Welcome to the 15th edition of the IMIA News Sheet.

1 News from the Secretariat

All information regarding our next Annual Conference is available on our website (Members' Area – menu item Conference Invitation Papers 2010). Please see the documents and apply for attendance and reservation. If not done so yet, please reserve your place by the end of June at the latest.

The organisation and preparations for the conference are progressing well.

News on progress of current Working Papers is good and we hope to have them ready for reading/downloading on our website soon. Setting up the new Working Groups for the 2011 papers is in progress. In addition, groups will be formed also for the breakout session discussions in due course..

Following the last IMIA conference in Istanbul an article on the conference was also issued by a Turkish news paper, we received copy with a translation only in April but for our readers interest I attached these to Report on the 42nd Annual IMIA Conference under About IMIA – Press Releases. Also the South African Association published an article by Neil Clutterbuck which we distributed by e-mail on April 9th to all on our distribution list.

The Secretariat recorded a few new Members which can be seen on the IMIA website under Members, Countries and Associations, Insurers and Associate Members.

Since March a few new documents were added to our website and are all worth reading:
Under Library:
Interesting Claims:
- Industrial All Risks: Microchip Plant – Flood Loss
- EAR: Fire loss in a filament yarn production extension plant during testing

Under External Papers:
- Contractors plant theft in the UK & the Industry Response (March 2010)

Under Short Papers:
- Timer Framed Construction (experience and what the contractors can learn) by the British Association.

2. News from the Executive Committee

The last EC meeting in Berlin on 7th June covered a wide range of topics.

The detailed agenda for our Berlin conference, our speakers, arrangements and the general programme were presented to the EC by Frank Thyrolf and Mrs. Gauthier of The German Insurance Association. Matters here are progressing well.

Membership activity was reviewed and a number of new members were welcomed.

Progress on working group papers for 2010 was reviewed in readiness for Conference and the agenda formalised.

Plans for future conferences were also discussed including location and outlined contents.

In addition succession planning with regard to the IMIA Secretariat was also discussed.

The next EC meeting will again be in Berlin on 11th September 2010.

3. Member / Delegate News

We welcome the following new Delegates (most are replacing previous Delegates):
- Ravasio Fulvio, Zürich Italia / Italian Association (replacing Gianfranco Giordani)
- Mikhail Ermishkin, Gefest , Russia (replacing Alexander Artamonov)
- Vladimir Moskovenko, Gefest , Russia
- Jork Nitschke, Munich Re, Munich
- Peter Hamilton, Chaucer, UK
- Trond Norholmen, IF Norway
- Jukka Forssén, IF Finland (replacing Juha Ettala)
- Tine Abbye, Danish insurance association (replacing Bo Balschmidt)
- Masashi Nakagawa, Sompo, Japan (replacing Yuki Yamashita)
- Thomas Raetzo - Swiss Re (replacing Patrice Nigon this year)
- Amitava Sarkar, New India (replacing Parijat Dutta).

The EC expresses its special thanks to the previous Delegates for the good cooperation
and valuable contributions we enjoyed during the past year(s).

4. Risk News

4.1 More interesting details on the Marmaray Project (Istanbul – Bosporus crossing)

At our last conference in Istanbul we received a good introductory presentation of the quite demanding project of the Istanbul – Bosporus tunnel crossing by Tarik Serpil from Marsh Risk management. Unfortunately the presentation was not to be published on our website. Therefore we are happy to provide a summary (by Detmar Heidenhain) based on other sources of information. As the document is by nature a bit too big to present here, it comes as a new short paper on our website, and here is a direct link:


4.2 Nuclear Power Stations – Abu Dhabi

A huge nuclear power plant is planned by the Emirates Nuclear Energy Corporation (ENEC) which will have a capacity of 5,600 MW upon completion. It will include four nuclear reactors.

The plant will be built in three phases. The first phase is planned to be completed in 2017, followed by the second and third phases in 2018 and 2020. This 20bn US$ project demands expert knowledge. The appointed contractor is KEPCO/South Korea. Lockton Dubai is the official representative of ENEC.

4.3 First German offshore wind farm starts producing energy (by Frank Thyrolf)

Since years offshore wind farms have been planned to be installed in the German North Sea area. After lengthy detailed development for operation in the rather deep waters far off the shore, the first project has now been completed and German Minister for environment matters, Norbert Röttgen, formally opened the country’s first offshore wind farm on 27 April 2010. 45 km off the coast 12 turbines of 5 MW - each 150 meters high - produce now energy for 50,000 households. The consortium of energy companies that built the “Alpha Ventus” farm (Eon, EWE and Vattenfall) invested € 250 million in the project. The farm is powered by Repower Systems AG and Areva SA turbines.

The units are planted with their towers on the seabed 30 meters below the water. German Engineering insurers are partners of the project. While Germany has pioneered commercial onshore wind power production for
a long time, growth on land is limited. Some 21,000 turbines are already turning there with a need to replace aging units with more powerful ones.

