



November 2014

## To the Members

Dear Sirs,

### **The Entry into Force of the Nairobi International Convention on the Removal of Wrecks**

On 14 April 2014 the Nairobi International Convention on the Removal of Wrecks, 2007 ("the Convention") achieved the requisite number of ratifications (10) triggering the entry into force conditions. The Convention will enter into force in State Parties on 14 April 2015.

The Convention provides a strict liability, compensation and compulsory insurance regime for States affected by a maritime casualty. It makes the registered owner of a ship liable for locating, marking and removing a wreck deemed to be a hazard in a State's Convention area. Key definitions and terms employed in the Convention are explained at the end of this circular.

### **Scope of the Convention**

There is provision in article 3(2) for a State Party to include the territorial sea within the scope of the Convention. So far three States (Bulgaria, Denmark and the United Kingdom) have extended the scope of the Convention to their territorial sea. In States which do not exercise this option, the Convention will apply in the exclusive economic zone but not the territorial sea. The International Group submitted a paper in April 2014 to the International Maritime Organisation Legal Committee reminding States that they may not avail themselves of the right of direct action conferred under the Convention to "wreck" incidents that occur in the territorial sea unless the scope of the Convention has been extended.

### **Insurance requirements**

Registered owners of ships of 300 gross tonnage and over registered in a State party or entering or leaving a port in the territory of a State party, will need insurance cover arrangements which meet the requirements of the Convention and a certificate from a State party attesting that such insurance is in force. Such certificate must be carried on board at all times.

The Wreck Removal Convention closely follows the strict liability and insurance provisions which currently apply to oil tankers under the Civil Liability Convention (CLC) and ships of 1,000 gross tonnage and over under the Bunker Convention.

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#### **STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION LIMITED**

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority

(Registered in England and Wales – Registration number 105461. PRA and FCA registration number 202548)

#### **MANAGERS: STEAMSHIP P&I MANAGEMENT LLP**

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### **Certification and pooling of liability under certificates**

Following decisions taken by all Club Boards in the International Group, it has been agreed that Clubs will issue the required Wreck Removal Convention "Blue Cards", to enable Members to obtain Certificates from States Parties.

Notwithstanding that Clubs in the International Group do not usually provide shipowners with primary P&I war risks cover, it has been further agreed that Associations will pool all liabilities incurred under certificates issued, including otherwise excluded liabilities, up to, but not exceeding, the amount of the liability so certified. Policy defences and exclusions will continue to apply in the usual way in respect of liabilities arising otherwise than under Certificates. The Convention provides that for compulsory insurance purposes liability under Certificates shall not exceed the limits calculated in accordance with the Convention on Limitation of Liability for Maritime Claims 1976 (LLMC 1976), as amended by the 1996 Protocol. The Convention also provides an exclusion from liability for acts of war (the definition of war does not include terrorism) and for damage wholly caused by the intentional act of a third party.

The Club will issue blue cards on condition that the Member agrees that where any payment by the Association under the certificate is in respect of war risks, the Member shall indemnify the Association to the extent that such payment is recoverable under the member's P&I war risks policy or would have been recoverable if the Member had maintained and complied with the terms and conditions of a standard P&I war risks insurance policy, and that there shall be assigned to the Association all the rights of the Member under such insurance and against any third party. By requesting a blue card the Member will be deemed to have agreed this condition.

It is therefore necessary that all Members ensure they have in place P&I war risks cover on standard terms with a separate limit for P&I liabilities.

### **State certificates**

It is clear that there will be a significant administrative requirement on States Parties to issue a substantial number of Certificates.

Vessels registered in a State party must obtain a Certificate from that State. This will be accepted as sufficient evidence of insurance when calling at any port or terminal in another State party.

Vessels registered in a State which is not party to the Convention but which perform voyages to countries that are Parties should obtain a certificate from a State Party. The Secretariat of the International Group is in contact with administrations in a number of States Parties and will identify those willing to issue Certificates for vessels which do not fly their flag. The Club will provide further information in due course.

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## Blue Cards

Clubs will start to issue blue cards on request during the forthcoming renewals

States have already been informed that there is a growing practice amongst Clubs in the International Group to issue Blue Cards in electronic format. Electronic Blue Cards can be forwarded by members in electronic format to the relevant authority of the State issuing the State certificate. It should be noted that IMO Circular Letter 3464 encourages States Parties to “accept Blue Cards issued by a member of the International Group of P&I Association (P&I Clubs) when it is possible to verify the Blue Card from the P&I Club’s website”.

