



International Oil Pollution  
Compensation Funds

Agenda Item 9	IOPC/OCT22/9/2/1	
Date	9 September 2022	
Original	English	
1992 Fund Assembly	92A27	●
1992 Fund Executive Committee	92EC79	
Supplementary Fund Assembly	SA19	

## ASSESSMENT OF CONTRIBUTIONS TO MAJOR CLAIMS FUNDS

### 1992 FUND

#### Note by the Director

<b>Summary:</b>	In the Director's view, there is no need to levy 2022 contributions to the Major Claims Funds established for the <i>Prestige</i> , <i>Alfa I</i> , <i>Agia Zoni II</i> and <i>Nesa R3</i> incidents. The Director proposes a levy for the Incident in Israel Major Claims Fund and a reimbursement for the <i>Hebei Spirit</i> Major Claims Fund.
<b>Action to be taken:</b>	<p><u>1992 Fund Assembly</u></p> <p>Decide whether to approve the Director's proposal to:</p> <ul style="list-style-type: none"> <li>(a) not levy 2022 contributions to the <i>Prestige</i> Major Claims Fund (paragraphs 2.2.1–2.2.9 and section 8);</li> <li>(b) make a reimbursement of £7.3 million to contributors to the <i>Hebei Spirit</i> Major Claims Fund, by 1 March 2023 (paragraphs 3.2.1–3.2.10 and section 8);</li> <li>(c) not levy 2022 contributions to the <i>Alfa I</i> Major Claims Fund, (paragraphs 4.2.1–4.2.7, and section 8);</li> <li>(d) not levy 2022 contributions to the <i>Agia Zoni II</i> Major Claims Fund (paragraphs 5.2.1–5.2.6; and section 8);</li> <li>(e) not levy 2022 contributions to the <i>Nesa R3</i> Major Claims Fund (paragraphs 6.2.1–6.2.7 and section 8); and</li> <li>(f) levy 2022 contributions of £3 million to the Incident in Israel Major Claims Fund, payable by 1 March 2023 (paragraphs 7.2.1–7.2.7 and section 8).</li> </ul>

## 1 Introduction

- 1.1 Article 12 of the 1992 Fund Convention provides that the Assembly shall determine the amount of contributions to be levied, if any. For this purpose, the Assembly shall make an estimate in the form of a budget of the 1992 Fund's expenditure and income for each calendar year, considering the necessity to maintain sufficient liquid funds.

- 1.2 The 1992 Fund's expenditure consists of:
- (a) costs and expenses of the administration of the 1992 Fund, and any deficit from preceding years;
  - (b) payments of claims and claims-related expenditure up to SDR 4 million<sup><1></sup> per incident (minor claims); and
  - (c) payments of claims and claims-related expenditure to the extent that the aggregate amount of the payments in respect of any one incident is in excess of SDR 4 million (major claims).
- 1.3 Expenses mentioned in sub-paragraphs (a) and (b) of paragraph 1.2 have to be met from the General Fund (Financial Regulation 7.1(c)) and expenses with respect to major claims as defined in sub-paragraph (c) above have to be met from Major Claims Funds (Financial Regulation 7.2(d)).
- 1.4 The assessment of contributions to the General Fund, in accordance with Article 12.2(a) of the 1992 Fund Convention has been incorporated in the draft budget and is dealt with in a separate document (document IOPC/OCT22/9/1/1). This document deals only with the assessment of contributions to Major Claims Funds.
- 1.5 As for the individual incidents covered in this document, information on claims and claims-related expenditure is referred to in the Director's comments and the Notes to the 2021 Financial Statements (document IOPC/OCT22/5/6/1, Section One and Section Three).
- 1.6 It should be noted that in this document, any estimate of amounts to be paid by the 1992 Fund in compensation has been made solely for the assessment of annual contributions. This does not consider the position of the 1992 Fund in respect of the admissibility of claims.
- 1.7 It should also be noted that, unless stated otherwise, information on the payments of compensation and claims-related expenditure reflects the situation as at 30 June 2022, on a cash basis.

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<1> The SDR (Special Drawing Right) which is the unit of account used in the Conventions is valued on the basis of a basket of key international currencies and serves as the unit of account of the International Monetary Fund (IMF) and a number of other intergovernmental organisations.

