



## NON-TECHNICAL MEASURES TO PROMOTE QUALITY SHIPPING FOR CARRIAGE OF OIL BY SEA

### SHARING OF INFORMATION BETWEEN MARINE INSURERS

Submitted by Canada, France, Japan, the Netherlands, Nigeria, Portugal,  
United Kingdom, Uruguay

**Summary:** The submission proposes a study on the sharing of information between marine insurers, as well as the development of an IOPC Funds Common Policy Statement and an Action Plan.

**Action to be taken:** See paragraphs 3.1 and 4.1.

#### **1** Introduction

- 1.1 At the 10th extraordinary session of the 1992 Fund Assembly in February-March 2006 the terms of reference for the Working Group on Non-Technical Measures to Promote Quality Shipping for Carriage of Oil by Sea were supported by a majority of Member States (document 92FUND/A/ES.10/18, paragraphs 5.8-5.13). One of the focuses of the Working Group is to identify factors that prevent the sharing of information between marine insurers and seek to develop a common policy or other measures that would facilitate such sharing of information.
- 1.2 The co-sponsors of this document believe that sharing of information between marine insurers would promote quality shipping and therefore would positively contribute to loss prevention and protection of the environment, thus reducing the exposure of the IOPC Funds to potential claims for pollution damage. The purpose of this document is to propose research and a methodology as a way forward in addressing this issue.

#### **2.** Background

- 2.1 Studies undertaken in other fora showed that some ship operators substantially reduce costs by operating ships below mechanical, safety and crewing standards. This presents a higher risk of an incident resulting in environmental and economic loss for the affected coastal State.
- 2.2 Insurers are however often unable to share or access pertinent information regarding such ships. Industry groups have indicated that surveys within the *Equasis* system are not publicly available and other private and commercial entities are discouraged from sharing the results of their surveys for fear of competition laws and of legal suits that may occur as the result of sharing information. Several P&I Clubs also mentioned that various national laws prohibited the sharing of information on applicants and why their coverage was refused or cancelled.

- 2.3 It was pointed out that if a Club removed, suspended or declined coverage of an operator, it should have the right or responsibility to inform other Clubs, provided that it was legally allowed to do so. This would eliminate the ability of operators to “club hop”, without each Club being aware of the reasons why the previous insurers cancelled their coverage.

**3. Proposal**

- 3.1 It is proposed that the Working Group undertakes research aimed at clearly identifying factors that prevent insurers from sharing information, including legal and policy impediments. The Working Group may then make suggestions as to how Member States could remove the impediments so as to enable insurers to share information to promote quality shipping.

**4. Methodology**

- 4.1 This proposal would include the following steps:

- Identify factors that allow/require/prevent marine insurers and other business endeavours from sharing information on clients, including national legislation or policies.
  - Develop an IOPC Funds Common Policy Statement on sharing of information by insurers of ships, if necessary.
  - Recommend an Action Plan, if necessary.
  - Submit the Common Policy Statement and Action Plan for approval by the Assembly, if necessary.
-