

**To all Members of Class 3
Protection and Indemnity**

NOTICE IS HEREBY GIVEN that a General Meeting of the Members of Class 3 – Protection and Indemnity, of The Britannia Steam Ship Insurance Association Limited (“Britannia UK”) will be held at Regis House, 45 King William Street, London EC4R 9AN on Tuesday, 7 January 2025 at 09.30 GMT for the purpose of considering and, if thought fit, passing the following ORDINARY RESOLUTION:

"That, the Rules of Class 3, Protection and Indemnity, of Britannia UK (the “Class 3 Rules”), be amended with effect from noon GMT on 20 February 2025 as set out in the Annexure”.

The Annexure is attached to this Notice.

By order of the Board.

H J Connell
Company Secretary

2 December 2024

Notes

1. 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.
2. A Member may attend the meeting remotely and access details can be obtained from dkhandelwal@tindallriley.com.



Annexure - Class 3 (P&I) Rule Changes for the 2025/26 Policy Year

12/24

The proposed Class 3 (P&I) Rule Changes are set out below.

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

Amend Rule 19 as follows:

RULE 19 – RISKS COVERED

...

19.17 Cargo

Liabilities which a Member may incur, or expenditure which the Member may be unable to recover, together with costs and expenses incidental thereto, in respect of cargo intended to be, or being, or having been carried in an Entered Ship, which arises out of a breach by the Member or by persons for whose acts, neglect or default the Member is liable, of the Member's obligations or duties as a carrier properly and carefully to load, handle, stow, carry, keep, care for, discharge or deliver the cargo or out of unseaworthiness or unfitness of the Entered Ship.

...

19.17.8 PROVIDED ALWAYS THAT:

...

19.17.8.7 *Paperless trading*

there shall be no recovery from the Association for any liability, cost or expense arising from the use of any electronic trading system, other than an electronic system approved in writing by the Managers, to the extent that such liability, cost or expense would not (save insofar as the Board (or, in the case of claims not exceeding USD2,000,000, the Committee) in its discretion otherwise determines) ~~not~~ have arisen under a paper trading system.

For the purposes of this proviso:



19.17.8.7.1 an electronic trading system is any system which replaces or is intended to replace paper documents used for the sale of goods and/or their carriage by sea or partly by sea and other means of transport which

19.17.8.7.1.1 are documents of title, or

19.17.8.7.1.2 entitle the holder to delivery or possession of the goods referred to in such documents, or

19.17.8.7.1.3 evidence a contract of carriage under which the rights and obligations of either of the contracting parties may be transferred to a third party.

19.17.8.7.2 a 'document' shall mean anything in which information of any description is recorded including, but not limited to, computer or other electronically generated information.

19.17.8.7.3 an electronic trading system shall be deemed approved, provided:

19.17.8.7.3.1 it is a reliable system in accordance with the Electronic Trade Documents Act 2023 of the United Kingdom or UNCITRAL's Model Law on Electronic Transferable Records and the reliability of that system is evidenced by:

19.17.8.7.3.1.1 an audit by an independent body; or

19.17.8.7.3.1.2 a declaration by a supervisory, regulatory or accreditation body or applicable voluntary scheme; or

19.17.8.7.3.1.2 applicable industry standards; and

19.17.8.7.3.2 any electronic document generated thereunder, which performs the functions specified in Rules 19.17.8.7.1.1 - 19.17.8.7.1.3, has the same effect under its applicable law as a paper document performing those functions.

...

EXPLANATION: *This proposed change is to reflect the amendment to be made in 2025 to the provisions in the Pooling Agreement relating to the electronic trading systems exclusion.*

19.22 Consortium P&I Cover

19.22.1 Consortium Claims

Where liability arises out of the carriage of cargo on a Consortium Vessel the claim shall be recoverable under these Rules as a Consortium Claim in accordance with the terms of the Pooling Agreement.



19.22.1.1 A claim shall be a Consortium Claim where:

19.22.1.1.1 it arises under the entry of a Ship (or any entered part of a Ship) in the Association under this Class; and

19.22.1.1.2 it arises out of the carriage of cargo on a Consortium Vessel; and

19.22.1.1.3 the Member (or any charterer affiliated to or associated with the Member coassured under the same entry) and the operator of the Consortium Vessel are parties to a “Consortium Agreement”; and

19.22.1.1.4 at the time the cover in respect of Consortium Claims attaches the Member employs a Ship entered in the Association, or in another association which is a party to the Pooling Agreement, pursuant to that Consortium Agreement.