## States Party to the Convention (as at 10 October 2014)

Country/Territory	Deposit Date	Date of Country Entry into Force
Bulgaria*	08/02/2012	14/04/2015
Congo	19/05/2014	14/04/2015
Denmark*	14/04/2014	14/04/2015
Germany	20/06/2013	14/04/2015
India	23/03/2011	14/04/2015
Iran (Islamic Republic of)	19/04/2011	14/04/2015
Malaysia	28/11/2013	14/04/2015
Morocco	13/06/2013	14/04/2015
Nigeria	23/07/2009	14/04/2015
Palau	29/09/2011	14/04/2015
United Kingdom*	30/11/2012	14/04/2015

\* Denotes States that will apply the convention to the territorial sea

## Convention definitions and terms used in this Circular

### Convention Definitions

“Registered owner” means the person or persons registered as the owner of the ship or, in the absence of registration, the person or persons owning the ship at the time of the maritime casualty. However, in the case of a ship owned by a State and operated by a company which in that State is registered as the operator or owner of the ship, “registered owner” shall mean such company

“Ship” means a seagoing vessel of any type whatsoever and includes hydrofoil boats, air-cushion vehicles, submersibles, floating craft and floating platforms, except when such platforms are on location engaged in the exploration, exploitation or production of seabed mineral resources

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“Wreck”, following upon a maritime casualty, means:

(a) a sunken or stranded ship; or (b) any part of a sunken or stranded ship, including any object that is or has been on board such a ship; or (c) any object that is lost at sea from a ship and that is stranded, sunken or adrift at sea; or (d) a ship that is about, or may reasonably be expected, to sink or to strand, where effective measures to assist the ship or any property in danger are not already being taken

“Hazard” means any condition or threat that: (a) poses a danger or impediment to navigation; or (b) may reasonably be expected to result in major harmful consequences to the marine environment, or damage to the coastline or related interests of one or more States.

“Convention area” means the exclusive economic zone (EEZ) of a State Party, established in accordance with international law or, if a State Party has not established such a zone, an area beyond and adjacent to the territorial sea of that State determined by that State in accordance with international law and extending not more than 200 nautical miles from the baselines from which the breadth of its territorial sea is measured

Territorial sea normally extends 12 nautical miles from the coastal baseline. The EEZ starts at the seaward edge of the territorial sea and extends to a distance of up to 200 nautical miles from the coastal baseline

All Clubs in the International Group have issued similar circulars.

Yours faithfully,

**THE STEAMSHIP MUTUAL UNDERWRITING  
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## Amended Guidelines for Underwriters

### Issuing Blue Cards for the Civil Liability Convention, Bunker Convention and Wreck Removal Convention

10 October 2014

#### 1 Background

1.1 The International Group (IG) Clubs are the main providers of the financial guarantees “blue cards” that enable owners to obtain their State issued certificates for the International Convention on Civil Liability for Oil Pollution 1992 (CLC), the International Convention on Civil Liability for Bunker Oil Pollution Damage 2001 (Bunker Convention) and non-war blue cards issued for the Athens Convention, 2002 in respect of passenger related claims.

##### IMO Liability Conventions currently in force

1.2 The CLC 1992 and Bunker Convention 2001 combined are in force in more than 100 countries, including all major Flag States. The Athens Convention, 2002 entered into force in April 2014 although its key insurance provisions were given effect in the European Union by EU Regulation 392/2009/EC on the Liability of Carriers of Passengers by Sea also known as the PLR. These Guidelines do not deal with the Athens Convention or Regulation 392/2009/EC.

##### IMO Nairobi International Convention on the Removal of Wrecks, 2007

1.3 The entry into force provisions of the Nairobi International Convention on the Removal of Wrecks, 2007 hereafter the “WRC” were triggered by the state of Denmark when she became the 12<sup>th</sup> State to ratify the convention on 14 April 2014. The WRC will enter into force on 14 April 2015 after which the registered owner of ships of 300gt and over will be required to maintain insurance for liabilities arising under the WRC and evidence such insurance by carrying on board a certificate issued by a WRC State Party.

#### 2. Purpose of Amended Guidelines

2.1 These amended Guidelines provide guidance to underwriters on when and how to issue blue cards, the circumstances when they should not be issued, and the different requirements that exist in some of the States that are parties to the existing IMO liability regimes i.e. CLC and Bunker Convention.

2.2 Requests for blue cards in circumstances that are contrary to the guidance set out in these Guidelines should be reported to the IG Secretariat<sup>1</sup>.

