

RULES 2015 AND BYE-LAWS

The Hellenic War Risks Club is a mutual organisation, run for and on behalf of its Members. Our mutual focus sets us apart. It means that Members' needs always take priority. We focus exclusively on war risks. We look at the market and approach cover from a specialist, war risk perspective. Specialist, mutual war risks – a combination that is second to none.

Rules 2015 and Bye-Laws

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Rules

Effective on and from 0001 hours Greenwich Mean Time on 1 January, 2015

NOTE: These Rules were adopted in accordance with the powers conferred by the Hellenic Mutual War Risks Association (Bermuda) Company Act, 1969, and of every statutory amendment thereto, and the Bye-Laws of the Hellenic Mutual War Risks Association (Bermuda) Limited, which said Bye-Laws provide for alteration or abrogation of or addition to the Rules by the Association in general meeting.

1 Introduction

1 Introduction

1.1 The Owner of an Entered Ship is insured against risks within the scope of Rule 2, the extent of that insurance being such as is agreed between the Owner and the Association and recorded in the Certificate of Entry.

1.2 Rule 2 is divided into the following Parts:

Part A	Hull, Machinery and Freight.
Part B	Detention and Diversion Losses and Expenses.
Part C	Protection and Indemnity.
Part D	Sue and Labour.
Part E	Discretionary Insurance.
Part F	Optional Additional Insurance.

1.3 Each Part of Rule 2 contains terms and conditions which apply to such Part, but in addition there are set out in Rule 3 General Exclusions and Qualifications which apply to all Parts of Rule 2 and to each and every insurance provided by the Association.

1.4 The Association is not obliged to provide insurance against all the risks referred to in Rule 2, and the extent of the insurance provided to any one Owner or group or category of Owners is a matter for the Association to decide.

Insurance under the following Parts is provided unless the Terms of Entry provide otherwise:

Part A (except so far as it relates to loss of Freight and Disbursements)

Part B

Part C (except so far as it relates to liabilities, costs and expenses referred to in Rule 2C.1.2)

Introduction

Part D

Part E

Insurance under Part F and the excepted categories referred to in the preceding paragraph is provided only if the Terms of Entry expressly so provide.

- 1.5** An Owner is insured, in respect of an Entered Ship, only against loss, damage, liability or expense which arises:
- 1.5.1** out of events occurring during the period of entry of the ship in the Association,
 - 1.5.2** in respect of the Owner's interest in the ship, and
 - 1.5.3** out of the operation by the Owner of the ship.

Where another insurer is reinsured by the Association pursuant to Rule 8.1, references in Rules 1.5.2 and 1.5.3 to "the Owner" shall be treated as references to the assured under the primary insurance.

- 1.6** The maximum amount for which any one ship or all interests therein may be insured by the Association shall be as directed from time to time by the Directors.
- 1.7** Certain words and phrases in the Rules have a special meaning under Rule 48 and are to be interpreted in accordance with that Rule.

Introduction

- 1.8** Subject to the Act and the Bye-Laws, the Rules:
- 1.8.1** govern the conduct of the insurance business of the Association, and
 - 1.8.2** apply to and are incorporated, or deemed to be incorporated, in every insurance given by the Association.
- 1.9** The terms and conditions of insurance set out in these Rules may be excluded, limited, restricted, modified or otherwise altered by any special terms agreed in writing between the Owner and the Managers and recorded in the Certificate of Entry.
- 1.10** The cover provided by the Association as set out in these Rules is solely for the benefit of the Owner, any Joint Owner to the extent allowed by Rule 6, and any assignee where the assignment has been made with the Managers' consent in accordance with Rule 10.1. It is not intended that rights should be acquired by any other party through the operation of the English Contracts (Rights of Third Parties) Act 1999 or similar legislation.
- 1.11** Headings and references to headings in these Rules are for ease of reference only and do not form part of these Rules.

2 Risks Insured

Part A – Hull, Machinery and Freight

2A.1 Risks Insured

2A.1.1 Unless the Terms of Entry provide otherwise, every Owner of an Entered Ship is insured against loss of or damage to its Hull and Machinery when caused as specified in Rule 2A.2.

2A.1.2 If the Terms of Entry expressly so provide (but not otherwise), the Owner of an Entered Ship is insured against loss of Freight and Disbursements when caused as specified in Rule 2A.2 provided, in the case of the causes specified in Rules 2A.2.4 to 2A.2.9, that the loss arises from loss of or damage to the Entered Ship.

2A.1.3 The insurance provided under Rules 2A.1.1 and 2A.1.2 includes the proportion of general average, salvage and/or salvage charges attaching to the Entered Ship or freight at risk of the Owner (as the case may be), provided that:

2A.1.3.1 In case of general average sacrifice of the Entered Ship, the Owner may recover in respect of the whole loss without first enforcing his right of contribution from other parties.

2A.1.3.2 No claim shall be allowed under this Rule 2A.1.3 unless the loss was incurred to avoid or in connection with the avoidance of a risk insured against.

2A.2 Causes of Loss

The Owner of an Entered Ship is insured as provided in Rule 2A.1 if the loss, damage or expense as the case may be is caused by:

2A.2.1 war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power;

Risks Insured

- 2A.2.2** capture, seizure, arrest, restraint or detainment, and the consequences thereof or any attempt thereat;
- 2A.2.3** mines, torpedoes, bombs or other weapons of war (whether any of the aforesaid are derelict or otherwise);
- 2A.2.4** strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions;
- 2A.2.5** any terrorist or any person acting maliciously, or from a political, religious or ideological motive;
- 2A.2.6** piracy, barratry and violent theft by persons from outside the Entered Ship;
- 2A.2.7** confiscation or expropriation;
- 2A.2.8** save in cases where the Entered Ship is insured for marine risks on the terms of the Standard Form of American Hull Policy with the American Institute Hull Clauses attached, the risks excluded from the Standard Form of English Marine Policy (Hulls) by Clauses 23 (the War Exclusions Clause), 24 (the Strikes Exclusion Clause), 24A (the Violent Theft, Piracy and Barratry Exclusion Clause) and 25 (the Malicious Acts Exclusion Clause) of the Institute Time Clauses - Hulls;
- 2A.2.9** where the Entered Ship is insured for marine risks on the terms of the Standard Form of American Marine Hull Policy with the American Institute Hull Clauses attached, the risks excluded by conditions (a), (b), (c), (e), (f), (g) and (h) set out in the original War Strikes and Related Exclusions Clause or the risks excluded by conditions (a), (b), (c), (e), (f), (g), (i) and (j) set out in the War Strikes and Related Exclusions Clause amended October 2, 2008 therein.

Risks Insured

2A.3 General Average and Salvage

2A.3.1 General average and salvage shall be adjusted according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject, but where the contract of affreightment so provides, the adjustment shall be according to the York-Antwerp Rules.

2A.3.2 When the ship sails in ballast, not under charter, the provisions of the York-Antwerp Rules 1974 (excluding Rules XX and XXI) shall be applicable and the voyage for this purpose shall be deemed to continue from the port or place of departure until arrival of the vessel at the first port or place thereafter other than a port or place of refuge or a port or place of call for bunkering only. If at any such intermediate port or place there is an abandonment of the adventure originally contemplated, the voyage shall thereupon be deemed to be terminated.

2A.3.3 A claim by the Owner of an Entered Ship for reimbursement of general average, salvage and/or salvage charges, is subject to the following conditions:

2A.3.3.1 If the Agreed Value is the same as or more than the Contributing Value, then subject to condition 2A.3.3.3, the sum recoverable shall be the full amount of the claim.

2A.3.3.2 If the Agreed Value is less than the Contributing Value, then subject to condition 2A.3.3.3, the sum recoverable shall be reduced in the proportion which the Agreed Value bears to the Contributing Value.

Risks Insured

2A.3.3.3 If the insurance is given on the basis of a proportion of the Agreed Value, then the sum recoverable shall be limited to an equivalent proportion of the sum recoverable under condition 2A.3.3.1 or 2A.3.3.2 as the case may be.

2A.3.3.4 Notwithstanding condition 2A.3.3.2, the Directors may determine that even if the Agreed Value is less than the Contributing Value, the claim shall not be reduced to the extent provided in condition 2A.3.3.2 or that no reduction shall be applied.

In the above conditions:

– “Contributing Value” means the value used in the relevant adjustment to calculate the proportion of general average, salvage and/or salvage charges payable by the ship, and

– in any case in which the insurance is based on the Insurable Value of the ship, in accordance with Rule 2A.4.1.2, references to “Agreed Value” shall be construed as references to “Insurable Value”.

2A.3.4 Should the Entered Ship receive salvage services from another ship belonging wholly or in part to the same Owner or under the same management, the Owner of the Entered Ship receiving those services shall have the same rights of recovery from the Association as if the other ship had been entirely the property of an Owner not interested in the Entered Ship but in any such case the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Owner and the Managers.

Risks Insured

2A.4 Additional terms and conditions applicable only to insurance under Part A against loss of or damage to the Hull and Machinery of an Entered Ship

2A.4.1 Value on which the insurance is based

2A.4.1.1 Insurance against the risks referred to in Rule 2A.1.1 is given by the Association on the basis of the Agreed Value of the Entered Ship, except that when, by agreement between the Association and the Owner, only a proportion of the Agreed Value is insured, the insurance is given on the basis of that proportion.

2A.4.1.2 If in relation to any Entered Ship there is no Agreed Value, such insurance is based on the Insurable Value of the ship.

2A.4.1.3 The Agreed Value and, where applicable, the proportion of the Agreed Value on which the insurance is based, will be recorded in the ship's Certificate of Entry.

2A.4.2 Exclusion of risks insurable under Marine (non-war) Policies

2A.4.2.1 Subject to Rules 2A.4.2.2 and 2A.4.2.3, the Association shall not be liable to the Owner of an Entered Ship for any loss, damage, or expense wholly or partially covered by the Standard Form of English Marine Policy (Hulls), or which would have been wholly or partially covered thereby if, at the time of the incident giving rise to such loss, damage or expense, the Entered Ship had been insured under such a policy.

2A.4.2.2 Subject to Rule 2A.4.2.3, where the Entered Ship is covered for marine risks on the terms of a Hull Policy with the American Institute Hull Clauses attached the Association shall not be liable to the Owner of an Entered Ship for any loss, damage, or expense wholly or partially covered thereby.

Risks Insured

2A.4.2.3 Loss, damage or expense which is caused by piracy or by violent theft by persons from outside the ship, and which is within the scope of the insurance otherwise afforded to the Owner of an Entered Ship, is not excluded from the insurance by Rule 2A.4.2.1 or where applicable Rule 2A.4.2.2 notwithstanding that claims for such loss, damage or expense are also recoverable under the Standard Form of English Marine Policy (Hulls) or recoverable under a Hull Policy with the American Institute Hull Clauses attached.

2A.4.3 Reduction in amount recoverable

2A.4.3.1 If an Entered Ship becomes, or under Rule 3.12.5 is treated as, an actual or constructive total loss the sum payable by the Association in respect of any claim for such actual or constructive total loss (hereinafter referred to in this Rule as “the sum payable”) shall be subject to the limits specified in paragraphs 2A.4.3.2 and 2A.4.3.3 of this Rule.

2A.4.3.2 If the Entered Ship is

- (a) insured by the Association on the basis of an Agreed Value or a proportion of an Agreed Value, and
- (b) insured under a Hull Policy

The sum payable shall be limited to and shall not exceed whichever is the lower of

- (i) the Agreed Value or the proportion of the Agreed Value as the case may be, and
- (ii) a sum equivalent to 125 per cent of the aggregate value on the basis of which the ship is, at the time of the incident giving rise to the claim for actual or constructive total loss, insured under the terms of its Hull Policy, including any amount insured in respect of increased value whether in the Hull Policy or any other policy in force at that time.

Risks Insured

2A.4.3.3 If the Entered Ship is insured by the Association on the basis of an Agreed Value or a proportion of an Agreed Value but is not insured under a Hull Policy, the sum payable shall be limited to and shall not exceed whichever is the lower of

- (i) the Agreed Value or the proportion of the Agreed Value as the case may be, and
- (ii) a sum equivalent to 125 per cent of the Insurable Value at the time of the incident giving rise to the claim for actual or constructive total loss.

2A.4.3.4 In paragraph 2A.4.3.2 of this Rule the words “value on the basis of which the ship is, at the time of the incident giving rise to the claim for actual or constructive loss, insured under the terms of its Hull Policy” shall mean the agreed value under the Hull Policy or if there is no such agreed value the Insurable Value irrespective of whether the insurance is given on such agreed value or Insurable Value or on a proportion of such agreed value or Insurable Value.

2A.4.4 Average Payable

Average is payable without deductions new for old, whether the average be particular or general.

Risks Insured

2A.4.5 Unrepaired Damage

2A.4.5.1 The measure of indemnity in respect of claims for unrepaired damage shall be the reasonable depreciation in the market value of the ship, at the end of the Policy Year in which the damage occurred, arising from such unrepaired damage, but not exceeding the reasonable cost of repairs.

2A.4.5.2 The Association shall not be liable for unrepaired damage if the ship becomes, or under Rule 3.12.5 is treated as, an actual or constructive total loss during the Policy Year in which such damage occurred (whether or not such total loss falls within the scope of the insurance of the ship, under her Terms of Entry).

2A.4.5.3 The Association shall not be liable in respect of unrepaired damage for more than the aggregate of:

- (a) the value on which the insurance is based in accordance with Rule 2A.4.1, and
- (b) the sum (if any) insured in respect of Freight and Disbursements.

2A.4.6 Freight Waiver

In the event of actual or constructive total loss no claim shall be made by the Association for freight whether or not notice of abandonment has been given, but this restriction shall not apply if the Owner is insured under this Part against loss of Freight and Disbursements.

Risks Insured

2A.5 Additional terms and conditions applicable only to insurance under Part A against loss of Freight and Disbursements relating to an Entered Ship

2A.5.1 Sum insured and limit of recovery

- 2A.5.1.1** Insurance against the risks referred to in Rule 2A.1.2 is given by the Association on the basis of the sum (referred to in this Rule 2A.5 as the “sum insured”) agreed between the Association and the Owner of an Entered Ship as the sum insured in relation to those risks.
- 2A.5.1.2** The sum insured will be recorded in the Certificate of Entry.
- 2A.5.1.3** The maximum liability of the Association in respect of any claim for loss of Freight and Disbursements shall be an amount equivalent to the sum insured.
- 2A.5.1.4** If an Entered Ship becomes, or under Rule 3.12.5 is treated as, an actual or constructive total loss, the amount recoverable shall be the sum insured in respect of Freight and Disbursements whether the ship be fully or partly loaded or in ballast, chartered or unchartered. If, however, an Entered Ship becomes a constructive total loss but the Owner’s claim against the Association be settled as a claim for partial loss, this provision shall not apply.
- 2A.5.1.5** In relation to a claim which does not arise out of the actual or constructive total loss of an Entered Ship, the liability of the Association shall, subject to Rule 2A.5.1.3, be limited to the amount of the Freight and Disbursements which, as a result of the incident giving rise to the claim, is not recoverable by the Owner under a contract existing at the date of such incident.
- 2A.5.1.6** Except where Rule 2A.5.1.4 applies the amount recoverable for loss of Freight and Disbursements shall not exceed the amount actually lost.

Risks Insured

2A.5.2 Exclusion of claims for loss or frustration of voyage or adventure

The Association shall not be liable to an Owner of an Entered Ship for any claim arising out of loss or frustration of any voyage or adventure.

2A.5.3 Exclusion of claims relating to loss of time

The Association shall not be liable to an Owner of an Entered Ship for any claim consequent on loss of time of that ship, whether arising from a peril insured against or otherwise.

2A.5.4 Exclusion of risks insurable under freight policies

2A.5.4.1 Subject to Rule 2A.5.4.2 the Association shall not be liable to the Owner of an Entered Ship for any loss or expense covered by the Standard Form of English Marine Policy (Freight) or which would have been covered thereby if, at the time of the incident giving rise to such loss or expense, the Entered Ship had been insured under such a policy.

