

## Protection & Indemnity Insurance 2017/2018

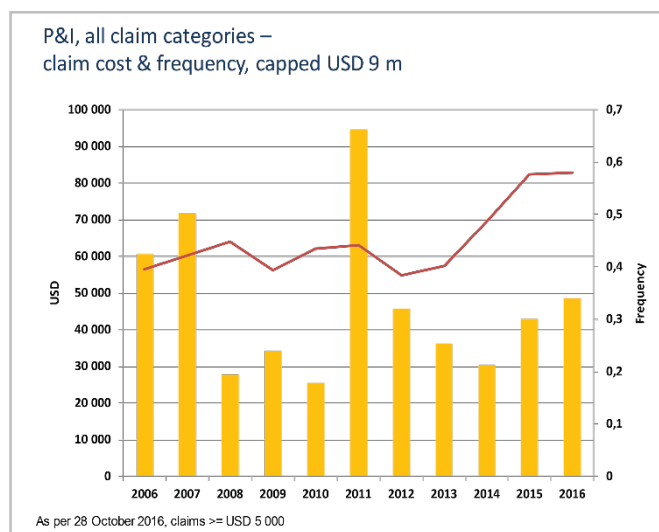
### Section 1: Statement from the Management

#### Executive summary

- The Club's overall claims frequency seem to have increased during the past 2 years, as per graph below, but as the year's mature frequency normally comes down. Average claim costs remains stable
- The long-term trend of costlier large claims for the International Group does not seem to continue in 2014 and 2016, however, 2015 has deteriorated significantly
- Underlying estimated claims inflation runs just below 2 % per annum
- International Group excess reinsurance negotiations have been concluded and a small reduction has been achieved
- We are expected to come in just above the Club's targeted combined ratio of 100 % for P&I for 2016/2017 as and we budget for a balanced result for policy year 2017/2018
- Growth rate is above expectation and GT is now standing at 47.6 million with an additional 22.2 million GT of charterers' entries
- A general increase of 0 % has been decided by the Board, in addition to changes in Group reinsurance costs

#### Claims frequency and severity

The overall rise in claims frequency, notably in respect of cargo and crew claims, has continued during policy years 2015/2016 and 2016/2017. These frequencies, however, reduce over time as the years mature and claims are closed. Average claim costs remains stable. Frequency for claims in excess of USD 500,000 is down by more than 50 % but severity has increased due to *inter alia* the Club experiencing a pool claim on 10 March 2016. We estimate that the annual rate of claims inflation will run just below 2 %.

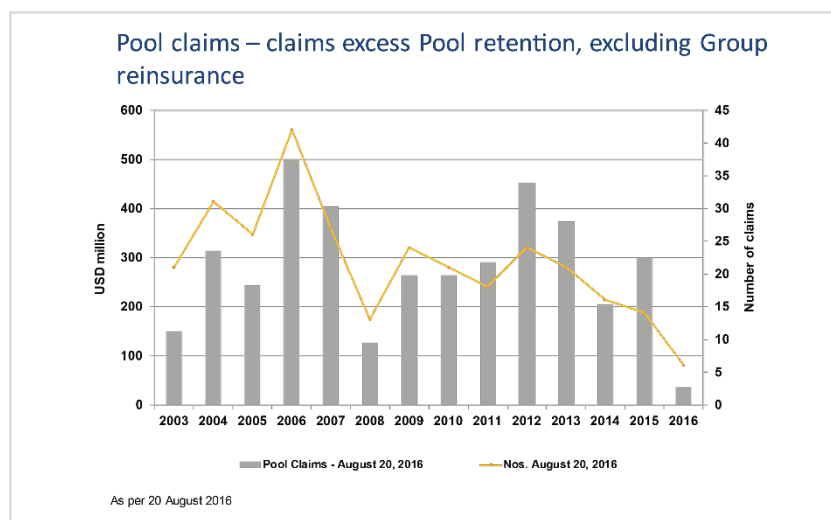


### Underwriting results P&I

The Club was able to meet the 100 % combined ratio target in 2015/2016. 2016/2017 is on target and we budget for a balanced result for 2017/2018.

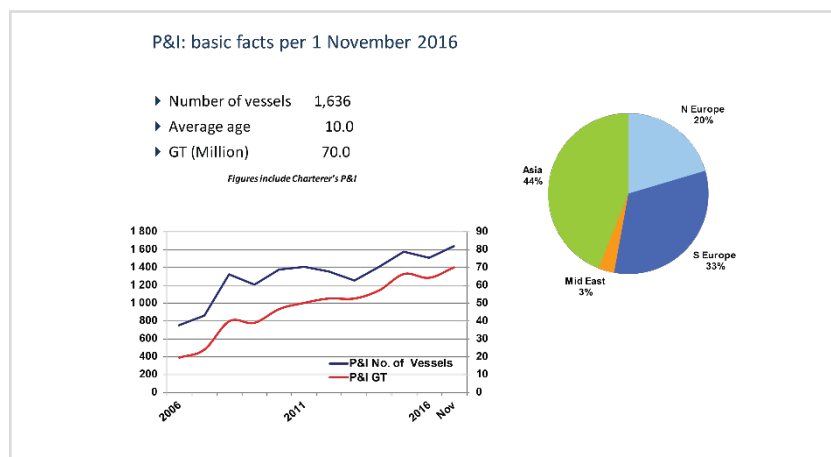
### Pool claims

For the International Group of P&I Clubs the policy year 2016/2017 appears, as of 20 August 2016, to be a less challenging pool year compared with previous policy years however, 2015/2016 has deteriorated significantly during 2016. There has not been any single loss exceeding USD 100 million since August 2013.



