

No. 11 - Class 1 – Rule Changes for 2005

January 2005

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, 2 February 2005 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 2005:-

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

January 2005

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 2005

COMMENTARY

INTRODUCTION

There are some proposed changes of substance and a number of proposed changes essentially of form. Changes of substance or re drafting of a whole Rule are covered by a full commentary. Where there is a change merely of form, comment is either brief or, where the reason for change is evident, no comment is made. Where a change of a similar nature involves several Rules, it is covered by a single, general comment.

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

FORMAT

Those parts of the 2004 Rules where it is proposed that changes are made are attached with the changes marked. A proposed deletion from the 2004 Rules is identified by bracketing and 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 2005 policy year.

CHANGES TO SPECIFIC RULES:

1. Rule 2 section 6 - Stowaways, Deserters and Refugees

The proposed change aligns the Rules with the Pooling Agreement by excluding consequential loss of profit and depreciation arising from the rescue of refugees.

2. Rule 10 - Payment First by the Member

Although subrogation operates as a matter of law, the proposed change provides the Club with an express right of subrogation and the power to require a Member to assign recourse or recovery claims to the Club where the Club advances a claim on a Member's behalf.

3. Rule 14 - Liability Excluded for War Risks

The changes incorporate into the Rule the various recent resolutions made by the Board in respect of terrorism and war risk cover generally which hitherto have been set out in notices to Members.

4. Rule 15 - Liability Excluded for Nuclear Risks and in Respect of Pollution by Waste and the Carriage of Live Animals

One of the proposed changes aligns the Rules with the Pooling Agreement by excluding liability arising directly or indirectly from radioactive matter, other than excepted matter. The amendment is designed primarily to exclude from cover liabilities arising from the use of conventional weapons containing radioactive matter.

The second change clarifies the exclusion of liability for dumping pollution waste to extend it to situations where the waste is mixed with other waste.

5. Rule 17 - Exclusion of Certain Liabilities, Costs and Expenses of Salvage Vessels, Drilling Vessels, Dredgers and Others, Specialist Operations, Diving etc.

The proposed amendment adjusts the wording of the exclusion so that it aligns with the terms of the Pooling Agreement.

6. Rule 30 - Eligibility for Insurance or Reinsurance

The proposed change reflects the Club's participation in Hydra

7. Rule 60 - Definitions

For the purposes of overspill claims the Convention Limit has been amended to allow the Association to determine the limitation amount for vessels which do not have tonnages measurable in accordance with the Convention.

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