2A.5.4.2 Loss or expense which is caused by piracy or by violent theft by persons from outside the ship, and which is within the scope of the insurance otherwise afforded to the Owner of an Entered Ship is not excluded from the insurance by Rule 2A.5.4.1 notwithstanding that claims for such loss, damage or expense are also recoverable under the Standard Form of English Marine Policy (Freight).

Risks Insured

Part B – Detention and Diversion Losses and Expenses

2B.1 Risk Insured

Every Owner of an Entered Ship is, unless the Terms of Entry of the ship provide otherwise, insured to the extent of the amounts recoverable under this Part of Rule 2 when the Entered Ship is detained or diverted in the circumstances specified in Rule 2B.2.

2B.2 Causes of Loss

The Owner of an Entered Ship is insured as provided in Rule 2B.1 if the detention or diversion which causes the loss or expense is:

2B.2.1 caused by war, warlike operations, civil war, revolution, rebellion, insurrection, civil strife, any hostile act by or against a belligerent power, or by conditions brought about as a result of any of the foregoing;

2B.2.2 caused by compliance with any order, prohibition or direction:

2B.2.2.1 the object of which is to avoid any loss, damage or expense arising from a cause specified in Rule 2A.2.1, 2A.2.2 or 2A.2.3, and

2B.2.2.2 which is made or imposed by:

- (a) the Directors; or
- (b) any Government department or military authority of a country in which the ship is owned, managed or registered; or
- (c) any Government department or military authority of a country having the right or de facto power to do so.

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2B.2.3 in the opinion of the Directors, caused, instigated, incited or encouraged in furtherance of the political aims of any Government, by:

2B.2.3.1 that Government or any department or agency thereof;

2B.2.3.2 any person acting or purporting to act on behalf of such Government, department or agency;

2B.2.3.3 the armed forces of that Government;

2B.2.4 caused by any group of persons which in pursuit of its political aims maintains an armed force;

2B.2.5 caused by terrorists, pirates, bandits or rioters;

2B.2.6 for the purpose of avoiding any loss or damage to the ship which is insured under Rule 2, Part A, provided that in any such case the Owner is only insured if and to the extent that the Directors so decide.

2B.3 Exclusions

2B.3.1 Exclusion of the consequences of the actions of strikers and others

An Owner shall not be entitled to any recovery from the Association in respect of detention or diversion of an Entered Ship when such detention or diversion is directly or indirectly caused by:

2B.3.1.1 strikes, lockouts, industrial action or labour disturbances;

2B.3.1.2 the action or activity of strikers, locked-out workmen or persons taking part in industrial action or labour disturbances;

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2B.3.1.3 action taken to avoid loss of or damage to or financial or other loss in connection with an Entered Ship caused by any of the events or persons referred to in Rules 2B.3.1.1 and 2B.3.1.2.

2B.3.2 Exclusion of delays relating to repairs and other matters

An Owner shall not be entitled to any recovery from the Association in respect of a period during which the Entered Ship is:

2B.3.2.1 delayed solely by the failure of the Owner, his servants or agents to give or comply with instructions for the disposal, repair or movement of the ship, or

2B.3.2.2 awaiting or undergoing repairs,

irrespective of whether such instructions or repairs are necessitated by damage caused to the ship by any of the risks specified in Rule 2, Part A or any other reason whatsoever.

2B.3.3 Exclusion of claims relating to periods which are subsequent to the termination, cesser or cancellation of insurance

An Owner of an Entered Ship is not insured in respect of any period subsequent to the date when the insurance of that ship by the Association has expired or, in accordance with the Rules, has terminated, ceased or been cancelled.

2B.4 Amount Recoverable

Subject to Rules 2B.5 and 2B.6 and the proviso to Rule 2B.2.6, the amounts recoverable by an Owner of an Entered Ship insured under this Part are as follows:

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- 2B.4.1** in the case of detention of the ship a sum calculated at the rate of 10 per cent per annum of the aggregate of:
- (a) the value on which the insurance is based in accordance with Rule 2A.4.1, and
 - (b) the amount (if any) insured in respect of Freight and Disbursements,
- that sum being applied pro rata to the whole period of the detention (subject to the exclusions in Rule 2B.3).
- 2B.4.2** in the event of detention of the ship lasting for a continuous period exceeding 90 days, a sum calculated at the rate of 5 per cent per annum of the aggregate of:
- (a) the value on which the insurance is based in accordance with Rule 2A.4.1, and
 - (b) the amount (if any) insured in respect of Freight and Disbursements,
- that sum being applied pro rata to the whole period of the detention (subject to the exclusions in Rule 2B.3) and being recoverable in addition to any amounts recoverable under Rule 2B.4.1.
- 2B.4.3** in the case of diversion of the ship a sum calculated at the rate of 10 per cent per annum of the aggregate of:
- (a) the value on which the insurance is based in accordance with Rule 2A.4.1, and
 - (b) the amount (if any) insured in respect of Freight and Disbursements,

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that sum being applied pro rata to the length of time by (subject to the exclusions in Rule 2B.3) which the voyage of the Entered Ship during which the diversion takes place is prolonged as a consequence of the diversion.

- 2B.4.4** In the case of detention of the ship, and in addition to any amounts recoverable under Rules 2B.4.1 and 2B.4.2, such proportion of any Additional Premium in respect of the Entered Ship as is payable to the Association in respect of the period of detention from and including the eighth day of such detention.
- 2B.4.5** The reference in Rule 2B.4.4 to any Additional Premium is to be treated as a reference to the net amount of such Additional Premium after deducting any discount, commission or brokerage payable to the Owner or to any company associated with the Owner.
- 2B.4.6** In the case of diversion of the ship and in addition to any amount recoverable under Rule 2B.4.3, such proportion of any Additional Premium payable to the Association as would not have been payable if the diversion had not taken place.
- 2B.4.7** In the case of detention or diversion of the ship and in addition to any amounts recoverable under Rules 2B.4.1 to 2B.4.5 inclusive, port charges (including agency fees, pilotage, tug hire, taxi and boat hire, handling, wharfage and port dues) which have been incurred as a result of the detention or diversion but reduced by a sum equivalent to any port charges which would have been incurred in the normal course of the voyage and which have been saved.

Risks Insured

2B.5 Deductibles and reductions of amounts recoverable

2B.5.1 Deductible

From every claim under Rule 2B.4.1 in respect of detention of an Entered Ship and from every claim under Rule 2B.4.3 in respect of diversion of an Entered Ship shall be deducted a sum equivalent to the sum payable by the Association to the Owner of such ship in respect of seven days of the detention or as the case may be of the period by which the voyage of the Entered Ship is prolonged as a consequence of the diversion.

2B.5.2 Reduction relating to hire and other earnings

2B.5.2.1 Where, before the time when a claim is paid, an Owner receives hire, other contractual reward based on a time basis or payment under loss of hire insurance for a period in respect of which a claim for detention or diversion is made, there will be no recovery under Rules 2B.4.1, 2B.4.2 or 2B.4.3 where such payment equals or exceeds the amount which would, but for this sub-rule, be payable by the Association in respect of that period.

2B.5.2.2 Where, before the time when a claim is paid, an Owner receives hire, other contractual reward based on a time basis or payment under loss of hire insurance for a period in respect of which a claim for detention or diversion is made and such payment is less than the amount which would, but for this sub-rule, be payable by the Association under Rules 2B.4.1, 2B.4.2 or 2B.4.3, the Owner shall recover under those Rules only such difference in respect of that period.

Risks Insured

2B.6 Assignment to the Association of Owner's claim for hire

If an Owner is or may be entitled to claim any hire, other contractual reward or payment under loss of hire insurance referred to in Rule 2B.5.2 but at the time when the claim for detention or diversion is paid by the Association he has not received that hire, other contractual reward or payment under loss of hire insurance, the Association shall be entitled to exercise rights of subrogation in respect of such hire, other contractual reward or payment under loss of hire insurance and the Owner shall assign its rights thereto to the Association which may pursue the claim and shall be entitled to any eventual recovery in respect of it but only to the following extent:

2B.6.1 In circumstances where the hire, other contractual reward or payment under loss of hire insurance equals or exceeds the amount which was paid by the Association in respect of any period the Association's subrogation rights and the Owner's assignment obligations shall be limited to the amount of the detention or diversion claim paid by the Association for that period.

2B.6.2 In circumstances where the hire, other contractual reward or payment under loss of hire insurance is less than the amount which was paid by the Association in respect of any period the Association's subrogation rights and the Owner's assignment obligations shall be limited to the amount of the hire, other contractual reward or payment under loss of hire insurance for that period.

Risks Insured

Part C – Protection and Indemnity

2C.1 Risks Insured

Subject to Rule 2C.1.2, an Owner is insured against liabilities, costs and expenses which fall within the categories specified in Appendix A and which the Owner incurs in the circumstances specified in Rule 2C.2, unless the Terms of Entry provide otherwise.

2C.1.2 Liabilities, cost and expenses

2C.1.2.1 relating to the Crew of an Entered Ship; or

2C.1.2.2 which the Directors may from time to time decide are to be insured only by special agreement and on payment of a Premium

are not insured under this Part unless the Terms of Entry expressly provide for such insurance.

2C.1.3 Insurance under this Part is subject to the exclusions and qualifications set out in Appendix A.

2C.2 Causes of Loss

The Owner of an Entered Ship is insured as provided in Rule 2C.1 if the incurring of the liability, cost or expense is caused by:

2C.2.1 war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power;

2C.2.2 capture, seizure, arrest, restraint or detainment (barratry excepted) and the consequences thereof or any attempt thereat;

2C.2.3 mines, torpedoes, bombs, or other weapons of war (whether any of the aforesaid are derelict or otherwise);

Risks Insured

2C.2.4 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions;

2C.2.5 terrorists or any person acting maliciously, or from a political, religious or ideological motive;

2C.2.6 piracy, barratry and violent theft by persons from outside the Entered Ship.

2C.3 Limit of Recovery

2C.3.1 The Directors may, by decision made before the beginning of any Policy Year, limit the maximum liability of the Association under this Part in respect of any description or descriptions of claim whatsoever.

2C.3.2 The maximum liability of the Association in respect of any claim under this Part which is not subject to any such limit as mentioned in Rule 2C.3.1 shall be a sum equal to the limit up to which the Association is reinsured in respect of such claim.

2C.4 Payment first by the Owner

Unless and except to the extent that the Directors decide otherwise, it shall be a condition precedent of an Owner's right of recovery under this Part that he shall first have discharged the liability or paid the costs and expenses which are the subject of his claim on the Association.

Risks Insured

Part D – Sue and Labour and other costs

2D.1 Risks Insured

Unless the Terms of Entry provide otherwise, every Owner of an Entered Ship is insured against extraordinary costs and expenses (not being costs or expenses insured under any other Part) which the Owner either:

2D.1.1 reasonably incurs at or about or after the time of the occurrence of any casualty, event or matter which is likely to or which may give rise to a claim on the Association, and incurs solely for the purpose of avoiding or minimising any loss, damage, liability, cost or expense against which the Owner is insured by the Association at that time or

2D.1.2 reasonably incurs solely in connection with any action taken against the Owner or an Entered Ship for the purpose of enforcing a claim against or securing payment of a claim by the Association.

2D.2 Prior Agreement of the Managers

Unless and except to the extent that the Directors decide otherwise, it shall be a condition precedent of an Owner's right of recovery under this Part that the costs or expenses which are the subject of his claim on the Association were incurred with the prior approval of the Managers.

Risks Insured

2D.3 Exclusions

2D.3.1 Exclusion of fines, penalties etc.

Unless and except to the extent that the Directors decide otherwise, an Owner is not insured against fines, penalties or other impositions.

2D.3.2 Exclusion of sums paid to release a ship

Unless and except to the extent that the Directors decide otherwise, an Owner is not insured against any sum paid in consideration of or for the purpose of the release of an Entered Ship from any capture, seizure, arrest, restraint, detainment, confiscation or expropriation.

Risks Insured

Part E – Discretionary Insurance

2E.1 Risks Insured

Unless the Terms of Entry provide otherwise, every Owner of an Entered Ship is insured against such losses, liabilities, costs and expenses, not otherwise recoverable and not expressly excluded under the Rules, as the Directors in their discretion decide to be within the scope of the Association.

2E.2 Amount of Recovery

If the Directors in their discretion decide that a payment should be made to an Owner under this Part, they may decide that the Owner's claim shall be paid in full or that only a proportion of the amount claimed shall be paid.

Part F – Optional Additional Insurance

2F.1 Insurance by special agreement

If the Terms of Entry expressly so provide (but not otherwise), the Owner of an Entered Ship may be insured against any risks in respect of which insurance has been authorised by the Directors.

2F.2 Terms and conditions

The terms and conditions of any insurance given by the Association under this Part shall be such as have been agreed in writing by the Managers.

3 General Exclusions and Qualifications

3.1 Exclusion of claims arising out of war between major powers

An Owner is not insured for any loss, damage, liability, cost or expense arising out of the outbreak of war (whether there be a declaration of war or not) between any of the following countries:

3.1.1 The United Kingdom of Great Britain and North Ireland.

3.1.2 The United States of America.

3.1.3 France.

3.1.4 The Russian Federation.

3.1.5 The People's Republic of China.

3.2 Exclusion of radioactive contamination and nuclear risks

An Owner is not insured for any loss, damage, liability, cost or expense directly or indirectly caused by or contributed to by or arising from:

3.2.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;

3.2.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

3.2.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;

General Exclusions and Qualifications

3.2.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter;

3.2.5 the exclusion in Rule 3.2.4 shall not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

3.3 **Exclusion of claims arising out of seizure in any country in which the Entered Ship is owned, registered or managed**

An Owner of an Entered Ship is not insured for any loss, damage, liability, cost or expense arising out of capture, seizure, arrest, restraint, detainment, confiscation or expropriation by or under the order of the Government or any public or local authority of any country in which the ship is registered or in which the main management of the ship is carried on.

3.4 **Exclusion of claims arising out of requisition or pre-emption**

An Owner of an Entered Ship is not insured for any loss, damage, liability, cost or expense arising out of requisition of the ship by the Government or any public or local authority of any country in which the ship is registered or in which the main management of the ship is carried on, whether for title or use, or pre-emption.

General Exclusions and Qualifications

3.5 Exclusion of claims arising out of criminal and other proceedings

An Owner of an Entered Ship is not insured for any loss, damage, liability, cost or expense arising out of action taken by any state or public or local authority:

- 3.5.1** under the criminal law of any state; or
- 3.5.2** on the grounds of any alleged contravention of the laws of any state; or
- 3.5.3** in order to enforce or secure payment of a fine, penalty or other imposition; or
- 3.5.4** under quarantine regulations,

but the Directors may authorise payment in whole or in part of a claim which would otherwise be excluded by this Rule.

3.6 Exclusion of claims arising out of ordinary judicial process etc.

An Owner of an Entered Ship is not insured for any loss, damage, cost or expense arising out of:

- 3.6.1** ordinary judicial process; or
- 3.6.2** action taken for the purpose of obtaining security for a claim; or
- 3.6.3** action taken for the purpose of enforcing or securing payment of a claim; or
- 3.6.4** any financial cause of any nature.

General Exclusions and Qualifications

3.7 Exclusion of certain pollution risks

3.7.1 Except as provided in Rule 3.7.2, an Owner of an Entered Ship is not insured for any loss, damage, liability, cost or expense arising from compliance with any order or direction given, or from any measures taken, by any Government or other authority for the purpose of preventing or mitigating pollution or danger or threat of pollution.

3.7.2 This exclusion shall not apply if the pollution or danger or threat of pollution is caused by or arises out of damage to the ship against which the Owner is insured, in whole or in part, under Rule 2, Part A.

