

# APPENDIX A

## AMENDMENTS TO THE RULES AND ARTICLES OF THE UNITED KINGDOM MUTUAL STEAM SHIP ASSURANCE ASSOCIATION LIMITED

To be considered at a Special General Meeting of the Members of The United Kingdom Mutual Steam Ship Assurance Association Limited, to be held in London on 18th January 2022.

AMENDMENTS TO THE RULES	EXPLANATORY NOTES
<p><b>Rule 1(8) Introductory</b></p> <p><i>Amend Rule 1 (8) by addition of words in bold type as shown below:</i></p> <p>Save as provided in Rule 1(9), the cover provided by the Association as set out in these Rules is solely for the benefit of the Owner, <b>and</b> any Joint Owner, <b>Co-Assured</b>, Group Affiliate, <b>or</b> other association or insurer, or permitted assign, to the extent allowed by Rules 10, 11, 13 and 15. It is not intended, save as provided in Rule 1(9), that rights should be acquired by any third party, through the operation of the Contracts (Rights of Third Parties) Act 1999 of the United Kingdom or similar legislation.</p>	<p><b>Rule 1(8) Introductory</b></p> <p><i>“Co-Assured” is added since this new category is being added in Rule 10, for alignment with amendments to the Pooling Agreement. See amended Rule 10.</i></p>
<p><b>Rule 1(9) Introductory</b></p> <p><i>Amend Rule 1 (9) by deletion of the words indicated and by addition of words in bold type as shown below:</i></p> <p>9 Notwithstanding the provisions of Rule 5A, where an Owner has failed to discharge a legal liability to pay damages or compensation for illness, personal injury or death of a <b>seafarer</b> <del>seaman</del>, the Association shall discharge or pay such claim on the Owner’s behalf directly to such <b>seafarer</b> <del>seaman</del> or dependent thereof</p> <p>PROVIDED ALWAYS that:</p> <p>i. the <b>seafarer</b> <del>seaman</del> or dependent has no enforceable right of recovery against any other party and would otherwise be uncompensated, ...</p>	<p><b>Rule 1(9) Introductory</b></p> <p><i>The terminology is modernized to use “seafarer” instead of “seaman”.</i></p>
<p><b>Rule 2 Risks Covered</b></p> <p><i>Amend Rule 2 by deletion of the words indicated and by addition of words in bold type as shown below:</i></p> <p>Unless otherwise agreed between an Owner and the Managers, the risks covered by the Association are as set out in Sections <b>0</b> <del>4</del> to 26 below,</p> <p>PROVIDED ALWAYS that:</p> <p>i. Unless and to the extent that the Directors otherwise decide, an Owner is only insured in respect of such sums as it has paid to discharge the liabilities or to pay the losses, costs or expenses referred to in those sections;</p>	<p><b>Rule 2 Risks Covered</b></p> <p><i>“O” is added as a new section has been created in Rule 2 for passenger risks.</i></p> <p><i>With the deletion of Appendix B to Rule 2 the reference to Appendix B is deleted and additional wording added, since standard deductibles are determined by the Directors, announced by circulars, and incorporated in certificates of entry.</i></p>

- ii. The maximum amount recoverable by an Owner in respect of any one event may be limited by virtue of the limits set out in Rule 5(B), or by virtue of a resolution of the Directors made before the commencement of the relevant policy year;
- iii. Unless otherwise agreed between an Owner and the Managers, an Owner's recovery from the Association shall be subject to the deductibles **as the Directors shall decide before each policy year commences.** ~~set out in Appendix B to this Rule.~~

#### **Rule 2, Section O Liability to passengers**

*A new section has been created in Rule 2 for passenger risks by removing provisions related to passenger liabilities from the current Section 1(C) to a new standalone Rule 2, Section O, with logical amendments words in bold type as shown below:*

Liability to pay damages or compensation:

- A.** for personal injury, illness or death of any passenger and hospital, medical or funeral expenses incurred in relation to such injury, illness or death;
- B.** to passengers on board an entered ship arising as a consequence of a casualty to that ship while they are on board, including the cost of forwarding passengers to destination or return to port of embarkation and of maintenance of passengers ashore;
- C.** for loss of or damage to the effects of any passenger.

PROVIDED ALWAYS that:

- a) The terms of the passage ticket or other contract **and any subsequent material changes thereof** between the passenger and the Owner have been approved by the Managers in writing and cover for the liabilities set out in this **Section (O)** has been agreed between the Owner and the Managers on such terms as the Managers may require.
- b) There shall be no recovery from the Association under this **Section (O)** in respect of liabilities for personal injury or death, or loss of or damage to property, delay or any other consequential loss sustained by any passenger by reason of carriage by air, except where such liability occurs either:
  - i. during repatriation by air of injured or sick passengers or of passengers following a casualty to the entered ship; or
  - ii. subject always to proviso (c) of this **Section (O)**, during an excursion from the entered ship.
- c) There shall be no recovery from the Association under this **Section (O)** in respect of liability of an Owner, incurred under a contract, for death or injury to a passenger whilst on an excursion from the entered ship in circumstances where either:
  - i. that contract has been separately entered into by the passenger for the excursion, whether or not with the Owner, or
  - ii. the Owner has waived any or all of its rights of recourse against any sub-contractor or other third party in respect of the excursion.
- d) Unless and to the extent that the Owner has obtained appropriate special cover by agreement with the Managers, there shall be no recovery from the Association in respect of claims relating to cash, negotiable instruments, precious or rare metals or stones, valuables or objects of a rare or precious nature.
- e) For the purpose of this **Section (O)**, 'casualty' means an incident involving either:

#### **Rule 2, Section O Liability to passengers**

*The creation of a separate section for passenger cover gives better visibility for passenger risks which are currently embedded in sub-paragraph (C) of Rule 2, Section 1 on "liability to persons other than seamen". The wording of the new section is imported from Rule 2, Section 1(C) with logical amendments.*

*An additional amendment has been made to clarify that Members are required to submit passenger tickets for review and approval by the Club, and if the passenger tickets are materially changed at any time, such changes should also be submitted for approval.*

- i. collision, stranding, explosion, fire, or any other cause affecting the physical condition of the entered ship so as to render it incapable of safe navigation to its intended destination; or
  - ii. a threat to the life, health or safety of passengers in general.
- f) Where liabilities to passengers include liabilities arising under a non-war certificate issued by the Association in compliance with either Article 4bis of the Athens Convention relating to Carriage of Passengers and their Luggage by Sea, 2002 and Guidelines for its implementation or Regulation (EC) No. 392/2009 of the European Parliament and of the Council which gives effect thereto ("Certified Liabilities") and such liabilities exceed or may exceed in the aggregate the limit of cover of US\$2,000 million as specified in Rule 5(B)(iii)(1):
- i. the Managers may in their absolute discretion defer payment of a claim in respect of those liabilities or any part thereof until the Certified Liabilities, or such part of the Certified Liabilities as the Managers may decide, have been discharged; and
  - ii. if, and to the extent any Certified Liabilities discharged by the Association exceed the said limit any payment by the Association in respect thereof shall be by way of loan and the Member shall indemnify the Association in respect of such payment.

