

# American Association of Port Authorities Finance Committee Meeting

## “Occupy Movement” – Is Your Port Ready?

Alliant Insurance Services, Seattle  
Deborah Bovee, CPCU, ARM-P



# "Occupy Movement": Is Your Port Ready?

- ▶ **Introduction**

- ▶ **Occupy Movement Background**

- ▶ **Case Study: Port of Longview, WA**

- Occupy Movement Contagion Affecting Longshoremen Unrest
- Insurance Coverage: Strikes, Riots & Civil Commotion
- Loss Control Plan
- Ongoing Issues

- ▶ **Conclusion**



# Occupy Movement: Why Ports?

- ▶ Occupy movement is an international protest directed towards social and economic inequity
- ▶ Fall 2011 saw protests in various West Coast cities that targeted ports:
  - Oakland
  - Seattle
  - Portland
  - **Longview**
  - Los Angeles
  - San Diego
  - Anchorage
  - Vancouver, BC
- ▶ Ports a particular target:
  - “Ports as Tools of Corporations”
  - “Economic Engines of the Elite”

# Longview/Kelso, Washington




- ▶ **Population:** 36,000
- ▶ **Historical Products:** Log Exports
- ▶ **Expertise:** Heavy Lift/Breakbulk
- ▶ **Port Established:** 1921
- ▶ 66 Miles up the Columbia River
- ▶ BNSF Hub

# Port of Longview (POL): Case Study

- ▶ EGT completed, new, state-of-the-art \$200 million grain facility and were negotiating with ILWU (local longshore union) on operation of the facility
- ▶ Entire community saw this facility as a great addition with the potential to add new jobs
- ▶ POL's lease with EGT stipulated that they would use local ILWU labor
- ▶ EGT/Union negotiations broke down. EGT opted to work through another contractor and bring in a different union
- ▶ On West Coast, all ports use ILWU, so ILWU did not want a "chink in the armor". Union negotiating other West Coast contracts.
- ▶ ILWU began picketing the EGT facility and blockaded the Port Result:
  - Damaged rail cars
  - Smashed windows
  - Dumped grain
  - Guards held hostage

# Port of Longview Priorities During Unrest

- ▶ Safety of employees, citizens and law enforcement
  - ▶ Continuing operations and “normal” business activities
  - ▶ Brokering an agreement with EGT and the union
- 



# Occupy Movement Contagion

- ▶ Occupy Movement hooked onto labor unrest in Longview
- ▶ Other ports affected by this contagion:
  - Seattle: Police action. Blockade and Port shutdown in support of truckers
  - Portland
  - Vancouver, WA
  - Oakland: High visibility port shut down
  - Los Angeles
  - Everett: Shut down for one day



# Ongoing Issues at the Port of Longview

## ▶ **Damage Control:**

- Regaining confidence of customers, employees and citizens
  - Concern over potential slowdowns/shutdowns
  - Fragile situation
- Employees: Union and non-union have strong differing opinions
- Longshoremen believe that all legal charges should be dismissed. They want the Port to facilitate this process
- Citizens are polarized on issue

## ▶ **Continuing Union Issue:** ILWU vs. Operating Engineers



# Insurance for Strikes, Riot & Civil Commotion

## ▶ **Property:**

- Strikes, Riot and Civil Commotion basic coverage
  - Ingress/Egress
  - Civil Authority

## ▶ **Professional Liability:**

- Public Officials Liability
- Police Professional Liability

## ▶ **General Liability:** Trespass vs. Invitees

## ▶ **Employee Safety:** Workers' Compensation

# Property: Basic Coverage

- ▶ **Riot or Civil Commotion, including:**
  - a) Acts of striking employees while occupying the described premises; and
  - b) Looting occurring at the time and place of a riot or civil commotion

# Property Insurance: Additional Coverage

## Business Interruption and Extra Expense Coverage:

### ▶ **Ingress/Egress: Port Blockade**

- 30 days of Business Interruption coverage
- Covered peril must trigger blockade: Strike, riot or civil unrest is covered peril
- Action must happen within a 10 mile radius of the Port
- 24 hour waiting period before interruption costs/expenses paid

### ▶ **Interruption by Civil Authority:**

- 30 days of Business Interruption coverage
- Covered peril must trigger blockage by Civil Authority: Strike, riot or civil unrest is covered peril
- Must happen within 10 mile radius of the Port
- 24 hour waiting period before interruption costs/expenses paid

# Other Insurance Coverages

- ▶ **Professional Liability: Public Officials/Police Professional**
  - Standard Exclusion: Any lockout, strike, picket line, hiring of replacement workers, riot or civil commotion, or other similar actions in connection with labor disputes or labor negotiations
- ▶ **General Liability:**
  - No exclusions
  - Issue: Should Ports allow demonstrations on their property?
  - Duty of Care: Trespasser or Invitee
- ▶ **Workers' Compensation: Employee Safety**
  - No exclusions

# Loss Control Issues: Business Plan to Address Disasters




# Loss Control Issues

- ▶ **Does your facility have a security/civil disturbance plan?**
  - Has it been tested?
  - Reviewed by local fire, police, FEMA?
  - Do neighboring businesses pose a civil disturbance threat?
  - Have you discussed security with your neighbor?
  
- ▶ **Have you tried to enter your property as a visitor?**
  - Was it easy to get in, were you questioned, was it at night, what did you see?
  - Are there alternate routes of entry/exit to the facility?
  - Can the property be completely secured?
  
- ▶ **How do you distinguish an employee from a visitor, sub contractor, etc.**
  - Do employees wear badges? Badges with pictures?



# Conclusion

- ▶ Ports can be a highly visible target for social or political unrest
  - ▶ The Occupy Movement highlighted the potential for ports to incur additional expenses, lost revenue and productivity due to this type of unrest
  - ▶ Before the unpredictable happens, have a plan and flexible insurance
- 

[No Wisconsin here: ILWU fights unionbusting at Washington port – YouTube](#)