

MANAGING THE UNEXPECTED IN THE AQUACULTURE SECTOR




Chris Bourque, CRM

Mitchell McConnell Insurance

Cooke Insurance

Navacord


ABOUT US

- ▶ Chris Bourque, former site biologist (1990)
 - ▶ Insurance Broker since 1992
 - ▶ Chartered Risk Manager
 - ▶ Mitchell McConnell
 - ▶ Serving the Aquaculture Industry since 1983
 - ▶ Now Part of Cooke Insurance/Navacord
 - ▶ Operating out of Saint John , NB, but with clients all over North America
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OUR HISTORY

- ▶ Began our work in this sector by arranging cover on floating containment
 - ▶ Quickly switched to focussing on the stock itself
 - ▶ Expanded our services to include the vessels, and broader shore-based assets
 - ▶ We believe in supporting our regional associations
 - ▶ We work with all sizes of Operators, and various strategies of risk protection
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HISTORICAL EXPOSURES

- ▶ Property and Liability
 - ▶ Sudden and accidental loss to tangible property
 - ▶ Both shore based and waterborne
 - ▶ Exposure to product quality issues(deemed real or not)
 - ▶ Exposure to Cyber threats, both directly and through 3rd party liabilities
 - ▶ Stock losses
 - ▶ Storm and environmental events
 - ▶ Disease and competing organisms
 - ▶ Genetic susceptibility
 - ▶ Profitability impairment
 - ▶ Management
 - ▶ Stock growth impairment related to operational decisions
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OUR APPROACH

- ▶ Risk assessment on a case by case basis
 - ▶ Almost always prepare solutions around forms of insurance
 - ▶ Rare occasions recommend Captive solutions
 - ▶ Monitor and capture client trends
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SAMPLE LOSSES (OUR OWN HISTORY)

- ▶ Super-chill event – Salmon operators – 1994
 - ▶ Losses of 16M – generally covered – by insurance
- ▶ Disease outbreak – 1998
 - ▶ Devastation to industry ,losses spread out over 15 months , covered by insurance
- ▶ Algae Bloom – 2001
 - ▶ swept through farms and fishing sectors alike -- losses estimated at 18M , some covered by insurance
- ▶ Cyber attack – 2018
 - ▶ Phishing event to an aquaculture operator \$400K , not covered by insurance (declined cover a year earlier)
- ▶ Mortality cover, since 1987, has run at just under 100% loss ratio

TRENDS WORTH CONSIDERING

- ▶ We have presented all over the world on Environmental trends
 - ▶ Water is getting warmer , generally, however Variance is trending higher , causing more extreme events
 - ▶ Populations of relevant Predators has fluctuated wildly, but generally rising
 - ▶ With the prevalent uses of pesticides and anti-biotics, increasing rise of resistant pathogens
 - ▶ Cyber-crime has exploded, and is targeting corporations that conduct business over long distances and time zones
 - ▶ Systemic issues
 - ▶ Interest rates
 - ▶ Geopolitical issues in relation to global demand (and supply)
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QUESTIONS ?