**Rule 2, Section 1 Liability to persons other than seamen**

*Amend Rule 2, Section 1 by deletion of the words indicated and by addition of words in bold type as shown below:*

Rule 2, Section 1 Liability to persons other than ~~seafarers seamen~~

A Liability to pay damages or compensation for personal injury, illness or death of any person (other than the persons specified in paragraphs (B) ~~and (C)~~ of this Section and in Sections 2 and 3) and hospital, medical or funeral expenses incurred in relation to such injury, illness or death.

B Liability to pay damages or compensation for personal injury, illness or death of any person engaged to handle the cargo of an entered ship.

...

~~C Liability to pay damages or compensation:~~

...

**Rule 2, Section 1 Liability to persons other than seamen**

*Cover provisions for liability to passengers have been removed from the current Section 1(C) to a new standalone Rule 2, Section O.*

*The terminology is also modernized to use "seafarers" instead of "seamen".*

**Rule 2, Section 2 Injury and death of seamen**

*Amend Rule 2, Section 2 by deletion of the words indicated and by addition of words in bold type as shown below:*

Rule 2, Section 3 – Injury and death of ~~seafarers seamen~~

Liability to pay damages or compensation for personal injury or death of any ~~seafarer seaman~~, and hospital, medical, funeral and other expenses necessarily incurred in relation to such injury or death, including expenses of repatriating the ~~seafarer seaman~~ and sending abroad a substitute to replace ~~the seafarer him~~.

...

**Rule 2, Section 2 Injury and death of seamen**

*The terminology is modernized to use "seafarer(s)" instead of "seaman/seamen".*

**Rule 2, Section 3 Illness and death of seamen**

*Amend Rule 2, Section 3 by deletion of the words indicated and by addition of words in bold type as shown below:*

Rule 2, Section 3 – Illness and death of ~~seafarers seamen~~

**Rule 2, Section 3 Illness and death of seamen**

*The terminology is modernized to use "seafarer(s)" instead of "seaman/seamen".*

Liability to pay damages or compensation for illness and death of any ~~seafarer seaman~~, and hospital, medical, funeral and other expenses necessarily incurred in relation to such illness or such death, including expenses of repatriating the ~~seafarer seaman~~ and sending abroad a substitute to replace ~~the seafarer him~~.

...

**Rule 2, Section 4 Repatriation and substitute expenses**

*Amend Rule 2, Section 4 by deletion of the words indicated and by addition of words in bold type as shown below:*

A Repatriation and substitute expenses which are not recoverable under Sections 2 and 3 of this Rule and which are incurred in sending abroad a substitute to replace a ~~seafarer seaman~~ of an entered ship who has been left ashore, or incurred under statutory obligation in repatriating any ~~seafarer seaman~~ of the entered ship.

PROVIDED ALWAYS that:

This paragraph A of Section 4 does not cover expenses which arise out of or are the consequence of:

- i. the expiry of a ~~seafarer's seaman's~~ period of service on the entered ship either in accordance with the terms of a crew agreement or other contract of service or employment or by mutual consent of the parties to it, or

....

C Notwithstanding Rule 5A, where a Member has failed to discharge or pay the liabilities referred to in Section 4B above, the Association shall discharge or pay such claim on the Member's behalf directly to such ~~seafarer seaman~~.

...

**Rule 2, Section 4 Repatriation and substitute expenses**

*The terminology is modernized to use "seafarer(s)" instead of "seaman/seamen".*

**Rule 2, Section 5 Loss of and damage to the effects of seamen and others**

*Amend Rule 2, Section 5 by deletion of the words indicated and by addition of words in bold type as shown below:*

Rule 2, Section 5 – Loss of and damage to the effects of ~~seafarers seamen~~ and others

Liability to pay damages or compensation for loss of or damage to the effects of:

- A Any ~~seafarer seaman~~,
- B Any other person, on board an entered ship (other than the persons specified in ~~paragraph C of Section O 4~~).

...

**Rule 2, Section 5 Loss of and damage to the effects of seamen and others**

*The terminology is modernized to use "seafarer" instead of "seaman".*

*A logical amendment is made reflecting the change to Rule 2, Section 1(C) and the creation of Section O.*

**Rule 2, Section 6 Shipwreck unemployment and indemnity**

*Amend Rule 2, Section 6 by deletion of the word indicated and by addition of word in bold type as shown below:*

Liability to compensate any ~~seafarer seaman~~ for the loss of ~~his~~ employment caused in consequence of the actual or constructive total loss of an entered ship, where the wages or compensation are payable under statutory or other legal obligation or under the terms of any crew agreement or other contract of service or employment if and to the extent that those terms have previously been approved by the Managers.

**Rule 2, Section 6 Shipwreck unemployment and indemnity**

*The terminology is modernized to use "seafarer" instead of "seaman".*

**Rule 2, Section 10 Collision with other ships**

Amend Rule 2, Section 10 by addition of words in bold type as shown below:

...

- e) **Unless otherwise agreed between the Owner and the Managers as a term of the ship's entry in the Association, there will be no recovery from the Association insofar as such collision liabilities are not recoverable under the hull policies by reason of any breach of such policies.**

**Rule 2, Section 10 Collision with other ships**

New proviso (e) has been added to protect the Club from being exposed to collision liabilities which would be covered by hull insurance if the Owner had complied with the terms of that insurance.

**Rule 2, Section 11 Loss or damage to property**

Amend Rule 2, Section 11 by deletion of the words indicated and by addition of words in bold type as shown below:

Liability to pay damages or compensation for any loss of or damage to any property (including infringement of rights) whether on land or water and whether fixed or moveable.

PROVIDED ALWAYS that:

- a) There shall be no recovery by an Owner under this Section in respect of:
  - i. Liability which arises under the terms of any contract or indemnity to the extent that it would not have arisen but for those terms.
  - ii. Liability which is within the scope of the following Sections of this Rule, or within any proviso, limit, exclusion or deductible applicable to those Sections:

Section 0 **Liability to passengers** ~~4(C) Liability to persons other than seafarers seamen.~~

Section 5 The effects of **seafarers** ~~seamen~~ and others.