### 3. Issuing and Format of CLC blue cards

3.1 CLC blue cards are required by owners of tankers carrying more than 2,000 tons of persistent<sup>2</sup> oil<sup>3</sup> in bulk as cargo where registered in or trading to or from the port of a State party to the Convention.

3.2 CLC Blue cards should not be issued to vessels carrying less than 2,000 tons of persistent oil in bulk as cargo or vessels solely engaged in carrying non-persistent oil in bulk.

3.3 Vessels engaged in the carriage of non-persistent oil in bulk or chemical tankers will only need a CLC blue card in the event that they carry more than 2,000 tons of persistent oil at any time during the policy year.

3.4 CLC Blue cards should not otherwise be issued to (a) chemical tankers or product tankers not intending to carry more than 2000 tons of persistent oil in bulk during the policy year or (b) to gas carriers, see Group circular on gas carriers issued in 2007:

<http://www.igpandi.org/News+and+Information/Circulars/2007/79>

3.5 The owner is the person registered as the owner of the ship and NOT the bareboat charterer<sup>4</sup>. The Blue Card should only be issued in the name of the registered owner and not the bareboat charterer<sup>5</sup>. See Group circular issued by the IG Clubs in 2007 explaining that any previous practice to address the CLC blue cards in the name of the bareboat charterer would stop:

<http://www.igpandi.org/News+and+Information/Circulars/2007/77>

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<sup>1</sup> Email address: [Secretariat@internationalgroup.org.uk](mailto:Secretariat@internationalgroup.org.uk)

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<sup>2</sup> oil is considered non-persistent if at the time of shipment at least 50% of the hydrocarbon fractions, by volume, distil at a temperature of 340°C (645°F) and at least 95% of the hydrocarbon fractions, by volume, distil at a temperature of 370°C (700°F) when tested in accordance with the American Society for Testing and Materials (ASTM) Method D86/78 or any subsequent revision thereof. A list of persistent oils is maintained by the IG Secretariat and on the IG repository.

<sup>3</sup> See Article I (5) of the 1992 CLC which defines “Oil” as “any persistent hydrocarbon mineral oil such as crude oil, fuel oil, heavy diesel oil and lubricating oil, whether carried on board a ship as cargo or in the bunkers of such a ship”.

<sup>4</sup> See Article I.3 of the 1992 CLC

<sup>5</sup> See Article III 4(c) of the 1992 CLC

3.6 No Blue Card or CLC Certificate is required for liabilities under STOPIA 2006 or TOPIA 2006. By virtue of Club Rules the “relevant” ships are automatically members of STOPIA 2006 and TOPIA 2006 unless their owners choose to opt out. As far as is known, no such ship has chosen to opt out. If any such ship did opt out then there shall be no recovery from the Club in respect of any pollution damage that would otherwise have been recoverable, unless on a discretionary basis.

3.7 CLC Blue cards should only be addressed to a State party to the Convention. If the State of the vessel’s registry is a State party to the Convention then the blue card should be addressed to that State. A list of the current State parties can be found at:

<http://www.imo.org/About/Conventions/StatusOfConventions/Documents/status-x.xls>

and

<http://www.iopcfund.org/92members.htm>

3.8 In the event that a request for a CLC blue card is received for a vessel registered in a non-State party, then the blue card should not be addressed to that State. It must be addressed to a State party that will issue the vessel with a CLC State certificate. A number of States parties are prepared to issue CLC State certificates to vessels registered in non-State parties, such as the UK Maritime and Coastguard Agency.

3.9 A small number of States remain party to the 1969 CLC, which is still in force. Vessels flying the flag of a State party to the 1969 CLC will need a 1992 CLC Certificate for the purposes of calling at ports in 1992 CLC contracting states. Those with a 1992 CLC certificate may need a 1969 CLC certificate if calling at ports in a 1969 CLC contracting state. However in most such cases a 1992 CLC certificate will be sufficient (see attached IMO Assembly Resolution A.899 (21)). If a 1969 CLC certificate is required then this should be obtained from the 1969 State Party which requires it. If the vessel is flying the flag of a State party to the 1969 CLC then the blue card should be addressed to that State and the 1969 CLC State certificate should be obtained from that State.

3.10 The form of the CLC blue card to be issued by Clubs is contained in Annex I to this document. CLC Blue cards should not include any further information than is contained in the form contained in the Annex. Although the Convention does not require the inclusion of the IMO number in the CLC certificate to be issued by States Parties, it has been agreed that the CLC blue cards to be issued by the Clubs should include the vessel’s IMO number.

