



International Oil Pollution
Compensation Funds

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1992 Fund Assembly	92AES29	
1992 Fund Executive Committee	92EC84	●
Supplementary Fund Assembly	SAES13	

INCIDENTS INVOLVING THE IOPC FUNDS—1992 FUND

PRINCESS EMPRESS

Note by the Secretariat

Objective of document:	To inform the 1992 Fund Executive Committee of the latest developments regarding this incident.
Summary:	<p>On 28 February 2023, the Philippine-flagged <i>Princess Empress</i> (508 GT) sank in rough seas off the coast of Naujan, Oriental Mindoro, the Philippines, whilst carrying 800 000 litres of fuel oil as cargo. Subsequently, an oil spill was detected around the location of the wreck which extended to other areas, causing pollution damage.</p> <p>The ship is insured with the Shipowners' Mutual Protection and Indemnity Association (Luxembourg) (Shipowners' P&I Club), which is part of the International Group of P&I Associations (International Group). The limitation amount applicable to the <i>Princess Empress</i> in accordance with the 1992 Civil Liability Convention (1992 CLC) is SDR 4.51 million, but the owner of the <i>Princess Empress</i> is a party to the Small Tanker Oil Pollution Indemnification Agreement (STOPIA) 2006 (as amended 2017)^{<1>}. Under STOPIA 2006, the 1992 Fund has legally enforceable rights of indemnification from the shipowner of the difference between the limitation amount applicable to the tanker under the 1992 CLC and the total amount of admissible claims up to SDR 20 million.</p> <p>The 1992 Fund and the Shipowners' P&I Club have opened a central claims submission office (CSO) in Calapan, Oriental Mindoro and set up a number of temporary collection centres in different areas, some of which are not easily reachable.</p> <p>Claims related to this incident have exceeded the limit of liability of the shipowner under the 1992 CLC. Although the 1992 Fund started paying compensation when the 1992 CLC limit was reached, the shipowner's insurer has reimbursed the 1992 Fund for the amounts paid in compensation, up to the STOPIA 2006 limit of SDR 20 million. However, the STOPIA 2006 limit has also been reached.</p>
Recent developments:	<p>As at 5 March 2025, the CSO has registered a total of 39 813 claims, mainly in the fisheries sector, of which 32 360 have been settled. More details on the handling of claims are given in section 6 of this document.</p> <p>In January 2025 the Director and three other members of the Secretariat travelled to the Philippines to meet with all the stakeholders. Meetings took place with government agencies, where, amongst discussion of other issues, emphasis was put</p>

<1>

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

on the government agencies submitting their claims as soon as possible so as to give sufficient time for the claims to be assessed and settled amicably.

Relevant documents: The online [Princess Empress incident report](#) can be found via the Incidents section of the IOPC Funds' website.

Action to be taken: 1992 Fund Executive Committee

Information to be noted.

1 Summary of incident

Ship	<i>Princess Empress</i>
Date of incident	28.02.2023
Place of incident	Oriental Mindoro, the Philippines
Cause of incident	Engine failure
Quantity of oil spilled	Unknown
Area affected	Oriental Mindoro, Western Visaya
Flag State of ship	The Philippines
Gross tonnage	508 GT
P&I insurer	Shipowners' P&I Club
CLC limit	SDR 4.51 million (PHP 334.6 million) ^{<2>}
STOPIA/TOPIA applicable	STOPIA 2006 applies up to SDR 20 million (PHP 1 483.9 million) ^{<2>}
CLC + Fund limit	SDR 203 million (PHP 15 062.1 million) ^{<2>}

2 Incident

On 28 February 2023 whilst on voyage to Iloilo from Limay, Bataan, the Philippine-flagged *Princess Empress* (508 GT) sank in rough seas off the coast of Naujan, Oriental Mindoro, the Philippines, whilst carrying 800 000 litres of fuel oil as cargo. Subsequently, an oil spill was detected around the location of the wreck which extended to other areas, causing pollution damage.

3 Impact of the spill

- 3.1 The pollution damage resulting from the *Princess Empress* incident affected the coasts of Oriental Mindoro to varying degrees. The oil also travelled to the Caluya archipelago, which is situated south of Mindoro Island, affecting the islands of Semirara and Liwagao.
- 3.2 A high proportion of the population in the affected area rely on small-scale fisheries-related activities, including subsistence fishing.
- 3.3 Several of the areas affected by the pollution have tourism-dependent businesses.
- 3.4 A number of mangrove areas have been affected by the pollution, particularly on the island of Semirara.

^{<2>} Based on the exchange rate applicable when the 1992 Fund Executive Committee authorised payment, i.e. 25 May 2023, SDR 1 = PHP 74.197700.

