

**To all Members of Class 3  
Protection and Indemnity**

NOTICE IS HEREBY GIVEN that a Separate General Meeting of the Members of Class 3 – Protection and Indemnity, of The Britannia Steam Ship Insurance Association Limited (“Britannia”) will be held via Zoom (details available on request) on Tuesday, 11 January 2022 at 13.00 GMT for the purpose of considering and, if thought fit, passing the following ORDINARY RESOLUTION:

"That, the Rules of Class 3, Protection and Indemnity of Britannia (the “Class 3 Rules”), be amended with effect from noon GMT on 20 February 2022 as set out in the Annexure” .

The Annexure is attached to this Notice.

By order of the Board.

J A Young  
Secretary

13 December 2021

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.

MANAGERS:

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Registered Office: 42 - 44 Avenue de la Gare, 1610 Luxembourg  
Registered in Luxembourg No.B230379  
Authorised and Regulated by the Commissariat aux Assurances

**TR(E)**

## Annexure - Draft Class 3 (P&I) Rule Changes for the 2022/23 policy year

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01/22

Proposed Class 3 (P&I) Rule Changes are set out below.

The proposed changes for both Britannia and Britannia Europe, which continue to mirror each other, are set out below with additional wording underlined. The words ~~struck through~~ are to be removed from the text of the existing Rules.

Amend Rule 1 as follows

### Rule 1                      ARTICLES OF ASSOCIATION

These Rules are subject to the Articles of Association of The Britannia Steam Ship Insurance Association Europe ~~or The Britannia Steam Ship Insurance Association Limited as applicable.~~

**EXPLANATION:**            *This change, which is conditional upon the approval by the Japanese regulatory authorities and the English High Court of the Part VII Transfer, reflects the fact that from noon 20 February 2022 the business of Britannia will be written solely by The Britannia Steam Ship Insurance Association Europe.*

Amend Rule 2 as follows:

### Rule 2                      DEFINITIONS

In these Rules the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite them respectively in the second column thereof, if not inconsistent with the subject or context.

...

**The Association**            The Britannia Steam Ship Insurance Association Europe ~~or The Britannia Steam Ship Insurance Association Limited as named in the Certificate of Entry~~

**EXPLANATION:**            *This change, which is conditional upon the approval by the Japanese regulatory authorities and the English High Court of the Part VII Transfer, reflects the fact that from noon 20 February 2022 the business of Britannia will be written solely by The Britannia Steam Ship Insurance Association Europe.*

...

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

**EXPLANATION:** *This definition has been included to support the proposed amendments to Rule 8, which clarify the categories and scope of Co-assurance.*

...

**Sanction** Any applicable economic, financial or trade sanction or embargo.

**EXPLANATION:** *This change implements recommendations made by US lawyers aimed at ensuring more comprehensive protection for Britannia and its Members from the risks of sanctions imposed by US governmental authorities.*

Amend Rule 3 as follows:

**Rule 3** **NATURE OF COVER**

...

**Conditions 3(2)** The risks covered as set out in Rule 19 are subject to all the conditions set out in other parts of these Rules and those risks may ~~only~~ be varied or supplemented by special terms agreed in writing between a Member and the Managers either under Rule 7 or Rule 19.

**EXPLANATION:** *This change brings the Rule into line with the established practice of Britannia regarding the writing of special covers in respect of risks that are ordinarily excluded from or are outside the scope of cover under the Rules.*

...

**Sanctions 3(4)** Notwithstanding and without prejudice to any other provision of these Rules, including Rule 3(2), and the provisions of the Articles of Association, these Rules may, on such notice as the Board may in its discretion decide, be amended at any time (including with effect during the course of a Policy Year) to such extent as the Board may in its discretion determine is necessary as a result of the potential or actual implementation of or change in any ~~sanction~~ Sanction, prohibition, restriction, legislation, regulation or requirement to obtain any licence or approval, by any state, international or supranational organisation or other competent authority.

