

No. 10 - Class II: Rule Changes For 2000

November 1999

Notice to All Class II Members

SPECIAL RESOLUTION

THAT alterations to certain of the Rules of Class II (as hereafter set out with commentary) be made to take effect from noon GMT on 20 February 2000:-

CLASS II RULE CHANGES FOR 2000 COMMENTARY

INTRODUCTION

There are both major and minor changes proposed to the Rules for 2000. Major changes or re-drafting of a whole Rule are covered by a full commentary. Where there is a minor change comment is brief.

Legal advice on major changes has, where appropriate, been taken.

FORMAT

Those parts of the 1999 Rules where it is proposed that changes are made are attached with the changes marked. A proposed deletion from the 1999 Rules is identified by striking through the text to be deleted. Proposed additions are marked in bold type, except where changes are proposed to Rule headings, where the change is identified with ordinary text. All proposed changes are accompanied by a vertical mark in the margin for ease of identification. Page headers and page numbering and numbering of the Rules will be adjusted once changes are adopted and prior to printing for the 2000 policy year.

CHANGES TO SPECIFIC RULES:-

1. Rule 2 – Disputes Covered The proposed amendment brings the Class 2 Rule wording in line, where appropriate, with the Class 1 Rules in respect both of the general requirement that the relevant event must occur during the period of insurance in respect of the Member's interest in the insured vessel and, in the case of disputes relating to detention, salvage or general average contributions, of using a more precise definition of a salvage vessel.
2. Rule 6 – Conditions of Recovery The proposed amendment makes the link between Rule 6 and Rule 3 clearer by incorporating Rule 6 into Rule 3 as a proviso and makes the scope of cover more consistent with Class I.
3. Rule 8 – Notification of Claims, Admission of Liability, etc. The proposed amendment makes this Rule more

consistent in its terms with the equivalent Class 1 Rule 24.

4. Rule 9 – Time Bar The proposed amendment makes the provisions of this Rule more consistent with those of the equivalent Class 1 Rule 25.
5. Rule 11 – Powers of the Managers relating to the Handling and Settlement of Claims The equivalent Rule in Class 1 allows the Association to take over the handling of any claim in respect of which the Association has given bail. The proposed amendment to this Class 2 Rule would provide the Association with the same powers as in Class 1.
6. Rule 16 – Exclusions of Sums Insurable under Other Insurances The proposed amendment excludes from Class 2 cover, subject to the Committee's discretion to determine otherwise, costs or expenses which would be recoverable from any other insurer in respect of loss of hire, freight, employment or use of the insured vessel.
7. Rule 43 – Payment of Calls and Other Sums Due to the Association The proposed amendment in respect of interest on sums due to the Association aligns this Rule with the equivalent Class 1 Rule 49.
8. Rule 53 – Notices

The proposed amendment aligns this Rule with the equivalent Class 1 Rule 57 in allowing notices to be sent by courier or electronic mail.