

# Onshore Energy Conference

OPERA & Other Technical Forums.  
Are we playing your tune?

Ron Jarvis. Swiss Re Risk Engineering, London. OPERA Chairman.

# OPERA History



## International Oil Insurers

117 Fincham Street, London EC3M 5AF Telephone: 01 498 2709  
Cables: Intoil London Telex: 8811323 OILINS-G

Your ref.

Our ref.

Date 26th October, 1978

Dear

Some weeks ago, Tom Redmond, our Technical Services Manager, approached a number of his chemical engineer colleagues and put forward the thought that it would be desirable if some sort of informal "club" could be set up as a forum for the interchange of views on problems relating to the oil, gas and petrochemical industries as they bear on insurance.

There was a general feeling in favour of this idea, and as a result a small steering committee was asked to produce some draft rules for the proposed forum and a list of those working in insurance companies, brokers, loss adjusters and other related organisations whose work was significantly concerned with oil insurances and who might be interested in becoming members. This has now been done, and I am writing to you as a potential member to enquire whether you would attend a meeting to be held in mid-January to consider the proposal more fully and, if it is agreed, to get the project off the ground.

Mr Derek Brewitt of Imperial Chemicals Insurance Limited is prepared to act as the first chairman of the forum, and Messrs. R. Mitchell (Robins Davies & Little), K. Palmer (Sedgwick Forbes Overseas Ltd.), W.D.J. Price (Commercial Union Risk Management) and T.C. Redmond (I.O.I.) offer themselves as committee members. I am happy for the time being to undertake such secretarial duties as may be necessary.

The venue of the meeting in January will depend on the response to this letter, and I shall be grateful therefore if you will return the enclosed slip to me indicating whether you are prepared to come along. A reply before the end of November would be helpful, and the intention would be to circulate a copy of the draft "rules" to all those who are interested for consideration at the meeting.

I look forward to hearing from you.

Yours sincerely,

*Grahame Bosket.*

# OPERA Committee



Ron Jarvis – Swiss Re



John Munnings-Tomes  
- Navigators



Paul Talbot - Liberty



Athithan Gnanendran  
Chaucer



Suzan Pardesi  
Navigators



Fabio Lupo - Aon



Paul Clarke - JLT



Doug Scott - CTC



Tony Prior - InfraConsult



John Evans - AIG



Andy Goddard - Talbot



Kevin Gormley - QBE



Jonathan Carter -  
Marsh



Catalina Wallis -  
Aon



David Brown – BPP Tech

# Recent Star OPERA Events

Kish Shah  
Ammonium  
Nitrate  
Hazards

OPERA  
Seminar  
Insuring  
Ageing  
Facilities

Mike Johnson  
Vapour Cloud  
Explosion  
Mechanisms  
post  
Buncefield

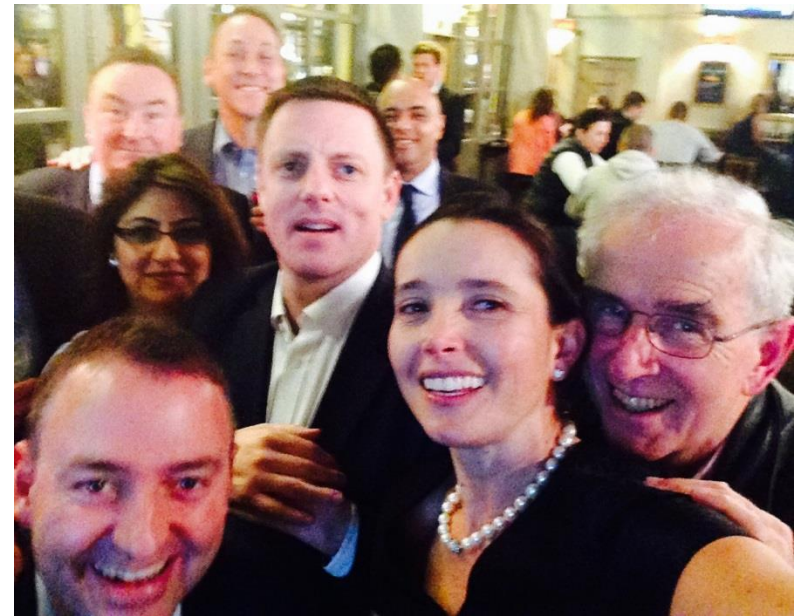
Andrew  
Hopkins  
Failure to  
Learn at  
Texas City

OPERA  
FORE  
Offshore  
Seminar

OPERA  
Cyber  
Seminar



Networking!



