



**GARD AS**

**Special Circular**

November 2008

**To the Mobile Offshore Unit Members of  
Assuranceforeningen Gard - gjensidig**

Servicebox 600  
NO-4809 ARENDAL  
NORWAY

Tel +47 37 01 91 00  
Fax +47 37 02 48 10

companymail@gard.no  
www.gard.no

attn:  
your ref:  
our ref:  
date:

Dear Sirs,

**Entry into force of the Bunker Convention – Bunker Blue Cards for Mobile  
Offshore Units – the establishment of Safeguard Guarantee Company Ltd as  
security provider**

---

**Introduction**

The purpose with this special circular to our mobile offshore unit (“MOU”) Members is to inform them about special procedures established for the purpose of providing the financial security required for MOUs under the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001 (the “Bunker Convention”).

The reason for establishing these special procedures is that the provider of financial security under the Bunker Convention will be exposed to risks, described below as Special Risks, falling outside the scope of the traditional reinsurances taken out in the commercial market for MOUs insured outside the International Group of P&I Clubs’ reinsurance structure.

A new insurance and guarantee company named *Safeguard Guarantee Company Ltd* (hereinafter called “*Safeguard*”) has been established in Bermuda for the sole purpose of offering the financial security required under the Bunker Convention for MOUs. Assuranceforeningen Gard – gjensidig (hereinafter called the “Club” or the “Association”) will not be involved as a risk carrier for risks falling outside the scope of its traditional reinsurance program.

**Background**

The Bunker Convention

The Bunker Convention will enter into force on 21 November 2008 after having been ratified by the required number of States<sup>1</sup> with the requisite combined gross tonnage registered. The

---

<sup>1</sup> State Parties to the Bunker Convention (as at 31 October 2008) are Bahamas, Bulgaria, Cook Islands, Croatia, Cyprus, Denmark, Estonia, Germany, Greece, Hungary, Jamaica, Latvia, Lithuania, Liberia, Luxembourg, Marshall Islands, Norway, Poland, Samoa, Sierra Leone, Singapore, Slovenia, Spain, Tonga, the United Kingdom (including Isle of Man) and Vanuatu.

Bunker Convention provides a liability, compensation and compulsory insurance system for the victims of oil pollution damage caused by spills of bunker oil from any seagoing vessel and seaborne craft of any type whatsoever, including MOUs. The owner will be liable to pay compensation for pollution damage (including the costs of preventive measures) caused in the territory, including the territorial sea of a State Party, as well as its exclusive economic zone or equivalent area.

### Certification

Registered owners of any seagoing vessel and seaborne craft of any type whatsoever, including MOUs, over 1000 gross ton registered in a State Party, or entering or leaving a port in the territory of a State Party, or arriving at or leaving an offshore facility in the territorial sea of a State Party, will be required to maintain insurance or other financial security, which meet the requirements of the Bunker Convention and to obtain a certificate issued by a State Party attesting that such insurance or other financial security is in place. The State issued certificate must be carried on board at all times.

In order to obtain a certificate from a State Party, documentation for the required insurance or other financial security (the “Bunker Blue Card”) has to be provided from an insurance company or other guarantee facility. The Bunker Blue Card has to comply with the requirements of the Bunker Convention as discussed in the previous Circulars to all Members of the Club<sup>2</sup>.

### Special Risks falling outside the scope of traditional reinsurance covers

The Bunker Convention exposes the issuer of a Bunker Blue Card to biochem, cyber and nuclear risks. Further, the issuer of the Bunker Blue Card will be exposed to terrorism risks for a period of up to three months even if the war risk reinsurer has invoked his right to terminate the cover with seven days notice. The risks described in this paragraph, (i.e. biochem, cyber, nuclear and terrorism) are collectively referred to as the “Special Risks”.

This means in practice that if the Club were to issue Bunker Blue Cards for MOUs, the Association would be exposed to Special Risks falling outside the scope of the Club’s existing reinsurance arrangements. For that reason the Club is unable to provide the Bunker Blue Cards as required under the Bunker Convention for MOUs falling outside the reinsurance organized under the International Group of P&I Clubs’ Pooling Agreement.

