

JAPAN P&I NEWS

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外航組合員各位

国際 P&I グループ Annual Review 2015/16

国際 P&I グループ（IG）の Annual Review 2015/16 が発行されました。同 Annual Review では 2015/16 保険年度に IG が行った主要な活動について紹介しています。

Annual Review 及び当組合による要約は以下のウェブサイトでご覧頂けます。

URL: <https://www.piclub.or.jp/joq5ovxyq-359?lang=japanese>

以上

日本船主責任相互保険組合

冊子(IG Annual Review 2015/16)の要約

◆ Chairman's Statement (P4~P6)

船主責任に対して IG 加盟クラブが提供する元受保険カバーと IG プールや IG を通じて手配されるマーケット再保険は、海運の土台であり、海洋環境保護と海難による被害者保護に資するものである。各クラブを通じてリスク分散がなされ、IG として一括でマーケット再保険を手配することで再保険料が低廉なものとなっており、いずれも船主組合員の利益になっている。

- ・ IG 加入トン数

IG 加入トン数は 2015 保険年度も増加し、1.047 billion GT (2014 年 8 月時点)から 1.088 billion GT (2015 年 8 月時点)となった。

- ・ 運賃市況

特にドライバルクやコンテナのセクターでは厳しい状況が続いている。過去 12 ヶ月において、ほぼ例外なく全船種の運賃が下落した。

- ・ 船主ニーズを満たすために

2017 年 1 月発効の 2014 年改正 2006 年海事労働条約上船主に要求される金銭的保証の手配義務につき、保険カバーを提供することを決定した。また、イラン制裁関連で IG 再保険プログラムにおいてカバー不足が懸念されたため、穴埋め再保険を手配した。

- ・ 強固な財務体質

各クラブとも強固な財務体質を維持している。クレームの減少傾向の恩恵に浴し、フリーリザーブの積み増しが進んだ。また、保険引受利益は概して良化しており、市場悪化による資産運用損を保険引受利益で賄った。

- ・ 荒天時の避難場所の確保

EU 当局と交渉し、海難に遭遇した船舶が支障なく迅速に避難場所に入港できるよう、そのためのガイドラインを制定し、2016 年 1 月にブリュッセルで発効させた。その直後に同ガイドラインが適用される船舶の転覆事案があり、同船舶はスペインで速やかに避難場所の提供を受けることができた。

- ・ “PRESTIGE” 号の沈没事故から 13 年

2002 年 11 月の沈没事故から 13 年後、スペインの刑事最高裁判所が判決を下したが、船主や保険者を失望させる判決内容であった。同判決を不服として、船主側は上級審に控訴中である。

- ・ IG の活動

IG は対内的にはさまざまな小委員会や事務局を通じた活動を行い、対外的には船主の立場

に立って国家や国際機関、各国の当局、海上保険業界や海運業界に対して交渉・折衝等の活動を精力的に行っている。

- ・ 展望

2016 保険年度は船主責任保険のニーズを満たすべく IG 加盟クラブにとって挑戦の年となるだろう。

◆ **Executive Officer's Statement (P8~P9)**

2015 保険年度は IG 事務局としてはまことに多忙な年であった。船主責任や保険カバー手配に影響を及ぼす問題が山積していたからである。

- ・ 議長交代

2015年11月にIGの議長が Grantley Berkeley 氏から Hugo Wynn Williams 氏に交代した。

- ・ イラントレード

2015 保険年度において船主や海上保険者にとっての関心事の一つはイラン制裁の解除であった。2015年7月にイランと5大国+1との間で共同包括行動計画(JCPOA)が合意され、そしてその要求事項が満たされたことが確認されたため、2016年1月16日、EU制裁と米国二次制裁のほぼすべてが解除された。制裁解除は船主や保険者に歓迎されたが、米国一次制裁が依然継続しているため、米国籍保険者と再保険者の活動が制限されており、イランと取引する船主と船舶への保険カバーの提供という点で問題を残している。

- ・ サイバーリスク

昨年の報告書と同様、サイバーリスクには注視しておくべきである。2016年1月BIMCOは船主向けのサイバーリスクに関するガイドラインを発表した。クラブは戦争やテロと関連するサイバーアタックから生じた責任についてカバーを提供していないが、IGではサイバーリスクについて引き続き進展をモニターしていく。

- ・ プールクレームの傾向

2015 保険年度、プールクレームは少なかった。

- ・ 2016年ヨーク・アントワープ規則

2016年ヨーク・アントワープ規則が採択された。これは船主の支持を得られなかった2004年ヨーク・アントワープ規則の船主に不利であった点を改正したものである。新規則はIGのWebsiteから見ることができる。

- ・ P&I Qualification

P&I Qualification プログラムは拡大中で、2015年10月と2016年5月の合計の受験者数は272名であった。

- ・ 日々多忙な事務局職員の奮闘
多様な経験や豊富な人脈を持つ事務局職員のおかげで、海運・保険業界で生じるさまざまな問題に対処できている。
- ・ Liverpool & London Club の終焉
Run-off business を行っていた Liverpool & London Club の事業が R&Q Insurance に 2015 年 12 月 31 日に継承された。

◆ Pooling and Reinsurance (P10~P11)

- ・ 穏やかなプールクレームの状況
これまでに 2015 保険年度のプールクレームとして通知があったのは 15 件である。15 件というのは、2014 保険年度の 20 件と比べても減少しており、過去 5 年の年間平均プールクレーム件数たる 23 件をも下回っている。2015 保険年度のプールクレームの金額は US\$204.4million だが、この金額は 2014 保険年度と近い数字となっている。2015 保険年度のプールクレームは今後通知を受けて増加する可能性があるものの、クレーム頻度と金額においてピークだった 2006 保険年度、2011 保険年度のようなことになることはないだろう。
- ・ 2016 保険年度のマーケット再保険と Collective Overspill の更改について
2016 保険年度に各クラブの保有額が US\$10 million に引き上げられたが、IG で一括出再しているマーケット再保険の発動金額は従来どおりの US\$80 million のままである。2012 保険年度から 2016 保険年度までのマーケット再保険の成績は良績であったため、IG としてはマーケット再保険料を減額することができた。IG Clubs の自家保険会社 Hydra Insurance を利用した再保険を組み合わせることもマーケット再保険料減額に寄与した。
- ・ Hydra の引受レイヤーの変更なし
プールレイヤーにおいて Hydra は US\$30 million を超過する US\$50 million を引き受けている。また、Hydra は 2016 保険年度、マーケット再保険プログラムの中の一部引受けを行っている。
- ・ 原子力危険の拡張担保
2016 保険年度より、IG 公認の証書や、保証状に起因する原子力危険に対する責任については、US\$1 billion まで再保険カバーを提供している。
- ・ プールレイヤーの単純化
2016 保険年度のプールレイヤーは US\$10 million から US\$45 million までのレイヤーと US\$45 million から US\$80 million までの 2 つになった。

- ・ 船種毎の分析
 - タンカー： 2015 保険年度の“Alpine Eternity”号の事故の影響により、5年に亘るクレーム金額の減少に終止符が打たれた。しかし、タンカーのクレームが再保険クレームの金額の中で占める割合は10%超に過ぎない。
 - 撒積貨物船： 2015 保険年度は再保険クレーム金額と再保険料が拮抗していた。
 - 客船： 2011 保険年度に発生した”Costa Concordia”号の再保険金の支払が膨らみ2011 保険年度、2014 保険年度の再保険料が増加した。しかし、今後、過年度の事故による再保険金の支払増加は見込まれず、客船に関する再保険クレーム金額と再保険料が均衡してくる見込である。
- ・ 全般的な再保険料の減額

鋭意なる更改交渉と再保険プログラムの再構築により、クリーンタンカーとダーティータンカーに関しては約10.2%、撒積貨物船と客船に関しては約7.2%再保険料を減額することができた。

また、タンカーに関する用船者再保険料は約5.6%、撒積貨物船に関する用船者再保険料は約5.3%の減額することができた。
- ・ IG 再保険ブローカーの査定

IG の再保険小委員会の中にワーキンググループを立ち上げ、外部の助けを得ながら、マーケット再保険を手配する際に起用している Miller Insurance Services LLP と、Hydra の再々再保険を手配する際に起用している Aon Benfield についてパフォーマンスの査定を行った。
- ・ 2016 保険年度の課題

Hydra Insurance に関し、自己資本規制と過剰自己資本の取り崩しの問題がある。また、2017 保険年度の再保険の更改に向けプログラムをレビューし、変更すべき点の有無を検討しなければならない。

◆ Sanctions (P12~P13)

- ・ イラン制裁

2015年7月、5大国+1とイランは共同包括行動計画(JCPOA)に合意した。2016年1月16日(Implementation Day)、イランとの貿易に影響する米国(米国二次制裁)及びEUの貿易制裁の大半は解除された。

しかし、指定された特定の会社および個人、そして特定の貿易活動についてはいまだ制裁が継続している。さらに、米国制裁(米国一次制裁)は、米国(再)保険者、米ドルの使用やイラン関連取引についての米国金融システムに対して引き続き適用されている。

米国一次制裁の継続は、IG再保険プログラムやHydraの再保険手配に悪影響を与えており、結果として、IGクラブがメンバーに提供する保険カバーの健全性にも影響を与えている。そのためIGは、2016年に米国国務省及び外国資産管理局(OFAC)と数回会合を行い、