## Tom Redmond Trophy - Recognises those who have made a significant contribution to risk reduction



## OPERA - Plans for the future

- Joint events (FORE, LEG, IMIA)
- Encourage qualification standards for Risk Engineers e.g. IChemE, Process Safety accreditation
- New ideas – speakers, topics, visits, format, training sessions
- Need more energy focus (the E in OPERA)
- Need more underwriters and brokers to attend OPERA events
- More collaboration with Onshore Energy Conference

## Other Risk Engineering Forums

- London Energy Engineers Forum
  - London market Insurers risk engineers
  - 2-3 meetings per year to discuss technical topics, lessons learned from losses, etc
- Forum of Offshore Risk Engineers
  - 4 meetings per year (Risk Engineers from insurers, brokers, insured, consultants, etc) and often invite expert speakers
  - Risk Engineering Information Request for upstream accounts developed
  - Currently working on several position papers including well review, reactivation of drilling units, location approval of drilling units etc
  - Discuss & present lessons learned from recent offshore incidents
  - Organised a visit to DNV GL Spadeadam fire & explosion test facility
  - Organised joint FORE/OPERA offshore seminar





# LMA Onshore Energy Business Panel

- Formed in September 2011 and consists of underwriters from Syndicates and companies writing onshore energy business within the Lloyd's and London market
- The scope includes onshore hydrocarbon production and processing but excludes power and mining risks
- The Panel meets on a monthly basis to consider a number of initiatives
- A Risk Engineering Sub-Group was formed to help develop a number of these technical initiatives





# Documents Issued

- Testing & Commissioning Clause LMA5197a  
Information to support the transfer of onshore oil, gas & petrochemical assets from construction to operational insurance
- Key information guidelines for risk engineering survey reports (OG&P IGRES 2015-001) – “what goes in the report”
- Guidelines for the conduct of risk engineering surveys (OG&P GRES 2015-001) – “how to get the information”
- Code of practice for delivery of an oil, gas & petrochemical risk engineering survey programme (OG&P COPRES 2015-001) – “scope of work for the survey programme”
- An Analysis of Common Causes of Major Losses in the Onshore Oil, Gas & Petrochemical Industries
- [www.oilpera.com/LMA](http://www.oilpera.com/LMA)



LMA Testing & Commissioning Clause



Key Information Requirements for Market Surveys



Guidelines for Conducting Risk Engineering Surveys



Market Survey Code of Practice



Common Causes of Major Losses in the Oil and Gas Industries



# Joint Power Generation Committee Power Documents Issued

KEY INFORMATION GUIDELINES FOR POWER  
GENERATION RISK ENGINEERING SURVEY  
REPORTS

[http://www.lmalloyds.com/LMA/Wordings/PGI  
GRES2015001.aspx](http://www.lmalloyds.com/LMA/Wordings/PGI<br/>GRES2015001.aspx)



CODE OF PRACTICE FOR DELIVERY OF A POWER  
GENERATION RISK ENGINEERING SURVEY  
PROGRAMME

[http://www.lmalloyds.com/LMA/Wordings/PGC  
OPRES2015001.aspx](http://www.lmalloyds.com/LMA/Wordings/PGC<br/>OPRES2015001.aspx)

