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P & I CLUB CORRESPONDENTS

FREE TRANSLATION

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Ministry of Transportation and Infrastructure
Directorate General of Maritime Affairs

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Subject: Insurance Organizations Registered in LTP and LYBS

DISTRIBUTION TO RECIPIENTS

As known, shipowners obtain Protection and Indemnity (P&I) insurance to cover liabilities arising from damages to third parties, the environment, or cargo during their operations, as well as related penalties and other similar liabilities. P&I insurance is mandatory for certain types and tonnages of ships under international conventions. According to the "Regulation on the Insurance and Inspection of Ships in Relation to Maritime Liens," published in the Official Gazette dated 14/11/2010, numbered 27759, all Turkish-flagged ships and ships of 300 GT or more, regardless of their flag, that enter or leave port facilities within Turkish maritime jurisdiction must carry insurance against maritime claims, including damages to the environment resulting from ship operations.

Additionally, Article 13 of the "Implementation Directive of the Turkish Straits Maritime Traffic Regulation" binds that all ships carrying dangerous cargo, ships of 300 GT or more, and towing ships passing through the Turkish Straits must have valid P&I insurance.

Ships arriving at or departing from Turkish ports must obtain insurance policies from one of the insurance companies registered in the Port Single Window (LTP) and Port Management Information System (LYBS) within the scope of the relevant legislation.

Recently, it has been observed that insurance policies submitted during port arrival or departure applications for ships involved in maritime accidents in our country were not honored by the insurance company post-accident, with some policies claimed to have been canceled shortly before the incident. It has been identified that some insurers fail to fulfill compensation obligations in cases where insurance should apply.

As per Sub-article (ö) of Article 478 of the Presidential Decree No. 1, published in the Official Gazette on 10/07/2018, numbered 30474, our Directorate General is responsible for taking measures to ensure the development and efficient operation of maritime insurance and coordinating with relevant institutions.

In this context, there is a need to regulate insurance companies that are not on the list of respectable P&I Clubs and Insurance Companies announced on our Directorate General's website (<https://maritime.uab.gov.tr/respectable-p-ve-i-clubs>) in accordance with the "Directive on P&I Clubs and Insurance Companies Accepted as Respectable in Administrative Transactions within the Scope of Flag State Applications". Therefore, for an insurer to be registered in the LYBS as a recognized insurance organization, the following conditions must be met:

- a) The insurer must have an appointed/arranged correspondent in Türkiye for incidents related with P&I risks who can handle assessments, inspection, expertise, and claims management under the rules of the respective P&I Club or insurer. This correspondent company should be listed on the website of the P&I Club or insurer and this correspondent company must be a correspondent for at least one of the P&I Clubs that are member of the International Group of P&I Clubs.
- b) The insurer must provide their full name, address, contact information, and a sample P&I policy to the administration along with their intention letter.
- c) The insurer must designate a contact point for information exchange with the administration.
- d) The insurer must present a wet-signed document or notarized copy showing a credit rating of BBB- or higher, or an equivalent rating, from an international credit rating agency, issued within the last year or verifiable online.
- e) The insurer's website must allow online verification of P&I policy validity.
- f) The insurer must present a wet-signed confirmation letter, issued within the last year, approved by a reinsurer/reinsurers with an international credit rating of A- or higher. This letter must demonstrate that the reinsurance agreements are in place for the liability limits stipulated in International Conventions to which Türkiye is a party, with a total coverage amount of no less than 100,000,000 USD.
- g) The insurer must provide financial reports and approved claims payment information for the past three years.
- h) All required information and documents must be submitted to the administration by the correspondent (as per article (a) of this letter) or authorized company representative for our authority's review.

Insurance companies meeting these conditions will be evaluated and, if deemed compliant, registered in the LYBS system under the "Registered Insurance Organizations in LTP and LYBS" list on our Directorate General's website. Respectable P&I Clubs already announced under the "Directive on P&I Clubs and Insurance Companies Recognized in Flag State Applications" will be included in this list without additional applications.

The compliance of insurance companies listed in LTP and LYBS with the conditions stated above will be periodically audited. Correspondents must arrange providence of the requested information and documents for these audits. Failure to comply or evidence of non-compliance will result in removal from the list.

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Within this framework, insurance companies that want to be included in the list of insurance companies registered in LYBS, other than the companies included in the respectable list, must apply and be added to LYBS in accordance with the application conditions stated above until February 20, 2025. Applications not submitted or accepted by this date will result in the deletion of existing LYBS registrations, and their insurance policies will not be accepted after 20 February 2025. Ships with insurances with not registered in LYBS will not be allowed to enter our ports.

For your information and necessary action.

Unal Baylan
On behalf of the Minister
Director General of Maritime Affairs

Submitted for your kind info.

Please contact us if you have any further queries and if you / your members need our assistance, we are always at your disposal.

Our Emergency phone number is: +90 530 129 12 12

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Best regards,

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