
General Meeting of the Members of Steamship Mutual Underwriting Association Limited

January 2023

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, 7 February 2023 at the Intercontinental Hotel, 80 Middle Road, Singapore at 09:00 hours. 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 2023 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".

Club Circular: L.413

Yours faithfully,

STEAMSHIP MUTUAL UNDERWRITING
ASSOCIATION LIMITED

A

AMENDMENTS FOR 2023/24 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
1	These Rules are subject to the Memorandum and Articles of Association of the Steamship Mutual Underwriting Association Limited, hereinafter referred to as 'the Club'	<i>Deletion of definition of the Club to be replaced with new definition under Rule 2 – see below for explanation.</i>
2	Definitions	
	<u>Club</u>	
	<u>References in these Rules to the "Club" shall be treated as references to the Steamship Mutual Underwriting Association Limited, save that references to the Club in Rule 47 shall be treated as references to the Steamship Mutual Underwriting Association Limited, the Managers as defined below, Steamship Mutual Underwriting Association (Europe) Limited, Steamship Mutual Underwriting Association (Bermuda) Limited, The Steamship Mutual Trust, and Steamship Mutual (Emergency) Limited, and in each case their respective branch offices and subsidiaries.</u>	<i>An amendment to enable the provisions of Rule 47 to apply in circumstances where a sanction, prohibition or adverse action, or the risk thereof, arises in relation to another entity within the "Steamship Group". The amendment would enable the insuring Club (in this case Steamship Mutual Underwriting Association Limited) to rely on Rule 47 in circumstances where the underlying insurance/ownership/management/operation/charter or employment exposes those other entities to sanctions risks, but not the insuring Club itself. This amendment would address situations where there is a divergence in the sanctions that are applicable to different Steamship entities by reason of differences in domicile/place of operation; such situations have arisen in relation to Russia, where sanctions directly applicable to Steamship Mutual Underwriting Association Limited differ from those applicable to Steamship Mutual Underwriting Association Limited.</i>
25	Covered Risks	
xii	Quarantine Expenses	
	Extraordinary expenses consequent on the outbreak of infectious or contagious disease upon an entered ship or in respect of quarantine as follows:	
a	The disinfection of the entered ship or of persons on board her under quarantine or pursuant to any public health order, including the cost of taking in fuel in quarantine, and of loading and discharging cargo and of the victualling of the crew and passengers provided that there shall be deducted from any recovery under this Rule 25 xii any of such costs and expenses as would have been incurred but for the quarantine or public health order;	
b	Fuel consumed or towage in proceeding to and from and lying at a special station or place solely in accordance with quarantine or public health orders;	
c	Expenses directly consequent upon deviating to a port or place of refuge and resuming the voyage thereafter by reason of quarantine or public health orders;	
	Provided always that:	

