Dear Erik,

**Athens Convention.**

Thank you for attempting to put forward some ideas to address the terrorism issue following our meeting with market underwriters on 1st February. It is always difficult to reduce complex issues to concrete drafts and your drafts assist greatly in focusing attention on what can and cannot be done.

As you helpfully spell out, the Clubs do not provide the primary cover for war risks and it might therefore be said that it is not our place to comment on many of the points. However, we need to ensure that your proposals, if accepted, would actually prevent the Clubs being liable for a risk which they do not insure. We set out some concerns below but, given the complexity, we may revert further on this. More generally we believe that even if not providing the terrorism cover, the Clubs can contribute to the discussion, even though it will be for others to confirm their willingness ultimately to provide the terrorism cover and the blue cards. We also need to ensure that the claims handling and jurisdictional consequences of the arrangements you propose are fully understood.

Our comments and suggested amendments to what is, in any event, a Norwegian submission should be viewed against that background.

Following our meeting on 1st February we were approached by Marsh, one of the leading brokers, and have indicated to them the Clubs’ position on a number of the issues that arise in connection with the provision of certification in respect of terrorism under the Athens Convention. I think it is fair to say that they were not deterred by the apparent difficulties and will pursue with vigour the notion of providing COFRs for the terrorism risk.

One of the difficulties discussed with Marsh was the interaction between the proposed COFR providers and the existing War Risk cover. As the Correspondence Group will be aware from the FAQs which we circulated some months ago, the War Risk cover is arranged in two layers. The first layer, up to hull value or $100 million, is placed in the commercial market or with the War Risk Clubs; the second, for $500 million, is arranged by the Clubs on behalf of their members and is 100% reinsured. Therefore any COFR provider for the suggested $400 million would have to provide a certificate in respect of cover which spanned these two layers.

Other difficulties which we considered with Marsh were of a more practical nature. First the difficulty of arranging a suitable constituency of shipowner clients. When the OPA 90 COFRs were set up the matter was relatively straightforward since a unified type of tonnage was involved, trading to one jurisdiction on terms which could be dictated by oil company charter-parties. Moreover, the numbers were considerably greater, thus making it possible to charge a realistic rate. None of these factors applies in the passenger trade. Second, the position of COFR providers in respect of OPA 90 was made considerably
easier because the substantive cover was still provided by the Clubs so that undertakings on cover and notice etc were much easier to arrange.

Undeterred by these considerations, Marsh will undertake further studies and report back. I have suggested that they should perhaps report to the UK DfT and yourself, but in any event as soon as possible so that the Correspondence Group and the Legal Committee may be given suitable guidance.

Undoubtedly, in assessing the risk, COFR providers will need to tease out much of the detail contained in the draft you have put forward and I believe it would be helpful to the Correspondence Group to set out some of the difficulties that we have identified:

**Claims.** Although you have made provision for capping the exposure to terrorism liability at $400 million per incident, no provision is made for the handling of claims. Is it intended that all claims should be brought to one jurisdiction? If so, no provision has been made for this.

Is it intended that all claims should be pro-rated? If so, how can this be achieved if different claims are brought in different jurisdictions, as permitted by Article 17? Is it intended alternatively that terrorist claims be capped at a per capita amount equivalent to $400 million divided by the number of passengers which the vessel or vessels are licensed to carry which would result in different per capita amounts for passengers on different vessels? If so, in the event of a collision between two passenger ships caused by a terrorist act, the resulting per capita recovery would be substantially less than in a single ship incident. In any event, whatever solution is sought, precise provision will have to be made in the reservation in order to avoid substantial implementation difficulties when claims arise.

We also have a general concern about the complication of the structure created by these proposals. One of the benefits of a system such as that created by CLC is that its simplicity greatly facilitates speedy and uncontroversial claims handling. A system of the sort which you outline which is so complex on paper may end up being unworkable in practice or, at best, slow, cumbersome, and the cause of multiple litigation in different jurisdictions

**Shipowner liability.** (a) You will note from the attached redraft that we have deleted the reference to ‘major contribution to the damage’. This has been deleted because in practice we consider that this provision would be unworkable – for example, if a watchman fails to do his job so as to prevent terrorists getting on board, is this a “major contribution to the damage” by the shipowner? Different courts may take different views on this. If claims are brought in four jurisdictions, and two regard the shipowner’s contribution as “major” while two do not, what are the consequences? And how long will a claimant have to wait for this determination? How can limitation funds work in these circumstances? This is not just a theoretical issue since different rules may apply in different jurisdictions and the possible outcome could be that claimants in certain jurisdictions would not be able to recover at all. We believe that these complex issues of causation should be avoided wherever possible. We also believe that States should not be
implementing a system that has as one of its inherent qualities mechanisms which delay claimants’ recovery rights.

