

Instrat® Briefing

January 2006

RISK-i Review 2005



Guy Carpenter's Instrat® unit has compiled a summary of the major man-made or technological catastrophes that occurred in 2005. The events listed are likely to have incurred losses of around US\$25m and above. Guy Carpenter's Instrat® unit compiled this summary utilising material within the public domain. Other major incidents may have taken place during 2005 but details of these events and their associated losses have not been obtained. They are consequently omitted from this review.

For further details please contact RISK.i@guycarp.com, or go to our Cat Central website at <http://www.guycarp.com/portal/extranet/insights/catcentral.html>.

Date: 4 January

Location: Fort McMurray, Alberta, Canada

Event: Oil refinery fire

Cause: Suncor Energy, which owns the refinery, said a pipe made with the wrong steel specifications had eroded faster than expected. The rupture released hydrocarbon vapours that ignited and triggered the fire.

Fatalities: 0

Insurance Details: Suncor said the fire broke out in a fractionator tower in the Upgrader 2 facility and damage was limited to the fractionator and supporting equipment such as piping, steel structures and wiring. Suncor's production dropped to almost half of the pre-fire 225,000 barrels per day until repairs were completed in September. By the end of 2005, Suncor had received about US\$100m in property damage from an insurance policy that had a US\$250m ceiling. More than US\$300m had been received from its business interruption insurance and negotiations are ongoing with its insurers to try and recover upwards of US\$600m more. The final cost of the fire will not be known until more of the insurance payouts have been settled, according to the Canadian Press. The Office of the Superintendent of Financial Institutions (OSFI), the federal regulator, estimated the insured loss resulting from the fire will be around C\$1bn (US\$800m). OSFI said a significant portion of the cost will be paid by Canadian federally registered reinsurers. Suncor announced it has property damage and business interruption insurance policies with a combined coverage limit of US\$1.15bn. The deductible on property losses is US\$10m while the deductible for the business interruption policy is subject to a 30-day waiting period on the first US\$200m worth of coverage and a 90-day waiting period on the remaining coverage, according to the company. *National Post* said Oil Insurance Ltd is Suncor's primary insurer on property damage while sEnergy Insurance Ltd is the primary insurer for business interruption. In addition to these primary policies, Suncor has also said it has excess coverage of C\$700m (US\$572.5m) after the initial policies are used up, according to *Ottawa Citizen*.

Sources: *Dow Jones, Reuters News, Canadian Press, Platts Commodity News, The Toronto Star, Canada East, PR Newswire, National Post, The Globe and Mail, Ottawa Citizen, Edmonton Journal*

Date: 6 January

Location: Graniteville, South Carolina

Event: Train crash

Cause: A 42-carriage freight train carrying chlorine collided with a stationary locomotive. Investigators formally found that the three crew members of the stationary train failed to switch the tracks back to the main line. This resulted in the freight train ramming the parked locomotive.

Fatalities: 9 (250 injured)

Insurance Details: The crash caused a chlorine leak that killed nine people, including five workers at the Avondale Mills textile plant in Graniteville. Around 5,400 residents were forced to evacuate their homes and 200 people suffered respiratory injuries. Both trains were operated by Norfolk Southern Railway Company. Reports said the company is self insured, but carries liability insurance for losses above a certain level. Norfolk Southern said it expects to pay up to US\$40m because of the crash. Company officials said its insurance policy will cover any potential claims or settlements should losses exceed this amount. Norfolk Southern has not published details of this coverage. Industry sources said Lexington Insurance Company, a subsidiary of American International Group, provided some cover for the company, according to *Business Insurance*. Norfolk Southern has also been sued by the owner of the textile complex for damages to its business.

Sources: *Associated Press, Business Insurance, New York Times, The Virginian-Pilot, The State*

Date: 7 January

Location: Sunamganj, Bangladesh

Event: Tengratila gas field explosion and fire

Cause: The explosion and fire occurred after a gas leak at the Tengratila gas field. The field, which had been abandoned for nearly 20 years, was being developed by Niko Resources Ltd, a Canadian exploration company, and state-run Bangladesh Petroleum Exploration and Production Company Limited (BAPEX), which holds a 30% share of the joint venture. A seven-member government committee was formed to probe the incident, and found Niko responsible for faulty drilling that caused the blowouts and fire. The committee also noted that there was no technical supervisor on the site at the time of the explosion and there was no joint technical committee to look after the development plan on regular a basis.

Fatalities: 0

Insurance Details: The fire lasted for two days, forcing nearly 10,000 people to flee their homes and causing more than US\$15m in damage to equipment. The blaze is estimated to have destroyed gas worth US\$160,000 every five minutes, according to reports. At least 1.5 billion cubic feet of gas was lost, the inquiry committee estimated.

Sources: Reuters News, Associated Press, AFX International, Agence France Presse, Gas Matters

Date: 7 January

Location: Bologna, Italy

Event: Train crash

Cause: A regional express train collided head-on into a freight train on a single stretch of track in thick fog near Bologna. Investigators said that the passenger train had failed to stop at a red signal.

Fatalities: 17 (60 injured)

Insurance Details: The crash occurred on the Verona-Bologna route. The passenger's train engine derailed as the goods train ploughed into passenger carriages. Girders carried on the freight train were hurled on impact into a passenger carriage. No insured loss estimates have been released.

Sources: Agence France Presse, Dow Jones International News, Associated Press, BBC News

Date: 15 January

Location: Bangkok, Thailand

Event: Bangkok subway collision

Cause: The accident occurred when an inbound train carrying around 700 people collided into an empty train that had been accidentally re-routed. Praphat Jongsanguan, head of the transit authority, said procedures not being followed caused the accident. He said workers lost control of a train being taken out of service after disabling an automatic braking system. The train then slid down the track and collided with the inbound train, he added. Thai Transport Minister Suriya Jungrungreangkit said the operator of the subway system, Bangkok Metro, would be held responsible for the accident.

Fatalities: 0 (200 injured – 24 seriously)

Insurance Details: The crash occurred at the Thai Cultural Centre station. The cost of the damage is estimated at about US\$2.6m. Services were immediately suspended and resumed on 1 February. Bangkok Metro said it has full insurance coverage to cover all claims arising from the collision – US\$20m third-party liability coverage to cover expenses for treating injured passengers and US\$300m all-risks insurance to cover property, machinery and business interruption. Four insurance companies provided the cover for both policies with Dhipaya Insurance holding 43%, Ayudhya Insurance 25%, Paiboon Insurance 23% and National Insurance 9%. All four companies have reinsurance programmes. Dhipaya Insurance said 90% of their total liability had been reinsured.

Sources: BBC News, Thai News Service, Bangkok Post, Dow Jones International News, The Nation (Thailand)

Date: 23 January

Location: New York City

Event: New York subway fire

Cause: Transit officials initially said that they thought a homeless person had inadvertently started the fire, a theory police later discounted. The cause of the blaze remains unknown.

