

Increasing limits under the amended 1996 protocol of the LLMC

On 30 November 2016, the limits of a ship owners' liability for a maritime claim in the UK will rise by 51%, when the amended 1996 Protocol to the Convention on Liability for Maritime Claims 1976 comes into force in the UK.

Member States voted to increase limits in April 2012, after high profile bunker spill cases like the "PACIFIC ADVENTURER" in Queensland in 2009 led Member States to conclude that the existing limits were insufficient to cover likely claims.

The "tacit acceptance" provisions of the Protocol provided that the increased limits came into force in Member States on 8 June 2015. However, the Protocol required secondary legislation to take effect in the UK. The new limits are as follows:

Physical Damage			
Vessel Tonnage	1976 LLMC Limit (SDR)	1996 Protocol Limit (SDR)	Amended Limit (SDR)
GT: 2,000	417,000	1,000,000	1,510,000
GT 30,000	5,095,500	12,200,000	18,422,500
GT 100,000	12,583,500	30,200,000	45,602,500
Physical Injury			
Vessel Tonnage	1976 LLMC Limit (SDR)	1996 Protocol Limit (SDR)	Amended Limit (SDR)
GT: 2,000	1,038,000	2,000,000	3,020,000
GT 30,000	10,574,500	24,400,000	36,844,500
GT 100,000	25,584,000	60,400,000	91,204,000

These new limits apply to incidents occurring on or after 30 November. There will be no increase to the limits under the 1996 Protocol for vessels of less than 300 GT.

In March 2016, CTRL Marine Solutions published an article on the UK Government consultation on the increasing limits of liability which took place between December 2015 and February 2016. As part of that consultation, the UK government proposed removing owners' right to limit liability for passenger claims under the LLMC. We pointed out that not all owners would be able to limit liability for passenger claims under the Athens Convention, potentially leaving owners operating on inland and coastal waters exposed. The increased limits to liability will be brought into force in the UK through Statutory Instrument 2016 No. 1061 which amends the Merchant Shipping Act 1995. However, the Government have decided not to remove the right of ship owners to limit their liability under the LLMC for passenger claims. They have concluded that

this is a complex area which will require a more detailed assessment than that originally proposed.