

## **MARINE DEPARTMENT NOTICE NO. 71 OF 2016**

(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.

### **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](http://www.mardep.gov.hk) or call Licensing and Port Formalities Section at 2852 3080.

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