Directions for Maritime and Port Bureau, MOTC Reviewing Liability Insurance

Formulated under Order No. 1111811311 of the Maritime Port Bureau, MOTC on August 24, 2022
Amended under Order No. 1121811979 of the Maritime Port Bureau, MOTC on December 15, 2023
Amended under Order No. 1141810798 of the Maritime Port Bureau, MOTC on May 14, 2025
Amended under Order No. 1151810632 of the Maritime Port Bureau, MOTC on April 13, 2026

1. The Directions for Reviewing Liability Insurance by the Maritime Port Bureau, MOTC (hereinafter referred to as “the Directions”) were formulated by the Maritime Port Bureau (MPB), MOTC to ensure consistent standards for verifying liability insurance-in accordance with Article 3 of the Regulations on Port Services at Commercial Ports and Article 15 of the Regulations for Administrating a Shipping Agency.
2. When reviewing the liability insurance documents submitted by a shipowner or its agent, the Maritime and Port Bureau (MPB) shall verify that the insurer satisfies one of the following requirements:
   (1) A member of the International Group of P&I Clubs, or its subsidiary.
   (2) An insurance company established in the Republic of China (Taiwan).
   (3) Assigned a credit rating of BBB or above by an internationally recognized credit rating agency.

   Where the liability insurance documents submitted by the shipowner or its agent do not satisfy any of the requirements set forth in the preceding paragraph, a security deposit may be provided in the form of a time deposit certificate issued by a domestic bank designated by the Banking Bureau, with a pledge created in favor of the MPB. The amount of the security deposit shall not be less than the aggregate of the following amounts:
   (1) An amount calculated at 162 Special Drawing Rights (SDRs) of the International Monetary Fund per gross ton of the vessel. For vessels with a registered gross tonnage of less than 400, the gross tonnage shall be deemed to be 400 for the purpose of calculation.
   (2) The applicable amount of liability or financial security for vessel pollution prescribed in the regulations announced by the Ocean Affairs Council pursuant to Paragraph 3 of Article 15 and Article 36 of the Marine Pollution Control Act.

   For vessels operating on domestic routes, the security deposit shall be calculated at 162

Special Drawing Rights (SDRs) of the International Monetary Fund per gross ton of the vessel. For vessels registered under the same vessel transport operator, one security deposit shall be required for every ten registered vessels. Where the remaining number of vessels is less than ten, it shall nevertheless be counted as ten. The security deposit shall be calculated as follows:

(1) Where one to ten vessels (inclusive) are registered, the security deposit shall be based on the vessel with the largest gross tonnage.

(2) Where eleven to twenty vessels (inclusive) are registered, the security deposits shall be based on the vessels with the largest and second-largest gross tonnage.

(3) Where twenty-one or more vessels are registered, the same principle shall apply by analogy.

Where_any portion of the security deposit is applied or deducted, the operator shall replenish the deficiency within 30 days. Failure to do so within the prescribed period shall result in the MPB suspending the acceptance of applications for port entry and departure submitted by vessels belonging to that operator.

The MPB shall update and publish, as appropriate, the list of insurers meeting the requirements set forth in Paragraph 1 on the MTNet website to facilitate access by shipowners and their agents.

Where, with reference to the results of insurance document reviews, experience in handling maritime incidents, or other relevant considerations, the MPB determines that a vessel insured by a particular insurer poses a risk to the safety of commercial ports or the public, it may announce that such a vessel is prohibited from entering ports.

3. The MPB shall complete the review of liability insurance within 3 working days from the day following the receipt of the application.

   When shipowners or their agents submit an application, they must consider the processing time required for port entry pre-reporting, the vessel’s scheduled arrival time, and the time required by the MPB to complete the review. To ensure timely processing, shipowners or their agents should submit liability insurance in advance.

   After completing the initial review, the MPB may, if necessary, re-verify the validity of a vessel’s liability insurance during the inspection of the vessel’s port entry pre-report form.

4. The liability insurance documents must clearly specify coverage for the following:
   (1) Liability for wreck removal and marine pollution.
   (2) Liability for the injuries or deaths of crew members or third parties.
   (3) Liability for damages to third-party property resulting from collision with fixed or floating objects.
   (4) Liability for damage to other vessels as a result from collision or other incidents.
   (5) Costs associated with life-saving efforts.
   (6) Obligations under the 2006 Maritime Labour Convention regarding crew wage compensation and repatriation.

   The minimum total coverage amount of liability insurance shall be calculated on the basis of 162 SDR per GRT of the vessel and in accordance with the liability or guarantee limits for ship pollution announced by the OAC under Article 15, Paragraph 3, and Article 36 of the Marine Pollution Control Act. For vessels with a registered GRT of less than 400, the calculation shall be based on 400 GRTs..

   For vessels sailing domestic route, the insurance must comply with the Regulations of Liability Insurance and Passenger Accident Insurance Insured by Carriers.

5. If the liability insurance policies contain any of the following clauses, the shipowner or their agent must provide a certificate of insurability issued by the insurer confirming acceptance of coverage under these conditions:
   (1) Vessel condition survey warranty clause.
   (2) Vessel classification clause.
   (3) Crew member (employment) contract review warranty clause.
   (4) Crew member health examination warranty clause.
   (5) Any other clause deemed questionable by the MPB.

6. The liability insurance policies must not include any of the following clauses:
   (1) No-claims or no-accident warranty clause.
   (2) Seaworthiness warranty clause.
   (3) Exclusion of coverage for mechanical failure clause

7. If the content of the liability insurance policies does not comply with the Directions,

the MPB shall immediately notify the shipowners or their agents to correct the documents within a specified period. If the documents contain any prohibited clauses specified in section 6, if the corrections are not made within the specified period, or if the corrected document fails to meet the requirements, the MPB will reject the application in accordance with the Regulations on Port Services at Commercial Port and the Regulations for Administrating a Shipping Agency.

If the liability insurance submitted by the shipowners or their agents are found to be forged, altered, or fraudulently used, and these conditions are not rectified even after the MPB requests resubmission, the vessels will be denied entry into the port.