米国一次制裁継続による再保険支払不能のリスクの説明に努めてきた。

また、IG は、イラン関連クレームに対応できるよう、米国当局の支持と承認を得て、当面の解決策として、IG 再保険及び Hydra 再保険プログラムにおいて米国再保険者の再保険金支払不能を埋め合わせるように構築された穴埋め再保険を導入した。当該穴埋め再保険は非米国再保険者が引き受けている。穴埋め再保険は、イラン制裁の解除により生じた好機を捉えようとする船主にいくらかの安心を提供した。しかし、大多数の船主は、現状の潜在的な再保険カバーの不足および JCPOA の他の側面を引き続き懸念しており、これらの問題が十分にまた完全に解決されるまではイランとの取引を再開することはないだろう。

Implementation Day 以降の短期間での穴埋め再保険カバーの構築は IG による相当な成果だが、IG は米国当局との交渉において、常に、穴埋め再保険は当座の解決手段にすぎず、長期の永続的解決が必要であると明確に主張してきた。IG は、米国一次制裁の継続から生じる困難の効果的な解決のため、米国当局との交渉を継続中である。

- その他の国での制裁

貿易や保険カバー提供に影響する EU 及び米国制裁は、シリア、北朝鮮やキューバ（米国制裁の最近の部分的緩和に拘らず）等の他の国々に対しても継続して課されている。米国（再）保険者による、キューバ関係者への保険カバー提供やキューバ関連クレームについての（再）保険金支払は引き続き禁止されている。しかし、米国保険者は、キューバへの旅行等、特定の承認された活動に関する保険金支払には対応可能である。

制裁小委員会は世界各国での制裁措置について引き続き状況をモニターしていく。

◆ Maritime Labour Convention (P14~P16)

2014 保険年度の報告においても海事労働条約について言及した。同条約の第 8 条で、船主代表、船員代表、政府代表の三者からなる特別三者委員会で同条約につき継続的に見直しを行うことが規定されている。2014 年の同条約改正により海事労働条約対象船船主は、船員送還費用と未払賃金に対して金銭的保証を手配（保険手配）する必要がある。

- 金銭的保証

金銭的保証の手配義務は、改正条約が発効する 2017 年 1 月 18 日から生じる。各クラブの理事会は前述のリスクに対し保険カバーを提供することで一致している。IG の強制保険小委員会はかかる保険カバー提供のために鋭意活動している。（P&I 保険の）被保険者の信用リスクに起因する責任をカバーする保険であることから困難な点はあるものの、IG としては元受保険においても再保険においても持続可能な保険カバーを組合員に提供できるようさまざまな方法を検討している。とりわけ大変なのは、多くの船員を雇用し、複数クラブに跨っているようなフリートが倒産した場合に蒙る損失に備えるための再保険手配である。また、IG 事務局は各クラブが提供する保険カバーについて締約国側の理解を得

るべく鋭意努力している。たとえば、強制保険小委員会委員長や事務局員が ILO やその加盟国に対し 2016 年 2 月にプレゼンテーションを行った。これまでのところ、ILO 加盟国、ICS と ITF は IG の活動を評価している。

さらに船主は、2014 年改正海事労働条約上、雇用契約上の長期後遺障害補償と死亡保障についても金銭的保証を手配しなければならない。雇用契約上の補償が、満額で迅速になされる必要があるからである。

- ・ (金銭的保証を提供する) 保険者への直接請求
改正条約では、船員は (金銭的保証を提供する) 保険者に直接保険請求することが認められている。旗国当局に 30 日以上前に解約通知をしない限り、保険者のカバーは継続する。
- ・ 現状
金銭的保証が手配されていることを証する証書の保持は義務であり、船主は 2017 年 1 月までに証書を入手しておかなければならない。クラブが発行する証書は船主や ILO や締約国に支持されている。IG としては、船員や締約国が満足するよう、金銭的保証を提供するために鋭意努力を続けている。

◆ **Place of Refuge -EU Operational Guidelines (P18~P19)**

EU 議会、委員会、理事会で新しい避難場所に関するガイドラインが合意され、EU 域内で保護を求める船舶への対応が効率的になる。IG は船主や海上保険者の支持を受けながらこのガイドラインの策定に積極的に関与してきた。

- ・ EU レベルでの進展
2015 年に IG を含め EU 加盟国と EU 委員会の協業が続けられ、2016 年 1 月 27 日に避難場所に関するガイドラインが発効された。
- ・ このガイドラインにより変化が生まれるか
ガイドラインの目的は、避難場所を求める船主や救助業者からの依頼があった場合に、その依頼を承諾するのか拒否するのかの意思決定の透明性を高め、加盟国間や被害を受けた沿岸諸国間の協調を促進することにある。しかし、沿岸諸国は海洋環境を守る義務があり、避難場所を求める船舶を受け入れることはリスクが大きいと捉えがちであった。一方で、かかる船舶に対し避難場所の提供を遅らせたり、拒否したりした場合にはこれまで大きな人的、経済的損害や環境損害が生じてきたのである。
- ・ 法的根拠
このガイドラインは EU 指令に基づいて策定されているが、同指令では、人命や環境保護の観点から海難に遭遇した船舶が求める避難場所が最適であると同船舶が考えるのであれば、加盟国は当該避難場所を提供しなければならないことを規定している。また、加盟

国は避難場所に関する意思決定を行うに当たり、適切な機関を任命し権限を与えなければならず、船舶の避難に関する計画を策定し、そのうえで、同計画に従って避難場所を提供するのかどうかを決定しなければならない。ガイドラインは同指令を具体化したもので、沿岸諸国に対し、避難場所を求める船舶の受入可否の決定の際、技術的な観点および環境保護の観点からの調査を行うことなく受入拒否をしてはならないことを規定している。つまり、受入可否の決定要素として政治介入を認めず、純粋に技術的な観点および環境保護の観点からのみ判断するようガイドラインは規定しているのである。避難場所決定に際し、複数の沿岸国や当局が関与する場合にも対応できるよう策定されている。

このガイドラインは強制ではないが、避難場所提供に関する意思決定の透明性確保や、関係国間でのより良い協業、より効率的な連携に資するものである。

- ・ 最近の実例

IG クラブ加入の” MODERN EXPRESS” 号がビスケー湾航行中荒天に遭遇し、船体が傾斜、フランスもしくはスペインに避難場所を求めた事案があった。スペイン当局は迅速に現場調査を行い、ビルバオ港に同船を受け入れることを決定した。それに際し、船主から金銭面での保証を得られるのかで問題があったが、遅滞なく避難場所を決定できたという点で特筆に値する。もし対応が遅れていたら、船体、貨物、燃料に危険が及んでいたことだろう。

- ・ その他

ナイロビ条約が 2015 年 4 月に発効した。96LLMC の責任限度額が 2015 年 6 月 8 日より引き上げられた。

◆ UK Insurance Act 2015 (P20～21)

- ・ 2015 年英国保険法が 2016 年 8 月 12 日施行

この法律の影響により海上保険契約に関する規定を定めている 1906 年英国海上保険法を変えることとなる。当初、同法は海上保険には影響しないと思われていたが、しかし英法と 1906 年英国海上保険法を準拠法とする 8 クラブが同法律の影響を受けることが判明し、IG は小委員会を設立して同法律の影響につき検討した。

- ・ 施行日

2015 年英国保険法は 2016 年 8 月 12 日に施行され、同日以降に締結される保険契約に適用される。同法の影響を受ける 8 クラブは 2016 保険年度の保険契約規定を改定した。

- ・ 適切なリスク提示義務

1906 年英国海上保険法で規定されていた開示義務が、リスクの適切な提示義務に取って代わられることとなる。この点クラブにとっても組合員にとっても相互利益になることなので特段問題ではなく、影響を受ける 8 クラブはその義務を採用することとしている。

- リスクの適切な提示義務違反があった場合の措置
2015 年英国保険法では、保険契約者が意図的にリスクの適切な開示義務を怠った場合、保険者は保険契約を解除することが認められている。また保険者は、保険契約者がリスクを適切に提示しなかった場合にも解除できる。さらに、もし適切にリスクが提示されていたら、保険者は当該保険契約を締結しなかったであろうという場合にも保険契約を解除できるのである。
しかし、P&I 保険の中では情報開示の重要性は認識されていることから、影響を受ける 8 クラブはリスクの適切な提示義務違反があった場合の措置として、2015 年英国保険法に規定される措置ではなく、1906 年英国海上保険法に規定される措置を講ずることとした。
- 担保とその他の条件
ある種の担保条件を満たすことはクラブカバー上の前提条件である。この点においてはクラブルールの方が 2015 年英国保険法よりも(担保条件違反があった場合の)てん補を拒否する権利を広く認めている。メンバーの担保条件違反があった場合、クラブはその日に遡及して直ちに保険契約上の責任を免れることができるのである。2015 年英国保険法下での担保条件の適用方法については不明な点もあるので、まずは遵守すべきだろう。
- 基本条項
2015 年英国保険法は、契約前の全告知事項が真実であると保険契約者に担保させ、それを保険契約に摂取することを禁じている。P&I 保険契約は契約前の告知事項が真実であるということを前提としているが、前述の禁止条項はクラブルールに抵触するので、影響を受ける 8 クラブは該当箇所を修正した。
- 詐欺的クレーム
2015 年英国保険法は詐欺的クレームにつき明確な規定を設けているため、影響を受ける 8 クラブは詐欺的クレームに対抗できるよう 2015 年英国保険法の当該法律条文を摂取することが望ましい。
しかし影響を受ける 8 クラブは、2015 年英国保険法が規定する、保険加入者として明記されていない受益者から提起される詐欺的クレームがあったとしても保険契約を継続させなければならないという規定については取り込まない方がよい。
- 保険金支払
事実上、2015 年英国保険法の一部修正となることが含まれる 2016 年英国企業法が 2017 年 5 月に施行される。2016 年英国企業法の中で、クレームが発生した場合、保険者は合理的な期間内に保険金支払を行うよう要求されている。保険金支払が遅延した場合の罰則として、保険金が合理的な期間内に支払われなかったことにより生じた損害を請求できることが規定されている。これは P&I 保険クレームのハンドルの慣行上やプール協定上も、保険金支払遅延に起因する利息の支払をしてこなかったことと矛盾する。影響を受ける 8 クラブは、保険金支払遅延による損害をてん補するような 2016 年英国企業法の規定を取り

