HYLANT | Marine SPECIALTY

THE MARITIME INFRASTRUCTURE PLAYBOOK

Preparing Ports, Shipyards & Marine Contractors for the Next Wave of Investment

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EXECUTIVE SUMMARY

Maritime infrastructure is entering a sustained investment cycle. Ports are expanding and automating, shipyards are modernizing to support fleet renewal and government work, and marine contractors are delivering larger, more complex coastal and offshore projects. These investments are being executed in **live, high-value environments**—where construction, operations, technology, weather, and regulation intersect. The result: higher consequences when risk, insurance, and execution are misaligned.

This playbook provides a **clear, repeatable framework** to help maritime organizations:

- Build and modernize without disrupting operations
- Anticipate and control the most common loss drivers
- Align insurance, contracts, and controls from start to finish
- Maintain operational resilience during construction

HOW TO USE THIS PLAYBOOK

Each section follows the same structure:

1. **What's Changing** – What investment activity looks like today
2. **Why It Matters** – How risk is shifting
3. **Key Risks** – Where losses most often originate
4. **What to Do** – Practical actions and controls
5. **Insurance Focus** – Coverage considerations
6. **Watchouts** – Common gaps and red flags

THE MARITIME INFRASTRUCTURE BOOM

1

What's Changing

- Port expansions: berths, rail, automation, alternative fuels
- Shipyard upgrades: cranes, shops, utilities, launchways
- Marine construction growth: terminals, dredging, bridges, offshore energy

Why It Matters

Projects are larger, more capital-intensive, and executed alongside ongoing operations, raising the cost of error.

Key Risks

- Construction overlapping live operations
- Higher asset values and tighter schedules
- Increased reliance on automation and electrification
- More stakeholders and contract interfaces

Insurance Focus

- Confirm limits reflect peak values and concentration
- Stress-test coverage against realistic loss scenarios

What to Do

- Treat risk planning as part of early project design
- Model worst-case loss scenarios, not just expected loss
- Align owners, contractors, and operators before work begins

Watchouts

- Valuations based on historic assets, not post-upgrade realities

SHIPYARD MODERNIZATION (LIVE YARD RISK)

2

What's Changing
Shipyards are upgrading facilities while maintaining active commercial and government workloads.

Why It Matters
Construction in a live yard compresses space, concentrates value, and elevates fire and operational risk.

Key Risks
- Hot work and fire during demolition and commissioning
- Temporary layouts restricting access and egress
- High-value equipment installations
- Multi-trade labor and fatigue exposure

Insurance Focus
- Builders risk, including testing and commissioning
- Marine property updated for new equipment and value concentration
- Coordinated liability across yard and contractor workforces
- Delay in start-up where schedules drive revenue

What to Do
- Conduct pre-project fire and impairment planning
- Segregate construction and operational zones
- Tie asset valuation reviews to procurement milestones
- Plan critical lifts, energization, and commissioning in detail

Watchouts
- Change orders that alter risk without updating insurance or contracts

PORT EXPANSION & TERMINAL OPERATIONS

3

What's Changing
Ports are expanding capacity while increasing automation and cargo density.

Why It Matters
Operational disruptions, whether physical, cyber, or weather-driven, can shut down terminals quickly.

Key Risks
- Automation and control system failures
- Cyber events affecting terminal operations
- Dredging and berth work near live traffic
- Cargo concentration during peak seasons

Insurance Focus
- Integrated construction and operational coverage
- Pollution liability aligned with in-water work
- Cargo limits adjusted for seasonal peaks
- Weather strategies focused on downtime and disruption

What to Do
- Phase construction to maintain safe traffic flow
- Align IT, OT, and security teams
- Establish storm and cargo relocation plans
- Identify backup power and berth options

Watchouts
- Cyber risk treated as an IT issue instead of an operational risk

MARINE CONSTRUCTION PROJECTS

4

What's Changing
Projects are larger, more weather-dependent, and involve more parties than traditional land construction.

Why It Matters
Marine losses escalate quickly due to weather exposure, equipment values, and schedule pressure.

Key Risks
- Weather-exposed barges, cranes, and lifts
- Limited weather windows driving risky decisions
- Multi-party coordination failures
- Contractual transfer of unexpected liabilities

What to Do
- Match insurance structure to project complexity
- Define care, custody, and control clearly
- Pre-approve weather thresholds and go/no-go criteria
- Align towage, charter, and vessel contracts

Insurance Focus
- Marine construction programs or wrap-ups
- Delay coverage where completion timing is critical
- Environmental liability for dredging and in-water work

Watchouts
- Assuming land-based construction coverage applies offshore

ENVIRONMENTAL LEGACY & REGULATORY RISK

5

What's Changing
Many maritime sites sit on historic industrial footprints that intersect with modern environmental standards.

Why It Matters
Unexpected contamination discoveries are a leading cause of delay and cost overruns.

Key Risks
- Unknown preexisting contamination
- Regulatory work stoppages
- Natural resource damage claims
- Contractor pollution during construction

What to Do
- Complete Phase I/II assessments early
- Embed discovery protocols into contracts
- Build schedule and budget contingencies
- Engage regulators proactively

Insurance Focus
- Site pollution for legacy conditions
- Contractors pollution liability for active work
- Vessel pollution for workboats and fuel transfers

Watchouts
- Relying on builders risk or property policies to respond to pollution losses

BUILDERS RISK, MARINE PROPERTY & INSTALLATION FLOATERS

6

What's Changing
Assets move through fabrication, transit, installation, testing, and operations, often under different policies.

Why It Matters
Coverage gaps most often occur at transition points.

Key Risks

- Over-water exposures excluded or limited
- Transit and offsite fabrication gaps
- Unclear commissioning coverage
- Ambiguous handover between construction and operations

Insurance Focus

- Builders risk for construction and testing
- Installation floaters for high-value systems
- Marine property for operational assets

What to Do

- Map asset values from fabrication through operations
- Define clear triggers for coverage transitions
- Coordinate policies across project phases

Watchouts

- Assuming coverage "automatically" transfers at handover

OPERATIONAL RESILIENCE WHILE BUILDING

7

What's Changing
Construction is no longer isolated from operations. Both must function simultaneously.

Why It Matters
Disruptions during construction can impact revenue, safety, and customer confidence.

Key Risks

- Temporary power and access failures
- Equipment downtime with long lead times
- Poor coordination between project and operations teams

Insurance Focus

- Limits and deductibles aligned to worst-case disruption
- Coverage reflecting peak operational exposure during construction

What to Do

- Separate construction and operations physically and procedurally
- Plan for equipment failure and supply chain delays
- Conduct regular risk reviews tied to schedule and cost
- Use scenario planning to test readiness

Watchouts

- Measuring success only by claims, not near-misses and disruptions

CONCLUSION: BUILD WITH CONFIDENCE

The organizations that perform best in this investment cycle are those that **design resilience early**, aligning risk, insurance, contracts, and controls before construction begins.

When coverage follows the asset, responsibilities are clear, and operational continuity is planned, not assumed, projects stay on track even when conditions change.

Hylant brings marine, construction, cyber, and environmental expertise together to help clients move from concept through commissioning with confidence.

About Hylant

Hylant is among the largest privately held insurance brokerages in the United States, renowned for its expertise and high-touch service. We offer marine clients insurance with dedicated claim advocate support, employee benefits and risk management consulting services. Since 1935, Hylant has been helping companies across all industries identify and address risk-related challenges before they become unmanageable by delivering solutions unique to their circumstances.

The information contained in this e-book does not constitute advice. Always contact your insurance broker or trusted advisor for insurance-related questions.

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