



THE LONDON

STEAM-SHIP OWNERS'
MUTUAL INSURANCE ASSOCIATION LIMITED

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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 12.10 p.m. on WEDNESDAY, 28th JANUARY 2009, 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 2009.

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

RULE 2 PART B INSURANCE OF HULL, MACHINERY, ETC (Applying to all ships)

- 2.B.1** Loss, whether partial or total of the Entered Ship's hull, materials, machinery and all other parts and equipment thereof (including cash for wages or disbursements, up to such limit as the Committee may from time to time determine) when caused by any of the following risks:
- 2.B.1.1** war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power;
 - 2.B.1.2** capture, seizure, arrest, restraint or detainment, and the consequences thereof or any attempt thereat;
 - 2.B.1.3** mines, torpedoes, bombs or other weapons of war, including derelict mines, torpedoes, bombs or other derelict weapons of war;
 - 2.B.1.4** strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions;
 - 2.B.1.5** any terrorist or any person acting maliciously or from a political motive;
 - 2.B.1.6** piracy, **barratry** or violent theft by persons coming from outside the Entered Ship;
 - 2.B.1.7** confiscation or expropriation.
- 2.B.2** PROVIDED ALWAYS that:
there shall be no insurance under Rule 2 Part B for any losses, liabilities, costs or expenses for which an Insured Owner is insured by Rule 2 Part A.

RULE 3 FREIGHT, DISBURSEMENTS AND/OR INCREASED VALUE, PREMIUMS AND/OR OTHER INTERESTS

- 3.1** An Insured Owner who has entered his ship for insurance under Rule 3 is insured against loss of freight, disbursements and/or increased value, premiums and/or other interests when the loss has been caused by any of the following risks:



- 3.1.1 war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power;
- 3.1.2 capture, seizure, arrest, restraint or detainment, and the consequences thereof or any attempt thereat;
- 3.1.3 mines, torpedoes, bombs or other weapons of war including derelict mines, torpedoes, bombs or other derelict weapons of war;
- 3.1.4 strikers, locked-out workmen or persons taking part in labour disturbances, riots or civil commotions;
- 3.1.5 any terrorist or any person acting maliciously or from a political motive;
- 3.1.6 piracy, **barratry** or violent theft by persons coming from outside the Entered Ship;
- 3.1.7 confiscation or expropriation.
- 3.2 **PROVIDED ALWAYS** that:
- 3.2.1 there shall be no insurance under Rule 3 for any losses, liabilities, costs or expenses for which an Insured Owner is insured under Rule 2 Part A.

4.B TERMS APPLICABLE ONLY TO RULE 2 PARTS A AND B

- 4.B.1 The Association shall not be liable for any losses, liabilities, costs or expenses covered by the Standard Form of English Marine Policy with the Institute Time Clauses - Hulls (edition of 1.10.83 or any subsequent edition or amendment thereof current at the date of the casualty) attached and with the War Exclusion Clause, the Strikes Exclusion Clause, ~~and the Malicious Acts Exclusion Clause~~ **and the Violent Theft, Piracy and Barratry Exclusion Clause** inserted therein or which would have been covered thereby if the Entered Ship had been insured under such a policy. A loss shall be deemed to be so insured notwithstanding that it is excluded in whole or in part by any deductible or franchise specified in such a policy.

~~PROVIDED ALWAYS that:~~

~~losses, liabilities, costs or expenses caused by piracy or violent theft by persons coming from outside the Entered Ship shall be recoverable under Rule 2 Part B notwithstanding that they are also covered by the Standard Form of English Marine Policy with the Institute Time Clauses - Hulls (edition of 1.10.83 or any subsequent edition or amendment thereof current at the date of the casualty) attached.~~

[Explanation: There have been recent indications that hull and machinery underwriters will be introducing exclusions from cover for barratry from hull policies and of Owners therefore seeking such cover from their war underwriters. Although not all Owners will face such an exclusion from their hull policies, it seems that this may increasingly become the case. The above Rule changes are intended to include this risk, to avoid any potential gaps in cover.]

RULE 17 NOTICE OF TERMINATION AND NOVATION

- 17.2 If a notice shall have been given pursuant to Rule 17.1, the period of insurance shall terminate at noon G.M.T. on the 20th February immediately following such notice. Save with the agreement of the Managers **and save as provided in Rule 17.3**, an Entered Ship may not be withdrawn from this Class of the Association nor may any notice of termination be given at any other time.
- 17.3 **In the event of any sale, disposal or transfer by the Association of the whole or any part of the undertaking, property, assets or liabilities of the Association to any third party carrying on the whole or any part of the business of the Association in succession to the Association (the "Transferee"), any contract of insurance in respect of any Insured Owner's interest in an Entered Ship (together with the entry of that Ship in respect of that interest) may, subject to the approval of the Committee (provided such approval was decided upon at a meeting of the Committee at which not less than two thirds of the Committee members present and entitled to vote voted in favour of the resolution to give such approval, or is the subject of a written resolution signed by all members of the Committee), be:**

- 17.3.1 novated, in whole or in part, to the Transferee on such terms as the Committee may in its absolute discretion deem necessary for the purpose of implementing or giving effect to any such sale, disposal or transfer; and/or
- 17.3.2 terminated by the Association at any time with not less than 7 days' written notice to the Insured Owner concerned and replaced with a new contract of insurance between the Insured Owner and the Transferee on the same terms mutatis mutandis as that Insured Owner's original contract of insurance with the Association.

For the purpose of giving effect to this Rule 17.3, the Insured Owner hereby consents to any novation, termination and entry into a replacement contract of insurance as referred to in Rules 17.3.1 and 17.3.2 and appoints the Association (acting through one or more members of the Committee or the Managers) as agent for and on its behalf and in its name to enter into and execute any such novation, termination and replacement contract of insurance.

[Explanation: The proposed additions to Rule 17, together with the changes proposed to the Memorandum of Association, are intended to give the Committee the powers and flexibility, in exceptional circumstances, to implement a change of corporate domicile or other restructuring of the Association, at short notice, should they decide that such is in the best interests of the membership, perhaps for tax or regulatory reasons.]

APPENDIX "D"

D.5 Collision with Another Ship

D.5.2 PROVIDED ALWAYS that:

the Association's liability under Paragraph D.5 shall be only for such collision liability as falls within one or more of the following heads, namely:

- D.5.2.1 it would have been recoverable under the Institute Time Clauses - Hulls (edition of 1.10.83 or any subsequent edition or amendment thereof current at the date of the casualty) **had the ship been insured on such terms, but for the War Exclusion Clause, the Strikes Exclusion Clause, the Malicious Acts Exclusion Clause and the Violent Theft, Piracy and Barratry Exclusion Clause inserted therein** or, as the case may be, the Institute Time Clauses - Freight (edition of 1.8.89 or any subsequent edition or amendment thereof current at the date of the casualty) had the ship been insured on such terms, but for the War Exclusions Clause, the Strikes Exclusion Clause, or the Malicious Acts Exclusion Clause inserted therein;

[Explanation: As previously detailed after Rule 4.B.1.]

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

15 January 2009