

**L.N. 48 of 2016**

**Merchant Shipping (Local Vessels) (Amount of Insurance  
Cover) (Amendment) Notice 2016**

(Made by the Director of Marine under section 21 of the Merchant  
Shipping (Local Vessels) (Compulsory Third Party Risks Insurance)  
Regulation (Cap. 548 sub. leg. H))

**1. Commencement**

This Notice comes into operation on 1 September 2016.

**2. Merchant Shipping (Local Vessels) (Amount of Insurance Cover)  
Notice amended**

The Merchant Shipping (Local Vessels) (Amount of Insurance  
Cover) Notice (Cap. 548 sub. leg. K) is amended as set out in  
sections 3, 4 and 5.

**3. Section 2 repealed (amount of insurance cover for first 6 months)**

Section 2—

**Repeal the section.**

**4. Section 3 repealed (amount of insurance cover from seventh  
month onwards)**

Section 3—

**Repeal the section.**

**5. Sections 4 and 5 added**

At the end of the Notice—

**Add**

**“4. Amount of insurance cover**

The following amounts are specified for the purposes of section 23D(3)(c) of the Ordinance—

- (a) \$10,000,000 for a policy of insurance for a certificated local vessel that is permitted to carry more than 12 passengers under the conditions of its operating licence, other than—
  - (i) a Class I primitive vessel; and
  - (ii) a Class IV vessel not let for hire or reward; and
- (b) \$5,000,000 for a policy of insurance for—
  - (i) a certificated local vessel that is permitted to carry 12 or less than 12 passengers under the conditions of its operating licence;
  - (ii) a Class I primitive vessel; or
  - (iii) a Class IV vessel not let for hire or reward.

**5. Transitional provisions for Merchant Shipping (Local Vessels) (Amount of Insurance Cover) (Amendment) Notice 2016**

(1) In this section—

*Amendment Notice* (《修訂公告》) means the Merchant Shipping (Local Vessels) (Amount of Insurance Cover) (Amendment) Notice 2016;

*commencement date* (生效日期) means the date on which the Amendment Notice comes into operation;

*former section 3* (原有第3條) means section 3 in force immediately before the commencement date.

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Section 5

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- (2) The former section 3 continues to apply in relation to a local vessel as if the Amendment Notice had not been made if—
  - (a) a policy of insurance in relation to the use of the vessel was in force immediately before the commencement date; and
  - (b) the amount of liability covered by it for any one accident or series of accidents arising out of the same event is not less than the amount specified in the former section 3 for the vessel.
- (3) Subsection (2) ceases to have effect in relation to a policy of insurance on the earliest of the following—
  - (a) the expiry of the policy;
  - (b) the expiry of 1 year beginning on the commencement date;
  - (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 section 23D of the Ordinance, even if the former section 3 continued to apply.”.

CHENG Mei-size, Maisie  
Director of Marine

19 April 2016

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Explanatory Note  
Paragraph 1

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**Explanatory Note**

Section 23C of the Merchant Shipping (Local Vessels) Ordinance (Cap. 548) requires users of local vessels to take out insurance. The Merchant Shipping (Local Vessels) (Amount of Insurance Cover) Notice (Cap. 548 sub. leg. K) specifies the minimum amounts of insurance cover for different classes, types or descriptions of local vessels. This Notice increases the statutory amounts.