**EXPLANATION:** *This change implements recommendations made by US lawyers aimed at ensuring more comprehensive protection for Britannia and its Members from the risks of sanctions imposed by US governmental authorities.*

Amend Rule 5 as follows:

**Rule 5** **RIGHT OF RECOVERY**

**Sanctions 5(6)** The Member shall have no entitlement to recovery out of the funds of this Class of the Association in respect of that part of any liabilities, costs and expenses which is not recovered by the Association under the Pooling Agreement, General Excess Loss Reinsurance Contract or any reinsurance(s) arranged by the Association or the Managers, because, and to the extent, of ~~a~~any shortfall in recovery from such parties or reinsurers by the Association which would result in a violation of any ~~thereunder by reason of a~~ Sanction, ~~penalty or any~~ prohibition or adverse action ~~against them administered~~ by ~~a~~any state, international or supranational organisation or other competent authority or the risk thereof if payment were to be made by such parties or reinsurers. For the purposes of this Rule 5(6) "shortfall" includes any failure or delay in recovery by the Association by reason of such parties or reinsurers making payment into a designated account in compliance with the requirements of any state, international or supranational organisation or other competent authority.

**EXPLANATION:** *This change implements recommendations made by US lawyers aimed at ensuring more comprehensive protection for Britannia and its Members from the risks of sanctions imposed by US governmental authorities.*

Amend Rule 7 as follows:

**Rule 7**                      **SPECIAL INSURANCES**

...

**7(2)**                      The Managers may accept insurances including entries of Ships on special terms as to Membership and Contribution and, ~~within the scope of these Rules,~~ as to the nature and extent of risks covered, in respect of additional risks not set out in Rule 19, provided that where such insurance is accepted the person insured shall be bound to pay and shall pay to the Association such sums as shall have been agreed with the Managers and at such time or times as the Managers shall have specified. In particular the Managers may accept such insurances from other insurers.

**EXPLANATION:**                      *This change brings the Rule into line with the established practice of Britannia regarding the writing of special covers in respect of risks that are ordinarily excluded from or are outside the scope of cover under the Rules.*

...

**7(3)**                      Without prejudice to the generality of Rule 38, the Managers may reinsure the whole or any part of the risk or risks of the Association insured under this Rule 7 or Rule 19(22) and where such reinsurance is arranged the Member shall be entitled to recover only the net amount actually recovered under such reinsurance arrangements, together with that proportion (if any) of the risk or risks retained by the Association.

**EXPLANATION:**                      *This change limits the amount capable of recovery by a Member to the sums actually recovered from reinsurers, together with any sum retained by Britannia, where a risk has been reinsured by Britannia and there has been a shortfall in the recovery from that reinsurance by the Association.*

Amend Rule 8 as follows:

**Rule 8**                      **JOINT ENTRIES AND CO-ASSUREDS**

~~Payments~~  
Joint Members    **8(1)**

**8(1)(A)** The Managers may accept an application by the Member as the Senior Member for another person or persons to be added to the entry of a ship . (hereinafter referred to as Joint Members)

Provided always that:

- (i) ~~Unless otherwise agreed in writing by the Managers, where any Ship is entered in the names or on behalf of more persons than one (hereinafter referred to as Joint Members) they~~ the Senior Member and all Joint Members shall be jointly and severally liable to pay all Contributions ~~and/or~~ other sums due to the Association in respect of such entry, and the receipt by any ~~Joint Member~~ one of such persons of any ~~payment~~ sums payable by the Association shall be ~~deemed to be the receipt by all Joint Members jointly and shall fully~~ a sufficient discharge ~~the obligations~~ of the Association ~~in respect of such payment~~.for the same;
- (ii) the Association shall not insure any Joint Member against any liabilities, costs or expenses which arise other than out of operations and/or activities customarily carried on by or at the risk and responsibility of shipowners (or in the case of a charterers' entry, charterers) and which are within the scope of the cover afforded by these Rules and the Certificate of Entry.

**8(1)(B)** In relation to such application under Rule 8(1)(A) the Senior Member and each Joint Member warrants that the Joint Member is, in relation to the Entered Ship:

- (i) interested in its operation, management or manning, or
- (ii) the holding company or the beneficial owner of the Senior Member or any Joint Member falling within Rule 8(1)(B)(i), or
- (iii) a mortgagee or a financial institution (or its subsidiary or affiliate) leasing the Ship as shipowner to the Senior Member, or
- (iv) the bareboat or demise charterer.

**8(1)(C)** For the purpose of this Rule 8(1), the liability of the Senior Member and all Joint Members to each other shall not be excluded nor discharged by reason of co-assurance and any payment to the Senior Member or one of the Joint Members in respect of any liabilities, losses, costs and expenses shall operate only as satisfaction but not exclusion or discharge of the liability of the Senior Member and the Joint Members to each other.