Fatalities: 0

Insurance Details: Two New York subway lines were crippled after a fire destroyed a signal room in lower Manhattan. The city's C line, serving Manhattan and Brooklyn, was forced out of service while the parallel A line was severely disrupted. Although officials initially said it would take up to five years to fully restore services on the affected lines, most trains were back on track by 1 February. Services on the lines returned to pre-fire levels on 20 April. The Metropolitan Transportation Authority (MTA) said the damage caused by the fire was covered by insurance. The authority added the payout would be modest, because the equipment that was destroyed, which was more than 70 years old, was insured at its current value. The MTA is insured through a state entity, the First Mutual Transportation Assurance Company. *New York Times* said replacing the intricate switches, signals and wires with permanent, modern equipment was expected to cost over US\$10m, and the work could take years to complete. Transit officials, meanwhile, said the cost of repairing and replacing equipment destroyed in the fire could be between US\$25m-US\$60m.

Sources: *Agence France Presse, Associated Press, BBC News, New York Post, New York Times*

Date: 27 January

Location: Glendale, Los Angeles

Event: Train crash

Cause: A train derailed after striking a vehicle and hit an oncoming train on the opposite track. Following the collision, one of the trains also hit a stationary Union Pacific freight train (carrying gravel) and knocked it over. Police said a man caused the crash in an aborted suicide attempt by parking his Jeep Grand Cherokee on the tracks. The suspect, identified as Juan Manuel Alvarez, got out of his Jeep at the last moment and survived.

Fatalities: 11 (185 injured – 40 critically)

Insurance Details: Eleven people were killed and more than 180 injured when two double-decker Metrolink Los Angeles passenger trains collided. Each Metrolink train consisted of three passenger cars and one diesel locomotive, a company spokesman said. Around 125 people were hospitalised following the crash (about 40 of these were critically injured) and 60 others were treated for minor injuries, fire officials said. Metrolink said the crash was the worst accident in its 13 year history. Metrolink has sued Alvarez, according to reports. Glendale police and Metrolink were unable to confirm if Alvarez had car insurance. However, even if he did, it is unlikely to cover the damages Metrolink would be seeking, according to reports. Metrolink said each rail car costs between US\$3m-US\$3.5m and each locomotive is about US\$4m. Six cars and two locomotives were damaged in the wreck. Metrolink said it is insured for losses resulting from the accident. According to the Southern California Regional Rail Authority, Metrolink has US\$185m in liability insurance above a US\$4m self insured retention. Business Insurance said the bulk of this policy is written by Lloyd's of London syndicates and other European insurers. On the property side, Metrolink said its coverage is written to limits of US\$100m with a deductible of US\$500,000. The first layer of this policy is led by Lexington Insurance Company.

Sources: *Associated Newspapers, BBC News, CNN News, Agence France Presse, Reuters News, Dow Jones International News, The Irish Examiner, New York Times, Los Angeles Daily News, Business Insurance*

Date: 3 February

Location: Chaperi Mountain, near Kabul, Afghanistan

Event: Plane crash in Afghanistan

Cause: The Boeing 737 crashed into a mountain during a snowstorm. The cause of the crash is under investigation. American investigators joined the effort to find out why the plane, operated by private Afghan airline Kam Air, crashed.

Fatalities: 104

Insurance Details: All 96 passengers (including more than 20 foreigners) and eight crew died in Afghanistan's worst air disaster. No insurance details have been released.

Sources: *Associated Press, BBC News, Agence France Presse, Reuters News*

Date: 12 February

Location: Madrid, Spain

Event: Skyscraper fire

Cause: Police officials filed a report in late April concluding that the blaze was not started intentionally. However, the report did not establish the precise cause of the fire. Investigators did not determine why the building's alarm system, which should have notified the fire department of the fire in the early stages, failed to operate.

Fatalities: 0

Insurance Details: The blaze broke out on the 21st floor of the Windsor Building and burned for about 10 hours. No civilians were injured in the fire, but seven firefighters were treated for smoke inhalation. The blaze destroyed several floors of the building, causing top floors to collapse onto lower levels. The building was demolished after the fire damaged it beyond repair. Twenty of the 25 levels used by companies in the Windsor Building were occupied by Deloitte & Touche, a multinational financial services company. The firm said its offices in the skyscraper had been destroyed but most records had not been lost as back-ups were made. The company said everything was insured. According to Agence France Presse, insurers valued the building at €84.2m (US\$108m) in 2003. According to Expansion, Allianz AG Holding is the primary insurer of the Windsor Building. In addition to claims for damages to the building, Allianz could face business interruption claims from the companies that occupied the building and several nearby offices, the paper said. Spain's Corporacion Mapfre said its industrial unit was a co-insurer of the building with a 40% stake in the policy and that its reinsurance unit is among the reinsurers of the policy. Mapfre estimated the fire will cost the company €10m (US\$12.9m), net of reinsurance and retrocessions. Meanwhile, Munich Re said its exposure to the fire was around €35m (US\$44m).

Sources: *Dow Jones International News, Reuters News, Agence France Presse, BBC News, EFE News Service, Associated Press, El Pais, AFX International Focus, Business Insurance, Expansion*

Date: 14 March

Location: Fort Scott, Kansas

Event: Fire destroyed or damaged around 20 buildings in downtown Fort Scott

Cause: The fire started in The Other Bar on Main Street. An investigation into the fire has been completed but officials were unable to determine the cause of the blaze due to the intense damage that occurred. Investigators said they found no evidence that the fire was intentionally started.

Fatalities: 0

Insurance Details: A massive fire raged through Fort Scott's historic downtown, destroying at least seven buildings and damaging about twelve others. Strong winds fanned the blaze. Many of the downtown buildings were more than 100 years old, according to reports. Property damage is estimated at between US\$10m-US\$15m.

Sources: *Associated Press, The Kansas City Star, The Fort-Worth Star-Telegram*

Date: 16 March

Location: Varandei, Russia

Event: Plane crash in Russia

Cause: The An-24 plane banked too sharply before landing. The aircraft crashed and caught fire some 3 miles (5 kilometres) short of Varandei's airport. Investigators blamed the crash on a lack of coordination among the crew and severe winter weather that disoriented the pilots, apparently causing them to perform a wrong manoeuvre.

Fatalities: 28 (24 injured)

Insurance Details: The plane, which was carrying employees and contract workers for affiliates of the Lukoil oil company, crashed and caught fire near the village of Varandei in the Nenetsk autonomous region. The plane was completely destroyed, according to reports. Twenty-eight people were killed in the crash while 24 survived. All those who survived were admitted to hospital and 10 were in a critical condition. Vagit Alekperov, the president of Lukoil, pledged that the families of the victims would be compensated. The plane, registered to the Siberian company Regional Airlines, was freighted by Aviolt and was on a charter flight from Perm to Varandei.

