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**PROTECT  
WHAT MATTERS**

**ACP Fires**  
Commercial Implications

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**History**


- 3A Composites (formerly Alcan Composites & Aluisse) invented aluminium composites in 1964
- Commercial production of Alucobond commenced in 1969
- 3A Composites started Dibond production 20 years later in 1989
- Many producers across the globe:
  - Mitsubishi Plastics
  - Alubond

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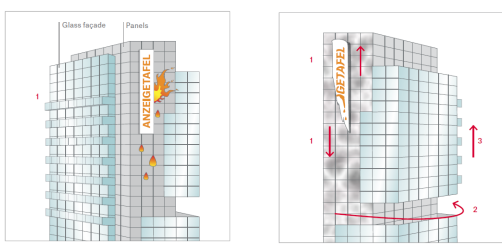
**History**

- Munich Re Article in Schadelspiegel
- Issue 2/2011
- 14 storey building, June 2009
- ACP and Glass Façade
- During Thunderstorm, lightning struck a hoarding on the building, igniting it
- The fire quickly spread to the cladding
- Upwards, downward and across
- To the other side of the building

**ENGINEERING**  
**Lightning strikes hoarding**  
A high fire building insurance claim for the Munich Re building in Munich, Germany.



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1. Fire spreads vertically upwards and downwards due to burning droplets on the façade panelling.
2. Fire spreads via the intermediate floor to the opposite side of the building.
3. Fire spreads vertically on the corner opposite the original seat of the fire due to the inflammable façade panelling.

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**Incidents World over**

- Cladding fires are not restricted to UAE
  
- There have been major fires related to ACP around the world:
  - Grenfell Tower 24 storeys, London, UK (72 deaths)
  - Lacrosse Towers 21 storeys, Melbourne, Australia
  - Mermouz Tower 20 storeys, Roubaix, France
  - Grozny City Towers, 40 storeys, Grozny, Russia
  - Wooshin Suites, Busan, South Korea
  - Mandarin Oriental Hotel, 44 storeys, Beijing, China
  - Others in Azerbaijan, Turkey, Hungary, UK, Germany, Canada, India, Spain and Qatar

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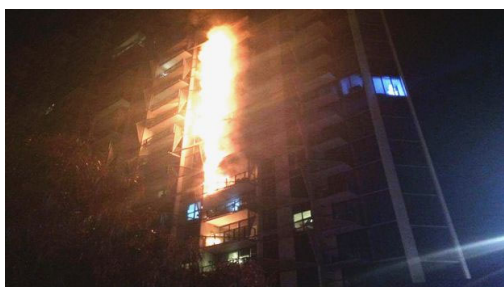
**Grenfell Tower - June 14, 2017**



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**Lacrosse Towers, Melbourne, Australia**



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**Lacrosse Towers, Melbourne, Australia**

- November 2014
- 500 occupants evacuated
- USD 5 million repair cost
- Buildings Appeals Board ordered replacement of the cladding
- Additional USD 6.5 million bill for owners

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**Mermouz Tower, Roubaix, France**



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**Mermouz Tower, Roubaix, France**

- May 14, 2012
- 20 storeys
- Fire spread through external balcony channel
- Balconies has 3mm ACP facade
- Vertical spread from ground till top floor

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**Grozny City Towers, Grozny, Russia**



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**Grozny City Towers, Grozny, Russia**

- April 3, 2013
- 40 storeys
- Due to short circuit in air conditioning system
- The building was just completed
- Vertical spread from ground level to roof
- Building reopened in 2015

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**Wooshin Golden Suites, Busan, South Korea**



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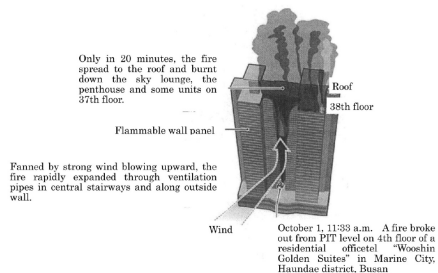
**Wooshin Golden Suites, Busan, South Korea**

- October 1, 2010
- 38 storeys
- Due to spark from electrical outlet on 4<sup>th</sup> floor
- Spread all the way to roof in a U shaped channel
- Very difficult to extinguish due to three sides burning

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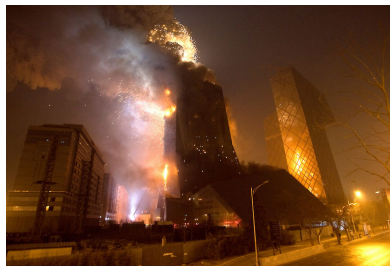
**Wooshin Golden Suites, Busan, South Korea**



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**Mandarin Oriental Hotel, Beijing, China**



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### Mandarin Oriental Hotel, Beijing, China



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### Mandarin Oriental Hotel, Beijing, China

- February 9, 2009
- 44 storeys
- Set off due to fireworks display on Chinese New Year
- Construction started in 2004
- Was almost complete in 2009
- Still not open...

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### UAE Fires

- [Tamweel Tower](#)
- [Torch Tower](#)
- [Sulafa Tower](#)
- [Al Nasser Tower](#)
- [Oceana Residences](#)
- [Ajman One](#)
- [The Address](#)
- [Zen Tower](#)
- Al Baker Tower
- Al Tayer Tower
- And others...

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### UAE Fires?

- Dubai has the highest number of buildings over 300m in the world
- Relatively new construction
- Hence more buildings utilizing ACP
- Smoking may be banned indoors, but outdoors???
- Popularity of sheesha
- Barbeques
- Balconies with storage of any combustible materials
- Restaurants and cooking practices
- Electrical systems
- Any others?

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### Loss Estimation

300000

Dubai's Emaar to recover Dhs1.22bn for Address hotel fire insurance claim - GulfBusiness



Dubai's Emaar to recover Dhs1.22bn for Address hotel fire insurance claim  
The Address Downtown hotel caught fire on New Year's Eve 2015



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### Loss Estimation

- The Address USD 300m +
- Tamweel Tower USD 20m
- Ajman One USD 10m
- Torch Tower USD 10m
- Oceana USD 7.5m

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### Challenges

- Adjacent building – Liability issues
- Denial of Access – Limits
- Separation
- Difficulty in identifying type of cladding
- New UAE fire code – what it may mean for owners and insurers
- Need to improve awareness of ACP risks
- Owners need to take ownership
- Rate increase is not a long term solution

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### The way forward...

- Reinsurers are alert and active
  - Capacities are curtailed/Restrictions are imposed
  - eg: Max 10% Cladding, Max 10 storeys
  - Excluding prior 2012 (standalone)
- Implementation of New UAE Fire Code
  - New Buildings are fine, treatment of existing buildings
- Increased awareness and enforcement from building owners

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### Case: Major Hotel with Cladding

Declines from RIs:

• a. AIG	• j. IGI	• s. Swiss re
• b. ARIG Bahrain	• k. Liberty	• t. Talbot
• c. ARMA	• l. Mena Re	• u. XL Catlin
• d. Chubb	• m. Oman re	• v. Zurich
• e. CICA Re	• n. Oriental	• w. Malaysian Re
• f. CV Starr	• o. Partner re	• x. GIC
• g. Emerald	• p. Rokstone	• y. QBE
• h. Hannover	• q. RSA	• z. Munich Re
• i. HDI Global	• r. Samsung	

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Thank you!

Best of luck!

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