...

EXPLANATION: *This proposed change is to reflect the amendment to be made in 2025 to the provisions in the Pooling Agreement relating to the criteria for the attachment of Consortium cover.*

19.26 Special Cover for Extended Through Transit Risks

Without prejudice to the generality of Rule 19.24 *Special Cover* and in accordance with Rule 2.47.2 a Member may be insured against liabilities, together with costs and expenses incidental thereto, arising out of the carriage of any cargo or container by or on behalf of a Member. The following may be covered on such terms as may be agreed in writing by the Managers:

19.26.1 Injury, illness or death

Compensation and damages for which the Member is liable which are payable by reason of the injury to, illness of or death of any person, other than a Seafarer, Passenger or any person on board the Entered Ship.

19.26.2 Damage to property

Liability of the Member for loss of or damage to any fixed or moveable property whatsoever (not being cargo or other property carried in the Entered Ship).

19.26.3 PROVIDED ALWAYS THAT:



- 19.26.3.1 there shall be no recovery under this Rule for liabilities arising out of the carriage of any cargo or container while it is on board the Entered Ship; and
- 19.26.3.2 the cargo or container, as the case may be, is intended to be or has been carried on an Entered Ship, including one entered by virtue of Rule 19.21 *Charterer's Entry*; and
- 19.26.3.3 the liability does not arise out of the terms of a contract of indemnity or guarantee between the Member and a third party (See Rule 19.15 *Contracts of Indemnity or Guarantee*); and
- 19.26.3.4 the liability does not fall within the terms of Rule 19.17 *Cargo*; and
- 19.26.3.5 there shall be no recovery under this Rule for loss of or damage to any ship and/or water borne conveyance in which the cargo or container is carried; and
- 19.26.3.6 there shall be no recovery under this Rule for liabilities arising out of the carriage of the container itself unless special terms have been agreed in writing by the Managers and the Member has paid or agreed to pay such additional Call or premium as may be required by the Association.

EXPLANATION: *This change is proposed in order to bring the sub-Rule into line with the equivalent provision in the Association's Charterers' Liability Insurances and Additional Insurances.*

Amend Rule 20 as follows:

RULE 20 RISKS SPECIFICALLY EXCLUDED

20 Risks Specifically Excluded

...

20.2 Sanctions Exclusion

Losses or liabilities where the provision of cover or a payment by the Association in respect thereof may expose the Association or an affiliated Association or ~~the~~ their respective Managers or any branch offices thereof to the risk of being subject to any Sanction, penalty, prohibition or any adverse action by a state, international or supranational organisation or other competent authority.



EXPLANATION: *This amendment is intended to increase the protection of the Association by excluding liability where the provision of cover could expose to sanctions any affiliated Association, or the managers of that Association, or any branch offices of the Associations or the relevant managers.*

Amend Rule 33 as follows:

RULE 33 CESSER OF ALL INSURANCES

33 Cesser of All Insurances

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

...

33.3 Failure of Corporation

If, being a corporation, 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 entering into or becoming subject to any composition or arrangement with its creditors or upon its commencing or being the subject of any proceedings before a court, arbitration tribunal, dispute resolution body or equivalent, of competent jurisdiction under any bankruptcy or insolvency laws to seek protection from its creditors or to re-organise its affairs. For the purposes of this Rule 33.3 the Member, being a corporation, shall include any parent company of the Member.

...

EXPLANATION: *This amendment is intended to increase the protection of the Association by providing that the member's cover will cease where its parent company becomes subject to any of the insolvency provisions of this sub-Rule, as well as where the member does so.*

Amend Rule 44 as follows:

RULE 44 DISPUTES AND DIFFERENCES

44.1 Adjudication by the Board



If any difference or dispute between the Association or the Managers and any other person shall arise out of or in connection with these Rules or any contract of insurance between the Association and a Member such difference or dispute shall in the first instance be referred to and adjudicated by the Board notwithstanding that the Board may have already considered the matter before any such difference or dispute arose. Such reference and adjudication shall be on written submissions only.

44.2 Reference to Arbitration or the High Court

If such other person does not accept the decision of the Board, or if the Board shall fail to make any award within three months of the reference to it, the difference or dispute shall ~~then~~ be referred to arbitration in London or, at the exclusive option of the Association, to the exclusive jurisdiction of the High Court in London.

