



IUMI International Union
of Marine Insurance

International Oil Pollution Liability and Compensation

IUMI Conference – Vancouver – September 17, 2008

The President's Workshop

Jerry Rysanek

Director, International Marine Policy, Department of Transport

Chairman, 1992 Fund Assembly, IOPC

Speaker/
Conference

01/10/2008

Page 1



IUMI International Union
of Marine Insurance

IOPC Fund History

- **1967** - *Torrey Canyon* (pictured)
- **1969** - Civil Liability Convention (CLC)
 - Shipowner's Liability
- **1971** - IOPC Fund Convention
 - Oil Companies' Contributions
- **1992** - Revised CLC and IOPC Fund
- **1999** - *Erika* Incident
- **2002** - *Prestige* Incident
- **2003** - Revised CLC – Fund limits
- **2003** - Supplementary Fund Protocol
- **2008** - 120 Member States of 1992 CLC
 - 102 Member States of 1992 Fund
 - 21 Member States of Supplementary Fund



Speaker/
Conference

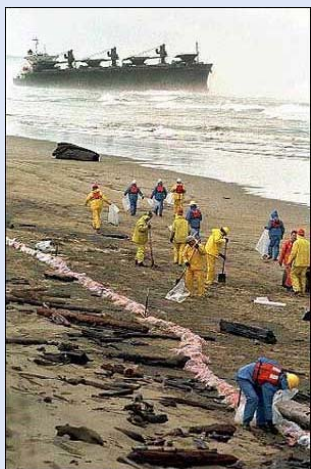
01/10/2008

Page 2



IUMI International Union
of Marine Insurance

Oil Pollution Compensation Regime

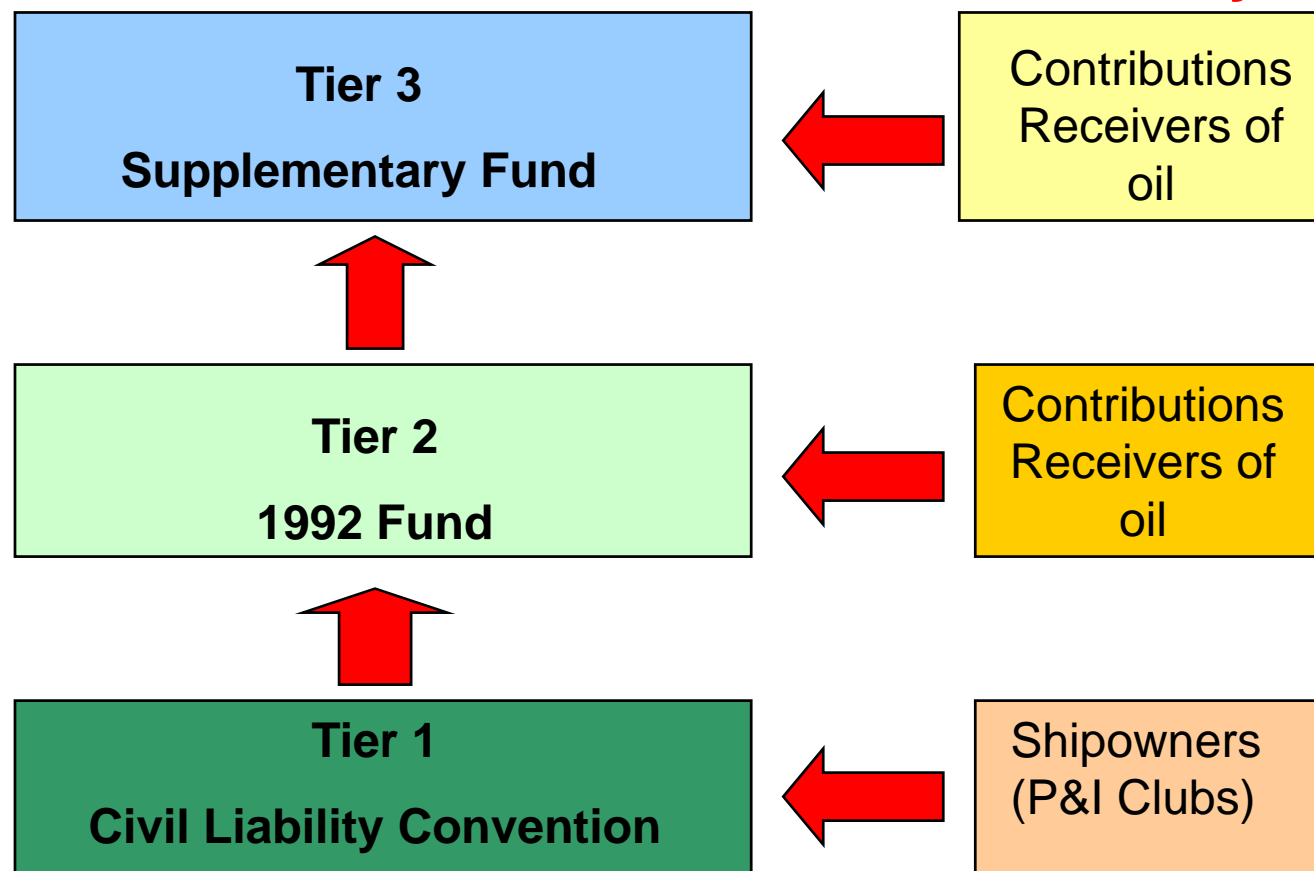


Speaker/
Conference

01/10/2008

Page 3

Who Pays





IUMI International Union
of Marine Insurance

Legal Framework

General Framework

- 3-tier shared liability regime
- ***Persistent oil from tankers as cargo or bunkers***
- Shipowner's liability supplemented by IOPC Funds
- Contributions paid by receivers of oil

Scope of Application

- Pollution damage in territorial waters including the Exclusive Economic Zone (EEZ)

Shipowner's Liability

- **Strict liability** for pollution damage; ex. few defenses
- Compulsory insurance requirement for tankers carrying more than 2,000 tonnes of oil as cargo



