STATUTORY INSTRUMENTS

2006 No. 1244

The Merchant Shipping (Oil Pollution) (Bunkers Convention) Regulations 2006

Rights of third parties against insurers

- 19.—(1) Section 165 (rights of third parties against insurers) is amended as follows.
- (2) In subsection (1)
 - (a) for "owner" there is substituted "registered owner";
 - (b) for "163" there is substituted "163(2)"; and
 - (c) the words from "(in the" to the end are omitted.
- (3) After subsection (1), there is inserted—
 - "(1A) Where it is alleged that the owner of a ship has incurred a liability under section 153A as a result of any discharge or escape of bunker oil occurring, or as a result of any relevant threat of contamination arising, while there was in force a contract of insurance or other security to which such a certificate as is mentioned in section 163A(2) related, proceedings to enforce a claim in respect of the liability may be brought against the person who provided the insurance or other security.
 - (1B) In the following provisions of this section, "the insurer" means the person who provided the insurance or other security referred to in subsection (1) or subsection (1A), as the case may be.".
- (4) In subsection (2)
 - (a) after "section", there is inserted "in respect of liability under section 153";
 - (b) for "owner's", there is substituted "registered owner's"; and
 - (c) for "owner", there is substituted "registered owner".
- (5) In subsection (3)
 - (a) after "claims", there is inserted "in respect of liability under section 153 which are";
 - (b) for "owner" (in both places), there is substituted "registered owner"; and
 - (c) after "his liability", there is inserted "under section 157".
- (6) In subsection (4)
 - (a) for "owner", there is substituted "registered owner"; and
 - (b) after "liability", there is inserted "(in relation to liability under section 153)".
- (7) After subsection (4), there is inserted—
 - "(4A) In any proceedings brought against the insurer by virtue of this section in respect of liability under section 153A it shall be a defence (in addition to any defence affecting the owner's liability) to prove that the discharge or escape, or (as the case may be) the threat of contamination, was due to the wilful misconduct of the owner himself.
 - (4B) The insurer may limit his liability in respect of claims in respect of liability under section 153A which are made against him by virtue of this section in like manner and to

the same extent as the owner may limit his liability by virtue of section 185; but the insurer may do so whether or not the discharge or escape, or (as the case may be) the threat of contamination, resulted from any act or omission mentioned in Article 4 of the Convention set out in Part I of Schedule 7.

- (4C) Where the owner and the insurer each apply to the court for the limitation of his liability (in relation to liability under section 153A) any sum paid into court in pursuance of either application shall be treated as paid also in pursuance of the other."
- (8) In subsection (5), after "163", there is inserted "or 163A".