3.8 Exclusion of loss, damage, liability, cost and expense insurable under P&I Club Rules

3.8.1 An Owner of an Entered Ship is not insured for any loss, damage, liability, cost or expense (except insofar as such loss, damage, liability, cost or expense arises from piracy and violent theft by persons from outside the ship) recoverable under the Rules of The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited (“the UK P&I Club”), current at the date of the event or casualty giving rise to the same, by an Owner of a ship entered in the UK P&I Club (without any amendment of the exclusion of war risks) or which would be so recoverable if:

- (a) no deductible were applied;
- (b) the Rules of the UK P&I Club did not include a Rule in respect of double insurance and
- (c) the Entered Ship were not insured in the Hellenic Mutual War Risks Association (Bermuda) Limited.

3.8.2 This exclusion applies irrespective of whether the Entered Ship is in fact entered in the UK P&I Club.

General Exclusions and Qualifications

3.9 Sanctions Limitation and Exclusion

An Owner of an Entered Ship is not insured for any loss, damage, liability or expense, not entitled to recover any claim and not entitled to any benefit whatsoever to the extent that:

3.9.1 the provision of such insurance; or

3.9.2 the payment of any such claim; or

3.9.3 the provision of any such benefit

would result in the Association being in breach of any sanction, prohibition or restriction made under any resolution of the United Nations or under any trade or economic sanctions, laws or regulations of the European Union, the United Kingdom of Great Britain and Northern Ireland or the United States of America.

3.9.4 Notwithstanding, and without prejudice to, any other provisions of these Rules, the Directors may terminate the insurance of an Owner in respect of any and all ships entered by him or on his behalf where, in the opinion of the Directors, the Owner has exposed or will expose the Association to a material risk of being or becoming subject to a sanction, prohibition, restriction made under any resolution of the United Nations or under any trade or economic sanctions, laws or regulations of the European Union, the United Kingdom of Great Britain and Northern Ireland or the United States of America.

3.10 TOPIA Exclusion

An Owner of an Entered Ship is not insured for any loss, damage, cost or expense if such insurance would create a liability under the Tanker Oil Pollution Indemnification Agreement 2006 for that Owner to contribute to the IOPC Supplementary Fund.

General Exclusions and Qualifications

3.11 Double Insurance

- 3.11.1** Except as provided in Rules 3.11.2 and 3.11.3, an Owner of an Entered Ship is not insured for any loss, damage, liability, cost or expense which is either recoverable by him under, or which is within the scope of, any other insurance or which would be so recoverable or within its scope:
- (a) if such other insurance did not contain terms excluding or limiting recovery on the grounds of double insurance, and
 - (b) if the ship were not insured in the Hellenic Mutual War Risks Association (Bermuda) Limited.
- 3.11.2** The application of this exclusion may be waived or modified by written agreement by the Managers which provides that any specified loss, damage, liability, cost or expense shall be borne by the Association notwithstanding the terms of the other insurance referred to in Rule 3.11.1.
- 3.11.3** This exclusion does not apply to a claim arising out of piracy or violent theft by persons from outside the ship, which will be payable subject to Section 80 of the Marine Insurance Act 1906.

3.12 Under Insurance

- 3.12.1** When the Owner of an Entered Ship insures the ship in the Association for a proportion of the Agreed Value or (if there is no Agreed Value) for less than the Insurable Value of the ship, the Owner is deemed to be:
- (a) under-insured in relation to that ship, and
 - (b) his own insurer in respect of the uninsured balance
- and the provisions of Rules 3.12.2 to 3.12.4 apply.

General Exclusions and Qualifications

3.12.2 When an Owner is under-insured as described in Rule 3.12.1 then except as provided in Rules 3.12.3 to 3.12.5 he shall be entitled to recover from the Association such proportion of any claim as the amount insured with the Association bears to the Agreed Value or (as the case may be) to the Insurable Value.

3.12.3 The application of Rule 3.12.2 may be waived or modified by the Terms of Entry.

3.12.4 The application of Rule 3.12.2 may be waived or modified, in respect of any claim, by the Directors.

3.12.5 Rule 3.12.2 shall not apply to any claim the amount of which is calculated by reference to the provisions of Rule 2A.4.3.

3.13 Constructive Total Loss

3.13.1 In ascertaining whether an Entered Ship is a constructive total loss, the Agreed Value shall be taken as the repaired value and nothing in respect of the damaged or breakup value of the ship or wreck shall be taken into account.

3.13.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Entered Ship shall be recoverable hereunder unless such cost would exceed the Agreed Value.

3.13.3 Where the Entered Ship is insured by the Association for a proportion ("the specified proportion") of the Agreed Value:

- (a) the Agreed Value shall nevertheless be taken as the repaired value for the purposes of Rule 3.13.1.
- (b) there shall be no claim for constructive total loss based upon the cost of recovery and/or repair of the Entered Ship unless the specified proportion of the cost of recovery and/or repair would exceed the specified proportion of the Agreed Value.

General Exclusions and Qualifications

- 3.13.4** If there is no Agreed Value, Rules 3.13.1 and 3.13.2 shall apply as if references to the Agreed Value were references to the Insurable Value.
- 3.13.5** The Directors may decide that an Entered Ship which has become a constructive total loss shall be treated as a constructive total loss for all the purposes of the Rules, notwithstanding that the Owner has not given any notice of abandonment to the Association. If the Directors so decide:
- (a) the Managers shall give notice of that decision to the Owner, and
 - (b) no sum shall be recoverable from the Association under Rule 2, Part B in respect of any period after the date of that notice,
 - (c) the Association shall have the same rights in relation to the ship as if the Owner had given such notice of abandonment.

3.14 **Capture, seizure, arrest, restraint, detainment, confiscation or expropriation – time of determination of total loss**

If an Owner is deprived of the free use and disposal of an Entered Ship by capture, seizure, arrest, restraint, detainment, confiscation or expropriation:

- 3.14.1** no claim for an actual or constructive total loss shall arise if such deprivation lasts for a period of less than 183 days (or such shorter period as the Directors may, in their discretion, decide);
- 3.14.2** if such deprivation lasts for a continuous period of 12 months, the Owner shall be deemed to have been deprived of the possession of the ship without any likelihood of recovery.

General Exclusions and Qualifications

3.15 Piracy and violent theft – limitation of amount recoverable

3.15.1 The amount recoverable by the Owner of an Entered Ship in respect of a claim arising out of piracy or of violent theft by persons from outside the ship is subject to the limits set out in Rules 3.15.2 to 3.15.4 and Appendix A, Section 3.

3.15.2 Any such claim shall be subject to such deductible as the Directors shall have determined before the beginning of the Policy Year during which the claim arises.

3.15.3 If and to the extent that the sum claimed relates to loss of cash held on board by the Master or by a representative of the Owner for the purposes of the Entered Ship's business or trade, then subject to Rule 3.15.4, recovery from the Association in respect of such loss of cash shall be limited to a maximum of US\$20,000 each accident or occurrence.

3.15.4 Where the Entered Ship becomes, or under Rule 3.13.5 is treated as, an actual or constructive total loss as a result of such piracy or violent theft, the liability of the Association in respect of the loss of the ship and the loss of cash referred to in Rule 3.15.3 shall not exceed the aggregate of

- (a) the sum insured recoverable in accordance with Rule 2A.4, and
- (b) the sum (if any) insured in respect of Freight and Disbursements.

3.16 Obligation to Sue and Labour

In the event of any occurrence which may give rise to a claim by an Owner upon the Association, it shall be the duty of the Owner and his agents to take and to continue to take all such steps as may be reasonable for the purpose of averting or minimising any loss, damage, liability, cost or expense in respect whereof he may

General Exclusions and Qualifications

be insured by the Association. In the event that an Owner commits any breach of this obligation, the Directors may reject any claim by the Owner against the Association arising out of the occurrence or reduce the sum payable by the Association in respect thereof by such amount as they may determine.

3.17 Obligations with regard to claims

- 3.17.1** An Owner shall promptly notify the Managers of every event or matter which may give rise to a claim upon the Association, or cause the Owner to incur liabilities, costs or expenses for which he may be insured by the Association.
- 3.17.2** An Owner shall promptly notify the Managers of every survey or opportunity for survey in connection with an event or a matter referred to in Rule 3.17.1.
- 3.17.3** An Owner shall:
- (a) promptly notify the Managers of any information, documents or reports in his or his agents' possession, power or knowledge relevant to any event or matter referred to in Rule 3.17.1;
 - (b) whenever so requested by the Managers, promptly produce to the Association and/or allow the Association or its agents to inspect, copy or photograph, all relevant documents of whatsoever nature in his or his agents' possession or power; and
 - (c) permit the Association or its agents to interview any servant, agent or other person who may have been employed by the Owner at the material time or at any time thereafter, or whom the Association may consider likely to have any direct or indirect knowledge of such event or matter, or who may have been under a duty at any time to report to the Owner in connection therewith.

General Exclusions and Qualifications

3.17.4 An Owner shall not settle or admit liability for any claim for which he may be insured by the Association without prior written consent of the Managers.

3.17.5 If an Owner commits any breach of his obligations referred to in Rules 3.17.1 to 3.17.4 above, the Directors may reject any claim by the Owner against the Association or reduce the sum payable by the Association in respect thereof by such amount as they may determine.

3.18 Time bar

If an Owner:

3.18.1 fails to notify the Managers of any event or matter referred to in Rule 3.17.1 of this Rule within one year after he has knowledge thereof; or

3.18.2 fails to submit a claim to the Managers for reimbursement of any liabilities, costs or expenses within one year after discharging or settling the same.

The Owner's claim against the Association shall be discharged and the Association shall be under no further liability in respect thereof unless the Directors otherwise determine.

3.19 Rules subject to the Marine Insurance Act

These Rules and all contracts of insurance made by the Association shall be subject to and incorporate the provisions of the Marine Insurance Act 1906 of the United Kingdom and any statutory modification thereof, except insofar as such Act or modification may have been excluded by these Rules or by the terms of any such contract.

4 Notice of Cancellation and Automatic Termination of Cover Clause

- 4.1** Notwithstanding any other provisions in these Rules, each and every insurance given by the Association may be cancelled by the Association giving 7 days notice. Such cancellation shall be effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by the Association. The Association agrees to reinstate any insurance cancelled in accordance with this provision subject to agreement between the Association and the Owner prior to the expiry of such notice of cancellation as to the Premium to be paid and/or the terms and/or conditions and/or warranties of insurance.
- 4.2** Whether or not such notice of cancellation has been given, each and every insurance given by the Association shall TERMINATE AUTOMATICALLY:
- 4.2.1** upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries:
- the United Kingdom, the United States of America, France, the Russian Federation, the People's Republic of China;
- 4.2.2** in the event of the Entered Ship being requisitioned either for title or use by the Government or any public or local authority of any country in which the ship is registered or in which the main management of the ship is carried on.

5 Applications for Insurance

- 5.1** Any applicant for insurance shall make application in such form as may from time to time be required by the Managers.
- 5.2** The particulars given by an applicant in any application form together with any other particulars or information given to the Managers in the course of applying for insurance or negotiating changes in the terms of insurance shall, if the application or change be accepted, be deemed to form the basis of the contract of insurance between the Owner and the Association and it shall be a condition precedent of such insurance that all such particulars and information were true so far as the Owner knew or could with reasonable diligence have ascertained.
- 5.3** The Managers shall be entitled, in their discretion and without assigning any reason, to refuse any application for insurance in the Association whether or not the applicant is a Member of the Association.

6 Joint Insurance

- 6.1** If any insurance is effected by the Association in the names of or on behalf of two or more persons (hereinafter referred to as “Joint Owners”) the terms upon which each Joint Owner shall be entitled to recover losses from the Association and upon which the Association shall be entitled to recover Contributions, Premiums and other sums from the Joint Owners shall be such as may be agreed in writing between the Joint Owners and the Managers.
- 6.2** Unless otherwise agreed in writing, all Joint Owners shall be jointly and severally liable to pay all Contributions, Premiums or other sums due to the Association in respect of such insurance, and the receipt by any one of such persons for any sums payable by the Association in respect of such insurance shall be a sufficient discharge of the Association for the same.
- 6.3** Failure by any Joint Owner to disclose material information shall be deemed to be failure of all the Joint Owners.
- 6.4** Conduct of any Joint Owner which would entitle the Association to decline to indemnify him shall be deemed the conduct of all the Joint Owners.
- 6.5** The first-named of the Joint Owners designated in any Certificate of Entry shall be deemed to have full power and authority to act in the name of and on behalf of all other Joint Owners and neither the Association nor the Managers shall be liable in any manner whatsoever to any other Joint Owner in the event that such first named Joint Owner did not have such power and authority.
- 6.6** If the insurance of any Joint Owner terminates, ceases or is cancelled in accordance with these Rules, the insurance of all Joint Owners shall terminate, cease or be cancelled at the same time.

Joint Insurance

- 6.7** Unless the Managers have otherwise agreed in writing, the contents of any communication from or on behalf of the Association to any Joint Owner shall be deemed to be within the knowledge of all the Joint Owners, and any communication from any Joint Owner to the Association, the Managers or their agents shall be deemed to have been made with the full approval and authority of all the Joint Owners.

7 Certificate of Entry and Endorsement

- 7.1** As soon as reasonably practical after accepting an application for insurance the Managers shall issue to the Owner a Certificate of Entry evidencing the terms and conditions of the insurance including the date of the commencement of the period of insurance.
- 7.2** As soon as reasonably practical after any change in the terms and conditions of insurance has been agreed, the Managers shall issue an endorsement evidencing such change.

8 Reinsurance

- 8.1** The Directors may enter into contracts whereby the Association agrees to reinsure the whole or part of any risks insured by another insurer. The following provisions shall apply in relation to any such contract:
- 8.1.1** Unless otherwise agreed in writing, the other insurer shall be bound by the provisions of these Rules as if he were the Owner of any ship which is the subject of such a contract and such ship was entered in the Association.
- 8.1.2** References in the Rules to the Owner of such a ship shall, where the context so admits or requires, include the primary insured as well as such other insurer.
- 8.2** The Directors may reinsure or cede any risks insured by the Association on such terms as they consider appropriate.

9 Membership

- 9.1** If the Association accepts an application from an Owner who is not already a Member of the Association such Owner shall, as from the date of such acceptance, become a Member and his name shall be entered in the Register of Members.
- 9.2** Whenever the Association agrees to accept the reinsurance of any risks in accordance with Rule 8.1 the Directors may decide that the insurer reinsured by the Association and/or any Owner of a ship insured by such insurer is to be a Member and may accept the application on that basis.
- 9.3** An Owner shall cease to be a Member if for any reason whatsoever the period of insurance has terminated in respect of all ships entered in the Association in his name.
- 9.4** An insurer, and any Owner insured by such insurer, who becomes a Member pursuant to Rule 9.2 shall cease to be a Member at the termination of the period of reinsurance.
- 9.5** Any Owner who is or becomes a Member shall be and shall remain a Member of Hellenic IOM, its successors and assigns, subject always to the provisions of the Memorandum and Articles of Hellenic IOM or the constitutional documentation of any successor or assign from time to time in force. It is a condition of membership of the Association and of acceptance of any application for membership of the Association that the terms of this Rule 9.5 and the terms of Rule 9.6 apply.

Membership

- 9.6** If the Directors in their discretion determine that, for the protection and security of the Association's undertaking and property and the interests of the Members against loss, damage or injury, the Association should transfer its funds and business to Hellenic IOM (of which each Owner is also a member under the terms of Rule 9.5) then any Certificate of Entry issued by the Association to an Owner, present and in force at the time of such transfer, shall be transferred, assigned and conveyed to Hellenic IOM immediately, whereupon Hellenic IOM shall provide the same coverage afforded under the applicable Certificate of Entry issued by the Association, present and in force. Any entry of an Entered Ship in Hellenic IOM shall be subject to the Rules and shall be on the same terms and conditions as entry in the Association at the time of any transfer.
- 9.7** Each Owner shall be bound by the Rules.

