

REGULATIONS AND RECOMMENDATIONS BY DIRECTORS

- A The Directors shall have power from time to time to make regulations prescribing the conditions or forms of contracts of carriage either generally or for use in any particular trade or at any particular port or place. Upon the passing of any such regulation it shall be deemed to be incorporated in these Rules so as to take effect as from the beginning of the policy year next following the time and date of the making of such regulation, and as from such taking effect every Owner shall conform thereto in so far as the same may apply to the ships entered by him or on his behalf in the Association or to the trades in which they may be engaged. If any Owner shall commit a breach of any regulation, the Directors may reject or reduce any claim made by the Owner to the extent to which it would not have arisen if he had complied with the regulation and may further impose such terms upon him as they may think fit as a condition of the continuance of the entry of the Owner's ship or ships in the Association.
- B The Directors may also from time to time recommend the use of any particular form of contract of carriage in any particular trade. Owners whose ships are engaged in such trades shall endeavour to use the appropriate form of contract of carriage when the circumstances of the fixture or engagement of such ships permit.
- C Notice giving particulars of every regulation made (and the policy year at the beginning of which it takes effect) and every recommendation made pursuant to this Rule shall forthwith be sent to every Owner, and a copy thereof shall be included in or with every copy of the Rules issued by the Association after such regulation or recommendation comes into force.

MANAGERS' REMUNERATION

The Managers shall be remunerated by the Association on such basis as may be approved by the Directors.

CLAIMS

- A Without prejudice to any other provision of these Rules and without waiving any of the Association's rights hereunder, the Managers may at any and all times appoint and employ on behalf of the Owner upon such terms as the Managers may think fit lawyers, surveyors or other persons for the purpose of dealing with any matter liable to give rise to a claim by an Owner upon the Association, including investigating or advising upon any such matter and taking or defending legal or other proceedings in connection therewith. The Managers may also at any time discontinue such employment if they think fit.

- B All lawyers, surveyors and other persons appointed by the Managers on behalf of the Owner or appointed by the Owner with the prior consent of the Managers shall at all times be and be deemed to be appointed and employed on the terms that they have been instructed by the Owner at all times (both while so acting and after having retired from the matter) to give advice and to report to the Association in connection with the matter without prior reference to the Owner and to produce to the Association without prior reference to the Owner any documents or information in their possession or power relating to such matter, all as if such person had been appointed to act and had at all times been acting on behalf of the Association.

POWERS OF THE MANAGERS RELATING TO THE HANDLING AND SETTLEMENT OF CLAIMS

- A The Managers shall have the right if they so decide to control or direct the conduct of any claim or legal or other proceedings relating to any liability, loss or damage in respect whereof the Owner is or may be insured in whole or in part, and to require the Owner to settle, compromise or otherwise dispose of such claim or proceedings in such manner and upon such terms as the Managers see fit.
- B If the Owner does not settle, compromise or dispose of a claim or of proceedings after being required to do so by the Managers in accordance with paragraph (A) of this section, any eventual recovery by the Owner from the Association in respect of such claim or proceedings shall be limited to the amount he would have recovered if he had acted as required by the Managers.
- C The Association is under no obligation to provide bail or other security on behalf of any Owner, but where the same is provided it shall be on such terms as the Managers may consider appropriate and shall not constitute any admission of liability by the Association for the claim in respect of which the bail or other security is given. It shall be a condition of the provision of bail or other security that the Owner shall indemnify the Association for any costs or liability arising therefrom or associated therewith, save to the extent that such costs or liability would have been recoverable from the Association if the Owner had incurred them directly.

MEETINGS OF THE DIRECTORS

The Directors shall meet as often as they may consider necessary for the settlement of claims which shall be paid by the Association as the Directors may determine in accordance with these Rules and the Directors shall have power from time to time to authorise the Managers, without prior reference to the Directors, to effect payment of claims of such types and up to such sums as the Directors may determine. No Director shall act as such in the settlement of any claim in which he is interested.