込まない方向で検討している。しかし、保険者が意図的に支払遅延を生じさせた場合に同法の適用となるのは言うまでもない。

◆ Cargo Liquefaction – the challenges continue (P22~P23)

- ・ IMSBC コードの運送規則

現在、IMO 海上安全委員会の援助の下で、ポーキサイト及び直接還元鉄(DRI)の運送についての IMSBC コードの明細表の見直しが行われている。IG は、船員と船舶の安全に直接影響を及ぼす、この重要な問題に関与を続けている。

今後、IMSBC コード明細表に基づくより厳格な運送規制の導入に加え、SOLAS 加盟国はコード明細表で要求される事項の実施・監督についてさらなる対応しなければならない。これは対象貨物の安全運送上非常に重要である。

- ・ ポーキサイト

マレーシア Kuantan でポーキサイトを積載し、その後沈没した撒積貨物船” BULK JUPITER” 号の事故後の 2015 年 5 月、IG は Kuantan に産業代表団を引率、マレーシア当局の要請により開催された IMO ワークショップに IG も参加した。Kuantan 積ポーキサイトのテスト、証明や監督方法における改善を目指し、マレーシア当局、荷送人や現地ラボと作業を続けている。並行して、IMO は連絡部会を設置し、各地で採掘されるポーキサイトの特性を科学的に評価した報告を 2017 年に提出する予定である。IMO は当面の対応としてポーキサイト運送のガイダンスを発行した。

- ・ 直接還元鉄(DRI)

2003 年の” ADAMANDAS” 号及び 2004 年の” YTHAN” 号の事故以降、海運業界は DRI の運送に懸念を持っている。当該貨物に現在適用される規則は IMSBC コードである。ベネズエラは貨物とコンテナの運送についての IMO 小委員会(CCC)に DRI についての IMSBC コード明細表の改善を提案し、DRI 運送条件の新明細表が作成される予定。IG は、他の団体とともにリスク軽減の方策を促進するために率先して活動している。

- ・ 次亜塩素酸カルシウム（サラシ粉）

IMO は 2001 年に次亜塩素酸カルシウムの運送条件を変更した。この変更は最終的に IMDG コードに摂取され、IG は 2011 年に該貨の安全運送に関する FAQ を発行した。しかし、当該貨物が IMDG コード対象でない他の化学品と偽ったり誤ったりして申告されるため、引き続き、当該貨物の運送は安全とは言い難い。IG は、IG がメンバーになっている貨物事故通知システム(CINS)を通じて活動し、船主のために当該貨物の安全運送についての最新のガイダンスを作成した。

◆ On the Radar (P25)

- ・ シップリサイクリング

欧州委員会シップリサイクリング規則は 2013 年に発効し、EU 加盟国に寄港する全ての

船舶に適用される。同規則は船舶の安全かつ環境保護の観点から適切な船舶のリサイクルに関する香港条約の趣旨と一致する。しかし、香港条約は未発効である。

上記規則は、シップリサイクル施設の利用促進に関し、EU が財源となるメカニズムを導入する条項を規定している。2015 年終わりに欧州委員会側は、財源確保のため保険ベースの方法を含めいくつかの方法を選択肢として提案したが、IG としては、寿命を迎えた船舶のリサイクルの場面では、保険ベースでの財源確保の方法はなじまないと説明し、保険ベースで方法の提案は棚上げされた。代わりに、EU は今後課徴金を徴収する方法を取る可能性がある。

- ・ 危険および有害物質 (HNS)

2010 年 HNS 条約は未発効だが、締約国が施行時に直面する障害を取り除くべく IMO 法律委員会が作業を継続中で、IG は同作業において積極的役割を果たしている。しかし、現在、IMO 加盟国は条約への関心が薄れており、発効には時間がかかるものと思われる。よって、条約が規定する保険付保や金銭的保障契約証書（ブルーカード）の発行は当分必要ないであろう。

- ・ CMI Arctic/Polar initiatives

IG は、CMI の国際極地地域作業部会(IWG)のメンバーであり、国際海運集会所と共に、極地地域での船舶を原因とする油濁損害についての民事責任に関する報告作成に主要な役割を果たした。

- ・ 2017 年クラブコレスポンデント会議

2017 年 9 月にロンドンで開催される次回のコレスポンデント会議に向けて準備を進めている。会議は 4 年毎に開催される。

- ・ STOPIA/TOPIA 2016 年見直し

IG は現在、STOPIA および TOPIA の 10 年毎の見直し条項に従って 2006～2016 年の 1992 CLC 事案のデータを取り纏め中である。見直し結果を 2016 年 10 月開催の 1992 IOPC Fund の会議で報告する予定。

- ・ EU Environmental Liability Directive (ELD)

欧州委員会は 2016 年 4 月に ELD 施行についての報告を発表したが、予想通り、同報告書では海事分野で認められている免責事項を、現状通り免責事項として認めるための立法をしていくような提案はなされていない。同報告で、欧州委員会は ELD に述べられたものとは異なる改善基準に基づき立法によらない方法で対処可能かどうか、さらに調査すると述べている。

以上



IGP&I ANNUAL REVIEW
2015/2016



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KEY FACTS

01	Total entered tonnage in the Group Clubs now exceeds 1.08 billion GT.	05	The global order book has fallen 12% by vessel numbers and 8% by GT since the beginning of 2016.
02	The UK Insurance Act 2015 will enter into force on 12 August 2016.	06	29 States, representing just under 60% of the world fleet, are now signatories to the Nairobi International Convention on the Removal of Wrecks.
03	Piracy incidents and successful vessel captures continue to decline year-on-year.	07	The STOPIA and TOPIA voluntary oil pollution compensation agreements have been in force for a decade.
04	Annual world fleet growth has remained steady at 4% over the last three years.	08	Claims pooling arrangements between mutual P&I Clubs date back to 1899.



CHAIRMAN'S STATEMENT

HUGO WYNN-WILLIAMS

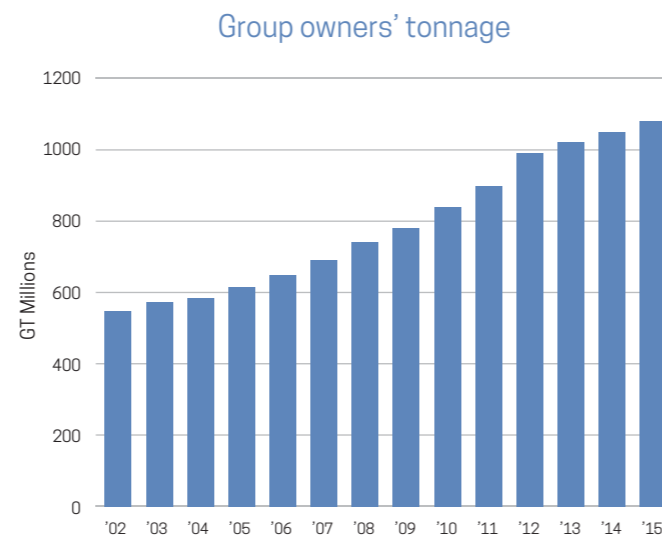
Chairman



The shipowners' liability cover provided by the Group Clubs, and through the Group's claims pooling and reinsurance arrangements, is a key factor in enabling world seaborne trade, the protection of the marine environment and of the interests of both public and private victims of maritime accidents. Furthermore, the spread of risk across Club's mutual tonnages, and the cost efficiency of the collective reinsurance purchases, delivers significant benefits to the shipowner members of the Group Clubs.

TONNAGE CONTINUES TO GROW

2015 saw further growth in total Group entered tonnage, which increased from 1,047 billion GT as at August 2014 to 1,088 billion GT as at August 2015.

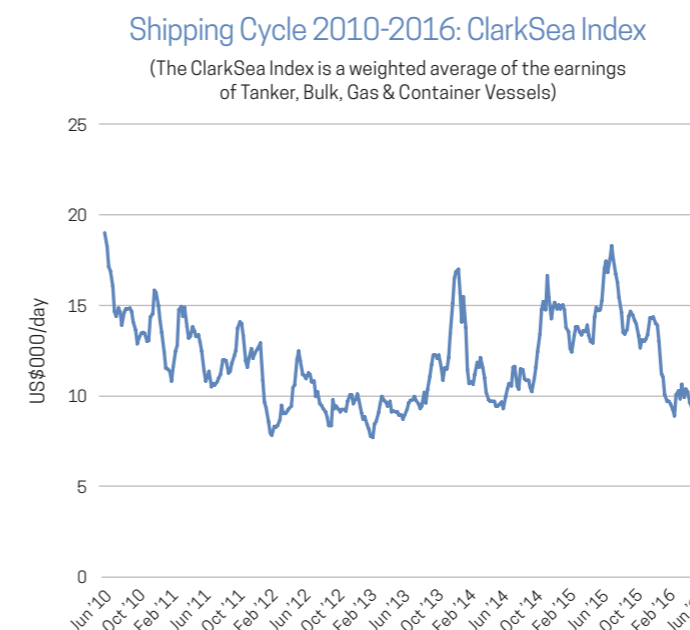


World fleet growth over the past year has remained broadly static and, according to Clarksons in 2015, it was just under 4%, down from the highs of between 7% and 9% annual growth in the 2000s. In addition, new building deliveries over the past year show a marked reduction in all vessel sectors. After a significant decline in demolition activity in the second half of 2015, scrapping has now resumed to around same levels as it was a year ago.

