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## Passing of Ordinary Resolution

January 2022

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### To the Members

Notice is hereby given that a General Meeting of the Members of Steamship Mutual Underwriting Association Limited will be held on Tuesday, 8 February 2020 at 12:00 hours (GMT) virtually. If you wish to attend the meeting, please contact Mr Adam Kitching ([adam.kitching@simsi.com](mailto:adam.kitching@simsi.com)) for details. This meeting is being convened for the purpose of considering and, if thought fit, passing the following resolution:

### ORDINARY RESOLUTION

THAT with effect from noon GMT on 20 February 2022 the amendments to the Rules of Class 1 (Protection and Indemnity) of the Association annexed hereto and marked "A" for identification be adopted.

### Explanation Regarding Resolution

Explanatory notes for the proposed changes are set out in the annex hereto marked "A".

By Order of the Board  
**A. Thawani**  
Secretary

13 January 2022

N.B. A Member who is entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend, speak and vote in his or her place. The instrument appointing a proxy may be in the form enclosed and must be deposited with the Secretary at Aquatical House, 39 Bell Lane, London, E1 7LU not less than 48 hours before the time specified for the holding of the Meeting.

Club Circular: L.385

Yours faithfully,

STEAMSHIP MUTUAL  
UNDERWRITING ASSOCIATION LIMITED

**AMENDMENTS FOR 2022/23 TO THE RULES OF CLASS 1 PROTECTION AND INDEMNITY OF STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION LIMITED**

In the table below, the proposed new wording is shown in **bold** and underlined and wording to be deleted is shown as [~~xxx~~]. Explanatory notes in italics have been provided for the proposed changes.

Rule	Text	Comments
19	Hull Risks and Specialist Operations	
	Unless the Managers otherwise agree in writing as a term of entry, the Club shall not insure any Member to any extent whatsoever, against the following risks:	
	Specialist Operations	
iv	Diving Operations and Sub-Sea Activities	
	liabilities, costs or expenses arising out of the operation by the Member of submarines, mini-submarines, <b><u>remotely operated underwater vehicles</u></b> , <del>or</del> diving bells or the activities of professional or commercial divers;	<i>An amendment to reflect a new exclusion to be incorporated in the Pooling Agreement for the 2022/2023 policy year in respect of liabilities arising from the operation of ROVs.</i>
vii	Non-Marine Personnel	
	Liabilities, costs or expenses incurred by the Member in respect of any of the following:	<i>An amendment to reflect changes to be incorporated into the Pooling Agreement for the 2022/2023 policy year. In 2020 changes were made in relation to the treatment of accommodation units. First, the exclusion of accommodation units moored as an integral part of drilling and production operations was deleted, and secondly, Appendix V, paragraph 23 was amended to include within the exclusion of accommodation ships those moored within 500 metres of an oil or gas production or exploration facility. In practice application of the 500 metre zone exclusion has not proved to be an ideal solution. Clubs have concluded that it would appropriate to remove the 500 metre exclusion and rely solely on an acceptable contractual division of liability on terms no less favourable to the Insured Owner than Knock for Knock as defined in the Pooling Agreement.</i>
a	personnel (other than Seamen) on board the Ship ( <del>being an accommodation vessel</del> ) employed otherwise than by the Member where either: <b><u>the Ship is providing accommodation to such personnel in relation to their employment on or about an oil or gas exploration or production facility, unless there has been a contractual allocation of liability agreed by the Managers.</u></b>	
(i)	<del>such Ship is moored or anchored within 500 metres of any oil or gas production or exploration facility; or</del>	

(ii)	there has not been a contractual allocation of risks as between the Member and the employer of the personnel which has been approved by the Club;	
b	hotel and restaurant guests and other visitors and catering crew of the Ship when the Ship is moored (otherwise than on a temporary basis) and is open to the public as a hotel, restaurant, bar or other place of entertainment.	
21	War and Bio-Chem Risks	
i	...	
ii	...	
iii	War Risks	
	Cover under Rule 21 ii:	
a	...	
b	...	
c	...	
d	Excludes the following risks:	
	In addition to the exclusions from cover elsewhere under these Rules,	
(i)	Liabilities, costs and expenses consequent upon:	
(a)	The outbreak of war (irrespective of whether declared or not) between any of the following:	
	the United Kingdom, the United States of America, France, the Russian Federation, and the People's Republic of China;	
(b)	Requisition of the Entered Ship whether for title or for use;	
(ii)	In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused or contributed to by or arising from:	
(a)	any chemical, biological, bio-chemical or electromagnetic weapon;	
(b)	the use or operation, as a means of inflicting harm, of any computer virus; and	
(c)	Rule 21 iii d (ii) (b) shall not operate to exclude losses (which would otherwise be covered under these Rules) arising from the use of any computer, computer system or computer software program or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.	
	<b><u>Provided always that to the extent not excluded by this rule any loss otherwise covered by this insurance will not be prejudiced by the involvement of the use or operation of any computer, computer system, computer software programme or any other electronic system.</u></b>	<i>An amendment to reflect the requirement from Lloyd's for positive affirmation where policies include cyber cover. This is to be included in the IG Excess War Placement, although makes no material difference to the scope of availability of cover for members under the Rules.</i>
25	The liabilities, costs and expenses against which a Member may be protected and indemnified by entry in the Club are limited to those set out in Rules 25 i to 25 xxii inclusive, subject always to...	
	...	
ii	Covered Risks	
g	Deviation Expenses	
	Port and deviation expenses when solely incurred:	
(i)	For the purpose of landing or disposing of stowaways, refugees or other persons rescued at sea; or	
(ii)	In order to secure the necessary treatment for an injured or sick person being carried on an entered ship; or	
(iii)	While awaiting a substitute for a deceased, injured or sick crew member or deserter; or	
(iv)	In attempting to save or saving life at sea; or	