10 Assignment

- 10.1** No insurance given by the Association and no interest under these Rules or under any contract between the Association and any Owner may be assigned without the written consent of the Managers who may give or refuse such consent or give such consent upon any such terms or conditions as they think fit. Any purported assignment made without such consent or without due compliance with any such terms or conditions as the Managers may impose shall, unless the Managers otherwise determine, be void and of no effect.
- 10.2** Whether or not the Managers shall expressly so stipulate as a condition for giving their consent to any assignment, the Association shall be entitled in settling any claim presented by the assignee to deduct or retain such amount as the Managers may then estimate to be sufficient to discharge any liabilities of the assignor to the Association, whether existing at the time of the assignment or having accrued or being likely to accrue thereafter.

11 Period of Insurance

Subject as otherwise provided in these Rules the insurance by the Association of a ship entered in the Association shall commence at the time and date specified in the Certificate of Entry and shall continue until 2400 hours G.M.T. on the 31st December next ensuing, and thereafter from Policy Year to Policy Year, unless it terminates, ceases or is cancelled in accordance with these Rules.

12 Variation of Contract

- 12.1** Any alteration, abrogation or addition to these Rules shall be binding upon the Owner and take effect at 2400 hours on the thirtieth day after adoption, save where such alteration, abrogation or addition is expressed to come into effect from the commencement of the Policy Year following that in which the alteration, abrogation or addition is adopted.
- 12.2** Changes in the terms and conditions of insurance (otherwise than by alteration of the Rules) may be made by the Managers by notice given to the Owner not later than 1200 hours G.M.T. on the 7th December in any Policy Year and shall take effect as from the commencement of the next following Policy Year.

13 Notice of Termination

- 13.1** The period of insurance of any Entered Ship may be terminated as follows:
- 13.1.1** Either the Association or an Owner may without stating any reason give a written notice of termination to the other not later than 1200 hours G.M.T. on the 14th December in any year.
 - 13.1.2** If such a notice is given, the period of insurance shall terminate at 2400 hours G.M.T. on the 31st December immediately following such notice.
- 13.2** Unless the Managers otherwise agree a ship may not be withdrawn from the Association nor may any notice of termination be given except as provided in Rule 13.1.

14 Orders, Prohibitions, Directions etc.

- 14.1** The Directors may give orders, prohibitions or directions as regards routes, ports, stoppages, convoys, cargoes, methods of loading or discharge of cargoes, modes of management or of navigation of ships, manning or equipment, including orders to go to or depart from or remain at (or prohibitions from going to, departing from or remaining at) any port, place, country, zone or area.
- 14.2** Any of the orders, prohibitions or directions referred to in Rule 14.1 may be so given that they apply to any one or more ships or classes of ship insured by the Association or generally to all ships so insured and so that they remain in force for any one or more specified occasions or for a specified period or until further notice (in which last event they shall remain in force until revoked by the Directors, even if the period extends beyond the then current Policy Year and into any one or more future Policy Years).
- 14.3** Every insurance given by the Association shall be deemed to contain a warranty by the Owner that all such orders, prohibitions or directions as are referred to in Rules 14.1 and 14.2 shall be acted upon and complied with by the Entered Ship irrespective of whether they were made before or after its date of entry.
- 14.4** A breach of the warranty referred to in Rule 14.3 shall not discharge the Association from liability as from the date of such breach unless the Association so elects by notice in writing to the Owner. Such notice shall not be given or if it has already been given shall be withdrawn and the liability of the Association reinstated as from the date of such breach if the Owner shall prove to the satisfaction of the Directors that such breach occurred without any personal fault or want of due diligence on the part of the Owner or managers of the Entered Ship or was committed in order to avoid loss by the risks insured by the Association.

Orders, Prohibitions, Directions etc.

- 14.5** A ship may be specially insured on the terms that a specific order, prohibition or direction shall not apply and that failure to comply therewith shall not be deemed a breach of warranty. Any such exemption may be on such terms as to additional Premium or otherwise as the Managers think fit and shall not be effective unless confirmed in writing by the Managers.

15 General Provisions relating to Additional Premium Areas

- 15.1** The Directors may at any time before or during any Policy Year decide:
- 15.1.1** that any port, place, country, zone or area (whether of land or sea) shall be an Additional Premium Area for such Policy Year or until further notice;
 - 15.1.2** that Entered Ships within any such Additional Premium Area shall be subject to such special terms and conditions as the Directors may from time to time decide to impose.
- 15.2** The Managers shall notify the Owner of any decision made by the Directors pursuant to Rule 15.1 and such decision shall take effect at 2400 hours on the seventh day after such notice is given.
- 15.3** Every insurance by the Association shall be deemed to contain a provision that the Additional Premium Areas and special terms and conditions applicable thereto which are in force at the commencement of such insurance shall, subject to any subsequent decision of the Directors, apply to the Entered Ship whether or not they have been notified to the applicant for insurance.

16 Safe Ports, Declaration of War, Duration of Hostilities

The Directors may determine for the purposes of these Rules what is or is not a safe port or a place of safety and the date on which a declaration of war or the outbreak of or cessation of hostilities is deemed to have occurred.

17 Membership of Organisations

The Directors may cause the Association to become affiliated to, sponsor and/or support any other organisation concerned with war risks insurance for ships which are eligible for entry in the Association and may authorise payment by the Association to such organisation of such sums as the Directors think fit.

18 Sums Payable by Owners

- 18.1** The Association shall be entitled to require payment of Contributions and Premiums as the case may be in respect of any insurance given by it.
- 18.2** Every Owner shall be obliged to pay Contributions levied in accordance with Rules 19, 20, 21 and 22.
- 18.3** Where an Owner desires to obtain insurance additional to that which is available upon payment of such a Contribution, he may be required to pay a Premium to the Association in accordance with Rule 23.

19 Contributions

- 19.1** Owners who are insured by the Association in respect of any Policy Year (not being a closed Policy Year) shall provide by way of Contributions to be levied from such Owners in accordance with these Rules all funds, in addition to Premiums, which in the opinion of the Directors are required:
- 19.1.1** to meet such of the general expenses of the Association as the Directors may from time to time think fit to charge against the business of the Association in respect of such Policy Year;
 - 19.1.2** to meet the claims, expenses and outgoings (whether incurred, accrued or anticipated) of the insurance business of the Association in respect of such Policy Year;
 - 19.1.3** for such transfer to any reserve or other account of the Association (maintained under Rule 27) as the Directors may think fit;
 - 19.1.4** for such transfers as the Directors may think proper to meet any deficiency which has occurred or which may be thought likely to occur in any closed Policy Year.
- 19.2** The said Contributions shall be levied by means of Advance and Supplementary Contributions in accordance with the provisions of Rules 20 and 21.
- 19.3** All insurances given by the Association shall fall into a single class, regardless of any difference in insured interest as between one Owner and another or between one group of Owners and another, and shall contribute to and be a charge against a single common fund.

20 Advance Contributions

- 20.1** The sum to be paid by each Owner by way of Advance Contribution shall be expressed as a percentage of the total sum insured in respect of each of the Owner's Entered Ships. For this purpose the total sum insured shall be the aggregate of:
- 20.1.1** the value on which the insurance against loss of or damage to the Entered Ship's Hull and Machinery is based in accordance with Rule 2A.4.1, and
 - 20.1.2** where the Owner is insured against loss of Freight and Disbursements, the sum insured in relation to those risks in accordance with Rule 2A.5.1.
- 20.2** Before or at the beginning of each Policy Year the Directors shall decide the percentage of the total sum insured in respect of each Entered Ship which is to be levied by way of Advance Contribution in respect of such Policy Year.
- 20.3** In deciding upon the percentage referred to in Rule 20.2 the Directors may require different percentages to be paid in respect of each Entered Ship.
- 20.4** Subject to any directions given to them by the Directors, the Managers may at the time of entry of a ship in the Association or at the time of any variation of the Terms of Entry agree with an Owner that he shall be entitled to a rebate, at an agreed percentage of the Advance Contribution to take account of one or more of the following:
- 20.4.1** That the Owner's Terms of Entry contain warranties restricting the trading of the Entered Ship to specified zones, areas or trades;
 - 20.4.2** That the Owner's Terms of Entry provide that claims against the Association shall be subject to deductibles in addition to or in substitution for those provided by these Rules;

Advance Contributions

20.4.3 That the Owner's Terms of Entry contain a provision that only a stated percentage of the values of the insured interests are covered by the Association or that only a stated percentage of any claims shall be recoverable from the Association;

20.4.4 That the Entered Ship is of a certain specified class or category;

20.4.5 That the Owner's Terms of Entry exclude cover against one or more of the risks provided by these Rules.

If any such rebate shall have been agreed, then the same shall be applied in calculating the amount of the Advance Contribution payable by the Owner concerned.

20.5 In the course of a Policy Year the Directors may revise the rate of the Advance Contribution in relation to any part of that Policy Year. In that event all Owners whose ships are entered for that part of the Policy Year shall pay such surcharge or be allowed such rebate as the Directors may determine which shall be applied to the pro rata proportion of the original Advance Contribution which is referable to that part of the Policy Year.

21 Supplementary Contributions

At any time during or after the end of each Policy Year (but not after such Policy Year has been closed) the Directors may decide to levy from Owners whose ships are or were entered in respect of such Policy Year one or more Supplementary Contributions. Supplementary Contributions shall be expressed as such percentage of the Advance Contribution as the Directors think fit and such percentage shall be applied to the total amount of the Advance Contribution paid or payable by each Owner (less any sums returned or to be credited to him under Rule 30 or 31) in respect of such Policy Year.

22 General Provisions as to Contributions

- 22.1** Every Advance and Supplementary Contribution shall be payable on such date, or by instalments of such amounts and on such dates, as the Managers may specify.
- 22.2** As soon as reasonably practical after the rate of any Advance or Supplementary Contribution shall have been fixed the Managers shall notify each Owner concerned of the following:
- 22.2.1** Whether the Contribution is an Advance or Supplementary Contribution;
 - 22.2.2** The Policy Year to which the Contribution relates;
 - 22.2.3** The rate determined by the Directors;
 - 22.2.4** The amount or amounts payable by the Owner;
 - 22.2.5** The date on which the Contribution is payable or, if such Contribution is payable by instalments, the amounts of such instalments and the respective dates on which they are payable; and
 - 22.2.6** The currency or currencies in which the Contribution is payable.
- 22.3** Subject to Rule 22.4, the Owner of an Entered Ship in respect of which insurance by the Association terminates, ceases or is cancelled shall remain liable to pay Contributions in respect of such ship for the whole of the Policy Year in which such termination, cesser or cancellation occurs.

General Provisions as to Contributions

- 22.4** Rule 22.3 shall not apply:
- 22.4.1** if such cancellation occurs in the circumstances set out in Rule 34, in which case Rule 35.2.1 applies;
 - 22.4.2** if Rule 36 is applicable; or
 - 22.4.3** if and to the extent that such liability may have been otherwise agreed or assessed under Rule 37.

23 Premiums

The Association may require a Premium to be paid for:

- 23.1** insurance in respect of liabilities, costs and expenses referred to in Rule 2C.1.2.
- 23.2** reinstatement of insurance in accordance with Rule 4.1.
- 23.3** insurance during a period while an Entered Ship is within an Additional Premium Area as referred to in Rule 25.
- 23.4** insurance on the terms referred to in Rule 14.5.
- 23.5** insurance under Rule 2, Part F.

24 Crew Premiums

- 24.1** The Premium, if any, payable by an Owner in respect of liabilities, costs or expenses relating to the Crew of an Entered Ship shall, unless the Directors otherwise determine, be based upon a tariff under which the amount payable to the Association shall depend upon the number of Crew on board an Entered Ship.
- 24.2** The number of Crew included in the insurance shall be agreed between the Owner and the Managers and set out in the Owner's Certificate of Entry and a Premium shall be payable to the Association accordingly.
- 24.3** If at the time when any liability, cost or expense pertaining to the Crew of an Entered Ship is incurred, the number of Crew on board such ship exceeds the number agreed between the Owner and the Managers, the Directors shall have the right in their discretion to reject or reduce the Owner's claim to such extent as the Directors see fit or to require the Owner to pay a Premium to the Association in respect of the excess for the whole or any part of the period in which such excess has existed.

25 Additional Premium Areas

- 25.1** The Owner of an Entered Ship shall give written notice to the Association:
- 25.1.1** before the ship enters any Additional Premium Area;
 - 25.1.2** immediately after the commencement of insurance by the Association if the ship is within an Additional Premium Area at the time of such commencement; and
 - 25.1.3** immediately upon being notified of any decision under Rule 15.1.1 if at the time of such notification the ship is within an Additional Premium Area which is the subject of such decision.
- 25.2** Notice under Rules 25.1.1, 25.1.2 and 25.1.3 may, with the written agreement of the Managers, be given by the Owner within one calendar month of the specified event to which such notice relates and will take effect as notice under Rule 25.1, provided also the Owner has given notice of each and every event to which Rule 25.1 applies.
- 25.3** In respect of any period in which the Entered Ship is within an Additional Premium Area:
- 25.3.1** The Owner shall pay to the Association a Premium to be arranged; and
 - 25.3.2** The Entered Ship shall be subject to, and the Owners shall abide by, any such additional terms, conditions or warranties as may from time to time be imposed by the Managers immediately upon being notified in writing by the Managers of any such additional terms, conditions or warranties, such written notification to be treated as being incorporated herein.

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- 25.3.3** A breach of any warranty referred to in Rule 25.3.2 shall not discharge the Association from liability as from the date of such breach unless the Association so elects by notice in writing to the Owner. Such notice shall not be given or if it has already been given shall be withdrawn and the liability of the Association reinstated as from the date of such breach if the Owner shall prove to the satisfaction of the Directors that such breach occurred without any personal fault or want of due diligence on the part of the Owner or managers of the Entered Ship or was committed in order to avoid loss by the risks insured by the Association.
- 25.4** If notice is not given to the Association in accordance with Rule 25.1, or, where applicable, Rule 25.2, the Owner shall not be entitled to any recovery from the Association in respect of any claim arising out of events occurring whilst the Entered Ship is in the Additional Premium Area, unless and except to the extent that the Directors decide otherwise, but if no recovery is allowed, any Premium paid under Rule 25.3.1 shall be returned to the Owner.
- 25.5** Subject to Rules 25.4 and 25.6 to 25.11, the Owner shall continue to be insured while the Entered Ship is within an Additional Premium Area on the terms and conditions otherwise applicable to the ship for the relevant Policy Year except as modified by any special terms and conditions specified by the Directors pursuant to Rule 15.1.2.
- 25.6** Subject to Rule 25.7, an Owner may give written notice to the Association stating that he desires the insurance of the Entered Ship to be suspended or restricted for the following periods while the ship is within an Additional Premium Area:
- 25.6.1** If the notice is given before the ship enters the Additional Premium Area, for the whole period while the ship is within that area;

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- 25.6.2** If the notice is given after the ship has entered the Additional Premium Area, for a period commencing after the date on which the notice is given (but not sooner than the expiry or renewal date of any insurance for which the Owner is liable to pay a Premium in accordance with Rule 25.3) and continuing until the date and time when the ship leaves that area.
- 25.7** If the Entered Ship is mortgaged, the Owner shall not be entitled to give any notice under Rule 25.6 unless he has produced to the Association the written consent of his mortgagees to the suspension or restriction of the insurance.
- 25.8** If, in accordance with Rule 25.6, the Owner gives notice that he desires the insurance of the Entered Ship to be suspended then:
- 25.8.1** the insurance shall be suspended and the Owner shall remain uninsured in respect of such ship during the period from the commencement of the suspension until
- (a) the ship leaves the Additional Premium Area or
 - (b) the Association reinstates the insurance in accordance with Rule 25.10
- whichever is the shorter, and
- 25.8.2** the Owner shall not be liable to pay a Premium in accordance with Rule 25.3 in respect of the period of suspension but shall not be entitled to any return of Contributions paid or payable in respect of the Entered Ship unless the Directors otherwise determine.
- 25.9** If, in accordance with Rule 25.6, the Owner gives notice that he desires the insurance of the Entered Ship to be restricted:
- 25.9.1** the Owner and the Managers may agree in writing the terms of insurance applicable to the Entered Ship during the period of restricted insurance;

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- 25.9.2** if no such agreement shall be reached, insurance shall not be restricted and the notice requesting restricted insurance shall be of no effect.
- 25.10** When the insurance of an Entered Ship is suspended or restricted in accordance with Rules 25.6 and 25.8 or 25.9 the Managers may at the request of the Owner reinstate the insurance before the ship leaves the Additional Premium Area but shall not be obliged to do so. Reinstatement is subject to the following provisions:
- 25.10.1** Any agreement to reinstate the insurance shall be in writing, and any purported agreement not recorded by the Managers in writing shall not be valid.
- 25.10.2** The terms and conditions of reinstatement may vary the terms and conditions applicable prior to the suspension or restriction.
- 25.10.3** Reinstatement shall be subject to an implied warranty by the Owner that during the period of suspension or restriction no accident or occurrence has taken place which, if there had been no suspension or restriction, would or might have given rise to a claim by the Owner on the Association.
- 25.10.4** Reinstatement shall not be retrospective and shall commence only from a time and date to be agreed but not sooner than 24 hours after the application for reinstatement has been received by the Managers.
- 25.11** The notices required to be given by the Owner to the Association, as referred to in Rule 25.1, Rule 25.2 and Rule 25.6 shall be given in accordance with Rule 45.1. Any notice which is not so given shall, unless the receipt thereof is acknowledged in writing by the Association, be of no effect. In case of dispute as to whether any notice has been given to the Association, such notice shall be of no effect unless the receipt thereof has been acknowledged in writing by the Association.

