

Circular From American**Date: 8 May 2019**

Condition Survey Requirement for Tankers Carrying Heavy Fuel Oil (HFO) as Cargo

As part of a concerted industry effort to ensure higher ship standards, the International Group of P&I Clubs continues to implement survey triggers for seagoing vessels of 10 years of age or more carrying HFO.

As a consequence, all sea-going vessels aged 10 years or more which have carried heavy HFO as cargo within the previous 12 months will be subject to condition survey, unless:

- the vessel has undergone a P&I club condition survey during the previous 12 months; or
- the vessel has undergone a Special Survey during the previous 6 months; or
- the vessel has a valid Condition Assessment Program (CAP) rating of 1 or 2 with a classification society having membership in the International Association of Classification Societies (IACS).

HFO is defined as residual fuel with a kinematic viscosity of 380 centipoises when measured at 50 degrees Celsius by the ISO 3104 test method. This excludes vessels carrying intermediate fuel oils or heavy crudes, as well as those carrying bitumen or tar.

Members should note that a declaration is now required so that the Club may determine whether HFO has in fact been carried by an insured vessel as cargo during a relevant policy period. Therefore, the first declaration must be made this year as soon as possible, but not later than April 30, 2019 for vessels carrying HFO between February 20, 2017 and February 20, 2018.

If a vessel continues to carry HFO as cargo over a period of successive years, the Club is not obliged to carry out a survey every year. However, a survey will need to be held at least every three years after the first survey has taken place. It is at the Club's discretion whether or not to undertake surveys on a more frequent basis.

Source of Information: The American Club