## 2 Prestige Major Claims Fund

2.1 Background information in respect of the *Prestige* Major Claims Fund is as follows:

Incident:	<i>Prestige</i>		
Place of incident:	Spain		
Date of incident:	13/11/02	Euro	Pounds sterling
Maximum amount of compensation payable by 1992 Fund (i.e. SDR 135 million = EUR 171 520 703 – 1992 CLC <sup>&lt;2&gt;</sup> limit EUR 22 777 986)		148 742 717	
Compensation paid by 1992 Fund up to 31/12/21		147 937 442	106 621 902
Compensation paid by 1992 Fund 01/01/22 – 30/06/22		-	-
<b>Total compensation paid by 1992 Fund up to 30/06/22</b>		<b>147 937 442</b>	<b>106 621 902</b>
<b>Balance of compensation available</b>		<b>805 275</b>	
<b>Estimated total compensation payable by 1992 Fund 01/07/22 – 01/03/24 in EUR</b>		<b>805 275</b>	
(a) EUR held by 1992 Fund, at rate of exchange applicable on 30/06/22 (EUR 1 = £0.8608)		805 275	693 181
(b) EUR required, at rate of exchange applicable on 30/06/22 (EUR 1 = £0.8608)		-	-
<b>(c) Estimated total compensation payable by 1992 Fund 01/07/22 – 01/03/24 in GBP</b>			<b>693 181</b>
Claims-related expenses paid by 1992 Fund up to 31/12/21			24 618 746
Claims-related expenses paid by 1992 Fund 01/01/22 – 30/06/22			929
<b>(d) Estimated claims-related expenses payable by 1992 Fund 01/07/22 – 01/03/24</b>			<b>145 000</b>
<b>(e) Estimated compensation and claims-related expenses payable by 1992 Fund up from 01/07/21 to 01/03/24 (c+d)</b>			<b>838 181</b>
Maximum payable from General Fund (SDR 4 million)			3 369 200
Total previously levied to Major Claims Fund			119 000 000
<b>Estimated balance on <i>Prestige</i> Major Claims Fund as at 30/06/22 (see Annex)</b>			<b>1 156 000</b>
- includes unused compensation provision as at 30/06/22			<b>693 181</b>

## 2.2 Analysis

- 2.2.1 The total amount payable in respect of the *Prestige* incident reached the maximum amount payable from the General Fund (£3 369 200) during 2003.
- 2.2.2 There was a surplus of some £481 734 on the Major Claims Fund as at 31 December 2021 (document IOPC/OCT22/5/6/1, Section Three, Note 25) which includes unused provision for compensation of EUR 805 275 (£676 133) in the 2021 Financial Statements, giving a balance of some £1.16 million.
- 2.2.3 A total of some £119 million has previously been levied as contributions to the *Prestige* Major Claims Fund. No contributions remain outstanding as at 30 June 2022.
- 2.2.4 As set out above and at the Annex, the balance on the *Prestige* Major Claims Fund is estimated at some £1.16 million as at 30 June 2022 and includes unused provision of £693 181.

<2> 1992 Civil Liability Convention (1992 CLC).

- 2.2.5 The established claims will exceed the maximum available under the 1992 Conventions. As at 30 June 2022, an amount of some £106.6 million had been paid in compensation, and claims-related expenses totalled to some £24.62 million.
- 2.2.6 Following the Supreme Court judgment in December 2018, the court in charge of the enforcement of the Supreme Court judgment issued an order in March 2019 requesting the 1992 Fund to pay to the limit of its liability after deducting the amounts already paid, i.e. to pay EUR 28 million.
- 2.2.7 At its April 2019 session, the 1992 Fund Executive Committee decided to authorise the Director to pay the Spanish Court EUR 28 million less:
- (i) EUR 800 000 to be kept available to pay judgments by French courts; and
  - (ii) EUR 4 800 which should also be kept available to pay the Portuguese Government to ensure that the principle of equal treatment between claimants is maintained.
- 2.2.8 Some £838 000, comprising compensation of EUR 805 275 (£693 181) and claims-related expenses (£145 000), may be payable by the 1992 Fund in respect of this incident for the 20-month period of 1 July 2022 to 1 March 2024 (the date when any 2023 contributions would be receivable).
- 2.2.9 The amount available in the *Prestige* Major Claims Fund of £1.16 million as at 30 June 2022 should be enough for payments to be made in respect of the *Prestige* incident up to 1 March 2024. The Director is of the view that there is no requirement to levy 2022 contributions to this Major Claims Fund.