**Rule 2, Section 11 Loss or damage to property**

A logical amendment is made reflecting the change to Rule 2, Section 1(C) and the creation of Section O.

The terminology is modernized to use "seafarers" instead of "seamen".

**Rule 2, Section 12 Pollution risks**

Amend Rule 2, Section 12 by addition of words in bold type as shown below:

- e) **The Directors may determine prior to the commencement of the policy year that cover in respect of oil pollution liabilities, whether arising under any convention, statute, law, agreement or otherwise and whether arising in any geographical area or trade or otherwise shall be excluded, restricted or afforded only on terms that an additional premium is payable in respect of such cover, in which event such additional premium shall be payable in such amount and on such terms as the Directors may determine or as may be agreed between the Owner and the Managers.**

...

**Rule 2, Section 12 Pollution risks**

New proviso (e) is added. The power of Directors to require an additional premium at the commencement of a policy year in respect of oil pollution liabilities currently makes up part of Appendix A to the Rules. The wording of this power will be brought from Appendix A into this new proviso (e) to Section 12 of Rule 2.

**Rule 2, Section 15 Wreck liabilities**

Amend Rule 2, Section 15 by deletion of the words indicated and by addition of words in bold type as shown below:

...

PROVIDED ALWAYS that:

- a) The entered ship became a wreck as the result of a casualty ~~or event~~ occurring during the period of that ship's entry in the Association, in which case the Association shall continue to be liable

**Rule 2, Section 15 Wreck liabilities**

New proviso (e) is added to clarify that a casualty would exclude the unlikely case where an owner allows a ship to rot away at the berth. The clarification in the wording would capture cases where the burden of proving wilful misconduct is difficult.

for the claim notwithstanding that in other respects the liability of the Association shall have terminated pursuant to Rule 29(C).

...

- e) For the purpose of this rule only, 'casualty' means collision, stranding, explosion, fire or similar fortuitous event, but excludes any wreck caused by dereliction or neglect.

#### Rule 2, Section 16 Quarantine expenses

Amend Rule 2, Section 16 by addition of words in bold type as shown below:

Additional expenses **necessarily and solely** incurred by the Owner of an entered ship as a direct consequence of an outbreak of infectious disease on that ship, including quarantine and disinfection expenses and the net loss to the Owner (over and above such expenses as would have been incurred but for the outbreak) in respect of the cost of fuel, insurance, wages, stores, provisions, ~~and~~ port charges and **cargo handling/loading/discharging**.

#### Rule 2, Section 16 Quarantine expenses

The additional wording has been added to Section 16 to be helpful to Members in linking cover to the insurance event and including in cover the operations of cargo handling/loading/discharging.

#### Rule 2, Section 17 Cargo liabilities

Amend Rule 2, Section 17 by deletion of the words indicated and by addition of words in bold type as shown below:

B Disposing of damaged cargo or sound cargo from a damaged ship.

The additional costs (over and above those which would have been incurred by ~~the Owner him~~ if the cargo or the entered ship had not been damaged) incurred by the Owner in discharging or disposing of damaged cargo or sound cargo following damage to an entered ship, **always excepting such costs as are claimable in general average or for which the Owner has a right of recourse against any other party, but only if and to the extent that the Owner has no recourse to recover those costs from any other party.**

#### g) Electronic Trading Systems

~~There shall be no recovery from the Club in respect of liabilities, losses, costs and expenses arising from the use of any electronic trading system, other than an electronic trading system approved by the Club in writing, to the extent that such liabilities, losses, costs and expenses would not (save insofar as the Club in its sole discretion otherwise determines) have arisen under a paper trading system.~~

#### Rule 2, Section 17 Cargo liabilities

This exception provides that the additional costs of discharging or disposing of damaged cargo are not insured by the Club in cases where they could have been recovered from third parties through a General Average claim, or other recourse action which the Owner has waived for commercial reasons.

Also, proviso g) is deleted from Rule 2, Section 17 and moved to Rule 5 to become a general condition so it can be applied to extended cargo cover and other additional covers.

#### Rule 2, Section 18 Property on the entered ship

Amend Rule 2, Section 18 by deletion of the words indicated as shown below:

...

- ~~b) Such property does not form part of the entered ship and is not owned or leased by the Owner or by any company associated with or under the same management as the Owner; and~~

...

#### Rule 2, Section 18 Property on the entered ship

The current proviso b) is redundant and can be deleted since it is already contained in Rule 5G. The current proviso c) will be re-lettered as the new proviso b).

#### Appendix A to Rule 2

Amend Appendix A to Rule 2 by deletion of all words indicated as shown below:

#### Appendix A to Rule 2 — Association's liability for oil pollution claims

~~A The Association's liability for claims in respect of or relating to an escape or discharge of oil (other than for loss of or damage to such~~

#### Appendix A to Rule 2

Appendix A is deleted because the first paragraph of Appendix A duplicates the provisions of Rule 5B(ii); and the second paragraph, which empowers the Directors to determine that pollution cover should be provided on restricted terms, or subject to

oil), howsoever arising, whether under Section 12 or any other Section or combination of Sections of Rule 2, shall be limited to such sum or sums as the Directors may determine pursuant to Rule 5(B)(ii) and shall be subject to such terms and conditions as the Directors may from time to time determine.

~~B Without prejudice to the generality of paragraph A of this Appendix the Directors may determine prior to the commencement of the policy year that cover in respect of oil pollution liabilities, whether arising under any convention, statute, law, agreement or otherwise and whether arising in any geographical area or trade or otherwise shall be excluded, restricted or afforded only on terms that an additional premium is payable in respect of such cover, in which event such additional premium shall be payable in such amount and on such terms as the Directors may determine or as may be agreed between the Owner and the Managers.~~

#### Appendix B to Rule 2 — Deductibles

~~Unless otherwise agreed between the Owner and the Managers as part of the terms upon which the ship is entered in the Association, the Owner's recovery from the Association for liabilities, losses, costs and expenses shall be subject to such deductibles as the Directors shall decide before each policy year commences. Note: The certificate of entry for the entered ship and any endorsement thereto will state any special deductibles agreed as a term of the entry with the Club.~~

~~Note: The certificate of entry for the entered ship and any endorsement thereto will state any special deductibles agreed as a term of the entry with the Club.~~

additional premium, has been moved to the provisos to Rule 2, Section 12.

Appendix B is also deleted, because standard deductibles are determined by the Directors, announced by circulars, and incorporated in the certificates of entry.

