



THE LONDON
STEAM-SHIP OWNERS'
MUTUAL INSURANCE ASSOCIATION LIMITED

All correspondence should be addressed to the Managers

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CLASS 5, THE PROTECTING AND INDEMNITY CLASS

NOTICE IS HEREBY GIVEN that a SEPARATE MEETING of the MEMBERS OF CLASS 5, THE PROTECTING AND INDEMNITY CLASS, of the Association will be held at the REGISTERED OFFICE of the Association, 50 LEMAN STREET, LONDON, E1 8HQ at 12 noon on WEDNESDAY, 30th JANUARY 2008, or as soon thereafter as the meeting of the Committee called for that day is finished, for the purpose of amending the Rules.

The following amendments together with such further amendments, if any, as may be proposed will be submitted for adoption with or without modification and with effect from noon G.M.T. on the 20th day of February 2008.

[New wording is in bold. The explanatory notes in italics will not appear in the actual Rules.]

RULE 9.19 CARGO

9.19.2.4 unless the Committee in its sole discretion shall otherwise determine, there shall be no recovery in respect of:

9.19.2.4.1 any bill of lading, waybill or other document containing or evidencing the contract of carriage issued with an incorrect date or, with the knowledge of the Assured or the master of the entered Ship, with an incorrect description of the cargo or its quantity or its condition or a misstatement of the port of loading or the port of discharge;

9.19.2.4.2 delivery of cargo without production of the relevant bill of lading, **waybill or other document containing or evidencing the contract of carriage** and/or discharge of cargo at a port or place other than that stated in the contract of carriage;

[Explanation: The proposed change extends the proviso as stipulated in order to achieve consistency with a change in the Pooling Agreement and which, in turn, reflects the decision of the English Courts in the Rafaela S.]

RULE 10 SPECIAL COVER FOR CHARTERERS

10.1 If A Ship is **may be** entered in the Association ~~for charterers' risks~~ by or on behalf of a time, voyage, space or slot charterer, ~~the following liabilities, losses, costs and expenses may be covered~~ **and** on such terms and conditions as may be agreed by the Managers in writing **insured against the following risks:**

10.1.1 ~~the liability of the charterer, together with costs and expenses incidental thereto, to indemnify the owner or disponent owner of the entered Ship in respect of the~~ **for risks set out in Rule 9;**

10.1.2 ~~the liability of the charterer to contribute to general average, salvage or other charges in respect of the charterer's interest in hire, freight, bunkers or other property on board the entered Ship other than cargo and containers;~~

10.1.3 ~~where the cargo on board the entered Ship is the property of the charterer, the liability of the charterer as the owner thereof in respect of the risks set out in Rule 9.15 and 9.23.1.4;~~

10.1.4 Notwithstanding the provisions of Rules 12 and 13:

- 10.1.4.1 the charterers' liability **of the charterer to the owner or disponent owner**, together with costs and expenses incidental thereto, for the loss of or **physical** damage to the entered Ship;
- 10.1.4.2 **the liability of the charterer to the owner or disponent owner, together with costs and expenses incidental thereto, for loss of use, hire or demurrage arising from loss of or physical damage to the entered Ship as provided in Rule 10.1.4.1;**
- 10.1.4.3 **the liability of the charterer, together with costs and expenses incidental thereto, as would be covered under Rule 9 and this Rule 10, but for the exclusion of war risks as set out in Rule 15;**
- 10.1.4.4 loss of or damage to the bunkers, ~~fuel or other property~~ of the charterer on board the entered Ship;
- 10.1.5 **such other additional risks as the Managers may agree.**

[Explanation: The proposed changes reflect the fuller nature of the risks covered by the special Charterers' liability insurance which the Managers wish the Association to be able to offer with effect from 20 February 2008.]

RULE 11 LIMITATIONS ON COVER

- 11.6.1 Save as provided in Rule 11.6.2 and subject thereto, recovery by any Assured in respect of liabilities, costs and expenses arising out of carriage of cargo on a consortium ship (being a ship other than an entered Ship employed under a consortium agreement between the operator of that ship and the Assured for reciprocal sharing of cargo space on an entered Ship and the consortium ship **and which agreement has been notified to and approved by the Association in writing**), provided always that an entered Ship is employed pursuant to the **said** consortium agreement at the time the event giving rise thereto occurs, and provided further that any liabilities, costs and expenses arising out of carriage of cargo on a consortium ship shall be deemed to have arisen in connection with the operation of an entered Ship employed pursuant to the **said** consortium agreement, shall be limited in respect of all entered Ships of the Assured employed under that **said** consortium agreement in the aggregate to a maximum of US\$350,000,000 (US Dollars Three Hundred and Fifty Million).
- 11.6.2 Where the Assured has one or more Ships employed pursuant to the **said** consortium agreement at the time the event giving rise to such liabilities, costs and expenses occurs and the Assured has an entry in respect of those Ships in one or more association which participates in the Pooling Agreement, then,
 - ~~11.6.2.1~~ in the event that the liabilities, costs and expenses aforesaid incurred by all such associations exceed in aggregate the amount specified in Rule 11.6.1;
 - ~~11.6.2.2~~ the Assured shall only be entitled to recover from the Association that proportion of the said amount as the liabilities, costs and expenses incurred by the Association in respect of the entered Ships bears to the liabilities, expenses and costs incurred by all the associations.

[Explanation: The proposed change to 11.6.1 clarifies the basis for the cover provided for liabilities arising in connection with ships participating in consortium agreements, while that to 11.6.2 simply improves the sense of the Rule.]

By Order of the Committee,
A. BILBROUGH & CO. LTD.
(Managers)

16 January 2008