



THE STEAMSHIP MUTUAL
UNDERWRITING ASSOCIATION LIMITED

MANAGERS: STEAMSHIP INSURANCE MANAGEMENT SERVICES LIMITED
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REGISTERED NO: 3855693 ENGLAND

To the Members

January 2005

Dear Sirs,

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the above-named Association will be held at the Registered office of the Company, Aquatical House, 39 Bell lane, London E1 7LU at 15:00 hours on Monday, 14th February 2005, to consider and if thought fit to pass the following resolution as a SPECIAL RESOLUTION:-

RESOLUTION

CLASS 1

THAT with effect from Noon G.M.T. on 20th February 2005, the amendments to the Rules of Class 1 (Protection and Indemnity) of the Association, annexed hereto, be adopted.

The changes are explained in the attached commentary. Amendments to the Rules have been introduced to reflect international developments, such as STOPIA and the ISPS code, as well as changes required to bring the Rules into conformity with the Pooling Agreement. Other drafting changes clarify the purpose and intent of the existing Rules.

By Order of the Board

R.A. Lakeman
Secretary

17th January 2005

**AMENDMENTS FOR 2005/2006 TO THE RULES OF CLASS 1 PROTECTION
AND INDEMNITY OF THE STEAMSHIP MUTUAL UNDERWRITING
ASSOCIATION LIMITED**

Explanatory notes in italics have been provided for the proposed changes where necessary and consequential re-numbering and cross-referencing will also be required. In the table below, the proposed new wording is shown in **bold** in the right hand column and wording in the existing rule to be deleted is shown as [.....] in the left hand column.

	Existing Rule	Proposed Amendment
	Rule 20 Nuclear Risks	
20 Nuclear Risk	The Club shall not insure any Member to any extent whatsoever against any loss, damage, liability or expense directly or indirectly caused by, contributed to, or arising from:	
i	ionising radiation from, or the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear fuel or any nuclear waste or the combustion of nuclear fuel;	
ii	ionising radiation from, or the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;	
iii	any <u>[weapon of war]</u> employing atomic or nuclear fission and/or fusion and/or other like reaction or radioactive force or matter.	any weapon or device employing atomic or nuclear fission and/or fusion and/or other like reaction or radioactive force or matter. <i>(This wording is intended to ensure that the exclusion applies even if the "weapon" is not a conventional "weapon of war" and where an unconventional means of delivery is employed. It should thus cover suitcase or truck bombs which use nuclear material).</i>
	<i>provided always that:</i>	
	this Rule does not exclude liabilities, costs and expenses arising out of the carriage of "excepted matter" (as defined in the Nuclear Installations Act 1965 of the United Kingdom or any regulations made thereunder) being carried as cargo on an entered vessel.	
	Note: <i>The Nuclear Installations Regulations reflect the provisions of the OECD Paris Convention on Carriage of Nuclear Material. "Excepted matter" is nuclear matter consisting only of one or more of the following:</i>	
	<i>a isotopes prepared for use for industrial, commercial, agricultural, medical or scientific purposes;</i>	
	<i>b natural uranium;</i>	
	<i>c depleted uranium;</i>	
	<i>d small quantities of nuclear matter as prescribed.</i>	

	Existing Rule	Proposed Amendment
	Rule 21 War Risks	
21 War Risks		Unless otherwise agreed in writing with the Managers on such terms as they may require,
	There shall be no recovery from the Club in respect of a Member's liabilities, costs or expenses (irrespective of whether a contributory cause of the same being incurred was any neglect on the part of the Member or on the part of the Member's servants or agents) when the incident in respect of which such liability arises, or such costs or expenses are incurred, was caused by:	
	i War, civil war, revolution, rebellion, insurrection or civil strife arising therefrom, or any hostile act by or against a belligerent power or any act of terrorism;	
	ii capture, seizure, arrest, restraint or detention (barratry or piracy excepted) and the consequences thereof or any attempt thereat;	
	iii mines, torpedoes, bombs, rockets, shells, explosives or other similar weapons of war, save for those liabilities, costs or expenses which arise solely by reason of: a The transport of any such weapons whether on board the entered ship or not, or b The use of any such weapons either as a result of Government order or through compliance with a written direction given by the Managers or Directors where the reason for such use was the avoidance or mitigation of liabilities, costs or expenses which would otherwise fall within the cover of the Club. <u>[provided that:</u> <u>The Directors may resolve that special cover be provided to the Members against any or all of the risks set out in Rule 25, notwithstanding that those liabilities, costs or expenses would otherwise be excluded by this Rule 21 and that such special cover should be limited to such sum or sums and subject to such terms and conditions as the Directors may from time to time determine.</u> <u>] delete</u> In the event of any dispute as to whether or not any act constitutes an act of terrorism, the decision of the Directors shall be final.	
		Provided always that:-
		(i) the exclusion of cover in Rule 21 shall not apply to liabilities, costs and expenses of an Owner insofar only as they are discharged by the Club on behalf of the Owner pursuant to a