Speaker/
Conference

01/10/2008

Page 4



IUMI International Union
of Marine Insurance

Convention Limits

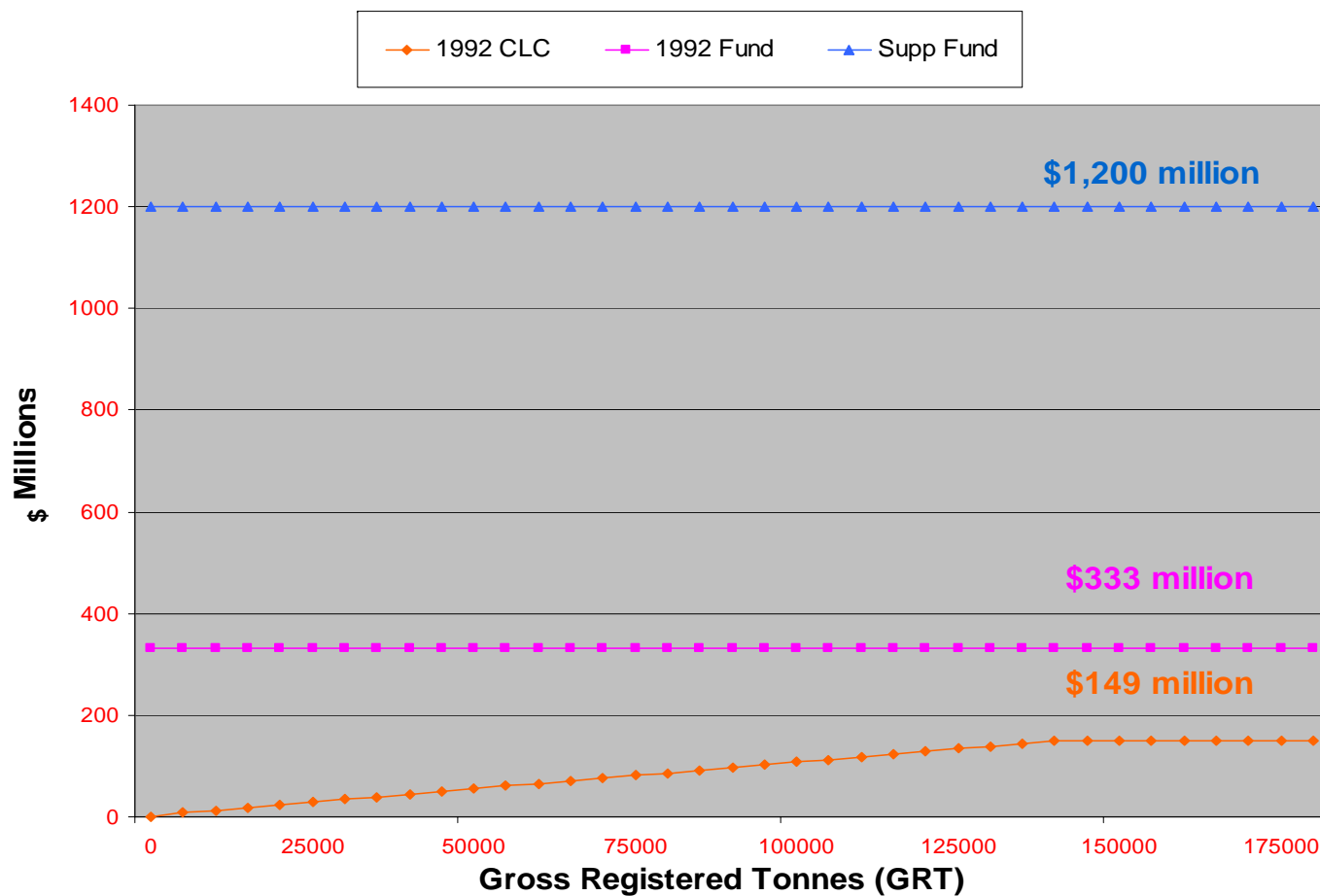


Speaker/
Conference

01/10/2008

Page 5

Civil Liability and Fund Conventions (November 2003)