World seaborne trade is projected to continue to expand by around 2% during 2016, roughly half the year-on-year expansion in the period 2011-2014.

FREIGHT MARKETS CONTINUE TO CHALLENGE

Testing times continue for shipowners in the global freight markets, particularly in the dry bulk and container sectors. The ClarkSea Index, which peaked at over US\$18,000 per day in May 2015, has fallen to just over US\$9,000 per day in May 2016.



¹ Source: Clarksons

In the first quarter of 2016, overall bulk carrier earnings reached their lowest quarterly level on record, at just over US\$4,200 a day. With very few exceptions, all vessel type rates have declined during the past 12 months.¹

DELIVERING FOR SHIPOWNERS

The strengths of the Group system, in delivering for shipowners needs, was again demonstrated during 2015/16. In particular, in the work being undertaken to provide a workable solution for shipowners' financial security obligations under the Maritime Labour Convention, when the new requirements for financial security for back wages enter into force at the beginning of 2017.

In addition, the development of the Group fall-back reinsurance programme has facilitated some resumption of Iran trade. This is designed to address the potential reinsurance collection shortfalls on claims involving Iranian liabilities as a result of the continuing application of US primary sanctions. However, there is further work to be done in achieving a permanent and effective solution to the risk of reinsurance shortfalls arising from continuing sanctions measures.

FROM STRENGTH TO STRENGTH

Individually, all Group Clubs are reporting the strengthening of their financial position, reflected in increased free reserves, and most are also experiencing favourable claims trends within their retention during the past year. Underwriting results are generally improved, and have helped to offset continuing under-performance in the global investment markets.

CHAIRMAN'S STATEMENT CONTINUED

SECURING A PORT IN A STORM

During 2015/16, the Group worked closely with the European Commission Directorate General for Mobility and Transport, Member States and other industry representatives, in the successful development of the EU Operational Guidelines in relation to the granting of places of refuge to vessels in distress. Following a series of high-profile cases, involving refusal or delay by maritime authorities to grant a place of refuge, including the CASTOR, the PRESTIGE, and more recently the MSC FLAMINIA, the EU initiative was welcomed by EU Member States and industry alike.

The Operational Guidelines were formally launched in Brussels in January 2016 and, quite literally, as this launch was taking place a car carrier, the MODERN EXPRESS, was heavily listing in heavy weather in the Bay of Biscay and in urgent need of a place of refuge. The prompt action of the Spanish authorities in permitting the vessel to proceed under tow to Bilbao, where she was safely secured, prevented what might have been a major maritime incident impacting on European shores. The challenge, of course, will be to ensure that European Member States implement and apply the new guidelines, but hopefully these will assist in avoiding repetition of past and, very costly, maritime disasters.

THE PRESTIGE – 13 YEARS ON

More than 13 years after the sinking of the PRESTIGE in November 2002, the judgment of the Spanish Supreme Criminal Court rendered in January 2016 came as a considerable disappointment to shipowners and insurers alike.

The first trial court in the criminal proceedings, the Audiencia Provincial in La Coruña, held a nine-month oral hearing between November 2012 and July 2013. The evidence received by that court consisted of the testimony of many witnesses, including numerous experts called by various parties, together with a volume of documents said to be the greatest number ever submitted to a court in Spain.

The Supreme Criminal Court decision substantially overturned the judgement of the Audiencia Provincial and followed a hearing which lasted less than one day, at which none of the defendants or other witnesses were heard and only brief oral submissions were permitted. The Supreme Court's decision is being appealed, with the objective of reinstating the lower court judgement. This is a process which will inevitably take a number of years to complete.

REACHING OUT

One of the core objects and functions of the Group is the co-ordination and external representation of the views of Clubs' shipowner members on matters of concern to the shipping industry with States, inter-governmental organisations, national and regional authorities and marine insurance and shipping industry associations. The Group Clubs, co-ordinated through the activities of the numerous Group subcommittees and the Group Secretariat, are very active in outreach engagements and continue to explore new opportunities and to welcome and encourage dialogue and co-operation with interested States, and public and private stakeholders on issues of mutual concern and interest.

THE WAY AHEAD

2016/17 will undoubtedly present new challenges for Clubs in meeting shipowners' liability insurance needs. The Group Clubs, individually and collectively, are however, robust, financially sound and well-equipped to meet these new challenges, and will continue to work and innovate to develop new solutions for shipowners' liability insurance requirements.

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EXECUTIVE OFFICER'S STATEMENT

ANDREW BARDOT
Executive Officer



During 2015/16 the arrangements for the internal administration and external representation of the Group kept the Secretariat very busy on a diverse range of issues impacting shipowners' liabilities and insurance coverage arrangements.

CHANGE OF HELM

2015 saw the completion of the three-year term of office of Grantley Berkeley as Group Chairman. During his tenure, Grantley oversaw the resolution of a number of important internal and external Group issues and his significant contributions to the Group were greatly appreciated by Clubs and shipowners alike. In November 2015, Grantley was succeeded as Group Chairman by Hugo Wynn Williams, Chief Executive and Chairman of Thomas Miller, managers of the UK Club.

IRANIAN TRADE

For shipowners and marine insurers alike, during 2015/16 one of the dominant issues has been, and remains, the impact of the international efforts aimed at relaxing sanctions measures targeted at Iranian trade.

In July 2015, the Joint Comprehensive Plan of Action (JCPOA) was agreed between the P5+1 countries and Iran. The JCPOA envisaged the lifting of the majority of European sanctions and US secondary sanctions targeted at Iranian interests and trade, imposed since 2010. On 16 January 2016, the sanctions relief envisaged under the JCPOA came into effect, with the result that the majority of the sanctions measures previously impacting on shipowners and insurers were lifted.

Whilst the relief measures were welcomed by shipowners and insurers alike, the continuing application of US primary sanctions measures impacting on US domiciled insurers and reinsurers, together with the continuing restrictions on the use of the US dollar and the US financial system, have created a number of practical difficulties. In particular, in relation to the resumption of full insurance cover for a range of owners and vessels trading to and from Iran, which are described in more detail later in this Review.

CYBER RISKS FOCUS GATHERS PACE

As foreshadowed in the 2014/15 Review, the issue of cyber risks and insurers' exposure to these risks continues to command the attention of the industry and regulators alike. In January 2016, BIMCO, together with other leading shipping organisations, published a set of cyber guidelines for shipowners, highlighting potential cyber vulnerabilities for ships and their implications. It was aimed at assisting shipowners to take measures to protect against attacks, and to deal with the eventuality of cyber incidents. Whilst war or terrorism-related cyber liabilities will not engage Club cover, the Group is continuing to monitor developments in relation to both the operational and insurance cover ramifications of cyber risk exposure.

STEADY AS SHE GOES – POOL CLAIMS TREND REMAINS BENIGN

The 2015/16 policy year was the fourth consecutive year of reduced frequency of claims impacting on the Group pool and General Excess Loss (GXL) reinsurance programme, although the severity of the claims currently notified exceeds the 2014/15 notifications at the same time last year.

YORK-ANTWERP RULES 2016

The York-Antwerp Rules 2016 were adopted by the CMI Assembly in New York in May 2016, following four years of work by a CMI International Working Group on which the Group participated. The new rules have satisfactorily addressed the concerns of shipowners with the changes adopted in 2004, which were not supported and which resulted in the 2004 rules being rarely, if ever, used. In addition to the development of the new rules, the International Working Group also developed guidelines on general average, which will be kept under periodic review and updated as necessary. The texts of the new rules and guidelines can be accessed via the Group website.

P&I QUALIFICATION PROGRAMME GATHERS MOMENTUM

Support within Club staff for the P&I qualification programme continues to grow. A total of 236 candidates sat the November 2014/June 2015 examination session, and this number increased to 272 candidates for the October 2015/May 2016 exams. The range of examination centres has been extended and now includes London, Newcastle, New York, Piraeus, Singapore and Hong Kong.

NEVER A DULL DAY

Thanks to the broad range of combined experience of the current Secretariat staff, and the network of contacts that they have developed and maintain within industry and regulatory bodies around the world, the team is well placed to assist and guide Clubs on the myriad of issues that arise day to day. The team is looking forward to addressing further challenges, both current and new, during 2016/17.

2016 has also seen the culmination of the project to modernise and update the Group website (www.igpandi.org), which is now up and running.

SUNSET ON THE MERSEY

The formalities for the completion of the transfer of the run-off business of the Liverpool & London Club to R&Q Insurance were completed and approved by the English Companies Court on 31 December 2015. The outstanding run-off liabilities of the Club, which ceased underwriting and was put into solvent run-off in 1999, have been transferred to R&Q.