#### **Rule 4, Section 2 Passenger ships**

*Amend Rule 4, Section 2 by deletion of the words indicated and by addition of words in bold type as shown below:*

The Owner of a passenger ship may be insured against any of the following risks upon such terms and conditions as may be agreed by the Managers in writing:

- A Liability for loss of or damage to the effects of any passenger or personal injury, illness or death of any passenger and hospital, medical or funeral expenses incurred in connection therewith to the extent that such liability, costs or expenses are not recoverable under Section ~~O 4(C)~~ of Rule 2.

...

#### **Rule 4, Section 2 Passenger ships**

*A logical amendment is made reflecting the change to Rule 2, Section 1(C) and the creation of Section O.*

#### **Rule 5B Limitation of the Association's liability**

*Amend Rule 5B (iii) by deletion of the words indicated and by addition of words in bold type as shown below:*

##### iii. Passenger/ ~~Seafarer Seaman~~

For the purpose of this sub-paragraph and the provisos thereto, and with-out prejudice to anything elsewhere contained in the Rules, a "Passenger" shall mean a person carried onboard a ship under a contract of carriage or who, with the consent of the carrier, is accompanying a vehicle or live animals covered by a contract for the carriage of goods and a "**Seafarer Seaman**" shall mean any other person onboard a ship who is not a Passenger.

Unless otherwise limited to a lesser sum, the Association's aggregate liability for any and all claims arising out of any one event shall not exceed

#### **Rule 5B Limitation of the Association's liability**

*The terminology is modernized to use "seafarer(s)" instead of "seaman/seamen".*

- 1) in respect of liability to Passengers US\$2,000 million; and 2) in respect of liability to Passengers and ~~Seafarers Seamen~~ US\$3,000 million, for each ship entered by or on behalf of an Owner not being a charterer other than a demise or bareboat charterer.

PROVIDED ALWAYS that:

Where a ship entered in the Association by or on behalf of any person (except a charterer other than a demise or bareboat charterer) is also separately insured in the name of or on behalf of the same or any other such person by the Association or by any other insurer which is a party to the Pooling Agreement

- a) the aggregate of claims in respect of liability to Passengers recoverable from the Association and/or such other insurers shall not exceed US\$2,000 million any one event and the liability of the Association shall be limited to such proportion of that sum as the claims recoverable by such persons from the Association bears to the aggregate of all such claims otherwise recoverable from the Association and all such insurers;
- b) the aggregate of all claims in respect of liability to Passengers and ~~Seafarers Seamen~~ recoverable from the Association and/or such other insurers shall not exceed US\$3,000 million any one event and the liability of the Association shall be limited:
  - i. where claims in respect of liability to Passengers have been limited to US\$2,000 million in accordance with proviso (a) to such proportion of the balance of US\$1,000 million as the claims recoverable by such persons in respect of liability to ~~Seafarers Seamen~~ bear to the aggregate of all such claims otherwise recoverable from the Association and all such insurers; and
  - ii. in all other cases, to such proportion of US\$3,000 million as the claims recoverable by such persons in respect of liability to Passengers and ~~Seafarers Seamen~~ bear to the aggregate of all such claims otherwise recoverable from the Association and all such insurers.

#### **Rule 5B Limitation of the Association's liability**

*Insert Rule 5B (iv) with the addition of words in bold type as shown below:*

...

#### **(iv) Charterers Co-assureds**

**The aggregate amount recoverable from the Association by any and all affiliated or associated charterer(s) named as co-assured(s) under Rule 10B(a) in respect of all claims arising out of any one event, or (for cargo claims) any one cargo voyage, is limited to a maximum of US\$350 million,**

PROVIDED ALWAYS that:

- a) **for any and all claims in respect of oil pollution, the aggregate amount recoverable by any and all affiliated or associated charterer(s) under Rule 10B(a) and the Owner shall in no event exceed US\$1,000 million any one event, and shall be subject to terms of Rule 5(B)(ii).**
- b) **for any and all claims (i) in respect of liability to Passengers, the aggregate amount recoverable by any and all affiliated or associated charterer(s) under Rule 10B(a) and the Owner shall in no event exceed US\$2,000 million any one event and shall be subject to terms of Rule 5(B)(iii) and (ii) in respect of liability to Passengers and Seafarers, the aggregate amount**

#### **Rule 5B Limitation of the Association's liability**

*The wording of Charterer Co-assured clause is removed from Appendix I to the Rules and the category of affiliated/associated charterer is now incorporated into Rule 5B.*

*A corresponding change is to add the limit of \$350 million which applies to charterers co-assureds into this Rule 5B(iv), together with the limits applicable to the aggregate of amounts recoverable by the Owner and co-assureds in respect of oil pollution claims and in respect of passengers/crew claims.*



recoverable by any and all charterers named as co-assured under Rule 10B(a) and by the Owner shall in no event exceed US\$3,000 million any one event and shall be subject to terms of Rule 5(B)(iii).

**Rule 5H Exclusion of certain liabilities, costs and expenses of salvage ships, drilling ships, dredgers and others**

*Amend Rule 5H by deletion of the words indicated and by addition of words in bold type as shown below:*

Unless and to the extent that special cover shall have been agreed between the Owner and the Managers in accordance with the provisions of Rules 3 or 4, the Association shall not be liable for any claim relating to liabilities, costs and expenses incurred by the Owner of:

- i. An entered ship which is a salvage tug or firefighting ship or other ship used or intended to be used for salvage or firefighting operations, when the claim arises out of any salvage or firefighting service or attempted salvage or firefighting service (including for the purpose of this paragraph, wreck removal) other than
  - (a) liabilities, costs and expenses arising out of salvage or firefighting service or attempted salvage or firefighting service conducted by an entered ship for the purpose of saving or attempting to save life at sea; and
  - (b) liabilities, costs and expenses incurred by the Owner (being a professional salvor) which are covered by a special agreement between the Owner and the Association and which arise out of the operation of, and in respect of that Owner's interest in an entered ship.
- ii. An entered ship which is used to carry out drilling operations in connection with oil or gas exploration or production when the claim arises out of or during those operations.

