

CLASS 7, THE WAR RISKS CLASS

NOTICE IS HEREBY GIVEN that a SEPARATE MEETING of the MEMBERS OF CLASS 7, THE WAR RISKS CLASS, of the Association will be held at the REGISTERED OFFICE of the Association, 50 LEMAN STREET, LONDON, E1 8HQ at 12.30 p.m. on WEDNESDAY, 23rd JANUARY 2002, or as soon thereafter as the meeting of Class 8 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 2002.

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

RULE 2 PART D PROTECTION AND INDEMNITY RISKS

2.D.1 An Insured Owner who has entered his ship for insurance under Rule 2 is insured against the Protection and Indemnity liabilities, costs and expenses specified in Appendix D, Paragraphs D.1 to D.12.

PROVIDED ALWAYS that:

the liabilities, costs or expenses referred to in each Paragraph (save in Paragraphs D.4.2, D.5 and D.10) must, irrespective of whether a contributory cause of the same being incurred was any neglect on the part of the Insured Owner or on the part of the Insured Owner's servants or agents, have arisen or been incurred in respect of loss or damage, injury, illness or death or accident caused by:

2.D.1.1 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;**

[Explanation: It is necessary to include "any act of terrorism" so that the Class 7 inclusion matches the Class 5 exclusion, thus avoiding a gap in cover.]

RULE 25 ADVANCE CONTRIBUTIONS

25.1 Before the beginning of each Policy Year, or so soon thereafter as may be practicable, the Committee shall, **in respect of each Insured Owner**, decide the percentage of the Insured Value and of the Sum Insured, **in respect of each Entered Ship**, which is to be levied on ~~each~~ **the** Insured Owner and is to be paid by way of an Advance Contribution for such Policy Year.

- 25.2** The percentage **or percentages** so fixed shall be applied:
- 25.2.1** in the case of risks insured under Rule 2 Parts B, C, D, E and F, to the Insured Value of each Entered Ship for which she is insured;
- 25.2.2** in the case of risks insured under Rule 3, to the Sum Insured;
- 25.2.3** where only a part or percentage of the Insured Value is insured by this Class of the Association, to that part or percentage so insured.
- 25.3** The amounts so calculated shall be the amounts so payable by ~~each~~ **the** Insured Owner.

[Explanation: It is felt that this Rule needs changing to allow the Committee discretion to apply differential rating for different types of vessel. Reinsuring underwriters want to charge higher rates for cruise vessels, and there is doubt as to whether the existing Rule allows this. The consequence of not allowing differential rating would be that non-cruise vessel owners would have to subsidise the rates of cruise vessel owners.]

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

9 January 2002