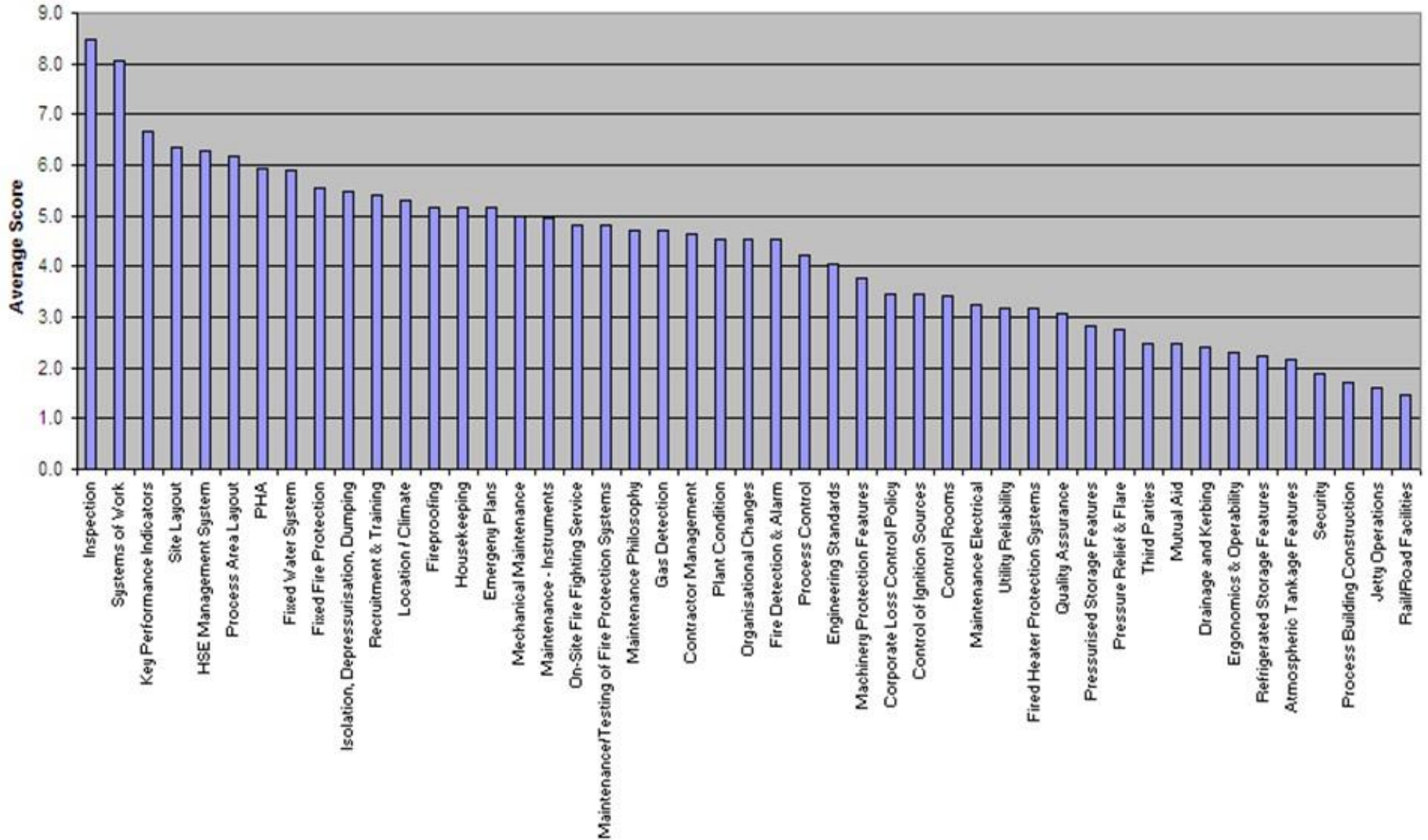


INSIGHT CONSENSUS INFLUENCE

# How to assess risk quality in the timeframe available?



# The Onshore Energy Market – Risk Ranking Elements Order of Priority



It's hard to see the wood for the trees



# Some significant events



Flixboro 1974



Passadena 1989



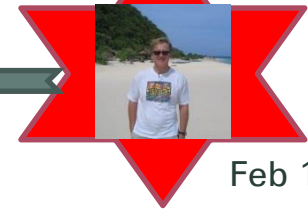
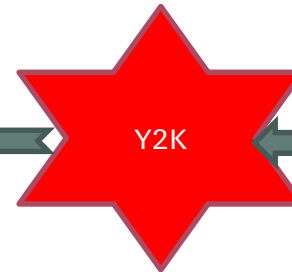
SMDS Dec 1997