PROVIDED ALWAYS that for the purposes of paragraph ii above:

- a) the entered ship shall be deemed to be carrying out production operations if (inter alia) it is a storage tanker or other ship engaged in the storage of oil, and either:
  - (i) the oil is transferred directly from a producing well to the storage ship; or
  - (ii) the storage ship has oil and gas separation equipment on board and gas is being separated from oil whilst on board the storage ship other than by natural venting; and
- b) in respect of any entered ship employed to carry out production operations in connection with oil or gas production, the exclusion shall apply from the time that a connection, whether directly or indirectly, has been established between the entered ship and the well pursuant to a contract under which the entered ship is employed, until such time that the entered ship is finally disconnected from the well in accordance with that contract.
- iii An entered ship which is used for operations of dredging, blasting, pile-driving, well-intervention, cable or pipe laying, construction, installation, maintenance work, core sampling, depositing of spoil, power generation, decommissioning or such other operations as the Managers may determine from time to time, when the claim arises as a consequence of:
  - (a) claims brought by any party for whose benefit the work has been performed, or by any third party (whether connected with any party for whose benefit the work has been performed or not), in respect of the specialist nature of the operations; or

**Rule 5H Exclusion of certain liabilities, costs and expenses of salvage ships, drilling ships, dredgers and others**

*Following revisions to the Pooling Agreement, liabilities arising out of the operation of ROVs are to be expressly excluded. Additional wording to the Club Rule has been added to reflect this exclusion.*

*Further amendment to the Pooling Agreement sees the removal of the 500 metre exclusion for accommodation ships moored by an oil or gas production or exploration facility. Cover will rely solely on an acceptable contractual division of liability on terms no less favourable to the Owner than Knock for Knock as defined in Rule 44. This amendment does not affect or override the exclusion in relation to the liabilities of an insured vessel carrying out drilling and production operations in connection with oil or gas exploration or production. The corresponding Club Rule is amended in alignment with the revisions to the Pooling Agreement.*

(b) the failure to perform such specialist operations by the Owner or the fitness for purpose or quality of the Owner's work, products or services; or

(c) any loss of or damage to the contract work.

PROVIDED ALWAYS that this exclusion shall not apply to liabilities, costs and expenses incurred by an Owner in respect of:

- (i) loss of life, injury or illness of crew and other personnel on board the entered ship; or
  - (ii) the wreck removal of the entered ship; or
  - (iii) oil pollution emanating from the entered ship or the threat thereof, but only to the extent that such liabilities, costs and expenses are covered by the Rules.
- iv. An entered ship which is used for waste disposal or incineration operations, when the claim arises out of those operations:
- v. An entered ship which is used for or in connection with the operations of submarines, **mini-submarines, diving bells or remotely operated vehicles**, or underwater vessels or equipment, or an entered ship which is used for or in connection with professional or commercial diving operations, when the claim arises out of those operations, except a claim
- (a) arising out of salvage operations being conducted by an entered ship provided that (i) the divers, fully licenced or otherwise certified, form part of the crew of that entered ship (or of diving bells or other similar equipment or craft operating from the entered ship); (ii) the Owner of that entered ship (except a charterer other than a demise or bareboat charterer) is responsible for the activities of such divers; (iii) the Owner at all times ensures compliance with any legislation, regulations, rules and other requirements regarding the employment of such divers; and
  - (b) incidental diving operations carried out in relation to the inspection, repair or maintenance of the entered ship or in relation to damage caused by the entered ship; and
  - (c) recreational diving activities.
- vi. An entered ship which is moored (otherwise than on a temporary basis) and is open to the public as a hotel, restaurant, bar or other place of entertainment, when the claim is in respect of hotel or restaurant guests or other visitors or catering crew of such ship.
- vii. An entered ship which is used as an accommodation vessel, when the claim is in respect of personnel (other than marine crew) on board such ship employed otherwise than by the Owner, where either:
- (a) Such vessel is ~~moored or anchored within 500 metres of~~ **providing accommodation to such personnel in relation to their employment on or about** an oil or gas production or exploration facility; or
  - (b) **there has been a contractual allocation of risk on terms less favourable to the Owner than Knock for Knock** as between the Owner and the employer of the personnel which has been approved by the Managers.

**PROVIDED ALWAYS that:**

**This exclusion is subject to and shall not override or supersede the exclusion in paragraph ii above.**

viii. An entered ship which is a semi-submersible heavy lift vessel or which is designed exclusively for the carriage of heavy lift cargo,

when the claim is in respect of loss of or damage to or wreck removal of cargo, save where the cargo is carried under a contract on HeavyCon terms or any other terms approved in writing by the Managers.

#### **Rule 5V Sanctions risks**

*Amend Rule 5V by deletion of the words indicated and by addition of words in bold type as shown below:*

Rule 5V – Sanctions ~~risks~~

- i. The Association shall not indemnify an Owner against any liabilities, costs or expenses where the provision of cover, the payment of any claim or the provision of any benefit in respect of those liabilities, costs or expenses may expose the Association to **the risk of** any sanction, prohibition, restriction or adverse action by any competent authority or government.

...

#### **Rule 5V Sanctions risks**

*The addition of words “the risk of” improves the protection to the Club where there is a demonstrable risk that an authority will regard an insurance payment or other activity as sanctionable, but the authority declines to clarify its intentions or simply reserves its position.*

*The deletion of the word “risks” from the heading is for stylistic reasons.*

#### **Rule 5W Paperless trading**

*Insert Rule 5W with the addition of words in bold type as shown below:*

##### **Rule 5W Paperless trading**

**There shall be no recovery from the Club in respect of liabilities, losses, costs and expenses arising from the use of any electronic trading system, other than an electronic trading system approved by the Club in writing, to the extent that such liabilities, losses, costs and expenses would not (save insofar as the Club in its sole discretion otherwise determines) have arisen under a paper trading system.**

For the purpose of this Rule 5(W),

- a) an electronic trading system is any system which replaces or is intended to replace paper documents used for the sale of goods and/or their carriage by sea or partly by sea and other means of transport and which:
  - i. **are documents of title; or**
  - ii. **entitle the holder to delivery or possession of the goods referred to in such documents; or**
  - iii. **evidence a contract of carriage under which the rights and obligations of either of the contracting parties may be transferred to a third party.**
- b) a ‘document’ shall mean anything in which information of any description is recorded including, but not limited to, computer or other electronically-generated information.