(b) The general agreement upon which your draft is based assumes that the shipowner should be liable for terrorism only to the extent that cover is available. The draft has been amended in the attached version to make this position clear. However a problem may remain if cover is withdrawn during a policy year under the seven-day notice provision. Is the shipowner to remain liable even though cover has been withdrawn? This problem is exacerbated if cover is withdrawn during the course of one policy year and is simply not available in the following year. Shipowners would no doubt feel more confident if the reservation clause clearly spelled out that their liability was to cease when insurance was not available.

(c) As you are aware there are geographical limits on War Risk cover and prohibited areas may vary from year to year. Is it intended that the shipowner’s liability should likewise vary?

Notice. The above issue is of course related to the general issue of notice. In your draft you provided that the War Risk exemptions would be accepted on condition that notice is given to the State which issued the Certificate. If this provision is followed literally then the liability of the shipowner will depend on whether or not the War Risk underwriter (or COFR provider) remembers to provide notice to the issuing State. Again, on such an important issue it is necessary to make very detailed provision on how notice should be given, on what terms, by whom, to whom and subject to what periods of notice. Notice is also relevant since your draft seems to envisage that the accepted limit of $400 million may change over time. If this is the case then appropriate notice will have to be given not only to operators and insurers but also to States and, presumably, IMO.

To conclude, it is our belief that in order to be effective the reservation clause will have to be expanded considerably. The Correspondence Group has had little time to consider the implications of your draft and would no doubt have further points to make in addition to those put forward above. However, unless comprehensive provision is made then the implementation of the Convention itself may be put in jeopardy. Club Boards have been asked to consider the cover issue on the basis that the terrorism issue will have been resolved satisfactorily. Some Boards have expressed concern about addressing this issue until a solution to the terrorism issue has been finalised. We therefore need to be sure that no problems remain in relation to the terrorism issue so that the matter can be referred back to Club boards.

In view of all the matters that remain outstanding we consider that the better solution would be to adopt Vaughan Lowe’s Option A (attached), which provides that liability in respect of terrorism be excluded from the Convention. This is partly a question of practicalities since, while a mechanism of the kind you propose may provide a degree of protection for terrorism, it also entails drawbacks which may be significant. Further, we believe that this position is justified as a matter of policy since there can be little justification for treating terrorism differently from war for this purpose. Moreover, compensation in respect of terrorism is already treated differently by States: I would
remind the Correspondence Group that the UK Government provided £10million in compensation at an early stage following the bombings last summer in London. We suggested at the Diplomatic Conference that terrorism should be excluded from the Convention and were supported by only one State, Norway. I would suggest that Norway was perhaps more accurate in its assessment of the difficulties than the other States there present and that subsequent events have demonstrated that this is the case.

Yours sincerely,

Lloyd Watkins
PROVISION OF FINANCIAL SECURITY

(ii) Follow-up on resolutions adopted by the International Conference on the Revision of the Athens Convention relating to the Carriage of Passengers and their Luggage by Sea, 1974

Athens Convention – remaining issues

Submitted by Norway

SUMMARY


Action to be taken: The Committee is invited to adopt the Implementation Guidelines pursuant to the proposal.

Related documents: LEG 91/4/B, LEG 91/4/C

Introduction

1 Two issues have for a long time been recognized as the remaining issues that need to be resolved before the Athens Convention can enter into force. One concerns liabilities arising from acts of terrorism that must be covered by war risk insurers.1 In this submission this is called the terrorism issue. The other remaining issue concerns whether the P&I Clubs will be willing to cover the liabilities arising under the Convention and issue blue cards in respect of non-war risks as required under the Convention. Both aspects, amount and certification, are referred to as the cover issue.

