

No. 9 - Class 1 - Rule Changes for 2006

January 2006

Notice to All Class 1 Members

NOTICE is hereby given that an Extraordinary General Meeting of the Members of Class 1 of the Association will be held on Wednesday, 1 February 2006 at 1000 hours in the Mandarin Oriental Hotel du Rhône, Quai Turretini 1, 1201 Geneva, Switzerland, for the purpose of considering and, if thought fit, passing the following SPECIAL Resolution:

SPECIAL RESOLUTION

THAT alterations to certain of the Rules of Class 1 (as hereafter set out with commentary) be made to take effect from noon GMT on 20 February 2006:-

By order of the Board
P A Aspden
Secretary
33 Boulevard Prince Henri
1724 Luxembourg

January 2006

A Member entitled to attend and vote is entitled to appoint a proxy (who need not be a Member of the Association) to attend and on a poll vote instead of him. The instrument appointing a proxy shall be left with the Secretary not less than 48 hours before the holding of the Meeting.

CLASS 1 RULE CHANGES FOR 2006

INTRODUCTION

Those parts of the 2005 Rules where it is proposed that changes are made are attached with the changes marked. A proposed deletion from the 2005 Rules is identified by striking through of the text to be deleted. Proposed additions are bold and underlined 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. Pages headers and page numbering of the Rules will be adjusted once changes are adopted and prior to printing for the 2006 policy year.

Legal advice on changes of substance will, where appropriate, be taken and required adjustments to the text will be made.

COMMENTARY

1. Rule 2 Section 11 – Pollution

The proposed Rule change permits the Association to give effect to the Tanker Oil Pollution Indemnification Agreement (TOPIA) if, as anticipated, it comes into effect from 20 February 2006 and to provide cover for shipowners party to that agreement.

The proposed change also reflects the fact that STOPIA arrangements have been updated by means of a new agreement called STOPIA 2006.

2. Rules 3 and 3A – Special Cover and Special Cover for Charterers and Related Parties .

The proposed change consolidates the two Rules and is aimed primarily at clarifying the terms of the Special Cover for Charterers and related parties, particularly the provision of cover for loss of use of the insured vessel as a result of damage to it for which the charterer is responsible.

This part of the proposed change reflects the fact that cover includes loss of use resulting from damage to the vessel for which the charterer is responsible and that such loss of use includes not only freight, damages or demurrage, but also any hire which the charterer is obliged to pay while the vessel is out of service.

In other respects the scope of special cover provided to charterers remains substantially unchanged

3. Rule 13A – Premium Tax and Other Excise Taxes

The proposed change allows the Association to collect from a Member insurance premium tax for which the Association may at some future time be liable to the relevant tax authority in default of payment by the Member. The existing Rule merely contains an indemnity from the Member to the Association once the Association has had to pay such tax authority.

[link to detailed changes in Adobe Acrobat format](#)