#### **Rule 5W Paperless trading**

*The existing Paperless Trading exclusion is moved from Rule 2, Section 17 to new paragraph W in Rule 5, so that it will bind on additional insurances, such as the extended cargo cover, afforded pursuant to Rule 3.*

#### **Rule 10 Joint Entries**

*Amend Rule 10 by reformatting and with the addition of words in bold type as shown below:*

Rule 10 – Joint Entries **and Co-assureds**

##### **A Joint Owners**

- (i) **The Managers may accept the entry of more than one person as a Joint Owner and** the terms upon which each Joint Owner shall be entitled to recover losses from the Association and upon which the Association shall be entitled to recover Calls or Fixed

#### **Rule 10 Joint Entries**

*To standardise terms for different categories of co-assured when an Owner is required by its counterparty to name it as a co-assured in its insurance policy, Rule 10 is amended and through its application will include the following co-assureds of Joint Owners: Affiliated / Associated Charterer, Contractor Co-Assured and MDA Co-Assured.*

Premiums from the Joint Owners shall be such as may be agreed in writing between the Joint Owners and the Managers; **and,**

- (ii) **for the purpose of this Rule, the liability of Joint Owners to each other shall not be excluded nor discharged by reason of co-assurance and any payment to one of the Joint Owners in respect of any liabilities, losses, costs and expenses shall operate only as satisfaction but not exclusion or discharge of the liability of Joint Owners to each other.**

**PROVIDED ALWAYS that:**

- a) Unless otherwise agreed in writing by the Managers all Joint Owners shall be jointly and severally liable to pay all contributions or other sums due to the Association in respect of such entry, and the receipt by any one of such persons for any sums payable by the Association in respect of such entry shall be a sufficient discharge of the Association for the same.
- b) **The cover afforded under this Rule 10 A shall extend only to risks, liabilities and expenses arising out of operations and/or activities customarily carried on by or at the risk and responsibility of shipowners and which are within the scope of the cover afforded by the Rules and any special terms set out in the Certificate of Entry.**

**B Co-Assured**

The Managers may accept the addition to the entry of a ship by an Owner of the following person or persons as a Co-assured:

- (i) **Subject to Rule 5B(iv), a charterer, other than a bareboat charterer, which is affiliated to or associated with the Owner**

**PROVIDED ALWAYS that:**

- a) **such charterer shall only be covered for the risks, liabilities, costs and expenses for which that the Owner has cover in accordance with the terms of entry of the ship with the Association;**
- b) **for the purposes of this Rule 10 B(i) a charterer shall only be affiliated to or associated with the Owner if**
- (i) **both the Owner and the charterer have the same parent or**
- (ii) **one of the Owner and charterer is the parent of the other; and**
- (iii) **a parent is a company which owns at least 50% of the shares in and voting rights of another or owns a minority of the shares in the other and the ability to procure that it is managed and operated in accordance with its wishes.**
- (ii) **A contractor (including a charterer) of the Owner for the provision of services by or to the entered ship and, if so requested by the contractor, any persons in the contractor's group**

**PROVIDED ALWAYS that:**

- (a) **the contract has been approved by the Association; and**
- (b) **the contract is on knock for knock terms in respect of any and all persons in the contractor's group; and**
- (c) **the Co-assured contractor shall only be covered for liabilities and costs and expenses which are to be borne by the Owner under the terms of the contract and to the extent they would, if borne by the Owner, be recoverable from the**

*The Rule in paragraph 10 A (ii) also acknowledges that liabilities of Joint Owners to one another are not excluded or discharged by reason of co-assurance or payment of a claim on the Club, with the aim of thereby facilitating as far as possible any recovery action in the name of a Joint Owner against third parties. This change is prompted by the Ocean Victory decision and BIMCO's change to the latest version of Barecon.*

*The Rule in paragraph 10 B (ii) is amended in line with new changes to the Pooling Agreement to extend co-assurance to a wider category of persons that might be named in a contractor's group. The existing Pool wording currently only allows the contractor's co-assurance to be extended to the contractor's sub-contractor. To reflect modern practices, and particularly in the case of forms, such as Supplytime 2017 commonly used in the off-shore sector, the existing wording of the Pooling Agreement is being widened in order to bring a wider group of persons within the scope of the contractor's assumption of responsibility. The contractor's group is not defined to allow as wide a scope of liabilities assumed by the contractor as possible, including the Charterers' sub-contractors, clients, co-venturers and their respective affiliates and employees. However, assumption of liabilities within the contractor's group are on the basis of there being an agreement on knock for knock terms.*

Association in accordance with the terms of entry of the ship in the Association.

- (iii) Other persons (except charterers other than bareboat charterers)

**PROVIDED ALWAYS that**

the liability of the Association to such persons only extends insofar as it may be found liable to pay in the first instance for loss or damage which is properly the responsibility of the Owner insured under the same entry and nothing herein contained shall be construed as extending cover in respect of any amount to the extent such amount would not have been recoverable from the Association by the Owner insured under the same entry had the claim in respect of such loss or damage been made or enforced against it. Once the Association has made indemnification under such cover it shall not be under any further liability and shall not make any further payment to any person whatsoever, including the Owner, Joint Owner or Co-assured insured under the same entry in respect of that loss or damage.

### **C GENERAL TERMS**

In relation to the Owner, Joint Owners and Co-assureds (hereafter in this Rule 10 C referred to individually as an "Assured" and collectively as "Assureds"):

- (i) the Association shall not be bound to issue any Certificate of Entry or any Endorsement Slip to more than one Assured; delivery to one Assured shall be deemed sufficient delivery to all Assureds;
- (ii) payment to any one Assured of any sums payable by the Association shall be a sufficient discharge of the Association for the same in respect of all the Assureds;
- (iii) the failure by any Assured to disclose material information within its knowledge shall be deemed to have been failure of all the Assureds;
- (iv) notice served on one Assured by the Association pursuant to Rule 41 shall be deemed to be served on all Assureds;
- (v) the conduct of any Assured which would have entitled the Association to decline to indemnify it shall be deemed the conduct of all the Assureds;
- (vi) any provision of these Rules which would entitle the Association to reject or reduce recovery in respect of one Assured shall be deemed to apply to all the Assureds;
- (vii) unless the Managers have otherwise agreed in writing, the contents of any communication from or on behalf of the Association to any Assured shall be deemed to be within the knowledge of all the Assureds, and any communication from any Assured to the Association, the Managers or their agents shall be deemed to have been made with the full approval and authority of all the Assureds;
- (viii) there shall be no reimbursement from the Association of claims relating to any liabilities, costs, expenses or disputes among the Assureds.