3.11 Article VII (2) (b) of the 1992 CLC provides that the certificate shall contain “the name and principal place of business of *owner*”. Note the difference with the corresponding provision in the Bunkers Convention (see the Bunkers blue card in Annex II).

#### 4. The Issuing and Format of Bunker Convention blue cards

4.1 Required by registered owners of any ships having a gross tonnage greater than 1000 gt where registered in a State Party to the Convention<sup>6</sup> or trading to or from the port of a State party. The registered owner is the person registered as the owner of the ship and NOT the bareboat charterer<sup>7</sup> (even though the bareboat charterer can be held liable under the Convention for pollution damage).

4.2 Bunkers Convention blue cards should only be issued in the name of the registered owner and not in the name of the bareboat charterer. Reference is made to paragraph 8 below where a ship is flying the flag of a bareboat charter registry.

4.3 Bunkers Convention blue cards should not be issued to any ship that has a gross tonnage less than 1000gt.

4.4 Bunkers Convention blue cards should only be addressed to a State party to the Convention. If the State of the vessel's registry is a State party to the Convention then the blue card should be addressed to that State. A list of the current State parties can be found at:

<http://www.imo.org/About/Conventions/StatusOfConventions/Documents/status-x.xls>

4.5 In the event that a request for a Bunkers Convention blue card is received for a vessel registered in a non-State party, then the blue card should not be addressed to that State. It must be addressed to a State party that will issue the vessel with a Bunkers Convention State certificate. A number of States parties are prepared to issue State certificates to vessels registered in non-State parties, such as the UK Maritime and Coastguard Agency, Liberia, Cyprus, Cook Islands, Sierra Leone, Bahamas, Isle of Man registry.

4.6 In the event that Clubs become aware that a Member has obtained a State certificate issued by a non-State party, then the International Group Secretariat should be informed.

4.7 Tankers issued with a CLC blue card will also need a Bunkers Convention blue card if registered in a State party to the Bunkers Convention or travelling to or from a State that is party to the Convention.

4.8 The definition of ship in the Convention is quite wide and covers any "seagoing vessel and seaborne craft, of any type whatsoever". Mobile offshore drilling units, self propelled barges, new builds on sea-going trials (where equipment or machinery has been installed and that is constructed to use or contain bunker oil for its operation or

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<sup>6</sup> See Article 7 (1) of the Convention

<sup>7</sup> See Articles 7 (1) and 7 (2) of the Convention



propulsion), pontoons and other vessels without engines (which may carry bunker oil<sup>8</sup> for other kinds of operation than propulsion) are all covered by the Convention and will need a blue card if the gt is greater than 1000.

4.9 Article 7.2 provides that the State certificate (and therefore the blue card) shall contain, in particular, “the name and principal place of business of the registered owner”. Note the difference with the corresponding provision in the 1992 CLC. Clubs should use the address of the registered office of the owner as the principal place of business unless advised of an alternative address by the Member. See Group circular issued on 7 July 2008:

<http://www.igpandi.org/News+and+Information/Circulars/2008/111>

4.10 Where a vessel flies the flag of the State of Registry of the bareboat charterer some States with a bareboat charterer registry, notably Liberia, Marshall Islands and the UK, consider that the blue card should be addressed to the bareboat charterer’s registry, even though the registered owner is located in a different State which may be a State party to the Convention.

4.11 This issue raised concern with Germany in particular, who have reluctantly agreed to be flexible and accept certificates issued by the State of registry of the bareboat charterer where Germany is the underlying registry (even though the underlying registry may be suspended as a requirement imposed by the State of the bareboat charterer’s registry).

4.12 An IMO Assembly Resolution adopted on 2 December 2009 (Resolution A.1028 (26)) recommends that:

1. All States Parties recognize that Bunkers certificates should be issued by the flag State if the flag State is party to the Convention, and
2. All States Parties should not request more than one Bunkers certificate from any ship, including ships bareboat-registered in a State Party, and should accept Bunkers certificates issued by such a State Party in accordance with article 7 (9) of the Convention.

The blue card should however still be issued in the name of the registered owner.

4.13 The form of the Bunkers Convention blue card to be issued by Clubs is contained in Annex II to this document. Bunkers Convention Blue cards should not include any further information than is contained in the form contained in Annex II.

