

CLASS 8, THE FREIGHT, DEMURRAGE AND DEFENCE CLASS

NOTICE IS HEREBY GIVEN that a SEPARATE MEETING of the MEMBERS OF CLASS 8, THE FREIGHT, DEMURRAGE AND DEFENCE CLASS, of the Association will be held at the REGISTERED OFFICE of the Association, 50 LEMAN STREET, LONDON, E1 8HQ at 12.15 p.m. on WEDNESDAY, 29th JANUARY 1997, or as soon thereafter as the meeting of Class 5 called for that day is finished, for the purpose of altering and adding to the Rules.

The following alterations and additions together with such further alterations and additions, 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 1997.

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

RULE 5 APPLICATION FOR INSURANCE AND CONDITIONS

- 5.1 It is a condition of entry of a ship for insurance in this Class ~~for the Policy Year commencing noon GMT on 20th February 1996 (herein referred to as the "Policy Year 1996/97") and (subject as hereinafter provided) for subsequent Policy Years~~ that the person making application for such entry shall agree to become and shall become a Member (or, if already a Member, shall continue as such) of The London Steam-Ship Owners' Mutual Insurance Association (Bermuda) Limited (herein referred to as "LSSO (Bermuda)", a company incorporated in Bermuda without share capital with which the Association ~~intends to reinsure~~ risks of this Class ~~with effect from the start of the Policy Year 1996/97~~.
- 5.2 An application by any person for entry or renewal of entry of a ship in this Class ~~for the Policy Year 1996/97 and any later Policy Year~~ shall incorporate and be treated as comprising an application to become or continue as a Member of LSSO (Bermuda) on the terms of and subject to the incorporating Act and Bye-laws of LSSO (Bermuda), and subject to the Rules of Reinsurance Class I of LSSO (Bermuda), being the Rules applicable to Members of LSSO (Bermuda) who have entries in this Class of the Association which are reinsured by the Association with LSSO (Bermuda).
- 5.3 A person by whom or on whose behalf an application has been made and accepted by the Association for insurance in this Class shall be deemed to have agreed to become a Member of LSSO (Bermuda) and to be bound by the terms of the said incorporating Act, Bye-laws and Rules of LSSO (Bermuda) and the Managers of the Association shall be empowered to sign on behalf of such person any documents required to be signed by such person in order to become or continue as a Member of LSSO (Bermuda).
- 5.4 The condition stated in Rule 5.1 and the provisions stated in Rules 5.2 and 5.3 shall apply for each Policy Year ~~after the Policy Year 1996/97~~ if, but only if, risks of this Class shall be reinsured by LSSO (Bermuda) for the Association for that Policy Year or any part

thereof. For this purpose it shall be assumed that any agreement between the Association and LSSO (Bermuda) for reinsurance of risks of this Class by LSSO (Bermuda), which is current when an application for insurance or renewal of insurance in this Class is received by the Association, will remain in force notwithstanding that such agreement may be capable of being terminated at or before the commencement of the next Policy Year provided that this assumption shall not be made if at such time it shall have been agreed that such reinsurance will terminate at or prior to the commencement of the next Policy Year.

[References to Policy Year 1996/97 are not required in the Rules for subsequent Policy Years and now that the reinsurance by LSSO (Bermuda) has been established, there is no need for this Rule to identify specific Policy Years.]

RULE 8 CLASSIFICATION

Amend by inserting the words in bold:

- 8.2 Any occurrence known or likely to have caused damage **to the entered ship** in respect of which the Classification Society might reasonably be expected to make recommendations as to repairs or other action to be taken, must be promptly called to the attention of the Classification Society.
- 8.7 Any recommendations as to repair made by any surveyor nominated under Rule 8.6 shall be carried out forthwith or within such period of time as may be specified by the Association and unless the Committee in its sole discretion **shall** otherwise determine there shall be no recovery in respect of any Legal Costs, Charges or Disbursements where such recommendations have not been complied with.

[The proposed minor amendments are to clarify these provisions.]

RULE 42 ARBITRATION

- 42.2 Save for the matters referred to in Rule 42.1 and subject to Rule 32.4 of Class 5, if any difference or dispute shall arise between a Member and the Association out of or in connection with these Rules, or out of any contract between the Member and the Association, or as to the rights or obligations of the Association or the Member thereunder, or in connection therewith, or as to any other matter whatsoever, such difference or dispute shall be referred to Arbitration in London before a sole legal Arbitrator and the submission to Arbitration and all the proceedings therein shall be subject to the provisions of the Arbitration Acts 1950, **1979 and 1996** and any Statutory modification or re-enactment thereof, and to English Law. In any such Arbitration, any matter decided or stated in any Judgment or Arbitration Award (or in any Reasons given by an Arbitrator or Umpire for making any Award) relating to proceedings between the Member and any third party shall be admissible in evidence. No Member may bring or maintain any action, suit or other legal proceedings against the Association in connection with any such difference or dispute unless he has first obtained an Arbitration Award in accordance with this Rule.

[Amendment is made to refer to the Arbitration Acts of 1979 and 1996. The 1996 Act came into force on 1st January 1997 and is a consolidating act bringing together existing provisions of English statute law - such as the Arbitration Acts of 1950 and 1979.]

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

17th January 1997

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