44.3 Arbitration

Where the difference or dispute has been referred to arbitration in London:

- 44.~~23~~.1 The arbitration shall be conducted by ~~three~~two arbitrators, one to be appointed by each of the parties, and the third by the two so appointed~~in case the arbitrators shall not agree then the difference or dispute shall be referred to the decision of an umpire to be appointed by them.~~
- 44.~~23~~.2 No Member of the Association nor the Managers nor any employee of the Managers shall act as arbitrator ~~or umpire.~~
- 44.~~23~~.3 The evidence and proceedings upon any arbitration may in the discretion of the arbitrators ~~or umpire~~ be taken in a mercantile way without regard to legal technicalities respecting evidence.
- 44.~~23~~.4 The arbitrators ~~or umpire~~ may, in case any point of law shall arise, take the opinion of such counsel or solicitor as they may think fit, and may act upon any such opinion, and unless the arbitrators ~~or umpire~~ taking such an opinion otherwise direct, the costs of and incidental thereto shall be deemed to be part of the costs of the award.
- 44.~~23~~.5 The costs of and incidental to any such reference and award shall be in the discretion of the arbitrators ~~or umpire respectively.~~
- 44.~~23~~.6 The submission to arbitration and all the proceedings therein shall be subject to the provisions of the *Arbitration Act 1996* or any statutory modification or re-enactment thereof.

44.~~34~~ Sole Remedy

No such other person shall be entitled to maintain any action, suit or other legal proceedings against the Association otherwise than in accordance with the procedures laid down in this Rule 44 and, unless the Association has exercised its option to refer the difference or dispute to the exclusive jurisdiction of the High Court in London, may only commence proceedings, other than the arbitration under Rule 44.2 ~~Arbitration~~Reference to Arbitration or the High Court above, so as to enforce an award under such arbitration and then only for such sum, if any, as the award may



direct to be paid by the Association. The sole obligation of the Association to such other person under these Rules, and any *Certificate of Entry*, in respect of such difference or dispute shall be to pay such sum as may be directed by such an award or, where the Association has exercised its option as aforesaid, a judgment of the High Court in London.

44.45 Overspill Claims

- 44.45.1 Any of the issues referred to in Rule 5.7.5 *Recoverability of Overspill Calls* shall be referred to a panel (the *Panel*), which shall act as a body of experts and not as an arbitration tribunal and be constituted in accordance with arrangements established in the Pooling Agreement.
- 44.45.2 If the *Panel* has not been constituted at a time when a Member wishes to refer an issue to it, the Association shall, on request by the Member, give a direction for the constitution of the *Panel* as required under the Pooling Agreement.
- 44.45.3 The Association may (and, on the direction of the Member, shall) give such direction as is required under the Pooling Agreement for the formal instruction of the *Panel* to investigate any issue and to give its determination as soon as reasonably practicable.
- 44.45.4 The *Panel* shall in its discretion decide what information, documents, evidence and submissions it requires in order to determine an issue and how to obtain these, and the Association and the Member shall cooperate fully with the *Panel*.
- 44.45.5 In determining any issue referred to it under Rule 5.7.5 *Recoverability of Overspill Calls* the *Panel* shall endeavour to follow the same procedures as it follows in determining issues arising in respect of the relevant Overspill Claim which are referred to it under the Pooling Agreement.
- 44.45.6 In determining an issue the members of the *Panel* shall rely on their own knowledge and expertise and may rely on any information, documents, evidence or submission provided to it by the Association or the Member as the *Panel* sees fit.
- 44.45.7 If the three members of the *Panel* cannot agree on any matter, the view of the majority shall prevail.
- 44.45.8 The *Panel* shall not be required to give reasons for any determination.
- 44.45.9 The *Panel's* determination shall be final and binding upon the Association and the Member (subject only to Rule 44.45.10 below) and there shall be no right of appeal from such determination.
- 44.45.10 If the *Panel* makes a determination on an issue, the Association or the Member may refer the issue back to the *Panel*, notwithstanding Rule 44.45.9 above, if it considers that the position has materially changed since the *Panel* made its determination.
- 44.45.11 The costs of the *Panel* shall be paid by the Association.



44.45.12 Costs, indemnities and other sums payable to the *Panel* by the Association in relation to any Overspill Claim, whether the reference to the *Panel* has been made under this Rule 44.45 or under the Pooling Agreement, shall be deemed to be costs properly incurred by the Association in respect of that Overspill Claim for the purposes specified in Rule 5.7.2.1.

EXPLANATION: *This amendment is intended to provide to the Association the option of referring for determination any dispute under the Rules to the English High Court, as well as to London arbitration.*