

Circular

NORTH 
SERVICE. STRENGTH. QUALITY

**CIRCULATED TO ALL MEMBERS, BROKERS AND DIRECTORS
ATTENTION INSURANCE DEPARTMENT**

**3 FEBRUARY 2006
AAW/JI**

EXTRAORDINARY GENERAL MEETING OF THE MEMBERS 17 JANUARY 2006

At the Extraordinary General Meeting of the Members held on Tuesday 17 January, 2006 the Amendments for 2006/2007 to the Rules of the Protecting & Indemnity Class of the Association and the Rules of the War Risks Class of the Association as set out in the Notice to Members dated 12 December, 2005, as attached, were approved with the addition of the attached Addendum to the Amendments for 2006/2007 to the Rules of the Protecting & Indemnity Class of the Association.

ALAN WILSON
JOINT MANAGING DIRECTOR - North Insurance Management Limited
As Managers on behalf of the North of England P&I Association Limited

CIRCULAR

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AMENDMENTS FOR 2006/2007 TO THE RULES OF THE WAR RISKS CLASS OF THE NORTH OF ENGLAND PROTECTING AND INDEMNITY ASSOCIATION LTD

Explanatory notes have been provided for the proposed changes and consequential renumbering and cross referencing will also be required. In the proposed new Rules new wording is in **bold** and existing wording to be deleted is shown as [.....].

- RULE 4 PART D TERMS APPLICABLE TO RULE 2 PARTS B, C, D, E AND F, RULE 3 AND RULE 4.A.2

N.B. These changes incorporate into the Rules provisions applying to the Association's reinsurances with effect from February 2005 in relation to biological risks. The opportunity has been taken to move the reference to chemical/biological etc., risks from Rule 4.D.7 to 4.D.3 in line with the structure of the reinsurance contract.

OLD RULE

4.D.3 Exclusion of Nuclear Risks

The Association shall not be liable for any losses, liabilities, costs or expenses directly or indirectly caused by or contributed to by or arising from:

...

4.D.3.5

PROVIDED ALWAYS THAT:

this exclusion shall not apply to any claim in respect of losses, liabilities, costs or expenses arising out of or in consequence of the emission of ionising radiations from, or the radioactive, toxic, explosive or other hazardous or contaminating properties of, "excepted matter" as defined under the Nuclear Installations Act 1965 or any amendments thereto or regulations made thereunder, being carried as cargo in the Entered Ship.

NEW RULE

4.D.3 Exclusion of Nuclear Risks

The Association shall not be liable for any losses, liabilities, costs or expenses directly or indirectly caused by or contributed to by or arising from:

...

4.D.3.5 Exclusion of Chemical, Biological etc Risks

Any chemical, biological, bio-chemical or electromagnetic weapon,

4.D.3.[5] **6**

PROVIDED ALWAYS THAT:

this exclusion shall not apply to any claim in respect of losses, liabilities, costs or expenses arising out of or in consequence of the emission of ionising radiations from, or the radioactive, toxic, explosive or other hazardous or contaminating properties of, "excepted matter" as defined under the Nuclear Installations Act 1965 or any amendments thereto or regulations made thereunder, being carried as cargo in the Entered Ship.



OLD RULE

4.D.7 Exclusion of Chemical, Bio-Chemical and Electromagnetic Weapons and Computer viruses.

4.D.7.1

The Association shall not be liable for any losses, liabilities, costs or expenses directly or indirectly caused by or contributed to by or arising from:

any chemical, bio-chemical or electromagnetic weapon;

the use or operation, as a means for inflicting harm, of any computer virus.

NEW RULE

4.D.7 Exclusion of [Chemical, Bio-Chemical and Electromagnetic Weapons and] Computer [v]uses.

[4.D.7.1

The Association shall not be liable for any losses, liabilities, costs or expenses directly or indirectly caused by or contributed to by or arising from:

any chemical, bio-chemical or electromagnetic weapon;

the use or operation, as a means for inflicting harm, of any computer virus.]

The Association shall not be liable for any losses, liabilities, costs or expenses directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer virus.

- RULE 4 PART E GENERAL TERMS APPLICABLE TO EACH AND EVERY RISK INSURED BY THE ASSOCIATION

N.B. This change follows the decision by the Combined Group to make all entries subject to the terms of the International Ship and Port State Facility Code (ISPS) with effect from February 2005. An identical provision already exists in the Protecting & Indemnity Class.