2 The Legal Committee, and later the IMO Assembly,2 have recommended that the Athens Convention should be ratified with the reservation that the exemption clauses that are necessary to obtain the required insurance should be accepted. These clauses are currently

- Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion
- Institute Cyber Attack Exclusion Clause
- War Risks 7 Days Notice, Automatic Termination of Cover
- War and Nuclear Exclusion Clause

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1 The war risks issue is still current because, although claims arising from war risks in general are exempted for the liability and insurance provisions of the Convention, claims arising from acts of terrorism are not. Terrorism is a risk covered in the war risks insurance market, not the P&I (or marine) market.

2 LEG 90/15, para 355 et seq. The Assembly resolution has not yet been officially published.
In addition the reservation should provide a special limit on the war risk insurance of, say USD 400 million.3

3 Given such exemptions, it is believed that the necessary insurance may be available in the market. However, the available capacity must be organized.

Organization of available capacity – terrorism
4 The clubs have signaled very clearly that they do not cover liabilities arising from terrorist acts.

5 At a meeting between war risk insurers, P&I, UK and Norway in London on 1st February 2006 the organization of the terrorism issue was discussed. It was then agreed to explore further the possibility of organizing the available war risk insurance in a focal point involving the war risk insurance market. This focal point would issue a blue card for the war risk part of the insurance, and be 100% reinsured in the war risk market. This is very similar in structure to the entities used to issue Certificates of Financial Responsibility (COFRs) under the US Oil Pollution Act, 1990 (OPA 90), with the difference that the P&I Clubs provide the substantive cover in relation to OPA 90 whereas in this case the substantive cover in respect of terrorism would be provided by market underwriters.

6 The Athens Convention allows that the Certificate could be issued on the basis of more than one Blue Card, and so that each insurer would only be liable for its own part.

7 The war risk focal point could be set up, i.a.:

- by a broker
- as an extension of business of the entities that presently provide COFRs under the US OPA 90 (such as SIGCo, http://www.cofr.com/)
- by the P&I Clubs, provided that this would be provided as a service to their members with no financial involvement whatsoever by the Clubs
- by governments

8 These options are currently being explored by insurers. If successful, which is likely, this would resolve the organizational aspects of the terrorism issue – subject to consideration of claims handling and jurisdictional matters.

Organization of available capacity – cover
9 We expect that the P&I Clubs will issue Athens certificates when terrorism risks are excluded from the Convention. This should not be taken for granted, given that the board of each club most approve, that the majority of shipowners does not run passenger ships, and that the amounts are quite high. It therefore makes sense for governments to listen carefully to the views expressed, and accommodate them as far as possible. The main concerns expressed are:

- Certainty that the policy conditions of the clubs as set out in Club Rules will be respected so that, for example, the exclusion of War Risks will be observed in actions under the Convention

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3 See further to this and the following the Correspondence Group exchanges at http://folk.uio.no/erikro/WWW/corrgr/index.html#NYHET. The clauses are reproduced in a separate document, LEG 91/4/ B.
- Certainty that governments will apply a uniform policy in respect of which exemptions will be accepted not only in respect of certificates issued but also in respect of substantive liability under the Convention.
- That the commercial parties, specifically shipowners and operators, should be exempted from liability to the same extent as compulsory insurance is not required.

10 The two first bullet points should be fairly easy to accommodate, as the desire for clarity and uniformity is equally great in government and industry quarters. The third bullet point is a matter of policy, which has been much discussed in the Correspondence Group. The greatest concern has been that carriers could be made liable for the effects of terrorism because of a minor error in preventive measures. A possible compromise could be that carriers and their agents should not be made liable beyond the mandatory insurance cover unless they have made a major contribution to the damage.

11 Drafting is annexed. The drafting is based on the discussions in the Correspondence Group and informal input. As far as the reservation clause is concerned, it has not been possible to take into consideration the drafting style preferred by all potential States Parties, as this varies quite a lot. It is however recognized that the formulation must be effective in all jurisdictions where Athens is implemented.
ANNEX
Draft resolution

THE LEGAL COMMITTEE,

ADHERING to the principle that Conventions negotiated under the auspices of the organization should be implemented without reservation;
RECOGNIZING however that the current conditions of the insurance market necessitate some reservations to the Athens Convention, 2002, in order to bring it into force;
BEARING IN MIND Assembly resolution [insert proper reference to IMO Assembly resolution Nov-Dec 2005];
DESIRING to promote uniformity;

RECOMMENDS that States ratify and implement the Athens Convention, 2002, pursuant to the enclosed Guidelines.
Annex [to draft Resolution]
Guidelines for implementation of the Athens Convention

1. The Athens Convention should be ratified with the following reservation clause or a reservation to the same effect:

   “Declaration in connection with the ratification by the Government of ... of the Athens Convention Relating to Carriage of Passengers and Their Luggage by Sea, 2002 (“the Convention”).