4 Visits by the IOPC Funds' Secretariat to the Philippines

- 4.1 The Director, the Deputy Director/Head of the Claims Department and a Claims Manager visited the Philippines during 2023, meeting with staff of the claims submission office (CSO), and visiting part of the affected area and a number of claims collection centres in Oriental Mindoro. Meetings were also held with the Philippine Coast Guard (PCG) and local authorities. In November 2023 the Deputy Director/Head of the Claims Department and a Claims Manager participated in a claims workshop organised by the PCG, ITOPF and the IOPC Funds in Manila, in order to provide the Philippine Government agencies involved in the response to the spill with an understanding of the 1992 Fund's claims admissibility criteria and to facilitate the submission of claims.
- 4.2 In June 2024, the Director and a Claims Manager visited Manila in order to meet with government agencies that had been involved in the response to the incident and to provide guidance on the submission of claims. They also travelled to Mindoro to meet with CSO staff and observed some of the payment processing activities, in particular at two barangays where the distribution of payments to claimants was being carried out.
- 4.3 In January 2025 the Director and three other members of the Secretariat travelled to the Philippines to meet with all the stakeholders on a number of issues. The Director and members of the Secretariat met with the involved government agencies and strongly encouraged them to submit their claims as soon as possible so as to give sufficient time for the claims to be assessed and settled in order to avoid the time-bar deadline and the need to bring court action to protect their compensation rights.

5 Investigations into the cause of the incident

According to preliminary information, the *Princess Empress* was refurbished in 2022. There are reports of at least five separate investigations into the incident being conducted by the PCG; the Maritime Authority of the Philippines; the Department of Environment and Natural Resources; the Department of Justice, through the National Bureau of Investigation; and the House of Representatives. These investigations appear to be directed principally at determining the cause and extent of the spill and at ascribing fault, including potential criminal responsibility, for the incident.

6 Claims for compensation

6.1 Claims submission office (CSO)

- 6.1.1 The 1992 Fund and the Shipowners' P&I Club opened a CSO to facilitate the submission of claims for compensation resulting from the incident. This first central office was opened on 31 March 2023 and it is located in Calapan, Oriental Mindoro.
- 6.1.2 Given the characteristics and extent of the affected area, in order to give an opportunity to claimants to submit claims, it was considered necessary to open temporary CSOs (collection centres) in different areas, some of which are not easily reachable.
- 6.1.3 The claims submission process involves staff of the CSO travelling to the different affected areas to conduct a short, one-to-one interview with individual claimants, mostly fishers, to help them submit their claim. The main claims submission operation for individual claimants has concluded, but the CSO in Calapan remains open for claimants to submit claims.
- 6.1.4 Efforts were made to compensate claimants in the fisheries sector as soon as assessments were ready. As with the collection of claims, a process is in place to reach legitimate claimants to provide compensation. These efforts have resulted in over 32 000 fisheries claims paid by the end of 2024.

6.2 Claims situation

6.2.1 As at 5 March 2025, the CSO has registered a total of 39 813 claims, mainly in the fisheries sector, with a total claimed amount of PHP 1 899.96 million, USD 26.5 million, EUR 2.7 million and £64 510.

6.2.2 The table below provides a breakdown of the claims received as at 5 March 2025, by category and by currency:

Claim category	Claims (PHP)		Claims (USD)		Claims (EUR)		Claims (GBP)	
	No	Amount (PHP)	No	Amount (USD)	No	Amount (EUR)	No	Amount (GBP)
Clean-up and preventive measures	9	26 788 929	37	26 494 071	9	2 710 587	1	64 510
Fisheries	36 912	1 752 848 621						
Property damage	3	308 900						
Tourism	2 889	120 017 158						
Total	39 813	1 899 963 608 (£26.2 million) ^{<3>}	37	26 494 071	9	2 710 587	1	64 510

6.2.3 The table below provides a breakdown of the payments made as at 5 March 2025, by category and by currency:

Claim category	Paid (PHP)		Paid (USD)		Paid (EUR)		Paid (GBP)	
	No	Amount (PHP)	No	Amount (USD)	No	Amount (EUR)	No	Amount (GBP)
Clean-up and preventive measures	2	5 599 933	37	26 166 897	9	2 710 587	1	64 510
Fisheries	32 287	1 004 500 319						
Property damage								
Tourism	24	1 929 182						
Total	32 313	1 012 029 434	37	26 166 897	9	2 710 587	1	64 510

6.3 Clean-up and preventive measures

6.3.1 The 1992 Fund has examined the claims submitted by the shipowner regarding the costs incurred in respect of the various contractors engaged to carry out response operations at sea and onshore, including the survey of the wreck and the operation to remove the remaining oil from the wreck.

