

IUMI Policy Agenda

7. Liability

The insurance of marine liabilities helps to protect third party rights. Since the liability (e.g. for environmental damages caused by an oil-spill) can be extraordinarily high, sufficient insurance coverage for these liabilities is crucial. Many international liability conventions outline compulsory insurance requirements, and in some jurisdictions direct action against insurers is also allowed.

Marine liability insurance is mainly provided by Protection and Indemnity Clubs (P&I Clubs) organized as mutual insurers with shipowners as members. The 12 largest P&I Clubs are organized under the umbrella of the International Group of P&I Clubs (IG).

While the member companies of IUMI's member associations predominantly provide insurance coverage for property damage to the hull and machinery of vessels or offshore energy units, and cargoes in transit, some of the companies also offer marine liability insurance through reinsurance arrangements (reinsuring the Clubs) or directly through covers such as 'fixed premium P&I' or 'war P&I'.

1910 Collision Convention

The 1910 Convention covers important aspects of collision liability and has been adopted by numerous countries. In 2019, the Comité Maritime International (CMI) established an International Working Group to consider the review of it. The initiative for a new IWG flowed from two sources - first, the IMO review of current instruments in the context of autonomous ships; second, the Italian Maritime Law Association 2019 initiative on the expediency of reviewing the Collision Convention 1910 along with the 1952 conventions concerning civil and penal jurisdiction where a collision occurs. Moreover, the Legal Committee of the IMO showed some initial interest in assisting the CMI in piloting this project and the CMI IWG aimed to provide input of what the new Convention should include prior to LEG 110 in March 2023. IUMI was also represented in the CMI WG by the Legal & Liability Committee Chair Charles Fernandez, Committee member Keeley Wylie, and also Dieter Schwampe, who is involved in both IUMI and CMI activities.

The initial scope for review of the Convention was wide in nature and looked at aspects such as the scope of application of a revised convention, court jurisdiction over collisions and compulsory insurance for collision liability. As a first step, the CMI prepared a questionnaire to maritime law associations in February 2023. There were two fundamental aspects of the review that were of particular interest to insurers – the possibility for mandated insurance covering collisions and the potential for direct action

by third parties against insurers. IUMI pushed back on introducing these elements into a revised Convention. Fortunately, the national maritime law association largely supported the IUMI position, and these elements were not included in the latest discussion documents arising from the CMI Conference in Tokyo in May 2025. There remains a residual concern that the CMI group looking at MASS could 'by the back door' bring some of these concepts back into the discussion. IUMI will monitor developments accordingly.

Relevant authority / organisations and documents

- CMI webpage on the Collision Convention
- IMO Legal Committee

Potential gaps in liability insurance for 'non-IG insurers'

In April/May 2014, the IMO Legal Committee (LEG 101) adopted Guidelines for accepting insurance companies, financial security providers and IG P&I Clubs to verify the compulsory insurance requirements. With a reference to these guidelines, six Member States suggested in a submission to LEG 107 in March 2020 that further consideration may be desired of problems encountered in some oil pollution incidents involving insurers that are not members of the IG. The belief is that this is an issue that affects not only the 1992 CLC, but also other IMO liability conventions. The issue is also being examined by the governing bodies of the IOPC Funds, and during the 108th session of the IMO Legal Committee in July 2021, the IOPC Funds provided an update on the problems encountered in some oil pollution incidents involving 'non-IG insurers'. 147 incidents were identified of which 44 incidents either had no insurer or the insurer was unidentified.

The key developments include:

- LEG 109 (2022) Correspondence Group, which included IUMI, with the following workstreams:
 - Development of informational pamphlets for the Bunkers Convention, Civil Liability Convention, Athens Convention and the Wreck Removal Convention to assist Flag States, Port State control officers, shipowners, and insurers in their interpretation and application of the liability and compensation requirements of the Conventions.
 - Review of existing IMO guidelines; primarily IMO Circ. No. 3464 for accepting insurance certificates. The purpose of these guidelines is to provide State Parties to conventions covering liability issues with guidance for accepting insurance companies and certificates or similar documentation from insurance companies, financial security providers, IG members and P&I Clubs outside the IG.
 - Development of a new GISIS module for those involved in issuing convention certificates.