OLD RULE

4.E.2. Warranties

...

NEW RULE

4.E.2. Warranties

...

4.E.2.3

Unless otherwise agreed in writing between the Insured Owner and the Association or unless the Directors in their sole discretion see fit, the Insured Owner must at all times maintain the validity of all statutory certificates as are issued by or on behalf of the Ship's flag in relation to maritime security.



**ADDENDUM TO THE AMENDMENTS FOR 2006/2007 TO THE RULES
OF THE PROTECTING & INDEMNITY CLASS OF
THE NORTH OF ENGLAND PROTECTING AND INDEMNITY
ASSOCIATION LTD**

Explanatory notes have been provided for the changes and consequential renumbering and cross referencing will also be required. In the new Rules new wording is in **bold** and existing wording to be deleted is shown as [.....].

• **RULE 19 RISKS COVERED**

N.B. *The proposed amendment to Rule 19(13) Proviso (C) is in addition to the existing amendments. This reflects a proposal to adopt a revised version of the Small Tanker Oil Pollution Indemnification Agreement (STOPIA) to be known as the Small Tanker Oil Pollution Indemnification Agreement 2006 (STOPIA 2006) which may take effect either at the commencement of or during the 2006 Policy Year. In the event that the Directors decide that the Association and its Members should participate in STOPIA 2006, and the Pooling Agreement is amended, this new Rule shall become a condition of entry in the Association.*

In the existing amendments, reference is also made to proposed new Rule 19(13) Proviso (D) and the expected form of wording. The wording shown below replaces the earlier version and reflects, inter alia, that the proposed Tanker Oil Pollution Indemnification Agreement (TOPIA) may become known as the Tanker Oil Pollution Indemnification Agreement 2006 (TOPIA 2006).

OLD RULE

...

19(13) Pollution

Liabilities, costs and expenses incurred as a result of any escape or discharge or threatened escape or discharge of oil or of any other substance to the extent of:

...

NEW RULE

...

19(13) Pollution

Liabilities, costs and expenses incurred as a result of any escape or discharge or threatened escape or discharge of oil or of any other substance to the extent of:

...



OLD RULE

PROVIDED ALWAYS THAT IN RULE 19(13):

...

(C) Unless the Association otherwise agrees in writing, a Member insured in respect of a Ship which is a "relevant ship" as defined in the Small Tanker Owners Pollution Indemnity Agreement ("STOPIA") shall, by reason of his Entry in the Association, be a party to STOPIA for the period of Entry of the Ship in the Association. Unless the Association has agreed in writing or unless the Association in its discretion otherwise determines, there shall be no cover under this Rule 19(13) in respect of such a Ship so long as the Member is not a party to STOPIA.

NEW RULE

PROVIDED ALWAYS THAT IN RULE 19(13):

...

*(C) Unless the Association otherwise agrees in writing, a Member insured in respect of a Ship which is a "relevant ship" as defined in the Small Tanker Owners Pollution [Indemnity] **Indemnification** Agreement ("STOPIA") **or the Small Tanker Oil Pollution Indemnification Agreement 2006 (STOPIA 2006)** shall, by reason of his Entry in the Association, be a party to **STOPIA or STOPIA 2006, whichever is in force**, for the period of Entry of the Ship in the Association. Unless the Association has agreed in writing or unless the Association in its discretion otherwise determines, there shall be no cover under this Rule 19(13) in respect of such a Ship so long as the Member is not a party to **STOPIA or STOPIA 2006 whichever is in force**.*

*(D) Unless the Association otherwise agrees in writing, a Member insured in respect of a ship which is a "relevant ship" as defined in the Tanker Oil Pollution Indemnification Agreement 2006 (TOPIA 2006) shall, by reason of his entry in the Association, be a party to **TOPIA 2006 for the period of Entry of the Ship in the Association. Unless the Association has agreed in writing or unless the Association in its discretion otherwise determines, there shall be no cover under this Rule 19(13) in respect of such a Ship so long as the Member is not a party to TOPIA 2006.***



- RULE 24 WAR RISKS

OLD RULE

24(1)

Save as provided in Rule 24(2) there shall be no recovery from the Association against any liabilities, costs or expenses (irrespective of whether a contributory cause of the same being incurred was any neglect on the part of the Member or on the part of the Member's servants, or agents) when the loss or damage, injury, illness or death or any other accident in respect of which such liability arises or costs or expenses is incurred, was caused by:

...

