

V Claims

RULE 30 OBLIGATION OF THE MEMBER IN RESPECT OF CLAIMS

Notice 30(1) Every Member shall be bound to give prompt notice in writing to the Managers of every incident likely to give rise to a claim under these Rules and of any legal or arbitration proceedings commenced against him. The Member shall furnish the Managers as soon as reasonably possible thereafter with all documents or information relevant thereto.

**Mitigation 30(2)
of Loss** Upon the occurrence of any incident which may give rise to a claim under these Rules, the Member shall take such steps as at the time shall appear proper for the purpose of averting or minimising any loss, damage, expense or liability in respect of which the Member may be insured under these Rules.

Information 30(3) A Member must at all times promptly notify the Managers of any information, documents or reports in his or his agents' possession or knowledge relevant to any incident referred to under Rule 30(1) above. Further he shall, whenever so requested by the Managers, give the Association or its representatives free access to such information, documents or reports with liberty to inspect and copy the same. Such free access shall include the right to conduct a survey, or to interview any officer, servant or agent of the Member who may in the opinion of the Association be in possession of information relevant to the said incident.

**Time limit for 30(4)
notice** Every claim against the Member in respect of an incident referred to in Rule 30(1), above, shall be notified to the Association as soon as possible, but in no case later than twelve months after the Member has received notice that the claim is being, or may be, made against him in respect of such incident. The Member shall give notice to the Association in writing of the commencement of any legal or arbitration proceedings against him as soon as possible, but in no case later than 30 days after the Member has received service of the said proceedings.

**Time limit for 30(5)
reimbursement** All requests by a Member for reimbursement of any losses, costs or expenses recoverable from the Association under these Rules and the Certificate of Entry must be made to the Association within twelve months of the incurring of the loss or the payment of the cost or expense by the Member.

RULE 31 POWERS OF THE MANAGERS RELATING TO THE HANDLING AND SETTLEMENT OF CLAIMS

Control 31(1) The Managers shall have the right, if they so decide, to control or direct the conduct of any claim or legal or other proceedings relating to any matter which may result in loss, damage, expense or liability in respect of which the Member is or may be insured under these Rules and the Certificate of Entry and to require the Member to settle, compromise or otherwise dispose of such claim or proceedings in such manner and upon such terms as the Managers see fit.

Refusal 31(2) If the Member does not settle, compromise or dispose of a claim or proceedings in accordance with the requirements of the Managers under Rule 31(1) (control), any eventual recovery by the Member in respect of such claim or proceedings from the Association shall be limited to the amount he would have recovered if he had acted as required by the Managers.

Abandonment 31(3) In the event of an Entered Ship becoming an actual or constructive total loss, the Association shall, subject to the hull underwriters' rights in the matter, be entitled to request the Member concerned to abandon the Ship to the Association or to such other person (including the world at large) as the Association shall nominate. If the Member concerned does not abandon the Ship having received such a request from the Association, the Association shall not be responsible for any claim that could have been avoided had the Member abandoned the Ship as aforesaid, and the burden of proving that the claim could not have been avoided by such abandonment shall be upon the Member.

Appointment 31(4)(A) of Experts Without prejudice to any other provision of these Rules and without waiving any of the Association's rights hereunder, the Managers may at any and all times appoint on behalf of the Member, upon such terms as the Managers may think fit, lawyers, surveyors or other persons with a view to advising them upon investigating or dealing with any matter which may result in loss, damage, expense or liability in respect of which the Member is or may be insured under these Rules, including taking or defending legal or other proceedings in connection therewith. The Managers may also at any time discontinue such employment if they think fit.

(B) All lawyers, surveyors or other persons appointed by the Managers on behalf of the Member, or appointed by the Member with the prior consent of the Managers, shall at all times be and be deemed to be appointed and employed on the terms:

(i) that they have been instructed by the Member at all times (both while so acting and after having retired from the matter) to give advice and to report to the Association in connection with the matter without prior reference to the Member and to produce to the Association without prior reference to the Member any documents or information in their possession or power relating to such matter, all as if such person had been appointed to act and had at all times been acting on behalf of the Association;

(ii) that any advice they may give to the Member is that of an independent contractor employed by the Member and shall in no way bind the Association.

Bail 31(5)(A) The Association is under no obligation to provide bail or other security on behalf of any Member, but where the same is provided it shall be on such terms as the Managers may consider appropriate and shall not constitute any admission of liability by the Association for the claim in respect of which the bail or other security is given. In no case shall cash deposits be made by the Association.

(B) It shall be a condition of the provision of bail or other security on behalf of any Member, that the Member shall indemnify the Association for any costs associated with the provision of such bail or other security and for any liability the Association may incur to a third party under or in connection with such bail or other security. *Provided always* that the indemnity shall not extend to those amounts that the Member would have been entitled to recover from the Association under these Rules had he paid them directly.

RULE 32 POWERS OF THE COMMITTEE RELATING TO THE SETTLEMENT OF CLAIMS ON THE ASSOCIATION

Meetings 32(1) The Committee shall meet as often as may be required for settlement of claims which shall be paid by the Association as the Committee may determine in accordance with these Rules, but the Committee shall have power from time to time to authorise the Managers to effect payment of claims without prior reference to the Committee. No Director shall sit on the Committee while it is engaged in the settlement of any claim in which he is interested.

Claims 32(2) Without prejudice to any other provisions of these Rules the Committee shall have power in its discretion to reject a claim or reduce the sum payable by the Association in respect thereof, if:

(i) in the opinion of the Committee the Member making the claim has not taken such steps before, at the time of, or after the

incident or events giving rise to the claim, to protect his interests as he should have done or as he would have done if he had not been insured in this Class;

(ii) the Ship in respect of which the claim is submitted has ceased before the incident which gave rise to the claim to be fully classed by a classification society approved by the Managers or if the Member has failed fully and timely to comply with all the rules, recommendations and requirements of such society and the Member has failed to give notice of this cesser or failure to the Managers;

(iii) the Member has failed fully to comply with the recommendations of a surveyor appointed by the Managers under Rule 28 (classification and condition of Ships);

(iv) the claim shall have been settled, or any liability shall have been admitted, by or on behalf of, the Member without the prior consent in writing of the Managers;

(v) the Member failed to comply with a recommendation or directive made at any time by the Committee or the Managers to the Member, in connection with the handling or settlement of the claim or potential claim;

(vi) the Member shall have failed to comply with any of his obligations under Rule 30.

Interest 32(3) In no case shall a Member be entitled to be paid interest on his claim against the Association.