IUMI International Union
of Marine Insurance

Contributions

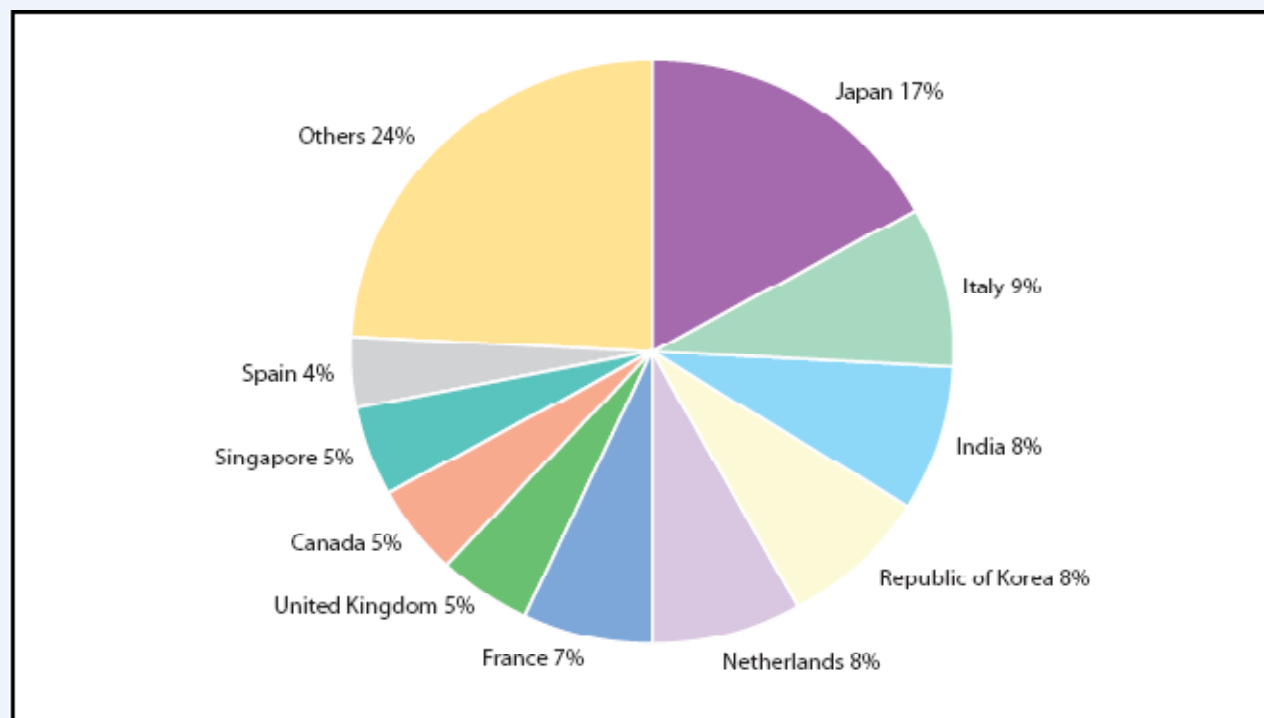
- Anyone who receives more than 150,000 tonnes of oil
- States responsible for reporting oil receipts
- Contributions depend on costs of claims (sharing the burden)



