

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
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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. The MPB shall review the liability insurance submitted by shipowners or their agents. The insurers specified in these documents must meet one of the following conditions:
 - (1) P&I Clubs of the International Group and its subsidiaries.
 - (2) Insurance companies based in Taiwan.
 - (3) Insurers with an international credit rating of BBB or above.

If the liability insurance submitted by the shipowner or their agent do not meet the above criteria, the shipowner or their agent may provide a guarantee deposit in the form of a time deposit certificate issued by a Taiwan-based bank listed on the official website of Taiwan’s Banking Bureau. The guarantee deposit must be pledged to the MPB and should not be less than the total sum calculated as follows:

- (1) An amount determined by multiplying 162 International Monetary Fund Special Drawing Rights (SDRs) by the gross register ton (GRT) of the vessel. For vessels with a registered GRT of less than 400, the calculation shall be based on 400 GRTs.
- (2) An amount determined on the basis of the liability or guarantee limits for ship pollution announced by the Ocean Affairs Council (OAC) in accordance with Article 15, Paragraph 3; and Article 36 of the Marine Pollution Control Act.

For vessels sailing domestic route, the guarantee deposit is calculated on the basis of 162 SDR per GRT.

The MPB will periodically update the list of qualified insurers that meet the criteria specified in Section 1 on the MTNet for the reference of shipowners and their agents.

The MPB may also review the results of insurance evaluations and consider past cases in

handling maritime incidents. If the vessels insured by certain insurers are deemed to pose a risk to commercial ports or public safety, the MPB may announce a ban on the entry of such vessels.

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.