### 3 Hebei Spirit Major Claims Fund

3.1 Background information in respect of the *Hebei Spirit* Major Claims Fund is as follows:

Incident:	<i>Hebei Spirit</i>		
Place of incident:	Taeon, Republic of Korea		
Date of incident:	07/12/07	Korean won	Pounds sterling
Maximum amount of compensation payable by 1992 Fund (i.e. SDR 203 million = KRW 321 618 990 000 – 1992 CLC limit of SDR 89.77 million set by the Limitation Court in November 2018 = KRW 139 376 902 000)		182 242 088 000	
Compensation paid up to 31/12/21		182 242 088 000	119 575 605
Compensation paid 01/01/22 – 30/06/22		-	-
Total compensation paid up to 30/06/22		182 242 088 000	119 575 605
<b>Balance of compensation payable</b>		-	-
<b>Claims-related expenses paid by 1992 Fund up to 31/12/21</b>			<b>37 556 595</b>
Claims-related expenses paid by 1992 Fund 01/01/22 – 30/06/22			79 729
<b>Estimated claims-related expenses payable by 1992 Fund 01/07/22 – 01/03/24</b>			<b>113 000</b>
Maximum payable from General Fund (SDR 4 million)			3 110 128
Total previously levied to Major Claims Fund			131 500 000
<b>Estimated balance on <i>Hebei Spirit</i> Major Claims Fund as at 30/06/22 (see Annex)</b>			<b>7 585 000</b>

### 3.2 Analysis

- 3.2.1 The total amount payable from the General Fund in respect of the *Hebei Spirit* incident of £3 110 128 was reached in 2008.
- 3.2.2 There was a surplus of some £7 655 119 on the Major Claims Fund as at 31 December 2021 (document IOPC/OCT22/5/6/1, Section Three, Note 25).
- 3.2.3 A total of some £131.5 million has been previously levied as contributions to the *Hebei Spirit* Major Claims Fund. Some £52 000 in contributions remain outstanding as at 30 June 2022.
- 3.2.4 As shown in the summary table above, compensation payable under the 1992 CLC and 1992 Fund Convention amounted to KRW 321 618 990 000 (SDR 203 million converted to KRW at the rate of exchange on 13 March 2008, the date of the meeting when the Executive Committee authorised the Director to make compensation payments in respect of the *Hebei Spirit* incident).
- 3.2.5 The amount payable by the P&I Club (Assuranceföreningen Skuld (Gjensidig) (Skuld Club)) was set by the Limitation Court in Seosan, in November 2018, at KRW 139 376 902 000, leaving an amount of KRW 182 242 088 000 payable by the 1992 Fund. The Club had made interim payments of KRW 186 831 480 571 resulting in the 1992 Fund having to make payment to the Club in excess of the established CLC limit for an amount of KRW 47 454 578 571. Two payments of KRW 22 billion each were made to the Club in 2017 and 2019 and the final amount of KRW 3 454 578 571 was made on 9 July 2020.

- 3.2.6 As reported by the Director at the July 2021 sessions of the governing bodies, on 22 June 2021 the Samsung Heavy Industries Co Ltd (SHI) Limitation Court had issued a decision on the distribution of the SHI limitation fund and the 1992 Fund has received its share totalling some £2.2 million (KRW 3.4 billion).
- 3.2.7 The Director takes the view that remaining claims-related expenses of some £113 000 may be payable by the 1992 Fund from the *Hebei Spirit* Major Claims Fund before closure of this Major Claims Fund. Included within this estimate are some expenses related to a wash-up meeting held in June 2022, with the Government of the Republic of Korea, the Club, experts, and lawyers in Seoul to undertake a review of the lessons learned from this incident.
- 3.2.8 It should be noted that the loan of £3.9 million provided to the General Fund on 1 March 2021 from the estimated balance in the *Hebei Spirit* Major Claims Fund, made in accordance with the 1992 Fund's Financial Regulation 7.2 (d), was repaid with interest (£13 650 at interest rate 0.35% per annum) on 1 March 2022.
- 3.2.9 As set out at the Annex, the estimated amount available on the *Hebei Spirit* Major Claims Fund is some £7.47 million. After provision for unforeseen remaining expenses and outstanding contributions, the remainder would be available to be reimbursed to contributors to the Major Claims Fund once the incident and Major Claims Fund is closed.
- 3.2.10 The Director proposes that, following the closure of the incident and the closure of the *Hebei Spirit* Major Claims Fund, the sum of £7.3 million could be reimbursed to contributors to the Major Claims Fund on 1 March 2023, when 2022 contributions are levied for payment, and that the balance on the Major Claims Fund should be transferred to the General Fund in accordance with Financial Regulation 7.2(f).

