

16 December 2016



**TO ALL MEMBERS OF CLASS 6  
FREIGHT, DEMURRAGE & DEFENCE**

**The Britannia Steam Ship  
Insurance Association Limited**

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NOTICE IS HEREBY GIVEN that a Separate General Meeting of the Members of Class 6 – Freight, Demurrage & Defence, of the Association will be held at Regis House, 45 King William Street, London EC4R 9AN, on Tuesday 17 January 2017 at 11.30 a.m. for the purpose of considering and, if thought fit, passing the following ORDINARY RESOLUTION:

"That the Rules of Class 6 – Freight, Demurrage & Defence, be altered with effect from noon GMT on 20 February 2017 in the manner described in the Schedule attached to the Notice of the Meeting dated 16 December 2016."

The Schedule appears overleaf.

By order of the Board.

J P Rodgers  
Secretary

Note: A Member of Class 6 – Freight, Demurrage and Defence 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.

## SCHEDULE

### Proposed Class 6 Rule Changes for the 2017/18 Policy Year

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

#### Rule 2 DEFINITIONS

**Amend** as follows:

**Costs** Any legal fees or legal costs, including lawyers' disbursements, and any other expenses, including survey fees, necessarily incurred in the defence or prosecution of a claim.

~~Administrative~~ Expenses or dues incurred by a Member ~~including in the operation of or maintenance of any property and~~ the salary or retainer of any employee or third party shall be excluded.

**EXPLANATION:** This amendment is to clarify the nature of costs covered, specifically costs excluded from cover including expenses or dues incurred in the operation or maintenance of property (e.g. the Entered Vessel).

**Rule 3 amend Rule 3(5)** as follows:

**Insurance Act 2015 3(5)** ~~Upon its entry into force t~~The following provisions of the Insurance Act 2015 (the Act) are excluded from these Rules and the contract of insurance ~~as follows:~~

**EXPLANATION:** The Insurance Act has now come into force (12 August 2016).

**Add to the end of Rule 24(B)** as follows:

**Rule 24(B)** PROVIDED ALWAYS THAT:  
**EXCLUSION OF RISKS COVERED BY HULL POLICIES** Any franchise or deductible to which any such policy is subject shall be deemed not to exceed 1 percent of the Entered Ship's insured value or, if not known, of the free uncommitted market value of the Entered Ship.

The Member shall provide the Managers with satisfactory evidence of the relevant franchise or deductible.

**EXPLANATION:** This amendment clarifies Members' obligation to evidence the applicable franchise or deductible to enable the application of cover under this Rule to be determined.

**Amend Rule 28(4)** as follows:

**Statutory requirements 28(4)** Every Member (i) shall comply with all the statutory requirements of the state of the ship's flag relating to the construction, adaptation, condition, fitment, equipment, ~~and~~ manning and loading of the Entered Ship;

**EXPLANATION:** This amendment emphasises Members' obligations to comply with statutory requirements, including new statutory requirements as/when they come into force (e.g. the International Maritime Solid Bulk Cargoes Code (IMSBC Code) and the Verified Gross Mass regulations under SOLAS), when loading an Entered Ship.

**Amend Rule 32(8)** as follows:

**Interest 32(8)** ~~Save only as provided in Rule 3(5) in no case shall~~ a Member shall not be entitled to be paid interest on his claim against the Association.

**EXPLANATION:** This amendment clarifies the inter-action between this Rule and the provisions of the Insurance Act 2015 (addressed in Rule 3(5)).

**Amend Rule 39(1)** as follows:

**General Reserve** ~~The Committee Board~~ may set aside at any time to General Reserve such sums from the proceeds of any Advance, Deferred or Exceptional Call in respect of any Policy Year as it thinks fit. Such General Reserve may be used by the ~~Committee Board~~ at any time;

**39(1)**

(i) so as to provide in whole or in part for any claims, expenses, losses or other outgoings of the Association (whether incurred, accrued or anticipated) and including, but not limited to, any deficiency which has occurred or may occur in respect of any Closed Policy Year or so as to eliminate or reduce any Call in respect of any Policy Year past, present or future; or

(ii) to make a distribution to Members of such amount and in such manner as it thinks fit.

**EXPLANATION:** This amendment allows for the distribution to Members from the General Reserve.