



DECEMBER 20, 2006

CIRCULAR NO. 24/06

TO MEMBERS OF THE ASSOCIATION

Dear Member:

BLUE CARDS: THE NAMING OF BAREBOAT CHARTERERS

As Members will be aware, International Group clubs are the principal providers of the Blue Cards which provide the basis for States to issue the certificates required by the International Convention on Civil Liability for Oil Pollution Damage, 1992 (CLC).

The Convention requires the owner of a ship registered in a CLC Contracting State¹ and carrying more than 2,000 tons of oil in bulk as cargo to maintain insurance cover in accordance with the requirements of the Convention, which is evidenced by the Blue Card issued by the Club. CLC tankers must carry a State certificate on board attesting the insurance coverage.

It has been reported that some CLC Contracting States² are requiring Blue Cards naming both the owner and the bareboat charterer. It is also understood that occasions of compliance with these requests to name the bareboat charterer may have taken place during the current policy year.

It is the International Group's clear policy that this should not be repeated and the practice of naming bareboat charterers in Blue Cards should be discontinued with immediate effect since such practice does not reflect the clear provisions of the Convention, which make the registered owner solely liable and explicitly exclude the charterer from liability.

For the purposes of the Convention, clubs should only provide a Blue Card to the "person or persons registered as the owner of the ship". A common approach in this respect is clearly of great importance.

Those authorities which have previously requested the naming of bareboat charterers have been informed that compliance with such requests will be discontinued with effect from February 20, 2007.

Members are asked to note these developments. If any Member has questions in regard to the above, or generally, your Managers will be pleased to respond.

Yours faithfully,


Joseph E.M. Hughes, Chairman & CEO
Shipowners Claims Bureau, Inc., Managers for
THE AMERICAN CLUB

¹116 States, including 17 States party to CLC and not party to the 1992 IOPC Fund Convention.

²Liberia, Venezuela, Singapore, Saudi Arabia, Marshall Islands, Luxembourg, Italy and France as reported so far.