#### 4 **Alfa I Major Claims Fund**

4.1 Background information in respect of the *Alfa I* Major Claims Fund is as follows:

Incident:	<i>Alfa I</i>	Euro	Pounds sterling
Place of incident:	Elefsis Bay, Piraeus, Greece		
Date of incident:	05/03/12		
Maximum amount of compensation payable by 1992 Fund (i.e. SDR 203 million = EUR 256 478 320 – 1992 CLC limit of SDR 4.51 million = EUR 5 698 114) <sup>&lt;3&gt;</sup>		250 780 206	
Compensation paid up to 31/12/21		12 000 000	10 856 126
Compensation paid 01/01/22 – 30/06/22		-	-
<b>(a) Estimated compensation payable by 1992 Fund 01/07/22 – 01/03/24</b>		-	-
Claims-related expenses paid by 1992 Fund up to 31/12/21			773 167
Claims-related expenses paid by 1992 Fund 01/01/22 – 30/06/22			19 714
<b>(b) Estimated claims-related expenses payable by 1992 Fund 01/07/22 – 01/03/24</b>			<b>100 000</b>
<b>Estimated compensation and claims-related expenses payable by 1992 Fund up to 01/03/24 (a+b)</b>			<b>100 000</b>

Maximum payable from General Fund (SDR 4 million)		3 900 576
Total previously levied to Major Claims Fund		8 075 000
<b>Estimated balance on <i>Alfa I</i> Major Claims Fund as at 30/06/22 (see Annex)</b>		<b>245 000</b>
Outstanding contributions		(89 664)
<b>Estimated balance net of outstanding contributions</b>		<b>155 336</b>

#### 4.2 Analysis

- 4.2.1 The total amount payable from the General Fund in respect of the *Alfa I* incident of £3 900 576 was reached in 2016.
- 4.2.2 There was a surplus of some £264 506 on the Major Claims Fund as at 31 December 2021 (document IOPC/OCT22/5/6/1, Section Three, Note 25).
- 4.2.3 A total of some £8 million has been previously levied as contributions to the *Alfa I* Major Claims Fund. Some £89 664 in contributions remain outstanding as at 30 June 2022 on this Major Claims Fund.
- 4.2.4 As set out above and at the Annex, the balance on the *Alfa I* Major Claims Fund is estimated to have a surplus of some £245 000 as at 30 June 2022.

<3> The amount payable under the 1992 CLC has not been set by the Limitation Court. The exchange rate used is based on the date when the 1992 Fund Executive Committee authorised payment, 23 October 2015, i.e. SDR 1 = EUR 1.2634.

- 4.2.5 No further compensation is expected to be paid for this incident, and the 1992 Fund is expected to only incur legal expenses in pursuing the shipowner/insurer through the Greek courts. Claims-related fees of some £100 000 is estimated for the 20-month period from 1 July 2022 up to 1 March 2024.
- 4.2.6 As set out at the Annex, the amount available in the *Alfa* / Major Claims Fund of £245 000 as at 30 June 2022 should be sufficient up to 1 March 2024. However, as stated in paragraph 4.2.3, contributions of £89 664 remain outstanding resulting in a reduced amount of cash available for this Major Claims Fund. All efforts are being made to recover these outstanding contributions to enable payments to be made from this Major Claims Fund.
- 4.2.7 The Director is of the view that there is no requirement to levy 2022 contributions to this Major Claims Fund, however, given the uncertainty of the timing of the receipt of outstanding contributions, should the need arise, loans can be taken from the General Fund or from a Major Claims Fund in accordance with the 1992 Fund's Financial Regulation 7.1(c)(iv) or 7.2(d).