Sources: *Agence France Presse, AFX International Focus, Associated Press, Dow Jones International News, Reuters News, ITAR-TASS World Service*

Date: 23 March

Location: Texas City, Texas

Event: Oil refinery fire

Cause: BP owns the refinery and said the explosion was caused by lapses in management. An internal investigation into the blast revealed the fire occurred because the fluid level in an isomerisation unit was 20 times greater than it should have been. The unit is part of the process of refining crude oil into petrol. When the unit was started, pressure forced a large volume of the hydrocarbon liquid and vapour into an adjoining relief stack, where it was ignited by an unknown source.

Fatalities: 15 (more than 170 injured)

Insurance Details: The blast caused widespread damage. A BP spokesman said the company was self insured within the company's wholly-owned captive, Jupiter Insurance, and did not have external insurance to cover the damage caused to the refinery and the cost of any lost production. BP confirmed that Jupiter does not buy catastrophe reinsurance. However, company officials added that BP has insurance cover for third-party and personal liability claims. The Insurance Services Office said there will be "workers' compensation issues for both lost time and medical costs". BP face losses for damage to the refinery and workers compensation costs of around US\$1bn, according to reports. Reuters News said BP took a US\$700m charge for fatality and personal injury compensation claims associated with the blast. Reuters added the clean-up and investigation of the incident will cost up to US\$40m, while industry sources say the reconstruction of the isomerisation unit would cost around US\$200m. Fifteen people were killed and more than 170 others were injured in the explosion. Eleven of the dead worked at JE Merit Construction, three worked at Fluor and one worked for General Electric Energy. Eight of the injured were in a critical condition, some with burns over 90% of their body. Production at the refinery was largely unaffected by the explosion (the isomerisation unit only produced 27,000 barrels a day) and business interruption claims are likely to be "fairly insignificant", according to *Insurance Day*.

Sources: *CNN News, BBC News, Associated Press, Reuters News, Agence France Presse, The Wall Street Journal, Bloomberg, Reuters News, The Daily Telegraph, The Times, Lloyd's List, Insurance Day, Business Insurance, Reinsurance*

Date: 25 April

Location: Amagasaki, Japan

Event: Train derailment

Cause: The cause of the accident is still being investigated. The investigation is focusing on speed as well as other factors such as rail design. Reports said the driver was inexperienced and may have been trying to make up lost time after he overran a previous station and had to back up to let off passengers. The railway operator, West Japan Railway Company, said the driver overshot Itami station by 130 feet (40 metres), causing a delay of 90 seconds. The driver died in the crash. A data recorder recovered at the crash site confirmed that the train was travelling too fast. The device recorded a speed of 62 mph (100 kmph), well above the 44 mph (70 kmph) limit where the accident occurred. However, analysts also said the disaster could have been caused by a combination of factors, such as driver error, obstructions on the tracks and malfunctioning brakes. Police raided several West Japan Railway offices after the crash for possible evidence of negligence.

Fatalities: 107 (458 injured – 150 seriously)

Insurance Details: The commuter train came off the tracks at Amagasaki near Osaka, 255 miles (410 kilometres) west of Tokyo. The first and second carriages of the train were demolished after they crashed into the ground floor parking area of a nine-storey apartment complex, heavily damaging the building. A total of five carriages derailed in the accident, according to West Japan Railway Company. Reports said the seven-carriage train was carrying 580 passengers when it derailed. *Insurance Day* says West Japan Railway is reported to be insured for damage and liability claims. According to sources quoted by *Business Insurance*, liability insurance cover was written in the Japanese market and led by the Tokyo Marine & Nichido Fire Insurance Company. *Business Insurance* added that the coverage was co-insured in Japan. Japan's Non-Life Insurance Association said its members expected various claims to be filed. West Japan Railway will receive up to 10bn yen (US\$93m) insurance to cover damages incurred in the accident, according to *Daily Yomiuri*. However, the report adds the amount is unlikely to cover the total compensation expected to be sought by the victims and their families, meaning West Japan Railway will have to make up the difference.

Sources: *Associated Newspapers, BBC News, CNN News, Agence France Presse, Kyodo News, Reuters News, Insurance Day, Business Insurance, Daily Yomiuri*

Date: 1 May

Location: Chungli, Taoyuan County, Taiwan

Event: Semiconductor plant fire

Cause: A boiler explosion on the ground floor is thought to have caused the fire.

Fatalities: 0 (8 people injured – 5 ASE employees, 1 firefighter and 2 external contractors)

Insurance Details: The fire occurred at Advanced Semiconductor Engineering's (ASE) 11-storey Chungli Facility. The fire broke out at one of ASE's production buildings and was contained by firefighters within two hours. ASE said the facility's first four floors that produced various materials were damaged in the fire. ASE estimated total losses from the blaze at T\$8.7bn (US\$272m). The company said all damaged parts of the plant were fully insured. Tung Hung-shih, the chief finance executive, said the ASE Group has purchased insurance policies to cover NT\$16.5bn (US\$526m) worth of assets, including NT\$10.3bn (US\$328m) for manufacturing equipment, NT\$3.5bn (US\$112m) for buildings and relevant equipment and NT\$2.7bn (US\$86m) for finished products and inventory. Zurich Insurance leads the insurance policy with a 25% share, while Fubon Insurance has a 21% share, according to AFX Asia. Fubon said it does not expect a significant insurance payout (less than US\$3.2m) due to its reinsurance policy. ASE does not have business interruption insurance, according to AFX Asia. ASE estimates the loss of revenue from the fire at below NT\$1bn (US\$32m). The plant accounts for an estimated 10% of the company's total production capacity.

Sources: *Taiwan Economic News, Electronic News, Reuters News, Taipei Times, AFX UK Focus, AFX Asia, The China Post*

Date: 9 May

Location: Cape York, Queensland, Australia

Event: Transair Australia plane crash

Cause: Investigators said the passenger plane was flying too low during its landing approach to Lockhart River. The Australian Transport Safety Bureau report said the aircraft had descended “1,000 feet (305 metres) below the minimum obstacle clearance altitude” when it crashed into a mountain. The investigation said the plane’s engines were working normally at the time of the crash.

Fatalities: 15

Insurance Details: The crash was Australia’s worst civilian air disaster in nearly four decades. The plane was travelling to Lockhart River from Bamaga when it slammed into a mountain in north Queensland. All 15 people (13 passengers and 2 crew) aboard the Fairchild Metroliner III aircraft, own by Transair Australia, were killed when it crashed near Lockhart River on Cape York. One of Australia’s leading scientists was among the victims. Transair was operating the service under a commercial agreement with Cairns-based Aero Tropics.