**Co-Assureds 8(2)** The Managers may accept the addition to the entry of a Ship by a Senior Member of the following person or persons as a Co-assured:

- (A)** a charterer, other than a bareboat or demise charterer, which is affiliated to or associated with the Senior Member

Provided always that:

- (1) such charterer shall only be covered for the risks, liabilities, costs and expenses for which that the Senior Member has cover in accordance with the terms of entry of the Ship with the Association;
- (2) for the purposes of this Rule 8(2)(A) a charterer shall only be affiliated to or associated with the Senior Member if
  - (iia) both the Senior Member and the charterer have the same parent or
  - (iib) one of the Senior Member and charterer is the parent of the other; and
  - (iic) 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.

**(B)** a contractor of the Senior Member for the provision of services by or to the Entered Ship

Provided always that:

- (i) the contract has been approved by the Association; and
- (ii) the contract includes a Knock for Knock agreement in respect of any and all persons in the contractor's group; and
- (iii) the Co-assured contractor shall only be covered for liabilities and costs and expenses which are to be borne by the Senior Member under the terms of the contract and to the extent they would, if borne by the Senior Member, be recoverable from the Association in accordance with the terms of entry of the Ship in the Association; and
- (iv) once the Association has made indemnification under such cover for such liabilities and costs and expenses it shall not in respect of that loss or damage be under any further liability and shall not make any further payment to any person whatsoever, including the Senior Member and all Joint Members and Co-assureds insured under the same entry.

**(C)** other persons (except charterers other than bareboat or demise charterers)

Provided always that:

- (i) the liability of the Association to such persons only extends insofar as he may be found liable to pay in the first instance for loss or damage which is properly the responsibility of the Senior Member or, where so entered under Rule 8(2)(A), his affiliated or associated charterer

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 Senior Member or affiliated or associated charterer insured under the same entry had the claim in respect of such loss or damage been made or enforced against him; and

- (ii) 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, where the Co-assured is insured under the same entry as the Senior Member, such Senior Member and all Joint Members and, in the case of the Co-assured of an affiliated or associated charterer under that entry, such charterer, in respect of that loss.

**Disclosure** ~~8(2)~~**(3)** Failure by the Senior Member or any Joint Member or Co-assured to disclose material information within his knowledge shall be deemed to have been failure of the Senior Member and all the Joint Members and Co-assureds.

**Conduct** ~~8(3)~~**(4)** Conduct of the Senior Member or any Joint Member or Co-assured which would have entitled the Association to decline to indemnify him shall be deemed the conduct of the Senior Member and all the Joint Members and Co-assureds.

~~**Extent of Cover** **8(4)** The Association shall not insure any Joint Member against any liabilities, costs or expenses which arise other than out of operations and/or activities customarily carried on by or at the risk and responsibility of shipowners (or in the case of a charterers' entry, charterers) and which are within the scope of the cover afforded by these Rules and the Certificate of Entry.~~

**Limits of cover** **8(5)** Where any Ship is entered in the names of or on behalf of Joint Members and Co-assureds any limits on the cover provided by the Association and set out in the Certificate of Entry or these Rules shall apply to all Joint Members and Co-assureds in the aggregate as if the Ship had been entered by the Senior Member only.

**Communications** **8(6)** Unless the Managers have otherwise agreed in writing, all communication from or on behalf of the Association to the Senior Member or any Joint Member or Co-assured shall be deemed to be within the knowledge of the Senior Member and all ~~the~~ Joint Members and Co-assureds and any communication from the Senior Member or any Joint Member or Co-assured to the Association or to the Managers shall be deemed to have been made with the full approval and authority of the Senior Member and all the Joint Members and Co-assureds.



Provided always that:

There shall be no recovery in respect of any liabilities, costs or expenses which arise as the result of a claim brought between any of the Joint Members and Co-assureds, or with the Senior Member.

**EXPLANATION:** *The amendments to this Rule incorporate various categories of Co-Assureds in order to clarify the categories and scope of the Co-assurance, which is in line with the Pooling Agreement.*

Amend Rule 18 as follows:

**Rule 18 COVER FOR ASSOCIATED COMPANIES**

**18(1)** The Managers may accept the entry of any Ship upon terms that the benefit of the cover afforded by the Association to a Member in respect of that Ship shall be extended to Associated Companies of that Member. The rights and obligations as between the Association and any such Associated Company shall be such as may be agreed between the Member and the Managers.

...