## 5 Agia Zoni II Major Claims Fund

5.1 Background information in respect of the *Agia Zoni II* Major Claims Fund is as follows:

Incident:	<i>Agia Zoni II</i>	Euro	Pounds sterling
Place of incident:	Saronic Gulf, Greece		
Date of incident:	10/09/17		
Maximum amount of compensation payable by the 1992 Fund (i.e. SDR 203 million = EUR 244 785 520 <sup>&lt;4&gt;</sup> – 1992 CLC limit of SDR 4.51 million = EUR 5 409 925) <sup>&lt;5&gt;</sup>		239 375 595	
Estimated liability of 1992 Fund EUR 60.0 million <sup>&lt;6&gt;</sup> – 1992 CLC limit EUR 5.4 million		54 600 000	
Compensation paid up to 31/12/21		14 928 040	13 143 285
Compensation paid 01/01/22 – 30/06/22		7 656	6 813
Total compensation paid to 30/06/22		14 935 696	13 150 098
<b>Estimated total compensation payable by 1992 Fund 01/07/22 – 01/03/24 in EUR</b>		<b>39 664 304</b>	
(a) EUR held by 1992 Fund at rate of exchange applicable on 30/06/22 (EUR 1 = £0.8608)		<b>22 633 564</b>	19 482 972
(b) EUR required at rate of exchange applicable on 30/06/22 (EUR 1 = £0.8608)		17 030 740	14 660 061
<b>(c) Estimated total compensation payable by 1992 Fund 01/07/22 – 01/03/24 in GBP (a+b)</b>			<b>34 143 033</b>
Claims-related expenses paid by 1992 Fund up to 31/12/21			4 107 660
Claims-related expenses paid by 1992 Fund 01/01/22 – 30/06/22			46 003
<b>(d) Estimated claims-related expenses payable by 1992 Fund 01/07/22 – 01/03/24</b>			<b>430 000</b>
<b>Estimated compensation and claims-related expenses payable by 1992 Fund from 01/07/22 up to 01/03/24 (c+d)</b>			<b>34 573 033</b>
Maximum payable from General Fund (SDR 4 million)			4 316 320
Total previously levied to Major Claims Fund			41 000 000
<b>Estimated balance on <i>Agia Zoni II</i> Major Claims Fund as at 30/06/22 (see Annex)</b>			<b>27 803 000</b>

## 5.2 Analysis

5.2.1 The total amount payable from the General Fund in respect of the *Agia Zoni II* incident of £4 316 320 was reached in June 2018.

<4> Conversion of SDR has been made based on the rate of exchange rate applicable on the date when the 1992 Fund Executive Committee authorised payment, 2 November 2017, i.e. SDR 1 = EUR 1.2058.

<5> Amount accepted by the Court of First Instance of Piraeus as the limitation of liability under CLC.

<6> See document IOPC/OCT17/9/2/1/1, section 2.

- 5.2.2 A total of some £41 million has been levied as contributions to the *Agia Zoni II* Major Claims Fund. Some £347 192 in contributions remain outstanding as at 30 June 2022.
- 5.2.3 As set out above and at the Annex, the balance on the *Agia Zoni II* Major Claims Fund is estimated at some £27.8 million as at 30 June 2022.
- 5.2.4 The Director takes the view that some £34.6 million, comprising compensation (£34.1 million) and claims-related expenses (£430 000), may be payable from the *Agia Zoni II* Major Claims Fund for the 20-month period of 1 July 2022 to 1 March 2024.
- 5.2.5 As set out at the Annex, the amount available in the *Agia Zoni II* Major Claims Fund of some £27.8 million as at 30 June 2022 would not be enough for payments to be made in respect of the *Agia Zoni II* incident up to 1 March 2024.
- 5.2.6 The Director is of the view that it is still not possible to estimate with confidence the 1992 Fund's final liability for this incident. The estimated total liability in paragraph 5.1 is based on the estimate provided by experts at the time of the incident. The Director is also of the view that, despite the deficit shown in the Annex of some £6.8 million, the balance available in the Major Claims Fund of £27.8 million as at 30 June 2022 will be sufficient until 1 March 2024. As such, the Director is of the view that there is no requirement to levy 2022 contributions to this Major Claims Fund at this time.

