

## Compulsory Insurance for Non-tanker Vessels

Shipwrecks abandoned in the coastal waters of Japan have increasingly become a problem. To address this problem, the Japanese government amended the Law on Liability for Oil Pollution Damage in April 2004, making it obligatory for most of ocean-going vessels to obtain P&I insurance.

For this reason, **effective March 1, 2005, all ocean-going vessels**

- are not allowed to enter or leave any Japanese ports without P&I insurance,
- must carry the certificate of insurance on board, and
- must report to the appropriate District Transport Bureau prior to calling at port.



**Maritime Bureau,  
Ministry of Land, Infrastructure and Transport  
Japanese Government**

# I. Compulsory Insurance

Effective March 1, 2005, all ocean-going vessels are obliged to obtain P&I insurance. **Ocean-going vessels without insurance are not allowed to enter nor leave port.**

## 【Application】

Ocean-going vessels (excluding oil tankers) indicated below with **gross tonnage of 100 or larger**

- ⊙ Vessels of Japanese registry: ships engaged on international voyages (barges included)
- ⊙ Vessels of foreign registry: ships that enter and leave Japanese ports (barges included)
- ※ Tankers are required to get insurance based on existing International Convention on Civil Liability for Oil Pollution Damage.

## 【Requirements of Insurance】

### ① Damages covered:

- ⊙ **Damages associated with bunker oil pollution**
- ⊙ **Expenses in activities related to the removal of shipwreck**

### ② Minimum Insurance Coverage: **at least equal to the** sum of the following amounts

- ⊙ **Limit of liability in cases involving personal claims (for bunker oil pollution)**
- ⊙ **Limit of liability in cases involving damage to material only (for shipwreck removal)**

※ “Limit of liability” refers to the limit on liability of shipowner stipulated in Article 7 of the Law on Liability Limitation of the Shipowner, which is consistent with the International Convention on Limitation of Liability for Maritime Claims, 1979(76LLMC), 1996(96LLMC).

Examples of Minimum Liability Computation

Until July 31, 2006				
Gross Tonnage		100G/T	1,000G/T	10,000G/T
Minimum Liability		667,000SDR	1,084,000SDR	7,421,000SDR
Breakdown	For bunker oil pollution	500,000SDR	833,500SDR	5,667,500SDR
	For shipwreck removal	167,000SDR	250,500SDR	1,753,500SDR
From August 1, 2006				
Gross Tonnage		100G/T	1,000G/T	10,000G/T
Minimum Liability		4,000,000SDR	4,000,000SDR	16,800,000SDR
Breakdown	For bunker oil pollution	3,000,000SDR	3,000,000SDR	12,600,000SDR
	For shipwreck removal	1,000,000SDR	1,000,000SDR	4,200,000SDR

Reference: Exchange rate as of November 15, 2005: 1SDR = US\$1.42001

※ SDR is the acronym for Special Drawing Rights, a unit of account computed in a prescribed manner based on key international currencies. Latest information on SDR may be obtained from the website of the International Monetary Fund (IMF), [www.imf.org/external/np/tre/sdr/db/rms\\_five.cfm](http://www.imf.org/external/np/tre/sdr/db/rms_five.cfm).

## II. Certificate of Insurance

A vessel calling at any port in Japan **must have its certificate of insurance** issued by the Ministry of Land, Infrastructure and Transport **on board**. **Applications for certificates are made** to the District Transport Bureau. (Requirements for oil tankers remain unchanged.)

Vessels with valid certificate of insurance may **apply for renewal three months prior to the expiry date of the certificate**. Electronic applications are not entertained.

Vessels insured with “Designated insurers” may be exempted from this rule by carrying on board the certified copy of its “Certificate of Entry” in lieu of the certificate of insurance issued by the District Transport Bureau.

For details on how to apply for a certificate of insurance and exemptions to the rule, please inquire from any of the local offices listed at the back page.

