

Suez Canal blockage raises questions about future claims modelling

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The Ever Given blockage of the Suez Canal for six days in March last year raised important questions about the challenges facing insurers when modelling for such claims, Clyde & Co partners Simon Culhane and Jai Sharma told delegates attending a Nautical Institute webinar recently. The initial claim by the Suez Canal Authority was in the region of \$900m, while the final, as yet undisclosed, payment was thought to have been considerably lower. Underwriters were now asking whether they need to change their modelling when calculating for such big claims in the future. Other questions included who legally represented the more than \$170m of cargo aboard the vessel when the incident occurred.

Discussing the legal complexities of the case during the 'Ever Given Cargo Webinar' with members of The Nautical Institute (NI), Culhane noted that "the original claim from the SCA for over \$900m caused underwriters to question if they could be exposed to far greater limits than are currently anticipated". Sharma noted that "if you look at this voyage, the statistical risk on paper of such a casualty is modest, but in practice it was a substantial exposure for insurers that is difficult to model."

Will it cause people to re-assess expectations arising from casualties in Suez, he asked.

The investigation into the cause of the blockage, which led to the death of a worker during the salvage operation, was ongoing, making it difficult to establish liability and whether any damages must be paid.

<https://www.nautinst.org/resources-page/suez-canal-blockage-raises-many-questions-about-future-claims-modelling-says-ni-webinar.html>