

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 30TH SESSION:
COUNCIL - PARTS I**

Please fill out one form for each textual proposal which your delegation(s) wish(es) to amend, add or delete and send to council@isa.org.jm.

1. Name(s) of Delegation(s) making the proposal:

Republic of Nauru

2. Please indicate the relevant provision to which the textual proposal refers.

Regulation 36

3. Kindly provide the proposed amendments to the regulation or standard or guideline in the text box below, using the “track changes” function in Microsoft Word. Please only reproduce the parts of the text that are being amended or deleted.

[1. bis The insurance required under paragraph 1 shall: [...]

(b) Be in effect as at the point in time that the Contractor’s vessel departs port for the Area for the purpose of conducting Exploitation activities~~from the start date of the Exploitation Contract~~, until such time as the Environmental Performance Guarantee has been released back to the Contractor in full by the Authority. [...]

[(c) cover all [potential] harms ~~to people, property, natural resources, and environment that may occur, wherever located, or howsoever caused, as a result of the Contractor’s activities in the Area~~ in accordance with applicable Standards and taking into consider the Guidelines].

Comments: One delegation suggested to retain paragraph 1. bis. (c) as it describes the scope of insurance required. Other delegations suggest removing such information to the Standard so that it can be more easily amended in response to prevailing trends in insurance products offered in the industry. Other delegations highlight concern over the content as it appears to be contradictory to current industry practice. It has been suggested to reassess the content of the sub-paragraph according to the reality of the coverage of existing insurance products in the industry. It has been put forward that it would appear to cover all consequential loss to the umpteenth degree and that it would not be possible to obtain such type of insurance. Paragraph 1. bis. (c) has therefore been retained in square brackets for further consideration.

~~4. A Contractor shall not make any Material Change to or terminate any insurance policy related to its Exploitation activities in the Area without the prior consent of the Council.~~

4. Please indicate the rationale for the proposal. [150-word limit]

The insurance referred to in regulation 36 should only be required from the point that the relevant vessel departs from port to go to the Area to undertake activities. It is only at that point in time that the relevant risks will exist.

It is also not feasible for contractors to involve the Council or Authority in each modification or change to their insurance. Contractors will be required to maintain insurance that accords with the regulations and any applicable Standard. As such, we do not consider it necessary for the Authority to provide its prior consent for each aspect of such insurance policy. This would risk

the ability of contractors to obtain insurance in light of the additional time that would be required to involve the Authority in these decisions.

We further note the Facilitator's comment reflecting the proposal to reassess the scope of insurance requirements in paragraph 1bis(c) according to the reality of the coverage of existing insurance products in the industry.

We agree with suggestions that the specific requirements of coverage are better covered in a Standard. This will avoid confusion by allowing for a greater level of detail to be provided. It will also ensure that the requirements can be kept up to date without waiting for revision of the full regulations.