26 Provisions as to Payment

- 26.1** If any Contribution, Premium or other sum due from any Owner to the Association is not paid on or before the date specified for payment thereof:
- 26.1.1** the Association shall (without prejudice to its rights under any other provision of these Rules) be entitled to interest on the amount not so paid from the date on which the amount became due until the date of payment;
 - 26.1.2** such interest shall be at such rate as the Directors may from time to time determine to be payable in respect of all overdue amounts;
 - 26.1.3** the Directors may in any case waive payment of such interest in whole or in part.
- 26.2** No claim of any kind whatsoever by any Owner against the Association shall constitute any set-off against the Contributions, Premiums or other sums due by an Owner to the Association or entitle an Owner to withhold or delay payment of any such sum, or be taken into account for the purpose of determining whether any (and, if so, what) sum is due for the purpose of Rule 33 or 34 or otherwise under these Rules (whether or not any set-off has been allowed at any time in the past), except to the extent, if any, to which any demand on or notice to the Owner may have already allowed for a set-off or credit in his favour.
- 26.3** The Association shall have a lien or other right of action against an Entered Ship in respect of the Contribution, Premium or any other sum of whatsoever nature due from the Owner of that Entered Ship and that lien or right of action shall continue notwithstanding that the insurance in respect of any ship entered in the Association by that Owner has terminated, ceased or been cancelled in accordance with the Rules.

27 Reserves

- 27.1** The funds of the Association shall be constituted as follows:
- 27.1.1** The balance of the funds available as certified in the accounts of the Association last approved by the Members in General Meeting shall constitute the General Reserves of the Association.
 - 27.1.2** Any funds of the Association not comprised in the General Reserves shall constitute the Operating Funds of the Association.
- 27.2** The Directors may apply the sums standing to the credit of the General Reserves and the Operating Funds for any of the purposes for which the General Reserves are maintained or the Operating Funds contributed or received or, whenever the Directors consider this to be in the interests of the Association or its Members, for any different purposes and the Directors may so apply those sums even though payments are made in respect of any different Policy Year from that from which such sums originated.

28 Closing of Policy Years

- 28.1** The Directors shall with effect from such date after the end of each Policy Year as they may think fit declare that such Policy Year shall be closed.
- 28.2** The Directors may declare that any Policy Year is closed notwithstanding that it is known or anticipated that there are in existence or may in the future arise claims, expenses or outgoings in respect of such Policy Year which have not yet accrued or whose validity, extent or amount has not yet been established.
- 28.3** The Directors may apply the General Reserves by transferring to the credit of any Policy Year such proportion of the General Reserves as they see fit, in order to create in that year an excess within the scope of Rule 28.4.
- 28.4** If upon the closing of any Policy Year or at any time thereafter it shall appear to the Directors that the whole of the Contributions, Premiums and other receipts paid in respect of that Policy Year (and of all the transfers from General Reserves and provisions made for the credit of or in respect of such Policy Year) are unlikely to be required for the purposes referred to in Rule 19.1, the Directors may decide to dispose of any excess which in their opinion is not so required in one or both of the following ways:
- 28.4.1** By returning the excess or any part thereof to the Owners whose ships are entered for such Policy Year in accordance with Rule 31.
- 28.4.2** By transferring the excess or any part thereof to the General Reserves or Operating Funds of the Association.

Closing of Policy Years

- 28.5** If at any time after a Policy Year has been closed it shall appear to the Directors that the funds required in respect of that Policy Year for the purposes referred to in Rule 19.1 exceed or are likely to exceed the totality of the Contributions, Premiums and other receipts in respect of such Policy Year (and of all transfers from General Reserves and provisions made for the credit of or in respect of such Policy Year) then the Directors may decide to provide for such deficiency in any one or more of the following ways:
- 28.5.1** By transferring funds from the General Reserves or Operating Funds of the Association;
 - 28.5.2** By transferring funds standing to the credit of any different closed Policy Year;
 - 28.5.3** By levying an Advance or Supplementary Contribution in respect of an open Policy Year for the purpose (as referred to in Rule 19.1.4) of meeting the whole or a part of such deficiency.

If the Directors shall resolve as set out in Rule 28.5.3 the Managers shall inform the Owners entered for such Policy Year on or before the time that payment is demanded.

- 28.6** At any time after any Policy Year has been closed the Directors may resolve to amalgamate the accounts of any two or more closed Policy Years and to pool any amounts standing to the credit of the same. If the Directors shall so resolve then the two or more closed Policy Years concerned shall for all purposes be treated as though they constituted a single closed Policy Year.

29 Investment

- 29.1** The funds of the Association may (subject to the general supervision of the Directors) be invested by the Managers by means of the purchase of such stocks, shares, bonds, debentures or other securities or the purchase of such currencies, commodities, or other real or personal property, or by means of being deposited in such accounts, as the Managers may think fit. The funds of the Association may also be invested by such other method as the Directors may approve.
- 29.2** Unless the Directors otherwise decide, all the funds standing to the credit of any Policy Year or of any reserve or account shall be pooled and invested as one fund.
- 29.3** When the funds are pooled as provided in Rule 29.2, the investment income arising on the pooled funds (taking into account any capital gains or losses) shall be apportioned among and between the different Policy Years, reserves and accounts from which the funds so invested originated, in such manner as to ensure so far as possible that each is credited with a proportion of such income corresponding to the proportion which the amount standing to the credit of the Policy Year, reserve or account over the period during which the income arose bears to the total of the pooled funds over the same period.
- 29.4** Notwithstanding Rule 29.3, the Directors may direct that after the closing of any Policy Year that year shall not be credited with any share of the apportionments made under that Rule and that its share shall instead be credited to any reserve or account maintained by the Association.

30 Laid Up Returns

- 30.1** Subject to Rule 30.2, the Directors may from time to time determine the circumstances in which a return of Contributions shall be paid in respect of an Entered Ship which is laid up and the conditions applicable to any such return.
- 30.2** No such return shall be made:
- 30.2.1** if the ship is laid up for the purposes of repair or maintenance;
 - 30.2.2** unless the ship is laid up in a safe port or place outside the Additional Premium Areas, or the Directors in their discretion waive this requirement;
 - 30.2.3** in respect of a ship which is laid up in circumstances which give rise to a claim on the Association;
 - 30.2.4** in respect of any period during which the insurance of a ship which is laid up has been suspended as provided in Rule 33.
- 30.3** The Directors may also determine:
- 30.3.1** the period for which such a return shall be allowed (which may be the whole or a part of the period of layup); and
 - 30.3.2** the proportion of the Contributions to be returned to the Owner in respect of such period.
- 30.4** If an Owner fails to notify the Managers or their London agents of his intention to claim such a return within six months of the end of the Policy Year during which such claim arose, he shall be deemed to have waived such claim.

31 Return of Funds

- 31.1** If after taking into account all the payments made for the credit of any Policy Year, including any transfers from the General Reserves of the Association to that year in accordance with Rule 28.3, it is established that the amounts paid by Owners in respect of that year will exceed the total of the sums which the Directors consider necessary for the purposes specified in Rule 19.1, then the Directors in their discretion may order that the excess or any part thereof may be disposed of as follows:
- 31.1.1** Any proportion of the total Contributions paid in respect of any Policy Year may be returned to such Owners as the Directors may decide in their absolute discretion.
- 31.1.2** Any part of the Premiums paid during any Policy Year may be returned in such proportions as the Directors think fit to such Owners as the Directors may determine in their absolute discretion.
- 31.2** The decision of the Directors as to whether the excess or any part thereof arises in respect of Contributions or in respect of Premiums or in respect partly of one and partly of the other and as to the manner in which such excess shall be disposed of shall be conclusive and binding on all Owners.

32 Cesser of Insurance

Without prejudice to any other provision of these Rules including but not limited to Rules 4, 13, 33 and 34:

- 32.1** An Owner shall forthwith cease to be insured by the Association in respect of any and all ships entered by him or on his behalf upon the occurrence of any of the following events or circumstances:
- 32.1.1** where the Owner is an individual,
- (a) upon his death, or
 - (b) if a petition in bankruptcy is presented in respect of him or any analogous proceedings are commenced against him in any jurisdiction outside the United Kingdom, or he makes any compromise, scheme or arrangement with his creditors generally in order to avoid or prevent the presentation of such a petition or such analogous proceedings, or
 - (c) if he becomes bankrupt, or
 - (d) if he becomes incapable by reason of mental disorder of managing or administering his property and affairs;
- 32.1.2** where the Owner is a corporation,
- (a) upon the passing of any resolution for its voluntary winding up (other than voluntary winding up for the purposes of company or group reorganisation), or
 - (b) upon an order being made for its compulsory winding up or upon the corporation being adjudicated or found bankrupt or insolvent in any jurisdiction, or

Cesser of Insurance

- (c) upon its dissolution, or
- (d) upon any creditor levying distress or execution against, or a receiver, administrative receiver, manager, administrative or similar officer being appointed in respect of all or part of its business or undertaking, or
- (e) upon possession being taken of any of its property by or on behalf of an encumbrancer or secured party, or
- (f) upon its making any compromise scheme or voluntary arrangement with its creditors or upon its commencing proceedings under any bankruptcy or insolvency laws to seek protection from its creditors or to reconstruct or readjust its debts or to reorganise its affairs.

32.2 Unless otherwise agreed in writing by the Managers, an Owner shall forthwith cease to be insured by the Association in respect of a ship entered by him or on his behalf upon the occurrence of any of the following events or circumstances in relation to such ship:

32.2.1 the Owner parting with or assigning the whole or any part of his interest in the ship whether by bill of sale or other formal document or agreement or in any other way whatsoever, or

32.2.2 the managers of the ship being changed by the appointment of new managers.

32.3 Unless otherwise agreed in writing by the Managers, an Owner shall forthwith cease to be insured by the Association, in respect of a ship entered by him or on his behalf, upon the occurrence of whichever shall be the earliest of the following events or circumstances in relation to such ship:

Cesser of Insurance

- 32.3.1** the ship being missing for ten days from the date when she was last heard of;
- 32.3.2** the ship being posted at Lloyd's as missing;
- 32.3.3** the ship becoming an actual total loss;
- 32.3.4** acceptance by hull underwriters or by the Association that the ship is a constructive total loss;
- 32.3.5** payment by hull underwriters or by the Association of an unrepaired damage claim which exceeds the market value of the ship, free of any charter or other commitment, immediately prior to the casualty which gave rise to such claim;
- 32.3.6** a compromise or settlement with hull underwriters or with the Association on the basis of which the ship is considered or deemed to be an actual or constructive total loss;
- 32.3.7** a decision by the Directors that the ship is to be considered or deemed to be an actual or constructive total loss or otherwise commercially lost.

Cesser of insurance under this Rule shall not affect any rights of the Owner in respect of any actual, constructive or other loss of the ship which may have given rise to such cesser.

- 32.4** The Managers may, as a condition of agreement that the insurance of the ship shall continue after the occurrence of any of the events or circumstances listed in Rules 32.2 and 32.3, impose such terms and conditions as they think fit for the continuation of the insurance.

33 Suspension of Insurance for Non-Payment

- 33.1** Where the Association has not received from an Owner within the time permitted by the Association payment in full of any amount which the Association has stated to be due to it and has required him to pay (whether by way of Contribution, Premium, interest or on any other account whatsoever), the Managers may give the Owner notice in writing:
- 33.1.1** requiring him to pay such amount by any date specified in such notice, not being less than fourteen days from the date on which the notice is given, and
 - 33.1.2** informing him that if he fails to pay such amount in full on or before the date so specified, his insurance in respect of any ship in relation to which payment of that amount was required, and also, if the Managers so specify, the insurance in respect of any or all other ships entered in the Association by him or on his behalf, shall be suspended forthwith without further notice or other formality.
- 33.2** If an Owner fails to comply with the requirements set out in any notice issued by the Managers in accordance with Rule 33.1, that Owner's insurance shall be suspended as specified in such notice.
- 33.3** Subject to any intervening termination, cesser or cancellation of the insurance in accordance with the provisions referred to in Rule 33.6, the period during which the Owner's insurance shall remain suspended (referred to in this Rule as the "period of suspension") shall continue until payment by or on behalf of that Owner of the amount specified in the notice referred to in Rule 33.1 together with any further interest and any other sums which may become due to and demanded by the Association during the period of suspension.

Suspension of Insurance for Non-Payment

- 33.4** Where a period of suspension commencing in any Policy Year is brought to an end during that year by payment as provided in Rule 33.3, the Owner's insurance shall be reinstated with effect from the date of such payment upon the same terms as prior to the suspension subject to any variations decided by the Directors in accordance with the Rules.
- 33.5** Where a period of suspension commences in any Policy Year and remains in force at the end of that Policy Year, that period of suspension may be brought to an end in a subsequent Policy Year by payment as provided in Rule 33.3, but the Owner's insurance may only be reinstated if the Managers so decide and upon such terms and conditions as the Managers may determine.
- 33.6** A period of suspension shall end and be superseded by any termination or cesser or cancellation of insurance, as the case may be, under any of the following Rules:
- 33.6.1** Termination under Rule 4.2.
 - 33.6.2** Termination under Rule 13.
 - 33.6.3** Cesser under Rule 32.
 - 33.6.4** Cancellation for non-payment under Rule 34.
- 33.7** Where in accordance with this Rule an Owner's insurance has been suspended in respect of any ship:
- 33.7.1** the Association shall not either during or after the period of suspension be under any liability to that Owner or to any other person, in respect of any claim whatsoever relating to such ship and arising out of events occurring during the period of suspension.

Suspension of Insurance for Non-Payment

- 33.7.2** any reinstatement of insurance when a period of suspension is brought to an end in accordance with the provisions of Rules 33.4 or 33.5 shall take effect only from the end of such period and shall not be retrospective.
- 33.7.3** during the period of suspension such Owner shall not be entitled to any recovery from the Association in respect of any claim arising out of events occurring during any period prior to the commencement of the period of suspension, whether such claim relates to the Policy Year during which the period of suspension occurs or to any other Policy Year and whether or not such claim relates to any ship in respect of which insurance is suspended, and such Owner shall only be entitled to that recovery when the Association has received from him the sums referred to in Rule 33.3.
- 33.8** Where in accordance with this Rule an Owner's insurance has been suspended, that Owner shall not be entitled to any return of Contributions relating to the period of suspension and shall not be entitled to any credit in respect of Contributions payable by him but not yet paid, notwithstanding that all or part of the Contributions payable relate to the period of suspension.
- 33.9** The Association shall give notice of suspension to every mortgagee or assignee who has notified the Association of its interest in any insurance suspended in accordance with this Rule.

