



# Circular

Ref: 24/13

JANUARY 2014

## OUTLINE

- The 'US Oil Pollution Clause' is deleted reflecting the reduction of US voyage additional premiums to nil
- A 'Nickel Ore Clause' will incorporate the previously advised requirement of mandatory notification of loading nickel ore from Indonesian or Philippine ports
- Clauses for charging Group reinsurance costs appropriate for carriage of persistent oil and of other cargoes have been revised to clarify their application to tankers and OBO vessels.
- This circular refers to previous circulars 8/12 and 4/13

## TO THE MEMBERS

Dear Sirs

### **REVISED TERMS OF ENTRY FOR 2014 POLICY YEAR:**

- 1) US OIL POLLUTION SURCHARGE - DELETION OF US OIL POLLUTION CLAUSE**
- 2) DANGERS OF CARRYING NICKEL ORE FROM INDONESIA AND THE PHILIPPINES  
– MANDATORY NOTIFICATION REQUIREMENTS**
- 3) REVISED WORDING FOR TANKER & OBO CLAUSES**

Members are advised the following changes to clauses relating to the terms of entry of relevant ships will be introduced for the 2014 Policy Year.

### **US Oil Pollution Surcharge 2014 - Deletion of "U.S. Oil Pollution Clause"**

Reflecting the continuing improvement in the tanker record, the Group has followed the policy over recent years of reducing the voyage surcharge rate with the eventual aim of reducing the surcharge to nil in the absence of any intervening major incidents. This policy has resulted in a year on year reduction in the amount of premium collected through the surcharge and for 2014 the Group has decided to reduce the surcharge to nil.

In light of this change there will no longer be a requirement for US voyage declarations after 20th February 2014. The U.S. Oil Pollution Clause will not be needed and will be deleted from the Rule Book - Addendum for Owners.

### **Addition of "Nickel Ore Clause"**

The Nickel Ore Clause reflects measures agreed with the IG Clubs and formalises advice given by the Club in Circular ref. 8/12, ie. mandatory notification to the Club if the Member intends to load nickel ore from Indonesian or Philippine ports.

The Nickel Ore Clause (see Appendix A) will be included in the Association's Rule Book - Addendum for Owners and Addendum for Charterers.

### **Revision of “Tanker and OBO clauses”**

Last year, the system for charging International Group reinsurance costs applicable to tankers and OBOs (or combination carriers) which switch during a year between carrying persistent oil cargo (“dirty”) and not carrying persistent oil cargo (“clean”) was changed for all International Group Clubs. The change resulted in reinsurance cost savings for Members whose ships are not carrying persistent oil or its residues (other than slops), allowing returns of premiums if the ship is “clean” for a period of 30 or more days.

Four clauses, which were introduced to incorporate the change, were published in Circular ref. 4/13. Those clauses after a year of usage have been further clarified and refined for the benefit of Members who use them.

Under the revised clauses, if a ship is not carrying “dirty” cargoes for one or more periods each of at least 30 consecutive days, it can be rated as a “clean” tanker for the periods of “clean” trading. If such a “clean” trading period lasts less than 30 consecutive days, then the ship will continue to be rated as a “dirty” tanker for the period. “Clean” means being actually clean, i.e. the ship is not carrying “dirty” cargoes and it can include a period in ballast between “dirty” voyages, as long as such period without “dirty” cargoes or its residues is 30 consecutive days or more. The same principles apply to OBOs.

The four clauses (see Appendix B) will be included in the Association’s Rule Book – Addendum for Owners.

Yours faithfully

**THE MANAGERS**

### **CONTACT**

- Members requiring further information should refer to their usual underwriting contact