

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 claim likely to give rise to Costs recoverable under these Rules and shall furnish the Managers as soon as reasonably possible with all documents or information relevant thereto.

Approval 30(2) Before incurring any Costs which may be recoverable under these Rules a Member must seek the prior approval of the Managers under Rule 31(2).

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 30(4)
limit for
notice** Every claim of the type referred to in Rule 30(1), above, shall be notified to the Association by the Member as soon as possible, but in no case later than twelve months after the Member has notice of the potential claim.

**Time limit 30(5)
for reimburse-
ment** All requests by a Member for reimbursement of any Costs recoverable from the Association under these Rules and the Certificate of Entry must be made to the Association within twelve months of the payment of the Cost by the Member.

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

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 Costs 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.

- 31(2)** It shall be a condition precedent for the recovery of Costs under these Rules that the Managers shall have given prior approval to the action giving rise to such Costs. In particular the Managers shall decide whether or not legal or other proceedings should be commenced or defended. Save only that any Costs incurred as a matter of urgency where consultation with the Managers was not practicable shall be notified to the Managers as soon as is reasonably possible and the Managers shall then decide whether or not to continue any action already commenced and not yet concluded.

- Referral 31(3)** In the case of doubt as to the advisability of commencing or continuing any legal or other proceedings in the exercise of their powers under Rules 31(1) or 31(2) the Managers shall refer the matter to the Committee for decision under Rule 32(1).

Provided always that the Managers shall in any event refer the decision to the Committee if a Member shall so request.

**Appoint-
ment 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 obtaining advice on, investigating or dealing with any matter which may result in Costs in respect of which the Member is or may be insured under these Rules. 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) The Association may give bail or other security in respect of security for Costs. 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 Costs in respect of which the bail or other security is given. In no case shall cash deposits be made by the Association.

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

32(1) Save insofar as is provided under Rule 31 (Powers of Managers) the Committee shall have sole discretion to decide which legal or other proceedings shall be commenced or defended, which claims under Rule 18 shall be taken up and as to the conduct thereof and as to the discontinuance or settlement of any such claims.

Terms 32(2) The Committee shall be entitled at any time in their absolute discretion to impose such terms as they may think fit as a condition of their continued support for a claim under Rule 18.

Small Claims 32(3) If the Committee shall be of the opinion that it is not appropriate for a Member to be supported by the Association in connection with any claim or dispute or proceedings having regard solely to the probable Costs likely to be incurred in such proceedings as compared with the amount in dispute then the Committee may in its discretion (in addition to refusing to support the Member in such proceedings) pay to the Member out of the funds of this Class of the Association the whole or any part of the claim by or against the Member as the Committee may think fit.

Costs, 32(4)(A)
losses and liabilities The Committee shall have power in its discretion to determine that the Member should be reimbursed in whole or in part for any Costs incurred for which the Association would not be liable by virtue of Rule 20.

(B) The Committee shall have power in its discretion to determine that the Member should be reimbursed in whole or in part for any losses, liabilities or expenses incurred, for which the Association would not be liable by virtue of Rule 19, which are incidental to the risks covered by Rules 17 and 18.

Cover 32(5) The Committee may from time to time resolve that in respect of any specified future claims or classes of claim arising in the next Policy Year they will only be supported as to a specified amount or proportion of any type or types of Costs. Where the Committee so resolve, notice of such resolution shall be given to all Members as soon as is conveniently possible and an appropriate endorsement shall be endorsed on the Terms of Entry of all Members for the next and future Policy Years.

Payment of 32(6) Claims 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.

Reduction of 32(7) Claims 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 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;
- (iv) 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;
- (v) the Member has failed fully to comply with the recommendations of the surveyor appointed by the Managers under Rule 28 (classification and condition of Ships);

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

Interest 32(8) In no case shall a Member be entitled to be paid interest on his claim against the Association.