(v)	In order to search for, and/or recover, persons missing from the ship;	
(vi)	<b><u>To transfer the remains of a deceased person on board to shore for the purpose of repatriation to their place of domicile:</u></b>	<i>In response to the Covid-19 pandemic, some ports have been known to refuse to permit ships to transfer the bodies of deceased seafarers to shore for the purpose of repatriation to their home domiciles, on the basis of concerns that the cause of death might be due to infection by Covid-19. This has led to shipowners having to keep deceased crew on board for significant periods of time. The amendment would allow cover to include certain extra costs for diverting a ship for the purpose of enabling repatriation of deceased crew members or other deceased persons on board.</i>
	Provided that such expenses have in the opinion of the Managers been reasonably incurred.	
	The expenses recoverable are limited to those additional costs of fuel, insurance, crew wages, stores, provisions and port charges over and above the ordinary operating costs of the Member, which are incurred as a direct result of the deviation, less any savings in expenditure which would have been incurred by the Member but for the deviation	
25	Collision Liability	
v	Liabilities, costs and expenses arising within the categories and subject to the terms set out below consequent upon collision between an entered ship and any other ship:	An amendment to clarify the scope of cover for, amongst other things, liabilities arising from a cyber event where there is an express exclusion in the Hull policy. The existing wording requires individual prior approval of hull terms when not on the "usual form", meaning that in the event that such approval has not been obtained, there may be a gap in cover for the member. The amendment would bring the rule into line with a number of other IG clubs who do not require prior approval.
a	One-fourth or such other proportion as may have been agreed by the Managers of such liabilities, costs and expenses, if and to the extent that such proportion is not covered under the collision liability clause contained in the Hull Policies of the entered ship.	
	Provided that the liabilities, costs and expenses are covered under the usual form of Lloyd's policy with the Institute Time Clauses (Hulls) attached or <del>the Hull Policies of the entered ship are in a form previously approved by the Managers in writing.</del>	
	<b><u>under other forms of Hull Policies on the entered ship approved by the Managers.</u></b>	
43	Provision of Bail	
i	...	
ii	...	
iii	...	
iv	...	
v	<b><u>Where</u></b>	
a	<b><u>the Club has issued any guarantee, undertaking or certificate as referred to in the proviso to Rule 21 i or other bail or security by</u></b>	<i>In the context of a large casualty involving for example large</i>

	<p><u>which it undertakes to directly meet or guarantee liabilities, (together the "Direct Liabilities"); and</u></p>	<p><i>passenger claims, pollution and wreck removal, there is potential for both certified liability exposures under different conventions, as well as non-certified liabilities, which could lead to all such claims exceeding the limits of reinsurance. IG Clubs have agreed that in order to protect their financial position there is a strong rationale for creating a discretionary mechanism for prioritising certified claims above non-certified claims in situations where the totality of certified and non-certified claims from a claim incident threaten to exceed the reinsurance limit. The amendment gives the Managers the right but not the obligation to prioritise certified and secured claims over uncertified/unsecured claims in circumstances where there is a risk that limits of cover may be exceeded.</i></p>
<p><b>b</b></p>	<p><u>claims in respect of Direct Liabilities alone or in combination with other claims may in the sole opinion of the Managers exceed any limit(s) on the cover provided by the Club as set out in the Rules or in the Certificate of Entry.</u></p>	
	<p><u>the Managers may in their absolute discretion defer payment of any such other claims or any part thereof until the Direct Liabilities, or such parts of the Direct Liabilities as the Managers may in their absolute discretion decide, have been discharged.</u></p>	
	<p><u>To the extent that any claims or liabilities (including any Direct Liabilities) discharged by the Club exceed the said limit(s) any payment by the Club in respect thereof shall be by way of loan and the Member hereby assigns to the Club all the rights of the Member under any other insurance and/or against any other party whatsoever in accordance with Rule 43 iii b.</u></p>	



**FORM OF PROXY**

Before completing this form, please read the explanatory notes below

The undersigned, a Member of **STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION LIMITED** ('Company') hereby appoints Stephen Martin\* or Chris Adams\* or ..... (please insert name) (\*delete as appropriate) or failing him/her the Chairman of the meeting as my proxy to attend, speak and vote for me on my behalf at a General Meeting of Steamship Mutual Underwriting Association Limited to be held virtually at 12:00 hours (GMTT) on Tuesday, 8 February 2022 and at any adjournment thereof.

Signed

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Date

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Name (please print)

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Company Name

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Address

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**Notes to the proxy form**

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You may appoint a proxy using the procedures set out in these notes.
2. To appoint a proxy using this form, the form must be: (i) completed and signed; (ii) sent or delivered to the Registered Office of the Company at Aquatical House, 39 Bell Lane, London E1 7LU, United Kingdom; and (iii) received by the Company no later than 48 hours before the commencement of the meeting.
3. As an alternative to completing a hard-copy proxy form, you can appoint a proxy electronically by sending it by e-mail to adam.kitching@simsl.com. For an electronic proxy appointment to be valid, your appointment must be received by the Company no later than 48 hours before the commencement of the meeting.
4. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
5. A proxy does not need to be a member of the Company but must attend the meeting to represent you.
6. You may direct your proxy how to vote on the resolutions proposed. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
7. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
8. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.