## **Safeguard Guarantee Company Ltd**

### Purpose

In order to assist MOU Members who need to have the financial security required under the Bunker Convention in place when the new legislation enters into force on 21 November 2008 the sister association of the Club, and its principal reinsurer, Gard P. & I. (Bermuda) Ltd (hereinafter referred to as the “Bermuda Club”), has taken the initiative to establish a new insurance and guarantee company in Bermuda. The new company is named Safeguard Guarantee Company Ltd (hereinafter called “Safeguard”). The sole purpose of Safeguard is

---

<sup>2</sup> See Circulars Nos 4, 5, 6 and 7 to all Members of Assuranceforeningen Gard – gjensidig regarding the entry into force of the Bunker Convention. The circulars are available on [www.gard.no](http://www.gard.no)

to offer the financial security required under the Bunker Convention for MOUs and other vessels reinsured outside the International Group of P&I Clubs' reinsurance structure.

The Bermuda Club will be involved as a financial investor but not as risk carrier for risks falling outside the scope of the Club's traditional reinsurance program.

### Scope of cover

As the issuer of the Bunker Blue Cards, Safeguard will be the guarantor for all categories of liabilities arising out of pollution damage caused by bunker oil on board a MOU as defined in the Bunker Convention. This will comprise liabilities caused by or arising from Special Risks as well as liabilities falling within the category Ordinary P&I Risks, as defined below. While Safeguard will be the actual risk carrier as far as liabilities caused by Special Risks are concerned, subject to terms agreed, the Association and possibly other direct insurers involved in the insurance of P&I risks for MOUs, as the case may be, will remain the *de facto* risk carriers for liabilities caused by pollution damage as described in the Bunker Convention falling within the scope of the traditional P&I cover (hereinafter called "Ordinary P&I Risks")<sup>3</sup>.

For this reason Safeguard will require that the owner of the relevant MOU has taken out traditional P&I cover on standard terms covering the liability for pollution damage caused by bunker oil under the Bunker Convention save for liabilities, losses, costs or expenses caused by or arising from Special Risk. Among other things, the MOU's P&I insurer will be required to give a separate undertaking to Safeguard pursuant to which the other insurer undertakes to indemnify Safeguard for any liabilities, losses, costs and expenses incurred by Safeguard as guarantor under the Bunker Blue Card not caused by or arising from Special Risks and to give Safeguard three months' separate notice if the cover for Ordinary P&I Risks will be terminated.

Safeguard's Terms and Conditions will be sent to Members on request and are available on [www.gard.no](http://www.gard.no).

### Reinsurance and pricing

Firm indications have been obtained from reinsurers as to the maximum capacity available for so-called Special Risks as described above. The reinsurance cover available amounts to USD 90 million as an annual aggregate limit plus one reinstatement. The reinsurance is placed in the Lloyd's market.

The start up of Safeguard is dependent on a certain volume of business in order for the new company to be able to charge competitive premium rates. Thus, MOU Members who need or will need Bunker Blue Cards are invited to support the company. The larger volume of business Safeguard gets when it starts trading, the more competitive rates can be offered for the Special Risks and the Bunker Blue Cards. Assuming the volume of business will continue to increase Safeguard will in due course be able to reconsider its premium rating.

---

<sup>3</sup> Reference is made to Gard's Rules for P&I cover for mobile offshore units.

## **Safeguard – contact details**

Safeguard is registered in Bermuda as a class 3 insurer and is managed by Lingard Limited which is also the Manager of Gard P. & I. (Bermuda) Ltd and Gard Marine & Energy Limited. Lingard Limited has delegated certain functions to Gard AS in Norway under an Insurance Agency Agreement. The contact details are as follows:

### **Safeguard Guarantee Company Ltd**

E. W. Pearman Building,  
17 A Brunswick Street,  
Hamilton HM 10  
Bermuda  
Telephone: + 1 (441) 292-6766/6765  
Fax: + 1 (441) 292 7120

