

LOCAL VESSELS ADVISORY COMMITTEE

**Compulsory Third Party Risks Insurance of Local Vessels
Increase on Amount of Insurance Cover**

Purpose

Members are invited to note this information paper pertaining to the increase on amount of insurance cover in respect of the compulsory third party risks insurance of local vessels.¹

Background

2. The Merchant Shipping (Local Vessels) (Amount of Insurance Cover) (Amendment) Notice 2016 which increases the minimum amount of liability cover for the compulsory third party risks insurance of local vessels will come into operation on 1 September 2016. Details are set out in the Marine Department Notice No. 71/2016 at *Annex*.

Briefing Sessions

3. Two briefing sessions for explaining the new requirements have been arranged for operators of local vessels and river trade vessels as follows:

Session 1

Date: 5 July 2016 (Tuesday)
Time: 10: 30 a.m.
Venue: Hong Kong City Hall,
Recital Hall

Session 2

Date: 29 July 2016 (Friday)
Time: 2:30 p.m.
Venue: Hong Kong Space Museum,
Lecture Hall

4. Members are welcomed to attend the briefings above. Please call the Licensing and Port Formalities Section at 2852 3080 for seat reservation.

Operations Branch
Port Control Division
Marine Department
June 2016

¹ See also “Legislative Council Brief: Merchant Shipping (Local Vessels) (Amount of Insurance Cover) (Amendment) Notice 2016” (http://www.legco.gov.hk/yr15-16/english/subleg/brief/2016ln048_brf.pdf)

MARINE DEPARTMENT NOTICE NO. 71 OF 2016²

(Statutory Requirements & Related Information)

Compulsory Third Party Risks Insurance of Local Vessels
Increase on Amount of Insurance Cover

NOTICE IS HEREBY GIVEN that the Merchant Shipping (Local Vessels) (Amount of Insurance Cover) (Amendment) Notice 2016 which increases the minimum amount of liability cover for the compulsory third party risks insurance of local vessels will come into operation on 1 September 2016.

Local Vessels

2. A local vessel certificated under the Merchant Shipping (Local Vessels) (Certification and Licensing) Regulation (Cap. 548D), except any laid-up vessel with a written permission or non-mechanically propelled vessels with length overall not exceeding 4 metres, is required to be insured against third party risks in respect of deaths or personal injuries up to a specified minimum amount of liability cover under the Merchant Shipping (Local Vessels) Ordinance (Cap. 548). The new statutory minimum amount of liability cover for the compulsory third parties risks insurance of local vessels is set out below:

- (a) \$10 million for a vessel permitted to carry more than 12 passengers, other than a Class I primitive vessel and a Class IV vessels not let for hire or reward; and
- (b) \$5 million for a local vessel permitted to carry 12 or less than 12 passengers, a Class I primitive vessels or a Class IV vessel not let for hire or reward.

Mainland or Macau Non-Convention Vessels

3. Mainland or Macau non-convention vessels (which are local vessels within the meaning of paragraph (e) of the definition of “local vessel” in section 2 of Cap. 548) entering or remaining in Hong Kong waters are required under the Merchant Shipping (Local Vessels) (General) Regulation (Cap. 548F) to have a policy of insurance or an indemnity arrangement against third party risks in respect of deaths or personal injuries for the use or remain of the vessels in Hong Kong waters.

² <http://www.mardep.gov.hk/en/notices/pdf/mdn16071.pdf>

Transitional Period

4. The new statutory minimum amount of liability amount will be effective on 1 September 2016. For local vessels with their policies of insurance made and in force immediately before 1 September 2016, the current statutory minimum amount of liability cover will continue to be applicable until:

- (a) the date of expiry of the policy;
- (b) the expiry of one year beginning on 1 September 2016; or
- (c) the terms or conditions of the policy are altered in any way that would cause the policy to cease to be in compliance with the current statutory requirements, whichever is the earliest.

Enquiry

5. For more details, please visit the webpage of MD at www.mardep.gov.hk or call Licensing and Port Formalities Section at 2852 3080.

Maisie CHENG
Director of Marine

Marine Department
Government of the HKSAR
Date: 1 June 2016
Action File Ref: L/M No. 101/16 in PA/S 936/31/19/2 (4)