34 Cancellation for Non-Payment

Without prejudice to any other provision of these Rules including but not limited to Rules 4, 13, 32 and 33:

- 34.1** When the Association has not received from an Owner within the time permitted by the Association payment in full of any amount which the Association has stated to be due to it and has required that Owner to pay (whether by way of Contribution, Premium, interest or on any other account whatsoever), the Managers may give the Owner notice in writing:
- 34.1.1** requiring him to pay such amount by any date specified in such notice, not being less than fourteen days from the date on which the notice is given, and
 - 34.1.2** informing him that if he fails to pay such amount in full on or before the date so specified, his insurance in respect of any ship in relation to which payment of that amount was required, and also, if the Managers so specify, his insurance in respect of any or all other ships entered in the Association by him or on his behalf, shall be cancelled forthwith without further notice or other formality.
- 34.2** If an Owner fails to comply with the requirements set out in any notice issued by the Managers in accordance with Rule 34.1, that Owner's insurance shall be cancelled as specified in such notice.
- 34.3** An Owner's insurance may be cancelled as provided in this Rule:
- 34.3.1** irrespective of whether that insurance is current on the date of the cancellation or has ceased, been terminated or cancelled in accordance with any other provision of these Rules, and
 - 34.3.2** irrespective of whether the Owner's insurance has been, and but for the cancellation would remain, suspended in accordance with the provisions of Rule 33.

35 Effects of Termination, Cesser and Cancellation of Insurance

- 35.1** Where an Owner's insurance in respect of any or all Entered Ships terminates, ceases or is cancelled, otherwise than in accordance with Rule 34:
- 35.1.1** Such Owner shall be and remain liable for all contributions, Premiums and any other sums whatsoever payable in respect of the Policy Year in which the insurance terminates, ceases or is cancelled, and any previous Policy Year, unless and except to the extent that Rule 36 is applicable and/or the Owner's liability may have been otherwise agreed or assessed under Rule 37.
 - 35.1.2** The Association shall, subject to the other provisions of these Rules and to the Terms of Entry, remain liable in relation to any ship affected for all claims under these Rules arising out of any event which has occurred before the time of such termination, cessation or cancellation (other than claims arising out of events occurring during a period of suspension under Rule 33) but shall not be under any liability whatsoever by reason of anything occurring after such time.
- 35.2** When an Owner's insurance is cancelled in accordance with Rule 34 the following provisions shall apply:
- 35.2.1** In relation to the Policy Year in which the cancellation occurs
 - (a) Premiums payable for any period during the whole or part of which an Entered Ship has been within an Additional Premium Area shall be paid in full and if paid in advance shall be non-returnable.
 - (b) Subject to paragraph (a), all Contributions, Premiums and other sums payable in respect of such Policy Year shall be payable pro rata only for the period up to the date of cancellation and if paid in advance shall be returnable pro rata.

Effects of Termination, Cesser and Cancellation of Insurance

- 35.2.2** In relation to any Policy Year preceding that in which the cancellation occurs, all Contributions, Premiums and other sums shall be payable in full and nonreturnable.
- 35.2.3** The Association shall cease to be liable:
- (a) in respect of any event which occurs after the date of cancellation
 - (b) unless and except to the extent that the Directors otherwise decide, in respect of any event which has occurred before the date of cancellation in a period or in circumstances for which the appropriate Contribution, Premium or other sum has not been paid in full at the date of cancellation.
- 35.3** The Directors may in their discretion and upon such terms as they think fit, including but not restricted to terms as to payment of Contributions, Premiums or other sums, agree to pay either in whole or in part any claim in respect of any ship entered by an Owner for which the Association is under no liability by virtue of Rule 35.1 or 35.2, whether such claim has arisen before or arises after the date of termination, cessation or cancellation as the case may be, or remit wholly or partly any payment of Contributions, Premiums or other sums paid or payable to the Association.

36 Calculation of Contributions after Cesser of Insurance

If an Owner who ceases to be insured in relation to an Entered Ship on the occurrence of any of the events or circumstances specified in Rule 32, gives notice in writing of such occurrence to the Managers within one month after the date thereof such Owner shall be liable to pay Contributions in respect of such ship for the relevant Policy Year on a pro rata basis, namely the proportion of such Contributions applicable to the period from the commencement of that Policy Year (or, in the case of a ship entered during that Policy Year, the date of entry) to noon on the date of such occurrence.

37 Release Calls

- 37.1** When the insurance of an Entered Ship terminates, ceases or is cancelled for any reason the Managers may in their discretion:
- 37.1.1** Release the Owner from further Contributions in respect of such ship, wholly or partly or upon such terms as the Managers may consider appropriate;
 - 37.1.2** Assess as at the date of such termination, cesser or cancellation the amount which the Managers consider to be the likely liability of the Owner for further Contributions in respect of such ship whether or not negotiations may have taken place with a view to the application of Rule 37.1.1.
- 37.2** If the Managers shall exercise their powers under Rule 37.1.1 or 37.1.2:
- 37.2.1** any terms imposed by the Managers or agreed between the Managers and the Owner pursuant to Rule 37.1.1 shall be performed at such time or times as the Managers may specify; and
 - 37.2.2** the amount of any assessment made under Rule 37.1.2 shall be payable by the Owner without deduction on demand; and
 - 37.2.3** the Owner shall be under no liability for any Contributions which the Directors decide to levy after the date of a release given under Rule 37.1.1 or after the date of an assessment made under Rule 37.1.2, as the case may be, and the Owner shall have no right to share in any return of Contributions or other receipts which the Directors thereafter decide to make in accordance with Rule 31.

38 Managers' Remuneration

The Managers shall be remunerated by the Association on such basis as may be approved by the Directors.

39 Employment of Lawyers and Others

- 39.1** Without prejudice to any other provision of these Rules and without waiving any of the Association's rights hereunder, the Managers may appoint and employ on behalf of the Owner upon such terms as the Managers may think fit lawyers, surveyors or other persons for the purpose of dealing with any matter which may give rise to a claim by an Owner upon the Association including investigating or advising upon any such matter and taking or defending legal or other proceedings in connection therewith. The Managers may also at any time discontinue such employment if they think fit.
- 39.2** All lawyers, surveyors and other persons appointed by the Managers on behalf of the Owner or appointed by the Owner with the prior consent of the Managers shall at all times be deemed to be appointed and employed on the terms that they have been instructed by the Owner to give advice and to report to the Association in connection with the matter without prior reference to the Owner and to produce to the Association without prior reference to the Owner any documents or information in their possession or power relating to such matter, as if such person had been appointed to act and had at all times been acting on behalf of the Association.

40 Powers of the Managers relating to the handling and settlement of claims

- 40.1** The Managers shall have the right if they so decide to control or direct the conduct of any claim or legal or other proceedings relating to any liability, loss or damage in respect whereof the Owner is or may be insured in whole or in part, and to require the Owner to settle, compromise or otherwise dispose of such claim or proceedings in such manner and upon such terms as the Managers see fit.
- 40.2** If the Owner does not settle, compromise or dispose of a claim or of proceedings after being required to do so by the Managers in accordance with Rule 40.1, any eventual recovery by the Owner from the Association in respect of such claim or proceedings shall be limited to the amount which he would have recovered if he had acted as required by the Managers.
- 40.3** In the event of a casualty giving rise to loss of or damage to an Entered Ship which may be recoverable from the Association, the Managers may take or require the Owner to take tenders for the repair of such damage.

41 Subrogation

- 41.1** When any claim has been paid by the Association, the Association shall be subrogated to all the rights and remedies of the Owner in and in respect of the subject matter insured as from the time of the event or circumstance giving rise to the claim.
- 41.2** The Owner shall give the Association all possible assistance in exercising such rights of subrogation and produce all such information, documents and evidence as the Association may require.
- 41.3** In exercising such rights of subrogation the Association may commence any legal or other proceedings, whenever the Association may think fit, in the name of the Owner, but shall indemnify the Owner in respect of the costs thereof.
- 41.4** The Owner shall, if requested by the Association, execute a formal assignment of all or any of the Owner's rights to the Association or execute a formal deed of subrogation.

42 Information to be supplied by Owners

Whenever so required by the Managers an Owner shall disclose to them in respect of any ship entered by him in the Association:

- 42.1** All information which is in or may come into his possession, or which he may ascertain by reasonable enquiries regarding the position of any ship or her past, present or future employment;
- 42.2** All details of any additional insurance, effected or proposed to be effected by him otherwise than with the Association, in respect of any interest whatsoever which is insured, or which he proposes to insure, with the Association.

43 Forbearance

- 43.1** No course of dealing, forbearance, delay or granting of time by the Association shall prejudice or affect or be treated as a waiver of the rights and remedies of the Association under these Rules or under any contract with an Owner.
- 43.2** No waiver of a breach by an Owner of these Rules or any such contract shall operate as a waiver of any subsequent breach thereof.
- 43.3** The Association's acceptance of liability for or recognition of any claim shall not prejudice or affect or be treated as a waiver of the Association's rights under Rules 32 to 35 inclusive.
- 43.4** The Association shall at all times and without notice be entitled to insist on the strict application of these Rules and on the strict enforcement of its contract with any Owner.

44 Disputes

- 44.1** Save for the exercise of any right referred to in Rule 26.3, the Association and each Owner hereby submits to the exclusive jurisdiction of the High Court of Justice of England in respect of any dispute or difference between the Owner and the Association arising out of or in connection with these Rules or out of or in connection with any contract between the Owner and the Association.
- 44.2** Save for any claim by the Association in respect of the sums which the Association may consider to be due to it from an Owner either the Association or the Owner may, by giving written notice of election to the other, elect to have such dispute or difference referred to the arbitration in London of three arbitrators (one to be appointed by the Association, one to be appointed by the Owner and the third appointment by the two so chosen) subject to the provision of Rules 44.3 to 44.5.
- 44.3** If either party fails to appoint an arbitrator under Rule 44.2 within 14 clear days of being called upon to do so, such an arbitrator may then be appointed by the other party.
- 44.4** Any arbitrator appointed under Rules 44.2 or 44.3 shall be a full member of the London Maritime Arbitrators Association or a Queen's Counsel practising primarily in the Commercial Court in the Queen's Bench Division of the High Court of Justice of England and in either case shall be conversant with the business of shipping and mutual insurance (protection and indemnity and freight demurrage and defence) associations.
- 44.5** The submission to arbitration and all proceedings therein shall be subject to the English Arbitration Act 1996 and to any statutory modification thereof.

45 Notices

- 45.1** A notice or other document required under these Rules to be served on the Association may be served by sending it to:
- 45.1.1** the Association at its Registered Office in Bermuda for the time being; or
 - 45.1.2** the Managers at their office in Bermuda for the time being; or
 - 45.1.3** the Managers' Agents at their office in the Isle of Man for the time being.
- 45.2** A notice or other document required under these Rules to be served on an Owner may be served by sending it to such Owner at:
- 45.2.1** his address as appearing in the Register of Members of the Association; or
 - 45.2.2** the address furnished by him to the Association as the address at which notices from the Association may be served upon him; or
 - 45.2.3** the address which is his last known address to the knowledge of the Managers; or
 - 45.2.4** the address of the intermediary or broker through whom the Entered Ship is entered in the Association.
- 45.3** In the case of Joint Owners, all such notices or other documents shall be served only on the first-named of the Joint Owners designated in the Certificate of Entry.

Notices

- 45.4** Any such notice or other document, if served:
- 45.4.1** by post, shall be deemed to have been served on the day following the day on which it was posted;
 - 45.4.2** by telegram, cable or radio telegraph shall be deemed to have been served on the day on which it was handed in to the telegram, cable or telegraph office;
 - 45.4.3** by telex, telefax or telecopier, shall be deemed to have been served on the day on which it was transmitted;
 - 45.4.4** by electronic communication shall be deemed to have been served on the day on which it was transmitted. The records held by or on behalf of the Association shall, in the absence of manifest error, be conclusive evidence of the communication, its despatch or its receipt.

46 Law of Contract

These Rules and any contract of insurance howsoever made between the Association and an Owner shall be deemed to have been concluded in Bermuda unless otherwise stated in such contract and both these Rules and any such contract shall be governed by and construed in accordance with English Law.

47 Exercise of Powers

- 47.1** Whenever any power, duty or discretion is conferred or imposed upon the Managers by or under these Rules, such power, duty or discretion may, subject to any terms, conditions or restrictions contained in these Rules, be exercised by any one or more of the Managers or by any servant or agent of the Managers to whom the same shall have been delegated or sub-delegated.
- 47.2** Whenever any power, duty or discretion is conferred or imposed upon the Directors by these Rules, such power, duty or discretion shall be exercisable by the Directors unless the same shall have been delegated to any Committee of the Directors or to the Managers in accordance with the provisions as regards delegation contained in the Bye-Laws, in which event the power, duty or discretion may be exercised by any person to whom the same shall have been so delegated.
- 47.3** In the exercise of any such power, duty or discretion, the Directors, the Managers and every other person to whom such exercise may have been delegated shall respectively be entitled to act or refrain from acting at their or his absolute discretion and without giving any reason or explanation for such conduct.

48 Interpretation

In these Rules the words standing in the first column of the following table shall bear the meanings set opposite to them in the second column, if not inconsistent with the subject or context:

Words	Meanings
Act	The Hellenic Mutual War Risks Association (Bermuda) Company Act 1969 and every modification thereof for the time being in force.
Additional Premium Area	Additional Premium Area referred to in Rules 15 and 25.
Agreed Value	The sum agreed between the Association and the Owner as the sum insured in respect of the Hull and Machinery of an Entered Ship.
American Institute Hull Clauses	The American Institute Hull Clauses (edition of June, 1977, or any subsequent edition thereof) as amended by any American Institute Addendum from time to time in force.
Association	Hellenic Mutual War Risks Association (Bermuda) Limited.
Bye-Laws	The Bye-Laws for the time being of the Association.
Certificate of Entry	The document bearing the heading “War Risks Time Policy and Certificate of Entry” together with any endorsement which may be issued to an Owner.
Contributing Value	has the meaning assigned by Rule 2A.3.3.
Contribution	A sum levied by the Directors in accordance with Rules 19 to 22.

Interpretation

Words	Meanings
Crew	The master, officers, ratings, apprentices and any other persons employed to serve on board an Entered Ship.
Directors	The Board of Directors for the time being of the Association.
Entered Ship	A ship entered in the Association for insurance.
Freight and Disbursements	Freight, disbursements, time charter hire, anticipated freight, passage money, premiums, commissions and profit.
General Reserves	The reserves described in Rule 27.1.1.
Hellenic IOM	Hellenic Mutual War Risks Association (IOM) Limited.
Hull and Machinery	in relation to an Entered Ship includes all parts and equipment of the ship.
Insurable Value	in relation to an Entered Ship has the meaning assigned by Section 16(1) of the Marine Insurance Act 1906 save that the words “at the commencement of the risk” are deleted and substituted with “at the time of the incident giving rise to a claim against the Association”.
Insurance	includes reinsurance and cognate expressions shall be construed accordingly.
In Writing or Written	Visibly expressed in any mode of representing or reproducing words in permanent form.
IOPC Supplementary Fund	The fund established by the Protocol of 2003 supplementing the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage 1992.

