



INTERNATIONAL
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FUNDS

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1992 Fund Assembly	92A17	
1992 Fund Executive Committee	92EC56	•
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INCIDENTS INVOLVING THE IOPC FUNDS – 1992 FUND

HEBEI SPIRIT

Submitted by the Republic of Korea

Summary:	This document contains information on the status of compensation for damages incurred by the <i>Hebei Spirit</i> incident, which took place off the west coast of the Republic of Korea.
Action to be taken:	<u>1992 Fund Executive Committee</u> Information to be noted.

1 **Introduction**

This document is submitted to explain the assessment status and relevant issues for the *Hebei Spirit* incident, which took place off the west coast of the Republic of Korea on 7th December 2007 following the collision between a crane barge being towed by a fleet of tugboats and the oil tanker *Hebei Spirit*, and to enhance the overall understanding of Member States.

2 **Status of Assessment and Compensation**

- 2.1 As at 3 September 2012, four years and nine months after the occurrence of the *Hebei Spirit* incident, a total of 28 885 claims (number of claimants: 128 398) have been registered at the *Hebei Spirit* Centre, a claims office set up by Skuld P&I Club and the 1992 Fund.
- 2.2 The Fund and Skuld P&I Club have made a lot of efforts to promptly assess the enormous number of claims, which resulted in the assessment of most claims, as shown by Table 1. In terms of the number of claims submitted, 28 790 claims (99.7%) have been assessed.
- 2.3 As a result of the assessment, only 4 697 claims (KRW 179.8 billion) of the total assessed claims have been approved. It is less than the Civil Liability Convention Limit (KRW 186.8 billion), so the government's Standing Last in the Queue (SLQ) claims should be fully assessed.

< Table 1 Claim Assessment and Approval Status of Category >

	Number of Claims <Number of claimants>	Number of Claims Assessed (%) < Number of claimants >	Number of Claims Approved (%) < Number of claimants>
Total	28 885 <128 398>	28 790 (99.7%) <128 303>	4 697 (16.3%) <57 011>
Tourism	10 699 <10 699>	10 685 (99.9%) <10 685>	2 582 (24.2%) <2 582>
Clean-up operations	303 <303>	243 (80.2%) <243>	217 (89.3%) <217>
Fisheries	10 819 <110 332>	10 812 (99.9%) <110 686>	1 528 (14.1%) <53 842>
Others	7 064 <7 064>	7 050 (99.8%) <7 050>	370 (5.2%) <370>

3 Limitation proceedings related to the Hebei Spirit incident

- 3.1 The Seosan Branch of the Daejeon District Court decided to open the limitation proceedings filed by the shipowner on 9th February 2009. Some claimants filed an appeal to the decision, which was later dismissed by the Supreme Court. As of the end of August 2012, the total number of claims filed in the Limitation Court is approximately 127 000 (KRW 4.27 trillion).
- 3.2 For the limitation proceedings, after forming an expert group to investigate the claims filed at the Limitation Court, the competent court has initiated verification of the claims since November 2011 and set the investigation deadline at 27 August 2012. However, as the expert group was not able to meet the investigation deadline due to the enormous amount and number of claims filed, the competent court decided to render assessment rulings for all claims including SLQ claims filed.
- 3.3 The Korean Court plans to make all assessment rulings by the end of this year, which is changeable according to the deadline for submission of the assessment results, taking into consideration claims report forms, supporting documents, the Fund's assessment results and the expert group's review results.
- 3.4 Since the Korean Court plans to complete its proceedings the end of this year, all claims including the rest of the claims by victims and SLQ claims by the government should be fully assessed.
- 3.5 Table 2 below shows the status of the government's SLQ claims as at 3 September 2012.

< Table 2 Status of the government's SLQ Claim >

Clean-up operations	Tourism	Environmental investigation	Others	Total (number of claims)
49	3	2	5	59

- 3.6 As SLQ claims, which include claims for clean-up operation and environmental investigation costs and support for victims, are backed by all available documents described in the Claims Manual, the Korean Government expects them to be assessed more promptly compared to other claims by victims. However, assessment may be delayed unexpectedly due to the need to supplement supporting documents in the actual assessment by the Fund.

3.7 If assessment of SLQ claims is delayed, the court's assessment rulings will be delayed as well, which will cause a delay of compensation for victims. Therefore, SLQ claims should be assessed in a speedy manner.

4 **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.