   The Government of ... reserves its right to issue insurance certificates under article 4bis of the Convention with such exceptions and limitations as the insurance market conditions at the time of issue of the certificate necessitate, and to accept insurance certificates issued by other States Parties issued pursuant to an equivalent reservation. It is accepted that the current sustainable limit of market cover available is $400million per incident.

   Such exceptions and limitations will be clearly reflected in the Certificate issued or certified under Article 4bis of the Convention. The right retained by this reservation will be exercised with due regard to guidance by relevant bodies with an aim to ensure uniformity.

   The Government of ... further reserves the right to and undertakes to make carriers, performing carriers and their servants or agents liable under Articles 3 and 4 of the Convention only to the same extent as insurance is available as certified above.

   The Consent of the Government of... to be bound by the Convention is conditional upon other States parties making the same reservation and undertaking. It will not regard the Convention as entering into force as between itself and any State that has not both ratified the Convention and made the same reservation and undertaking.

   The Government of ... undertakes that Article 4bis of the Convention will be construed in its Courts so that a provider of financial security cannot be held liable under the Convention for damage other than damage for which it has undertaken to be liable.”

2. In the current state of the insurance market, States Parties should issue insurance certificates on the basis of one undertaking from an insurer covering war risks, and another insurer covering non-war risks. Each insurer should only be liable for its part. Each part should cover the following (the clauses referred to are set out in Appendix A3):

   a) “Non-war insurance” should cover the liabilities of a provider of financial security under the Convention subject to the exclusion clauses attached or their equivalent (Note: it is here intended to attach the general exclusions of the Group’s Pooling Agreement in respect of War and Nuclear) and with the exemptions set out in the following clauses:

      - Joint Excess Loss Committee Terrorism Exclusion Clause;
      - Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause (Institute clause no. 370); and
      - Institute Cyber Attack Exclusion Clause  (Institute clause no. 380)

4 Here, the clauses are reproduced in a separate document, LEG 91/4/B.
b) “War insurance” should cover the liabilities which would be covered by the non-war insurance but for the exclusions mentioned in (a) above and which are covered by a provider of financial security under the Convention in respect of terrorism up to USD 400 million per incident, and subject to the exemptions set out in the following clauses:

- Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause (Institute clause no. 370);
- Institute Cyber Attack Exclusion Clause (Institute clause no. 380);
- War Risks 7 Days Notice, Automatic Termination of Cover and War and Nuclear Exclusion Clause, on the conditions that
  - notice under the clause shall not affect the compulsory insurance cover to the extent the insurance cover is continued under new terms, e.g., an increased premium

3. An example of a Blue Card an insurance certificate reflecting these exemptions is included in Appendix B.5

4. 

5. States Parties should implement the Convention in accordance with these Guidelines, bearing in mind:

a) States Parties that implement the Convention by incorporation of its text into their law should also incorporate these Guidelines and the declaration made at ratification.

b) States Parties that will implement the Convention by transformation into national legal instruments should include these Guidelines in that process.

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5 Here, the examples are reproduced in a separate document, LEG 91/4/C
PROVISION OF FINANCIAL SECURITY

(ii) Follow-up on resolutions adopted by the International Conference on the Revision of the Athens Convention relating to the Carriage of Passengers and their Luggage by Sea, 1974

Athens Convention – draft Appendix A to the draft Implementation Guidelines (exemption clauses)

Submitted by Norway

SUMMARY

Executive summary: Draft Appendix A to the draft Implementation Guidelines.

Action to be taken: The Committee is invited to adopt the draft Guidelines, and thereby this Appendix to it.

Related documents: LEG 91/4/A, LEG 91/4/C

Joint Excess Loss Committee Terrorism Exclusion Clause
(16/11/01, XL 2001, 002)

This Contract excludes any loss, damage, liability or expense arising from:

(a) terrorism; and or
(b) steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted anticipated, threatened suspected or perceived terrorism.