Interpretation

Words	Meanings
Joint Owners	has the meaning assigned by Rule 6.1.
Managers	The Managers for the time being of the Association.
Member	A Member for the time being of the Association.
Operating Funds	The funds described in Rule 27.1.2.
Owner	in relation to an Entered Ship, means owner, owners in partnership, owners holding separate shares in severalty, part owner, mortgagee, trustee, charterer, operator, manager or builder of such ship or the holding company of any of the foregoing by or on whose behalf an application for entry of the same in the Association for insurance has been made and accepted.
Policy Year	A year from 0001 hours G.M.T. on any 1st January until 2400 hours G.M.T. on the next following 31st December.
Premium	A sum payable by an Owner to the Association as referred to in Rule 23.
Rules	These Rules (including the Appendices) as altered from time to time and for the time being in force.
Running Expenses	Such expenses as are specified in, and recoverable under the provisions of, Appendix A.

Interpretation

Words

Meanings

Ship

in the context of an Entered Ship or a ship which is intended to be entered in the Association (but in no other context) means ship, boat, hovercraft or any other description of vessel or structure (including any ship, boat, hovercraft or other vessel or structure under construction) used or intended to be used for any purpose whatsoever in navigation or otherwise on, under, over or in water, or any part thereof or any proportion of the tonnage thereof or any share therein.

Standard Form of English Marine Policy (Hulls)

The form of Lloyd's Marine Policy (Code MAR) and/or the Institute of London Underwriters' Companies Marine Policy issued as from 1st October, 1991, with the Institute Time Clauses – Hulls (edition of 1st October, 1983, or any subsequent edition thereof) attached.

Standard Form of English Marine Policy (Freight)

The form of Lloyd's Marine Policy (Code MAR) and/or the Institute of London Underwriters' Companies' Marine Policy issued as from 1st October 1991, with the Institute Time Clauses – Freight (edition of 1st August 1989, or any subsequent edition thereof) attached.

Terms of Entry

The terms and conditions on which an Owner is insured by the Association as set out in such Owner's Certificate of Entry and the Rules.

Words importing the singular number only shall include the plural number and vice versa.

Words importing the masculine gender only shall include the feminine gender.

Words importing persons shall include corporations.

Appendix A

Protection and Indemnity Insurance – categories of liabilities, costs and expenses insured

Section 1. Personal Injury, Illness or Death

- 1.1** Liability to pay damages or compensation for personal injury, illness or death of:
 - 1.1.1** Any member of the Crew of the Entered Ship whether on board or not.
 - 1.1.2** Any person engaged to handle the cargo of the Entered Ship from the time of receipt from the shipper or precarrier at the port of shipment until delivery to the consignee or onward carrier at the port of discharge.
 - 1.1.3** Any other person to whom such liability is incurred.
- 1.2** The following expenses if reasonably incurred in relation to such personal injury, illness or death:
 - 1.2.1** Hospital, medical and funeral expenses.
 - 1.2.2** Expenses of maintaining and repatriating an injured or ill Crew member, Owner's representative or consultant, and sending a substitute to replace him.
 - 1.2.3** Expenses of diverting the Entered Ship for the purpose of securing treatment for an injured or sick person or while awaiting a substitute for such person, but not exceeding the net loss to the Owner (over and above such expenses as would have been incurred but for the diversion or delay) in respect of fuel, insurance, wages, stores, provisions and port charges.

Appendix A

- 1.3** The expenses referred to in paragraph 1.2 shall not include wages except as follows:
- 1.3.1** wages paid to an injured or ill person for any period while he is undergoing medical or hospital treatment outside his country of domicile or while he is being repatriated;
 - 1.3.2** wages paid to a substitute while such substitute is awaiting and during repatriation.

Section 2. Wages and Expenses Consequent upon Actual or Constructive Total Loss

- 2.1** Liability to compensate the Crew of the Entered Ship for loss of employment consequent upon actual or constructive total loss of the Entered Ship where the wages or compensation are payable under statutory or other legal obligation.
- 2.2** Expenses of repatriating the Crew of the Entered Ship consequent upon actual or constructive total loss of the Entered Ship.

Section 3. Loss of and Damage to Seamen's Effects

Liability to the Crew of, or any other person on board, an Entered Ship for loss of or damage to their effects, excluding monies except when such monies were in the custody of the Master.

Section 4. Captured or Detained Crew

Payments made, in accordance with the Greek Collective Agreement or any statutory obligation, in respect of the Crew of an Entered Ship who are captured or detained, and payments to the dependants of such Crew if and to the extent that the Directors approve payments to such dependants.

Appendix A

Section 5. Liability for Collision with another Ship

- 5.1** Subject to paragraph 5.2, liability, consequent upon a collision between the Entered Ship and any other ship, for:
- 5.1.1** loss of or damage to such other ship or property thereon;
 - 5.1.2** delay to or loss of use of such other ship or property thereon;
 - 5.1.3** general average payable by such other ship;
 - 5.1.4** salvage or salvage under contract of such other ship or property thereon.
- 5.2** Paragraph 5.1 shall apply only to liabilities which would have been recoverable under:
- 5.2.1** The Three-Fourths Collision Liability Clause of the Institute Time Clauses - Hulls (edition of 1.10.1983 or any subsequent edition thereof), had the ship been insured on such terms, but for the application of the War Exclusion Clause, the Strikes Exclusion Clause, the Violent Theft, Piracy and Barratry Exclusion Clause or the Malicious Acts Exclusion Clause;
 - 5.2.2** the Rules of the United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited, had the Entered Ship been entered therein, but for the Exclusion of War Risks in such Rules.

Section 6. Liability for Damage to Property

Liability for loss of or damage to any property (including infringement of rights) whether on land or water and whether fixed or moveable, and including liability for oil or other pollution caused by oil or other matter escaping from an Entered Ship, subject to the following provisions:

Appendix A

- 6.1** There shall be no recovery under this Section in respect of liability which falls within any other Section (whether or not such Section applies to the Owner in question).
- 6.2** If an Entered Ship causes loss or damage to property or infringes rights belonging wholly or in part to its Owner, the Owner shall have the same rights of recovery from the Association as if such property or rights belonged wholly to different owners.

Section 7. Wreck Removal

- 7.1** Costs and expenses relating to the raising, removal, destruction, lighting or marking of the wreck of an Entered Ship, when such raising, removal, destruction, lighting or marking is compulsory by law or the costs thereof are legally recoverable from the Owner.
- 7.2** Insurance under this Section is subject to the following provisions:
- 7.2.1** The value of all stores and materials saved, and of the wreck itself, shall be deducted from costs and expenses referred to in paragraph 7.1 and only the balance thereof, if any, shall be recoverable from the Association.
- 7.2.2** Costs and expenses referred to in this Section shall not be recoverable if, without the consent of the Managers in writing, the Owner has transferred his interest in the wreck, otherwise than by abandonment, prior to the raising, removal, destruction, lighting or marking of the wreck or prior to the incident giving rise to such costs or expenses.

Appendix A

Section 8. Liability in respect of Cargo

Liability of an Owner in respect of cargo intended to be or being or having been carried on an Entered Ship, which would have been covered under the Rules of The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited relating to liability for loss or shortage of and damage to or other responsibility in respect of cargo or other property carried in an Entered Ship, had the Entered Ship been entered in such Association, but for the Exclusion of War Risks in such Rules.

Section 9. Liability for Breach of any Contract of Carriage resulting from a direction of the Association

Liability in respect of the Entered Ship for breach of any contract of carriage resulting from compliance with orders, directions or recommendations of the Directors.

Section 10. Other Liabilities and Expenses

Any other liability or expense which would have been recoverable under the Rules of The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited, had the Entered Ship been entered therein, but for the Exclusion of War Risks in such Rules.

Section 11. Legal Costs and Expenses

Legal costs and expenses relating to any loss, damage, liability or expense against which an Owner is insured by the Association, provided that such costs and expenses have been incurred with the written consent of the Managers or the Directors decide that they were reasonably incurred.

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Bye-Laws

Hellenic Mutual War Risks Association (Bermuda) Limited

(As amended at the Special General Meetings of the Company held on 6 October 1970, 16 April 1975, 17 May 1976, 20 November 1978, at the Annual General Meeting on 8 August 1979 and 20 September 1999 and the Special General Meetings on 5 August 1981, 7 December 1987, 9 December 1988, 27 September 1993, 4 December 2000, 16 May 2003, 1 December 2003, 2 December 2004, 4 December 2006 and 24 November 2008).

Bye-Laws

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1 Interpretation

In these Bye-Laws the words standing in the first column of the following table shall bear the meanings set opposite to them in the second column, if not inconsistent with the subject or context:

Words	Meanings
Act	The Hellenic Mutual War Risks Association (Bermuda Company Act 1969 and every modification thereof for the time being in force.
Bermuda	the Islands of Bermuda.
Chairman/ Deputy Chairman	The officers of the Company having such titles.
Company	Hellenic Mutual War Risks Association (Bermuda) Limited.
Companies Acts	every Bermuda statute from time to time in force concerning companies insofar as the same applies to the Company and including the Act.
Directors	the members of the Board for the time being.
In writing and Written	and visibly expressed in any mode of representing or reproducing words in permanent form.
insurance	insurance or reinsurance provided by the Company.
insured	being insured or reinsured by the Company.
Managers	the Managers for the time being of the Company.
may	shall be construed as permissive and "shall" shall be construed as imperative.

Interpretation

Words	Meanings
members	all the persons who are members of the Company at the relevant time and “member” means any of them.
Notice	written notice unless otherwise specifically stated.
Owner	owner, owners in partnership, owners holding separate shares in severalty, part owner, mortgagee, trustee, charterer, operator, manager or builder of a ship or the holding company of any of the foregoing by whom or on whose behalf an application for entry of such ship in the Company for insurance has been made and accepted.
Register of Members	the Register of Members of the Company for the time being maintained by the Company.
Rules	the Rules from time to time in force governing the conduct of the whole or any part of the business of the Company.
Seal	the Common Seal of the Company.
Secretary	the person appointed to perform the duties of the Secretary of the Company including an assistant or deputy Secretary and any person appointed by the Directors to perform any of the duties of the Secretary.
ship	ship, boat, hovercraft, hydrofoil, catamaran or any other description of vessel or structure (including any ship, boat, hovercraft, hydrofoil, catamaran or other vessel or structure under construction) used or intended to be used for any purpose whatsoever in navigation or otherwise on, under, over or in water or any part thereof or any share therein.

Interpretation

Words	Meanings
Treasurer	the officer of the Company having such title.
year	a calendar year unless otherwise specifically stated.

Words importing only the singular number shall also include the plural number and vice versa.

Words importing only the masculine gender shall include the feminine and neuter genders.

Words importing persons shall also include companies or associations or bodies of persons whether corporate or unincorporated.

Words and expressions shall bear the same meaning as in the Companies Acts.

Headings and references to headings in these Bye-Laws are for ease of reference only and do not form part of these Bye-Laws.

2 Membership

- 2.1** The Company shall consist of an unlimited number of members.
- 2.2** Subject to Bye-Law 2.5 below every Owner who has a ship entered for insurance in the Company shall be a member of the Company.
- 2.3** Any person applying to enter a ship for insurance in the Company shall, if he is not already a member of the Company, be deemed in applying for such entry to have agreed that if such entry is accepted he will thereupon become and be a member of the Company in accordance with these Bye-Laws.
- 2.4** Every Director of the Company whilst holding that office shall be a member of the Company.
- 2.5** Unless otherwise agreed by the Managers:
- (a) a person who is insured by an insurer who is reinsured by the Company and is a person which would be a member under Bye-Law 2.2 above if he was directly insured by the Company shall be a member of the Company;
 - (b) no insurer which is reinsured by the Company shall be eligible for membership of the Company.
- 2.6** Membership shall not be transferable or transmissible.
- 2.7** If any insurance is effected by the Company in the names of or on behalf of two or more persons such persons shall become joint members of the Company. Joint members shall for the purposes of any sums due to the Company be treated as one member but shall be jointly and severally liable in respect thereof. For all other purposes pursuant to these Bye-Laws joint members shall be treated as one member. The happening of any event under Bye-Law 3.1 below in relation to any one joint member shall not terminate the membership of any persons who are members jointly with him.

Membership

Joint members shall be entitled to exercise one vote in aggregate which in the absence of any direction by all of such joint members to the contrary shall be exercisable by the person first named on the Certificate of Entry in relation to the insurance of such joint members and such first named person shall be the only joint member entitled to receive notices under these Bye-Laws.

3 Cesser of Membership

3.1 A member shall forthwith cease to be a member:

3.1.1 If being a member in his capacity as a Director and not otherwise, he shall cease to be a Director;

3.1.2 Where the member is an individual:

- (a) upon his death; or
- (b) if a petition in bankruptcy is presented in respect of him or any analogous proceedings are commenced against him in any jurisdiction outside the United Kingdom, or he makes any compromise, scheme or arrangement with his creditors generally in order to avoid or prevent the presentation of such a petition or such analogous proceedings; or
- (c) if he becomes bankrupt; or
- (d) if he becomes incapable by reason of mental disorder of managing or administering his property and affairs;

3.1.3 where the member is a corporation,

- (a) upon the passing of any resolution for its voluntary winding up (other than voluntary winding up for the purposes of company or group reorganisation); or
- (b) upon an order being made for its compulsory winding up or upon the corporation being adjudicated or found bankrupt or insolvent in any jurisdiction; or
- (c) upon its dissolution; or

Cesser of Membership

- (d) upon any creditor levying distress or execution against, or a receiver, administrative receiver, manager, administrator or similar officer being appointed in respect of all or part of its business or undertaking; or
- (e) upon possession being taken of any of its property by or on behalf of any encumbrancer or secured party; or
- (f) upon its making any compromise scheme or voluntary arrangement with its creditors or upon its commencing proceedings under any bankruptcy or insolvency laws to seek protection from its creditors or to reconstruct or readjust its debts or to reorganise its affairs.

3.1.4 If, not being a member in his capacity as a Director, such member shall cease to have any ship entered for insurance in the Company.

3.2 Notwithstanding such cesser, the former member shall be and remain liable to pay to the Company all moneys which under these Bye-Laws or the Rules such member would, had he not ceased to be member, have been liable to pay to the Company in respect of the period down to and including the 31st December next after the date of such cesser.

4 Meetings of Members

- 4.1** A general meeting of the members of the Company shall be held at least once in every year either in Bermuda or elsewhere at a time and place to be fixed from time to time by the Board of Directors.
- 4.2** Notice of each Annual General Meeting of the Company shall be served on each member not less than thirty days before the meeting convenes, stating the date, time, place and objects and that the election of Directors will take place thereat.
- 4.3** The Board or any three members thereof or the Chairman may convene a Special General Meeting of the members upon at least fifteen days' notice in writing to each member. Such notice shall state the date, time, place and objects of such meeting, which may be held either in Bermuda or elsewhere.
- 4.4** The Chairman of a general meeting of the members or of a meeting of the Board of Directors or of a Committee of the Directors may, with the consent of those present and shall if so directed by the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business left unfinished at the meeting from which the adjournment took place.

5 Voting at Meetings of Members

- 5.1** Five members of the Company present in person or by proxy shall constitute a quorum at any general meeting of the members.
- 5.2** An instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney or, if such appointor is a corporation, the proxy shall be executed on behalf of the corporation by one of its officers. The instrument appointing a proxy shall be in the form in the schedule annexed hereto with such variations or alterations as may be necessary and as the Directors may approve.
- 5.3** The instrument appointing a proxy shall be left with the Secretary not less than twelve hours before the holding of the meeting or adjourned meeting, as the case may be, at which the person named in such instrument proposes to vote.
- 5.4** All questions proposed for consideration by the members at any general meeting
- 5.4.1** shall be determined by a majority of votes of those present or represented by proxy, and
- 5.4.2** shall (except in the case of the election of Directors) be decided by a show of hands, unless a poll is demanded by the Chairman of the meeting, or by at least three of the members present or represented by proxy at such meeting, or by any member or members present in person or represented by proxy and holding between them not less than 1/10th of the total voting rights of all the members having the right to vote at such meeting,
- 5.4.3** shall (in the case of the election of Directors) be decided by a poll conducted by a secret ballot (subject to the provisions of Bye-Law 6.5).
- 5.5** A member or a proxy for a member shall have one vote whether on a show of hands or on a poll.