## 6 Nesa R3 Major Claims Fund

6.1 Background information in respect of the *Nesa R3* Major Claims Fund is as follows:

<b>Incident:</b>	<i>Nesa R3</i>		
<b>Place of incident:</b>	Off Port Sultan Qaboos, Muscat, Oman		
<b>Date of incident:</b>	19/06/13	<b>OMR/BHD</b>	<b>Pounds sterling</b>
Maximum amount of compensation payable by 1992 Fund (i.e. SDR 203 million = OMR 120 827 630 – 1992 CLC limit of SDR 4.51 million = OMR 2 684 397) <sup>&lt;7&gt;</sup>		118 143 233	
Compensation paid up to 31/12/21 - OMR		3 521 364	6 687 915
Compensation paid up to 31/12/21 - BHD		8 419	15 885
<b>Total compensation paid</b>			<b>6 703 800</b>
(a) Possible total compensation payable by 1992 Fund 01/07/22 – 01/03/24		-	-
Claims-related expenses paid by 1992 Fund up to 31/12/21			425 039
Claims-related expenses paid by 1992 Fund 01/01/22 – 30/06/22			14 644
<b>Total claims-related expenses paid up to 30/06/22</b>			<b>439 683</b>
(b) Possible claims-related expenses payable by 1992 Fund 01/07/22 – 01/03/24			<b>55 000</b>
<b>Estimated compensation and claims-related expenses payable by 1992 Fund from 01/07/22 – 01/03/24 (a+b)</b>			<b>55 000</b>

Maximum paid from General Fund (SDR 4 million)		3 906 172
Total previously levied to Major Claims Fund		3 600 000
<b>Estimated balance on <i>Nesa R3</i> Major Claims Fund as at 30/06/22 (see Annex)</b>		<b>349 000</b>
Outstanding contributions		99 000
<b>Estimated balance net of outstanding contributions</b>		<b>250 000</b>

### 6.2 Analysis

6.2.1 At its October 2013 session, the 1992 Fund Executive Committee authorised the Director to make payment in respect of the *Nesa R3* incident.

6.2.2 The total amount payable from the General Fund in respect of the *Nesa R3* incident of £3 906 172 was reached in December 2018.

6.2.3 A total of some £3.6 million had been levied as contributions to the *Nesa R3* Major Claims Fund. Some £99 000 in contributions remain outstanding as at 30 June 2022.

<sup><7></sup> Amount payable under the 1992 CLC has not been set by the Limitation Court. The exchange rate used is based on the date when the 1992 Fund Executive Committee authorised payment, 25 October 2013, i.e. SDR 1 = OMR 0.5952.

- 6.2.4 A total of some £6.7 million in compensation and some £440 000 in claims-related expenditure has been paid in relation to this incident as at 30 June 2022.
- 6.2.5 No further compensation is expected to be paid for this incident, and the 1992 Fund will only incur legal expenses in pursuing the shipowner/insurer through the courts. Claims-related expenditure of £55 000 are estimated for the 20-month period from 1 July 2022 up to 1 March 2024.
- 6.2.6 As set out at the Annex, the estimated balance on the *Nesa R3* Major Claims as at 30 June 2022 is £349 000. It should be noted, however, that contributions of some £99 000 remain outstanding (paragraph 6.2.3), resulting in a reduced cash balance available for this Major Claims Fund. All efforts are being made to recover these outstanding contributions to enable payments to be made from this Major Claims Fund.
- 6.2.7 The Director is of the view that there is no requirement to levy 2022 contributions to this Major Claims Fund, however, given the uncertainty of the timing of the receipt of outstanding contributions, should the need arise, loans can be taken from the General Fund or from a Major Claims Fund in accordance with the 1992 Fund's Financial Regulation 7.1(c)(iv) or 7.2(d).

## 7 Incident in Israel Major Claims Fund

7.1 Background information in respect of the Incident in Israel Major Claims Fund is as follows:

<b>Incident:</b>	<i>Incident in Israel</i>	<b>ILS</b>	<b>Pounds sterling</b>
<b>Place of incident:</b>	Mystery spill – along Israel Coastline		
<b>Date of incident:</b>	February 2021		
Estimated liability of 1992 Fund ILS 55 million <sup>&lt;8&gt;</sup>	55 000 000		
Compensation paid up to 31/12/21	-		-
Compensation paid 01/01/22–30/06/22	26 721		6 351
<b>Total compensation paid to 31/06/22</b>	<b>26 721</b>		<b>6 351</b>
<b>Estimated compensation payable by 1992 Fund 01/07/22–01/03/24 in ILS</b>			
(a) Israeli shekels held by 1992 Fund at rate of exchange applicable on 30 June 2022 (£1 = ILS 4.2532)	8 366 800		1 967 178
(b) Israeli shekels required at rate of exchange applicable on 30 June 2022 (£1 = ILS 4.2532)	46 606 479		10 957 980
<b>(c) Possible total compensation payable by 1992 Fund 01/07/22–01/03/24 in GBP (a+b)</b>			<b>12 925 157</b>
Claims-related expenses paid by 1992 Fund up to 31/12/21			160 682
Claims-related expenses paid by 1992 Fund 01/01/22–30/06/22			15 019
(d) Possible claims-related expenses payable by 1992 Fund 01/07/22 – 01/03/24			415 000
<b>(e) Estimated compensation and claims-related expenses payable by 1992 Fund from 1 July 2022 up to 01/03/24 (c+d)</b>			<b>13 340 157</b>