### Our portfolio

Our portfolio has continued to grow and for 2016/2017 beyond expectations. We have continued to beat the industry average growth rate for the past five years. Notably, GT has increased by more than 8 % since 20 February 2016 and 11 % in the last 12 months.



### Rationale: No General Increase – policy year 2017/2018

The rationale for deciding a 0 % general increase is to find a middle way between the Club's need to cover the increasing liability exposure, give the members credit for a couple of years with very few large claims and the tough market conditions under which ship-owners operate. Liability inflation runs just below 2 %, in addition to shipping liability trends pushing the limits higher with a resultant increase in severity.

## Section 2: Descriptive part

### Decisions and Instructions

At the meeting in Bangkok on 8 December 2016, the Board of Directors decided the following regarding premium and deductibles for the policy year 20 February 2017 to 20 February 2018:

- to levy no general increase 2017/2018
- instructed the management to contact each Member individually to discuss renewals for 2017/2018
- the new call will be adjusted by any changes in the International Group's reinsurance cost. The call will also reflect the true exposure of our retention, as well as estimated contributions to pool claims, together with an assessment of the Member's records
- not to apply any general deductible increase for the 2017/2018 policy year

### Owner's Protection & Indemnity

#### Premiums

All premiums are debited as advance and supplementary calls. It is anticipated that this policy year will be closed in 2020. The Board decided that the premium will be debited in four instalments: at inception on 20 February, 20 May, 20 August and 20 November. The premium will be based on Gross Tons (GT) as per the International Convention on Tonnage Measurements of Ships 1969.

#### Supplementary Call

Any supplementary call for this year will initially be decided upon in 2018. The current estimated supplementary call for 2017/2018 is 0 %.

#### Release Call

The release call for 2017/2018 is presently set at 15 %. Members should be aware that, even if a release call has been paid, the Association retains the right to make overspill calls as per the P&I Rules (Rule 24).

### Renewals

The premium for 2017/2018 will be based on the Member's record for the five-year period 2011-2016, including the current year, if adverse. Records and claims summaries are available through SCOL, located on the Association's website at: [www.swedishclub.com](http://www.swedishclub.com)

The information is updated daily.

### Application of General Increase and adjustments for records

The announced zero General Increase and adjustments for records relevant to policy year 2017/2018 will be applied to the net premium applicable for policy year 2016/2017 (gross premium less commission if applicable). Once the XS reinsurance cost for policy year 2017/2018 is known, the old XS reinsurance cost will be taken out of the new net premium and replaced with the new cost of the XS reinsurance applicable for policy year 2017/2018. Thereafter (if applicable) the commission will be calculated/added and the new gross premium will be arrived at.

### Payment of Premium

Premiums are to be paid in accordance with the enclosed "Procedures for Payment of Premium".

### Limit of Liability

The overall liability of the Association for 2017/2018 is, unless otherwise stated in the Policy or in the P&I Rules, limited to a maximum collection of a 2.5 % contribution for each entered vessel, based on the International Convention on Limitation of Liability for Maritime Claims 1976, property claims Article 6 paragraph 1(b), in excess of reinsurance jointly placed by the International Group. (See also current P&I Rules, "Appendix") The limit of liability for Oil Pollution is USD 1 billion. In respect of P&I Excess War Risk Cover, the limit is USD 500 million and in respect of war liabilities arising from Bio-Chem etc, the limit is USD 30 million. For passenger and seaman risks, the limit is USD 3 billion with a sub-limit of USD 2 billion for passenger claims only.

### Lay-up Returns

Members are allowed up to 50 % premium returns for vessels laid up in a safe port for more than thirty (30) consecutive days, if the vessel has only watchmen and no cargo onboard. No premium return is granted for vessels less than 500 GT, or for tugs, barges or passenger ships/ferries in coastal trade.

A claim for lay-up returns should be made to the Association as soon as possible, however, and at the latest 3 months after expiry of the policy year. Sufficient information has to be supplied in order for the Association to calculate the return. A lay-up return application form is enclosed.

### Old years

The release call percentages reflect an assessment of the risk that it could become necessary for the Club to levy an unbudgeted supplementary call. The assessment is made by examining the factors set out in the International Group Agreement, notably premium risk, catastrophe risk, reserve risk, counterparty risk, market risk and operational risk.

The current position of the open years as decided by the board in December 2016 is as follows:

Year	Status	Estimated Supplementary Call	Release Call
2014/2015	Open	0 %	5 %
2015/2016	Open	0 %	8 %
2016/2017	Open	0 %	15 %
2017/2018	Open	0 %	15 %

### Charterers' Limited Liability Cover

For 2017/2018 the Association also offers limited cover for Charterers including Charterers' Liability to Hull. The overall maximum is limited, but may be arranged up to USD 750 million for any claim or occurrence. For further details, please contact each Team respectively.

### Special covers

Further information of reinsurance, special covers, US trading et cetera will be provided prior to the new Policy Year.