	There shall be no recovery under this Rule 25 xii if the entered ship, not already being so contracted, is ordered or chartered to proceed to a port at which it was known or should in the determination of the Directors have reasonably been anticipated that the entered ship would be subject to quarantine.	
	<u>Expenses incurred by the Member in consequence of:</u>	<i>An amendment to address issues arising out of the Covid pandemic, which highlighted a number of areas where the existing rule created uncertainties as to the scope of cover. The proposed new rule seeks to set out more clearly the circumstances when the rule would apply, and clarify those expenses that would be recoverable.</i>
<u>(i)</u>	<u>an actual outbreak of infectious disease on board; and/or</u>	
<u>(ii)</u>	<u>a quarantine or public health order applicable to</u>	
	<u>the Entered Ship, in respect of:</u>	
	<u>(a) Disinfection</u>	
	<u>(b) Additional fuel consumed</u>	
	<u>(c) Stores and provisions</u>	
	<u>(d) Port and agency charges</u>	
	<u>(e) Cargo handling</u>	
	<u>(f) Insurance</u>	
	<u>(g) Shifting</u>	
	<u>(h) Deviation expenses</u>	
	<u>but only in respect of each of (a) – (h) to the extent that such expenses would not have been incurred but for the outbreak or quarantine or public health order and could not in the opinion of the Managers reasonably have been avoided; and</u>	
	<u>provided that</u>	
	<u>unless otherwise agreed by the Managers, at the time when the ship was ordered to the port either:</u>	
	<u>(a) The ship was already contracted to call there; or</u>	
	<u>(b) It was not in the opinion of the Managers reasonably to be anticipated that the ship, its cargo or its crew would be subject to a quarantine or public health order.</u>	
25	Covered Risks	
xiii	Cargo Liabilities	
a	Loss, Shortage, Damage and other Responsibility...	
b	Handling of Damaged or Worthless Cargo	
	The extra costs (over and above those required by and/or incurred in the performance of his obligations under the contract of carriage) incurred by the Member in restowing, discharging or disposing of damaged or worthless cargo, provided that the Member has no recourse to recover such costs from any other party and, in respect of such cargo, the Member shall only be entitled to recover such extra costs if and to the extent that they exceed any proceeds of sale of the cargo payable to the Member.	
c	Failure of Cargo Interests to Collect Cargo	
	The extra costs and liabilities (including storage and disposal costs) incurred by the Member arising directly out of the failure by cargo interests to collect or remove cargo from the port or place of discharge or delivery provided that:	<i>An amendment to bring disposal costs arising from a failure to collect within sub rule c.</i>
(i)	The Member is legally liable for such costs or has incurred them under the direction or with the approval of the Managers; and	

(ii)	The Member has no recourse to recover such costs from any other party; and	
(iii)	The Member shall only be entitled to recover such extra costs if and to the extent that they exceed the proceeds of the sale of the cargo; and	
(iv)	In any event there shall be no recovery in respect of storage charges	<i>An amendment to distinguish disposal and storage charges so that both (a) & (b) of this Rule only apply to storage charges</i>
	(a) storage charges for the first 30 days following discharge, and	
	(b) any costs and liabilities (including storage charges), under paragraph c of this Rule 25 xiii, which that have been incurred prior to notification of the failure to collect or remove cargo being received by the Managers.	<i>An amendment to make clear that the strict reporting requirement, failing which there is no recovery from the Club, applies only to storage charges. The intention being to protect the Club against accruing unreported storage costs, whereas cover for disposal costs are subject to the reporting requirements of Rule 28.</i>
18	General Exceptions and Limitations	
i	When a ship is entered in the Club:	
a	For the account of a Charterer (other than a demise or bareboat Charterer);	
b	By an Owner or Joint Member or Co-Assured in respect of that Owner's entry in its capacity of Charterer of that ship, or in respect of any part of its cargo carrying capacity;	
	the liability of the Club shall be limited in respect of any one incident or occurrence in aggregate to the lesser of:	
(i)	US\$350 million US\$500 million ; or	<i>Amendments to reflect an increase in the poolable cover limit available in respect of charterers and for consortium claims, from US\$350m to US\$500m, that has been achieved as part of the General Excess Loss renewal.</i>
(ii)	such amount as would apply if the Member were the Registered Owner of the ship and entitled to limit liability; or	
(iii)	the amount stated in the Certificate of Entry.	
ii	...	
iii	...	
iv	...	
v	Consortium Claims	
a	Where:	
(i)	A Consortium Claim arises out of the carriage of cargo on a Consortium Ship operating under a Consortium Agreement to which the Member and the operator of that ship are parties; and	
(ii)	One or more of the Member's entered ships is employed pursuant to that Consortium Agreement;	
	the following provisions shall apply:	
b	Where a ship is entered under an owned entry and another ship under a chartered entry by a Member both of which are employed pursuant to the Consortium Agreement at the time the event giving rise to the Consortium Claim occurs, the Consortium Claim of the Member shall for the purposes of these Rules be treated as a claim arising in respect of the owned entry of the Member.	
c	Where the Member employs more than one ship pursuant to a Consortium Agreement at the time the event giving rise to a Consortium Claim occurs:	
(i)	where all such ships are entered in the Club, their entry shall be deemed to be an entry of a single ship;	