### **Lingard Limited**

E. W. Pearman Building,  
17 A Brunswick Street,  
Hamilton HM 10  
Bermuda  
Telephone: + 1 (441) 292-6766/6765  
Fax: + 1 (441) 292 7120  
Email: [companymail@lingard.bm](mailto:companymail@lingard.bm)  
Contact persons:  
Graham W. Everard, [graham.everard@lingard.bm](mailto:graham.everard@lingard.bm)  
Cymone Sims, [cymone.sims@lingard.bm](mailto:cymone.sims@lingard.bm)

### **Gard AS**

Kittelsbuktveien 31,  
NO – 4836 Arendal,  
Norway  
Telephone: + 47 37 01 91 00  
Fax: + 47 37 02 48 10  
Email: [companymail@gard.no](mailto:companymail@gard.no)  
Contact persons:  
Knut Goderstad, [knut.goderstad@gard.no](mailto:knut.goderstad@gard.no)  
Terje Holte, [terje.holte@gard.no](mailto:terje.holte@gard.no)  
Tore Furnes, [tore.furnes@gard.no](mailto:tore.furnes@gard.no)

## **Going forward**

To summarize, Safeguard has already been incorporated and capitalized for the purpose of providing the financial security required under the Bunker Convention for MOUs and other vessels insured outside the International Group.

To comply with the Bunker Convention requirements the Blue Card will need to state the name of the MOU, the MOU'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. Safeguard will insert the address of the registered office unless advised of an alternative address by the Member.

In view of the early entry into force of the Bunker Convention, it is recommended that Members start the application process as soon as possible. Contact details of all the administrations of States Parties to the Convention are provided in Annex 1.

In the meantime questions can be directed to the following individuals:

Knut Goderstad, <a href="mailto:knut.goderstad@gard.no">knut.goderstad@gard.no</a> Terje Holte, <a href="mailto:terje.holte@gard.no">terje.holte@gard.no</a> Tore Furnes, <a href="mailto:tore.furnes@gard.no">tore.furnes@gard.no</a>
--

Yours faithfully,

**GARD AS**

As agent only for Assuranceforeningen Gard – gjensidig

Claes Isacson  
Chief Executive Officer

## State contacts – Bunker Convention Certificates

Country	Authority	Contact Details
<b>Bahamas (I)</b>	The Bahamas Maritime Authority 120 Old Broad Street London EC2N 1AR United Kingdom	Tel: +44 20 7562 1300 Fax: +44 20 7614 0650
<b>Bahamas (II)</b>	The Bahamas Maritime Authority Bahamas House, 231 East 46 <sup>th</sup> Street New York 10017 United States of America	Tel: +1 212 829 0221 Fax: +1 212 829 0356
<b>Bahamas (III)</b>	The Bahamas Maritime Authority Manx Corporate Centre, West Bay Street PO Box N4679 Nassau, Bahamas	Tel: +1 242 356 5772 Fax: +1 242 456 5889 E-mail: <a href="mailto:reg@bahamasmaritime.com">reg@bahamasmaritime.com</a> Web: <a href="http://www.bahamasmaritime.com">www.bahamasmaritime.com</a>
<b>Bulgaria</b>	Bulgarian Maritime Administration 9, Dyakon Ignatii Street Sofia 1000, BULGARIA	Capt. Nikolay Apostolov, Exec Director Tel: +359 2 930 09 10 Fax: +359 2 930 09 20 E-mail: <a href="mailto:bma@marad.bg">bma@marad.bg</a> Web: <a href="http://www.marad.bg">http://www.marad.bg</a>
<b>Cook Islands.</b>	Administrative Officer Maritime Cook Islands P.O. Box 882, Avarua, Rarotonga, Cook Islands	Contact person is Katrina Brown Tel: +682 23848 Fax : +682 23846 E-mail applications : <a href="mailto:bunkers@maritimecookislands.com">bunkers@maritimecookislands.com</a> Website: <a href="http://www.maritimecookislands.com/bunker-insurance.php">http://www.maritimecookislands.com/bunker-insurance.php</a> Skype: <a href="https://www.skype.com/user/mcicooks2">mcicooks2</a>
<b>Croatia</b>	Ministry of the Sea, Transport and Infrastructure Safety of Navigation, Maritime Environment and Inland Waters Protection Directorate 10 000 ZAGREB, Prisavlje 14, CROATIA	Mr Stjepan Vuk (Head of Department for Safety of Navigation) Tel: +385 1 6169 380 Fax: +385 1 6169 069 E-mail: <a href="mailto:stjepan.vuk@pomorstvo.hr">stjepan.vuk@pomorstvo.hr</a> Web: <a href="http://www.mmpi.hr">www.mmpi.hr</a>
<b>Cyprus</b>	Department of Merchant Shipping Registrar of Cyprus Ships Kyllinis Street, Mesa Geitonia CY-4007 LIMASSOL, Cyprus	Ms Lydia Markari Kyriacou, Director Tel: +357 25 848 100 Fax: +357 25 848 200 Contact person(s) Direct Tel: +357 25 848 237 E-mail: <a href="mailto:maritimeadmin@dms.mcw.gov.cy">maritimeadmin@dms.mcw.gov.cy</a> Web: <a href="http://www.shipping.gov.cy">www.shipping.gov.cy</a>
<b>Denmark</b>	Danish Maritime Authority 38 C, Vermundsgade DK-2100 Copenhagen, Denmark	Mr Jesper Mandrup Timler Tel: +45 39 17 45 88 E-Mail: <a href="mailto:jmt@dma.dk">jmt@dma.dk</a> Web: <a href="http://www.dma.dk/sw23247.asp">http://www.dma.dk/sw23247.asp</a>
<b>Estonia</b>	Estonian Maritime Administration	Estonian Maritime Authority

