

2 December 2009



**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 New City Court, 20 St Thomas Street, London SE1 9RR, on Tuesday 19 January 2010 at 9.30a.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 2010 in the manner described in the Schedule attached to the Notice of the Meeting dated 2 December 2009.”

The Schedule appears overleaf.

By order of the Committee.

A. F. Gosden
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.

This Circular should not be placed in the Binder

SCHEDULE

Proposed Rule changes with effect from 20 February 2010

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

AAA

Rule 8(6) Communications

Amend the Rule as follows:

Unless the Managers have otherwise agreed in writing, all communication from or on behalf of the Association [~~shall be sent to the Senior Member and~~] to any Joint Member shall be deemed to be within the knowledge of all the Joint Members and any communication from [~~the Senior Member~~] any Joint Member to the Association or to the Managers shall be deemed to have been made with the full approval and authority of all the Joint Members.

EXPLANATION: The amendment brings Rule 8(6) into line with the other provisions of Rule 8. Communication from or to any Joint Member will bind all the Joint Members, in the same way that the actions of any Joint Member may be deemed to be the actions of all Joint Members.

BBB

Rule 11(3) Exceptional Calls

Amend the Rule as follows:

In addition to any Deferred Call the Committee may at any time or times during or after the end of each Policy Year (but not after such Policy Year has been closed in accordance with Rule 37(1)) direct that an Exceptional Call shall be paid by each Member in respect of Ships entered for such Policy Year of such amount as the Committee may think fit. All Exceptional Calls so made shall be calculated pro rata to the [~~Advance~~] total Call, being the aggregate of the Advance Call (less any returns of Call) and the Deferred Call, in the relevant Policy Year.

EXPLANATION: This amends the calculation of Exceptional Calls to bring it into line with industry practice.

CCC

Rule 13 Laid-up Returns

Amend the Rule as follows:

Subject to any terms and conditions which may have been agreed in accordance with the provisions of Rule 6(5), if an Entered Ship shall be and shall remain in any safe port or place for a period of thirty or more

consecutive days after finally mooring there (such period being computed from the day on which she finally moored to the day of departure, one day only being excluded), and the said Entered Ship shall be completely free of cargo, the Member shall be allowed a return of Calls payable in respect of such Ship for the said period, such return being calculated at a rate of not more than 50% on a pro rata daily basis. If during such period the Ship is also without crew the return shall be as aforesaid but at a rate of not more than 95%. The return of Calls referred to herein shall be calculated after the deduction of such amount for reinsurance, liabilities of the Association under the Pooling Agreement and administrative expenses as the Managers may from time to time determine. No return of Calls shall be made by the Association unless the Managers receive written notification within ~~twelve~~ three months of the end of the period in respect of which the returns are claimed.

Provided always that

(i) the Managers shall determine whether the port or place is a safe port or place for the purposes of this Rule; and

(ii) there shall be no return of Calls in respect of Overspill Calls.

EXPLANATION: The amendment shortens the period in which a Member must notify the Managers of a lay-up to three months from the end of the lay-up. This will allow the Association to determine its premium income at an earlier date, but still leave the Member a reasonable period within which notice must be given. The first proviso clarifies that the issue of whether the ship was in a safe port or place shall be determined by the Managers. The second proviso excludes Overspill Calls from the operation of the Rule.

DDD

Rule 19(15) Contracts of Indemnity or Guarantee

Amend the Rule as follows:

Liability which a Member may incur, together with costs and expenses incidental thereto, for illness or death of, or injury to, any person or for loss of, or damage to, cargo (subject to Rule 20(4)) or other property, arising under the terms of a contract made by the Member in relation to services to be provided to or by an Entered Ship.

EXPLANATION: The amendment widens the Rule to permit the Managers to approve contracts for services to be provided by an Entered Ship.

EEE

Rule 19(17) Responsibilities in respect of Cargo proviso (iv)

Amend the Rule as follows:

Ad Valorem Bills of Lading (iv) where cargo or other property is carried under an Ad Valorem Bill of Lading or other document of title, contract of carriage or waybill, and i) the value per unit, piece or package has been stated to be in excess of USD2,500 (or the equivalent in any other currency) or ii) value has been stated whether by reference to each unit, piece or package or not, the effect of which is a loss of the right to limit liability to package limits , unless the loss does not result in liability exceeding USD2,500 per unit, piece or package, there shall be no recovery of more that USD2,500 per unit, piece or package unless the Member has given notice as soon as practicable of such higher valuation to the Managers to enable them to insure the excess at the expense of the Member or of the Association;

EXPLANATION: The amendment is to deal with declarations of value which are not per unit, piece or package, for example a declaration of an aggregate value in respect of a number of units which may have different values, the effect of which nonetheless is that the carrier may face a liability in excess of USD2,500 per unit, piece or package.

FFF

Rule 33 Cesser of All Insurances

Amend the Rule as follows:

A Member shall cease to be insured by the Association in respect of all Ships entered by him upon the happening of any of the following events:

Failure of 33(3) Corporation If, being a corporation, ~~[it be wound up by an order of the court or by an effective resolution being passed for voluntary winding up or it be dissolved]~~ an effective resolution is passed for voluntary winding up or it applies to the court to be wound up or an order is made by the court for its compulsory winding up or it is dissolved or upon the appointment of a receiver or manager in respect of all or part of the corporation's business or upon possession being taken of any property of the corporation under the provisions of a charge secured upon that property or upon its commencing proceedings under any bankruptcy or insolvency laws to seek protection from its creditors or to re-organise its affairs.

EXPLANATION: This is to clarify that cesser of a Member's insurances will occur upon the Member commencing the process of winding up.

GGG

Rule 35 Effect of Cesser

Amend the Rule as follows:

**For any 35(2)
other reason**

If the cesser of insurance or cesser of the Ship's entry shall have occurred by virtue of any other reason, the Association shall remain liable for all claims under these Rules arising by reason of any incident which occurred before the cesser but shall be under no liability whatsoever by reason of any incident which occurred after the cesser.

Provided always that:

(i) the provisions of Rule 35(1) shall apply to the contract of insurance even if the entry of the Ship shall have ceased under the provisions of Rule 33(2) (failure of individual), Rule 33(3) (failure of corporation) or Rule 34 (cesser of Ship entry) before the notice specified in Rule 33(1) (failure to pay) shall have been issued or taken effect.

EXPLANATION: Rule 35(1) provides that the Association shall not be liable for any claim, whether the incident giving rise to the claim occurred before or after the cesser of insurance, if cesser occurred because the Member, after being served a notice, failed to pay a sum due to the Association.

Proviso (i) to Rule 35(2) makes it clear that Rule 35(1) applies even if, prior to the giving of the notice or its having taken effect, cesser has occurred under Rule 34 (this terminates cover upon the happening of specified events including the transfer of the Member's interest in the ship and total loss of the ship). The amendment extends the proviso so that Rule 35(1) will also apply where cesser has occurred under Rule 33(2) (failure of an individual) or Rule 33(3) (failure of a corporation).

HHH

Rule 45 Notices

Amend the Rule as follows:

**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 a notice shall be served on ~~the Senior~~ any Joint Member and such service shall be sufficient service upon all Joint Members.

EXPLANATION: This reflects the amendment to Rule 8(6).