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## ► **Entry into force of the Nairobi International Convention on the Removal of Wrecks (NWRC) – update on issuance of Blue Cards**

**21 January 2015**

To all Members,

The [Circular published on 19 January 2015](#) advised Members that the Nairobi International Convention on the Removal of Wrecks, 2007 (“the Convention”) will enter into force on 14<sup>th</sup> April 2015. As already notified, Clubs in the International Group have agreed to issue the required Wreck Convention ‘Blue Cards’ to enable State parties to issue certificates.

To provide guidance in the run up to renewal on the application process in respect of applying for a ‘Blue Card’ we can advise:

### **Issue of Blue Cards**

Blue Cards will only be issued for vessels of 300 GT or more, the NWRC does not apply to vessels below 300 GT. The Blue Card must state, in common with those for other International Conventions, the name of the ship, the ship’s distinctive number or letters (or call sign), the port of registry, the IMO number and the name and full address of the principal place of business of the registered owner. In addition to this common information, the Gross Tonnage must also be shown. Blue Cards will only be issued in the name of the owner. They will not be issued in the name of the operators, managers or bareboat charterers.

The effective date shown for this year will be 14<sup>th</sup> April 2015 and not before.

### **Data Collection for Preparation of Blue Cards**

In view of the large numbers of certificates that will need to be produced we are setting up a web-based system to expedite the handling of applications. Work on this is progressing well and we anticipate this system will be available for users to apply at least one month before the Convention comes into force.

The system will be available through the Club’s usual website under the Trading Certificate section. However, Members and Brokers, if they so wish, can approach their usual underwriting contact to issue on a fleet basis provided that renewal has been concluded and all details above are already held by the Club. Where Bunker, CLC or PLR Blue Cards have been issued previously we should have the details already on file.

Flag States have requested that applications are made post 20<sup>th</sup> February 2015 to allow them sufficient time to process more urgent requests in respect of CLC/PLR and Bunker Certificates.

### **Certification and Pooling of Liability under Certificates**

Members have also previously been informed that the Club will issue Blue Cards on condition that the Member agrees that where any payment by the Association under the certificate is in respect of war risks, the Member shall indemnify the Association to the extent that such payment is recoverable under the Member’s P&I War Risks policy or would have been recoverable if the Member had maintained and complied with the terms and conditions of a standard P&I War Risks insurance policy, and that there shall be assigned to the Association all the rights of the Member under such insurance and against any third party. By requesting a Blue Card the Member will be deemed to have agreed these conditions.

It is therefore necessary that all Members requesting Blue Cards ensure that they have in place P&I War Risks cover on standard terms with a separate limit for P&I liabilities. Members should also contact their primary war risks underwriters to notify them of the assignment of rights/recovery under the policy. This is however not required if your cover is provided by the Club under one of its unique plain language products, which include Primary War P&I cover from the ground up.

Members are also reminded that although War Risks are excluded from standard P&I cover (except for plain language products) the Association, in conjunction with other P&I Clubs in the International Group, continues to provide Excess War Risks P&I Cover with a limit of USD 500 million. This cover is not intended as a substitute for market War Risks cover; it is intended to pay claims only in excess of amounts recoverable under a Member's underlying War Risk policy including P&I risks. Therefore, this cover is subject to an excess of the proper market value of the entered vessel or whatever sums are recoverable from other War Risk covers, whichever is the greater. The minimum excess is the proper market value of the entered vessel or USD 100 million, whichever is the lesser.

The War Risks P&I Excess cover is subject to exclusion in respect of bio-chem risks however, in order to provide a degree of cover to Members, the P&I Clubs in the International Group have agreed to cover bio-chem risks relating to crew claims and for legal costs relating to other P&I liabilities. Cover is subject to a limit of USD 30 million in the aggregate.

We trust this advises and a further update will follow in due course.

**Mark Harrington**  
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