Yours faithfully,  
The Swedish Club



Lars Rhodin

### Enclosures:

- P&I Rule changes 2017/2018
- Procedures for payment of premium
- Lay-up return



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## Summary changes 2017/2018

### **Rule 3 Section 1**

One paragraph concerning crew repatriation costs under the Maritime Labour Convention 2006 (MLC 2006) has been deleted since those costs are dealt with by a new Rule drafted by the International Group. The new Rule is in Annex II (the MLC Extension Clause).

### **Rule 3 Section 4**

Two paragraphs concerning crew repatriation costs under MLC 2006 have been deleted and replaced by the MLC Extension Clause in Annex II.

### **Rule 6 Section 1**

The reference to the York/Antwerp Rules has been updated.

### **Rule 9**

The Rule concerning Charterer's liability cover has been deleted since the Club will produce a separate set of rules for that cover.

### **Rule 12**

Certificates issued under STOPIA and the MLC 2006 have been added to the list of securities for which the war and nuclear exclusions do not apply.

### **Rule 34**

This Rule previously referred to STOPIA (Small Tanker Oil Pollution Agreement) only. A reference to TOPIA (Tanker Oil Pollution Agreement) has been included in line with other clubs' rules.

### **Appendix II Rule 2 (old)**

The Rule concerning consortium claims has been deleted since this type of claim is dealt with in the new set of rules for Charterer's cover.

### **Appendix II Rule 2 (new)**

This is a new Rule drafted by the International Group. The purpose of the Rule is to codify that the Club cover liabilities under MLC 2006, which are not covered elsewhere under the P&I Rules, only on a loan basis. In addition, there are some other restrictions in the "cover". The reason for this Rule is that the certificates of financial security issued by clubs under MLC 2006 include some risks that are not covered by the P&I insurance (e.g. repatriation costs and 4 months salaries in case of insolvency).

## Rule 3

### English - Rule 3 Liabilities in respect of persons

#### Section 1 Injury, illness, repatriation and death – crew

- (a) Liability under the terms of a crew agreement or other contract of service or employment to pay damages or compensation for personal injury, illness or death of any member of the crew of the entered ship who is on board or proceeding to or from that ship.
- (b) Hospital, medical, repatriation, funeral or other expenses necessarily incurred in relation to any member of the crew who is on board or proceeding to or from that ship.
- (c) Travelling expenses in providing a substitute as a consequence of injury, illness or death of any member of the crew who is on board or proceeding to or from that ship.
- (d) Costs or expenses as specified under (b) above incurred for injury, illness or death of relatives of any member of the crew while on board the entered ship.
- (e) Costs for repatriation of the crew necessarily incurred in consequence of the actual or constructive total loss of the entered ship or a major casualty rendering the ship unseaworthy and necessitating the signing off of the crew.
- (f) Liability arising on grounds other than under (a) above to pay damages or compensation for personal injury, illness or death of any member of the crew of the entered ship who is on board or proceeding to or from that ship.
- ~~(g) Costs for repatriation of the crew under the 2006 Maritime Labour Convention that are not covered elsewhere by these Rules up to an aggregate amount of USD 9 million. The Association shall pay that claim as agent only of the Member, and the Member shall be liable to reimburse the Association for the full amount of such claim.~~

### Swedish – Regel 3 Ansvar för personer

#### § 1 Personskada, sjukdom, hemresa och dödsfall - besättning

- (a) Ansvar till följd av avtal för personskada, sjukdom eller dödsfall som drabbat medlem av det försäkrade fartygets besättning ombord eller på väg till eller från fartyget.
- (b) Kostnader för sjukvård, hemresa, begravning eller andra utgifter som åvilar försäkringstagaren och som hänför sig till händelse som drabbat medlem av fartygets besättning ombord eller på väg till eller från fartyget.
- (c) Resekostnader för avlösare i samband med personskada, sjukdom eller dödsfall som drabbat medlem av det försäkrade fartygets besättning ombord eller på väg till eller från fartyget.
- (d) Kostnader eller utgifter enligt (b) ovan som försäkringstagaren fått vidkännas för personskada, sjukdom eller dödsfall som ombord på det försäkrade fartyget drabbat anhörig till medlem av dess besättning.
- (e) Kostnader för hemresa som åvilar försäkringstagaren beträffande medlem av fartygets besättning vid det försäkrade fartygets totalförlust eller vid haveri av sådan omfattning att fartyget blivit osjövärdigt och avmönstring av besättningen nödvändiggjorts.
- (f) Ansvar på annan grund än enligt (a) ovan för personskada, sjukdom eller dödsfall som drabbat medlem av det försäkrade fartygets besättning ombord eller på väg till eller från fartyget.

~~(g) Kostnader för hemresa som åvilar försäkringstagaren beträffande medlem av fartygets besättning enligt 2006 Maritime Labour Convention i den mån sådant ansvar inte reglerats särskilt i dessa villkor upp till en sammanlagd summa om USD 9 miljoner. Föreningen fullgör sådan kostnad som ombud för försäkringstagaren och försäkringstagaren skall ansvara för att utbetald ersättning återbetalas till Föreningen till fullo.~~

**Comment:** There is no material change to the Rule. The deleted text is essentially replaced by the new “MLC Extension Clause” in Annex II.

