



IGP&I

International
Group of
P&I Clubs

**The Future of the IOPC and HNS Funds – A P&I
Perspective**

Nick Shaw – International Group of P&I Clubs

Relationship between the IG and the IOPC Funds

- The IG is a lead NGO at the IOPC Funds
- Vast majority of 1992 CLC and 1992 Fund tanker cases are IG P&I Club cases and the Club will retain the lead claims handling role
- Assist in the development of claims policy
- IMO, IOPC Funds, ITOPF arranged Member State workshops
- MOU between IG P&I Clubs and the IOPC Funds sets out agreement to cooperate on claims handling

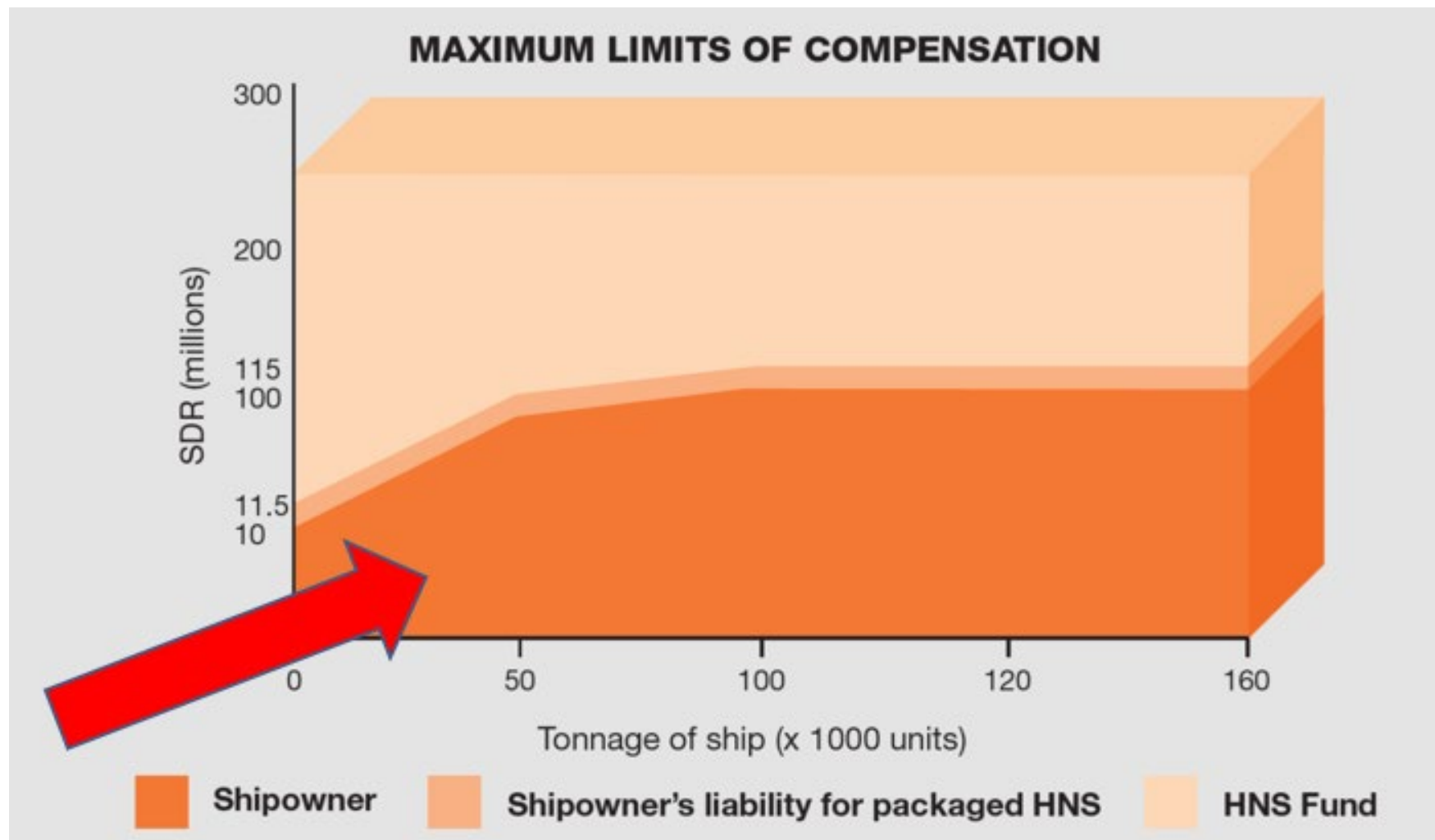
2010 HNS Convention



P&I Cover for HNS Convention Damages

- IG P&I cover is designed to provide comprehensive cover to meet the needs of its shipowner Members.
- Although the HNS Convention is not yet in force, P&I cover already responds to the following types of damage that will be covered under the HNS Convention:
 - **Loss of life** or **personal injury**
 - Loss of or **damage to property**
 - Costs of **clean-up** and **preventative measures**
 - Reasonable measures of **reinstatement** of the environment

2010 HNS Convention – First Tier



2010 HNS Convention – key provisions

- **Compulsory insurance (financial security) requirement** for ships that carry HNS
 - Only on the **registered owner** to maintain financial security – not other parties
- Claimants have a **right of direct action** against the insurer (normally a P&I Club)
- **State HNS Convention certificates** evidencing insurance cover
- **HNS Convention Insurance (blue cards)** certificates will need to be issued by P&I Clubs to the registered owner.

Historic HNS Experience

January 2010 – January 2019

- 220 HNS incidents reported
- 219 within shipowner's limit under the HNS Convention
- Remaining incident exceeded shipowner's limit by US\$9.3 million
- Maximum HNS Fund exposure between 2002-2019 year approx. US\$49.3 million
- Only if States had been State Parties to the Convention



Benefits of the HNS Convention

- International trade calls for international governance and regulation
- Strict liability offers **prompt compensation** in exchange for certainty of insurable limits of liability