(a) the exclusions shall not apply to liabilities, costs and expenses of a Member insofar only as they are discharged by the Association on behalf of the Member pursuant to a demand made under:

...

(iii) an undertaking given by the Association to the International Oil Pollution Compensation Fund 1992 in connection with the Small Tanker Oil Pollution Indemnification Agreement (STOPIA).

...

NEW RULE

Save as provided in Rule 24(2) there shall be no recovery from the Association against any liabilities, costs or expenses (irrespective of whether a contributory cause of the same being incurred was any neglect on the part of the Member or on the part of the Member's servants, or agents) when the loss or damage, injury, illness or death or any other accident in respect of which such liability arises or costs or expenses is incurred, was caused by:

...

(a) the exclusions shall not apply to liabilities, costs and expenses of a Member insofar only as they are discharged by the Association on behalf of the Member pursuant to a demand made under:

...

*(iii) an undertaking given by the Association to the International Oil Pollution Compensation Fund 1992 in connection with the Small Tanker Oil Pollution Indemnification Agreement (STOPIA) **or the Small Tanker Oil Pollution Indemnification Agreement 2006 (STOPIA 2006) whichever is in force.***

...



**AMENDMENTS FOR 2006/2007 TO THE RULES
OF THE PROTECTING & INDEMNITY CLASS OF
THE NORTH OF ENGLAND PROTECTING AND INDEMNITY
ASSOCIATION LTD**

Explanatory notes have been provided for the proposed changes and consequential renumbering and cross referencing will also be required. In the proposed new Rules new wording is in **bold** and existing wording to be deleted is shown as [.....].

Except where shown in italics these amendments to the Rules have been considered by and are recommended by the Directors.

- **RULE 9 JOINT MEMBERS, CO-ASSURED, AFFILIATED AND ASSOCIATED COMPANIES**

N.B. This follows a change to the Pooling Agreement. It is felt that the existing definition of Knock for Knock in Rule 2 already encompasses the widest cover that the International Group is able to give.

OLD RULE	NEW RULE
9(2) Co-Assured	9(2) Co-Assured
...	...
<i>PROVIDED ALWAYS THAT</i> in Rule 9(2):	<i>PROVIDED ALWAYS THAT</i> in Rule 9(2):
...	...
(b) the contract includes a Knock for Knock agreement or terms which provide for a division of responsibility substantially equivalent thereto, and	(b) the contract includes a Knock for Knock agreement [or terms which provide for a division of responsibility substantially equivalent thereto], and
...	...



- RULE 19 RISKS COVERED

N.B. The alteration to Rule 19(1) reflects the fact that Members might incur a liability of this kind arising out of crew contract terms even if there is no statutory provision in the applicable jurisdiction.

The additional Proviso to Rule 19(13) is a consequence of the Association's potential obligations in respect of TOPIA, the Tanker Oil Pollution Indemnification Agreement, as it is currently known as, if and when either at the commencement of or during the 2006 policy year such a provision become a requirement of the International Group Pooling Agreement. Whilst the actual wording is yet to be decided upon, it is expected to be in the form shown. In the event that the Directors decide that the Association and its Members should participate in TOPIA, or its equivalent, and the Pooling Agreement is amended, such new Rule as the Directors shall approve shall become a condition of entry in the Association.

Following a change to the Pooling Agreement Rule 19(17)(e) has been amended so that the scope of cover is not restricted to loss or damage to the cargo itself.

The recent judgement of the House of Lords in the 'Rafaela S' has now raised the question whether there can in fact be circumstances where a "non-negotiable bill of lading" (the production of which to claim delivery of cargo is not currently required by the Rules at 19(17) proviso D (iv)), should in fact be presented before the cargo is released. According to the House of Lords such a non-negotiable bill of lading may still need to be presented if by its express terms, its production is still required (as was in fact the case in the 'Rafaela S'). Alternatively, such a non-negotiable bill of lading may still need to be presented where the law of the court/jurisdiction in which delivery of the cargo was given or contested, or where a claim for conversion is being made against the shipowner, determines that the non-negotiable bill of lading by its nature actually requires presentation first. This alteration to Rule 19(17) proviso D (iv) therefore removes any further ambiguity and consequently allows the Association to follow the current English Law position and say that notwithstanding the bill of lading appearing to be "non-negotiable" on its face, that it nevertheless, by its express terms or by its nature (as construed in the relevant court), must first be presented in order for there to be proper delivery.

