



INTERNATIONAL  
OIL POLLUTION  
COMPENSATION  
FUND 1992

ASSEMBLY  
1st extraordinary session  
Agenda item 9

92FUND/A/ES.1/8  
25 July 1996  
Original: ENGLISH

## DIRECTOR'S AUTHORITY TO SETTLE CLAIMS

Note by the Director

### 1 Consideration at the Assembly's 1st session

1.1 At its 1st session, the Assembly decided that for the time being the Director should be given authority to settle claims against the 1992 Fund up to the same limits as those laid down in the 1971 Fund's Internal Regulations, ie he would be entitled to make final settlement of any claim if he estimated that the total cost to the 1992 Fund of satisfying all claims arising out of the relevant incident was not likely to exceed 2.5 million SDR (approximately £2.3 million), and that he would be entitled, in any case, to make final settlement of claims from individuals and small businesses up to an aggregate amount of 666 667 SDR (approximately £620 000) in respect of any one incident (Internal Regulation 7.4).

1.2 The Assembly decided that these limits should be reviewed at its extraordinary session in October 1996, when it would be possible for the Assembly to consider whether, in the light of developments, there was a need for an extension of the Director's authority (document 92FUND/A.1/34, paragraph 18.8).

### 2 Further consideration by the Director

Since the Assembly's 1st session, there have been no significant developments on the basis of which the Director would propose to the Assembly that his authority be extended at this stage. He therefore proposes that the Director's authority to make final settlement of claims against the 1992 Fund, without prior approval of the Assembly or a subsidiary body, should be maintained at the levels provided in Internal Regulation 7.4.

3 Action to be taken by the Assembly

The Assembly is invited:

- (a) to take note of the information contained in this document; and
  - (b) to consider the limit of the Director's authority to make final settlement of claims against the 1992 Fund without prior approval of the Assembly or a subsidiary body.
-