Sources: *Australian Associated Press, Reuters News, Associated Press, Agence France Presse, Australian Broadcasting Corporation (ABC) News, The Advertiser*

Date: 13 May

Location: Urumqi, Xinjiang, China

Event: Oil depot explosion

Cause: Xinhua News Agency said the explosion was caused by the violation of safety rules at the plant.

Fatalities: 5 (1 person seriously injured)

Insurance Details: The explosion at the oil depot killed five people and seriously injured one. The blast rocked the No. 2 Hongyanchi Power Generation Company Ltd, triggering a large fire that took firefighters 2.5 hours to extinguish, Xinhua news agency reported. The Shanghai Morning Post said the plant was run by state-controlled China Huadian Group, one of the country’s “big five” power groups and parent of Hong Kong and Shanghai-listed Huadian Power International Corporation Ltd.

Sources: *Associated Press, South China Morning Post, Reuters News, Xinhua News Agency*

Date: 22 May

Location: Leonora, Western Australia

Event: Nickel plant fire

Cause: The plant’s operator, Minara Resources Ltd, said the fire was caused by a failure of one tube in a new 32-tube heat exchange bundle in the H2S plant. An investigation is under way to determine the reasons for the failure.

Fatalities: 0

Insurance Details: The blaze at the Murrin Murrin acid plant was quickly brought under control. Minara said the small fire caused no serious property damage. However, it added that the fire disrupted production by up to 1,000 tonnes of nickel, worth A\$22m (US\$16.7m). The plant operated at 60% of its capacity before full production resumed on 30 May. Minara owns 60% of the Murrin Murrin project. The remainder is held by Swiss-based commodities trader Glencore International AG, which is also Minara’s major shareholder.

Sources: *Dow Jones International News, Reuters News, Platts Commodity News, Australian Associated Press, The West Australian, Metals Week*

Date: 15 June

Location: Noginsk, Moscow

Event: Oil storage explosion

Cause: Two blasts caused a fire at a petroleum storage depot. The explosions were likely to have been caused by an explosion of air-gas mixture of petrol vapours, the Emergency Situations Ministry's office for the Moscow region said. Moscow regional prosecutor Ivan Sydoruk said a criminal investigation has been opened and was focusing on safety violations and negligence.

Fatalities: 2

Insurance Details: Two tanks of petroleum products inside the laboratory were ignited and the fire spread to four nearby railway cars containing oil products. Russia's Emergencies Minister Sergei Shoigu said four facilities in the depot were destroyed by the fire. Around 800 residents were evacuated as the fire threatened nearby homes and buildings. Leonid Tarasenko, the general director of Nefto-Service, the company managing the Noginsk facility, said the damage caused by the fire had not yet been calculated. He added that the storage facility was insured.

Sources: *CNN News, BBC News, Associated Press, Agence France Presse, Interfax News Service, Xinhua News Agency, Reuters News, ITAR-TASS World Service*

Date: 21 June

Location: Revadim, Israel

Event: Train crash near Kiryat Gat

Cause: Unknown. Reports said there was no barrier where a road crossed the tracks.

Fatalities: 8 (200 injured)

Insurance Details: A passenger train collided with a coal delivery truck in a remote field near the town of Kiryat Gat. The train, carrying more than 300 people from Tel Aviv to Be'er Sheva, was travelling as fast as 80 mph (130 kmph) when it hit the coal delivery truck. Eight people were killed and around 200 injured, 27 seriously. The crash derailed and overturned some of the carriages. The train's locomotive was totally destroyed and the three cars following the locomotive were badly damaged. Reports described the incidents as the one of the worst train accidents in Israel's history.

Sources: *Israel Faxx, BBC News, Associated Press, The Jerusalem Post, Reuters News, Israel Business Arena*

Date: 21 June

Location: Takaka, New Zealand

Event: Dairy factory fire

Cause: Investigators said maintenance work was responsible for the fire at the Fonterra factory in Takaka. They added that heat from welding by contractors triggered the blaze. No sprinkler system was installed in the area where the fire broke out.

Fatalities: 0

Insurance Details: Between half and two-thirds of the NZ\$80m (US\$55.4m) factory was destroyed or badly affected by the fire. The fire destroyed the casein plant and badly damaged the drier. However, the butter plant and the administration block were saved. Fonterra spent around NZ\$30m (US\$20.5m) to rebuild the milk-processing facility, which reopened in October. However, the casein plant was not repaired. Prior to the blaze, 88 people worked at the plant. Fonterra announced around 32 employees would lose their jobs as a result of the fire. Fonterra group manufacturing director, Max Parkin, said the company held international insurance, and had several insurers. New Zealand Insurance Council corporate affairs manager, Terry Jordan, said that if it could be proved that the contractors were negligent, Fonterra's insurers could exercise their right to recover money from the contractors or their insurers.

Sources: *Food Industry Week, New Zealand Press Association, The Nelson Mail, IRN News*

Date: 24 June

Location: St. Louis, Illinois

Event: Industrial plant explosion

Cause: The US Chemical Safety & Hazard Investigation Board ended its investigation on 27 June. No cause for the explosion and fire was determined.

Fatalities: 0

Insurance Details: A series of explosions triggered the fire that ripped through a cylinder-gas packaging plant belonging to Praxair Inc. The explosions triggered flames more than 150 feet (45 metres) high. Nearby homes and businesses were evacuated. No employees were injured in the blast. The fire spread from one highly flammable tank to another, triggering explosions that shot debris into neighbouring streets. Reports said about 200 cylinders exploded. Some of the cylinders were found up to 900 feet (275 metres) from the plant. Although the company had sprinkler and deluge systems inside much of its building, they failed to prevent the fire from spreading. Reports said neighbouring houses, vehicles and businesses were damaged by the fire and flying debris. At least one home was severely damaged. Praxair said it is considering moving the plant out of the residential neighbourhood location in St. Louis. Praxair has not provided an estimate of the damage. However, a spokeswoman for the company confirmed it has insurance in place to pay for damage to the plant and the neighbourhood. She added that Praxair is self-insured in some areas, such as worker's compensation.

Sources: *Agence France Presse, Associated Press, Dow Jones International News, Business Insurance, St. Louis Post-Dispatch*

Date: 24 June

Location: Sunamganj, Bangladesh

Event: Tengratila gas field fire

Cause: The fire broke out as engineers of Niko Resources Ltd and Bangladesh Petroleum Exploration and Production Company Ltd resumed drilling at Tengratila Gas Field in Sunamganj district. An inquiry into the incident said Niko was solely responsible for the incident, because it did not have sufficient equipment and preparation for drilling.

