



# General Meeting of the Members of the Association

January 2020

### To the Members

Notice is hereby given that a General Meeting of the Members of the Association will be held at Aquatical House, 39 Bell Lane, London, E1 7LU, at 11.00 hours on 14 February 2020 for the purpose of considering and, if thought fit, passing the following resolution:

#### ORDINARY RESOLUTION

**THAT** with effect from noon G.M.T. on 20 February 2020 the amendments to the Rules of Class 1 (Protection and Indemnity) of the Association annexed hereto and marked 'A' for identification be adopted.

## Explanation Regarding Resolution

Explanatory notes for the proposed changes are set out in the annex hereto marked 'A'.

**STEAMSHIP INSURANCE MANAGEMENT SERVICES LIMITED -** Authorised & regulated by the Financial Conduct Authority AQUATICAL HOUSE 39 BELL LANE LONDON E1 7LU - Tel: +44 20 7247 5490 Website: www.steamshipmutual.com (Registered in England and Wales – Registration number 3855693. FCA registration number 314468)

# AMENDMENTS FOR 2020/21 TO THE RULES OF CLASS 1 PROTECTION AND INDEMNITY OF STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION LIMITED

In the table below, the proposed new wording is shown in **bold** and underlined and wording to be deleted is shown as **[xxx]**. Explanatory notes in italics have been provided for the proposed changes.

Rule	Text	Comments
		connents
19	Hull Risks and Specialist Operations	
	Unless the Managers otherwise agree in writing as a term of	
	entry, the Club shall not insure any Member to any extent	
	whatsoever, against the following risks:	
	Specialist Operations	
ï	liabilities, costs or expenses incurred by a Member who contracts to perform dredging, blasting, pile driving, well stimulation <u>intervention</u> , cable or pipe laying, construction, installation or maintenance work, core sampling, depositing of spoil, professional oil spill response or professional oil spill response training and tank cleaning (otherwise than on the entered ship) (but excluding fire-fighting); power generation and decommissioning to the extent that such liabilities, costs and expenses arise as a consequence of:	Changes to reflect amendments to the 2019 Pooling Agreement. Professional oil spill response has been removed from the list and well stimulation replaced by well intervention. Power generation and decommissioning are added to the list. The application of the exclusion is narrowed to the circumstances/causes set out in the new rule, and in any event will also not apply to the liabilities referred to in the provise
2	claims brought by any party for whose benefit the work has been	in the proviso.
<u>a</u>	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	
<u>b</u>	the failure to perform such specialist operations by the Member	
	or the fitness for purpose or quality of the Member's work, products or services; or	
<u>c</u>	any loss of or damage to the contract work.	
2	Provided that this exclusion shall not apply to liabilities, costs and	
	expenses incurred by the Member in respect of:	
	(i) loss of life, injury or illness of crew and other personnel on	
	board the Ship;	
	(ii) the wreck removal of the Ship; or	
	(iii) oil pollution from the Ship or the threat thereof,	
	but only to the extent that the Member is insured in respect of	
	such liabilities, costs and expenses under any other Rule or the terms of entry agreed.	
	Drilling Operations	
iii	liabilities, costs or expenses incurred in respect of an entered ship	
	carrying out drilling exploration, or production operations	
	(including any accommodation unit moored or positioned on site	
	as an integral part of such operations) and arising out of or during	
	drilling or production operations;	
	The vessel shall be deemed to be carrying out production	
	operations if (inter alia) it is a storage tanker or other vessel engaged in the storage of oil, and either:	
a	the oil is transferred directly from a producing well to the storage vessel; or	
b	the storage vessel has oil and gas separation equipment on board	
	and gas is being separated from oil whilst on board the storage	
	vessel other than by natural venting.	
	Diving Operations and Sub-Sea Activities	