The alteration to Rule 19(18)(b) reflects the fact that Members may not only be entitled to claim from cargo but may also become liable for the proportion of general average, special charges or salvage due from cargo or other parties to the marine adventure, solely by reason of a breach of the contract of carriage. The wording of the present Rule only applies to recoveries by the Member and not to liabilities on the part of the Member.



OLD RULE

19(1) Liabilities in respect of Seamen

...

(c) Statutory liabilities to pay compensation to any Seaman of an Entered Ship caused in consequence of the actual or constructive total loss of the Ship.

...

19(13) Pollution

Liabilities, costs and expenses incurred as a result of any escape or discharge or threatened escape or discharge of oil or of any other substance to the extent of:

...

PROVIDED ALWAYS THAT IN RULE 19(13):

...

19(17) Liabilities in Respect of Cargo

...

(e) Liabilities for loss, shortage, damage or other responsibility in respect of cargo carried on a Ship other than an Entered Ship when the liabilities, costs and expenses arise out of a consortium agreement or other agreement for the reciprocal sharing of cargo space.

NEW RULE

19(1) Liabilities in respect of Seamen

...

(c) [Statutory] []Liabilities to pay compensation to any Seaman of an Entered Ship caused in consequence of the actual or constructive total loss of the Ship.

...

19(13) Pollution

Liabilities, costs and expenses incurred as a result of any escape or discharge or threatened escape or discharge of oil or of any other substance to the extent of:

...

PROVIDED ALWAYS THAT IN RULE 19(13):

...

(D) A Member insured in respect of a Ship which is eligible for entry in the Tanker Oil Pollution Indemnification Agreement (TOPIA) shall, unless the Association otherwise agrees in writing, be a party to TOPIA for the period of entry of that Ship in the Association. Unless the Association has agreed in writing or unless the Association in its discretion otherwise determines there is no cover under this Rule 19(13) in respect of such Ship so long as that Member is not a party to TOPIA.

...

19(17) Liabilities in Respect of Cargo

...

(e) Liabilities for loss, shortage, damage or other responsibility [in respect of cargo carried on a Ship other than an Entered Ship] when the liabilities, costs and expenses arise out of **the carriage of cargo on a Ship other than an Entered Ship under** a consortium agreement or other



OLD RULE

...

PROVIDED ALWAYS THAT in Rule 19(17):

...

(D) Discharge at Wrong Port etc.

...

(iv) delivery of cargo carried under a non-negotiable bill of lading or waybill or similar document to a person other than the party named in such bill of lading, waybill or document as the person to whom delivery should be made;

...

19(18) General Average

...

(b) The proportion of general average, special charges or salvage which a Member may be entitled to claim from cargo or from some other party to the marine adventure and which is not legally recoverable solely by reason of a breach of the contract of carriage.

NEW RULE

agreement for the reciprocal sharing of cargo space.

...

PROVIDED ALWAYS THAT in Rule 19(17):

...

(D) Discharge at Wrong Port etc.

...

(iv) delivery of cargo carried under a non-negotiable bill of lading or waybill or similar document to a person other than the party named in such bill of lading, waybill or document as the person to whom delivery should be made[;] , **or where there has been no proper delivery as required by that document by its express terms and/or by operation of law;**

...

19(18) General Average

...

(b) The proportion of general average, special charges or salvage which [a Member] may be **chargeable to** [entitled to claim from] cargo or [from] some other party to the marine adventure and which is not legally recoverable, **or for which the Member may become liable**, solely by reason of a breach of the contract of carriage.



- RULE 22 LIMITATION OF COVER

N.B. The extensive amendments to this Rule follow changes to the limits of cover applying to a Charterer's Entry (time or voyage charterers), which were incorporated into the Pooling Agreement with effect from February 2005.

OLD RULE

22(2) Charterers

Unless otherwise provided under the relevant Certificate of Entry, or as the Directors may from time to time determine, the liability of the Association in respect of claims which arise:

(a) otherwise than in respect of oil pollution or the threat thereof, and

(b) out of any one event, and

(c) under a Charterer's Entry or in respect of a Charterer Jointly Insured under an Owner's Entry,

shall be limited in the aggregate to the lesser of:

(i) the Limitation Amount (if any) plus US\$50,000,000 or

(ii) US\$300,000,000

for each Entry.