#### **Rule 18 Notice of Termination**

*Amend Rule 18 by deletion of the words indicated and by addition of words in bold type as shown below:*

A **Without prejudice** Subject to Rule 5 Q and R, the ~~period of~~

#### **Rule 18 Notice of Termination**

*The Club's power to terminate the insurance of an owner without giving reasons on 30 days' written notice is useful in a number of*

insurance of any ship entered in the Association (otherwise than for a fixed period) may be terminated in the following manner:

- i. The Directors in their discretion and without giving any reason may give a written notice of termination to any Owner not later than noon GMT on the 20th January in any policy year.
  - ii. An Owner in its discretion and without giving any reason may give a written notice of termination to the Association not later than noon GMT on the 20th January in any policy year.
- B If a notice shall have been given pursuant to paragraph (A) of this Rule the ~~period of~~ insurance shall terminate at noon GMT on 20th February immediately following such notice. Save with the agreement of the Managers a ship may not be withdrawn from the Association nor may any notice of termination be given **by the Owner** at any other time.
- C Without prejudice to paragraph A and B of this Rule, the Association may at any time and without giving any reason terminate the insurance on 30 days' written notice, given not later than 30 days before the expiry of the period of insurance specified in Rule 16.**

*scenarios, including inability to use the Club's powers in relation to sanctions under Rule 5V, due to sanctions blocking regulations.*

### **Rule 27 Laid-up Returns**

*Amend Rule 27 by addition of words in bold type as shown below:*

Subject to any terms and conditions which may have been agreed, if an entered ship shall be laid-up without cargo on board in any safe port or place for a period of thirty or more consecutive days after finally mooring there, (such period being computed from the day of arrival to the day of departure, one only being excluded) the Owner shall be allowed a return of Calls payable in respect of such ship for the period of lay-up, calculated at such rate and after deduction of such allowance for reinsurance, administrative expenses and other outgoings as the Managers may from time to time determine, save that there shall be no laid-up returns in respect of Overspill Calls **and any period during which the entered ship is undergoing repairs.**

...

### **Rule 27 Laid-up Returns**

*The amendment to Rule 27 is to limit the period of laid up returns when the ship is undergoing repairs.*

### **Rule 29 Cesser of Insurance and its Effects**

*Amend Rule 29 by deletion of the words indicated and by addition of words in bold type as shown below:*

- A An Owner shall forthwith cease to be insured by the Association in respect of any and all ships entered by ~~it him~~ or on ~~its his~~ behalf upon the happening of any of the following events:
- i. Where the Owner is an individual,
    - a) upon ~~his~~ death,
    - b) if a receiving order is made against ~~it him~~,
    - c) if ~~it he~~ becomes bankrupt,
    - d) if ~~it he~~ makes any composition or arrangement with ~~its his~~ creditors generally,
    - e) if **the Owner he** becomes incapable by reason of mental disorder of managing or administering ~~its his~~ property and affairs;
  - ii. Where the Owner is a corporation,
    - a) upon the passing of any resolution for its voluntary winding up (other than voluntary winding up for the purposes of company or group reorganisation),

### **Rule 29 Cesser of Insurance and its Effects**

*A new proviso has been added to Rule 29 to help clarify the position that under the Rules a joint Owner's cover will continue notwithstanding the insolvency of the other joint Owner.*

*Neutral gender language has been adopted.*

- b) upon an order being made for its compulsory winding up,
- c) upon its dissolution,
- d) upon a receiver or manager being appointed of all or part of its business or undertaking,
- e) upon its commencing proceedings under any bankruptcy or insolvency laws to seek protection from its creditors or to reorganise its affairs.

**PROVIDED ALWAYS that if an Owner ceases to be insured by the Association in accordance with any provision in this Rule 29 A, the entry and insurance of any other Joint Owner entered pursuant to Rule 10 (A) shall continue unless the Managers in their discretion decide to terminate such entry and insurance with effect from the date the Owner ceases to be insured or on such other date as the Managers may chose.**

...

### **Rule 30 Release Calls upon Cesser of Insurance**

*Amend Rule 30 by addition of words in bold type as shown below:*

Upon an entered ship ceasing to be insured by the Association for any reason, whether or not the circumstances giving rise to such cesser of insurance shall be any of those specified in Rules 17 and 18 or in paragraphs (A), (B) and (C) of Rule 29, the Managers may:

- A Release the Owner from liability to pay Supplementary Premiums in respect of such ship, wholly or partly or upon such terms as the Managers in their discretion may deem to be appropriate in the circumstances.
- B Whether or not negotiations may have taken place with the view to the application of paragraph (A) hereof, assess as at the date of the cesser of insurance the amount which seems to the Managers in their discretion to represent the likely liability of the Owner for Supplementary Premiums and for Mutual Premiums falling due after such date in respect of such ship.

If the Managers shall exercise their powers under paragraph (A) or paragraph (B) of this Rule, then:

- i Any terms imposed by the Managers or agreed between the Managers and the Owner pursuant to paragraph (A) hereof shall be performed at such time or times as the Managers shall have specified;
- ii The amount of any assessment made under paragraph (B) hereof shall be payable by the Owner without deduction on demand; and
- iii **If the Managers shall exercise their power under paragraph (A) or (B) or (C) of this Rule, then** the Owner shall be under no liability for any Supplementary Premiums which the Directors may decide to levy after the date of a release given under paragraph (A) hereof or after the date of an assessment made under paragraph (B) hereof, as the case may be, or for any Mutual Premiums becoming due after such date, and the Owner shall have no right to share in any return of contributions or other receipts, or any Mutual Premium Discount, which the Directors may thereafter decide to declare or make in accordance with Rule 20 or 25 (E) respectively.

**iv. The Owner shall not be released from liability to pay Overspill Calls.**

**C Notwithstanding paragraph (A) and paragraph (B) of this Rule, the Managers may in their discretion at any time or times**

### **Rule 30 Release Calls upon Cesser of Insurance**

*To bring the Club in alignment with present practice under the International Group, the addition of a new paragraph C to Rule 30 is added with the reference to the option, in the Managers' discretion of allowing Members to provide a guarantee covering the obligation to pay calls and supplementary calls as and when they fall due.*

*The new subparagraph (iv) at the end of paragraph B also expressly provides that agreeing a release call or a guarantee in respect of future calls does not release the Owner from liability for overspill calls. The first change to subparagraph (iii) of paragraph B is a consequential amendment.*

accept a guarantee in an amount, in the form and from a bank approved by them, within any time limit the Managers may have specified, to secure the payment by the Owner of Supplementary Premiums and Mutual Premiums falling due in respect of such ship after the date when it has ceased to be insured by the Association.

#### **Rule 31 Cancellation of Insurance and its Effects**

*Amend Rule 31 by deletion of the words indicated and by addition of words in bold type as shown below:*

- A Where an Owner has failed to pay, either in whole or in part, any amount due from ~~it him~~ to the Association, the Managers may give ~~it him~~ notice in writing requiring ~~it him~~ to pay such amount by any date specified in such notice, not being less than seven days from the date on which such notice is given. **Further**
- (i) **Unless the Members' Committee otherwise decides, an Owner shall not be entitled to recover from the Association any liabilities, cost and expenses in respect of any claim arising from the date of such failure until the date such sum owing to the Association is paid in full;**
- (ii) If the Owner fails to make such a payment in full on or before the date so specified, the insurance of the Owner (whether the insurance is current on such date or has ceased by virtue of paragraphs (A), (B), or (C) of Rule 29 or in accordance with any other provisions of these Rules) in respect of any and all ships referred to in such notice and entered in the Association by it or on its behalf shall be cancelled forthwith without further notice or other formality.
- ...