Maximum payable from General Fund (SDR 4 million) <sup>&lt;9&gt;</sup>			4 135 680
(f) Remaining amount payable from General Fund 30/06/2022			3 953 628
Total previously levied to Major Claims Fund			4 000 000
Estimated balance on Incident in Israel Major Claims Fund as at 30 June 2022			4 004 000
<b>Possible total expenditure 01/07/22 - 01/03/24, excluding amount payable by General Fund (e-f)</b>			<b>9 386 529</b>

## 7.2 Analysis

7.2.1 At its July 2021 session, the 1992 Fund Executive Committee authorised the Director to make payment in respect of the Incident in Israel incident.

7.2.2 The total amount payable from the General Fund in respect of the Incident in Israel is £4 316 320 and some £182 000 in compensation and claims-related expenses had been paid as at 30 June 2022.

<sup><8></sup> See document IOPC/JUL21/9/2, paragraph 3.2.8.

<sup><9></sup> Conversion of SDR has been made based on the rate of exchange rate applicable on the date when the 1992 Fund Executive Committee authorised payment, 23 July 2021, i.e. SDR 1 = GBP 1.033920.

- 7.2.3 At its session in July 2021, the Executive Committee of the 1992 Fund noted that initial estimates of the cost of response to the oil spill were in the region of Israeli Shekel (ILS) 55 million (£12.9 million) and that additional claims for economic losses were expected. At this stage, the total estimated liability for the 1992 Fund is not known.
- 7.2.4 A total of some £4 million has been levied as contributions to the Incident in Israel Major Claims Fund. Some £69 037 in contributions remain outstanding as at 30 June 2022.
- 7.2.5 As set out above and at the Annex, the balance on the Incident in Israel Major Claims Fund is estimated at some £4.0 million as at 30 June 2022.
- 7.2.6 The Director takes the view that some £13.3 million, comprising compensation (£12.9 million) and claims-related expenses (£415 000), may be payable by the 1992 Fund for the Incident in Israel for the 20-month period of 1 July 2022 to 1 March 2024. The remaining amount payable from the General Fund is some £3.9 million, and some £9.4 million may be payable from the Incident in Israel Major Claims Fund.
- 7.2.7 As set out at the Annex, the amount available in the Incident in Israel Major Claims Fund of some £4.0 million as at 30 June 2022 would not be enough for payments to be made in respect of the Incident in Israel incident up to 1 March 2024, the date when any 2023 contributions would be receivable. The Director is of the view that there is a requirement to levy 2022 contributions to this Major Claims Fund of some £3 million, payable by 1 March 2023.

## **8 Director's proposals**

### *Proposed levies*

- 8.1 The Director proposes that there should be no 2022 levy to the *Prestige* Major Claims Fund (paragraphs 2.2.1–2.2.9), the *Alfa I* Major Claims Fund (paragraphs 4.2.1–4.2.7), the *Agia Zoni II* Major Claims Fund (paragraphs 5.2.1–5.2.6) or the *Nesa R3* Major Claims Fund (paragraphs 6.2.1–6.2.7)
- 8.2 The Director further proposes a reimbursement of £7.2 million in relation to the *Hebei Spirit* Major Claims Fund (paragraphs 3.2.1–3.2.10) and a levy of £3 million in relation to the Incident in Israel Major Claims Fund (paragraphs 7.2.1–7.2.7).

