



# The London P&I Club

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## CLASS 7, THE WAR RISKS CLASS

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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, 27<sup>th</sup> JANUARY 2016, 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 2016.

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

### 4.D TERMS APPLICABLE TO RULE 2 PARTS B, C, D, E AND F, RULE 3 AND RULE 4.A.2

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#### 4.D.7 Exclusion of Computer Viruses

The Association shall not be liable for any losses, liabilities, costs or expenses directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer virus.

**PROVIDED ALWAYS that:**

- 4.D.7.1 **Rule 4.D.7 shall not operate to exclude losses (which would otherwise be covered under Rule 2, parts B, C, D, E and F, Rule 3 and Rule 4.A.2) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.**

*[Explanation: The proposed amendment clarifies the scope of the Computer Virus Exclusion.]*

## RULE 8 DISCLOSURE

When applying for insurance or on the renewal of any insurance, an Owner or Insured Owner shall **make a fair presentation of the risk to the Managers by furnishing or disclosing** to the Managers all such particulars and information as may be material to the insurance given by the Association or as the Managers may require. ~~It shall be a condition precedent to the liability of the Association under any policy or contract of insurance that in the course of all such applications and negotiations the Owner or the Insured Owner has disclosed all such particulars and information as he ought to have disclosed, and that all the particulars and information disclosed by him were true so far as he and his servants and agents knew or could with reasonable diligence have ascertained.~~ The Owner or Insured Owner shall ensure

that every material representation as to a matter of fact is substantially correct, and every material representation as to a matter of expectation or belief is made in good faith.

*[Explanation: The proposed amendments align the duty of disclosure provisions of the Rules with the relevant provisions of the Insurance Act 2015. This Act will come into effect during 2016; further information is contained in the Association's Circular dated 18 November 2015.]*

## **RULE 10 JOINT INSURED OWNERS**

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10.1.3 failure by any Joint Insured Owner to **make a fair presentation and/or** disclose material information within his knowledge shall be deemed to have been the failure of all the Joint Insured Owners;

*[Explanation: The proposed amendments align the duty of disclosure provisions of the Rules with the relevant provisions of the Insurance Act 2015.]*

## **RULE 48 RULES SUBJECT TO THE MARINE INSURANCE ACT AND THE INSURANCE ACT 2015**

These Rules and all policies or contracts of insurance made by the Association shall be subject to and incorporate the provisions of the Marine Insurance Act 1906 **and, upon its entry into force, the Insurance Act 2015**, of the United Kingdom and any statutory modifications thereof except insofar as such Act or modification may have been excluded by these Rules or by any term of such contracts.

**The following provisions of the Insurance Act 2015 (“the Act”) are excluded from the Rules and any contract of insurance as follows:**

**The following provisions of the Insurance Act 2015 (“the Act”) are excluded from the Rules and any contract of insurance as follows:**

- (1) Section 8 and Section 14 of the Act are excluded. As a result any breach of the duty of fair presentation and/or the duty of utmost good faith shall entitle the Association to avoid the policy in all circumstances.
- (2) Section 10 of the Act is excluded. As a result if the Insured Owner fails to comply with any warranty in these Rules and/or any contract of insurance, the Association shall be discharged from liability from the date of the breach even if the breach is subsequently remedied.
- (3) Section 11 of the Act is excluded. As a result if the Insured Owner fails to comply with any term in these Rules and/or any contract of insurance, the Association's liability may be excluded, limited or discharged in accordance with these Rules notwithstanding that the breach could not have increased the risk of the loss which actually occurred.
- (4) Section 13 of the Act is excluded. As a result the Association shall be entitled to exercise its right to terminate any contract of insurance in respect of an Insured Owner in the event that a fraudulent claim is submitted by or on behalf of the Insured Owner and/or any affiliated or associated company of the Insured Owner.
- (5) Section 13(A) of the Act is excluded. As a result these Rules and/or any contract of insurance between the Association and any Insured Owner shall not be subject to any implied term that the Association will pay any sums due in respect of a claim within a reasonable time save that the Association may not deliberately or *recklessly fail to do so*.

*[Explanation: The proposed amendments to Rule 48 update the governance of the Rules by English law to reflect the imminent entry into force of the Insurance Act 2015. The proposed*

***amendments further reflect the agreement amongst the relevant International Group Clubs to contract out of certain aspects of the Insurance Act 2015, explained in the Association's Circular dated 18 November 2015.]***

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

11 January 2016