6.3.2 Following an assessment of the claims, the total paid amount, including the amounts paid by the shipowner's insurer, is PHP 5.6 million, USD 26.2 million, EUR 2.7 million and £64 510.

6.3.3 Included in the payment for clean-up and preventive measures is the cost of the operations to remove the oil from the wreck, totalling USD 11.7 million.

^{<3>} Unless otherwise stated, the exchange rate used in this document as at 31 December 2024 is £1 = PHP 72.4448.

6.4 Fisheries

- 6.4.1 As at 5 March 2025 the CSO has registered 36 912 claims in the fisheries sector, with a total claimed of PHP 1 752.8 million (£26.2 million). The majority of these claims have little supporting documentation.
- 6.4.2 The Shipowners' P&I Club and the 1992 Fund, through their international experts, engaged a team of local university fisheries experts to carry out a study of the impact of the spill on the fisheries sector in the affected areas, in order to assess the claims.
- 6.4.3 Whilst the study and the subsequent assessment was being finalised, a provisional assessment was carried out in order to be able to make provisional payments to claimants in the fisheries sector. Based on the provisional assessment, a total of PHP 117 million was paid to 8 825 fishers.
- 6.4.4 In addition to the high volume of claims in the fisheries sector, the process has been complicated by the fact that most claimants in that sector do not have bank accounts. This circumstance has forced the Secretariat to find alternative ways of payment, eventually using an internationally renowned remittance company, to enable claimants to receive the compensation owed to them.
- 6.4.5 The fisheries study was completed in March 2024 which allowed the assessment of losses in the fishing category. A total of 23 238 claims from fishers were approved with a total amount of some PHP 707 million to be paid, taking into account the provisional payments already made. The payment process for these claims was carried out in a similar manner to the provisional payments. Given the logistics and the high number of claims, the process took several months to complete. The payment process for the fishers included in this assessment was completed in October 2024.
- 6.4.6 In addition to the above, in October 2024 the 1992 Fund and the Shipowners' P&I Club approved the assessment of claims from 9 030 fish traders that had suffered losses due to lack of alternative products to sell during the fishing bans in the areas affected by the spill. Taking into account provisional payments previously made to some of the claimants, there were 7 628 fish trading claims to be paid, with a totalling balance of PHP 179.6 million. The payment process, resembling the one carried out for the fishers claims, was carried out in November 2024, except for one very remote municipality for which the corresponding payments will be made in the near future.
- 6.4.7 In February 2025 the 1992 Fund and the Shipowners' P&I Club approved an additional assessment comprising a total of 2 697 claims comprising claims from fishers and fish traders not previously assessed, and claims from the fish processing and marine farming sub-sectors. Taking into account provisional payments previously made to some of the claimants, of the 2 072 claims with a positive assessment there are 2 007 claims with a balance to be paid, totalling PHP 77.6 million. The payment process in respect of these claims will be carried out following a similar process as the other claims in the fisheries sector.

6.5 Tourism

- 6.5.1 As at 5 March 2025, the CSO has received 2 889 claims in the tourism sector, totalling PHP 120 million (£1.7 million). Most of these claims were lacking the minimum supporting documentation to allow for assessment of the claims. It has been necessary for the expert engaged by the 1992 Fund and the Shipowners' P&I Club to visit the affected area several times in order to find ways to assess the claims.
- 6.5.2 As at 5 March 2025, 304 claims have been approved for a total of PHP 2.5 million, of which 24 claims totalling PHP 1.9 million have been paid. The 1992 Fund and the Shipowners' P&I Club are studying the assessments made by the expert in respect of some 2 000 claimants.

7 Director's considerations

- 7.1 The Director is grateful to the Government of the Philippines for their assistance during visits by members of the IOPC Funds' Secretariat to the Philippines. The Director is also grateful to the local authorities in the affected areas for their help, especially regarding the opening of temporary local CSOs and the facilitation of the payment process in the fisheries sector.
- 7.2 The Director is equally grateful for the excellent cooperation with the Shipowners' P&I Club and their proactive approach to the incident. This incident shows how well the international regime can operate when there is good cooperation between the shipowner's insurer and the IOPC Funds. This facilitates the joint engagement of the right experts, assessment of claims and the general compensation process.
- 7.3 Great progress has been made in the handling of claims regarding this incident, with more than 80% of the 39 813 claims submitted having been settled. This has been the result of close cooperation between the Shipowners' P&I Club, the CSO and the IOPC Funds' Secretariat.
- 7.4 There is an uncertainty, however, regarding the claims by government agencies, which have not yet been submitted. The Director encourages the government to submit the claims in the near future.

8 Action to be taken

1992 Fund Executive Committee

The 1992 Fund Executive Committee is invited to take note of the information contained in this document.
