



International Group of P&I Clubs

**Third Maritime Safety Package**

**EESC MEETING – BRUSSELS 4<sup>th</sup> May 2006**

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**INTERNATIONAL GROUP OF P&I CLUBS**

## Third Maritime Safety Package

### The International Group of P&I Clubs

- comprises 13 non profit making mutual insurance associations
- insure third party liabilities relating to the use and operation of ships
- insure over 90% of world ocean going tonnage
- and insures over 95% of ocean-going tankers
- is committed to and working towards improving ship safety and ship standards

## Third Maritime Safety Package

### Liabilities covered by the group clubs include:

- cargo loss and damage
- oil pollution
- personal injury to passengers, crew and others
- wreck removal
- damage to fixed and floating objects
- special compensation to salvors

## Third Maritime Safety Package

### The International Group exists:

- to co-ordinate collective insurance and reinsurance for the Group clubs
- to represent the views of clubs' shipowner members on matters of concern to the shipping industry in relation to insurance and liability issues
- to provide a forum for the exchange of information

## Third Maritime Safety Package

### Positive Elements

#### Joint Objectives

- Prevention of Damage and Prompt Payment of Compensation
- Encouraging the adoption of International Conventions by member states

## Third Maritime Safety Package

### Negative Elements(1)

#### Limitation of Liability

- Two tier limitation (“first step”)
  - “gross negligence” threshold for vessels flying non 1996 Convention state flags will create uncertainty and “uneven” playing field
  
- Negotiation of limitation rights (“second step”)
  - conflict with Conventions
  - negative impact on insurance capacity

## Third Maritime Safety Package

### Negative Elements (2)

#### Financial Security

- Enforcement difficulties
- Certification difficulties
- Financial and admin burden on states
- Reduces financial exposure of shipowner

#### Direct Action

- Negative Impact on insurance capacity

## Third Maritime Safety Package

### The International Group Support

- entry into force of LLMC in all Members States
- early ratification of IMO Conventions on HNS, Bunkers and the carriage of passengers
- The requirement that vessels present a Certificate of Entry when arriving at a EU port



## Third Maritime Safety Package

### The International Group do not support

- the introduction of direct action COFRs in respect of every type of claim
- the introduction of compulsory insurance at double the LLMC limit
- changing the test for losing the right to limit
- dealing with abandonment of seafarers by means of liability insurance
- amending the CLC limit by EU Directive in the future



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