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<sup>8</sup> See Article 1 (5) in the Convention for the definition of bunker oil

## 5. The Issuing and Format of WRC Blue Cards

5.1 WRC blue cards are required by the registered owner of a ship<sup>9</sup> of 300 gross tonnage and above<sup>10</sup> flying the flag of a State Party to the Convention or trading to or from the port of a State party. The registered owner is the person registered as the owner of the ship and NOT the bareboat charterer.

5.2 WRC blue cards should only be issued in the name of the registered owner and not in the name of the bareboat charterer. Reference is made to paragraph [...] below where a ship is flying the flag of a bareboat charter registry.

5.3 WRC blue cards should not be issued to any ship that has a gross tonnage less than 300.

5.4 WRC blue cards should only be addressed to a State party to the Convention. If the State of the ship's registry is a State party to the Convention the blue card should be addressed to that State. A list of the current State parties to IMO Conventions can be found at:

<http://www.imo.org/About/Conventions/StatusOfConventions/Documents/status-x.xls>

5.5 In the event that a request for a WRC blue card is received for a ship registered in a non-State party, the blue card must not be addressed to that State. It must be addressed to a State party that will issue the ship with a WRC certificate. A number of State parties such as [the UK.....others to be inserted...] are prepared to issue certificates to vessels registered in non-State parties.

5.6 The International Group Secretariat should be informed immediately if a Club becomes aware that a Member has obtained a WRC certificate issued by a non-party State.

5.7 The WRC definition of ship in the Convention is broadly the same as that used in the Bunker Convention. It is deliberately wide "a seagoing vessel of any type whatsoever". It therefore follows that, for example, mobile offshore drilling units, barges, new builds on sea-going trials are all covered by the Convention and will need a blue card if the gross tonnage of the "ship" is 300 and greater.

5.8 WRC Article 12.2 provides that the State certificate (and therefore the blue card) shall contain, in particular, "the name and principal place of business of the registered owner". This requirement is also specified in Article 7.2 of the Bunker Convention. Clubs

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<sup>9</sup> See WRC Article 1(2) a 'Ship' means a seagoing vessel of any type whatsoever and includes hydrofoil boats, air cushion vehicles, submersibles, floating craft and floating platforms, except when such platforms are on location engaged in the exploration, exploitation or production of seabed mineral resources.

<sup>10</sup> See Article 12(1) of the WRC

should use the address of the registered office of the owner as the principal place of business unless advised of an alternative address by the Member.

5.9 Annex IV of these Guidelines contains IMO Circular Letter No.3464 dated 2 July 2014 on the *Guidelines for accepting insurance companies, financial security providers and the International Group of Protection and Indemnity Associations*. This was approved by the IMO Legal Committee at its 101<sup>st</sup> session in April 2014. The IMO Guidelines recommend that States Parties to the CLC, 1992, Bunker Convention 2002, and WRC 2007 should accept Blue Cards issued by a member of the International Group of P&I Associations when it is possible to verify the Blue Card from the P&I Club's website. IMO Circular Letter 3464 revokes the Guidelines contained in annex 3 to IMO Circular Letter No.3145 on acceptance of electronic blue cards. The recommendations are extant in Circular Letter No.3145 Annex 1 electronic blue cards when it is transmitted electronically by an International Group Club.

5.10 All States Parties recognize that Convention certificates should be issued by the flag State providing the flag State is party to the Convention, and no State Party should request more than one certificate in respect of any one ship, including ships bareboat-registered in a State Party.

5.11 The format of the WRC blue card to be issued by Clubs is contained in Annex III to this document. WRC blue cards should not include any further information than is contained in the form contained in Annex III.

## **6. Common issues in relation to the issue of CLC Blue Cards, Bunker Convention Blue Cards and WRC Blue Cards**

6.1 Although the compulsory insurance requirements in the 1992 CLC, Bunkers Convention 2001 and WRC, 2007 are separate and distinct, there are a number of common issues that arise in respect of the these Convention blue cards:

### ***Requirements to be met before issuing blue cards***

6.2 During the renewal process blue cards should only be issued in the run up to the next 20 February renewal:

- (a) once there is a binding agreement between the Club and the Shipowner for the next policy year or
- (b) against the shipowner's undertaking to renew with the existing Club or with another member of the International Group of P&I Associations.

All IG Clubs have developed their own wording for use with Members requiring the undertaking to renew with the Club or with another IG Club as a condition of issuing

the blue card(s). There is no obligation to accept such an undertaking and there may be circumstances where this procedure is not appropriate (in particular if there are grounds to believe the undertaking may not be honoured).

6.3 In the case of new vessels joining the Club during the course of the policy year, the same requirements apply. Blue cards should not be issued unless there is a binding agreement to enter the vessel or against an undertaking.

