



Ship Type: All Trade Area: Worldwide

Bulletin 361 - 05/04 - Liability Limits Increase - Maritime Claims - Worldwide

The amounts of compensation for maritime claims for loss of life or personal injury, and property claims, have significantly increased from 13th May 2004 following the accession of Malta to the 1996 Protocol to the '1976 Convention on Limitation of Liability for Maritime Claims (LLMC)'.

Malta, which deposited its instrument of accession on 13 February 2004, is the tenth State to accede to the 1996 Protocol, triggering the entry into force of the protocol 90 days from that date. The other Contracting States are: Australia, Denmark, Finland, Germany, Norway, Russian Federation, Sierra Leone, Tonga and United Kingdom. The new limits will be applied by the courts of the contracting states to claims arising out of incidents that take place after the entry into force of the protocol.

The 1996 LLMC Protocol substantially increases the amount of compensation payable in the event of an incident and also introduces a "tacit acceptance" procedure for updating these amounts. This means that, in future, amounts can be raised with a given date for entry into force after consideration and adoption by the Legal Committee, provided that a specified number of objections are not received.

Under the 1996 LLMC Protocol, the limit of liability for claims for loss of life or personal injury for ships not exceeding 2,000 gross tonnage is 2 million SDR. For larger ships, the following additional amounts are used in calculating the limitation amount:

- For each ton from 2,001 to 30,000 tons, 800 SDR
- For each ton from 30,001 to 70,000 tons, 600 SDR
- For each ton in excess of 70,000, 400 SDR.

Under the 1996 LLMC Protocol, the limit of liability for property claims for ships not exceeding 2,000 gross tonnage is 1 million SDR. For larger ships, the following additional amounts are used in calculating the limitation amount:

- For each ton from 2,001 to 30,000 tons, 400 SDR
- For each ton from 30,001 to 70,000 tons, 300 SDR
- For each ton in excess of 70,000, 200 SDR

For passenger claims, the limit of liability of a passenger vessel shall be an amount of 175,000 SDR multiplied by the number of passengers which the ship is authorized to carry according to the ship's certificate, whereas under the 1976 LLMC, the shipowner can limit to an amount of 46,666 SDR multiplied by the number of passengers which the ship is authorized to carry, but not exceeding 25 million SDR.

Members should be aware of the above and advise their claims departments accordingly.

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