SUNCOR  
Jan 2005



KNPC MAA June 2000



Feb 1998



CNRL Jan 2011



YPF La Plata  
April 2013



Williams Geismar  
June 2013



Rosneft Achinsk  
June 2014

# Market Reports

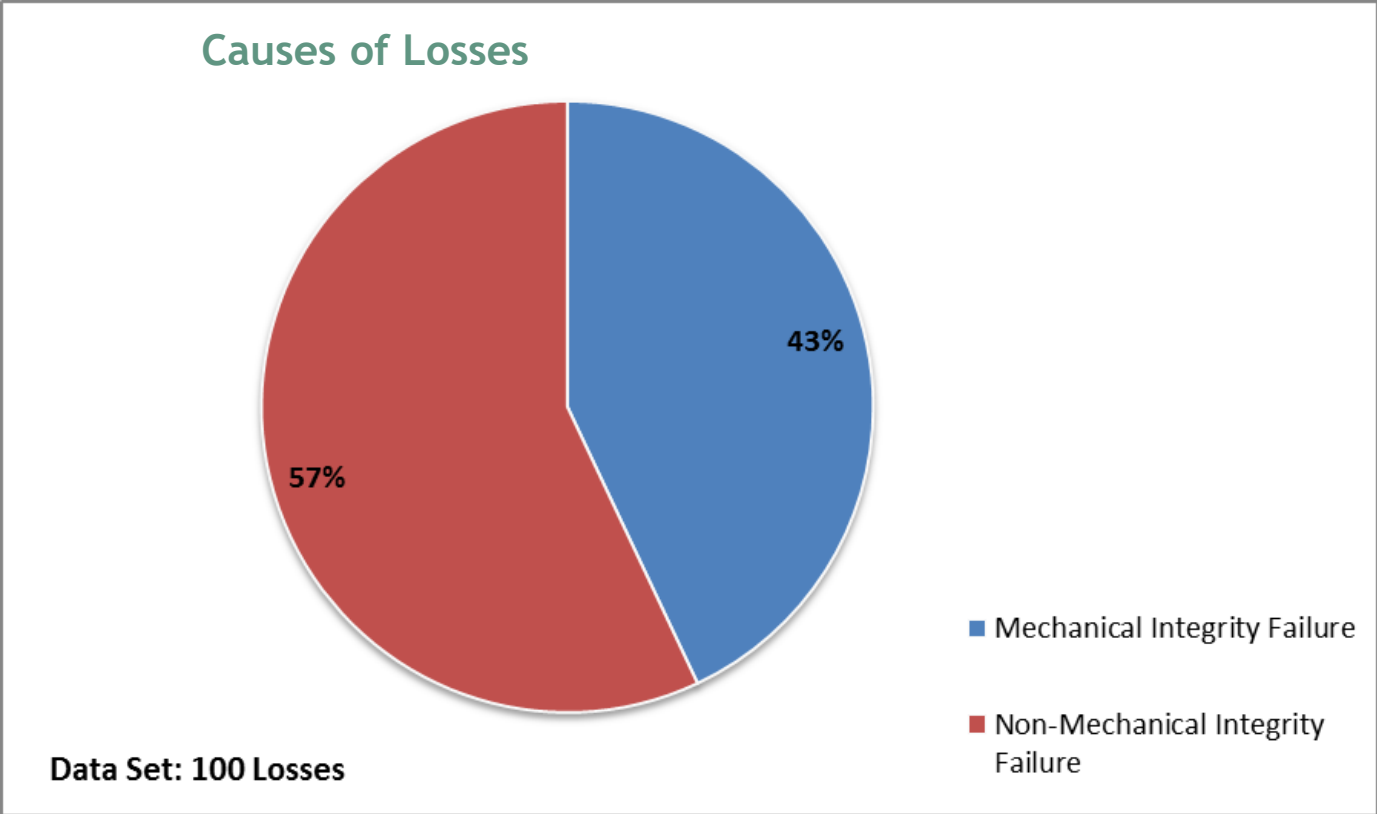
“Good” for risk information



“In Need for Improvement” when used  
for risk selection



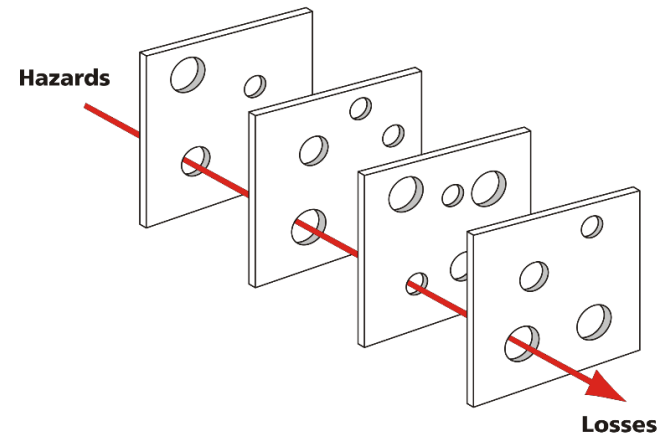
# An Analysis of Common Causes of Major Losses in the Onshore Oil, Gas & Petrochemical Industries



