



International  
Chamber of Shipping

Shaping the Future of Shipping

# **Shipowners' Perspective on the 2010 HNS Convention**

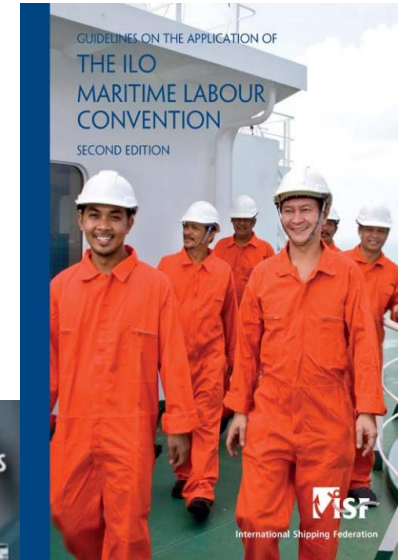
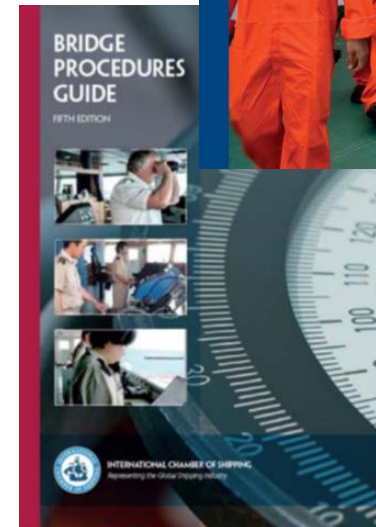
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**Chairman, Maritime Law Committee  
International Chamber of Shipping**

**Workshop on the 2010 HNS Convention  
26-27 April 2018, IMO Headquarters**

# About ICS

- ▶ ICS is concerned with all technical, legal, employment affairs and policy issues that may affect shipowners and operators
- ▶ ICS represents shipowners and operators at various inter-governmental bodies that regulate shipping, especially the IMO and ILO
- ▶ ICS develops guidance and best practice publications to assist the industry and to promote quality shipping



# HNS Convention 1996

## The key elements:

- ▶ A two-tier system of compensation based on sharing of liability
- ▶ “Channeling of liability” to the shipowner
- ▶ A strict liability on the part of the shipowner
- ▶ Shipowner has the right to limit liability
- ▶ Compulsory insurance for the shipowner’s liability that is State certified
- ▶ Direct Action against the insurer if the shipowner is unable to pay



# 2010 Protocol to the HNS Convention

- ▶ Agreed in 2010 to address practical problems preventing ratification
- ▶ All connected with the Second Tier
- ▶ Packaged HNS
- ▶ Receivers of packaged HNS not obliged to contribute
- ▶ Incidents will still be covered by the regime to the benefit of claimants
- ▶ Shipowners and bulk HNS importers to share the increased costs of compensation as a result of packaged HNS not contributing



# LLMC 1996 v HNS Convention

## Compensation amounts

**LLMC** new limits as from 2015 range from:

1.5 m SDR (USD 2 Million) for the smallest ships of up to 2000 GT to

68 m SDR (USD 95 million) for the largest ships over 50,000 GT

Compared with:

**HNSC 250m SDR in total (USD 350 million)**



# NUMBER OF SHIPS CARRYING HNS WORLDWIDE IS GROWING

CONTAINER SHIPS: 2600 IN 2000  
5147 IN 2017

LNG TANKERS: 250 IN 2007  
1850 IN 2017

CHEMICAL TANKERS: 3100 IN 2005  
5418 IN 2017

LPG TANKERS: 940 in 2000  
1425 in 2017



# LLMC 1996 v HNS Convention

LLMC regulates only the *limits* of liability for claims resulting from shipping activities

HNSC regulates:

- ▶ Who may be sued (channeling of liability to the shipowner)
- ▶ Strict liability on the part of the shipowner
- ▶ State certified compulsory insurance scheme
- ▶ Right of direct action against the insurer



# ICS Supports HNSC – Why?

## Shipowners:

- ▶ Accept the need to compensate claimants who have suffered damage from a ship carrying HNS
- ▶ Accept responsibility to the environment
- ▶ Wish to be regulated by international rules and obligations agreed at the IMO, not regional or national rules







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## Promoting Maritime Treaty Ratification

The ICS and CMI Campaign



Promoting Maritime Treaty Ratification

# NEXT STEPS

## Industry Liaison Group established to:

- ▶ Promote ratification of the HNSC
- ▶ Monitor ongoing work being done by States to ratify the Convention
- ▶ Coordinate outreach work between the shipping industry associations
- ▶ Gain a greater understanding of the position of key contributing States

IG P&I Clubs, BIMCO, ECSA, ICS



Thank you for listening



[www.ics-shipping.org](http://www.ics-shipping.org)