Fatalities: 0

Insurance Details: A massive fire spread at the natural gas field in north-eastern Bangladesh for the second time in 2005 during drilling. Flames of up to 200 feet (60 metres) at the Tengratila gas field forced 3,000 residents in nearby villages to flee their homes, reports said. The fire was still raging in mid-August. A government committee said the total gas damage is likely to be around 2 to 2.5 billion cubic feet, worth up to US\$5m. In January, a similar fire caused extensive damage to the same gas field. Niko has been issued with a governmental bill of taka 2.5bn (US\$37.8m) for the heavy damage inflicted in both fires. The compensation claim includes taka 840m (US\$12.7m) for environmental damage and taka 1.66bn (US\$25.1m) for the loss of 8 billion cubic feet of gas.

Sources: *Dow Jones International News, Associated Press, Reuters News, Xinhua News Agency, The Globe and Mail, Gas Matters*

Date: 7 July

Location: London, UK

Event: London terror attacks

Cause: Suicide bombers.

Fatalities: 52 (700 injured)

Insurance Details: Four explosions hit the London transport network on 7 July during morning rush hour in a co-ordinated terrorist attack. Three blasts occurred on the London Underground network and another on a double-decker bus, killing 52 people and injuring 700 more. Reports said Pool Reinsurance (Pool Re), the United Kingdom's government-backed terrorist insurance programme, limited the impact of losses on private insurance companies. Pool Re is the UK's public-private mutual terrorism reinsurer which covers losses from commercial property damage and business interruption caused by a terrorist attack, reports said. Most insurers operating in the UK are members of the programme. London insurers indicated that Transport for London (TfL) had established a captive insurer, Guernsey-based London Transport Insurance. *Financial Times* said this captive is understood to be a member of Pool Re. Metronet and Tube Lines, the two affected public/private partnership firms responsible for the relevant sections of the tube, will make insurance claims via TfL, according to reports. TfL confirmed, however, that it is not insured against business interruption and will have to pay for the loss of revenue due to line closures from its own resources. According to the Association of British Insurers, the attacks in London are expected to generate a range of insurance claims, including terrorism, business interruption, household, life, health, motor and travel. For coverage reinsured by Pool Re, the insurance industry's maximum payout is £75m (US\$132m) for a single event. For a multiple event, the maximum payout is £150m (US\$261m) on its assumed coverage, according to the UK Treasury. Pool Re covers the entire remaining cost of the claim above this amount. *The Independent* said Pool Re has reserves of £2bn (US\$3.5bn). Reports said companies in London will be claiming for the business interruption caused by the closure of London's transport system. Several businesses were forced to close as they were denied access to their offices or because employees were unable to make it to work. Theatres and restaurants in London's West End also closed. However, Risk Management Solutions (RMS) said property losses were relatively light and estimated the insured cost at between US\$30m-US\$40m. Business interruption losses have yet to be tallied.

Sources: *CNN News, BBC News, Associated Press, Agence France Presse, Reuters News, AFX Asia, Best's Insurance News, Business Insurance, Financial Times, Irish Times, Risk Management Solutions, AFX UK Focus, Scotland on Sunday, The Independent*

Date: 14 July

Location: Hamilton, Bermuda

Event: Power plant explosion

Cause: The Bermuda Electric Light Company (BELCO) said a "catastrophic failure" on one of the electric plant's transmission switchboards caused the blast.

Fatalities: 0

Insurance Details: A massive explosion at Bermuda's only electricity company triggered a power blackout on 14 July, plunging the island into darkness and forcing insurance offices and legal and accounting firms to close for the day. However, there were no disruptions at Bermuda's international airport, which operated on a power generator. The explosion occurred at 03:00 local time (07:00 UTC). Dozens of firefighters battled flames for eight hours before bringing the blaze under control around 12:00 local time. Power started returning to parts of the island around this time and about half the territory was back online by the evening. BELCO company president Garry Madeiros said initial estimates put the damage at US\$10m, and it could take up to a year and a half to fully repair the power plant transmission board that exploded. *Lloyd's List*, meanwhile, estimated that between US\$40m-US\$50m of income was lost by all businesses in Hamilton during the blackout.

Sources: *Dow Jones Capital Markets Report, Reuters News, Associated Press, Lloyd's List*

Date: 16 July

Location: Malabo, Equatorial Guinea

Event: Antonov-24 plane crash

Cause: No details of the government's inquiry into the crash have been released.

Fatalities: 60

Insurance Details: An overloaded passenger plane, carrying 60 people despite its maximum capacity of 48 passengers and four crew, crashed after take-off. The Antonov-24 plane, owned by local company Equatair, crashed in thick jungle about 18 miles (30 kilometres) from the Equatorial Guinea capital of Malabo. Reports said the plane was destroyed in the crash. The plane was on an internal flight between Malabo on Bioko Island and the city of Bata on the mainland. The crash initially prompted the government to suspend passenger flights on Soviet-built Antonov and Yak planes. However, the suspension was lifted on 26 July.

Sources: *Xinhua News Agency, Agence France Presse, Reuters News, Associated Press*

Date: 27 July

Location: Off the west coast of India

Event: Oil platform fire

Cause: Heavy swells pushed a nearby support vessel into the platform, sparking the blaze. An independent high level inquiry committee has been set up to look into the circumstances of the fire.

Fatalities: 33

Insurance Details: A major fire destroyed a key offshore oil drilling platform off the west coast of India on 27 July, killing 33 people. Reports said the platform, which produced 110,000 barrels per day, collapsed into the water and was completely destroyed during the fire. Oil and Petroleum Minister Mani Shankar Aiyar said a nearby support vessel and an oil rig were also demolished by the blaze. The Bombay High North (BHN) Platform is owned by the state-owned Oil and Natural Gas Corporation (ONGC). Reports said the vessel, the MSV Samudra Suraksha, was also owned by ONGC and managed by the Shipping Corporation of India. Agence France Presse added that the ship was insured for US\$60m. Noble Corporation confirmed its Noble Charlie Yester cantilever jackup rig was also involved in the fire.

ONGC insured the platform for US\$750m with a US\$20m deductible, according to Indian Business Insight. The publication added that United India Insurance was the lead insurer for the platform and that ONGC's assets were further reinsured up to 95% with General Insurance Corporation (GIC) and the reinsurance market in London. According to *The Economic Times*, ONGC's insurance coverage also included measures to cleanup pollution. In addition, ONGC can claim up to 25% of the insured value for removing the debris of its assets and a further 25% to recover the cost of search and rescue operations. It is not clear whether ONGC had insurance cover for loss of earnings due to the closure of the facility. Company sources have estimated that the overall insured loss figure will reach US\$260m, according to *Lloyd's List*. ONGC received an interim payment of US\$173m from United India Insurance in September 2005, *The Economic Times* said. Insurers will settle the remaining part of the claim after scrutinising the damage. Around 350 workers were on the platform at the time of the blaze. Some survivors were treated for burns. Helicopters were deployed to evacuate personnel while the navy and coastguard also helped in the rescue operation. ONGC said it has started cleaning up the oil spill caused by the accident. The oil spill stretched up to 10 miles (16 kilometres), a company statement said. The destruction of the platform affected oil output. However, ONGC restored about 70% of the lost production by the first week of September.