## English – Rule 3 Liabilities in respect of persons

### Section 4 Payment of crew claims

(a) Notwithstanding the provisions of Rules 2 and 26, where a Member has failed to discharge a legal liability to pay damages or compensation for

~~(i) personal injury, illness or death of a seaman provided always that the seaman or dependent has no enforceable right of recovery against any other party and would otherwise be uncompensated, or~~

~~(ii) repatriation of a seaman in accordance with 2006 Maritime Labour Convention,~~

the Association shall discharge or pay such claim on the Member’s behalf directly to such seaman or dependent thereof.

(b) subject to (c) below, the amount payable by the Association shall under no circumstances exceed the amount which the Member would have been able to recover from the Association under the Rules and the Member’s terms of entry,

(c) ~~subject to (d) below,~~ where the Association is under no liability to the Member in respect of such claim in accordance with Rule 26 by reason of termination for non-payment of amounts due to the Association, the Association shall nevertheless discharge or pay that claim to the extent only that it arises from an event occurring prior to the date of cancellation, but as agent only of the Member, and the Member shall be liable to reimburse the Association for the full amount of such claim.

~~(d) regarding repatriation costs referred to in Rule 3 Section 1 (g), where the Association is under no liability to the Member in respect of such claim in accordance with Rule 26 by reason of termination for non-payment of amounts due to the Association, or by reason of cessation in accordance with Rule 27, the Association shall nevertheless discharge or pay that claim unless the Association has given a three month written notice of cancellation and the notice period has expired, or the vessel has been sold as per Rule 27 (c) or the Association is unable to pay any claim with reference to Rule 11 Section 4.~~

## Swedish – Regel 3 Ansvar för personer

### § 4 Betalning av ersättningsanspråk från besättningsmedlem

(a) För det fall en försäkringstagare inte har fullgjort förpliktelse att ersätta ansvar, kostnader eller utgift avseende

(i) besättningsmedlemmens personskada, sjukdom eller dödsfall under förutsättning att besättningsmedlemmen eller dennes försörjningsberättigade inte kan hävda någon verkställbar rätt till ersättning från annan part och annars skulle bli utan ersättning ~~eller,~~

~~(ii) hemresa för besättningsmedlemmen enligt 2006 Maritime Labour Convention~~ skall Föreningen, oavsett vad som sägs i Reglerna 2 och 26, fullgöra sådan förpliktelse för försäkringstagarens räkning, antingen direkt till besättningsmedlemmen eller till dennes försörjningsberättigade.

(b) med reservation för (c) nedan, skall beloppet som utbetalas av Föreningen inte under några omständigheter överskrida det belopp som försäkringstagaren skulle kunnat erhålla från Föreningen i enlighet med dessa villkor,

~~(c) med reservation för (d) nedan,~~ för det fall Föreningen inte har någon ansvarighet för anspråk framställda av försäkringstagaren i enlighet med Regel 26 avseende uppsägning på grund av förfallna fordringar, skall Föreningen ändå fullgöra betalningsanspråket i den utsträckning som ansvaret, kostnaden eller utgiften orsakats av händelse som inträffat före uppsägningen. Föreningen fullgör sådant ansvar, kostnad eller utgift som ombud för försäkringstagaren. Försäkringstagaren skall ansvara för att utbetald ersättning återbetalas till Föreningen till fullo.

~~(d) kostnader som avses i Regel 3 § 1 (g) skall ersättas oavsett vad som sägs i Regel 26 om uppsägning av försäkringen på grund av obetalda premier eller kostnader samt Regel 27 om upphörande av försäkring, såvida ej Föreningen sagt upp försäkringen till upphörande efter tre månader och försäkringen därefter upphört, eller fartyget har övergått till annan ägare enligt Regel 27 (c), eller Föreningens ansvarighet är undantagen enligt Regel 11 § 4.~~

**Comment:** There is no material change to the Rule. The deleted text is essentially replaced by the new "MLC Extension Clause" in Annex II.

## Rule 6

### English – Rule 6 Liabilities in respect of pollution

#### Section 1 Pollution liabilities

Liabilities, costs or expenses incurred as a result of the discharge or escape from the entered ship of oil or any other substance or the threat of such discharge or escape unless such liabilities, costs or expenses form part or could form part of General Average under the York/Antwerp Rules 1994 **or 2016**.

Unless the Association shall otherwise decide, there is no cover in respect of any liability for loss, damage, costs and expenses arising as a consequence of the discharge or escape, or the threat of discharge or escape, of any hazardous waste previously carried on the vessel from any landbased dump, storage or disposal facility.

### Swedish – Regel 6 Ansvar för utsläpp

#### § 1 Ansvar för utsläpp av olja eller annat ämne

Ansvar, kostnader eller utgifter som uppkommit till följd av utsläpp från det försäkradefartyget av olja eller annat ämne eller fara för sådant utsläpp såvida inte ansvaret, kostnaden eller utgiften är eller skulle kunna bli föremål för ersättning i gemensamt haveri enligt 1994 **eller 2016** års York/Antwerpen-regler.

Om Föreningen inte beslutar annat, ansvar, kostnader eller utgifter som uppkommit till följd av utsläpp eller fara för utsläpp av farligt avfall som tidigare transporterats ombord på det försäkrade fartyget, från landbaserad dumpningsplats, förvaring eller destruktionsanläggning.