## **9 Action to be taken**

### 1992 Fund Assembly

The 1992 Fund Assembly is invited to decide whether to approve the Director's proposal to:

- (a) not levy 2022 contributions to the *Prestige* Major Claims Fund (paragraphs 2.2.1–2.2.9 and section 8);
- (b) make a reimbursement of £7.3 million to contributors to the *Hebei Spirit* Major Claims Fund, by 1 March 2023 (paragraphs 3.2.1–3.2.10 and section 8);
- (c) not levy 2022 contributions to the *Alfa I* Major Claims Fund (paragraphs 4.2.1–4.2.7, and section 8);
- (d) not levy 2022 contributions to the *Agia Zoni II* Major Claims Fund, (paragraphs 5.2.1–5.2.6, and section 8);

- (e) not levy 2022 contributions to the *Nesa R3* Major Claims Fund, (paragraphs 6.2.1–6.2.7, and section 8); and
- (f) levy 2022 contributions of £3 million to the Incident in Israel Major Claims Fund (paragraphs 7.2.1–7.2.7), payable by 1 March 2023.

\* \* \*

**ANNEX**  
**Major Claims Fund expenditure**  
*(Figures in pounds sterling)*

Incident	Previous levies					Maximum paid by the General Fund: SDR 4 million	Payments by 31/12/21 (including General Fund)		Major Claims Fund balance as at 31/12/21 plus compensation provision added back	2022 Income/(Expenditure), Major Claims Funds (to 30/06/22)				Major Claims Fund balances at 30/06/22 plus unused compensation provision	Possible total expenditure 01/07/22 - 01/03/24 excluding amount payable by General Fund	Projected surplus/ (deficit) (excluding interest income from 01/07/22 - 01/03/24)
	Date of incident	Contribution year	Assembly session	Date due	Amount		Compensation paid by 31/12/21	Claims-related expenses paid by 31/12/21		Compensation (paid)/recovered	Claims-related expenses paid	Estimated interest received	Contributions due 01/03/22			
<i>Prestige</i>	13/11/02	2003	8th	01/03/04	75 000 000		(106 621 902)	(24 618 746)	1 157 867	-	( 929)	-	-	1 156 000	( 838 000)	318 000
		2004	9th	01/03/05	33 000 000											
		2011	16th	01/03/12	8 500 000											
		2013	18th	01/03/14	2 500 000											
					119 000 000											
		<i>Authorised but not levied</i>		01/09/04	35 000 000											
		<i>Authorised but not levied</i>		01/09/06	3 500 000											
<i>Authorised but not levied</i>		01/09/10	3 000 000													
<i>Authorised but not levied</i>		01/09/11	5 000 000													
<i>Hebei Spirit</i>	07/12/07	2007	13th ext	01/11/08	50 000 000	3 110 128	(119 575 605)	(37 556 595)	7 655 119	-	( 79 729)	10 000	-	7 585 000	( 113 000)	7 472 000
		2010	15th	01/03/11	50 000 000											
		2011	16th	01/03/12	31 500 000											
					131 500 000											
		<i>Authorised but not levied</i>		01/09/09	33 500 000											
<i>Authorised but not levied</i>		01/09/10	52 000 000													
<i>Authorised but not levied</i>		01/09/11	20 000 000													
<i>Alfa I</i>	05/03/12	2016	21st	01/03/17	6 400 000	3 900 576	(10 856 126)	( 773 167)	264 506	-	( 19 714)	1 000	-	245 000	( 100 000)	145 000
		2018	23rd	01/03/19	1 675 000											
				8 075 000												
<i>Agia Zoni II</i>	10/09/17	2017	22nd	01/03/18	26 000 000	4 316 320	(13 143 285)	(4 107 660)	27 836 052	( 6 813)	( 46 003)	20 000	-	27 803 000	(34 573 000)	(6 770 000)
		2018	23rd	01/03/19	10 000 000											
		2019	24th	01/03/20	5 000 000											
					41 000 000											
<i>Authorised but not levied</i>		01/09/19	16 000 000													
<i>Nesa R3</i>	19/06/13	2019	24th	01/03/20	3 600 000	3 906 172	(6 703 800)	( 425 039)	362 635	-	( 14 644)	2 000	-	349 000	( 55 000)	294 000
Incident in Israel*	23/07/21					4 135 680	-	( 160 682)		-	-	4 000	4 000 000	4 004 000	(9 387 000)	(5 383 000)

Figures in brackets show outflow.

NB The table highlights the current position in respect of current Major Claims Funds in terms of the fund balances, possible total expenditure and projected surplus or deficit. It also presents the principal components of amounts levied and expended in respect of such claims up to 30 June 2021. The amounts up to 31 December 2020 are as reported in pounds sterling as per the audited financial statements in each relevant year.

\* Date of authorisation of payments by Executive Committee