For the purpose of this clause, “terrorism” means any act(s) of any person(s) or organisation(s) involving:

(i) the causing, occasioning or threatening of harm of whatever nature and by whatever means;
(ii) putting the public or any section of the public in fear;

in circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organisation(s) concerned are wholly or partly of a political, religious, ideological or similar nature.
Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause
(Cl. 370, 10/11/2003)

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

1. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
3. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
4. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes
5. any chemical, biological, bio-chemical, or electromagnetic weapon.
Institute Cyber Attack Exclusion Clause  
(Cl. 380, 10/11/03)

1. Subject only to clause 2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme malicious code, computer virus or process or any other electronic system.

2. Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.
War Risks 7 Days Notice, Automatic Termination of Cover and War and Nuclear Exclusion Clause

Notwithstanding the provisions of Owners’ Policies this insurance is subject to the Notice of Cancellation and Automatic Termination of Cover Clause as follows:

(i) Cover hereunder in respect of War Risks, etc may be cancelled by either the Underwriters or the Assured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which Notice of Cancellation is issued by or to the Underwriters). The Underwriters agree however to reinstate this insurance subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and or conditions and or warranties.

(ii) Whether or not such notice of cancellation has been given cover in respect of war risks etc shall TERMINATE AUTOMATICALLY.
   (a) upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries: United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China
   (b) in respect of any vessel, in connection with which cover is granted hereunder, in the event of such vessel being requisitioned either for title or use.

(iii) This insurance excludes
   (a) loss damage liability or expense arising from:
      - the outbreak of war, (whether there be a declaration of war or not) between any of the following: United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China
      - requisition either for title or use
   (b) loss damage liability of expenses directly or indirectly caused by or arising from:
      - ionizing radiations from or contamination by radioactivity from any nuclear fuel of from any nuclear waste or from the combustion of nuclear fuel.
      - the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
      - any weapon of war employing atomic or nuclear fission and/or fusion or other reaction of radioactive force of matter.

Cover in respect of the risks of war, etc., shall not become effective if, subsequent to acceptance by the Underwriters and prior to the intended time of attachment of risk, there has occurred any event which would have automatically terminated cover under the provisions of this Clause.
PROVISION OF FINANCIAL SECURITY

(ii) Follow-up on resolutions adopted by the International Conference on the Revision of the Athens Convention relating to the Carriage of Passengers and their Luggage by Sea, 1974

Athens Convention – draft Appendix B to the draft Implementation Guidelines (Examples of Blue Cards and Filled-In Insurance Certificate)

Submitted by Norway

SUMMARY

Executive summary: Draft Appendix B to the draft Implementation Guidelines.

Action to be taken: The Committee is invited to adopt the Appendix B to the Implementation Guidelines pursuant to the proposal

Related documents: LEG 91/4/A, LEG 91/4/B

This document provides example insurance documentation pursuant to the Implementation Guidelines for the Athens Convention, 2002.
Certificate furnished as evidence of insurance pursuant to Article 4bis of the Athens Convention Relating to Carriage of Passengers and Their Luggage by Sea, 2002.

Name of Ship:
Distinctive numbers or letters:
Port of registry:
Name and Address of owner:

This is to certify that there is in force in respect of the above named ship while in the above ownership a policy of insurance satisfying the requirements of Article 4bis of the Athens Convention Relating to Carriage of Passengers and Their Luggage by Sea, 2002, subject to all exceptions and limitations allowed for war insurers under the Convention and the Implementation Guidelines adopted by the Legal Committee of the International Maritime Organization in April, 2006.

Period if insurance from:
       to: 20 February

Provided always that the Insurer may cancel this Certificate by giving three months written notice to the above Authority whereupon the liability of the Insurer hereunder shall cease as from the date of the expiry of the said period of notice but only as regards incidents arising thereafter.

Date:

This certificate has been issued by:  

War Risks, Inc.
[Address]

...............................................................   As agent only for War Risks, Inc.
Signature of insurer
[Example of]

*Blue Card issued by Non-War Insurer*

Certificate furnished as evidence of insurance pursuant to Article 4bis of the Athens Convention Relating to Carriage of Passengers and Their Luggage by Sea, 2002.