FORBEARANCE AND REIMBURSEMENT

- A No act, omission, course of dealing, forbearance, delay or indulgence by the Association in enforcing any of these Rules or any of the terms or conditions of its contracts with Owners nor any granting of time by the Association shall prejudice or affect the rights and remedies of the Association under these Rules or under such contracts, and no such matter shall be treated as any evidence of waiver of the Association's rights thereunder, nor shall any waiver of a breach by an Owner of such Rules or contracts operate as a waiver of any subsequent breach thereof. The Association shall at all times and without notice be entitled to insist on the strict application of these Rules and on the strict enforcement of its contracts with Owners.
- B The Owner shall reimburse to the Association on demand the amount of any payment made to any third party by the Association on behalf of or as guarantor for such Owner to the extent that such payment is in respect of any amount which in the opinion of the Managers is not recoverable from the Association.

DISPUTES

- A The Owner hereby submits to the jurisdiction of the High Court of Justice of England in respect of any action brought by the Association to recover sums which the Association may consider to be due to it from the Owner. Without prejudice to the foregoing the Association shall be entitled to commence and maintain in any jurisdiction any action to recover sums which the Association may consider to be due to it from the Owner.
- B Save as provided in Section 4 of Rule 22, if any other difference or dispute shall arise between an Owner and the Association out of or in connection with these Rules or any contract between them or as to the rights or obligations of the Association or the Owner thereunder or in connection therewith, such difference or dispute shall in the first instance be referred to and adjudicated upon by the Directors, unless the Directors elect to waive such adjudication, whereupon the Owner concerned shall be entitled to refer the difference or dispute to arbitration in accordance with the provisions of paragraph C of this Rule. Such reference and adjudication shall be on written submissions only.
- C If the Owner concerned in such difference or dispute does not accept the decision of the Directors it shall be referred to the arbitration in London of two Arbitrators (one to be appointed by the Association and the other by such Owner) and an Umpire to be appointed by the Arbitrators, and the submission to arbitration and all the proceedings therein shall be subject to the provisions of the English Arbitration Act, 1996, and any statutory modification or re-enactment thereof.
- D No Owner shall be entitled to maintain any action, suit or other legal proceedings against the Association upon any such difference or dispute
- i unless and until the same has been so referred to the Directors for adjudication under paragraph (B) of this Rule and the Directors shall have given their decision thereon or the reference to such adjudication shall have been waived in accordance with the proviso to paragraph (B) of this Rule, and
 - ii if such decision is not accepted by such Owner or if the reference to such adjudication shall have been waived, unless and until such difference or dispute shall have been referred to arbitration as provided in paragraph (C) of this Rule and the Award in such reference shall have been published, and
 - iii then only for such sum (if any) as the Award may direct to be paid by the Association, and
 - iv the sole obligation of the Association to such Owner under these Rules and any contract between them or otherwise howsoever in respect of any such dispute or difference shall be to pay such sum as may be directed by such an Award.

NOTICES

- A A notice or other document required under these Rules to be served on the Association may be served by sending it by courier or through the post in a prepaid letter or by sending it by telegram, cable, radio telegraph or facsimile transmission (fax) addressed to the Association at the Association's registered office for the time being.
- B A notice or other document required under these Rules to be served on an Owner may be served by sending it by courier or through the post in a prepaid letter or by sending it by telegram, cable, radio telegraph, telex or facsimile transmission (fax) addressed to such Owner:
- i at the address which shall have been expressly furnished by him to the Association as the address at which notices from the Association may be served upon him, or,
 - ii if no such address shall have been furnished, at his address as appearing in the Register of Members, or,
 - iii if such Owner is not and was not a Member of the Association, at the address which is his last known address to the knowledge of the Managers.

In the case of Joint Owners all such notices or other documents shall be served upon the Joint Owner whose address has been furnished in accordance with sub-paragraph (i) above, or, if no such address has been furnished, upon the senior of the Joint Owners and such service shall be sufficient service on all the Joint Owners. For this purpose seniority as between Joint Owners shall be determined by the order in which the names stand as Joint Owners in the Register of Members of the Association.