The country’s offshore business will be expanded in coming years. The share of renewables in the power mix is to grow to more than 30% by 2020 and 40% by 2030, up from 16% today.

5. Engineering Insurance Market news

There are two articles (supplied by H.Pöttker) attached to this News Sheet, dealing with problems affecting off shore wind turbines and we hope these will not apply to the above new wind farm. These are certainly worth reading.

6. Interesting new Claims

6.1 Huge Mudslide in Taiwan on Highway No 3: 25 April 2010 (by H.Pöttker)

The mudslide may have buried at least three vehicles, and bulldozers have been busy removing mud from the freeway to rescue possible victims.

The incident happened at 2:33 p.m. 25th April 2010, crushing a section of Freeway No. 3 in Qidu from the 3.1-kilometer mark on the southbound side to the 2.8-kilometer mark on the northbound side, according to fire officials from Keelung City. The length of the freeway affected by the mudslide totaled 300 meters.

It will take around two weeks to completely remove the 100m of mud from the freeway, officials with the national expressway bureau said. The officials said that whether there are vehicles and people buried in the mud and rocks cannot be confirmed in the short time, but rescue efforts are being made around the clock.

There was no earthquake or any significant rainfall. It was estimated that 200,000 cubic meters of dirt and rocks poured onto the road in what was the worst landslide ever on a freeway in the country, the national freeway bureau said. Lin Chao-Chung, director of the Ministry of Economic Affairs' Central Geological Survey, attributed the landslide to rock anchors -- steel reinforcers -- in restraining walls along the freeways. Faulty construction or wear on the anchors could have led to the slide, Lin said.

An investigation into the incident has been launched. That section of the freeway was opened in 2000. The 430.5 km-long No. 3 National Freeway was the second North-South freeway built in Taiwan. It begins at Jijin Interchange on Provincial Highway No. 2, or Jijin Road, in Keelung City and ends on Provincial Highway No. 17 in Pingtung County's Linbian. The construction began in 1987, and the first completed section was opened for traffic in 1993.

The Taiwan government is now looking to pass legislation regarding road construction in response to this mudslide.
Road and bridge before and after the occurrence

Areal view in the opposite direction
6.2 Reducing the cost of a transformer Losses
Loss cases provided by Equisales

a) Dominican Republic case study - November 2009 -
150 MVA GSU transformer failure

A state-owned utility located in the Dominican Republic experienced a major failure of a critical 90/120/150 MVA GSU transformer. Because of the very unique and complex characteristics of the transformer, initial estimates quoted a minimum of 14 months before an OEM could provide a new replacement. Contacted by a loss adjuster working for the insurance industry, Equisales was able to engineer an interim rental solution and to have its solution operational at the client's Dominican Republic power generating facility within 30 days from receiving an order from the client.

Consequently, there was a very substantial reduction in business income and business interruption losses for both the client and its insurers.

Equisales modified and shipped a 60/80/100 MVA rental transformer to the Dominican Republic within 5 days of receiving the client's order. While the transformer was en route, Equisales dispatched an engineer, work crew to the DR to address logistics and prepare site adaptations. Following the installation and commissioning of the 60/80/100 MVA rental transformer they also helped a leading OEM to design a new 90/120/150 "exact-match" MVA transformer for a permanent installation at the client's location and was able to reduce the lead time from 14 months to only 7 months for the manufacturing of a new transformer.

b) Reducing international transformer losses for the Reinsurance/ Insurance marketplace by 30%

In this Dominican Republic claim, Equisales was paid directly for its work, rental services and equipment supplied to the client by the insurers via a loss fund. This fund was administered by an accounting firm that had experience in the Latin American markets.

This direct payment approach (payments sent by the reinsurance/ insurance carriers' loss fund directly to Equisales Associates versus the loss fund paying the client in the DR who in turn would hire/pay Equisales Associates.) reduced the total cost of loss by approximately 33%.
One of the most encountered benefits of insurers paying an equipment supplier/service provider directly is the mitigation of taxes and other fees required by the local government when money is sent abroad (these “stamp” and other charges can often range from 5% to more than 30%). The only taxes that were paid in this case were customs duties and other import taxes due on imported materials.

While frictional costs associated with currency translation did not apply in this case due to the client having U.S. dollar bank accounts, this case also highlights that payments by insurance carriers directly to the vendors can often mitigate currency translation costs should an insured not have U.S. dollar bank accounts.

7 IMIA Conferences 2010 in Berlin

On 11 September 2010 the hosting German Insurance Association will be opening the annual IMIA meeting in Berlin this year. All preparations for the meeting are running smoothly and on schedule. There are a lot of interesting papers and presentations announced (see agenda at Members’ Area of IMIA’s homepage) as well as engineering highlights like the construction site of the new Airport BBI (Berlin’s investment project No. 1), the Television Tower (Germany’s highest building), the glass dome roof of the German Federal Reichstag building and the German Museum of Technology.

Applications of Delegates for attendance of the conference are coming in. For those Delegates who have not yet registered please see the usual information documents on our website (Members’ Area) and fill in and submit the application form soonest.