Speaker/
Conference

01/10/2008

Page 6



1992 Fund: General Fund contributions 2007 (based on 2006 oil reports)



IUMI International Union
of Marine Insurance

Governing Bodies

3 intergovernmental organizations and their governing bodies:

- **1971 IOPC Fund**
 - Administrative Council
- **1992 IOPC Fund**
 - Assembly, Executive Committee
- **2003 IOPC Supplementary Fund**
 - Assembly



The day-to-day operations of all three Funds is the responsibility of the Secretariat, headed by its Director, in London, UK.

Speaker/
Conference

01/10/2008

Page 7



IUMI International Union
of Marine Insurance

Major incident - *Erika*

- Spilled 19,800 tonnes of heavy fuel oil in 1999
- Affected Coast of Brittany, France
- 7,130 claims for \$329 million
- Max Compensation available: \$268 million



Speaker/
Conference

01/10/2008

Page 8



IUMI International Union
of Marine Insurance

Major incident - *Prestige*

- Spilled 63,200 tonnes of heavy fuel oil in 2002
- Affected Spain, France and Portugal
- 1,327 claims for \$1.8 billion
- Maximum Compensation available: \$289 million



Speaker/
Conference

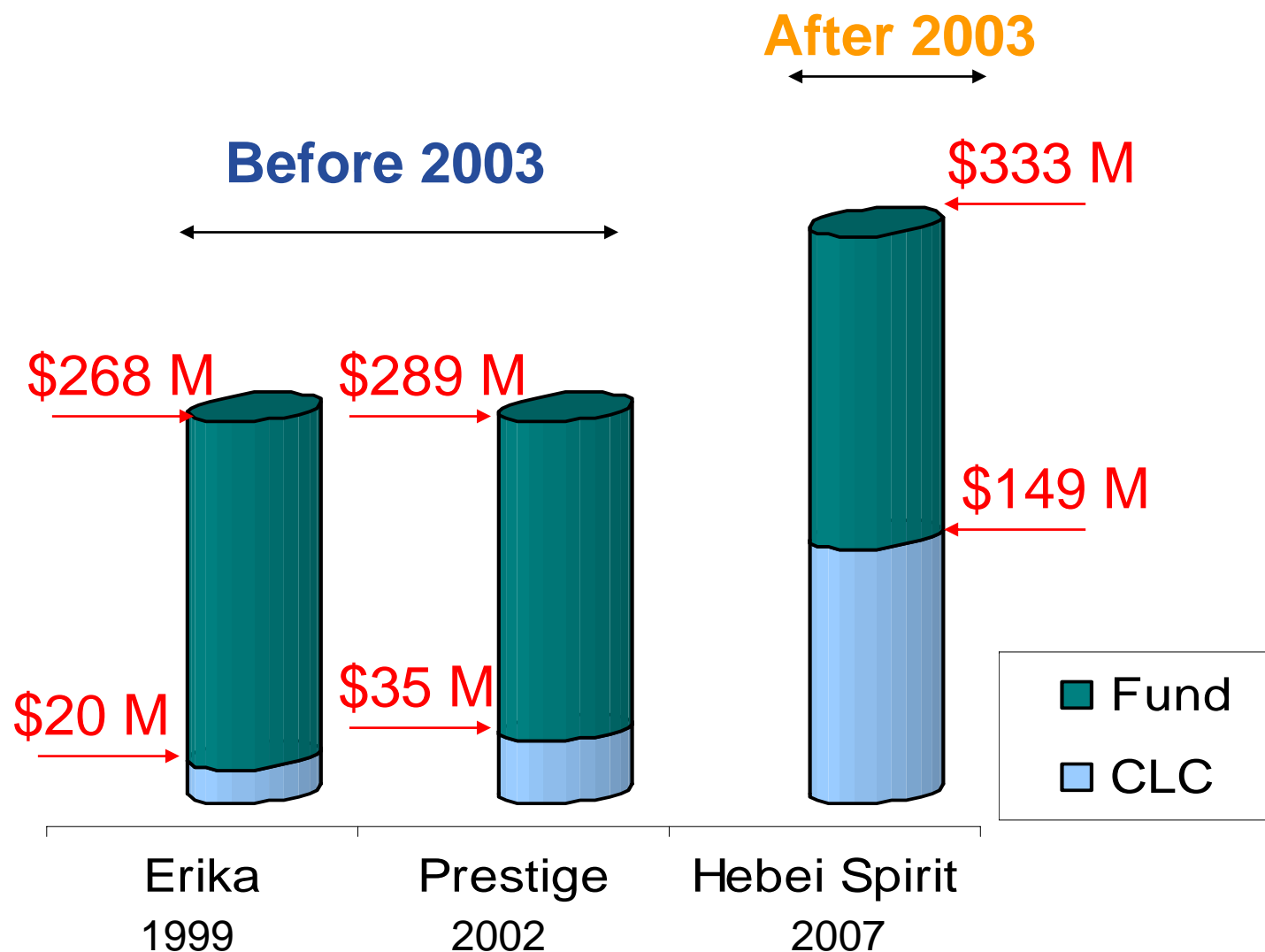
01/10/2008

Page 9



IUMI International Union
of Marine Insurance

Sharing the Burden





IUMI International Union
of Marine Insurance

At Work...

- Regular Meetings —→ IUMI – NGO
- Conferences
- Workshops – Seminars – Outreach Initiatives
- Working Groups:
 - Non-technical measures to promote quality shipping
 - Protocol to the HNS Convention
- Policy Development
 - Floating Production Storage and Offloading (FPSO)/Floating Storage Units (FSO)
 - Removal of Oil from sunken ships
 - STOPIA – TOPIA



Chronicle / Kurt Rogers

Speaker/
Conference

01/10/2008

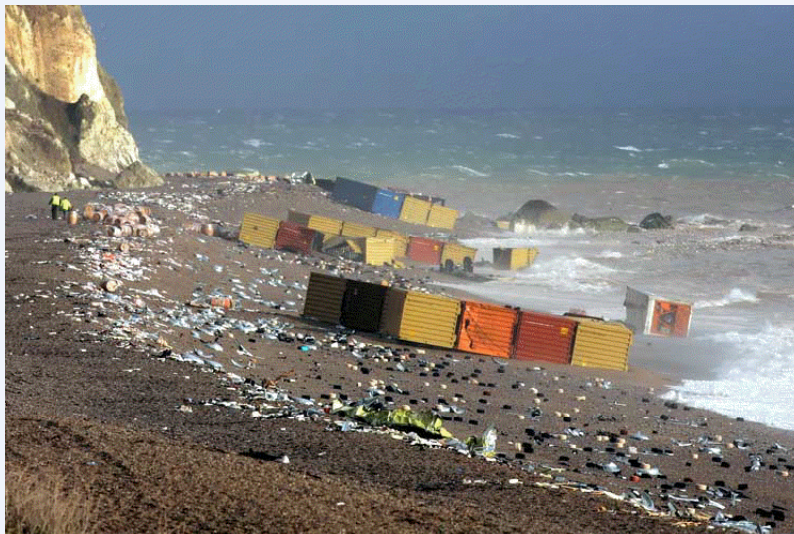
Page 11



IUMI International Union
of Marine Insurance

Future Work

- Non-reporting and payment of levies by oil receivers
- HNS Convention
 - Implementation



Speaker/
Conference

01/10/2008

Page 12



IUMI International Union
of Marine Insurance

Thank You

Comments / Questions



Website: www.iopcfund.org

Speaker/
Conference

01/10/2008

Page 13