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Insurance Association Limited**

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TO ALL MEMBERS
Sent by fax /email

Revision of the SCOPIC Clause – Increased daily tariff rates for personnel, effective 1 January 2006

In July 1999 the Association issued a circular dealing with amendments to Lloyd's Open Form and the development of the Special Compensation P&I Club (SCOPIC) Clause. The SCOPIC Clause is used as an alternative to Article 14 of the International Salvage Convention 1989, as incorporated into LOF, when determining the extent of Special Compensation due to a salvage contractor. A copy of the Association's circular and a subsequent circular of August 2000 (also dealing with the SCOPIC Clause) can be found in the Members' area of the Association's website.

In December 2005 the SCR Committee, comprising representatives of all sections of the industry, agreed to a 10% increase in the daily tariff rates for personnel found at Appendix A to the SCOPIC Clause. The increased rates apply to all contracts incorporating the SCOPIC Clause, signed on or after 1 January 2006. All other rates remain unchanged until next reviewed by the SCR Committee, which will not be before September 2006.

Since the Association's circular of August 2000 was issued a number of additional amendments to the SCOPIC Clause have been agreed. These are technical in nature and are outlined below:

References within the SCOPIC Clause to the "Shipowner's Casualty Representative" (SCR) have been changed to "Special Casualty Representative".

Sub-clauses 5, 6 and 7 have been amended to cope with currency fluctuations between the date of termination of the services and the date of the Article 13 award or settlement.

Paragraph 1(a) of Appendix A has been amended so that the word "Diver" has been replaced with the words: -

"HSE qualified diver or his equivalent but excluding saturation or mixed gas divers (whose rates should be agreed with the SCR or determined by the Arbitrator)".

The rate for such a diver has been set at US\$900 per day, although this rate will be subject to the increase referred to above.

It is anticipated that further amendments to the SCOPIC Clause will be necessary from time to time. Members should therefore take care to refer to the most up-to-date version when considering its incorporation into a salvage contract.

The most recent version of the SCOPIC clause can be found by visiting the Lloyd's Agency & Salvage home page:-

<https://www.lloydsagency.com>

Alternatively, a copy of the latest version of the SCOPIC Clause and its Appendices can be obtained from the Managers upon request.