

HNS Points System

Step 1 - Calculating Sector Factor (SF)

SF for the "Other Substances" sector - Reg. 1(2)(e)

Year (of the operation of the Fund)	Established claims [in SDRs] - Reg. 2(5)(a)	Volume [in metric tonnes] Reg. 2(5)(b)	Claims/volume ratio - Reg. 2(5)	Initial ratio used? - Reg. 2(6)	Weight of ratio - Reg. 2(7)
1	0	100,000,000	0.0001	Yes	1
2	0	100,000,000	0.0002	Yes	2
3	0	100,000,000	0.0003	Yes	3
4	0	100,000,000	0.0004	Yes	4
5	0	100,000,000	0.0005	Yes	5
6	0	100,000,000	0.0006	Yes	6
7	300,000,000	100,000,000	21	No	7
8	0	100,000,000	0.0008	Yes	8
9	0	100,000,000	0.0009	Yes	9
Relevant year	6,000,000	100,000,000	0.6	No	10
SF (weighted average of claims/volume ratios) - Reg. 2(4)					2.16038

SF for the "Solid Bulk" sector - Reg. 1(2)(a)

Year (of the operation of the Fund)	Established claims [in SDRs] - Reg. 2(5)(a)	Volume [in metric tonnes] Reg. 2(5)(b)	Claims/volume ratio - Reg. 2(5)	Initial ratio used? - Reg. 2(6)	Weight of ratio - Reg. 2(7)
1	0	65,000,000	0	Initial ratio irrelevant, as it is zero for this sector	1
2	0	65,000,000	0		2
3	0	65,000,000	0		3
4	0	65,000,000	0		4
5	0	65,000,000	0		5
6	0	65,000,000	0		6
7	0	65,000,000	0		7
8	0	65,000,000	0		8
9	50,000,000	65,000,000	6.923077		9
Relevant year	0	65,000,000	0		10
SF (weighted average of claims/volume ratios) - Reg. 2(4)					0.692308

SF for any postponed separate account - Reg. 1(2)(b/c/d)

Year (of the operation of the Fund)	Estab-lished claims [in SDRs] - Reg. 2(5)(a)	Volume [in metric tonnes] - Reg. 2(5)(b)	Claims/volume ratio - Reg. 2(5)	Initial ratio used? - Reg. 2(6)	Weight of ratio - Reg. 2(7)
1	0	100,000,000	0	Initial ratio irrelevant, as it is zero for this sector	1
2	0	100,000,000	0		2
3	0	100,000,000	0		3
4	0	100,000,000	0		4
5	0	100,000,000	0		5
6	0	100,000,000	0		6
7	0	100,000,000	0		7
8	0	100,000,000	0		8
9	0	100,000,000	0		9
Relevant year	150,000,000	100,000,000	15		10
SF (weighted average of claims/volume rations) - Reg. 2(4)					1.5

Step 2 - Calculating levy per sector/ tonne/ HNS Point

on the basis of the data on the previous worksheet

Levy per sector

	Volume in metric tonnes in relevant year	Sector Factor	HNS Points - Reg 2(3)	Share of claims levied to the sector in %
"Other Substances" sector - Reg. 1(2)(e)	100,000,000	2.16038	216,038,000	52.6
"Solid Bulk" sector - Reg. 1(2)(a)	65,000,000	0.69231	45,000,000	10.9
Any separate account - Reg. 1(2)(b/c/d)	100,000,000	1.50000	150,000,000	36.5
			411,038,000	100.0

Levy per tonne/ HNS Point

	Claims in relevant year	Levy in SDR/ tonne	Levy in SDR/ HNS Point - Reg. 2(2)	Share of total claims in SDRs
"Other Substances" sector - Reg. 1(2)(e)	6,000,000	0.81992	0.37953	81,992,244
"Solid Bulk" sector - Reg. 1(2)(a)	0	0.26275	0.37953	17,078,713
Any separate account - Reg. 1(2)(b/c/d)	150,000,000	0.56929	0.37953	56,929,043
	156,000,000			156,000,000

*The purpose of the HNS Points System is to distribute claims between sectors on the basis of several years of claims records, and to prevent that high volume/low hazard substances carry an unreasonable share of the costs.

*All paragraphs in the Regulations are referred to except Reg 2(1), which is just an introductory paragraph (the use of the word "product" does not indicate that it prescribes multiplication of the SF and the levy per HNS Points).

*The effect if the initial ratio is in most cases rather marginal and sometimes somewhat arbitrary.

20 March 2007 Erik Røsæg

erik.rosag@jus.uio.no

<http://folk.uio.no/erikro/WWW/HNS/hns.html#conv>