6.4 As part of the blue card(s) application process, Members should be requested to confirm that the details to be included on the blue card(s) are correct.

### ***Electronic blue cards***

6.5 The vast majority of States parties to the established and in force regimes accept blue cards issued by IG Clubs when issued in an electronic .pdf format. Any request for a hard copy blue card in relation to either the CLC or the Bunkers Convention should be refused. As noted in para 5.9 the IMO recommend the acceptance of an IG P&I Club blue card providing it can be verified on the club's website i.e. via the Club's ship search facility.

6.6 There are the following exceptions:

**India** - may continue to require hard copy CLC blue cards (India is not a party to the Bunker Convention), but it is a Party to the WRC and may request hard copy WRC blue cards.

**Vietnam** - the regional ship registry in Saigon has agreed to accept electronic blue cards but the other regional offices still require hard copy CLC and Bunker Convention blue cards for the time being. Confirmation will be required from the relevant authorities/offices.

**Egypt** - requires a confirmation that the CLC and Bunker Convention blue cards are issued by the Club and that the person who signs them is authorised to represent the specific association in signing such documents. This confirmation is not provided by the Club but normally, with the approval of the Club, by a local law firm.

**Russia** - requires hard copy CLC and Bunkers Convention blue cards. Russian State issued Convention certificates are issued by the Russian port in which a ship is registered. Some ports will accept a printed version of the electronic blue card. Confirmation of the port's requirements will be required from the port issuing the certificate/s.

### ***Co-ownership***

6.7 In the case of co-ownership, States have agreed that it is irrelevant whether all co-owners are listed on blue cards or only one of the co-owners. It is acceptable to issue a blue card with the names of more than one of the co-owners if required by States parties to the CLC, Bunker Convention and/or WRC. If necessary, the details of the co-owners can be appended to the blue card.

#### ***Convention entry into force in a State during the course of a policy year***

6.8 Conventions can and do enter into force for individual States at any time after a Convention first enters into force and this invariably happens during the course of a policy year. Ships registered in such States will probably have the relevant State certificate on board, which will have been obtained from another State Party.

6.11 In such circumstances the State in which the Convention has just entered into force should accept certificates issued by another State Party for the remaining period of validity of that certificate (normally until the following 20 February) rather than requiring the vessel to surrender its original Convention certificate and obtain a new one.

6.12 If the new State party requires a State certificate to be issued by its authorities, the Club will need to issue a new blue card and inform the State of the previous registry of the cancellation of the original blue card which was addressed to that State.

#### ***Time and dates to be included on the Blue Cards***

6.13 Where the start and end dates of the period of insurance on the blue cards refer to 20 February then each start and end date should also include reference to "Noon GMT". Where a date other than 20 February appears as a start or end date for the period of insurance on the blue card there should be no accompanying reference to "Noon GMT" or any other reference to a time of day.

#### ***Change of flag during the course of a policy year***

6.14 If a ship changes flag during the course of the policy year, it is usual practice for the new State of registry to require a new certificate(s) to be issued by that State rather than rely on the existing certificate(s). Where this is the case and a new blue card is required, the Club should inform the State of previous registration of the blue card(s) cancellation and seek return of the previous blue card(s) if it was issued in hard copy.

#### ***Cancellation or termination of cover during the course of a policy year***

6.15 In the event that a vessel's P&I cover is terminated during the course of the policy year, for whatever reason, the State to whom the blue card(s) has been addressed should be notified of termination of cover on the date on which cover has

actually terminated (and not in advance of this date). It is necessary to notify the State to whom the blue card has been addressed where cover has been terminated for whatever reason and not just for non-payment of premium, for example where the vessel is sold, withdrawal of Class, insolvency of the assured. Clause 3.4 (b) (ii) of the International Group Pooling Agreement states that a claim shall not be excluded from pooling where “as soon as practicable after the Insured Vessel had ceased to be so entered, the Association incurring the claim had given notice to the beneficiary of the relevant guarantee, undertaking or certificate terminating that Association’s liability thereunder at the earliest permitted date.”

*A failure to give prompt notice to the State to whom the blue card has been addressed could therefore prejudice the right to claim under the Pooling Agreement.*

### ***Means of informing States of cancellation***

6.16 Clubs should notify States of cancellation by email with a hard copy notice of cancellation to follow (unless the State has acknowledged receipt of the email). The date of cancellation and the date of the email notification should be the same since Clubs should notify the State of cancellation on the date on which the cover had been cancelled.

