

# XX Administration

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**RULE 39 MANAGERS' REMUNERATION**

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The Managers shall be remunerated by the Association on such basis as may be approved by the Directors.

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**RULE 40 EMPLOYMENT OF LAWYERS AND OTHERS**

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**40.1** Without prejudice to any other provisions of these Rules and without waiving any of the Association's rights hereunder, the Managers may at any and all times appoint and employ on behalf of the Insured Owner upon such terms as the Managers may think fit lawyers, surveyors or other persons for the purpose of dealing with any matter which might give rise to a claim by an Insured Owner upon the Association, including investigating or advising upon any such matter and taking or defending legal or other proceedings in connection therewith. The Managers may also at any time discontinue such employment if they think fit.

**40.2** All lawyers, surveyors and other persons appointed by the Managers on behalf of the Insured Owner or appointed by the Insured Owner with the prior consent of the Managers shall at all times be and be deemed to be appointed and employed on the terms that they have been instructed by the Insured Owner 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 Insured Owner and to produce to the Association without prior reference to the Insured Owner 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.

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**RULE 41 POWERS OF THE MANAGERS RELATING TO THE HANDLING AND SETTLEMENT OF CLAIMS**

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**41.1** 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 liability, loss or damage in respect whereof the Insured Owner is or may be insured in whole or in part, and to

require the Insured Owner to settle, compromise or otherwise dispose of such claim or proceedings in such manner and upon such terms as the Managers see fit.

**41.2** If the Insured Owner does not settle, compromise or dispose of a claim or of proceedings after being required to do so by the Managers in accordance with Rule 41.1 any eventual recovery by the Insured Owner from the Association in respect of such claim or proceedings shall be limited to the amount he would have recovered if he had acted as required by the Managers.

**41.3** In the event of a casualty giving rise to loss or damage to an Entered Ship which may be recoverable from the Association, the Managers may take, or require the Insured Owner to take, tenders for the repair of such damage.

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**RULE 42 SUBROGATION**

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Wherever any claim shall have been paid by the Association, the Association is thereby subrogated to all the rights and remedies of the Insured Owner in and in respect of the claim as from the time of the casualty causing the loss. The Insured Owner shall afford to the Association all possible assistance in exercising the said rights of subrogation. The Insured Owner hereby authorises the Association in exercising such rights to commence any legal or other proceedings, whenever the Association may think fit, in the name of the Insured Owner on furnishing an undertaking to the Insured Owner to indemnify him in respect of the costs thereof. The Insured Owner hereby undertakes at any time upon the request of the Association to execute a formal assignment of all or any such rights to the Association or to execute a formal deed of subrogation and to produce all such information, documents and evidence as the Association may require.

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**RULE 43 INFORMATION TO BE SUPPLIED BY OWNERS**

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**43.1** Whenever so required by the Managers, an Insured Owner shall disclose to them in respect of any ship entered by him in the Association:-

**43.1.1** all information which is presently in, or which may come into, his possession, or which he may ascertain by reasonable enquiries regarding the position of any ship or her past, present or future employment;

- 43.1.2 all details of any additional insurance effected or proposed to be effected by him with parties other than the Association in respect of any interest howsoever described which is insured, or which he proposes to insure, with the Association;
- 43.1.3 the total marine insured value, that is to say the total sum for which the Entered Ship is insured for total loss under marine policies;
- 43.1.4 all such other information which the Secretary of State shall reasonably require for the purposes of the Reinsurance Agreement.

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**RULE 44 MEETINGS OF THE DIRECTORS**

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- 44.1 The Directors shall meet as often as they may consider necessary for the settlement of claims which shall be paid by the Association as the Directors may determine in accordance with these Rules and the Directors shall have power from time to time to authorise the Managers, without prior reference to the Directors, to effect payment of claims of such types and up to such sums as the Directors may determine. No Director shall act as such in the settlement of any claim in which he is interested.
- 44.2 Wherever any discretion or power is granted to the Directors under these Rules, and notwithstanding any provision in these Rules or the Articles to the contrary, the Directors shall in exercising any such discretion or power with respect to any matter in any way affecting insurance against Queen's Enemy Risks or the recovery of any claim in respect thereof have regard to or take into account or act in accordance with the views or wishes or requirements of the Secretary of State and the Association may by agreement with the Secretary of State bind the Directors not to exercise such discretions or powers without the consent of the Secretary of State and in such circumstances the discretions and powers shall not be exercised by the Directors without such consent.
- 44.3 Representatives of the Secretary of State shall be entitled to attend all meetings of Directors at which and to the extent that any matter relating to the insurance of Queen's Enemy Risks is considered.

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**RULE 45 FORBEARANCE**

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No act, omission, course of dealing, forbearance, delay or indulgence by the Association in enforcing any of these Rules or any of the terms or conditions of its policies or contracts with an Insured Owner nor any granting of time by the Association shall prejudice or affect the rights and remedies of the Association under these Rules or under such policies or contracts and no such matter shall be treated as any evidence of waiver of the Association's rights thereunder, nor shall any waiver of a breach by an Insured Owner of such Rules, policies or contracts operate as a waiver of any subsequent breach thereof. The Association shall at all times and without notice be entitled to insist on the strict application of these Rules and on the strict enforcement of its policies or contracts with Insured Owners.