



The 92nd session of the IMO Legal Committee
Implementation of the 2002 Athens Protocol – Terrorism

The 92nd session of the IMO Legal Committee, held in Paris from 16-20 October, adopted the proposal put forward jointly by the UK, Norway and the shipping industry (in the form of the ICS and ICCL) on the issue of insurance cover for terrorism related incidents arising under the Athens Protocol.

The compromise solution, agreed by the Committee after almost 4 years of complex negotiations, takes account of the existing exclusions in standard P&I cover provided by the Group Clubs, whilst utilizing the capacity in the war risk insurance market. The solution requires States to make a reservation at the time of accession to, or ratification of, the Protocol and provides for Governments to undertake to:

- (i) limit the liability of carriers, and consequently insurers, for terrorism losses to a figure of 250, 000 SDR per passenger or US\$ 500 million overall per ship (whichever is the lower). This figure is reserved solely for passenger claims.
- (ii) Require insurance cover and certification for that amount, and
- (iii) Amend the Guidelines adopted by the Legal Committee containing the text of the recommended reservation and technical details regarding insurance clauses and exemptions, as necessary to adapt to changing insurance markets.

The solution recognises that the certificate of insurance (the “Blue Card”) in respect of terrorism will be separate from, and in addition to, the Blue Card issued by the carrier’s P&I Club covering non-war liabilities. Marsh Ltd has undertaken to create a Special Purpose Vehicle to act as a Guarantor to arrange for the issue of certificates of financial responsibility so as to satisfy the insurance and certification provisions for claims relating to terrorism, along similar lines to the COFR providers (SIGCO/Shoreline) under OPA ‘90.