

Special Circular Carriage of Clean/dirty Cargoes - US Voyage Declarations

To all Tanker Members

Dear Sirs,

Carriage of Clean/dirty Cargoes US voyage declarations

The purpose of this circular is to confirm procedures for declaring clean/dirty voyages and US voyages for the purposes of the US voyage surcharge for the 2013 policy year.

Clean/dirty voyages Clean tankers

Certificates of entry for tankers having declared the intention to carry clean (non-persistent oil) cargoes have been endorsed with the following warranty:

Clean tanker warranty

“It is agreed that the Ship(s) insured hereunder shall not carry persistent oil as cargo during the policy year. Notwithstanding the foregoing, any Ship(s) insured hereunder that carry persistent oil cargo at any time during the policy year shall be held covered, provided always that the carriage of such cargo is declared to the Association (trading-certificates@gard.no) immediately in writing and in any event not more than 30 days after the carriage of such cargo and the Member agrees to pay any additional amount of reinsurance premium as may be required by the Association.”

This means that the period for assessing whether a tanker should be considered clean or dirty has been changed from a quarter of a year to 30 days. If a ship has carried “dirty” cargo for any period, it shall be considered as “dirty” for the purposes of reinsurance premium and a declaration should be made to the Association as soon as possible. In order to regain clean status the vessel must trade with clean cargo at least 30 days after the carriage of dirty cargo.

Dirty tankers

A dirty tanker (tanker carrying persistent oil as cargo) may claim return on reinsurance premium if it has carried clean cargoes for a period of 30 days or more. Such a claim for return of premium must be made to the Association (trading-certificates@gard.no) as soon as possible but in any event not later than 30 days

after the end of the insurance year. The higher reinsurance premium will be charged on the actual period the tanker has traded as dirty. Please note that voyages in ballast or waiting for orders do not count as the periods when the tanker is considered "clean".

US Voyage declarations

We refer to Member Circular No. 18/2012 United States Oil Pollution Cover concerning reinsurance arrangements for the 2013 policy year. In that circular Members were informed that the exclusion from cover under Rules 53.2 of oil pollution liabilities arising out of an incident to which the US Oil Pollution Act of 1990 (OPA90) is applicable for those ships capable of carrying oil in bulk as cargo would continue for the 2013 year. However, cover would be reinstated if the Member agrees to make declarations in the manner set out in Appendix III section 3 - US Oil Pollution Cover - to the Rules for Ships, i.e. by making quarterly declarations in the same manner as for 2012. It was noted that the Association would assume that those Members who agreed to the declaration procedure for the 2012 policy year also agree to the declaration procedure for the 2013 policy year. Thus, the cover was automatically reinstated unless by 20 February 2013 the Association had been notified to the contrary. It has been decided that for those Members trading infrequently to the United States of America, these declarations may be made on a "quarterly" basis.

All ships (clean and dirty rated) loading and/or discharging persistent oil as cargo in the US should declare in the same manner as previous years, i.e. by declaring quarterly.

Any questions with regard to the above may be addressed to Knut Goderstad, Gard AS.

Yours faithfully,
GARD AS



Claes Isacson
Chief Executive Officer

Definitions

In this Circular the following expressions shall have the following meanings:-

"clean tanker" an Insured Vessel which is not carrying persistent oil or its residues (other than slops).

"dirty tanker" an Insured Vessel which is not a clean tanker.