

16 December 2016



**TO ALL MEMBERS OF CLASS 3
PROTECTION AND INDEMNITY**

**The Britannia Steam Ship
Insurance Association Limited**

Managers
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NOTICE IS HEREBY GIVEN that a Separate General Meeting of the Members of Class 3 – Protection and Indemnity, of the Association will be held at Regis House, 45 King William Street, London EC4R 9AN, on Tuesday 17 January 2017 at 11.30 a.m. for the purpose of considering and, if thought fit, passing the following ORDINARY RESOLUTION:

"That the Rules of Class 3 – Protection and Indemnity, be altered with effect from noon GMT on 20 February 2017 in the manner described in the Schedule attached to the Notice of the Meeting dated 16 December 2016."

The Schedule appears overleaf.

By order of the Board.

J P Rodgers
Secretary

Note: A Member of Class 3 – Protection and Indemnity entitled to attend and vote may appoint a proxy to attend and vote in their stead. Such proxy must be a Member of the Association or the duly authorised representative of a body corporate which is a Member.

SCHEDULE

Proposed Class 3 Rule Changes for the 2017/18 Policy Year

The proposed changes are set out below with additional wording underlined. The words ~~struck through~~ are to be removed from the text of the existing Rules.

Rule 3

Amend Rule 3(5) as follows:

Insurance Act 2015 3(5) ~~Upon its entry into force t~~ The following provisions of the Insurance Act 2015 (the Act) are excluded from these Rules and the contract of insurance ~~as follows:~~

EXPLANATION: The Insurance Act has now come into force (12 August 2016).

Rule 19

Amend the provisos to Rule 19(12) as follows:

Pollution PROVIDED ALWAYS THAT ...

(iii) there shall be no recovery under this Rule 19(12) of any liabilities in respect of expenditure which forms or could form a part of General Average expenditure under ~~the provisions of the York/Antwerp Rules 1994; and any unamended version of the York/Antwerp Rules; and~~

....

(vi) (a) ~~where~~ Where an Entered Ship is a 'relevant ship' as defined in the Tanker Oil Pollution Indemnification Agreement 2006 (or as subsequently amended) (TOPIA-~~2006~~), the Member shall be a party to that agreement for the period of entry of the ship in the Association unless the Association otherwise agrees in writing. Where an Entered Ship is a 'relevant ship' as defined in the Small Tanker Oil Pollution Indemnification Agreement 2006 (or as subsequently amended) (STOPIA-~~2006~~), the Member shall be a party to that agreement for the period of entry of the ship in the Association unless the Association otherwise agrees in writing. There shall be no recovery under this Rule in respect of any event arising during a period when the Member is not in compliance with such requirements unless the Board (or, in the case of claims not exceeding USD2 million, the Committee) in its discretion decides otherwise.

(b) the Association is the agent of the Member in respect of any Entered Ship which is a 'relevant ship' as defined in TOPIA-~~2006~~ or STOPIA-~~2006~~ as regards any and all communications and dealings under those agreements.

EXPLANATION: The first amendment (to proviso (iii)) reflects the adoption of the York/Antwerp Rules 2016. The second amendment (to proviso (vi)) allows for cover to continue as/when there are agreed changes to the TOPIA and STOPIA agreements, with updates to those agreements being expected to come into force during the 2017/18 Policy Year.

Amend Rule 19(18) General Average (B) as follows:

Unrecoverable PROVIDED ALWAYS THAT:

General Average General Average shall be adjusted according to the York/Antwerp Rules 1974 or 1994
Contribution (B) 1974, 1994 or 2016 or on other contractual terms approved by the Managers. If it is not, then any recovery from the Association shall be limited to what would be recoverable if General Average were adjusted according to the law and practice of the place where the adventure ended.

EXPLANATION: This amendment reflects the adoption of the York/Antwerp Rules 2016.

Amend Rule 19(19) Fines as follows:

Fines 19(19) Fines or other penalties, together with costs and expenses incidental thereto, imposed in respect of the Entered Ship by any court, tribunal, or authority of competent jurisdiction, upon a Member or upon any Seaman or person whom the Member may be legally liable to reimburse (other than under the terms of a contract or indemnity, unless and only to the extent such terms have been previously approved by the Managers) or reasonably reimburses with the approval of the Managers, for:

EXPLANATION: This amendment clarifies the extent of cover afforded by the Association.

Amend Rule 23(2) Certificates as follows:

Certificates (g) certificates in compliance with Regulation 2.5.2, Standard A2.5.2, Regulation 4.2 and Standard A4.2.1(b) of the Maritime Labour Convention 2006, as amended (MLC 2006) or domestic legislation by a state party implementing MLC 2006~~a certificate issued by the Association in compliance with Standard A2.5, Appendix A2-1 and Standard A4.2 Appendix A4-1 of the MLC.~~

EXPLANATION: This amendment reflects the implementation of 'phase two' of MLC.

Amend Rule 28(4) as follows:

Statutory requirements Every Member
28(4) (i) shall comply with all the statutory requirements of the state of the ship's flag relating to the construction, adaptation, condition, fitment, equipment, ~~and~~ manning and loading of the Entered Ship; and

EXPLANATION: This amendment emphasises Members' obligations to comply with statutory requirements, including new statutory requirements as/when they come into force (e.g. the International Maritime Solid Bulk Cargoes Code (IMSBC Code) and the Verified Gross Mass regulations under SOLAS), when loading an Entered Ship.

Amend Rule 32(3) as follows:

Interest 32(3) ~~In no case shall a Member~~ Save only as provided in Rule 3(5) shall not be entitled to be paid interest on his claim against the Association.

EXPLANATION: This amendment clarifies the inter-action between this Rule and the provisions of the Insurance Act 2015 (addressed in Rule 3(5)).

Amend Rule 39(1) as follows:

General Reserve ~~The Committee~~ The Board may set aside at any time to General Reserve such sums from the proceeds of any Advance, Deferred or Exceptional Call in respect of any Policy Year as it thinks fit. Such General Reserve may be used by the ~~Committee~~ Board at any time;

(i) so as to provide in whole or in part for any claims, expenses, losses or other outgoings of the Association (whether incurred, accrued or anticipated) and including, but not limited to, any deficiency which has occurred or may occur in respect of any Closed Policy Year or so as to eliminate or reduce any Call in respect of any Policy Year past, present or future; or

(ii) to make a distribution to Members of such amount and in such manner as it thinks fit.

EXPLANATION: This amendment allows for the distribution to Members from the General Reserve.