- Per (i), LEG 110 (2023) approved the text of three pamphlets (Bunkers Convention, Civil Liability Convention and Wreck Removal Convention). Further, an intersessional Correspondence Group was established to review the IMO guidelines and create a new GISIS module.
- Per (ii), between LEG 110 and LEG 111 (2024), IUMI was involved in a further Correspondence Group on the revision of the Guidelines for accepting Insurance Companies and Certificates and the discussion on measures to assess the need to amend liability limits approved led by Canada. LEG 111 approved the revision of IMO Circ. No. 3464. The revised Guidelines include a list of definitions and a new section on 'Criteria for accepting Insurance Certificates'.
- LEG 111 established a further Correspondence Group towards LEG 112 (2025) to look into the necessity to preparing a further Guideline with regard to liabilities under the "Athens Convention" 2002 / 2006. IUMI participated in this Correspondence Group. The group did not agree on a proposed course of action, but two options were proposed to LEG 112 (scheduled for March 2025):
 - **Option 1:** A reference to the Athens Convention 2002 could be included in the guidelines contained in LEG.1-Circ.16 for accepting insurance certificates and insurance companies, financial security providers, and protection and indemnity clubs (P & I Clubs) or the application "*mutatis mutandis*" of such guidelines for non-war risks.
 - **Option 2:** A State Party to the Athens Convention 2002 could make use of the guidelines contained in LEG.1-Circ.16 for accepting insurance certificates and insurance companies, financial security providers, and protection and indemnity clubs (P & I Clubs) or the application "*mutatis mutandis*" of such guidelines for non-war risks.

During the IOPC Funds meeting in November 2025, Turkey introduced a paper with ongoing concerns with regards to vessels with no or insufficient liability insurance. (IOPC/NOV25/4/5 – Risk of Uninsured and Unsafe Ships). While parties emphasized in the meeting that the issue was already dealt with in the proceedings of the IMO LEG Committee (see above), and no further action based on the paper was decided, Turkey was invited to consider a further submission to the next meeting of the IMO LEG Committee. IUMI is in touch with Turkey and expects to receive a draft of the paper – if any – in late 2025 for consideration.

- **IMO – Legal Committee**

- **Circular Letter 3464:** Guidelines for accepting insurance companies, financial security providers and the IG P & I Clubs, July 2014.
- **LEG 107/6:** Compulsory insurance requirements under IMO conventions and insurance problems, submitted by Canada, Denmark, Italy, Japan, Norway and Republic of Korea, 9 January 2021.
- **LEG 108/5:** Review of insurance problems with non-IG insurers, submitted by IOPC Funds, 20 April 2021.
- **LEG109/13:** Proposal to add a new output under the work programme on the Development of guidance for the proper implementation and application of IMO liability and compensation conventions, submitted by Canada, Denmark, Italy, Japan and United Arab Emirates, 24 December 2021.
- **LEG110/7:** Report of the Correspondence Group on measures to transparently assess the need to amend liability limits, submitted by Australia, 20 December 2022.
- **LEG110/10:** Proposed measures related to Guidance for the proper implementation and application of IMO liability and compensation conventions, submitted by Canada, Greece, Italy, Malaysia, Republic of Korea, United Arab Emirates, ICS, IG and IUMI, 22 December 2022.
- **LEG110/WP.6:** Measures to assess the need to amend liability limits, report of the Working Group, 20 March 2023.
- **IOPC Funds**
 - **IOPC/OCT18/5/5/1:** The 20 incidents involving the IOPC Funds and non-IG insurers are available in this document.
 - **IOPC/NOV20/5/5/1:** Conclusions of the sixth joint Audit Body and the recommended measures and future tasks to be undertaken in respect of the risk relating to 'non-IG insurers'.
 - **IOPC/NOV25/4/5:** Risk of Uninsured and Unsafe Ships

IUMI will:

- Monitor developments via the IUMI Legal & Liability Committee and Policy Forum.
- Liaise directly with the IMO LEG as required to represent members' interests.
- Explain to IMO Member States and other interested bodies such as the IOPC Funds the practical aspects of insurance related to marine liability insurance of insurance entities not belonging to the IG.