V	Salvage Operations	
vi	Waste Disposal Operations	
<u>vii</u>	Non-Marine Personnel	A change to reflect amendments to the 2019 Pooling Agreement. The exclusion of cover for non-marine personnel on accommodation vessels applies only where the entered ship is moored or anchored within 500 metres of any oil or gas production or exploration facility.
	Liabilities, costs or expenses incurred by the Member in respect of any of the following:	
<u>a</u>	personnel (other than Seamen) on board the Ship (being an accommodation vessel) employed otherwise than by the Member where either:	
	(i) such Ship is moored or anchored within 500 metres of any oil or gas production or exploration facility; or	
	(ii) there has not been a contractual allocation of risks as between the Member and the employer of the personnel which has been approved by the Club;	
<u>b</u>	hotel and restaurant guests and other visitors and catering crew of the Ship when the Ship is moored (otherwise than on a temporary basis) and is open to the public as a hotel, restaurant, bar or other place of entertainment.	
25		
ii	Covered Risks	
a	Damages or Compensation for Loss of Life or Personal Injury or	
a	Illness Liability for damages or compensation in respect of personal injury, illness or death;	
b	Medical and Funeral Expenses Hospital, medical and/or funeral expenses, including repatriation of remains, in relation to injury, illness or death of any person, or any Seaman whilst engaged as crew of, or arising out of employment on board, an entered ship, provided reasonably incurred;	
С	Repatriation Expenses	
(i)	Repatriation expenses in respect of persons on board an entered ship in consequence of a casualty thereto or consequent on illness or injury to such persons;	An amendment to expand cover for repatriation in all reasonable circumstances, not just where the need arises in consequence of a casualty.
(ii)	Repatriation expenses <del>or in</del> any other case <u>or expenses incurred</u> in order to avoid repatriation which would otherwise have been <u>necessary</u> where the Managers in their discretion determine that such expenses have been necessarily and reasonably incurred;	
	Provided always that:	
	In respect of paragraphs <b>c</b> (i) and (ii), <b>d</b> and <b>e</b> of Rule <b>25</b> ii no such expenses shall be recoverable by or reimbursable to the Member in consequence of the termination of any agreement whether in accordance with its terms, by mutual consent or by the Member's breach, or by dismissal, or the sale of the entered ship or by reason of industrial action, or any other voluntary act of the Member giving rise to such expenses, or where such expenses could reasonably have been avoided.	
21	War and Bio-Chem Risks	
21		
	War Risks	

iii	Cover under Rule <b>21 ii</b> :	
е	Shall be limited to the following extent and subject to the following limit of liability:	
(i)	The Club's liability under Rule 21 ii shall be excess of either:	
(a)	the "proper value" of the Entered Ship as defined in Rule <b>25 v b</b> (i) and the Note thereto (which, for the purpose of Rule <b>21 ii</b> only, shall be deemed not to exceed <del>US\$100 million</del> <u>US\$500 million</u> ); or	Am amendment arising from the International Group's War reinsurers increasing the deemed proper value to reflect the increasing number of large vessels with values excess of \$100m. This change affects all IG Clubs.
(b)	the amount recoverable in respect of the claim under any other policy of insurance, whether in respect of War Risks or otherwise;	
	whichever shall be the greater.	
25	Covered Risks	
vi	Pollution Liabilities, losses, damages, costs and expenses caused by or consequent on the escape or discharge or threatened escape or discharge of oil or any other substance from the entered ship, including cargo or any other property intended to be, being, or having been carried on, the entered ship, as follows:	
а	Actual Escape of Pollutants	
b	Liability for loss, damage or contamination. Clean up Costs	
c d	Costs of any measures reasonably taken for the purpose of avoiding, minimising or cleaning up any pollution, or any resulting loss, damage or contamination, together with any liability for any loss of or damage to property caused by any measures so taken. Prevention Costs Costs of any measures reasonably taken to prevent an imminent danger of discharge or escape from the entered ship of oil or any other substance which may cause pollution. Costs Pursuant to Government Directions Liabilities, costs or expenses following a casualty to the Entered Ship incurred as a result of compliance with the order or direction	The requirement that the danger of pollution must be imminent has been
	of any government or authority <u>made in consequence of such</u> <u>casualty</u> (other than in respect of repair or salvage or any permanent structural alteration to an entered ship) for the purpose of avoiding, minimising or cleaning up any pollution or preventing the <del>imminent</del> danger of pollution.	deleted since an order or direction may be made notwithstanding the absence of an imminent danger. A requirement that such an order or direction must be made in consequence of the casualty has been added to exclude costs of compliance with those requirements which would apply to the vessel in any event.
XXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
26	Classification and Condition Surveys	
ii	Condition and Other Surveys	
a	The Managers may at any time require an entered ship, or a ship for which application for entry has been made, to be made available for survey by a surveyor or other person nominated by the Managers, within such period as may be specified by them. The Member or prospective Member shall make the ship available within the time specified at a port or place accessible to any such nominated person, giving not less than seven days prior notice of the ship's estimated arrival, and afford such facilities as may be required, including but not limited to, provision of all information and documentation requested.	