- **Predictability** in terms of liability and exposure
- **Equal treatment** of victims globally in terms of compensation
- Provides **higher limits** of liability than LLMC 76 or 96 Protocol

Sanctions, P&I and pollution response



Two types of sanctions

Party Related Sanctions (EU)

- 5195 individuals/entities
- 81 nationalities
- Prohibits the making of funds or economic resources available directly or indirectly for the benefit of the sanctioned entity/individual or to deal with their assets.
- Global risk, but the risk of a sanctioned entity increases in high risk jurisdictions.

Activity Related Sanctions (EU)

- The Russian price cap – IG P&I Clubs can only cover the carriage of Russian oil if the requirements of the price cap are met.
- At present IG Clubs are covering no more than 18% of this trade.
- Prior to April 2022 the IG insured approx. 90% of the global tanker fleet, but that percentage has now dropped to approx. 80% as a consequence of Russian sanctions.

Emergency Response

On notification of an incident a P&I club will need to conduct its sanctions checks, e.g. on the vessels, parties and cargoes involved.

Exemptions for Russian oil:

- OFAC GL57A – “Authorising Certain Services to Vessel Emergencies”
- UK exception – “Urgent prevention or mitigation of an event likely to have a serious and significant impact on human health or safety, infrastructure, or the environment.”
- EU exemption – “Urgent prevention or mitigation of an event likely to have a serious and significant impact on human health and safety or the environment, or as a response to natural disasters.”



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Questions?

A large blue and red ship hull is being lifted by a blue gantry crane at a port at night. The ship's hull is the central focus, with its blue upper section and red lower section clearly visible. The crane's structure is on the left, and the water is on the right. The scene is illuminated by port lights, creating a dramatic effect. The text "IGP&I" is overlaid in the top right corner.

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Thank you!