## III. Report Requirements at Entry to Port

**Vessels affected by this amendment** and oil tankers (carrying more than 2,000 tons of oil in bulk) that enter any port or designated sea area in Japan **must make a report to the District Transport Bureau** in advance.

The report should contain the vessel’s name, flag of registry, details of insurance coverage and other necessary information. For details, please inquire from any of the local offices listed at the back page.

Note: Designated sea area means Tokyo Bay, Isewan and Seto Inland Sea. (See table below.)

Designated sea area	Report To
Tokyo Bay	Kanto District Transport Bureau
Isewan	Chubu District Transport Bureau
Area from Kii Channel to Seto Inland Sea	Kinki District Transport Bureau
Area from Bungo Channel to Seto Inland Sea	Kyushu District Transport Bureau
Area from Kanmon Channel to Seto Inland Sea	Kyushu District Transport Bureau

## IV. Inspection

**The government officers including PSC officers may board vessels affected by this amendment** and check certificates to verify compliance with the insurance requirement.

In cases described below, the vessel may be ordered to secure an insurance contract, carry certificate on board or **be detained in port** and may be eligible for criminal penalties.

- ◎ Going on international voyage without insurance (vessels of Japanese registry) or entering and leaving Japanese ports without insurance (vessels of foreign registry)
- ◎ Going on international voyage without certificate of insurance on board (vessels of Japanese registry) or entering and leaving Japanese ports without certificate of insurance on board (vessels of foreign registry)
- ◎ Failure to submit report or submission of fraudulent report
- ◎ Other cases that the law may require

## V. Liabilities

To ensure that the interests of those who suffer damages resulting from or related to bunker oil pollution are protected, liabilities are defined as:

◎ **Absolute Liability**

Liability for damages due to bunker oil pollution shall be considered absolute **regardless whether the damages were intentional or accidental.**

◎ **Joint Liability of Shipowner and Charterer**

**Liability for damages due to bunker oil pollution shall be held jointly and severally** by the shipowner and the charterer of the vessel who are both responsible for operation of the vessel at sea.

### ■ For Inquiries, contact ■

	Telephone	Facsimile
■ Head Office of the Ministry		
Office of Maritime Security and Compensation, Maritime Bureau	E-mail: <a href="mailto:maritime@mlit.go.jp">maritime@mlit.go.jp</a>	
■ District Transport Bureau (Local Office)		
Hokkaido District; Ship Safety and Maritime Environment Division, Maritime Safety and Environment Department	+81-134-27-7181	+81-134-23-4221
Tohoku District; Ship Safety and Maritime Environment Division, Maritime Safety and Environment Department	+81-22-791-7516	+81-22-299-8884
Kanto District; General Affairs Division, Maritime Safety and Environment Department	+81-45-211-7222	+81-45-662-6192
Hokuriku District; Ship Safety and Maritime Environment Division, Maritime Department	+81-25-244-6113	+81-25-248-7271
Chubu District; Ship Safety and Maritime Environment Division, Maritime Safety and Environment Department	+81-52-952-8021	+81-52-952-8083
Kinki District; General Affairs Division, Maritime Safety and Environment Department	+81-6-6949-6423	+81-6-6949-6528
Kobe District; Ship Safety and Maritime Environment Division, Maritime Safety and Environment Department	+81-78-321-7054	+81-78-321-0966
Chugoku District; Ship Safety and Maritime Environment Division, Maritime Safety and Environment Department	+81-82-228-8794	+81-82-228-3468
Shikoku District; Ship Safety and Maritime Environment Division, Maritime Safety and Environment Department	+81-87-825-1189	+81-87-821-5732
Kyushu District; General Affairs Division, Maritime Safety and Environment Department	+81-92-472-3173	+81-92-472-3305
Okinawa; Ship and Seafarer Division, Transport Department	+81-98-866-1838	+81-98-860-2280

Note: Inquiries in English should be addressed to the head office or sent through e-mail.