- C Any such notice or other document if served by courier or by post shall be deemed to have been served on the day following the day on which the letter containing the same was handed to the courier or put into the post, and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and handed to the courier or put into the post as a prepaid letter. Any such notice or other document if served by telegram, cable, radio telegraph, telex or facsimile transmission (fax) shall be deemed to have been served on the day on which it was handed in to the telegraph, cable or radio telegraph office or, in the case of telex, or facsimile transmission (fax), despatched, and in proving such service it shall be sufficient to prove that such telegram, cable or radio telegraph was duly handed in or, in the case of telex or facsimile transmission (fax) that the notice or other document was duly despatched.
- D The successors of anyone who is or was at any time an Owner of an entered ship shall be bound by a notice or other document served as aforesaid if sent to the last such address of such Owner notwithstanding that the Association may have notice of the Owner's death, disability, lunacy, bankruptcy or liquidation.

LAW OF CONTRACT

Any contract of insurance howsoever made between the Association and an Owner shall be deemed to have been concluded in Bermuda unless otherwise stated in such contract, and both these Rules and any such contract shall be governed by and construed in accordance with English law.

DELEGATION

- A Whenever any power, duty or discretion is conferred or imposed upon the Managers by virtue of these Rules, such power, duty or discretion may, subject to any terms, conditions or restrictions contained in these Rules, be exercised by any one or more of the Managers or by any servant or agent of the Managers to whom the same shall have been delegated or sub-delegated.

- B Whenever any power, duty or discretion is stated in these Rules to be vested in the Directors, such power, duty or discretion shall be exercisable by the Directors unless the same shall have been delegated to any Committee of the Directors or to the Managers in accordance with the provisions as regards delegation contained in the Bye-Laws, in which event the power, duty or discretion may be exercised by any person to whom the same shall have been so delegated.

DEFINITIONS

In these Rules the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context:

Act	The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited Consolidation and Amendment Act 1993 and every modification thereof for the time being in force.
Applicant Owner	In relation to a ship which is desired or intended to be entered for insurance in the Association, means owner, owners in partnership, owners holding separate shares in severalty, part owner, mortgagee, trustee, charterer, operator, manager or builder of such ship and any other person (not being an insurer seeking reinsurance), by or on whose behalf an application has been, is being or is to be made for the entry of the same in the Association for insurance whether he be or is to be a Member of the Association or not.
Association	The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited.
Bye-Laws	The Bye-Laws for the time being of the Association.
Call entry	An insurance on terms that the Owner is bound to pay calls to the Association.
Calls	Sum or sums payable to the Association in respect of an entered ship pursuant to Rules 19 to 23, including Mutual Premiums, Supplementary Premiums and Overspill Calls.
Cargo	Goods, including anything used or intended to be used to pack or secure goods, in respect of which an Owner enters into a contract of carriage, but excluding containers or other equipment owned or leased by the Owner.
Catastrophe Reserve	Any reserve maintained by the Association pursuant to Rule 24(B)(i).
Closed policy year	A policy year of the Association which has been closed in accordance with the provisions of Rule 25.
Convention Limit	In respect of a ship, the limit of liability of the owner of that ship for claims (other than claims for loss of life or personal injury) at the Overspill Claim Date, calculated in accordance with Article 6 paragraph 1(b) of the International Convention on Limitation of Liability for Maritime Claims 1976 (the "Convention") and converted from Special Drawing Rights into United States Dollars at the rate of exchange conclusively certified by the Association as

	being the rate prevailing on the Overspill Claim Date, provided that, (a) where a ship is entered for a proportion (the "relevant proportion") of its tonnage only, the Convention Limit shall be the relevant proportion of the limit of liability calculated and converted as aforesaid and (b) each ship shall be deemed to be a sea-going ship to which the Convention applies, notwithstanding any provision in the Convention to the contrary.
Directors	The Board of Directors for the time being of the Association.
Entered ship	A ship which has been entered in the Association for insurance.
Entered tonnage	The tonnage figure recorded as entered tonnage in the Certificate of Entry of an entered ship and used for the purposes of calculation of calls and, where applicable, for the limitation of claims under Rule 5(B) (ii), whether (a) the tonnage of the ship or (b) a proportion of the tonnage of the ship or (c) a figure exceeding the tonnage of the ship.
Fines	Includes penalties and other impositions similar in nature to fines.
Fixed premium	A fixed premium payable to the Association in respect of an entered ship pursuant to Rule 9.
Fixed premium entry	An insurance on terms that the Owner is bound to pay a fixed premium to the Association.
Group Excess Reinsurance Policies	The excess of loss reinsurance policies effected by the parties to the Pooling Agreement.
Group Reinsurance Limit	The amount of the smallest claim (other than any claim arising in respect of oil pollution) incurred by the Association or by any other party to the Pooling Agreement which would exhaust the largest limit for any type of claim (other than a claim arising in respect of oil pollution) from time to time imposed in the Group Excess Reinsurance Policies.
Hull policy	A policy effected on the hull and machinery of a ship including an Excess Liability Policy.
Insurance In writing	Any insurance or reinsurance. Written, printed or lithographed, or visibly expressed in all or any of those or any other modes of representing or reproducing words.
Managers	The Managers for the time being of the Association.
Member	A Member for the time being of the Association.
Overspill Call	A call levied by the Association pursuant to Rule 22 for the purpose of providing funds to pay all or part of an Overspill Claim.
Overspill Claim	That part (if any) of a claim (other than a claim in respect of oil pollution) incurred by the Association