**Comment:** The reference to the 1994 York/Antwerp Rules has been replaced by a reference to the 2016 York/Antwerp Rules.

## Rule 9 Charterers' liability

### English – ~~Rule 9 Charterers' liability~~

Liabilities, costs or expenses under Rules 3-8 incurred by the Member in his capacity of charterer of the entered ship. However, the liability of the Association is subject to the following conditions, exclusions and limitations

- (a) all exclusions and limitations applicable to the cover of a Member who has entered his ship for Owner's risks,
- (b) liability in excess of the amount to which the Member should have been able to limit his liability if he had been the registered Owner of the entered ship, (c) liability in respect of loss of or damage to the entered ship or equipment, spare parts and stores on board,
- (d) the Association's liability for any and all claims in respect of a Charterer's liability shall be limited to such sum or sums and be subject to such terms and conditions as the Association may from time to time determine,
- (e) unless otherwise agreed the Association is not liable for consortium claims (see Appendix II, Rule 2),
- (f) a consortium agreement must be submitted and approved by the Association,
- (g) the Association's liability in respect of a consortium claim shall be limited to such sum or sums and be subject to such terms and conditions as the Association may from time to time determine and the aggregate amount recoverable from the Association and/or all other Associations participating in the Pooling Agreement for consortium claims arising out of one and the same incident or occurrence shall not exceed that limit (see Appendix II, Rule 2). The Member is not entitled to laid-up returns as provided in Rule 29.

### Swedish – ~~Regel 9 Befraktares ansvar~~

Ansvar, kostnader eller utgifter enligt Reglerna 3-8 som drabbat försäkringstagaren i hans egenskap av befraktare av det försäkrade fartyget. För Föreningens ansvarighet gäller följande villkor, undantag och begränsningar

- (a) de undantag och begränsningar som gäller vid försäkring av redares ansvar,
- (b) ansvar överstigande det belopp vartill försäkringstagaren kunnat begränsa sitt ansvar om han varit det försäkrade fartygets ägare,
- (c) ansvar för förlust av eller skada på det försäkrade fartyget, dess tillbehör, utrustning eller förråd,
- (d) Föreningens ansvarighet för krav avseende befraktares ansvar är begränsad till det belopp och underkastad de villkor som Föreningen föreskriver,
- (e) om ej annat överenskommit har Föreningen ingen ansvarighet för konsortiumkrav (se Appendix II, Regel 2),
- (f) konsortiumavtal måste inlämnas till och godkännas av Föreningen,
- (g) Föreningens ansvarighet med avseende på konsortiumkrav begränsas till det belopp och lyder under de villkor som Föreningen föreskriver. Det sammanlagda belopp som kan erhållas från Föreningen och/eller annan part i Pool-avtalet för konsortiumkrav avseende ansvar som har sitt ursprung i en och samma skada eller händelse skall inte överskrida detta begränsningsbelopp (se Appendix II, Regel 2). Försäkringstagaren är inte berättigad till premienedsättning enligt Regel 29.

**Comment:** Rule 9 is replaced by a new set of Charterers rules.

## Rule 12

### English – Rule 12 Security for claims and certificates

In no circumstances shall the Association be obliged to provide security to obtain the release of or to prevent the arrest or attachment of the entered ship or of any property or assets of the Member.

The Member shall upon demand reimburse to the Association such sum or sums as the Association has paid on behalf of the Member under any bail, guarantee, certificate or security whatsoever provided by the Association to the extent that such payment in the opinion of the Association is in respect of liabilities, costs and expenses not recoverable from the Association.

Notwithstanding the exclusions in Rule 11 Sections 5 and 7, the Association will discharge on behalf of the Member liabilities, costs, expenses arising under a demand made pursuant to the issue by the Association on behalf of the Member of

- (a) a guarantee or other undertaking given by the Association to the Federal Maritime commission under Section 2 of US Public Law 89-777, or
- (b) a certificate issued by the Association in compliance with Article VII of the International Conventions on Civil Liability for Oil Pollution Damage 1969 or 1992 or any amendments thereof, or
- (c) an undertaking given by the Association to the International Oil Compensation Fund 1992 in connection with the Small Tanker Oil Pollution Indemnification Agreement (STOPIA) or Tanker Oil Pollution Indemnification Agreement (TOPIA), or
- (d) a certificate issued by the Association in compliance with Article 7 of the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001
- (e) a certificate issued by the Association pursuant to Article 12 of the Nairobi International Convention on the Removal of Wrecks, 2007.
- (f) a certificate in compliance with Regulation 2.5.2, Standard A2.5.2 and Regulation 4.2, 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

Provided always that

- (i) The Member shall indemnify the Association to the extent that any payment under any such guarantee, undertaking or certificate in discharge of the said liabilities, costs and expenses is or would have been recoverable in whole or in part under a standard P&I war risk policy had the Member complied with the terms and conditions thereof, and
- (ii) the Member agrees that
  - (a) any payment by the Association under any such guarantee, undertaking or certificate in discharge of the said liabilities, costs and expenses shall, to the extent of any amount recovered under any policy of insurance or extension to the cover provided by the Association, be by way of loan; and
  - (b) there shall be assigned to the Association to the extent and on the terms that it determines in its discretion to be practicable all the rights of the Member under any other insurance and against any third party.