(ii)	where the entry in respect of one or more of such ships is in another Association which is a party to the Pooling Agreement other than the Club, absent the agreement of the Club and such other Association to the contrary, the Consortium Claim shall be prorated between the Clubs equally.	
d	The limit of liability for Consortium Claims shall be the lesser of:	
(i)	US\$350 million US\$500 million in aggregate any one occurrence, save that where such Consortium Claims are recoverable from the Club and one or more Associations being parties to the Pooling Agreement and which exceed that limit then the Club's liability shall be limited to that proportion of US\$350 million US\$500 million as its proportion of the aggregate claims bears to their total; or	
(ii)	Such amount as may be stated in the Certificate of Entry.	
	<i>Provided always that:</i>	
	...	
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:	
	Hull Risks...	
i	...	
	Specialist Operations	
ii	liabilities, costs or expenses incurred by a Member during the course of performing dredging, blasting, pile driving, well intervention, cable or pipe laying, construction, installation or maintenance work, core sampling, mining , depositing of spoil, power generation and decommissioning to the extent that such liabilities, costs and expenses arise as a consequence of:	<i>An amendment to reflect an agreement reached by the International Group Clubs that mining should be expressly referenced as a specialist operation for the purposes of the specialist operations exclusion within the Pooling Agreement.</i>
a	...	
b	...	
c	...	
25		
ix	Towage	
a	Liabilities of a Member, other than for the cost of any contracted services, arising from and/or in respect of the towage of an entered ship,	
	Provided that there shall be no recovery in respect of liabilities, costs and expenses incurred under or pursuant to the terms of a contract for towage of an entered ship, unless that contract:	
(i)	Is entered into during the ordinary course of trading for the purpose of entering, leaving or manoeuvring within a port;	
(ii)	Is entered into during the ordinary course of trading, when the entered ship is habitually towed from place to place and has been declared as such to the Managers, to the extent only that such liability is not recoverable under the Hull Policies of the entered ship other than by reason of the conduct of the Member;	
(iii)	Is on Lloyd's Open Form of Salvage Agreement (whether or not incorporating SCOPIIC) or any other form of salvage contract approved by the Managers in writing on such terms as they may require;	
(iv)	incorporates a term to the effect that each of the Owner of the entered Ship and the owner of the towing vessel shall be responsible for any loss or damage to his own	<i>The proposed amendments incorporate recent clarifications in the Pooling Agreement concerning:</i>

	vessel, and for loss of life or personal injury on his own vessel, without any recourse whatsoever against the other.	(i) the minimum requirements for a towage contract to be on knock for knock terms, and (ii) the inclusion of BIMCO Supplytime as an approved contract for the purpose of Towage.
b	Liabilities of a Member arising from and/or in respect of towage by the entered ship...	
c	...	
d	...	
	Note: The Managers will ordinarily only approve contracts for towage by an entered Ship pursuant to paragraph b (ii) above of this Rule 25 ix in terms not less favourable to the towing vessel than:	
a)	United Kingdom, Netherlands and Scandinavian standard towage conditions;	
b)	Towcon and Towhire	
c)	The Lloyds standard form of salvage agreement (whether or not incorporating SCOPIC) – no-cure no pay;	
d)	<u>Supplytime</u>	
d)-e)	a contract that contains a term that the parties to the towage contract, and any parties on whose behalf they contract, shall be responsible for any loss or damage to or wreck removal of their own ship, cargo or property and for loss of life or personal injury thereon, without recourse against the other and will indemnify the other against any such liability (a “knock for knock” clause);	
e) f)	other contracts where...	



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 at the Intercontinental Hotel, 80 Middle Road, Singapore at 09:00 hours on Tuesday, 7 February 2023 and at any adjournment thereof.

Signed

Date

Name (please print)

Company Name

Address

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.