



International Oil Pollution  
Compensation Funds

Agenda Item 4	IOPC/OCT17/4/5	
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Original	English	
1992 Fund Assembly	92A22	●
1992 Fund Executive Committee	92EC69	
Supplementary Fund Assembly	SA14	●

## STOPIA 2006 AND TOPIA 2006

### RECENT INFORMATION ON ENTERED SHIPS

#### Note by the Secretariat

<b>Summary:</b>	<p>This document provides recent information on the number of ships entered and not entered in the Small Tanker Oil Pollution Indemnification Agreement (STOPIA) 2006 (as amended 2017) and the Tanker Oil Pollution Indemnification Agreement (TOPIA) 2006 (as amended 2017).</p> <p>This document also sets out information regarding the provision of insurance cover equivalent to STOPIA 2006 (as amended 2017) by some insurers who are not members of the International Group of P&amp;I Clubs.</p>
<b>Action to be taken:</b>	<p><u>1992 Fund Assembly and Supplementary Fund Assembly</u></p> <p>Information to be noted.</p>

#### 1 Introduction

- 1.1 The Small Tanker Oil Pollution Indemnification Agreement (STOPIA) 2006 (as amended 2017<sup><1></sup>) provides for the indemnification made by the owners of relevant tankers to the 1992 Fund for the difference between the vessels' limit of liability under the 1992 Civil Liability Convention (1992 CLC) and SDR 20 million. The Tanker Oil Pollution Indemnification Agreement (TOPIA) 2006 (as amended 2017<sup><2></sup>) provides for the indemnification made by the owners of relevant tankers to the Supplementary Fund for 50% of the amounts paid in compensation by that Fund.
- 1.2 Both agreements were reached in 2006 between the shipowners whose ships are insured by the P&I Clubs that are members of the International Group of P&I Clubs (International Group), with the purpose to allow equitable sharing of the burden of payment between tanker owners and oil receivers. In accordance with Clause VIII of both agreements, a review of the experience of claims for pollution damage under these agreements during the 10-year period was carried out by the International Group in 2016. Except for a few amendments, most of the clauses of the agreements remained unchanged.
- 1.3 The members of the International Group are required to provide the 1992 Fund and the Supplementary Fund with information in respect of the ships covered by STOPIA 2006 and TOPIA 2006 respectively, in accordance with the Memorandum of Understanding (MoU) between the IOPC Funds and the International Group regarding the operation of these agreements.

<1> From this point forward, references to 'STOPIA 2006' should be taken to read 'STOPIA 2006 (as amended 2017)'.

<2> From this point forward, references to 'TOPIA 2006' should be taken to read 'TOPIA 2006 (as amended 2017)'.

## 2 Recent information on the number of ships entered and not entered in STOPIA 2006

### *The concept of 'relevant ship' under STOPIA 2006*

- 2.1 STOPIA 2006 provides that all tankers will be considered a 'relevant ship' if they are 29 548 tonnes or less, are entered in one of the P&I Clubs which are members of the International Group (International Group Clubs), and are reinsured through the pooling arrangements of the International Group (Clause III (B) of STOPIA 2006).

### *List of ships entered in STOPIA 2006*

- 2.2 The International Group has provided the 1992 Fund with the list of tankers entered in STOPIA 2006 as at 20 August 2017 which contains 6 419 tankers.
- 2.3 The International Group has also reported to the 1992 Fund that as at 20 August 2017, the number of relevant ships entered in one of the International Group Clubs and not entered in STOPIA 2006 was nil, and that the number of relevant ships entered in STOPIA 2006, and which ceased to be in STOPIA 2006 while insured by one of the International Group Clubs, was also nil.

### *Situation in respect of coastal tankers*

- 2.4 A small number of tankers entered in one of the International Group Clubs are not entered in STOPIA 2006 by virtue of the fact that they are not reinsured through the Group's pooling arrangements. The number of ships in this category as at 20 August 2017 is 382. By comparison, the figure in this category reported to the 1992 Fund in 2016 was 404.
- 2.5 However, the tankers in this category may be deemed to be a relevant ship by written agreement between the owners and their P&I Club. The number of ships entered in STOPIA 2006 by written agreement as at 20 August 2017 is 263. By comparison, the figure in this category reported to the 1992 Fund in 2016 was 282.
- 2.6 The number of tankers of 29 548 tonnes or less and insured by one of the International Group Clubs but not entered in STOPIA 2006 as at 20 August 2017 is the difference between the numbers mentioned in paragraphs 2.4 and 2.5, which is 119. In 2016, the number of tankers in the same category was 122.

### *Summary – STOPIA 2006*

- 2.7 In summary, the total number of ships reported by the International Group as entered and not entered in STOPIA 2006 is as follows:

Year	Number of tankers entered in STOPIA 2006	Number of tankers not entered in STOPIA 2006	Total	% of total entered in STOPIA 2006
20 August 2016	6 462	122	6 584	98.1
20 August 2017	6 682	119	6 801	98.3

**3 Recent information on the number of ships not entered in TOPIA 2006**

*The concept of 'relevant ship' under TOPIA 2006*

- 3.1 TOPIA 2006 provides that all tankers will be considered a 'relevant ship' if they are entered in one of the P&I Clubs which are members of the International Group and are reinsured through the pooling arrangements of the International Group (Clause III (B) of TOPIA 2006).

*Number of 'relevant ships' not entered in TOPIA 2006*

- 3.2 The International Group reported to the Supplementary Fund that as at 20 August 2017, the number of relevant ships entered in one of the International Group Clubs and not entered in TOPIA 2006 was nil, and that the number of relevant ships entered in TOPIA 2006 and which ceased to be in TOPIA 2006 while insured by one of the International Group Clubs, was also nil.

*Situation in respect of coastal tankers*

- 3.3 The International Group also reported to the Supplementary Fund that the number of tankers not entered in TOPIA 2006 because they are not participating in the Group's pooling arrangement is 382 (the same tankers as explained in paragraph 2.4). The tankers that had entered in TOPIA 2006 by written agreement (263 ships, as mentioned in paragraph 2.5) are not entered in TOPIA 2006, because the size of these coastal tankers is generally so small that it is considered most unlikely that the cost of claims for pollution damage arising from such a tanker would exceed the 1992 Fund compensation limit (SDR 203 million).

**4 Insurance covers provided by other insurers**

- 4.1 The Secretariat has recently learned that some Japanese insurers who are not members of the International Group voluntarily provide insurance cover equivalent to TOPIA 2006. Therefore, in the case of an incident involving a tanker falling under the TOPIA 2006 definition, those insurers will reimburse the 1992 Fund up to the equivalent amount under TOPIA 2006.
- 4.2 The Director welcomes such initiatives and wanted to bring this information to the governing bodies, since this will ensure a similar level of burden sharing between the shipowners and cargo interests as the International Group Clubs currently incur.

**5 Action to be taken**

1992 Fund Assembly and Supplementary Fund Assembly

The 1992 Fund Assembly and Supplementary Fund Assembly are invited to take note of the information contained in this document.

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