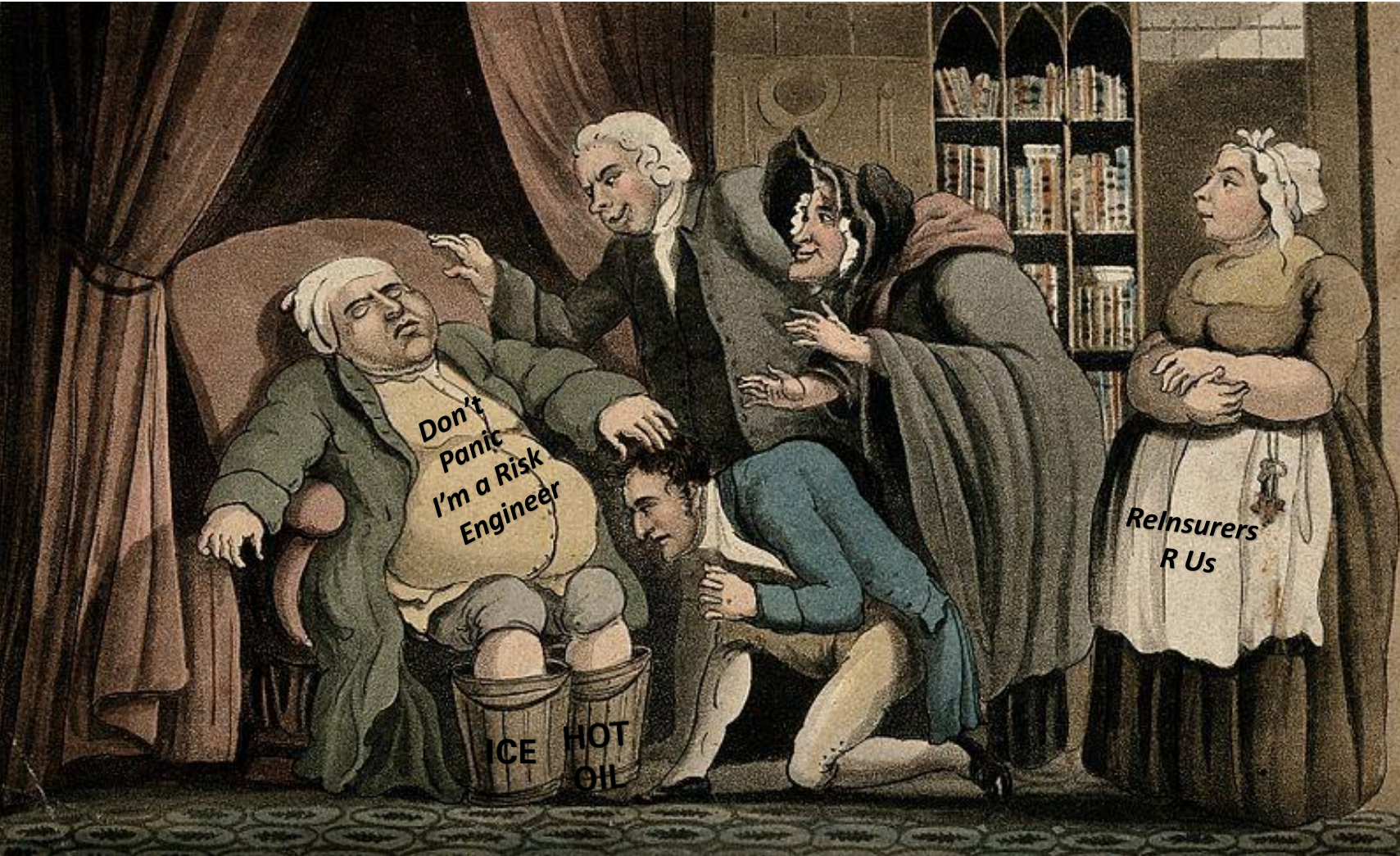
# Management System Failures – Causes of Large Losses