POOLING AND REINSURANCE



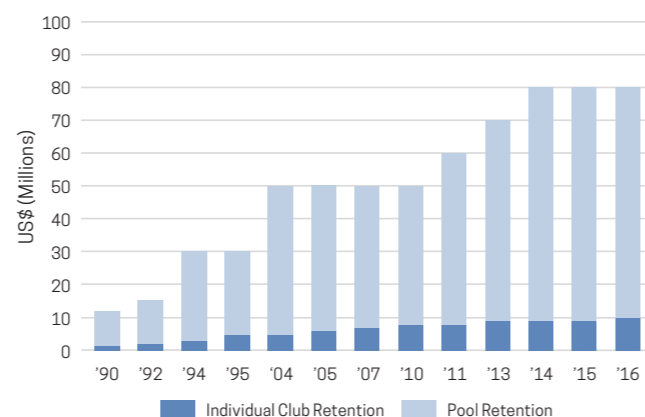
PAUL JENNINGS

Chairman, Reinsurance subcommittee

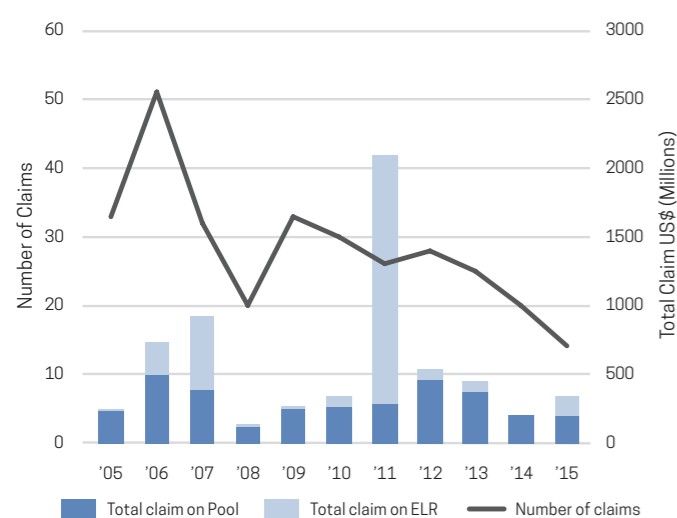
ANOTHER BENIGN YEAR FOR THE POOL

To date, the total number of pool claims notified for the 2015/16 policy year is 15. This is a reduction from the 20 claims notified in respect of the 2014/15 policy year and the five-year average of 23 claims per policy year. However, the current estimated value of claims on the pool reported to date is US\$204.4 million, which closely matches the reported total for the 2014/15 policy year. Although there will be further claims development on the year, claims frequency and severity are likely to be well below the peak years of 2006 and 2011.

Club and pool retention development

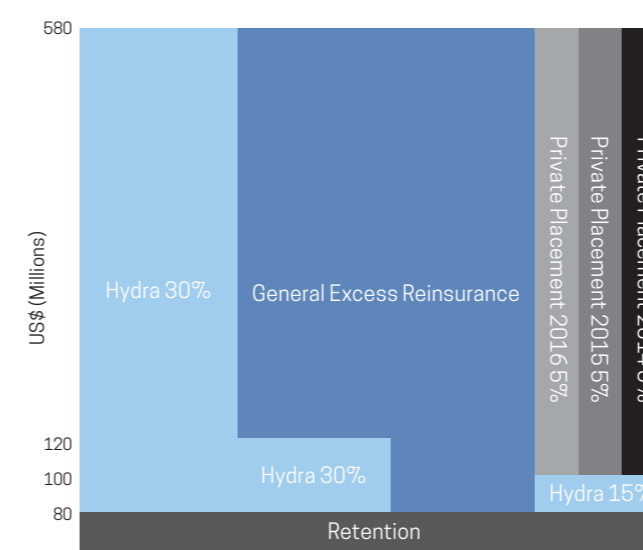


Pool claims by policy year



The loss experience of the reinsurance programme on the policy years from 2012/13 to 2015/16 (year to date) remains generally favourable to reinsurers. As a result, the Group was able to achieve advantageous reinsurance renewal terms, with reductions across all layers of the programme and on the excess war P&I cover, resulting in reinsurance rate reductions across all vessel categories for 2016/17. Additional positive factors included, the continuing financial development of Hydra, facilitating additional Hydra risk retention, and the use of a third multi-year fixed placement of 5% of US\$1 billion xs US\$100 million utilising additional market capacity, which incepted with effect from 20 February 2016.

Group GXL layer 1 structure 2016/17



claims data to support separate treatment of container vessels from dry cargo vessels for reinsurance cost rating purposes.

In the passenger category, there were significant increases in reinsurance costs allocated in the 2013/14 and 2014/15 policy years, principally reflecting the very substantial continuing adverse development during the 2011/12 policy year on claims arising from the COSTA CONCORDIA incident. There is unlikely to be any further significant development on these claims and, in the absence of any further major passenger vessel incidents, the sector should continue to move towards claims/premium equilibrium over the medium term.

A SIMPLER POOL STRUCTURE

For 2016/17 a new simplified two layer pool structure was introduced, with a lower pool layer from US\$10 million to US\$45 million. The previous upper and upper-upper pool layers were replaced by a single upper pool layer from US\$45 million to US\$80 million, with a claiming Club retention rate of 7.5% across the combined layer.

REDUCTIONS ALL ROUND

The result of the renewal negotiations and programme restructuring was a reduction in reinsurance cost of approximately 10.2% for clean and dirty tankers, and approximately 7.2% for dry cargo vessels and passenger vessels. Chartered rates were reduced by approximately 5.6% for chartered tankers, and 5.3% for chartered dry cargo.

HYDRA PARTICIPATION UNCHANGED

Hydra reinsurance of the Group pool remained unchanged at US\$50 million xs US\$30 million. Hydra's co-insurance share in the first layer of the GXL programme (US\$500 million xs US\$80 million) was increased slightly for 2016/17 to include a further 5% share of the layer US\$80 million to US\$100 million (which sits below the third multi-year 5% fixed placement).

SPREADING THE COST

In approaching the reinsurance cost allocation exercise for the 2016/17 policy year, and in accordance with the Group's general allocation objective, principally that of moving towards a claims versus premium balance for each vessel type over the medium to longer term, the Group's Reinsurance Strategy working group and Reinsurance subcommittee reviewed the updated historical loss versus premium records of the current four vessel type categories.

BROKER EVALUATION REVIEW

During 2015/16, a working group was constituted within the Reinsurance subcommittee and tasked to carry out a performance and evaluation review of the Group's brokers handling the GXL placement (Miller Insurance Services LLP), and the Hydra retrocession (Aon Benfield). The review was carried out with external assistance from Moore Stephens, and included a detailed evaluation of the strengths, capabilities and fee charging structures of the respective brokers. The takeout from the 2015/16 review was positive and, consistent with the principles of good governance, and the performance of the Group's brokers, together with other external service providers, will be kept under periodical review.

GROUP GXL AND COLLECTIVE OVERSPILL RENEWAL 2016/17

The annual renewal of the International Group reinsurance contract ("GXL"), and Hydra (the Group captive) reinsurance programmes for 2016/17, were successfully completed in February 2016.

The individual Club retention, which had remained at US\$9 million for three years, was increased with effect from 20 February 2016 to US\$10 million. The attachment point on the GXL contract remained unchanged, at US\$80 million, for the 2016/17 policy year.

NUCLEAR COVER EXTENSION

In addition, the scope of the reinsurance cover was extended from 20 February 2016 to include nuclear risk liabilities arising under approved certificates, guarantees or undertakings, up to a limit of US\$1 billion.

The diagram on page 11 illustrates the revised participation structure of the first layer of the Group GXL programme for 2016/17.

In the tanker category, the 2015 ALPINE ETERNITY incident brought to an end a five year run of reducing claims, although tanker claims still only account for just over 10% of overall claims.

In the dry cargo category claims and premium continued to move closer to equilibrium during 2015/16. The absence of any significant container claims arising, during the 2015/16 policy year, means that there presently remains insufficient historical

THE YEAR AHEAD

The work programme for 2016/17 includes the ongoing review of Hydra capital requirements and excess Hydra capital release mechanisms. During the run-up to the 2017/18 renewal, the structure of the Group's reinsurance programme will be reviewed, as customary, by the Reinsurance Strategy working group and Reinsurance subcommittee, and optional structures for possible adoption for 2017/18 will also be considered.



SANCTIONS

MIKE SALTHOUSE
Chairman, Sanctions working group



In July 2015, the Joint Comprehensive Plan of Action (JCPOA) was agreed between the P 5+1 countries and Iran. On 16 January 2016 (Implementation Day) the majority of the US and EU trade sanctions impacting on trade with Iran were lifted.

Prior to the JCPOA and Implementation Day, the ground rules on what was permissible in the way of trade with Iran or Iranian interests, and the circumstances in which insurance cover could attach, were relatively clear. Following Implementation Day the position has in practice become more confused. Whilst the majority of the EU Iran sanctions and the US-imposed secondary Iran sanctions measures have been lifted, sanctions continue where particular companies or individuals remain designated, or in relation to specific prohibited trading activity. Furthermore, US prohibitions continue to apply to US domiciled insurers and reinsurers and linked to the use of the US dollar and the US financial system for transactions involving Iran. These matters have been more specifically commented on in Club circulars issued during 2016.

Broadly speaking the Group welcomes the freeing up of trade with Iran, but the continuing application of US primary sanctions undermines the effectiveness of the Group GXL reinsurance programme, together with the reinsurance arrangements of the Group captive Hydra. It also consequently impacts upon the integrity of the insurance cover provided by Clubs to their shipowner members.

The Group has engaged extensively with the US administration (the State Department and the US Treasury Office of Foreign Assets Control (OFAC), and has had a number of meetings with representatives of both departments during the course of 2016 in its continuing efforts to address the reinsurance default risk posed by the continuing application of US primary sanctions.

