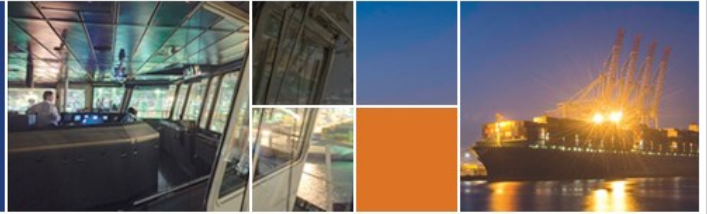




STEAMSHIP MUTUAL

Comprehensive Cover. Exceptional Service.



1996 LLMC Protocol - Limits of Liability Increased

April 2012

Amendments to increase the limits of liability in the 1996 Protocol to the Convention on Limitation of Liability for Maritime Claims were adopted by the Legal Committee of the International Maritime Organization (IMO), when the Committee met for its 99th session in London.

The LLMC Convention sets specified limits of liability for two types of claims against shipowners - claims for loss of life or personal injury, and property claims (such as damage to other ships, property or harbour works). Taking into account the experience of incidents, as well as inflation rates, the limits set in the 1996 Protocol have, in recent years, been seen to be inadequate to cover the costs of claims, especially those arising from incidents involving bunker fuel spills.

The new limits are expected to enter into force 36 months from the date of adoption, on 19 April 2015, under the tacit acceptance procedure.

The Convention provides for a virtually unbreakable system of limiting liability. Shipowners and salvors may limit their liability except if *"it is proved that the loss resulted from his personal act or omission, committed with the intent to cause such a loss, or recklessly and with knowledge that such loss would probably result"*.

New limits:

Under the amendments to the 1996 Protocol, the limits are raised as follows:

The limit of liability for claims for **loss of life or personal injury** on ships not exceeding 2,000 gross tonnage is 3.02 million SDR (up from 2 million SDR).

For larger ships, the following additional amounts are used in calculating the limitation amount:

- » For each ton from 2,001 to 30,000 tons, 1,208 SDR (up from 800 SDR)
- » For each ton from 30,001 to 70,000 tons, 906 SDR (up from 600 SDR)
- » For each ton in excess of 70,000, 604 SDR (up from 400 SDR).

The limit of liability for **property claims** for ships not exceeding 2,000 gross tonnage is 1.51 million SDR (up from 1 million SDR).

For larger ships, the following additional amounts are used in calculating the limitation amount:

- » For each ton from 2,001 to 30,000 tons, 604 SDR (up from 400 SDR)
- » For each ton from 30,001 to 70,000 tons, 453 SDR (up from 300 SDR)
- » For each ton in excess of 70,000 tons, 302 SDR (up from 200 SDR)

Special Drawing Rights

The daily conversion rates for Special Drawing Rights (SDRs) can be found on the International Monetary Fund IMF website: <http://www.imf.org/>

Background:

The general question of limitation of liability for maritime claims was dealt with in the International Convention Relating to the Limitation of the Liability of Owners of Seagoing Ships, which was signed in Brussels in 1957, and came into force in 1968. IMO, which began operations in 1959, then adopted a new convention in 1976, which raised the limits, in some cases by 300%. The compensation limits of the 1976 Convention were raised by means of the Protocol adopted in 1996, and now revised in 2012.

Based on IMO Briefing 12/2012 of 19 April 2012

The IMO Web site is at: www.imo.org