safety Policy
Health and Safety Policy

Claims: handled by Commercial Manager and Board Secretary for other than project insurance.

For specific global insurances taken out for projects by the Engineering Manager, claims will be handled by the project team or the Engineering Manager

SUNSET CLAUSE:

This policy will be reviewed by June 2009.