



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

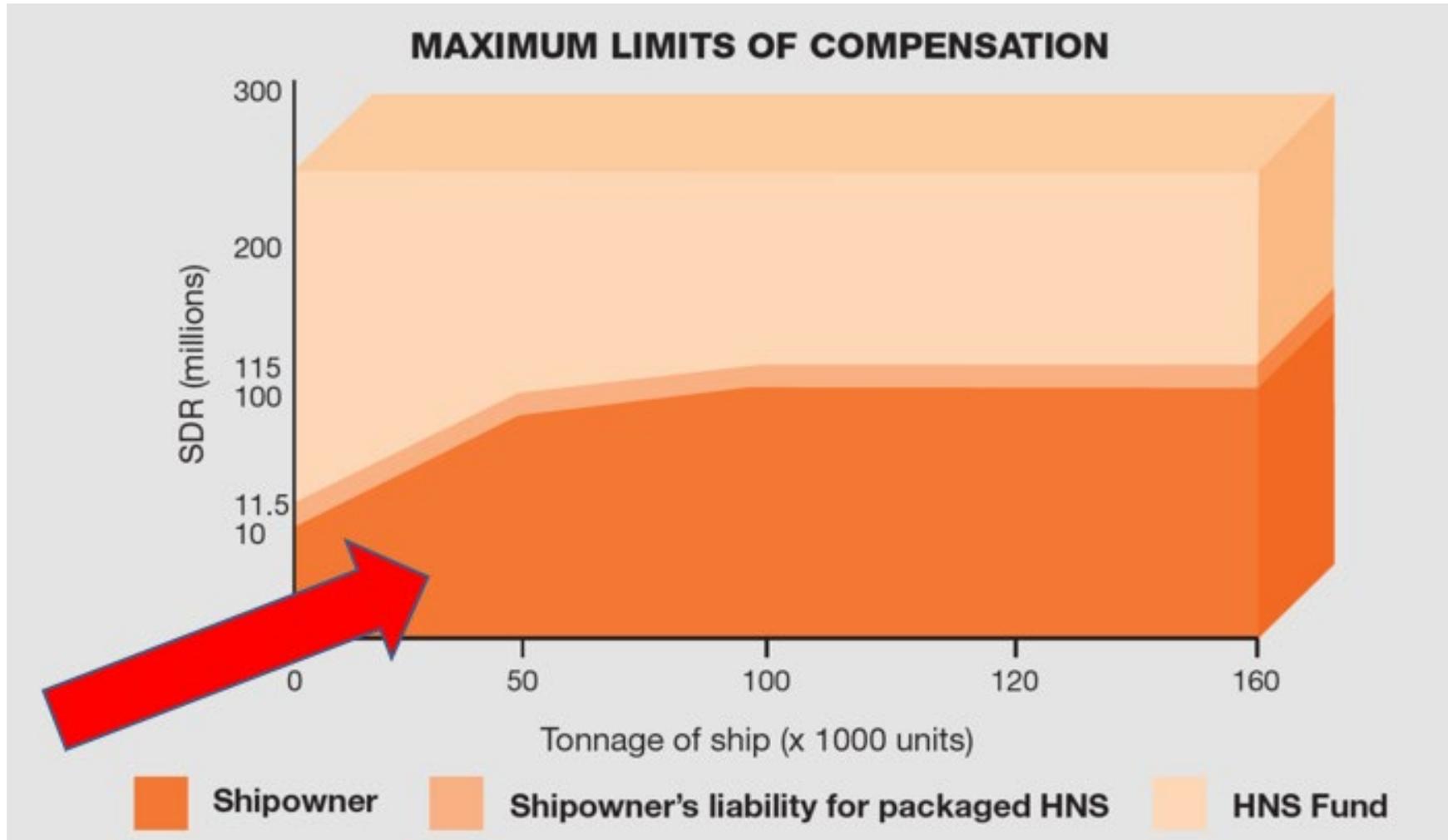
2010 HNS Convention



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 shown at a port at night. The ship is illuminated by bright lights, and the water is dark blue. The hull has a red bottom and a blue upper section. The text 'IGP&I' is overlaid in white on the blue part of the hull. There are also some white markings on the hull, including a stylized 'B' and some numbers.

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Thank you!