-		
	Unless otherwise agreed in writing by the Managers, the costs and expenses of any such surveys shall be paid by the Member or prospective Member as and when incurred.	
b	Where a surveyor or other person surveying or inspecting <u>or</u> <u>providing technical advice relating to</u> an entered ship <u>or its</u> <u>equipment</u> (whether or not such surveyor or person has been appointed under subparagraph <b>a</b> of this Rule <b>26 ii</b> ,) makes adverse findings as to the condition of the ship, or any recommendations as to repair or maintenance or otherwise, <u>whether in respect of the ship and/or any other ship owned by</u> <u>the Member to which such findings or recommendations may</u> <u>apply</u> , the Managers shall be entitled in their absolute discretion to:	The amendments enable the Managers where: a) a report or information may come to their attention indicating a deficiency in the ship or its equipment that requires rectification; and b) that deficiency may affect other entered ships in the same ownership, i.e. sisterships or ships fitted with the same equipment; to exercise their rights under Rule 26 iii b in respect of all ships entered by that owner to which the recommendations or findings apply.
(i)	exercise any of their rights under Rule <b>26 iii b</b> in respect of any ship to which such findings or recommendations may apply; and/or	<u> </u>
(ii)	require such recommendations, or any part of them, to be carried out forthwith, or within such time as may be specified by the Managers and the Managers shall be notified immediately on completion of such works as are required to fulfil any such recommendations; and	
С	The Managers may require the Member to provide such evidence of compliance with such recommendations as they deem fit and/or require the ship to be made available for re-survey within such period as may be specified by them. Where re-survey is required Rule <b>26 ii</b> a shall apply to that survey and Rule <b>26 ii b and c</b> to any recommendations made thereon;	
d	The Managers may at any time and in their absolute discretion:	
(i)	appoint representatives to visit the offices of the entity or entities having operational control of the ship and/or attend on board within the time specified by the Managers to audit the Member's management systems, including interviewing all relevant personnel and reviewing all relevant documentation. The Member shall ensure full co-operation with such representatives, making all requested personnel, information and documentation available, and, unless otherwise agreed in writing by the Managers, shall pay for the reasonable costs of such audit; and	
(ii)	make recommendations as to the remedying of any deficiencies identified which must be carried out forthwith, or within such time as may be specified by the Managers; and	
е	The Managers must be notified immediately on completion of the implementation of such recommendations and provided with such evidence as they deem fit as to the remedying of such deficiencies and shall have the right to carry out re-audits to verify the same.	
f	The Member shall comply with any requirements of the Managers made pursuant to Rule <b>26 ii a–e</b> .	

### By Order of the Board

## Arjun Thawani, Secretary

#### 27 January 2020

N.B. A Member who is entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend, speak and vote in his or her place. The instrument appointing a proxy may be in the form enclosed and must be deposited with the Secretary at Aquatical House, 39 Bell Lane, London, E1 7LU not less than 48 hours before the time specified for the holding of the Meeting.

# Form of Proxy

### Before completing this form, please read the explanatory notes below

Signed

Date	
Name (please print)	
Company Name	
Address	

#### Notes to the proxy form

**1.** As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You may appoint a proxy using the procedures set out in these notes.

**2.** To appoint a proxy using this form, the form must be: (i) completed and signed; (ii) sent or delivered to the Registered Office of the Company at Aquatical House, 39 Bell Lane, London E1 7LU, United Kingdom; and (iii) received by the Company no later than 48 hours before the commencement of the meeting.

**3.** As an alternative to completing a hard-copy proxy form, you can appoint a proxy electronically by sending it by e-mail to kathleen.kelly@simsl.com. For an electronic proxy appointment to be valid, your appointment must be received by the Company no later than 48 hours before the commencement of the meeting.

**4.** Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

**5.** A proxy does not need to be a member of the Company but must attend the meeting to represent you.

**6.** You may direct your proxy how to vote on the resolutions proposed. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

**7.** Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

**8.** If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.