## Swedish - Regel 12 Certifikat och ställande av säkerhet

Föreningen är inte skyldig att ställa säkerhet för att häva eller förhindra kvarstad av försäkringstagarens fartyg, egendom eller tillgångar.

Försäkringstagaren skall efter anmodan återbetala till Föreningen sådan ersättning som Föreningen utbetalt för försäkringstagarens räkning under certifikat eller säkerhet som utfärdats av Föreningen i den utsträckning ansvar, kostnader eller utgifter enligt Föreningens uppfattning ej ersätts under dessa villkor. Oavsett vad som sägs i Regel 11, §§ 5 och 7, skall Föreningen fullgöra åtagande under av Föreningen, för försäkringstagarens räkning, utfärdad

(a) garanti eller annan utfästelse ställd av Föreningen till Federal Maritime Commission enligt paragraf 2 i US Public Law 89-777, eller

(b) certifikat utfärdat av Föreningen enligt Artikel VII i 1969 internationella konvention samt 1992 års tilläggsprotokoll om ansvarighet för skada orsakad av förorening genom olja, samt varje ändring härav, eller

(c) utfästelse gjord av Föreningen till 1992 års internationella fond för ersättning av skada orsakad av förorening genom olja i samband med Small Tanker Oil Pollution Indemnification Agreement (STOPIA) eller Tanker Oil Pollution Indemnification Agreement (TOPIA), eller

(d) certifikat utfärdat av Föreningen i enlighet med Artikel 7 i 2001 års internationella konvention om ansvarighet för skada orsakad av förorening genom bunkerolja,

(e) certifikat utfärdat av Föreningen i enlighet med Artikel 12 i 2007 års internationella Nairobikonvention om avlägsnande av vrak,

(f) certifikat utfärdat av Föreningen i enlighet med Regulation 2.5.2, Standard A2.5.2, Regulation 4.2 och Standard A4.2.1 (b) i Maritime Labour Convention 2006 samt varje ändring härav (MLC 2006) eller motsvarande lagstiftning som syftar till att implementera MLC 2006

under förutsättning att:

(i) försäkringstagaren håller Föreningen skadelös i den utsträckning som utbetalning under sådan garanti, utfästelse eller certifikat helt eller delvis täcks eller skulle ha täckts under en normal P&I-krigsriskförsäkring om försäkringstagaren uppfyllt de villkor som stadgas däri, och

(ii) försäkringstagaren samtycker till att:

(a) varje utbetalning gjord av Föreningen för att fullgöra ansvar, kostnader eller utgifter under sådan garanti, utfästelse eller certifikat skall utgöra ett lån till försäkringstagaren i den utsträckning ersättning uppburits under någon annan försäkring eller tillägg till P&I-försäkringen;

(b) till Föreningen överlåta, i den utsträckning och enligt de villkor som Föreningen bestämmer, alla försäkringstagarens rättigheter under varje annan försäkring och gentemot tredje man.

**Comment:** Certificates issued under TOPIA has been added to the list of certificates for which the war and nuclear exclusions do not apply since TOPIA has been included into the Rules (see amendment under Rule 34). There is also a new paragraph adding certificates issued under Maritime Labour Convention to the list.



## Rule 34

### English – Rule 34 ~~TOPIA and STOPIA Small Tanker Oil Pollution Indemnification Agreement (STOPIA)~~

A Member insured in respect of a ship which is a “Relevant Ship” as defined in the ~~Tanker Oil Pollution Indemnification Agreement (TOPIA) or~~ Small Tanker Oil Pollution Indemnification Agreement (STOPIA), ~~as amended~~, shall, by virtue of entry with the Association, and unless the Association otherwise agrees in writing, become a party to ~~TOPIA or, if applicable,~~ STOPIA for the period of entry of that ship in the Association. In the event that the Member exercises his rights under ~~TOPIA, or, if applicable,~~ STOPIA, to withdraw from that agreement, and unless the Association has agreed in writing, there shall be no cover under Rule 6 in respect of such ship so long as the Member is not a party to ~~TOPIA, or, if applicable,~~ STOPIA.

### Swedish – Regel 34 ~~TOPIA och STOPIA Small Tanker Oil Pollution Indemnification Agreement (STOPIA)~~

Försäkringstagare som försäkrat fartyg som är definierat som ”Relevant Ship” i ~~Tanker Oil Pollution Indemnification Agreement (TOPIA) eller~~ Small Tanker Oil Pollution Indemnification Agreement (STOPIA) inträder som part i ~~TOPIA eller, om tillämpligt,~~ STOPIA ~~samt varje ändring härav~~ från det att P&I-försäkring tecknas och förblir part under den period fartyget är försäkrat av Föreningen om Föreningen inte skriftligen bekräftar annat. Om försäkringstagaren utnyttjar sin rätt under ~~TOPIA eller, om tillämpligt,~~ STOPIA att frånträda avtalet och om Föreningen inte skriftligen godkänt detta, omfattar Föreningens ansvarighet inte försäkringstagarens ansvar, kostnader eller utgifter under Regel 6 avseende sådant fartyg så länge försäkringstagaren inte är part i ~~TOPIA eller, om tillämpligt,~~ STOPIA.