Following this engagement, and with the support and approval of the US administration, the Group implemented as an interim solution a fall-back reinsurance programme designed to make good the inability of US domiciled reinsurers on the Group and Hydra reinsurance programmes to contribute to claims involving Iranian liabilities. It is subscribed to by non-US domiciled reinsurers and is subject to annual and per-event limits and limited reinstatements. This has provided a degree of comfort to a number of shipowners who are taking the opportunities afforded by the lifting of sanctions against Iran. However, a significant number of shipowners and major shipping groups remain concerned about the potential limitations on the available reinsurance cover, and other aspects of the JCPOA, and are not prepared to resume trade with Iran until these issues have been satisfactorily, and permanently, resolved.

The creation of the fall-back cover in such a short space of time following Implementation Day represents a considerable achievement on the part of the Group, but in its dealings with the US administration, the Group has always made it clear that the fall-back solution would only be an interim measure, and that a long-term permanent solution is needed. The Group is continuing its engagement with the US administration with a view to achieving an effective resolution to the difficulties arising from the continuing application of US primary sanctions measures. What is clear is that sanctions issues will continue to dominate the attention of shipowners and Clubs during 2016/17.

THE BROADER SANCTIONS PICTURE

EU and US sanctions impacting on trade and on the provision of insurance cover continue to apply in a number of other jurisdictions including Syria and North Korea and, notwithstanding the recent partial relaxation of US sanctions, Cuba. US domiciled insurers and reinsurers remain prohibited from providing insurance cover to Cuban interests, or from responding to Cuban liabilities. However, US insurers can respond to Cuban liabilities arising out of insurance on certain authorised activities. For example, travel to Cuba is now authorised by a general license in twelve separate categories. Insurers are permitted to provide insurance incidental to that authorised travel, and to pay resulting claims.

The Sanctions subcommittee continues to monitor developments on worldwide sanctions measures impacting on the provision of cover by the Group Clubs, and in relation to shipowners' trading activities.



MARITIME LABOUR CONVENTION

JONATHAN HARE

Chairman, Compulsory Insurance subcommittee



The 2014/15 Review reported on the Maritime Labour Convention (MLC), 2006. Under article XIII of the MLC, the Convention is to be kept under continuous review by a Special Tripartite Committee comprised of representatives of shipowners, seafarers and governments.

The International Labour Organisation Special Tripartite Committee (STC) held its second meeting from 8 to 10 February 2016 when Group representatives attended as part of the shipowners' delegation. The Group also participated in the first STC meeting in April 2014 when a number of amendments to the MLC were agreed. When it is in force the amended MLC will require ships that are subject to the MLC to carry on board a certificate issued by an insurer or other financial security provider. The certificate will confirm that a shipowner has insurance or other financial security for liabilities for the costs and expenses of crew repatriation, as well as up to 4 months outstanding contractually entitled wages and entitlements following abandonment (Regulation 2.5).

FINANCIAL SECURITY

The new heads of risk for outstanding wages and entitlements and commensurate financial security requirement will have legal effect in all MLC States Parties from 18 January 2017. Club boards have already instructed Club managers to work on an insurance solution that ensures cover arrangements are available, and that such arrangements do not disturb current pooling and reinsurance arrangements. The Group Compulsory Insurance subcommittee has made progress over the past twelve months towards delivering a financial security product for Members.

Despite the challenge presented by insuring a liability arising from an assured's financial default, the Group continues to consider options that will result in a workable, and sustainable, insurance and reinsurance solution. A particularly challenging task to overcome before reinsurance cover can be placed is establishing the potential liability resulting from the insolvency of a large fleet, employing significant numbers of crew, especially where a fleet is spread across several Clubs. The Group continues to work in close collaboration with States Parties to the MLC who are keen to improve their understanding of the Group's cover arrangements. The aim is to ensure the smooth entry into force of the amendments. In this regard the subcommittee Chairman and Secretariat delivered a presentation to the ILO and its Member States at the STC meeting in February this year. In general terms, ILO Member States, ICS and ITF appreciate and support the efforts that the Group has made to date.

Financial security must also be provided for shipowners' liability for contractual payments for death or long-term disability due to an occupational injury, illness or hazard set out in the employment agreement or collective agreement (Regulation 4.2). Contractual compensation must be paid in full, and without delay. There are also provisions relating to interim payments, where the extent of an illness or disability is not clear. These liabilities largely fall within the scope of existing P&I cover, and represent less of a challenge than the repatriation and unpaid wages requirements.

DIRECT ACTION EXPOSURE

The amendments to the convention confer on seafarers a right of direct action against the security provider, similar to the direct action rights which arise under 'blue cards' issued by Clubs under the IMO conventions. The financial security provider will remain liable under the security unless this liability has been terminated by a minimum 30 days' notice to the relevant Flag State.

WORK IN PROGRESS

The financial certification requirements are a mandatory and integral part of the MLC, as amended. Shipowners will be required to comply with the new requirements from January 2017, and the option of Club security is universally supported by shipowners, the ILO, and States. The Group will continue to work on the detail of the security arrangements ensuring that when the amendments enter into force shipowners will have the requisite certification in place, and seafarers and States will have the comfort afforded by a Group-backed scheme.



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Thanks to the broad range of combined expertise and practical experience of the current Secretariat staff, and the network of contacts that they have developed and maintain within industry and regulatory bodies around the world, the team is well placed to assist and guide Clubs on a very wide range of issues. The team is looking forward to addressing further challenges, both current and new, during 2016/2017.

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PLACES OF REFUGE – EU OPERATIONAL GUIDELINES

TIM FULLER

Chairman, Salvage subcommittee



New Places of Refuge guidelines agreed by the European Parliament, Commission and Council should result in a more effective response to ships in need of assistance throughout the EU. The Group has been at the forefront of industry's participation in the development of these guidelines, which are fully supported by shipowner and marine insurance associations.

While the number of ships seeking assistance or a place of refuge appears to have reduced over the past twelve months, the issues around places of refuge continue to be of fundamental importance for coastal States, shipowners and their insurers. It was reported in the 2014/15 Review that the Group has participated constructively in discussions on this issue at the IMO, in the EU and with individual State Maritime Administrations.

PROGRESS AT EU LEVEL

The Group's collaborative programme of engagement with EU Member States and the European Commission continued throughout 2015, leading to the publication on 27 January 2016 of the EU operational guidelines on places of refuge. These guidelines were launched at an event sponsored by the European Parliament, supported by Transport Commissioner Bulc, EU Member States and attended by industry stakeholders, including the Group. The guidelines are the product of a desire on the part of the Council and Commission to avoid further maritime legislation and instead promote the proper application of the relevant existing EU directives.

WILL THE GUIDELINES CHANGE ATTITUDES?

The principal objective of the operational guidelines is to promote transparency and better co-operation and co-ordination between EU Member States, and between an affected coastal State and industry stakeholders, particularly in relation to decisions to approve or reject a shipowner's or salvor's request to take a ship to a place of refuge. The Commission and Member States have sought

to overcome some of the unavoidable and inherent tensions that exist between a coastal State's obligation to protect the marine environment and its coastal interests by preventing pollution, and granting ships access to a safe haven whether that is a port or a sheltered area. History suggests that such tensions have often resulted in States, for whatever reason, assuming that the risk of making a place of refuge available to such ships was too great. History has also shown only too clearly how delays or refusals to accommodate a ship in need of assistance in a safe place of refuge can have catastrophic human, economic and environmental consequences.

LEGAL BASIS

The guidelines provide an operational response to a Member State's legal obligations under EU Directive 2002/59/EC on community vessel traffic monitoring and information systems (as amended by Directive 2009/17/EC). This directive requires Member States to "...ensure that ships are admitted to a place of refuge if they consider such an accommodation the best course of action for the purposes of the protection of human life and the environment." In order to be able to take the necessary decisions as to whether to offer places of refuge each Member State is required to:

- Designate a competent authority with the expertise and power to make decisions concerning the accommodation of ships in need of assistance;
- Draw up plans for the accommodation of ships in need of assistance;
- Decide on the acceptance of ships by making an assessment in accordance with their plans.

The Directive was widely considered by European policy makers as not having been properly applied by all Member States. The guidelines overcome this by encouraging a coastal State to perform a proper technical and environmental analysis of the risk associated with approving

or rejecting a ship requesting a safe haven in its waters. The guidelines stipulate that there should be "no rejection without inspection." The UK model of the Secretary of State's Representative (SOSREP) has been lauded by EU policy makers, largely because SOSREP has the authority to make place of refuge decisions on purely technical and environmental grounds, without intervention from politicians, and the influence and input of Hugh Shaw, the UK SOSREP, played a major role in the development of the guidelines.

The guidelines also anticipate the potential problems caused when more than one coastal State and or State authority is involved in the decision-making process. The guidelines provide a framework for co-operation and co-ordination as between EU Member States.

The guidelines do of course build on the IMO guidelines which state that following a maritime casualty: "the best way of preventing damage or pollution from its progressive deterioration would be to lighten its cargo and bunkers; and to repair the damage. Such an operation is best carried out in a place of refuge as it is rarely possible to deal satisfactorily and effectively with a marine casualty in open sea conditions."

While the EU guidelines are non-mandatory, and have to be read in the context of applicable EU law, they do provide a framework that should result in greater transparency, better co-ordination and more effective co-operation between all parties involved in a place of refuge situation.