Sources: *BBC News, Associated Press, Agence France Presse, Reuters News, Dow Jones International News, BBC Monitoring Newsfile, Indian Business Insight, The Economic Times, Insurance Day, Lloyd's List, Upstream, Indian Business Insight, Financial Express*

Date: 2 August

Location: Toronto, Canada

Event: Air France plane crash in Toronto

Cause: Canada's Transportation Safety Board announced in mid-November they still had not determined what caused the crash. However, investigators said that the Air France passenger plane landed too far down the runway. The safety board said the plane landed 4,000 feet (1,200 metres) down the 9,000 foot (2,700 metre) runway and the adverse weather conditions meant "the plane could not brake" after it touched down so deep. The investigators added there was "no significant anomalies of the aircraft systems".

Fatalities: 0 (43 minor injuries)

Insurance Details: La Reunion Aerieenne, an aviation insurance pool, said it provided hull and liability coverage for the Air France passenger plane that burst into flames after skidding off a runway at Toronto's Pearson Airport. *Insurance Day* said La Reunion Aerieenne is an international pool made up of Arch Insurance, Generali France, Groupama Transport, Mapfre Industrial, Mutuelle du Mans Assurances and Sompō Japan Insurance. Air France Flight 358 landed during a thunderstorm before crashing through barriers and falling into a small ravine. The jet subsequently burst into flames and was destroyed, according to reports. All 297 passengers and 12 crew members survived the crash. Forty-three people were treated in hospital for minor injuries, according to local officials. Two class-action lawsuits have been filed against Air France. The airline said its insurers will provide coverage for the financial consequences. Witnesses said the airliner may have been struck by lightning just before it landed. Several passengers said the interior cabin lights failed about a minute before the plane touched down. The airport was under a "red alert" as the plane attempted to land because of the danger posed by lightning, according to the Greater Toronto Airport Authority (GTAA). The GTAA added that all passengers and crew were evacuated before the plane caught fire. The airliner burned for more than two hours after the crash landing at 16:03 local time (20:03 UTC).

Sources: *CNN News, BBC News, Associated Press, Agence France Presse, Reuters News, eSource Canada Business News Network, Insurance Day, Business Insurance, Les Echos*

Date: 6 August

Location: Mediterranean Sea off Sicily, Italy

Event: Plane crash near Sicily

Cause: Italy's civil aviation authority suspended Tunisian airline, Tuninter, after an investigation blamed the crash of one of its planes on the installation of the wrong type of fuel gauge. Civil Aviation Authority ENAC said it was acting on the recommendation of the Italian national agency for flight safety, ANSV. ANSV found that the plane went down after running out of fuel, because the fuel gauge on the plane was the wrong model and did not show that the fuel tanks were nearly empty.

Fatalities: 16

Insurance Details: Sixteen people were killed when the passenger plane made an emergency landing in the sea off the Italian island of Sicily. Flight TUI 1153 was travelling from the southern Italian town of Bari to the Tunisian resort island of Djerba. There were 39 passengers and crew on board the plane which was operated by Tuninter, a subsidiary of TunisAir. Twenty-three people were rescued, although some of them were seriously injured. Tuninter announced it would donate €20,000 (US\$25,000) to the families of each of the victims and survivors of the crash. The interim amount will be deducted from the final insurance settlement, the airline said. Reports said most of the passengers were Italian tourists. The ATR-72 aircraft was a French-made twin-engine aircraft with the capacity of carrying up to 72 passengers. Italian aviation authorities said the plane had been inspected four times in 12 months, mostly recently in March, and no problems were detected.

Sources: *BBC News, CNN News, Agence France Presse, Associated Press, Reuters News*

Date: 14 August

Location: Near Grammatikos, Greece

Event: Plane crash in Greece

Cause: An investigation into the crash is underway. Preliminary findings said the plane lost cabin pressure, incapacitating the pilots, and ran out of fuel. Reports said the loss of cabin pressure would have exposed those on board to extreme cold and lack of oxygen.

Fatalities: 121

Insurance Details: A Helios Airways Boeing 737-300 crashed in a mountainous region near the town of Grammatikos in Greece on 14 August, killing all 121 people on board. Flight ZU522 crashed at about 12:20 local time (09:20 UCT) in a sparsely inhabited area of woodland. The airliner, with 115 passengers and six crew members on board, was due to land at Athens International Airport for a stopover on its journey from Larnaca in Cyprus to the Czech Republic capital of Prague. Andreas Drakos, the executive chairman of Helios, said the aircraft had been certified by Boeing as airworthy and had been fully checked before leaving Larnaca. London based Global Aerospace Underwriting Mangers Ltd provided hull and liability coverage for the passenger plane, according to *Business Insurance*. Sources quoted by the publication said the value of the hull was around US\$30m while the liability limit was up to US\$600m. The airline said it would pay initial compensation of €20,000 (US\$25,000) per passenger pending further compensation. The official passenger list said 104 Cypriots, 12 Greeks and 4 Armenians were on board the flight. The pilot was German. According to *Associated Press*, the plane lost radio contact within minutes of entering Greek air space over the Aegean. The Greek Air Force scrambled two F-16 fighter jets when the 737's pilots failed to respond to communication attempts. The jets intercepted the plane at 34,000 feet (10,400 metres) and the crews said they saw the passenger plane's co-pilot slumped over his seat. A government spokesman said the captain was not in the cockpit, and oxygen masks dangled inside the cabin. Investigators into the crash said a flight attendant tried to save the plane by wrestling with controls for at least 10 minutes before it crashed.

Sources: *CNN News, BBC News, Associated Press, Agence France Presse, Reuters News, Financial Times, Business Insurance*

Date: 16 August

Location: Machiques, Venezuela

Event: Plane crash in Machiques, Venezuela

Cause: The plane's crew reported that both engines on the aircraft failed before the crash. However, an investigation into the incident concluded the engines did not fail. Investigators said the pilots "incorrectly interpreted the plane's signals" before adding there was no convincing evidence that weather conditions were to blame. Crash investigators plan to announce their conclusions in early 2006.