1. Mechanical Integrity (Inspection & Materials QA)
2. Operations Practices & Procedures
3. Process Hazard Analysis (PHA)
4. Control of Work (CoW)
5. Availability of Safety Critical Devices (SCDs)
6. Management of Change (MoC)

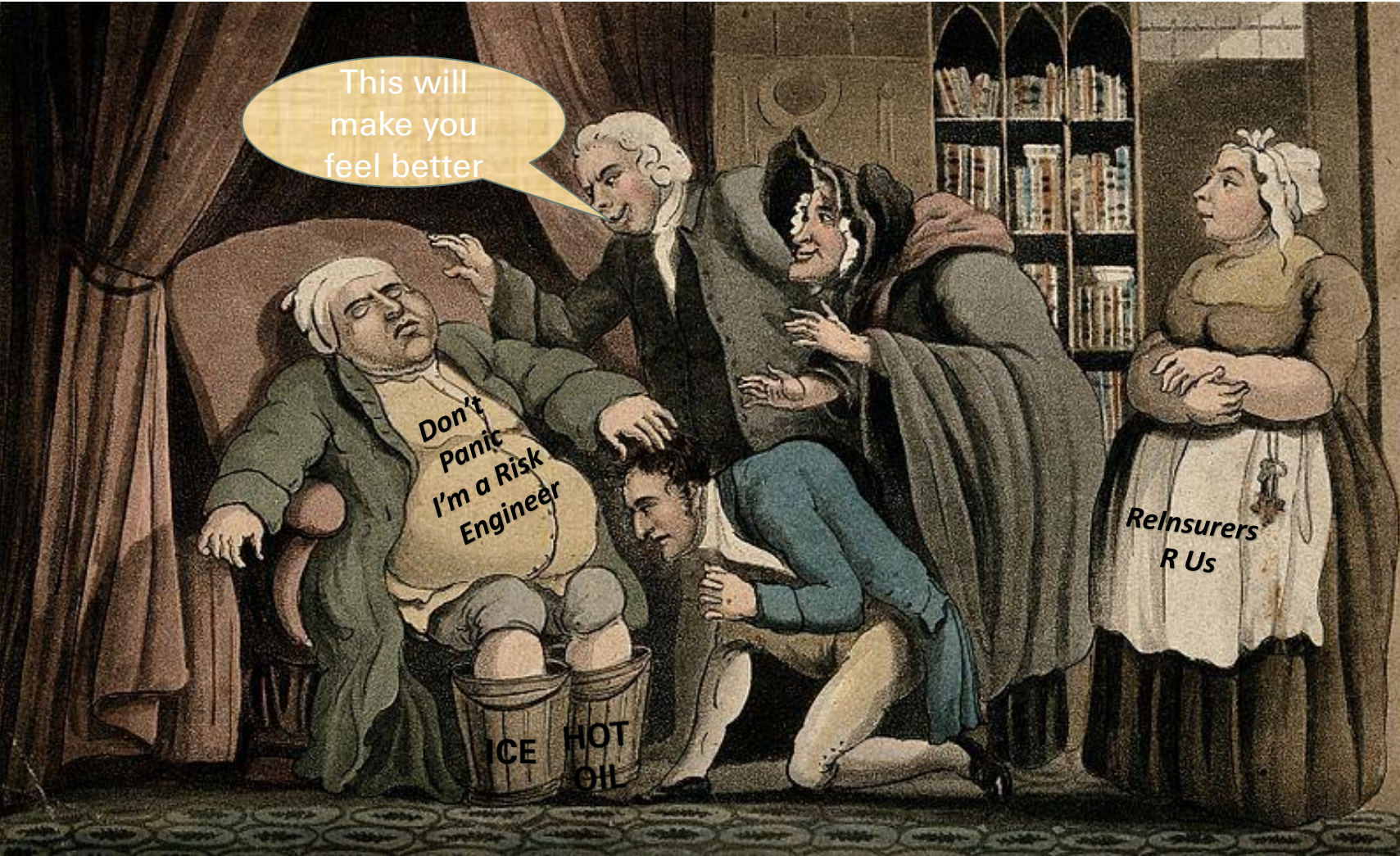
## Barrier Failure Loss Model



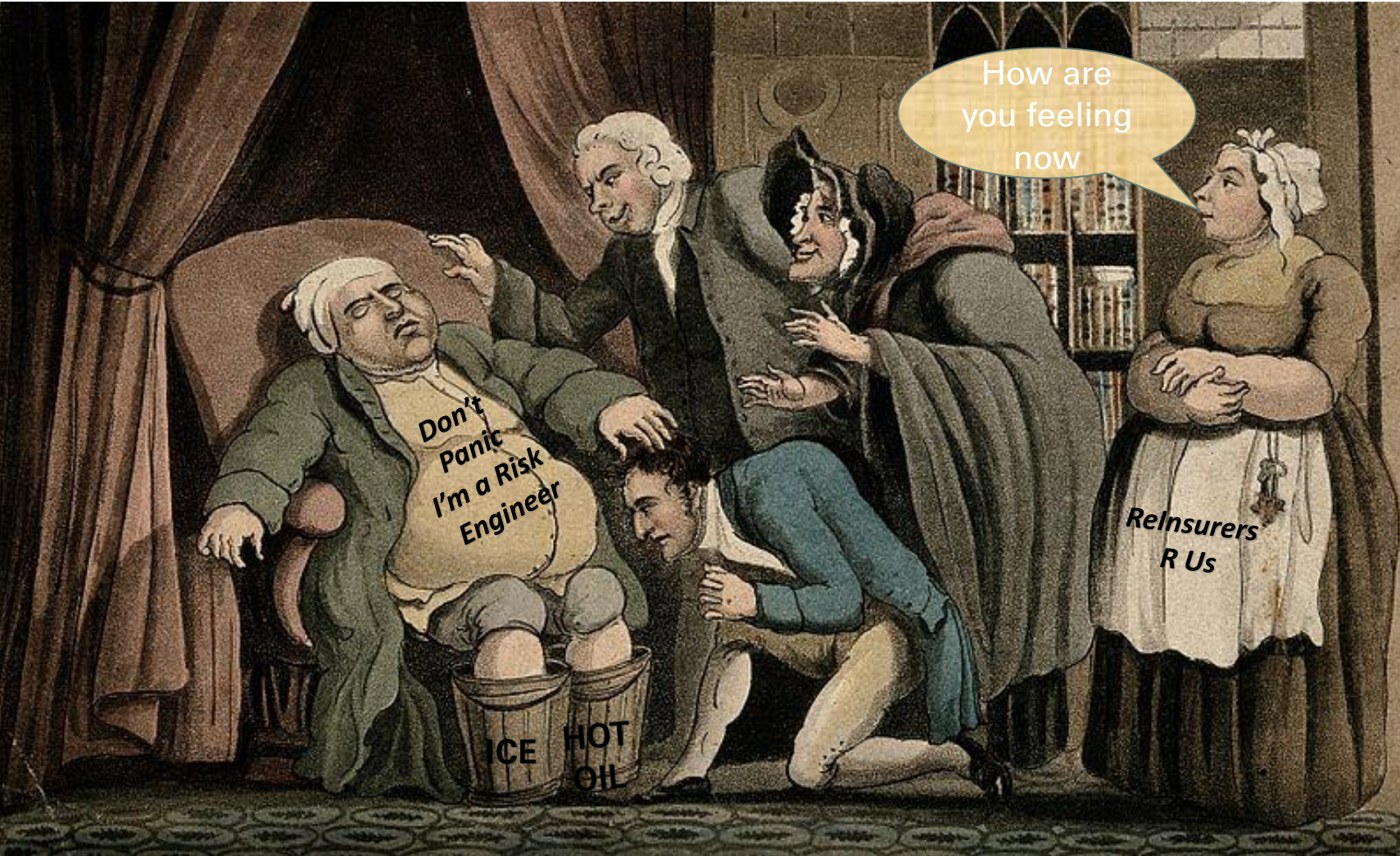
# Risk Quality



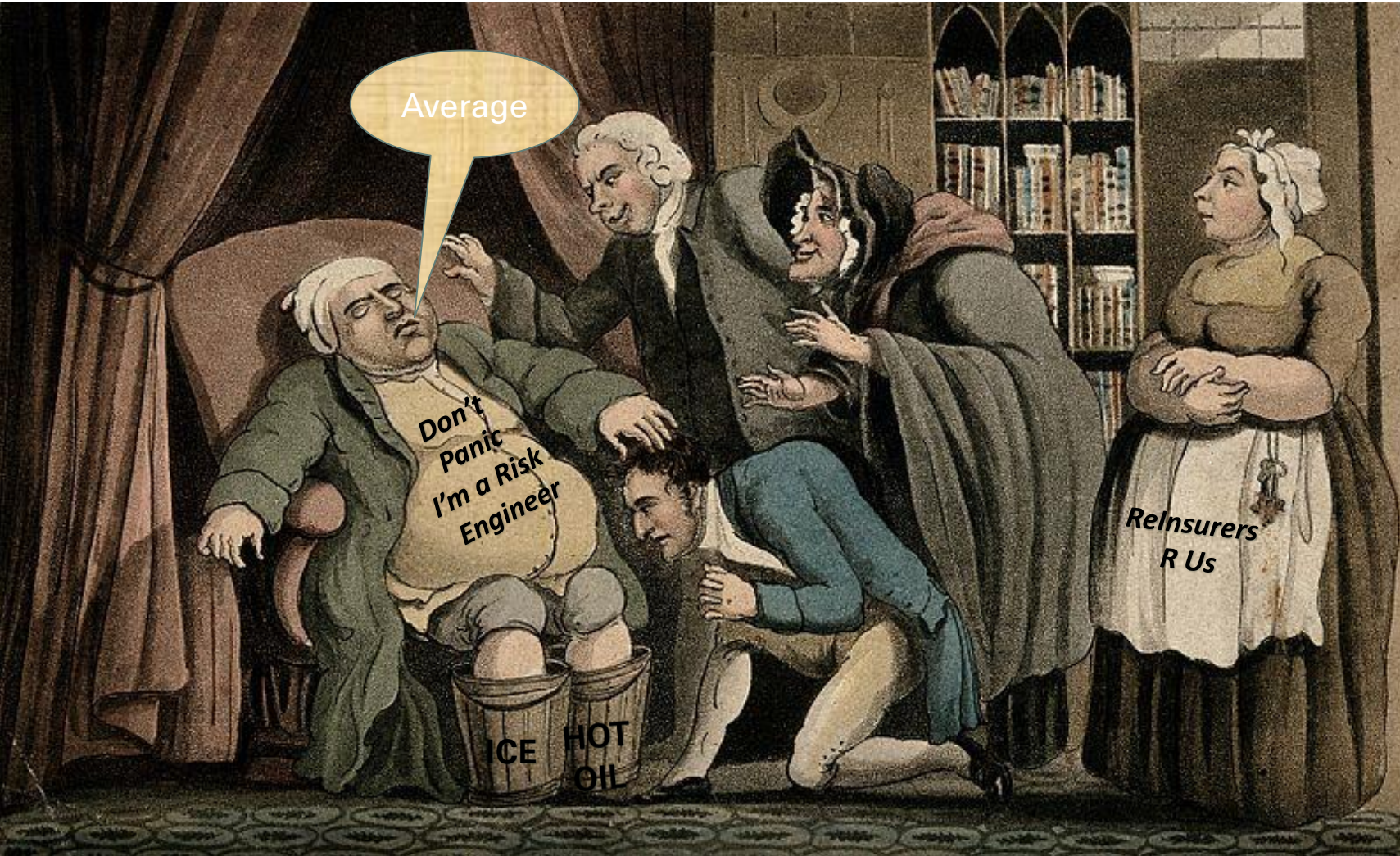
# Risk Quality



# Risk Quality



# Risk Quality



# Management System Failures – Causes of Large Losses

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Perhaps overall Risk Ratings should be based on the weakest link



# Risk Engineering Surveys & Market Reports – the future

- We need to do things differently.
- We need Underwriters to insist on the LMA survey/report content approach.
- We need Risk Engineers to adopt LMA survey/report content approach.
- Overall Risk Quality – how to measure?
- We need a revolution.







Risk Engineering  
can play a crucial  
part to  
Underwriting, but  
we need to do  
things differently.

Are you with us?



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