

Palau International Ship Registry



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MARINE CIRCULAR 137.2

To: P&I COMPANIES

Subject: PROVISIONS FOR ACCEPTANCE OF INSURANCE COMPANIES ISSUING FINANCIAL SECURITY CERTIFICATES RELATING TO SHIPOWNERS' LIABILITY AND REPATRIATION OF SEAFARERS, AS PER THE MARITIME LABOUR CONVENTION (MLC) 2006.

1. PURPOSE

1.1. The purpose of this Marine Circular is to inform P&I Companies of the provisions required by Palau International Ship Registry (PISR), for their approval for issuing Financial Security Certificates, as indicated in MLC 2006, for Palau registered vessels.

2. APPLICATION

2.1. This Marine Circular applies to all P&I Clubs seeking approval from PISR in order to issue Financial Security Certificates (Blue Cards) covering sections 2.5 and 4.2 of the MLC.

3. PROVISIONS FOR INSURANCE COMPANIES ACCEPTANCE

Palau International Ship Registry follows an evaluation process for acceptance of Insurance Companies providing financial security pursuant to Regulation 2.5 and Regulation 4.2 of the MLC Convention 2006. All Insurers seeking acceptance from Palau Flag Administration are requested to submit the following documentation:

- 3.1. Application A.050 – Application For P&I Approval;
- 3.2. Declaration of Compliance with any Sanction, Prohibition or Restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America;
- 3.3. Client portfolio and number of vessels insured;
- 3.4. Additional approvals provided by another Flag Administrations;
- 3.5. Act of Incorporation indicating the List of Named Managers and Persons in charge;
- 3.6. Complete contact list of the company including email, telephone and fax numbers to the departments in charge of writing P&I policies and receiving claims;



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- 3.7. Sample of the Financial Security Certificates and the list of authorized personnel to sign on;
- 3.8. Adequate documentation regarding company's financial standing and hence solvency;
- 3.9. Adequate documentation on acceptance by the relevant authority that the company is eligible to carry out insurance business in the country of the authority;
- 3.10. Adequate documentation on reinsurance coverage on claims met by the company for liability incurred under the MLC Convention 2006;
- 3.11. A guarantee by the company and its parent company, if one exists, that it will cover liability incurred under the MLC Convention 2006, as amended, in reference to shipowners' liability and repatriation of seafarers;
- 3.12. The rating that the insurance company and/or its reinsurers hold by an independent and internationally recognized rating agency.

Upon satisfactory review of the above information, a formal Contract is to be sign between the P&I Club and PISR, and an Approval letter shall be issued by PISR Administration.

4. Financial Security Certificates issued by the following Insurance Companies are currently NOT considered acceptable by the Palau International Ship Registry:
 - Assurance Foreningen Ltd
 - East Coast Insurance Co. Ltd
 - Pyramid Marine P&I
 - The West of England Insurance Limited
5. The Insurance Companies that are not listed and wish to be approved by the PISR, may apply by sending a written request to:

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6. Insurance Companies will be approved for a period of five (5) years, subject to renewal and revalidation.
7. Insurance Companies already approved up to Palau International Ship Registry will remain approved until 31st December 2021. All P&I previously approved shall proceed to resubmit the documents listed in Section 3 for renewal of the approval accordingly.



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8. The financial security certificates that are canceled due to a change of name of the ship change of ship-owner or operator, gross tonnage and any other reason, shall be reissued by an approved Insurance Company.
9. The certificate or other documentary evidence referred to Financial Security for cases of abandonment required under the Standard A 2.5.2 shall include the following information:
 - ✓ name of the ship,
 - ✓ port of registry of the ship,
 - ✓ call sign of the ship,
 - ✓ IMO number of the ship,
 - ✓ name and address of the provider or providers of the financial security,
 - ✓ contact details of the persons or entity responsible for handling seafarers' requests for relief,
 - ✓ name of the ship-owner,
 - ✓ period of validity of the insurance policy, and
 - ✓ A declaration from the Insurance Company that this policy meets the requirements of Standard A 2.5.2 to the MLC as amended.
10. The certificate or other documentary evidence referred of Financial Security for shipowners' liability required under the Standard A4.2.1 shall include the following information:
 - ✓ name of the ship,
 - ✓ port of registry of the ship,
 - ✓ call sign of the ship,
 - ✓ IMO number of the ship,
 - ✓ name and address of the provider or providers of the financial security,
 - ✓ contact details of the persons or entity responsible for handling seafarers' requests for relief,
 - ✓ name of the ship-owner,
 - ✓ period of validity of the insurance policy, and
 - ✓ A declaration from the Insurance Company that this policy meets the requirements of Standard A2.5.2 & A 4.2.1 to the MLC as amended.
11. The financial security shall not cease before the end of the period of validity of the financial security unless the Insurance Company has given prior notification of at least 30 days to the Palau International Ship Registry (PISR).
12. The P&I Clubs approved by the Palau Flag Administration that have issued Proof of Liability Insurance to Palau registered vessels shall inform the Palau Flag Administration:
 - 12.1. 30 days before the cancellation of any Blue Card in order to allow the Flag Administration to take proper measures and to advise the owner/manager for the necessary steps to maintain the liability on board.



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12.2. immediately upon the cancellation of any Blue Card and such cancellation shall be notified via email to info@palaureg.com within 24 hours.

13. The Insurer shall inform Palau International Ship Registry also for the renewed Blue Cards by sending relevant notification to info@palaureg.com

An insurer is approved and authorized by PISR to issue Financial Security Certificates required by the MLC, must apply again in case that company name or address changes.

****This Marine Circular supersedes
Marine Circular 137.1****

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Circulars