The 2011 annual conference will be hosted by the Dutch association in Amsterdam as advised earlier, and now we can also announce that the Brazil association has confirmed that they will host the annual conference in 2012.

7.1 Last but not least

We have a few illustrations of material transport facilities for contract works in Bangkok.

→ This type of transportation works even in narrow and crowded roads and sites!
Sinking turbines blow ill wind across offshore energy sector

Angela Jameson
Industrial Correspondent

Hundreds of offshore wind turbines could be suffering from a design flaw that makes them sink into the sea.

Energy company engineers are urgently investigating the extent to which their offshore wind farms are affected, after flaws were discovered on a Dutch wind farm last autumn.

The problem could cost £50 million, said Renewables UK, the industry body that represents wind farm developers. It says that almost all of the 336 offshore turbines that have been erected could be affected as these were built to European standards now in question.

The problem arises in the concrete used to fix the turbine to its steel foundation. Shell found that some of the turbines at Egmond aan Zee, its Dutch wind farm, had moved a few centimetres. Centrica, owner of British Gas, and Dong Energy, the Danish wind group, admitted potential problems with some of their UK farms, but added that there was no safety or operational issue.

Peter Madigan, head of offshore renewables for Renewables UK, said: “A fault has been identified and has been shared with the industry, which has moved to see if there is a larger problem.” If repairs are necessary, energy companies will do them one turbine at a time to keep energy losses down.

Dong Energy said that three of its offshore wind farms were affected, including Gunfleet Sands, which has 30 turbines off the Essex coast, and Burbo Bank, which has 25 turbines in Liverpool Bay. Centrica said that it was investigating its Lynn and Inner Dowsing wind farm in the North Sea but that its Barrow offshore farm was not affected. However, the industry must revise its design standards before the next round of wind farm construction.

Installation of 175 turbines on the giant London Array offshore wind farm off the Essex coast, in which Dong Energy and E.ON are partners, was due to take place this year. When completed, it is hoped that London Array will provide half of the Government’s target of providing 15 per cent of UK electricity from renewable sources by 2015.

A spokesman for Dong Energy said that an appropriate solution would be found for London Array and that Dong was talking to its lawyers about who should pay for the problem.

The offshore wind industry has been at the heart of the UK economy’s shift to low carbon by Labour, but the cost of developing it, although it is heavily subsidised, is high and planning consents have proved difficult to obtain.

Experts say that although the UK coast is one of the windiest in the world, wind farms do not provide the sort of flexible power that Britain will need when its coal-fired and nuclear generators begin to close over the next decade.
A construction flaw in the foundations of many sea-based wind turbines was not discovered by inspectors who approved the structures' operation.

One of the most common foundations for sea-based wind turbines has a critical flaw but was nonetheless approved by a Nordic certification company, reports trade journal Ingeniøren.

Certification company Det Norske Veritas put its stamp of approval on several models of wind turbines using the ‘single cylinder’ construction design, which is entrenched into the sea bed.

But it has been found that the continued pressure on the mounting causes the coupling between the cylinder and the concrete protective layer to eventually wear away. The result is that the structure can begin to sink when it rests solely on the steel joints welded onto the inside part of the outer cylinder piece.

The problem was first discovered at a wind turbine farm in The Netherlands co-owned by Shell Oil and Swedish-founded energy company Vattenfall. Denmark’s leading energy supplier, Dong Energy, was informed of the problem in January by a colleague at one of the companies.

Niels Bergh-Hansen, Dong’s executive vice-president, said the flaw was a ‘series error’ in certain wind turbine models, of which Dong has 164 in Danish and UK waters.

‘It’s something no one could foresee and can give any engineer nightmares,’ he said.

‘We send our people out to our wind farms to look at the foundations and we could see right away that it was a serious problem. And the older the turbine the worse,’ said Bergh-Hansen, who added that there was luckily no immediate danger stemming from the flaw.

Det Norske Veritas (DNV) is a Norwegian company with its headquarters outside Oslo, offices in over 100 countries and around 9,000 employees. The company classifies, certifies and provides consultancy services within the shipping, construction and energy industries according to the International Organization for Standardization’s accepted standards.

Svein Inge Leirgulen, spokesman for DNV, said he did not expect the company to be held responsible for its approval of the turbines despite the foundation flaw.

‘The turbine farms were designed and approved by the then current standards that we and the rest of the industry developed together,’ said Leirgulen. And we simply weren’t aware there was any flaw in the design at the time, so I don’t think we can be held responsible for approving it.’

Leirgulen added that offshore wind power is a new and rapidly developing industry where the technology must gradually develop and the methodology and calculation can only improve through experience.

He said that the new information will result in updated standards being developed by June that will contain descriptions of new solutions and principles for how the attachments between the single cylinder construction and its transition piece to the tower must be designed.

It is not known precisely how many wind turbines currently in operation use the flawed construction model, but Ingeniøren said the design was ‘widespread’.

Comments

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