Country	Authority	Contact Details
	Room 301 Lume 9, 10416 Tallinn	Tel + 372 6205 500 Fax + 372 6205 706 E-mail: <a href="mailto:bunker@vta.ee">bunker@vta.ee</a>  Additional information can be obtained from Sulev Lõhmus Telephone: +372 620 5729 E-mail: <a href="mailto:sulev.lohmus@vta.ee">sulev.lohmus@vta.ee</a> Web : <a href="http://www.vta.ee/atp/?id=3802">http://www.vta.ee/atp/?id=3802</a>
<b>Germany</b>	Bundesamt für Seeschifffahrt und Hydrographie Bernhard – Nocht - Str. 78 Postfach 30 12 20, 20359 Hamburg  Information on applying for certificates can be obtained from: <a href="http://www.bsh.de/en/Maritime_shipping/Commercial_shipping/Liability_for_oilpollution_damage/index.jsp">http://www.bsh.de/en/Maritime_shipping/Commercial_shipping/Liability_for_oilpollution_damage/index.jsp</a>  Application forms for Bunkers certificates should be downloaded in the first instance from: <a href="http://www.bsh.de/de/Antraege/Oelhaftung/Antrag_Bunkeroel.doc">http://www.bsh.de/de/Antraege/Oelhaftung/Antrag_Bunkeroel.doc</a>	Grit Tüngler Tel: +49 40 3190 7140 Fax: +49 40 3190 5000 E-mail: <a href="mailto:Grit.tuengler@bsh.de">Grit.tuengler@bsh.de</a> Web: <a href="http://www.bsh.de">www.bsh.de</a>
<b>Greece</b>	Central Harbour Master's Office of Pireaus Marine Environment Protection Department 50 Akti Miaouli Str. GR-185 10 PIRAEUS, Greece	Lieutenant (HCG) Koutsodontis Nikolaos Tel: +30 210 45 93 172 Fax: +30 210 41 83 743 E-mail: <a href="mailto:tptap@mail.yen.gr">tptap@mail.yen.gr</a>
<b>Hungary</b>	National Transport Authority Directorate of High Priority Affairs 1066 Budapest, Hungary Teréz krt. 62. postacím : 1387 Budapest 62, Pf : 30, Hungary	Department for Shipping Proceedings Shipping Safety and Registry Unit Tel : + 36 1 4741 755 + 36 1 4741 795 E-mail: <a href="mailto:hajouzembizto.hhf.kui@nkh.gov.hu">hajouzembizto.hhf.kui@nkh.gov.hu</a>
<b>Isle of Man</b>	(UK dependency) Department of Trade and Industry Isle of Man Ship Registry Peregrine House, Peel Road, Douglas, Isle of Man IM1 5EH	Tel: +44 1624 688500 Fax: +44 1624 688501 E-mail: <a href="mailto:registry.marine@gov.im">registry.marine@gov.im</a>
<b>Jamaica I</b>	Maritime Authority of Jamaica 40 Knutsford Boulevard Kingston 5, Jamaica, W.	Main administrative office Tel.: +876-754-7260 or 876-929-2201 Fax: +876-754-7256 E-Mail: <a href="mailto:registrar@jamaicaships.com">registrar@jamaicaships.com</a> Web : <a href="http://jamaicaships.com/">http://jamaicaships.com/</a>