22(3) Oil Pollution

Unless otherwise provided under the relevant Certificate of Entry, or as the Directors may from time to time determine, the liability of the Association for claims in respect of oil pollution or the threat thereof shall be subject to the following limits which shall apply in respect of any one Entered Ship and to each event:

NEW RULE

22(2) Charterers

Unless otherwise provided under the relevant Certificate of Entry, or as the Directors may from time to time determine, the liability of the Association in respect of **all** claims which arise:

[(a) otherwise than in respect of oil pollution or the threat thereof, and]

[(b) out of any one event, and]

(a) under a Charterer's Entry, and

[(c) under a Charterer's Entry or in respect of a Charterer Jointly Insured under an Owner's Entry,

shall be limited in the aggregate to the lesser of:

(i) the Limitation Amount (if any) plus US\$50,000,000 or

(ii) US\$300,000,000

for each Entry.]

(b) out of any one event,

shall be limited in the aggregate to US\$350,000,000 for each Entry.

22(3) Oil Pollution

Unless otherwise provided under the relevant Certificate of Entry, or as the Directors may from time to time determine, the liability of the Association for claims in respect of oil pollution or the threat thereof **[shall be subject to the following limits which shall apply in respect of any one Entered Ship and to each event:] which arise under**



OLD RULE

(a) under an Owner's Entry the lesser of:

(i) for any Charterer Jointly Insured under an Owner's Entry, the Limitation Amount (if any) plus US\$50,000,000 for all such charterers in the aggregate, or

(ii) for all claims under each Owner's Entry, US\$1,000,000,000 in the aggregate;

(b) under a Charterer's Entry, the lesser of:

(i) the Limitation Amount (if any) plus US\$50,000,000 in respect of each Charterer's Entry, or

(ii) US\$100,000,000 in respect of each Charterer's Entry.

PROVIDED ALWAYS THAT in Rule 22:

(A) where there is a claim for oil pollution or the threat thereof in addition to any other claim arising out of any one event, the

NEW RULE

an Owner's Entry shall be limited to the lesser of:

[(a) under an Owner's Entry the lesser of:]

[(i)] (a) for any Charterer Jointly Insured under an Owner's Entry, the Limitation Amount (if any) plus US\$50,000,000 for all such charterers in the aggregate, or

[(ii)] (b) for all claims under each Owner's Entry, US\$1,000,000,000 in the aggregate[;].

[(b) under a Charterer's Entry, the lesser of:

(i) the Limitation Amount (if any) plus US\$50,000,000 in respect of each Charterer's Entry, or

(ii) US\$100,000,000 in respect of each Charterer's Entry.]

22(4) Charterers Jointly Insured under an Owner's Entry

Unless otherwise provided under the relevant Certificate of Entry, or as the Directors may from time to time determine, the liability of the Association in respect of claims which arise:

(a) otherwise than in respect of oil pollution or the threat thereof, and

(b) out of any one event, and

(c) in respect of a Charterer Jointly Insured under an Owner's Entry, shall be limited in the aggregate to the lesser of:

(i) the Limitation Amount (if any) plus US\$50,000,000 or

(ii) US\$300,000,000

for each Entry.

PROVIDED ALWAYS THAT in Rule 22:

(A) where there is a claim for oil pollution or the threat thereof in addition to any other claim arising out of any one event, the



OLD RULE

amount of US\$50,000,000 in Rule 22(2)(c)(i), Rule 22(3)(a)(i) and Rule 22(3)(b)(i) shall apply to the aggregate of all claims arising out of such event;

(B) where there is more than one Owner's Entry in respect of an Entered Ship with the Association or any other P&I Association which participates in the reinsurance arrangements of the International Group of P&I Clubs, the aggregate of all claims for oil pollution or the threat thereof following an event brought against the Association and/or such other Association shall be limited to US\$1,000,000,000. In these circumstances, the limit of liability shall be such proportion of US\$1,000,000,000 as the claims recoverable under an Owner's Entry in the Association bear to the aggregate of all the said claims recoverable under all Owners' Entries in respect of that Ship with this or any other Association;

