

**Circular 6 / 2008**

**To: Ship Owners and/or Operators of ships of over 1000 GT; Deputy Registrars, Surveyors and Other Interested Parties**

**Subject: International Convention on Civil Liability for Bunker Oil Pollution, 2001 (Bunkers Convention) enters into force 21 November 2008**

**Date: 23 September 2008**

***About the Bunkers Convention***

The International Convention on Civil Liability for Bunker Oil Pollution, 2001 (Bunkers Convention) enters into force on 21 November 2008.

The Convention establishes strict liability on the ship owner for preventive measures and pollution damage arising from all types of oil used in the operation or propulsion of ships. It applies exclusively to pollution damage caused in the territory, including the territorial sea, and the exclusive economic zone (EEZ) of a State Party, and preventive measures, wherever taken, to prevent or minimize such damage.

The Bunkers Convention introduces a provision that entitles claimants to claim directly from the owner's insurer or enter into litigation proceedings against both the owner and/or insurer. See **Level of Coverage** below

Please visit the Maritime Cook Islands website to view the full text of the Convention <http://www.maritimecookislands.com/docs/bunkers-convention-full-text.pdf>.

***Application***

The Bunkers Convention applies to **any ship of over 1000 GT** and requires all registered owners of vessels entering or leaving a port or terminal in the territory of a Party to maintain insurance, certified by a State party to the Convention. This is proved by a *Certificate of Insurance or Other Financial Security In Respect Of Civil Liability for Bunker Oil Pollution Damage* issued by Cook Islands.

***Required Action by Owners/Operators***

1. Obtain the necessary insurance cover from one of the International Group P&I Clubs.

Maritime Cook Islands (MCI) will only issue Certificates to ships which hold the necessary insurance cover from one of the International Group P&I Clubs as evidenced by a "Blue Card" addressed to Cook Islands from a member Club. For a full listing, see **International Group P & I Clubs** below.

2. Instruct the P&I Club to issue the Blue Card, confirming the insurance, to Cook Islands.
3. Complete the online application form by visiting <http://www.maritimecookislands.com/bunker-insurance.php> and following the 'Apply Online' link.
4. Pay the application fee of NZD 385 (approximately USD 250) per vessel by credit card as part of the online application. Details of up to 20 vessels for any one owner/manager can be entered at a time.
5. Upon receipt Maritime Cook Islands will send an email requesting the applicant to reply and attach the Blue Cards for the vessels in their application.

Upon receipt of the Blue Card information, Maritime Cook Islands will verify the authenticity of the Blue Card before issuing the Certificate. As required by the Convention, the Certificate will expire on the same date as the expiry date of the insurance cover – as evidenced on the Blue Card.

Once issued, the original Certificate must be carried on the vessel at all times and must be presented on demand to the authorities of any State Party to the Convention while within the jurisdiction of such State.

**NOTE:** *Completion of an Application Form and payment of the Application Fee does not guarantee the issue of a Certificate. Certificates will only be issued once Maritime Cook Islands is satisfied that the vessel is in compliance with the requirements of the Convention. No refunds will be given.*

### **Level of Cover Required**

The 1996 LLMC Protocol establishes the limit of liability for ships according to gross tonnage (or in the case of passengers, a calculation based on the number of passengers the ship is licensed to carry). For ships not exceeding 2000 GT the ship owner's liability is 1 million SDR (Special Drawing Rights). For ships greater than 2000 GT, the following method is used to calculate limits:

- a) For each ton from 2,001 to 30,000 tons, 400 SDR
- b) For each ton from 30,001 to 70,000 tons, 300 SDR
- c) For each ton in excess of 70,000 tons, 200 SDR

### **International Group P & I Clubs**

- American Steamship Owners Mutual Protection and Indemnity Association, Inc
- Assuranceforeningen Gard (Gjensidig)
- Gard P&I (Bermuda) Ltd
- Assuranceforeningen Skuld (Gjensidig)
- Skuld Mutual Protection and Indemnity Association (Bermuda) Ltd
- The Britannia Steam Ship Insurance Association Ltd
- The Japan Ship Owners' Mutual Protection & Indemnity Association
- The London Steam-Ship Owners' Mutual Insurance Association Ltd
- The North of England Protecting and Indemnity Association Ltd
- The Shipowners' Mutual Protection and Indemnity Association (Luxembourg)
- The Standard Steamship Owners' Protection and Indemnity Association (Asia) Ltd
- The Standard Steamship Owners' Protection and Indemnity Association (Bermuda) Ltd
- The Standard Steamship Owners' Protection and Indemnity Association (Europe) Ltd
- The Standard Steamship Owners' Protection and Indemnity Association (London) Ltd
- The Steamship Mutual Underwriting Association Ltd
- The Steamship Mutual Underwriting Association (Bermuda) Ltd
- Sveriges Ångfartygs Assurans Förening (Swedish Club)
- United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Ltd
- United Kingdom Mutual Steam Ship Assurance Association (Europe) Ltd
- The West of England Ship Owners Mutual Insurance Association (Luxembourg)

For further information or clarification, please visit the Maritime Cook Islands website <http://www.maritimecookislands.com/bunker-insurance.php> or contact [bunkers@maritimecookislands.com](mailto:bunkers@maritimecookislands.com) Phone: +682 23 848 or Fax: +682 23 846.