	<p>or by any other party to the Pooling Agreement under the terms of entry of a ship which exceeds or may exceed the Group Reinsurance Limit.</p>
Overspill Claim Date	<p>In relation to any Overspill Call, the time and date on which there occurred the incident or occurrence giving rise to the Overspill Claim in respect of which the Overspill Call is made or, if the Policy Year in which such incident or occurrence occurred has been closed in accordance with the provisions of Rules 25(C)(i) and 25(C)(ii), noon GMT on 20th August of the Policy Year in respect of which the Association makes a declaration under Rule 25(C)(iii).</p>
Owner	<p>In relation to an entered ship means owner, owners in partnership, owners holding separate shares in severalty, part owner, mortgagee, trustee, charterer, operator, manager or builder of such ship and any other person (not being an insurer reinsured under Rule 13) named in the certificate of entry or endorsement slip, by or on whose behalf the same has been entered in the Association whether he be a Member of the Association or not.</p>
Policy year	<p>A year from noon G.M.T. on any 20th February to noon G.M.T. on the next following 20th February.</p>
Pooling Agreement	<p>The agreement dated 17th November 1992 between certain members of the group known as the International Group of Protection and Indemnity Associations and any addendum, variation, or replacement of the said agreement, or any other agreement of a similar nature or purpose.</p>
Premium rating	<p>The agreed rating per ton entered for insurance upon which Calls are payable to the Association according to the terms of such ship's entry for insurance in the Association.</p>
Rules	<p>These Rules as originally framed or as from time to time altered, abrogated or added to and for the time being in force.</p>
Seaman	<p>Any person (including the Master and apprentices) employed as part of a ship's complement under the terms of a crew agreement or other contract of service or employment to serve on board an entered ship, whether or not on board that ship.</p>
Ship	<p>Ship (in the context of a ship entered or proposed to be entered in the Association) shall mean ship, boat, hovercraft or other description of vessel or structure (including any ship, boat, hovercraft or other vessel or structure under construction) used or intended to be used for any purpose whatsoever in navigation or otherwise on, under, over or in water or any part</p>

	thereof or any proportion of the tonnage thereof or any share therein.
Standard terms of contracts of carriage	The terms of contracts of carriage referred to in Proviso (a) to Rule 2 Section 17.
Statutory obligation	Any obligation, liability or direction imposed by any legislative enactment, decree order or regulation having the force of law in any country.
Successors	In relation to all the persons hereinbefore specified in connection with "Owner" and "Applicant Owner" and in relation to any other person whatsoever by whom or on whose behalf a ship shall have been entered for insurance or reinsurance in the Association, shall include their heirs, executors, administrators, personal representatives, assigns (when permitted under these Rules), receiver, curator or other person authorised to act on behalf of one who becomes incapable by reason of mental disorder of managing his property or affairs, trustee in bankruptcy, liquidator and other successors whatsoever.
Ton	The unit of tonnage.
Tonnage	The register tonnage of a ship as certified in the Certificate of Registry of such ship or in any other official document relating to the registration of such ship.

Words importing the singular number only shall include the plural number and vice versa.

Words importing the masculine gender only shall include the feminine gender.

Words importing persons shall include corporations.