6.17 The following standard wording should be used when notifying a State of cancellation or termination of cover:

“Please note that the abovementioned vessel is no longer entered with our Association.

As a result, it is requested that you seek the return of the certificate that was issued to the above mentioned vessel in your name under either the International Convention on Civil Liability for Oil Pollution (CLC), 1992 and or the International Convention on Civil Liability for Bunker Oil Pollution Damage (Bunker Convention), 2001 and or the Nairobi International Convention on the Removal of Wrecks, 2007 on receipt of the financial guarantee (the so called “blue card”) issued by our Association.

We ask that you kindly update your records accordingly and that you respond to the sender without delay confirming receipt of this cancellation notice.”

### ***Change of ownership during the course of the policy year***

6.18 If there is a change of ownership of a ship in the course of the policy year, and it remains in the Club, the ship will still need to be issued with a new blue card(s) addressed to the new registered owner. Since there would not have been a

cancellation or termination of the underlying cover in such a circumstance, there should be no need to inform the State to whom the previous blue card had been addressed of any cancellation or termination of cover.

### ***Change of vessel name during the course of the policy year***

6.19 If there is a change of name of a ship during the policy year (but the Flag and the ownership remain the same), a new blue card will need to be issued in the ship's new name. Since there would not have been a cancellation or termination of the underlying cover or a change in Flag, there should be no need to inform the Flag State to whom the previous blue card had been addressed of any cancellation or termination of cover.

### ***Lay Up***

6.20 The issuing of blue cards to vessels in lay-up depends on the requirements of the State of the ship registry or the State in whose waters the vessel is laid up. It would normally be expected that blue cards would be needed for vessels in hot lay-up and that the requirements for vessels in cold lay-up would depend on the State of the ship registry or the State in whose waters the vessel is laid up.

### ***Blue cards to only be issued in English***

6.21 Some States have requested that some elements or even the entire blue card be issued in a language other than English. In order to avoid Clubs having to issue a plethora of different blue cards to match local language requirements it is IG policy that only blue cards in English are issued. All requests for blue cards partly or wholly in other languages should be refused. However, in relation to China, if a local MSA continues to require blue cards to be issued in the Chinese language then the matter should be referred to the IG Secretariat who will approach the China MSA to request the local MSA to accept the blue card in English. The blue card should only be issued in the Chinese language if this approach is unsuccessful.

Blue cards should be issued only in English in all other cases.

Annex I

NOT TRANSFERABLE

No.

To: [Address of issuing State party]

**CERTIFICATE FURNISHED AS EVIDENCE OF INSURANCE PURSUANT  
TO ARTICLE VII OF THE INTERNATIONAL CONVENTION ON CIVIL  
LIABILITY FOR OIL POLLUTION DAMAGE, 1992**

Name of Ship:

IMO Ship Identification Number:

Distinctive Number or Letters:

Port of Registry:

Name and Address of Owner:

THIS IS TO CERTIFY that there is in force in respect of the above-named ship while in the above ownership a policy of insurance satisfying the requirements of Article VII of the International Convention on Civil Liability for Oil Pollution Damage, 1992.

Period of Insurance: from Noon GMT 20 February [Year] to Noon GMT 20 February [Year]

PROVIDED ALWAYS that the insurer may cancel this Certificate by giving three months written notice to the above Authority whereupon the liability of the insurer hereunder shall cease as from the date of expiry of the said period of notice but only as regards incidents arising thereafter.

Date:

This certificate has been issued for and on behalf of the insurer:

[Authorised Signatory](#)

Name of the insurer

By

Managers of the above Association



**Annex II**

**NOT TRANSFERABLE**

No.

To: [Address of issuing State party]

**CERTIFICATE FURNISHED AS EVIDENCE OF INSURANCE PURSUANT TO ARTICLE  
7 OF THE INTERNATIONAL CONVENTION ON CIVIL LIABILITY FOR BUNKER OIL  
POLLUTION DAMAGE, 2001**

Name of Ship:

IMO Ship Identification Number:

Distinctive Number or Letters:

Port of Registry:

Name and full address of the principal place of business of the Registered  
Owner:

THIS IS TO CERTIFY that there is in force in respect of the above-named ship while in the above ownership a policy of insurance satisfying the requirements of Article 7 of the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001.

Period of Insurance: from Noon GMT 20 February [Year] to Noon GMT 20 February [Year]

Provided always that the insurer may cancel this Certificate by giving three months written notice to the above Authority whereupon the liability of the insurer hereunder shall cease as from the date of expiry of the said period of notice but only as regards incidents arising thereafter.

