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Circular Letter No.3464
2 July 2014

To: All IMO Member States
United Nations and specialized agencies
Intergovernmental organizations
Non-governmental organizations in consultative status
Liberation movements

Subject: **Implementation of the 1992 Civil Liability Convention, the 2001 Bunkers Convention, the 2007 Nairobi WRC and the 2010 HNS Convention**

Pursuant to the request of the Legal Committee, the Secretary-General has the honour to transmit, in the annex, the *Guidelines for accepting insurance companies, financial security providers and the International Group of Protection and Indemnity Associations (P & I Clubs)*, as approved by the Legal Committee at its 101st session (28 April to 1 May 2014).

ANNEX

GUIDELINES FOR ACCEPTING INSURANCE COMPANIES, FINANCIAL SECURITY PROVIDERS AND THE INTERNATIONAL GROUP OF PROTECTION AND INDEMNITY ASSOCIATIONS (P & I CLUBS)

The purpose of these guidelines is to provide guidance for accepting Blue Cards or similar documentation from insurance companies to States Parties to any of the following conventions ("the relevant conventions"):

- the International Convention on Civil Liability for Oil Pollution Damage, 1992, as amended (1992 Civil Liability Convention);
- the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001 (2001 Bunkers Convention);
- the Nairobi International Convention on the Removal of Wrecks, 2007 (2007 Nairobi WRC); or
- the International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea, 1996, as amended by the Protocol of 2010 to the Convention (the 2010 HNS Convention).

States Parties to any of the relevant conventions should:

- (i) accept Blue Cards issued by a member of the International Group of P & I Associations (P & I Clubs) when it is possible to verify the Blue Card from the P & I Clubs website; and
- (ii) when receiving a Blue Card or similar documentation from insurance companies, financial security providers and P & I Clubs outside the International Group, verify the financial standing and solvency of such company in order to make sure that prompt and adequate compensation for the victims is available.

1 Exchange of information

In order to minimize administrative burdens, States Parties should, where appropriate, exchange information including which P & I Clubs outside the International Group they have accepted in the process of issuing Certificates under the relevant conventions.

2 Criteria for acceptance

The following list of criteria may be used by States Parties for accepting Blue Cards or similar documentation, including from P & I Clubs outside the International Group:

- (i) adequate documentation on the company's financial standing, and hence solvency, which could be in the form of audited financial statements from the past three years duly authenticated and signed by the auditor;
- (ii) approval by the relevant authority that the company is eligible to carry out insurance business in the country of the authority;

- (iii) adequate documentation on reinsurance coverage on claims met by the company for liability incurred under the relevant convention;
- (iv) a guarantee by the company and its parent company, if one exists, that it will cover liability incurred under the relevant convention and up to the limits of liability provided for by that convention or, in the case of either the 2001 Bunkers Convention and the 2007 Nairobi WRC, up to the limits of liability provided for by the International Convention on Limitation of Liability for Maritime Claims 1976, as amended;
- (v) a statement to the effect that liability incurred under the relevant convention due to an act of terrorism is covered; and
- (vi) the rating that the insurance company and/or its reinsurers hold by an independent and internationally recognized rating agency.

These Guidelines revoke the guidelines contained in annex 3 to Circular Letter No.3145.