AN EARLY TEST

Quite literally as the new guidelines were being launched in Brussels, a Group Club entered car carrier, the MODERN EXPRESS, developed a severe list in adverse weather conditions in the Bay of Biscay and had urgent need of a place of refuge, the options being France or Spain. In the event, the Spanish authorities carried out a prompt assessment of the situation and afforded a place of refuge for the vessel at the port of Bilbao. The negotiations were not without difficulties, particularly in relation to

requirements for financial security, but the paramount objective of securing a safe place of refuge for the ship was promptly achieved. What might have happened to the ship, her cargo and bunkers, had a place of refuge not been granted, is a matter of conjecture, but experience shows that the likely outcome would have been more serious and potentially damaging to the environment and property involved. An encouraging response from an EU Member State, but the difficult issues of financial security demands in such situations continue to be problematic.

The EU and IMO guidelines are to be welcomed. They highlight the need for responsible decision making, and emphasise the advantage of better and more transparent co-ordination between States and industry in circumstances where a maritime casualty may impact upon one or more States.

Finally, the Nairobi Convention on the Removal of Wrecks entered into force in April 2015 and the LLMC 1996 limits increase became effective on 8 June 2015. States that have ratified the Nairobi Convention, CLC and the Bunker Convention are financially well protected in place of refuge situations by the respective convention liability and compensation provisions. Insurance cover does not extinguish when a ship seeks a place of refuge, and those States that have ratified these conventions can take comfort from the fact that insurers will respond to the liabilities arising under these conventions, even where such liability occurs as a result of States granting refuge to a ship in need of assistance.

The density of shipping in certain sea and coastal areas, the unpredictability and harshness of the marine environment and weather conditions, and the ever-present human factor mean that it is inevitable that there will be a continuing requirement in the future for safe accommodation of vessels in need of assistance. It is hoped that the efforts of the IMO and the EU guidelines may lead to early, decisive risk management and effective action on the part of affected States involved in decisions to grant places of refuge, so that the potential damage and cost of such casualties can be avoided, or at least mitigated, in the future.



UK INSURANCE ACT 2015

ANDREW CUTLER

Chairman, Insurance Act subcommittee



THE UK INSURANCE ACT 2015 (THE 2015 ACT) WILL COME INTO FORCE ON 12 AUGUST 2016.

The 2015 Act seeks to provide further protection to both consumer and non-consumer buyers of insurance. As such it will change English insurance contract law currently codified in the Marine Insurance Act 1906 (MIA 1906). When being drafted it was recognised that the 2015 Act might not be required in sophisticated markets, with the marine insurance sector named as one such market. Rather, it was anticipated that some insurers would contract out of (i.e. not apply) many of the 2015 Act's provisions.

P&I is a sophisticated insurance market, with well-established practices that benefit both Members (the insured) and the P&I Club (the insurer). Eight of the Clubs in the Group are affected by the 2015 Act because their rules are subject to English law, including the MIA 1906. A Group subcommittee was established to consider and take legal advice on the ramifications for Clubs of the provisions of the 2015 Act and the consensus amongst the eight affected Clubs was to contract out of certain aspects of the 2015 Act. Nevertheless, those eight Clubs recognised that some provisions of the 2015 Act should be adopted, as they clarify certain aspects of the law which are presently uncertain.

IMPLEMENTATION DATE

The 2015 Act will apply to contracts of insurance entered into or varied after 12 August 2016. In anticipation, the eight affected Clubs made changes to their rules with effect from 20 February 2016. Those Clubs have also to revise their internal quotation procedures in respect of (a) new Members or tonnage entered with the Club from 12 August 2016 onwards and, (b) all renewing Members from that date. The rule changes and revisions to internal procedures reflect the following changes in statutory and/or contractual rights and duties addressed under the 2015 Act.

DUTY OF FAIR PRESENTATION

The obligation of disclosure, set out in the MIA 1906, will be replaced by a duty to make a fair presentation of the risk. The new duty shares many of the features of the current duty of disclosure. However, greater emphasis is given to the insurers' role in the process of disclosure, with a Member potentially fulfilling its duty of fair presentation by disclosing sufficient information to put the Club on notice that it needs to make further enquiries. The view and recommendation of the subcommittee was that a fair presentation and a professional assessment of the risk are of mutual benefit to Members and to Clubs and that, consequently, the new duty of fair presentation should, and will, be adopted by the affected Clubs.

REMEDIES FOR BREACH OF THE DUTY OF FAIR PRESENTATION

Under the 2015 Act, an insurer will remain entitled to avoid the policy if an insured deliberately or recklessly fails to make a fair presentation. The insurer will also be entitled to avoid the policy where an insured's failure to make a fair presentation was innocent or negligent, and if that insurer would not have entered into the policy had a fair presentation been made. It is only in circumstances where an insurer would have entered into the policy notwithstanding the relevant information, that the policy will continue and the remedy will depend on the terms on which the risk would have been written or the premium the insurer would have charged to write the risk. The remedy of avoidance may therefore remain the usual remedy under the 2015 Act, where an insured fails to make a fair presentation of risk.

However, in a P&I context, and recognising the importance in a mutual Club of proper disclosure, the eight affected Clubs elected to contract out of the 2015 Act's provisions on remedies for breach of the duty of

making a fair presentation. The eight Clubs will retain the MIA 1906 remedy of avoidance in respect of any breach of the duty to make a fair presentation of the risk.

WARRANTIES AND OTHER TERMS

Compliance with certain warranties, e.g. maintaining a vessel's class, is a condition precedent to cover by a Club, irrespective of the type of loss suffered. Current practice and law may give Clubs a wider right to reject claims than would be possible under the 2015 Act's remedies for breach of warranty and/or other conditions: at present a Members' breach of a warranty will discharge the Club's liability under the insurance from the date of the breach, unless and to, the extent the relevant Club's board determines otherwise.

When considering the 2015 Act, importance was given to the mutual nature of the risk, the discretion of the relevant Club's board or managers in appropriate cases and also uncertainty on how the 2015 Act's provisions on warranties and other terms may be applied. Accordingly, it was felt best to preserve the current position. The affected Clubs will, insofar as permitted, therefore maintain existing practices by contracting out of the 2015 Act's provisions on warranties.

BASIS CLAUSES

The 2015 Act prohibits any term in an insurance contract by which the insured warrants the truth of all pre-contractual representations. This prohibition would negate the effect of the current Club rules which declare such information to be the "basis" of the contract of insurance. This provision is mandatory and, consequently, basis of contract wordings has been removed from the rules of the eight affected Clubs. Any inaccuracies in material representations will instead be treated as relevant to the question of whether or not there has been a fair presentation of risk.

FRAUDULENT CLAIMS

The 2015 Act's provisions on fraud provide clarity on this area of the law. Therefore, the affected Clubs will adopt the new statutory provisions as to the treatment of fraudulent claims.

However, the affected Clubs will exclude the operation of the 2015 Act's provisions on the continuing validity of policies following a fraudulent claim made by a beneficiary who is not specifically named in the terms of entry, such as an entity associated with, or affiliated to, a Member against whom a covered claim is enforced. Where a fraudulent claim is made in this context, for consistency, the Group takes the view that the fraud should have the same impact on the Member as if it had made the fraudulent claim. The affected Clubs will therefore contract out of these aspects of the 2015 Act.

PAYMENT OF CLAIMS

The Enterprise Act 2016 (which received Royal Assent in May 2016 and will enter into force on 4 May 2017) includes one amendment to the Insurance Act by implying to all contracts of insurance a term requiring the reimbursement of claims within a reasonable time. The Enterprise Act's amendment introduces certain remedies for breach of that implied term, including the possibility for the insured to claim damages where the implied term is breached in addition to, and distinct from, any right to interest. Bearing in mind the mutual nature of the risks insured, and the manner in which claims are handled, in the Group and under the pooling agreement, these provisions did not appear to be appropriate for our Clubs. The eight affected Clubs therefore intend to contract out of this provision, which is consistent with the long-standing exclusion of the payment of interest on Members' claims. However, insurers will not be permitted to contract out of the implied term in circumstances if the insurer deliberately or recklessly fails to reimburse an insured's claim within a reasonable time. Members will therefore be protected to that extent.



CARGO LIQUEFACTION – THE CHALLENGES CONTINUE

MICHAEL ASHERSON

Chairman, Claims Co-operation subcommittee



RULES OF CARRIAGE UNDER THE INTERNATIONAL MARITIME SOLID BULK CARGOES (IMSBC) CODE

The schedules to the IMSBC Code on the carriage of bauxite and direct reduced iron (DRI) are currently undergoing review under the auspices of the IMO Maritime Safety Committee. The Group has continued to devote resource and expertise on these important cargo related matters which have a direct effect on the safety of seafarers and ships.

Working with government delegations in the IMO, representatives of shippers, mineral and ore producers and other industry bodies, the Group believes that the current programme of analysis and evaluation of the properties of these cargoes will lead to improvements in carriage requirements and mitigate the risks that are inherent in the transport of such cargoes.

The risks associated with the carriage of solid bulk cargoes that have a propensity to liquefy, or that have properties and characteristics that cause them to heat or produce combustible gases, highlight the need for more rigorous and prescriptive rules on cargo testing, stockpile management and loading. In addition to the future introduction of more stringent measures in the IMSBC Code Schedules, competent authorities must be more responsive in their oversight and enforcement. Compliance with the IMSBC Code is not discretionary, and a State Party to SOLAS is not at liberty to opt out of the duties and obligations imposed by the Convention. Rather, the role of the competent authority is crucial to the safe carriage of products that are covered in the schedules to the IMSBC Code. The contribution that rigorous enforcement of the IMSBC Code will have on seafarers' lives cannot be overestimated. For these reasons the Group is closely engaged in the development of new standards, which the IMO Maritime Safety Committee will consider in due course.