**Comment:** A reference to Tanker Oil Pollution Indemnification Agreement (TOPIA) has been added making the rule applicable also to TOPIA, which is the corresponding agreement for larger taker vessels, in line with other clubs’ rules. The wording “as amended” has been added to underline that the latest version of STOPIA and TOPIA is referred to.

## Appendix II, Rule 2

### English – Appendix II, Rule 2 Consortium claims

#### Definitions

For the purpose of Rule 9 in Rules for P&I Insurance the following words or expressions shall mean:

~~Consortium Agreement: any arrangement under which a Member agrees with other parties to the reciprocal exchange or sharing of cargo space on the entered ship and consortium vessels.~~

~~Consortium Vessel: a ship or space thereon, not being the entered ship, employed to carry cargo under a consortium agreement.~~

~~Consortium Claim: a claim shall be a consortium claim where:~~

~~(a) it arises under a P&I entry of an insured ship; and~~

~~(b) it arises out of the carriage of cargo on a consortium vessel; and~~

~~(c) the Member and the operator of the consortium vessel are parties to a consortium agreement; and~~

~~(d) at the time of the entry of the Member in respect of consortium claims, the Member employs an insured vessel pursuant to that consortium agreement.~~

~~Limitation of cover: The aggregate of all claims recoverable from the Association or and/or all other associations participating in the Pooling Agreement from any one consortium ship shall not exceed USD 350 million any one event.~~

### Swedish – Appendix II, Regel 2 Konsortiumkrav

#### Definitioner

Följande ord eller uttryck i Regel 9 i P&I villkoren skall ha följande innebörd:

~~Konsortiumavtal: varje överenskommelse enligt vilken en försäkringstagare avtalar med andra parter om ett ömsesidigt utbyte av eller om delat lastutrymme i det försäkrade fartyget och konsortiumfartyg.~~

~~Konsortiumfartyg: ett fartyg, eller utrymme däri, som inte är det försäkrade fartyget, och som används för att transportera last enligt ett konsortiumavtal.~~

~~Konsortiumkrav: ett krav är ett konsortiumkrav när:~~

~~(a) det uppkommer under försäkringsavtalet; och~~

~~(b) det uppkommer med anledning av transport av last på ett konsortiumfartyg; och~~

~~(c) Försäkringstagaren och redaren för konsortiumfartyget är parter i ett konsortiumavtal; och~~

~~(d) försäkringstagaren använde ett försäkrat fartyg i enlighet med konsortiumavtalet vid den tidpunkt då försäkringstagaren tecknade försäkring med avseende på konsortiumanspråk.~~

~~Begränsning av försäkringsskyddet:~~

~~Summan av alla ersättningsanspråk som täcks av Föreningen och/eller alla andra parter i Pool-avtalet för varje konsortiumfartyg, skall inte överskrida USD 350 miljoner för varje enskild händelse.~~

**Comment:** Appendix II Rule 2 is replaced by a new set of Charterer's rules.

## English – Maritime Labour Convention (2006) Extension Rule

### Appendix II Rule 2

Subject only to the other provisions of this Rule, the Association shall discharge and pay on the Member's behalf under the 2006 Maritime Labour Convention, as amended (MLC 2006) or domestic legislation by a State Party implementing MLC 2006:

(a) Liabilities in respect of outstanding wages and repatriation of a seafarer together with costs and expenses incidental thereto in accordance with Regulation 2.5, Standard A2.5 and Guideline B2.5 of MLC 2006; and

(b) Liabilities in respect of compensating a seafarer for death or long-term disability in accordance with Regulation 4.2, Standard A4.2 and Guideline B4.2 of MLC 2006.

The Member shall reimburse the Association in full any claim paid under paragraphs (a) and (b) save to the extent that such claim is in respect of liabilities, costs or expenses recoverable elsewhere under these Rules.

There shall be no payment under paragraph (a) or paragraph (b) if and to the extent that the liability, cost or expense is recoverable under any social security scheme or fund, separate insurance or any other similar arrangement.

The Association shall not discharge or pay any liabilities, costs or expenses under paragraph (a) or paragraph (b), irrespective of whether a contributory cause of the same being incurred was any neglect on the part of the Member or the Member's servants or agents, where such liabilities, costs or expenses were directly or indirectly caused by or contributed to or arise from:

(c) Any chemical, biological, bio-chemical or electromagnetic weapon

(d) The use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, computer virus or process or any other electronic system.

(e) The obligations of the Association under this Rule may be cancelled in respect of War Risks by the Association on 30 days' notice to the Member (such cancellation becoming effective on the expiry of 30 days from midnight of the day on which notice of cancellation is issued).

(f) Whether or not such notice of cancellation has been given the obligations of the Association under this Rule shall terminate automatically in respect of the War Risks:

(i) Upon the outbreak of war (whether there be a declaration of war or not) between any of the following:

United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China;

(ii) In respect of any ship, in connection with which cover is granted hereunder, in the event of such ship being requisitioned either for title or use.

(g) The obligations of the Association under this Rule excludes loss, damage, liability or expense arising from:

(i) The outbreak of war (whether there be a declaration of war or not) between any of the following: the UK, the USA, France, The Russian Federation, the People's Republic of China;

(ii) Requisition for title or use.