**Receipt of reimbursement** **18(3)** The receipt by the Member, or any Associated Company to whom cover has been extended in accordance with Rule 18(1), of any ~~payment~~reimbursement by the Association shall be deemed to be the receipt by the Member and all such Associated Companies jointly and shall fully discharge ~~the obligations of~~ the Association from any further liability to the Member and any Associated Companies in respect of the loss and damage in respect of ~~such payment~~which the claim was brought.

**EXPLANATION:** *These amendments have been made to bring this Rule into line with the proposed revisions to Rule 8, which seek to clarify the categories and scope of the Co-assurance.*

Amend Rule 19(4) as follows:

**Rule 19(4) LIABILITIES IN RESPECT OF ILLNESS OR INJURY OR DEATH OF THIRD PARTIES**

Compensation and damages for which the Member is liable which are payable by reason of the illness or death of, or injury to, any person, other

than a Seaman or Passenger, and the diversion expenses specified in Rule 19(6) associated with the said illness, death or injury.

*Provided always that:*

(iii) there shall be no recovery under this Rule 19(4):

(a) unless the Managers have (except in the case of a relative of a Seaman) approved of the presence of the third party to travel on board the Entered Ship and the terms and conditions on which he is carried and the Member had paid or agreed to pay such additional Call or premium as may be required by the Association; or

(b) in respect of personnel (other than those employed for marine purposes) on board the Entered Ship ~~(being an accommodation Ship)~~ employed by someone other than the Member where the Entered Ship is providing accommodation to such personnel in relation to their employment on or about an ~~either:~~

~~(i) such Ship is moored or anchored within 500 metres of any~~ oil or gas production or exploration facility; ~~or~~

~~(ii)~~ unless there has ~~not~~ been a contractual allocation of risks as between the Member and the employer of the said personnel which has been approved by the Association (see Rule 19(15)); or

(c) in respect of hotel, restaurant, bar or other guests or visitors and catering crew on board the Entered Ship when moored (other than on a temporary basis) and open to the public as a hotel, restaurant, bar or other place of entertainment.

**EXPLANATION:** *This amendment brings this Rule into line with the Pooling Agreement.*

Amend Rule 19(12) as follows:

**Rule 19(12)**

**POLLUTION**

Liabilities which a Member may incur, together with costs and expenses incidental thereto, as the result of an escape or discharge or threatened escape or discharge of oil or any other substance from the Entered Ship or from other property.

PROVIDED ALWAYS THAT:

(v) unless otherwise limited to a lesser sum, the Association's aggregate liability in respect of losses, liabilities, or the costs and expenses incidental thereto arising as a result of an escape or discharge or threatened escape or discharge of oil to the Senior Member, all Joint Members and Co-Assureds under any one Certificate of Entry shall be limited to the amount set out in the Certificate of Entry for each Entered Ship in respect of any one incident or occurrence except that:

...

**EXPLANATION:** *These amendments have been made to bring this Rule into line with the proposed revisions to Rule 8, which seek to clarify the categories and scope of the Co-assurance.*

Amend Rule 19(22) as follows:

**Rule 19(22)**

**SPECIAL COVER**

Subject always to the Articles of Association of the Association, and save insofar as expressly prohibited by these Rules, the Managers may insure a Member against the risks specified in these Rules whether or not such risks arise in connection either with an Entered Ship or the operation of an Entered Ship (despite the provisions of Rule 3(1)). Provided always that the nature and extent of the risks and the terms of the cover shall have been expressly agreed in writing between the Member and the Managers.

**EXPLANATION:** *This change brings the Rule into line with the established practice of Britannia regarding the writing of special covers in respect of risks that are ordinarily excluded from or are outside the scope of cover under the Rules.*

Amend Rule 20 as follows:

**Rule 20**

**RISKS SPECIFICALLY EXCLUDED**

**Sanctions 20(16)**

Losses or liabilities where the provision of cover or a payment by the Association in respect thereof may expose the Association or the Managers to the risk of being subject to ~~any sanction~~ Sanction, penalty, prohibition or any adverse action by a state, international or supranational organisation or other competent authority.

**EXPLANATION:** *This change implements recommendations made by US lawyers aimed at ensuring more comprehensive protection for Britannia and its Members from the risks of sanctions imposed by US governmental authorities.*

Amend Rule 21 as follows:

**Rule 21**

**EXCLUSION OF CERTAIN SPECIALIST RISKS**

There shall be no recovery from the Association in respect of any claim relating to liabilities, costs and expenses of an Entered Ship which is:

**Underwater 21 (7)  
Operations**

Used as or in connection with the operation of a submarine, mini-submarine ~~or~~ diving bell, or remotely operated underwater vehicle.