#### **Rule 31 Cancellation of Insurance and its Effects**

*A new provision to Rule 31 is added to remove any entitlement to recovery in respect of a claim arising from the date of a failure to pay a sum demanded until such date as the sum is paid. This provides a less severe alternative to the threat of cancellation in persuading a defaulting Owner to pay outstanding premium.*

#### **Rule 34 Regulations and Recommendations by Directors**

*Amend Rule 34 by deletion of the words indicated and by addition of words in bold type as shown below:*

Rule 34 Regulations ~~and Recommendations~~ by Directors

- A The Directors may make regulations prescribing the conditions or forms of contracts, such as contracts of carriage or other contracts, or risk management measures, either generally or for use in any particular trade or at any particular port or place, as the situation may require. Such regulation shall take effect forthwith upon issuance of the regulation unless otherwise advised by the Managers in writing and shall be deemed to be incorporated in the Rules from the beginning of the Policy Year next following the time and date of the taking effect of such regulation.**
- B Notice of issuance of a regulation made pursuant to this Rule shall be sent to every Owner by post or by electronic transmission. 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 it had complied with the regulation and may further impose such terms upon it as the Directors think fit as a condition of the continuance of the entry of the Owner's ship or ships in the Association.**
- ~~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~~

#### **Rule 34 Regulations and Recommendations by Directors**

*No recommendations have been made by the Directors under the existing paragraph B for many years and as compliance is not mandatory there seems to be no good reason to retain it. Although there have likewise been no recent regulations, the power is retained under the revised provision making clear what the effect would be of a regulation adopted by the Directors.*

*The revised wording also newly includes a reference to risk management, bearing in mind that the Club's key focus on safety and avoidance of risks.*



~~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.~~

#### **Rule 36 Claims**

*Amend Rule 36 by addition of words in bold type as shown below:  
...*

**C The Owner shall provide to all lawyers, surveyors and other persons appointed by the Managers on behalf of the Owner any information or documentation relevant to any matter liable to give rise to a claim by the Owner upon the Association of which it is aware or is in its power, custody or control and make available for interview any employee or agent of the Owner whom the lawyers, surveyors or the Association believe may have any knowledge of the matter. The Owner shall not withhold or conceal any documents or other evidence which may be relevant to disclose nor make any false statements and where such evidence is withheld or concealed or a false statement made any liabilities, costs and expenses incurred or reimbursed by the Association shall be repaid by the Owner.**

#### **Rule 36 Claims**

*New paragraph C is added to Rule 36 to provide the express right to claim recovery from the Member of sums paid where there has been a withholding or concealment of evidence.*

#### **Rule 44 Definitions**

*Amend Rule 44 Definitions by deletion of the words indicated and the addition of words in bold type as shown below:*

**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, **bareboat 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 it ~~he~~ be or is to be a Member of the Association or not.

...

**Knock for Knock** A provision or provisions stipulating that  
(i) each party to a contract shall be similarly responsible for

#### **Rule 44 Definitions**

*The definition of "Owner" is further defined to include a bareboat/demise charterer.*

*A definition of knock for knock as contained in the Pooling Agreement with newly revised wording for the 2022 Pooling Agreement is also adopted.*

*The terminology is modernized to use "seafarer" instead of "seaman", and neutral gender language has been adopted in the wording of the Rules with necessary changes.*

- (a) loss of or damage to, and/or death of or injury to, any of its own property or personnel, and/or the property or personnel of its contractors and/or of its and their subcontractors and/or of other parties and/or;
- (b) liability arising out of the ownership or operation of its own property, and that
- (ii) such responsibility shall be without recourse to the other party and arise notwithstanding any fault or neglect of any party; and that
- (iii) each party shall, in respect of those losses, damages or liabilities for which it has assumed responsibility, correspondingly indemnify the other against any liability that that party shall incur in relation thereto.

...

**Owner** In relation to an entered ship means owner, owners in partnership, owners holding separate shares in severalty, part owner, mortgagee, trustee, **bareboat/demise 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 it ~~he~~ be a Member or not.

**Seafarer Seaman** Any person (including the Master and apprentices) employed... [as before].

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.

**Appendix I: Charterers' Co-Assureds Clause**

*Amend Appendix I by deletion of the entire clause as shown below:*

- 1. ~~Charterers' Co-Assureds Clause~~

...

**Appendix I: Charterers' Co-Assureds Clause**

*"Charterers' Co-Assureds Clause" is deleted in its entirety following from changes made to Rule 10 and Rule 5B.*

**Appendix I: Space Charterers/Consortium Extension Cover Clause**

*Amend Appendix I by addition of words in bold type as shown below:*

- 1. Space Charterers/Consortium Extension Cover Clause

This entry is extended to cover the Owner's liabilities, incurred as space charterer of a Consortium Vessel operating in a consortium identified in the Certificate of Entry/Endorsement, arising out of the carriage of cargo and excluding any physical damage to such a Consortium Vessel, its equipment or containers on board, but only where space is exchanged or shared on a reciprocal basis as defined below. This entry is subject to the Rules and the terms and conditions of entry of the entered ship and the aggregate amount recoverable from the Association under this entry in respect of all claims arising out of any one event, or (for cargo claims) any one cargo voyage, is limited:

**Appendix I: Space Charterers/ Consortium Extension Cover Clause**

*The US\$1 billion aggregation in respect of oil pollution applies to affiliated co-assured as well as to the consortium extension claims, hence it is necessary to link this clause with the newly added Rule 5B(iv).*

- a) in respect of all entered ships employed in the consortium to a maximum of US\$350 million,
- b) where the Owner has ships entered in the Association and any other insurer which is a party to the Pooling Agreement, to that proportion of a maximum of US\$350 million as the claims incurred by the Association bear to the claims incurred by the Association and any such other insurers.

PROVIDED ALWAYS that for any and all claims in respect of oil pollution, the aggregate amount recoverable by the Owner in respect of any one entered ship and any Consortium Vessel shall not exceed US\$1,000 million any one event, and shall be subject to provisos (a) and (b) of Rule 5(B)(ii) **and to Rule 5(B)(iv)**.

An exchange or sharing a space will be on a reciprocal basis if the intention is that the space given and taken is broadly in balance.