Name of Ship:
Distinctive numbers or letters:
Port of registry:
Name and Address of owner:

This is to certify that there is in force in respect of the above named ship while in the above ownership a policy of insurance satisfying the requirements of Article 4bis of the Athens Convention Relating to Carriage of Passengers and Their Luggage by Sea, 2002, *subject to all exceptions and limitations allowed for non-war insurers under the Convention and the Implementation Guidelines adopted by the Legal Committee of the International Maritime Organization in April, 2006.*

Period of insurance from:

to: 20 February 200...

Provided always that the Insurer may cancel this Certificate by giving three months written notice to the above Authority whereupon the liability of the Insurer hereunder shall cease as from the date of the expiry of the said period of notice but only as regards incidents arising thereafter.

Date:

This certificate has been issued by:  

*PANDI P&I*

[Address]

...............................................................   As agent only for *PANDI P&I*

Signature of insurer
[Example of]
CERTIFICATE OF INSURANCE OR OTHER FINANCIAL SECURITY
IN RESPECT OF LIABILITY FOR THE DEATH OF AND PERSONAL INJURY TO
PASSENGERS

Issued in accordance with the provisions of Article 4bis of the Athens Convention relating to
the Carriage of Passengers and their Luggage by Sea, 2002

<table>
<thead>
<tr>
<th>Name of Ship</th>
<th>Distinctive number or letters</th>
<th>IMO Ship Identification Number</th>
<th>Port of Registry</th>
<th>Name and full address of the principal place of business of the carrier who actually performs the carriage</th>
</tr>
</thead>
</table>

This is to certify that there is in force in respect of the above-named ship a policy of insurance
or other financial security satisfying the requirements of Article 4bis of the Athens
Convention relating to the Carriage of Passengers and their Luggage by Sea, 2002 and the
Implementation Guidelines adopted by the Legal Committee of the International Maritime
Organization in April 2006.

Type of Security .................................................................................................................................

Duration of Security ..........................................................................................................................

Name and address of the insurer(s) and/or guarantor(s)

<table>
<thead>
<tr>
<th>Name and address of the insurer(s) and/or guarantor(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>For war risks: War Risks, Inc., [address]</td>
</tr>
<tr>
<td>For non-war risks: Pandi P&amp;I, [address]</td>
</tr>
</tbody>
</table>

This certificate is valid until .................................................................

Issued or certified by the Government of ..........................................................

(Full designation of the State)

OR

The following text should be used when a State Party avails itself of Article 4bis, paragraph 3:

The present certificate is issued under the authority of the Government of .................................
(full designation of the State) by ............................................................. (name of institution or organization)

At ........................................ On ........................................

(Place) (Date)

...............................................................................................................

(Signature and Title of issuing or certifying official)
Explanatory Notes [from the Convention]:

1. If desired, the designation of the State may include a reference to the competent public authority of the country where the Certificate is issued.

2. If the total amount of security has been furnished by more than one source, the amount of each of them should be indicated.

3. If security is furnished in several forms, these should be enumerated.

4. The entry "Duration of Security" must stipulate the date on which such security takes effect.

5. The entry “Address” of the insurer(s) and/or guarantor(s) must indicate the principal place of business of the insurer(s) and/or guarantor(s). If appropriate, the place of business where the insurance or other security is established shall be indicated.
OPTION A: EXCLUDE LIABILITY FOR TERRORIST LOSSES ENTIRELY

This could be achieved by the adoption of a reservation along the following lines:

“Reservation to Articles 3(1) and 3(2) and 4bis.

(1) The Government of ... is ratifying the Protocol of 2002 to the Athens Convention Relating to the Carriage of Passengers and Their Luggage by Sea, 1974, on the condition that neither carriers nor insurers shall be liable under the Convention in respect of loss suffered as a result of

(a) death or personal injury resulting from acts of terrorism, or acts related to acts of terrorism, or action to prevent acts of terrorism, or

(b) damage caused by or contributed to or arising from any chemical, biological, bio-chemical or electromagnetic weapons, or action to prevent the use of such weapons.

Such exceptions and limitations will be clearly reflected in the certificates issued by States under Article 4bis.

(2) The consent of the Government of ..... to be bound by the Convention is conditional upon other States Parties making [and maintaining in force] the same reservation. It will not regard the Convention as entering into force as between itself and any State that has not both ratified the Convention and made [and maintained in force] the same reservation.”