Fatalities: 160

Insurance Details: A chartered West Caribbean Airways passenger plane crashed in a remote area of western Venezuela close to the town of Machiques on 16 August, killing all 160 people on board. The McDonnell Douglas MD-82 was attempting an emergency landing when it crashed in the Sierra de Perija mountains in the state of Zulia. The plane, with 152 passengers and eight crew members on board, was travelling from Tocumen International Airport in Panama City to the French Caribbean island of Martinique. A Lloyd's of London syndicate led the insurance for the aircraft, according to *Insurance Day*. The publication said the coverage was led by Syndicate 318, which is managed by Beaufort Underwriting Agency. The plane was built in 1986 and had a hull value of US\$3.5m, *Business Insurance* said. *Insurance Day* added the overall loss is likely to reach tens of millions of dollars due to the large number of fatalities. French Transport Minister Dominique Perben said aviation authorities in Martinique had checked the plane twice since May and given it the all clear. The French civil aviation authority said all passengers aboard the plane were French citizens. West Caribbean Airways said all crew members were Colombian. The victims were mainly civil servants who were returning to Martinique with their families after a holiday in Panama. According to Agence France Presse, Globe Trotters, a Martinique tour company, chartered the aircraft. Air traffic controllers lost contact with the plane around 10 minutes after the pilot reported a problem with one of the aircraft's engines at 03:00 local time (07:00 UTC). Authorities said the pilot requested permission to attempt an emergency landing at Maracaibo Airport.

Sources: *CNN News, BBC News, Associated Press, Agence France Presse, Reuters News, AFX Asia, Dow Jones International News, Insurance Day, Business Insurance*

Date: 23 August

Location: Pucallpa, Peru

Event: TANS Peru plane crash

Cause: The cause of the accident has not yet been established and an investigation is under way. The pilot radioed that he could not land because of strong winds and torrential rain. He did not report any mechanical failures. The flight data recorder has been recovered and is expected to determine whether heavy winds, human error or mechanical malfunction was to blame for the accident.

Fatalities: 40

Insurance Details: A TANS Peru passenger plane crashed in Peru's Amazon jungle while attempting an emergency landing during a fierce storm on 23 August. The Boeing 737-200 was on an internal flight from the capital of Lima to Pucallpa when it made an emergency landing close to Pucallpa Airport. The pilot attempted to land in a marsh, but the impact split the aircraft in two, reports said. The aircraft was less than 3 miles (5 kilometres) from Pucallpa Airport when it crashed at 15:06 local time (20:06 UTC), according to officials. Ninety-eight people (92 passengers and 6 crew) were on board Flight 204. The Associated Press said 58 people survived the crash and 40 bodies were recovered. According to a TANS spokesman, 16 foreigners were on the flight including eleven Americans, two Italians, an Australian, a Spaniard and a Colombian. Six foreigners were killed in the incident, according to local police. Reports said the Boeing was valued at US\$3.5m. XL London Market Ltd led the hull and liability coverage for the aircraft, according to *Business Insurance*. *Insurance Day* added that the plane was insured in the London and European markets.

Sources: *CNN News, BBC News, Associated Press, Agence France Presse, Reuters News, Business Insurance, Insurance Day*

Date: 5 September

Location: Medan, Indonesia

Event: Mandala Airlines plane crash

Cause: Under investigation. Preliminary inquiries suggested a possible problem with one of the plane's engines.

Fatalities: 149

Insurance Details: A Mandala Airlines passenger plane crashed in a residential area, killing 102 people on board and 47 more on the ground, shortly after taking off from the Indonesian city of Medan. Around 30 houses were gutted by the fire and dozens of cars and motorcycles were engulfed in flames. The plane, travelling from Medan's Polonia Airport to Jakarta, was carrying 117 passengers and crew, Mandala Airline officials said. According to the airline, only two foreigners (both Chinese nationals) were on the flight. Fifteen passengers at the rear of the plane survived the crash, reports said. *Business Insurance* said Lloyd's of London syndicate 318, managed by Beaufort Underwriting Agency Ltd, led the insurance coverage for the jet. The publication added that the Boeing 737-200 jet was valued at about US\$3.9m and was around 25 years old. Mandala Airlines agreed to pay compensation to the relatives of all the people killed in the disaster.

Sources: *The Jakarta Post, Business Insurance, LKBN Antara, BBC News, Associated Press, Agence France Presse, Reuters News, CNN News*

Date: 17 September

Location: Chicago, USA

Event: Train crash in Chicago

Cause: Under investigation.

Fatalities: 2 (80 injured)

Insurance Details: Two people were killed and 80 others injured after a Metra commuter train derailed. The train was travelling into central Chicago from Joliet, Illinois, when it derailed near 47th Street. Nearly 200 passengers and crew were aboard the five car train when it left the tracks. Reports said it was crossing over to another track when the accident occurred. At least 25 lawsuits have been filed against Metra on behalf of victims, according to reports.

Sources: *CNN News, Associated Press, Reuters News*

Date: 22 October

Location: Lagos, Nigeria

Event: Plane crash in Nigeria

Cause: The cause of the crash is still being investigated.

Fatalities: 117

Insurance Details: All 117 people on board the Bellview Airlines Boeing 737 were killed shortly after take-off from Lagos Airport. The aircraft, which was on its way to the capital, Abuja, came down in the northern outskirts of Lagos. The pilot of Flight 210 sent a distress signal in stormy weather at 20:45 local time (19:45 UCT), reports said. Insurance coverage was led by American International Group Europe (UK) Ltd (hull and liability), according to *Business Insurance*. The value of the hull was between US\$1.5m-US\$3m, the publication added. *Insurance Day* said there was a liability cover up to US\$750m and that 5% of the policy was led by Nigeria's Leadway Assurance while 95% was insured abroad. Reports said each of the families' victims are entitled to a total of N13m (US\$100,000) in line with the International Civil Aviation Organisation (ICAO) recommendation. Overall compensation costs are therefore expected to total N1.5bn (US\$11.7m).

Sources: *BBC News, Insurance Day, Business Insurance, This Day (Nigeria), All Africa*

Date: 27 October to 13 November

Location: France

Event: Civil unrest in France

Cause: Two teenage boys of North and West African origin were electrocuted in the Paris suburb of Clichy-sous-Bois after running from police, believing they were being chased. The police denied this, but news of their deaths triggered riots in the area which escalated to become the worst civil unrest in France in nearly 40 years.

Fatalities: 0

Insurance Details: Rioting, car-burnings and arson in cities across France cost the insurance industry around €200m (US\$242m), according to the Fédération Française des Sociétés d'Assurances (FFSA). The French local government insurer SMACL and Axa will each pay €50m (US\$60m) in claims and the remaining €100m (US\$120m) will be spread among a number of other insurers, the FFSA said. Almost 9,000 cars were burnt, incurring an insured loss of at least €20m (US\$24m). Rioters also attacked schools, police stations, businesses and warehouses. Around 3,000 people were arrested.

Sources: *Insurance Journal, Agence Presse France, Insurance Day, BBC News*

Date: 1 November

Location: Lutterworth, Leicestershire, UK

Event: Primark warehouse fire

Cause: The Fire and Rescue Service said the results of the investigation were inconclusive and the cause of the blaze may never be known. However, they did establish that the warehouse's sprinkler system was not working properly on the night of the blaze because of problems with the water supply.