This Rule is subject to Rule 11 Sections 4 and 7, and Rule 18.

The Associations obligations under this Rule shall cease 30 days after notice of termination in accordance with either Regulation 2.5, Standard A2.5.2.11 or Regulation 4.2, Standard A4.2.12.

For the purpose of this Rule:

“Member” means any insured party who is liable for the payment of calls, contributions, premium or other sums due under the terms of entry

“Seafarer” shall have the same meaning as in MLC 2006.

“War Risks” means the risks set out in Rule 11:5.

## Swedish - Tilläggbestämmelse avseende Maritime Labour Convention (2006)

### Appendix II Regel 2

Med reservation endast för vad som sägs i denna regel skall Föreningen fullgöra för försäkringstagarens räkning enligt 2006 Maritime Labour Convention (MLC 2006) eller motsvarande lagstiftning som syftar till att implementera MLC 2006:

(a) Ansvar, kostnader och utgifter för utestående löner och repatriering av besättningsmedlem enligt bestämmelse 2.5, standard A2.5 och riktlinje B2.5 i MLC 2006.

(b) Ansvar till följd av dödsfall eller långvarig funktionsnedsättning enligt bestämmelse 4.2, standard A4.2 och riktlinje B4.2 i MLC 2006.

Försäkringstagaren skall ersätta Föreningen för varje utbetalt belopp under (a) och (b) såvida inte ansvaret, kostnaden eller utgiften regleras särskilt i dessa villkor.

Föreningen har ingen skyldighet att fullgöra ett betalningsanspråk enligt (a) eller (b) om ansvaret, kostnaden eller utgifter är ersättningsbar enligt någon socialförsäkring, annan försäkring eller liknande arrangemang.

Föreningen skall inte ersätta ansvar, kostnader eller utgifter enligt (a) eller (b) oavsett om en bidragande faktor var försäkringstagarens vårdslöshet eller vårdslöshet av någon för vilken försäkringstagaren svarar, om ansvar kostnader eller utgifter direkt eller indirekt uppstår helt eller delvis på grund av:

(c) kemiska, biologiska, bio-kemiska eller elektromagnetiska vapen

(d) användade av någon dator, datorsystem, mjukvara, datavirus eller process eller annat elektroniskt system i syfte att orsaka skada

(e) Föreningen kan skriftligen meddela att Föreningens ansvar enligt denna regel upphör avseende krigsrisker efter 30 dagar (Föreningens ansvar upphör vid utgången av den 30:e dagen från midnatt den dagen som meddelandet skickades)

(f) Oavsett om Föreningen har skickat sådant meddelande upphör Föreningens ansvar enligt denna regel avseende krigsrisker:

(i) Vid krig (oavsett om det skett en krigsförklaring) mellan något av följande länder: Storbritannien, Amerikas förenta stater, Frankrike, Ryssland, Kina

(ii) Vid rekvisition av fartyget för vilket Föreningen har ansvar enligt denna regel

(g) Från Föreningens ansvarighet enligt denna regel undantages ansvar, kostnader eller utgifter, som uppstår med anledning av:

(i) Krig (oavsett om det skett en krigsförklaring) mellan något av följande länder: Storbritannien, Amerikas förenta stater, Frankrike, Ryssland, Kina

(ii) Rekvisition av fartyget för vilket Föreningen har ansvar enligt denna regel

Denna regel är underkastad Regel 11 §§ 4 och 7, samt Regel 18.

Föreningens ansvar enligt denna regel skall upphöra 30 dagar efter meddelande därom har skickats enligt antingen bestämmelse 2.5, standard A2.5.2.11 eller bestämmelse 4.2, standard A4.2.12.

Ord i denna regel skall ha följande innebörd:

“Försäkringstagare” innebär den eller de försäkringstagare som har ansvar för premier och andra förfallna belopp enligt P&I villkoren

“Besättningsmedlem” har samma betydelse som i MLC 2006

“Krigsrisker” har samma betydelse som i Regel 11 § 5

**Comment:** This is a new Rule which is common for all P&I clubs. It serves purpose to codify that the Club cover liabilities under MLC 2006, which are not covered elsewhere under the P&I Rules, only on a loan basis and also subject some other restrictions. The reason for this arrangement is that the certificates of financial security issued by clubs under MLC 2006 include risks that are not covered by the P&I insurance (e.g. repatriation costs and 4 months salaries in case of insolvency).



## Procedures for payment of premium

- Debit notes will be mailed to Members/Brokers one month prior to due date in order to provide ample time for arranging payment.
- To speed up the transfer of funds we recommend an electronic payment order. Cross-border payments should always be effected with relevant IBAN, our bank's name, address and SWIFT address (Bank-/BIC-Code) being HANDSESS to ensure an easy and quick settlement. The debit note reference number (i.e. invoice number) should always be stated on the payment order, enabling the Club's accounting department to quickly trace the payment.
- At renewals and risk attachments, debit notes for the first instalment might not have been received prior to due date. In such cases Members are requested to transfer the outstanding amount prior to receiving the debit note.
- In case premiums are not received by the Club on the due date, interest calculated at one per cent (1 %) per month will be charged from the day after the due date. The interest will be debited per calendar quarters.
- Should premiums still be outstanding 30 days after the due date, the Club may issue a notice of cancellation to the Member and relevant Mortgagees.