(C) where there are more than three Charterers' Entries in respect of an Entered Ship with the Association or any other P&I Association which participates in the reinsurance arrangements of the International Group of P&I Clubs, the aggregate of all claims for oil pollution or the threat thereof following an event brought against the Association and/or such other Association shall be limited to US\$300,000,000. In these circumstances, the limit of liability of the Association shall be such proportion of US\$300,000,000 as the claims recoverable under a Charterer's Entry in the Association bear to the aggregate of all the said claims recoverable under all Charterers' Entries in respect of that Ship with this or any other Association;

(D) when an Entered Ship provides salvage or other assistance to another Ship following a casualty, any liabilities and costs incurred by the Entered Ship in respect of oil pollution or the threat thereof shall be aggregated with any liabilities or costs incurred in respect of oil pollution or the threat thereof by any other Ship whilst engaged in providing salvage or other assistance in connection with the same

NEW RULE

amount of US\$50,000,000 in [Rule 22(2)(c)(i)], Rule 22(3)(a)[(i)] and Rule [22(3)(b)(i)] **22(4)(c)(i)** shall apply to the aggregate of all claims arising out of such event;

(B) where there is more than one Owner's Entry in respect of an Entered Ship with the Association or any other P&I Association which participates in the reinsurance arrangements of the International Group of P&I Clubs, the aggregate of all claims for oil pollution or the threat thereof following an event brought against the Association and/or such other Association shall be limited to US\$1,000,000,000. In these circumstances, the limit of liability shall be such proportion of US\$1,000,000,000 as the claims recoverable under an Owner's Entry in the Association bear to the aggregate of all the said claims recoverable under all Owners' Entries in respect of that Ship with this or any other Association;

Delete

[(D)] **(C)** when an Entered Ship provides salvage or other assistance to another Ship following a casualty, any liabilities and costs incurred by the Entered Ship in respect of oil pollution or the threat thereof shall be aggregated with any liabilities or costs incurred in respect of oil pollution or the threat thereof by any other Ship whilst engaged in providing salvage or other



OLD RULE

casualty when and to the extent that those other Ships either (i) are entered in the Association and covered for oil pollution or the threat thereof risks or (ii) are covered for those risks with any other Association which participates in the same pooling and reinsurance arrangements as this Association. In these circumstances, the limit of liability of the Association shall be such proportion of US\$1,000,000,000 in respect of an Owner's Entry and US\$300,000,000 in respect of a Charterer's Entry as the claims recoverable under an Owner's Entry, or as the case may be, a Charterer's Entry, in the Association bear to the aggregate of all the said claims recoverable under all Owners' Entries of all Ships insured with this or any other Association or as the case may be under all Charterers' Entries of all Ships insured with this or any other Association;

(E) in the event of legislation coming into force anywhere in the world during the currency of an Entry, affecting Members' liabilities for oil pollution or the threat thereof claims, the Association shall have the right to increase the rate of contribution or, in appropriate circumstances, to charge an additional premium.

22(4)

If and to the extent that the Member has, in relation to any claim in respect of oil pollution or the threat thereof, other insurance not being solely in respect of the excess of the relevant limit in accordance with Rule 22, the amount of that limit as applied to that claim shall be reduced by the amount of the stated limit of such other insurance.

22(5) Overspill Claims

The liability of the Association in respect of Overspill Claims shall be further limited in accordance with Rule 36.

NEW RULE

assistance in connection with the same casualty when and to the extent that those other Ships either (i) are entered in the Association and covered for oil pollution or the threat thereof risks or (ii) are covered for those risks with any other Association which participates in the same pooling and reinsurance arrangements as this Association. In these circumstances, the limit of liability of the Association shall be such proportion of US\$1,000,000,000 in respect of an Owner's Entry and **[US\$300,000,000] US\$350,000,000** in respect of a Charterer's Entry as the claims recoverable under an Owner's Entry, or as the case may be, a Charterer's Entry, in the Association bear to the aggregate of all the said claims recoverable under all Owners' Entries of all Ships insured with this or any other Association or as the case may be under all Charterers' Entries of all Ships insured with this or any other Association;

[(E) (D)] in the event of legislation coming into force anywhere in the world during the currency of an Entry, affecting Members' liabilities for oil pollution or the threat thereof claims, the Association shall have the right to increase the rate of contribution or, in appropriate circumstances, to charge an additional premium.