Date:

This certificate has been issued for and on behalf of the insurer:

**Authorised Signatory**

Name of the insurer

By

Managers of the above Association

**Annex III**

**NOT TRANSFERABLE**

No.

To: [Address of issuing State party]

**CERTIFICATE FURNISHED AS EVIDENCE OF INSURANCE PURSUANT TO ARTICLE  
12 OF THE NAIROBI INTERNATIONAL CONVENTION ON THE REMOVAL OF  
WRECKS, 2007**

Name of Ship:

Gross tonnage of the ship:

Name and full address of the principal place of business of the Registered  
Owner:

IMO Ship Identification Number:

Distinctive Number or Letters:

Port of Registry:

THIS IS TO CERTIFY that there is in force in respect of the above-named ship while in the above ownership a policy of insurance satisfying the requirements of Article 12 of the Nairobi International Convention on the Removal of Wrecks, 2007.

Period of Insurance: from Noon GMT 20 February [Year] to Noon GMT 20 February [Year]

Provided always that the insurer may cancel this Certificate by giving three months written notice to the above Authority whereupon the liability of the insurer hereunder shall cease as from the date of expiry of the said period of notice but only as regards incidents arising thereafter.

Date:

This certificate has been issued for and on behalf of the insurer:

**Authorised Signatory**

Name of the insurer

By

Managers of the above Association

## Annex IV

### Letter of Undertaking

To:

From: [insert Club's name]

Date of this Agreement:

Dear Sirs,

Vessel name(s) :                    Applicable Conventions/regimes

Vessel "One"                        [A] [B] [C] [D]

Vessel "Two"

Etc.

In consideration of the Club, upon our request and prior to entry in the Club of the above Vessels being concluded [for the next policy year], providing Blue Cards so as to satisfy the certification requirements applicable to such Vessels pursuant to any or all of the following Conventions and to ensure that such Vessels are able to trade without delay and without the risk of penalties or fines for failing to satisfy such certification requirements [*please indicate which blue cards are needed by specifying A, B, C, D, as appropriate, after the name of each vessel listed above*]:

- A**     Articles VII of the International Convention on Civil Liability for Oil Pollution Damage 1969 and 1992 (CLC)
- B**     Article 7 of the International Convention on Civil Liability for Bunker Oil Pollution Damage 2001 (Bunkers Convention)
- C**     Article 4bis of the Athens Convention, 2002 relating to the Carriage of Passengers and their Luggage by Sea, 2002 (non-war only) or Regulation 392/2009/EC of the European Parliament and of the Council of 23 April 2009 on the Liability of Carriers of Passengers by Sea in the Event of Accidents (PLR non-war only)

D Article 12 of the Nairobi International Convention on the Removal of Wrecks, 2007

We hereby agree that:-

- 1) we warrant that it is our intention to enter the above Vessels in the Club, or in another club in the International Group of P&I Associations [for the policy year starting from noon on 20<sup>th</sup> February 2015] [*other date as appropriate*], and;
- 2) if we do not effect such entry we will indemnify the Club and hold it harmless in respect of any and all liabilities, losses, damages, risks, costs or expenses which it may suffer or incur under the terms of the Blue Cards or as a direct or indirect consequence of issuing the Blue Cards including any liability the Club may incur under any applicable international compensation regime or implementing domestic legislation;
- 3) this letter of undertaking shall be governed by and construed in accordance with English law and any claim, dispute, legal action or proceeding arising out of or in connection with this letter of undertaking shall be subject to the exclusive jurisdiction of the High Court of Justice in London;
- 4) when called upon to do so, we will instruct solicitors in London to accept, on behalf of the Owners of any of the above Vessels, service of proceedings issued on behalf of the Club in connection with this letter of undertaking.

In consideration of the Club agreeing to issue a "Blue Card", whether or not prior to entry in the Club of the above vessel being concluded, at the request of the Owner or their agent, in support of a Bunker Convention, Wreck Removal Convention and/or CLC certificates, we hereby agree that, where any payment by the Association under any such certificate is in respect of war risks, we will indemnify the Club to the extent that such payment is recoverable under the Owner's P&I war risks policy, or would have been recoverable if the Owner had maintained and complied with the terms and conditions of a standard P&I war risks insurance policy, and, further, we agree to assign to the Club all the rights of the Owner under such insurance and against any third party.

Yours faithfully,

Signed: [insert name of Owner]

For and on behalf of and as authorised by the Owners of the above Vessels.