<b>Country</b>	<b>Authority</b>	<b>Contact Details</b>
<b>Latvia</b>	Maritime Administration of Latvia, Latvian Ship Register 5 Trijadibas Str., Riga, LV-1048, Latvia	Mr Raimonds Vingris - Head of the Register Tel.: +371 67062162 / 67062165 Fax: +371 67062161 E-Mail: <a href="mailto:kr@lja.lv">kr@lja.lv</a> Web: <a href="http://www.jurasadministracija.lv/eng/">http://www.jurasadministracija.lv/eng/</a>
<b>Liberia</b>	Liberian International Ship & Corporate Registry Bunker CLC Applications 8619 Westwood Center Drive, Suite 300 Vienna, Virginia 22182 United States of America	Bunker CLC Applications Tel: +1 703 790 3434 Fax: +1 703 790 5655  E-mail: <a href="mailto:clc@liscr.com">clc@liscr.com</a>  <a href="http://www.liscr.com/liscr/Portals/0/MarineOperationsNote_02-2008_final.pdf">www.liscr.com/liscr/Portals/0/MarineOperationsNote_02-2008_final.pdf</a>
<b>Lithuania</b>	Maritime Safety Administration J. Janonio St. 24 92251 Klaipėda Lithuania	Maritime Safety Administration Phone: + 370 46 469 602 Fax: + 370 46 46 9600  E-mail: <a href="mailto:msa@msa.lt">msa@msa.lt</a> Web: <a href="http://www.msa.lt/Old/eng/index.htm">www.msa.lt/Old/eng/index.htm</a>
<b>Luxembourg</b>	Commissariat aux affaires maritimes 19-21 Boulevard Royal L-2449 Luxembourg LUXEMBOURG	Commissariat aux affaires maritimes Tel : +352 2478 4453 Fax : +352 29 91 40  E-mail : <a href="mailto:cam@cam.etat.lu">cam@cam.etat.lu</a>
<b>Marshall Islands</b>	Maritime Administrator for The Republic of the Marshall Islands 11495 Commerce Park Drive RESTON VA 20191 United States of America	Marshall Islands Maritime Administration Tel: +1 703 620 4880 Tel: +1 703 476 3762 (after hours emergency number) Fax: +1 703 476 8522  E-mail: <a href="mailto:maritime@register-iri.com">maritime@register-iri.com</a> Web: <a href="http://www.register-iri.com">www.register-iri.com</a>
<b>Norway</b>	Sjøfartsdirektoratet P.O Box 2222 N-5509 Haugesund, NORWAY	Norwegian Maritime Directorate Tel: +47 52 74 50 00 Fax: +47 52 74 50 01  E-mail: <a href="mailto:postmottak@sjofartsdir.no">postmottak@sjofartsdir.no</a>
<b>Poland</b>	Department for Maritime Transport and Inland Navigation 4/6 Chałubiński Street, 00-928 Warsaw, Poland	Department for Maritime Transport and Inland Navigation Tel: 00 4822 630 15 40 Fax: 00 4822 630 15 49 Web: <a href="http://www.en.mi.gov.pl/2482076faaa403.htm">www.en.mi.gov.pl/2482076faaa403.htm</a>