22[(4)] (5)

If and to the extent that the Member has, in relation to any claim in respect of oil pollution or the threat thereof, other insurance not being solely in respect of the excess of the relevant limit in accordance with Rule 22, the amount of that limit as applied to that claim shall be reduced by the amount of the stated limit of such other insurance.

22[(5)] (6) Overspill Claims

The liability of the Association in respect of Overspill Claims shall be further limited in accordance with Rule 36.



- RULE 24 WAR RISKS

N.B. These changes incorporate the various amendments to the International Group's reinsurance arrangements which took effect from February 2005.

OLD RULE

24(2)

...

(a) which do not exceed US\$400,000,000 for any one event, and

...

PROVIDED ALWAYS THAT in Rule 24 in respect of liabilities, costs and expenses caused by any of the matters recited in Rule 24(1)(a), (b) or (c) above:

...

(D) unless otherwise agreed in writing cover is conditional on the Member, except where the entry is solely in the name of a charterer other than a charterer by demise, maintaining a standard Hull War Risks insurance with P&I inclusion clauses for at least the proper value of the Entered Ship or US\$100,000,000 whichever is the lesser. A proper value is an amount reasonably close to the equivalent of the free uncommitted market value of the ship at the time of the event giving rise to the liability, cost or expenses;

(E) where there is more than one Owner's Entry or Charterer's Entry in respect of an Entered Ship with the Association or any other P&I Association which participates in the reinsurance arrangements of the International Group of P&I Clubs, the aggregate of all claims following an event brought against the Association and/or such other Association shall be limited to US\$400,000,000. In these circumstances, the limit of liability shall be such proportion of US\$400,000,000 as the claims recoverable under an Owner's Entry or Charterer's Entry in the Association bear to the aggregate of all the said claims recoverable under all Owner's Entries and Charterer's Entries in

NEW RULE

24(2)

...

(a) which do not exceed [US\$400,000,000] **US\$500,000,000** for any one event, and

...

PROVIDED ALWAYS THAT in Rule 24 in respect of liabilities, costs and expenses caused by any of the matters recited in Rule 24(1)(a), (b) or (c) above:

...

(D) unless otherwise agreed in writing cover is conditional on the Member, except where the entry is [solely in the name of a charterer other than a charterer by demise] **a Charterer's Entry**, maintaining a standard Hull War Risks insurance with P&I inclusion clauses for at least the proper value of the Entered Ship or US\$100,000,000 whichever is the lesser. A proper value is an amount reasonably close to the equivalent of the free uncommitted market value of the ship at the time of the event giving rise to the liability, cost or expenses;

(E) where there is more than one Owner's Entry or Charterer's Entry in respect of an Entered Ship with the Association or any other P&I Association which participates in the reinsurance arrangements of the International Group of P&I Clubs, the aggregate of all claims following an event brought against the Association and/or such other Association shall be limited to [US\$400,000,000] **US\$500,000,000**. In these circumstances, the limit of liability shall be such proportion of [US\$400,000,000] **US\$500,000,000** as the claims recoverable under an Owner's Entry or Charterer's Entry in the Association bear to the aggregate of all the said claims recoverable under all



OLD RULE

respect of that Ship with this or any other Association;

(F) the Association shall not be liable for any losses, liabilities, costs or expenses directly or indirectly caused by or contributed to by or arising from:

(i) any chemical, bio-chemical or electromagnetic weapon;

...

NEW RULE

Owner's Entries and Charterer's Entries in respect of that Ship with this or any other Association;

(F) the Association shall not be liable for any losses, liabilities, costs or expenses directly or indirectly caused by or contributed to by or arising from:

(i) any chemical, **biological**, bio-chemical or electromagnetic weapon;

...

• RULE 25 RADIOACTIVE MATERIALS

N.B. *This amendment reflects a change to the Pooling Agreement for 2006 and is intended to exclude the effect of the so-called "dirty bomb" which may not be in the form of an actual weapon.*

OLD RULE

No claim on the Association shall be allowed to any extent whatever against liabilities, costs or expenses directly or indirectly caused by or contributed to by or arising from:

...

(b) any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

...

NEW RULE

No claim on the Association shall be allowed to any extent whatever against liabilities, costs or expenses directly or indirectly caused by or contributed to by or arising from:

...

(b) any weapon [of war] or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter[.], or

(c) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter.

...