

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 28TH SESSION:
COUNCIL - PART III**

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: Australia

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

DR36 – proposed amendments in green; black text and tracked changes text is from the Consolidated text.

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.

Insurance

1. A Contractor shall obtain and thereafter at all times maintain, and cause its subcontractors to obtain and maintain, in full force and effect, insurance with financially sound insurers satisfactory to the Authority, of such types, on such terms and in such amounts in accordance with applicable the relevant Standards [and taking into consideration Guidelines] and applicable international maritime practice, consistent with Good Industry Practice.

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

(a) Be proposed at the time of applying for approval of a Plan of Work of exploitation to allow the Commission and Council to assess the satisfactoriness of the proposed insurance policy against this Regulation and the relevant Standard and Guidelines; and

(b) Be in effect from the start date of the 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]

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

Australia supports reinserting paragraph 1bis, subparagraph C, which outlines specific forms of harm that need to be covered by the Contractor's insurance. We consider it is important that this draft regulation provides sufficient detail and guidance as to what is required for the insurance to be considered 'satisfactory' and will ensure that there is consistency among Contractors as to the insurance coverage that is required.

We propose removing 'potential' before 'harm' as insurance coverage is only required to cover actual harm suffered.

We think further amendments may be necessary once the Council considers more closely issues related to liability, environmental harm, and recourse to dispute settlement. We suggest that there should be alignment between this draft regulation and the threshold Council agrees will engage liability, and methods for establishing such liability.