**EXPLANATION:**

*This amendment brings this Rule into line with the Pooling Agreement.*

Amend Rule 27 as follows:

**Rule 27**

**LIMITATION OF LIABILITY**

**General 27(1)  
Limitation**

Subject to these Rules and to any special terms and conditions upon which a Ship may be entered, the Association insures the liability of a Member in respect of an Entered Ship as this liability may ultimately be determined and fixed by law, including any laws pertaining to limitation of liability. The Association shall in no circumstances be liable for any sum in excess of such legal liability. If the Ship is entered for less than its Full Tonnage the liability of the Association shall be limited to the proportion that the Entered Tonnage bears to the Full Tonnage.

...

**Prioritisation of  
Liabilities 27(3)(A)**

Where:

(i) the Association has issued any guarantee, undertaking or certificate as referred to in Rule 23(2) or other bail or security in accordance with Rule 31(5)(A) under which it undertakes directly to discharge or guarantee any relevant liabilities (together the "Direct Liabilities"); and

(ii) claims in respect of Direct Liabilities alone or in combination with other claims may in the opinion of the Managers exceed any limit(s) on the cover provided by the Association as set out in the Rules or in the Certificate of Entry;

then payment of any such other claims or any part thereof may in the absolute discretion of the Board (or, in the case of claims

not exceeding USD 2 million, the Committee) be deferred until the Direct Liabilities, or such parts of the Direct Liabilities as the Board (or, in the case of Direct Liabilities not exceeding USD 2 million, the Committee) may in their absolute discretion determine, have been discharged.

**27(3)(B)** To the extent any claims or liabilities (including any Direct Liabilities) discharged by the Association exceed the said limit(s) any payment by the Association in respect thereof shall be by way of loan and the Member shall indemnify the Association promptly upon demand in respect of such payment and shall assign to the Association to the extent and on the terms that the Association determines in its discretion to be practicable all the rights of the Member under any other insurance and against any third party.

**EXPLANATION:** *This change provides a mechanism under which Britannia is able to prioritise certificated claims and other direct liabilities over non-certified claims where an incident gives rise to liabilities where the aggregate of certificated and non-certified claims has the potential to exceed the limits of cover for which Britannia has reinsurance.*

Amend Rule 33 as follows:

**Rule 33** **CESSER OF ALL INSURANCES**

**Sanctions 33(4)** If, by virtue of any ~~sanction~~Sanction, prohibition or any adverse action by a state, international or supranational organisation or other competent authority, the Association is prohibited from insuring the Member.

**EXPLANATION:** *This change implements recommendations made by US lawyers aimed at ensuring more comprehensive protection for Britannia and its Members from the risks of sanctions imposed by US governmental authorities.*

Amend Rule 34 as follows:

**Rule 34** **CESSER OF SHIP ENTRY**

**Sanctions 34(8)** If, by virtue of any ~~sanction~~Sanction, prohibition or any adverse action by a state, international or supranational organisation or other competent authority, the Association is prohibited from insuring the Entered Ship.

**EXPLANATION:** *This change implements recommendations made by US lawyers aimed at ensuring more comprehensive protection for Britannia and its Members from the risks of sanctions imposed by US governmental authorities.*

Amend Rule 45 as follows:

**Rule 45**                      **NOTICES**

**On a Member**    **45(2)** A notice required under these Rules to be served on a Member may be served by sending it through the post in a pre-paid letter or by sending it by facsimile message or by electronic mail to such Member at his address as appearing in the Register or at any place of business of a broker or other intermediary through whom a Ship to which the notice relates is or was entered in the Association. In the case of Joint Members and Co-Assureds, a notice shall be served on any Joint Member and any Co-Assured respectively, and such service shall be sufficient service upon all Joint Members or Co-Assureds as the case may be.

**EXPLANATION:** *These amendments have been made to bring this Rule into line with the proposed revisions to Rule 8, which seek to clarify the categories and scope of the Co-assurance.*

...

**Successors**    **45(5)** The successors of anyone who is or was at any time a Member of the Association shall be bound by a notice or other document served as aforesaid if sent to the last such address of such Member notwithstanding that the Association may have notice that the Member has become of unsound mind or is otherwise mentally unfit, or of the Member's death, ~~disability, lunacy,~~ bankruptcy or liquidation.

**EXPLANATION:** *This amendment modernises the language of the Rule.*