<b>Country</b>	<b>Authority</b>	<b>Contact Details</b>
<b>Samoa</b>	The Ministry of Works Transport and Infrastructure Contact address: P.O. Box Private Bag, Apia, Samoa	Taulapapa Captain Maselino Sitagata Tominiko Head of the Maritime Division Telephone 685 21611, Fax: 685 28688,  E-mail: <a href="mailto:maselino@mwti.gov.ws">maselino@mwti.gov.ws</a>
<b>Sierra Leone</b>	Sierra Leone International Ship Registry 1010 Common St, Suite 2533 New Orleans, Louisiana 70112 USA	Contact: Mr Woody Vaughn Tel: +1 (504) 636-1387 Fax: +1 (504) 636-1388  E-mail: <a href="mailto:technical@sierraleoneship.com">technical@sierraleoneship.com</a> Website: <a href="http://sierraleoneship.com">http://sierraleoneship.com</a>
<b>Singapore</b>	Maritime and Port Authority of Singapore (MPA) Shipping Division, Singapore Registry of Ships 460 Alexandra Road, PSA Building, #21-00 Singapore 119963	Mr Wong Kai Cheong, Manager (Registry & Manning) Tel: +65 6375 6236 Fax: +65 6375 6231 E-mail: <a href="mailto:kai_cheong_WONG@mpa.gov.sg">kai_cheong_WONG@mpa.gov.sg</a>  Or  Ms Emily Sihab, Asst Manager (Ship Registry) Tel: +65 6375 6227 Fax: +65 6375 6231  E-mail : <a href="mailto:emily_shalawati_bte_sinab@mpa.gov.sg">emily_shalawati_bte_sinab@mpa.gov.sg</a> Web: <a href="http://www.mpa.gov.sg">www.mpa.gov.sg</a>
<b>Slovenia</b>	Slovenian Maritime Administration Ukmarjev trg 2 SI-6000 Koper Slovenia	Slovenian Maritime Administration Phone: +386 5 6632 100 Fax: +386 5 6632 102 E-mail: <a href="mailto:ursp.box@gov.si">ursp.box@gov.si</a> Web: <a href="http://www.up.gov.si">www.up.gov.si</a>
<b>Spain</b>	Direction General for Merchant Marine C/Ruiz de Alarcón, 1 28071-1, MADRID, Spain	Mr Fernando Blanco Head of Dumping and Marine Pollution Section Tel: +34 91 597 9181 Fax: +34 91 597 9235 E-Mail: <a href="mailto:fblanco@fomento.es">fblanco@fomento.es</a>
<b>Tonga</b>	Ministry of Marine & Ports PO Box 397 Nuku'alofa, Tonga	William Leslie Simpson Johnson Acting Secretary of Marine & Ports Tel: +676 22555/26235 Fax: +676 26234/24267 E-mail: <a href="mailto:marine@kalianet.to">marine@kalianet.to</a>

Country	Authority	Contact Details
<b>United Kingdom</b>	CLC Bunkers 2/13 Maritime and Coastguard Agency Spring Place, 105 Commercial Road Southampton SO15 1EG, UK	Richard Tong Tel: +44 23 80 329202 (Direct) Tel: +44 23 80329110 (public enquiries) Fax: +44 2380329447 E-mail: <a href="mailto:bunkers@mcga.gov.uk">bunkers@mcga.gov.uk</a> General: <a href="mailto:infoline@mcga.gov.uk">infoline@mcga.gov.uk</a> <a href="http://www.ukshipregister.co.uk/ukrhome/forms.htm">http://www.ukshipregister.co.uk/ukrhome/forms.htm</a>
<b>Vanuatu</b>	Deputy Commissioner of Maritime Affairs c/o Vanuatu Maritime Services Limited 42 Broadway, Suite 1200-18 NY, NY 10004-1617 NB - It is anticipated that the above address will change within the next 3 months	Tel: + 1 212 425 9600 Fax: +1 212 425 9652 E-mail: <a href="mailto:email@vanuatuships.com">email@vanuatuships.com</a> Web: <a href="http://www.vanuatush">www.vanuatush</a>