Fatalities: 0

Insurance Details: A massive fire on 1 November destroyed a 400,000 square foot warehouse that was storing stock belonging to a major UK clothing retailer. Associated British Foods PLC said tens of millions of pounds worth of merchandise belonging to its clothing retail arm, Primark, was destroyed in the fire. *Leicester Mercury* said the blaze caused a total damage bill of around £100m (US\$173m) and that both the building and the stock were fully insured. AB Foods added that up to half of Primark's stock was lost in the blaze and its insurance covered stock loss and business interruption. The value of the stock was estimated at £50m (US\$89m), the *Daily Mail* said. According to *Post Magazine*, Zurich insured the stock while Royal and Sun Alliance and Allianz Cornhill insured the property. Reports said the warehouse was owned and run by logistics company TNT, but was a dedicated unit for Primark.

Sources: *BBC News, Dow Jones International News, AFX International Focus, Reuters News, The Evening Standard, Daily Mail, Leicester Mercury, Post Magazine*

Date: 9 November

Location: Amman, Jordan

Event: Amman terror attacks

Cause: Suicide bombers.

Fatalities: 57 (300 injured)

Insurance Details: At least 57 people were killed and up to 300 injured in terrorist attacks in the Jordanian capital of Amman. Three near-simultaneous blasts occurred at the Radisson SAS, Grand Hyatt and Days Inn hotels. According to *Business Insurance*, disruption at the Radisson was limited as the targeted area was semi-attached to the hotel and the 260 guest rooms were not damaged. He added insurance is expected to pay for the repairs. Property damage at the Days Inn, meanwhile, is expected to reach around US\$200,000, according to the hotel's manager. He said lost revenue is expected to total US\$50,000 and insurance coverage, written by Arab Europe Insurance Company, will cover the loss. Deputy Prime Minister Muasher said most of the victims in the attacks were Jordanians. However, officials in China confirmed three Chinese were killed and a Palestinian diplomat said a senior Palestinian officer and two other officials were among the dead. Al-Qaeda in Iraq, a group led by militant Abu Musab al-Zarqawi, has claimed responsibility for the attacks.

Sources: *CNN News, BBC News, Associated Press, Agence France Presse, Dow Jones International News, Reuters News, Business Insurance*

Date: 8 December

Location: Midway Airport, Chicago

Event: Southwest Airlines plane crash

Cause: A National Transportation Safety Board investigation is underway.

Fatalities: 1 (6 injured)

Insurance Details: A Southwest Airlines plane skidded off the runway at Chicago's Midway Airport, slamming into two cars and killing a boy. The front landing gear collapsed as the plane on a flight from Baltimore tried to land in a snowstorm. Ice forced the plane to skid to the end of the 6,500 foot (1,980 metre) runway and crash through a fence into a busy intersection. The Boeing 737 was carrying 98 passengers and five crew members. *Insurance Day* said the plane, which was damaged in the crash, was valued at US\$33m. The publication added that business interruption claims are also possible as the airport was closed after the crash and did not reopen until the morning of 9 December.

Sources: *CNN News, Associated Press, Reuters News, Insurance Day*

Date: 10 December

Location: Port Harcourt, Nigeria

Event: Sosoliso Airlines Crash

Cause: The cause of the crash is not yet known, but a civil aviation spokesman said the aircraft "ran into bad weather".

Fatalities: 106 (4 injured)

Insurance Details: All but four of the 110 people on board died when the Sosoliso Airlines' McDonnell Douglas DC-9 crashed on approach to Port Harcourt Airport. The plane's passengers included 71 teenagers from a Jesuit school in Abuja. The weather was stormy around the airport at the time of the crash, National Civil Aviation Authority spokesman Sam Adurogboye said. Witnesses said they saw lightning as the plane approached the runway. According to All Africa, NICON Insurance Corporation is to pay N13.7bn (US\$10.6m) in claims to the families of the people who died in the crash (US\$100,000 compensation to each victim). Sosoliso also confirmed NICON was the lead insurer of the plane.

Sources: *All Africa, BBC News, Associated Press, Reuters News*

Date: 11 December

Location: Hemel Hempstead, UK

Event: Oil depot explosions

Cause: An inquiry into the cause of the explosions is underway. Police said it was too early to say what caused the fire. However, Hertfordshire Police are investigating claims that a tanker driver may have triggered the blasts by flicking the engine cut-out switch on his vehicle while there was a vapour leak from the plant.

Fatalities: 0 (43 injured)

Insurance Details: Three massive explosions ripped through a fuel depot north of London, sending fireballs and clouds of black smoke up to 300 feet (100 metres) into the sky. The explosions and fire occurred at the Buncefield depot near Hemel Hempstead. The explosions were felt throughout much of south-east England and heard as far away as the Netherlands. Severe damage to buildings at the depot was reported. The Hertfordshire fire service said around 20 fuel tanks were destroyed in the incident, but firefighters managed to save seven others. The Buncefield depot is operated and 60% owned by France's Total SA while Texaco has a 40% stake. The terminal is also used by BP, Shell and British Pipeline. Total SA is a member of the oil industrial mutual Oil Insurance Ltd, according to *Business Insurance*. Sources quoted by *Business Insurance* said Total has taken a self-insured retention and is also a member of OIL, which provides coverage of up to US\$250m for its members. OIL also confirmed that Chevron, which owns Texaco, is also a member of its pool. Texaco added it has insurance coverage "appropriate for a company of our size". Reports said the depot is reinsured, with some reinsurance coverage underwritten at Lloyd's of London.

A nearby industrial estate and several houses also sustained severe structural damage. Reports said thousands of homes had windows shattered while several businesses were also affected. Around 2,000 people were forced to leave the area, after the blasts damaged many homes and offices. According to Reuters News, the total insured loss is expected to be around £200m (US\$355m). Reuters said claims relating to loss of oil stock and damage to the plant will reach around £120m (US\$212m), while damage and business interruption claims from businesses affected in the industrial estate are likely to total £70m (US\$124m). Damage to houses surrounding the site and compensation for people injured in the blasts will make up the remaining losses, Reuters said.

Sources: *CNN News, BBC News, Associated Press, Agence France Presse, Reuters News, The Wall Street Journal, The Daily Express, Business Insurance, Insurance Day*

Date: 25 December

Location: Yamagata, Japan

Event: Train crash in Yamagata

Cause: Strong winds are thought to have caused the accident.

Fatalities: 5 (33 injured)

Insurance Details: The express train, operated by East Japan Railway Company, was travelling on a straight stretch of track through a rural area of Yamagata Prefecture when it derailed and ploughed into a farm building. The first three carriages of the six-car train derailed at Shonai at 19:20 local time (10:20 UTC). The train was running late amid winter storm warnings. Winds of more than 45 mph (70 kmph) were recorded in the area and experts say the wind may have got underneath the train as it crossed a bridge and lifted it from the tracks. The train, travelling from Akita to Niigata, was carrying 44 passengers and two crew members.

Sources: *BBC News, Associated Press, Reuters News*

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