BAUXITE

The IMSBC Code identifies bauxite as a cargo that may liquefy if its moisture content exceeds the stipulated transportable moisture limit and its particle size is below a prescribed minimum. After the loss of the bulk carrier BULK JUPITER following bauxite loading at Kuantan, Malaysia, the Group led an industry delegation to Kuantan in May 2015. The purpose of the meeting was to discuss in general terms the role and function of the fledgling Malaysian competent authority, and the role of the port in ensuring that cargo surveyors appointed by the ship be given unfettered access to a ship's cargo, stockpiles from which a cargo is loaded, and to see first-hand how shippers' laboratories assess and certificate the moisture content of bauxite before it is loaded on to ships.

An action prompted by that productive engagement resulted in the Malaysian authorities requesting an IMO workshop on the IMSBC Code and related issues, in which the Group was an invited speaker and participant. This ongoing engagement with the Malaysian authorities, shippers and local laboratories should result in improvements in the testing, certification and oversight of bauxite loaded at Kuantan. In parallel, the IMO has established a Correspondence Group that will report in due course on a wide-ranging science-based assessment of the properties and characteristics of bauxite mined across a number of geographical locations. The results of that work will be finalised in 2017. In the meantime, as an interim measure, the IMO has issued guidance on the carriage of bauxite, urging ships' masters not to accept bauxite for carriage unless:

- The moisture limit for the cargo to be loaded is certified as less than the indicative moisture limit of 10% and the particle size distribution is as detailed in the individual schedule for bauxite in the IMSBC Code; or

- The cargo is declared as Group A (cargoes that may liquefy) and the shipper declares the transportable moisture limit (TML) and moisture content; or
- The master is presented with an assessment that the cargo does not present Group A properties.

DIRECT REDUCED IRON (DRI)

Since the loss of the ADAMANDAS in 2003 (carrying de-oxidised iron ore balls), and the loss of life arising from the subsequent incident involving the YTHAN in 2004 (transporting metallic hot briquetted iron (HBI) fines), the shipping industry has had concerns over the carriage of DRI. These cargoes were covered by the rules contained in the IMO Code of Safe Practice for Solid Bulk Cargoes (the BC Code) applicable at the time. The IMSBC Code then superseded the BC Code from 1 January 2011.

At its first session, the IMO subcommittee on Carriage of Cargoes and Containers (CCC), the Bolivarian Republic of Venezuela advised the subcommittee of its plans for an improved draft schedule to the IMSBC Code for DRI (by-product fines). The mantle has been taken up by the International Iron Metallurgical Association which is working with Venezuela and others in co-ordinating this work. It is envisaged that this will result in a new schedule setting out the conditions under which DRI (by-product fines) may be carried. The current focus of this work is on the assessment of appropriate levels of natural and mechanical ventilation to mitigate the risk of self-heating and the ingress of moisture, to reduce hydrogen gas levels that can build up in the ship's hold especially during periods where ventilation systems are shut down to avoid water ingress into the ship's hold.

The Group is leading the work with other industry associations to promote risk mitigation strategies in order to enhance the protection and safety of seafarers and vessels engaged in DRI carriage.

CALCIUM HYPOCHLORITE

The all-too-common practice of mis-declaration of calcium hypochlorite compromises the safe and proper carriage of a highly volatile substance. The IMO changed the carriage conditions for calcium hypochlorite in 2001, mandating that it had to be stowed 'on deck' only, not in direct sunlight, away from sources of heat, and that stowage had to allow adequate air circulation throughout the cargo. These amendments were finally incorporated in the International Maritime Dangerous Goods Code (IMDG) and, as a result, in 2011 the Group issued frequently asked questions relating to safe carriage of calcium hypochlorite.

While the risks of carrying calcium hypochlorite have been mitigated by the introduction of these measures, safety continues to be compromised by misrepresenting or mis-describing calcium hypochlorite as another chemical that is not covered by the IMDG Code. Cargoes that are mis-declared in this way compromise the safety of seafarers, ships and other cargoes because such mis-declared cargo may be stowed below deck, exacerbating the risk. The Group has worked closely with the container liner operators, through the Cargo Incident Notification System (CINS), (a shipping line initiative, launched in September 2011, developed to increase safety in the supply chain, reduce the number of cargo incidents on-board ships and highlight the risks caused by certain cargoes and/or packing failures), of which the Group is a member. The result is that an updated guidance for owners on the safe carriage of calcium hypochlorite has been developed with a view to reducing the incidence of mis-declarations of calcium hypochlorite cargoes. The Group Clubs have subsequently issued Guidelines for the Carriage of Calcium Hypochlorite in Containers, which are available via Clubs' websites and the Group website.



ON THE RADAR

SHIP RECYCLING

The European Union Ship Recycling Regulation has been effective since 2013 and applies to all ships entering ports and terminals of EU Member States. While it is consistent with the broad objectives established in the International Maritime Organisation's Hong Kong Convention (the Hong Kong Convention) on the safe and environmentally sound recycling of ships, the Hong Kong Convention is not yet in force.

The Regulation makes provision for the EU to introduce a financial mechanism, which is intended to encourage the use of ship recycling facilities in the EU, or facilities outside the EU providing they have been EU approved. The process for approving facilities outside the EU is currently ongoing. In late 2015, consultants appointed by the European Commission proposed several options including an insurance-based solution that could be used to finance a fund which would be established to support EU recycling.

The proposals were complex and proved to be flawed. The Group engaged in correspondence and discussions with the appointed consultants, explaining that insurance-related options are unworkable and inappropriate in the context of end-of-life ship recycling. Subsequent to this engagement, the insurance-based proposals have been shelved. Instead, however, it appears that the EU may seek to apply a levy or fund at some later stage. Discussions are ongoing and the Group will continue to monitor and engage in the European process in the future.

HAZARDOUS AND NOXIOUS SUBSTANCES (HNS)

The 2010 HNS Convention remains on the agenda of States and, although it is yet to enter into force, work is ongoing through the IMO Legal Committee to address a number of the obstacles that States are faced with in terms of implementation. The Group is playing an active role in this work and participated in a Canadian government hosted HNS Convention workshop in Montreal in March 2016 that considered a number of matters relating to implementation, and continues to play an active role in the IMO Correspondence Group on implementation that is co-ordinated by the Canadian government. However, there presently seems to be little appetite for the Convention among the IMO Member States, and its entry into force appears to be some way off. Consequently the insurance and financial security certification (blue card) requirements contained in the draft Convention will not apply in the foreseeable future.

CMI ARCTIC/POLAR INITIATIVES

The Group is a member of the CMI's International Polar Regions Working Group (IWG) and, together with the International Chamber of Shipping, played a key role in the drafting of its report on civil liability for ship-sourced oil pollution damage in the Polar Regions. The Group also participated in the joint CMI/USMLA Polar Regions Symposium in New York in May 2016 and presented on civil liability for ship-sourced oil pollution damage in Antarctica. The Group remains an active member of the IWG, and it will continue to participate to ensure that the recommendations arising from the IWG's work reflects a balanced approach to ship-sourced oil pollution damage matters in polar waters.

2017 CLUB CORRESPONDENTS' CONFERENCE

Arrangements are continuing for the next Correspondents' Conference, which will be held at the Queen Elizabeth Conference Centre in London from 24-26 September 2017, with a buffet dinner at the nearby IMO. The conference is held every four years and is very popular with P&I correspondents, more than 600 of whom attended the previous conference in Amsterdam in 2013.

STOPIA/TOPIA 2016 REVIEWS

The Group is currently in the process of collating data on 1992 CLC cases in the 2006-2016 period in order to meet the STOPIA & TOPIA ten year review clauses. The Group has already initiated discussions with the 1992 IOPC Funds and OCIMF, as prescribed in the agreements, with a view to presenting the conclusions from the review to the 1992 IOPC Fund assembly meeting in October 2016.

EU ENVIRONMENTAL LIABILITY DIRECTIVE (ELD)

The European Commission published its report on implementation of the ELD in April 2016 and, as expected, it did not contain any legislative proposals with regard to the existing exclusion of the maritime exemptions. The report indicates that the European Commission will further explore whether the different remediation standards that are contained in the Directive can be addressed by non-legislative means, in particular by working towards a common understanding of concepts, for example through interpretation within the 'Claims Manual' of the IOPC Funds and/or within fora composed of the Parties to the Conventions. The Group will continue to monitor developments in this regard and liaise with the other shipowner industry bodies and the European Commission.

MEMBERS

American Steamship Owners Mutual Protection and Indemnity Association, Inc.
www.american-club.com

Assuranceforeningen Skuld
www.skuld.com

Britannia Steam Ship Insurance Association Limited
www.britanniapandi.com

Gard P.&I. (Bermuda) Ltd
www.gard.no

Japan Ship Owners' Mutual Protection & Indemnity Association
www.piclub.or.jp

London Steam-Ship Owners' Mutual Insurance Association Limited
www.londonpandi.com

North of England Protecting & Indemnity Association Limited
www.nepia.com

Shipowners' Mutual Protection & Indemnity Association (Luxembourg)
www.shipownersclub.com

Standard Club Limited
www.standard-club.com

Steamship Mutual Underwriting Association Limited
www.steamshipmutual.com

Swedish Club
www.swedishclub.com

United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited
www.ukpandi.com

West of England Ship Owners Mutual Insurance Association (Luxembourg)
www.westpandi.com





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