6 Directors

- 6.1** The number of Directors shall be not less than ten nor more than thirty. The Company may from time to time in General Meeting alter the maximum or minimum number of Directors and may also determine in what rotation the increased or reduced number is to go out of office provided that the minimum number of Directors shall in no circumstances be less than three.
- 6.2** Any person under the age of seventy five who is ordinarily resident in either Bermuda or the Isle of Man shall be eligible to be appointed or elected a Director and any other person under the age of seventy five shall be eligible to be appointed or elected a Director provided he is:
- 6.2.1** a member insured by the Company or the agent of such a member, or
 - 6.2.2** a director of or employed in an executive capacity by a corporation which is a member insured by the Company or the agent of such a member, or
 - 6.2.3** a member or the agent of a member of or a director of or employed in an executive capacity by a corporation which is a member of The Hellenic Mutual War Risks Association Limited (a company registered in England).
- 6.3** No Manager and no employee of any Manager shall be eligible to be appointed or elected as a Director.
- 6.4** The following provisions shall apply in relation to the retirement of Directors:
- 6.4.1** At each Annual General Meeting any Director who has reached the age of seventy five shall retire and shall not be eligible for re-appointment or re-election whether in accordance with Bye-Law 6.2 or otherwise.

Directors

- 6.4.2** At each Annual General Meeting one-third of the Directors for the time being (excluding those retiring by reason of Bye-Law 6.4.1) or, if their number is not three or a multiple of three, then the number nearest one third, shall retire from office.
- 6.4.3** The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- 6.4.4** A retiring Director or an appointed Director ceasing to hold office if eligible under Bye-Law 6.2 shall be eligible for re-election or election as the case may be.
- 6.4.5** The Company at the meeting at which a Director retires or at which an appointed Director ceases to hold office may fill the vacant office by electing a qualified person thereto, and in default the retiring Director or the appointed Director ceasing to hold office shall if offering himself for re-election or election be deemed to have been re-elected, or elected as the case may be, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election or election of such Director shall have been put to the meeting and lost.
- 6.4.6** Except for a Director retiring or ceasing to hold office thereat, no person shall, unless recommended by the Board, be eligible for election to the office of Director at any Annual General Meeting unless not later than the 20th March prior thereto there shall have been left at the registered office of the Company:

Directors

- 6.4.6.1** notice in writing signed by at least five members:
- (a) who have ships entered for insurance in the Company, and
 - (b) none of whom has any commercial, proprietary or business interests in any ship entered for insurance in the Company by or on behalf of the other members whose names appear as co-signatories in the said notice, and
 - (c) each of whom is duly qualified to attend and vote at such meeting
- of their intention to propose such a person for election, and
- 6.4.6.2** notice in writing signed by that person of his willingness to be elected.

6.5 Unless a resolution is passed in General Meeting to consider the election or re-election of a number of Directors in a single resolution, separate resolutions shall be proposed to elect or re-elect each Director who is proposed for election or re-election.

6.6 The business of the Company shall be managed by the Directors who may exercise all such powers and do all such acts and things as may be exercised or done by the Company and as are not hereby or by statute expressly directed to be exercised or done by the Company in general meeting. Subject to the provisions of these Bye-Laws, the business of the Company shall be conducted in accordance with Rules from time to time adopted by the Company in general meeting which may at any time be altered, abrogated or added to by the Company in general meeting.

Directors

- 6.7** Without prejudice to the generality of Bye-Law 6.6, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property or any part thereof.
- 6.8** The Directors shall exercise a general supervision over the affairs of the Company and without limitation of the foregoing shall be responsible for the correct keeping of the books and for the safe keeping of all moneys and securities of the Company shall submit their books, accounts and vouchers to the auditor whenever required to do so and shall furnish such information and explanations to the auditor as may be necessary for the performance of his duties.
- 6.9** The Directors may delegate any of their powers to Committees consisting of two or more of the Directors, but every such Committee shall conform to such directions as the Directors shall impose on it.
- 6.10** The Directors may from time to time delegate to the Managers such of the powers, duties or discretions hereby or by the Rules vested in the Directors as they may think fit and such powers, duties or discretions may be made exercisable for such period and upon such terms and conditions and subject to such restrictions as the Directors may determine, provided that:
- 6.10.1** the Directors shall not delegate to the Managers any of the powers, duties or discretions of the Directors:
- (a) which are required by law to be exercised by the Directors personally, or
 - (b) which relate to general meetings or the proceedings thereat, or
 - (c) which concern borrowing by the Company, the appointment of Directors or the remuneration of the Directors, or

Directors

- (d) which relate to meetings of the Directors or Committees of the Directors or the proceedings thereat, or
- (e) which relate to the appointment of Managers or the Secretary, or
- (f) which relate to the Seal, any reserves required by the Companies Acts to be maintained by the Company, accounts or notices of general meetings.

6.10.2 the Directors may at any time and from time to time by notice in writing to the Managers revoke or vary any such delegation, term, condition or restriction as aforesaid, and

6.10.3 nothing in this Bye-Law and no such delegation as aforesaid shall constitute the Managers Directors of the Company.

6.11 The Directors shall have the power from time to time and at any time to appoint any qualified person to fill a casual vacancy in the Board of Directors or to be an additional Director up to the maximum number of Directors permitted under these Bye-Laws at the relevant time, who shall hold office until the next election of the Directors and the continuing Directors may act, notwithstanding any vacancy in their number provided that if the number of continuing Directors has been reduced below three, the continuing Directors must immediately appoint a sufficient number of persons to restore the number of continuing Directors to a minimum of three.

6.12 A Director may hold any other office or place of profit under the Company (other than the office of auditor or Manager) in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may from time to time determine.

Directors

- 6.13** No Director or intended Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit under the Company or as vendor, purchaser or otherwise and no such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested shall be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- 6.14** Any Director may act by himself or by his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.
- 6.15** A Director shall not as a Director vote, nor shall he be counted in the quorum present upon a motion, in respect of any matter in which he is interested (directly or indirectly and whether on his own behalf or on behalf of any other person), and if he do so vote, his vote shall not be counted.
- 6.16** The remuneration of the Directors shall be such sum (if any) as shall from time to time be voted to them by the Company in general meeting, and any such sum (unless otherwise determined by the resolution by which it is voted) shall be divided amongst the Directors as they shall resolve or, failing such resolution, equally. The Directors' remuneration shall be deemed to accrue from day to day.
- 6.17** The Directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or of Committees of the Directors or of general meetings of the Company or otherwise in connection with the business of the Company.

Directors

- 6.18** Subject to the following provisions of this Bye-Law, the Directors may regulate their procedures as they think fit.
- 6.18.1** The quorum necessary for the transaction of the business of the Board shall be two.
- 6.18.2** Subject to Bye-Law 6.18.3, questions arising at any meeting of the Directors shall be decided by a majority of those present and entitled to vote.
- 6.18.3** Any question which arises at any meeting of the Directors shall, at the request of any Director present at the meeting, be decided by secret ballot of those present at the meeting. Votes in such ballots shall be recorded in such a manner as the Board may from time to time determine.
- 6.18.4** In the case of an equality of votes, the Chairman shall have a second or casting vote.
- 6.19** The Secretary on the requisition of any three Directors shall, and the Chairman or any three Directors may, at any time summon a meeting of the Directors. Notice of meetings of the Directors may be by telephone or otherwise.
- 6.20** Meetings of the Board may be held without notice if all the Directors are present or represented by their alternates.
- 6.21** A resolution to which not less than three-quarters of the Directors have consented in writing shall be as valid and effectual as if it had been passed by a meeting of the Board duly called and constituted provided that written notice of the proposed resolution shall have been sent to each of the Directors at his address in the Register of Members or to such other address for the service of notice of board meetings as he shall have notified to the Secretary.

Directors

- 6.22** The office of Director shall immediately be vacated if the Director:
- 6.22.1** ceases to be eligible for appointment or election as provided in Bye-Laws 6.2. and 6.3; or
 - 6.22.2** becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - 6.22.3** becomes of unsound mind; or
 - 6.22.4** resigns his office by notice in writing to the Company.
- 6.23** Subject to any provisions to the contrary contained in the Companies Acts, the members may at any Special or Annual General Meeting convened and held in accordance with the Bye-Laws remove a Director. The notice of any such meeting shall contain a statement of the intention so to do. Not less than 14 days notice of such meeting shall be given to the Director whom it is proposed to remove and at any such meeting such Director shall be entitled to be heard on the matter of his removal.
- 6.24** Nothing in Bye-Law 6.23 shall have the effect of depriving any person of any compensation or damages which may be payable to him with respect to the termination of his appointment as a Director of the Company or of any other appointment with the Company. A vacancy upon the Board created by the removal of a Director under the provisions of this Bye-Law may be filled by election of the members at the meeting at which such Director is removed and, in the absence of such election, there shall be deemed to be a vacancy which may be filled in accordance with the provisions of Bye-Law 6.11.

Directors

- 6.25** At any general meeting the members may elect a person or persons eligible for election as a Director under Bye-Law 6.2 above to act as Directors in the alternative to designated persons elected as Directors of the Company and they shall be known as “Alternate Directors”. The members may at any general meeting authorise the Board for the time being in office to appoint such Alternate Directors. If the Board shall be so authorised, any Director may at any time appoint any person to be his Alternate Director subject to the approval of the Board.
- 6.26** An Alternate Director shall, subject to his giving the Company an address at which notices may be served upon him, be entitled to receive notices of all meetings and to attend and vote as a Director at any such meeting at which the Director for whom he was appointed is not personally present and generally to perform all the functions of the Director for whom he was appointed in the absence of such Director. An Alternate Director shall have all the rights and powers of the Director for whom he is appointed in the alternative save that he shall not be entitled to vote at any meeting of the Directors except in the absence of such Director.
- 6.27** An Alternate Director shall immediately cease to be such if the Director for whom he was appointed ceases for any reason to be a Director. An Alternate Director may be removed at any time by the Board or by the members. Appointments and removals of Alternate Directors by individual Directors shall be effected by notice left with the Secretary.

7 Minutes

The Directors shall cause minutes to be duly entered in books provided for the purpose, of:

- 7.1** all elections and appointments of officers;
- 7.2** the names of the Directors or their Alternates present at each meeting of the Directors and of any Committee of the Directors;
- 7.3** all orders made by the Directors and Committees of the Directors;
- 7.4** all resolutions, written resolutions and proceedings of each general meeting of the members and of each meeting of the Directors or any Committee of the Directors; and
- 7.5** if so requested by a Director, a minority view expressed by that Director at any meeting of the Directors or any Committee of the Directors.

8 Officers other than Directors

- 8.1** The Officers of the Company shall consist of a Chairman of the Company, one or more Deputy Chairmen, a Secretary and such other officers as the Directors may from time to time determine.
- 8.2** The Directors shall as soon as reasonably practicable after each annual election of Directors, or at such other time as they may determine it necessary to do so, choose or elect one of their number to be Chairman of the Company and one or more of their number to be Deputy Chairman or Deputy Chairmen of the Company. Other officers may be appointed as the Directors may from time to time determine. A Director shall not hold the office of Chairman of the Company for more than five consecutive years. A Director shall not hold the office of Deputy Chairman of the Company for more than five consecutive years, unless the Directors decide otherwise. Any Director holding the office of Deputy Chairman at 0001 hours Greenwich Mean Time on 1 January 2007, shall be deemed to have been first appointed as Deputy Chairman at that time.
- 8.3** A nomination of a Director as a candidate for election to any of the offices referred to in Bye-Laws 8.1 and 8.2 may be made by any Director subject to the following conditions:
- 8.3.1** Unless the Directors decide otherwise, the nomination shall be made not later than two months prior to the annual general meeting of the Company following which the election of officers is to be considered by the Board;
- 8.3.2** The nomination may only be made by a person who is a Director at the time of making the nomination and the nominee must also be a Director at such time;
- 8.3.3** The nomination shall be considered null and void if at the time of the meeting at which the election of officers is considered the person nominating the candidate for office or the candidate himself is no longer a Director.

Officers other than Directors

- 8.4** The Secretary shall be appointed by the Directors and shall hold office during the pleasure of the Directors. The Secretary need not be a Director.
- 8.5** A Treasurer may be appointed by the Directors and shall hold office during the pleasure of the Directors. The Treasurer need not be a Director.
- 8.6** Other officers, such as Assistant Secretaries and Assistant Treasurers, may be appointed by the Directors and shall hold office during the pleasure of the Directors.
- 8.7** The same person may hold the offices of Chairman, Secretary and Treasurer. Any of the Deputy Chairmen may also hold the offices of Secretary or Treasurer.
- 8.8** The Chairman of the Company shall act as chairman at all meetings of the members and all meetings of the Board at which he is present. In his absence, the Deputy Chairman or one of the Deputy Chairmen, if present, shall act as Chairman. If none of them is present, a Director shall be elected to act as chairman by those present at the meeting.
- 8.9** The Secretary shall (subject to Bye-Law 8.10) attend all meetings of the members, of the Board and of Committees of the Directors, keep correct minutes of such meetings and enter the same in proper books provided for the purpose. He shall perform such other duties as are prescribed by the Companies Acts or these Bye-Laws, or as shall be prescribed by the Directors from time to time.
- 8.10** The Directors may appoint one of their number to act as acting secretary at any meeting of the Board or of a Committee of the Directors in place of and to the exclusion of any person who would otherwise be required to attend under Bye-Law 8.9.

9 Managers

- 9.1** Messrs. Thomas Miller (Bermuda) Ltd. shall be the Managers of the Company unless and until the Directors otherwise decide.
- 9.2** Unless the Directors otherwise decide, the Managers shall be entitled to attend all meetings of the Directors and of Committees of the Directors and all Annual or Special General Meetings of the Company.
- 9.3** In addition and without prejudice to any powers, duties and discretions for the time being delegated to the Managers pursuant to these Bye-Laws, the Managers may exercise and discharge all such powers, duties and discretions as may be conferred or imposed upon the Managers by the Rules.
- 9.4** Whenever any power, duty or discretion is delegated to the Managers pursuant to these Bye-Laws or is conferred or imposed upon the Managers by the Rules, such power, duty or discretion may, subject to any terms, conditions or restrictions imposed upon the Managers in relation thereto either pursuant to these Bye-Laws or (as the case may be) by the Rules, be exercised by any one or more of the Managers or by any servant or agent of the Managers to whom the same shall have been delegated or sub-delegated.

10 Investment

Any moneys for the time being in the hands of the Company and not immediately required to meet any claims, expenses and outgoings to which under these Bye-Laws or the Rules the same are applicable may be invested in such investments as the Directors think fit.

11 Accounts

- 11.1** The Directors shall cause to be kept accounting records sufficient to give a true and fair view of the state of the Company's affairs and to show and explain its transactions in accordance with the Companies Acts and such records shall at all times be kept at the office of the Company or at such other place as the Directors may from time to time determine and shall always be open to the inspection of the Directors.
- 11.2** The Board of Directors shall cause the accounts of the Company to be audited once at least in every financial year by an independent representative of the members and such audited accounts shall be laid before the members at the Annual General Meeting in each year and shall be open to inspection by any member.

12 Auditor

- 12.1** At the Annual General Meeting or at a subsequent Special General Meeting, an independent representative of the members shall be appointed as auditor of the accounts of the Company and such auditor shall hold office until the members shall appoint another auditor. Such auditor shall not be a Director or officer of the Company during his continuance in office.
- 12.2** The remuneration of the auditor shall be fixed by the members at the time of their appointment or subsequently and they may delegate this duty to the Directors.
- 12.3** If the office of auditor becomes vacant or the auditor is incapable of performing his duties, the Directors may appoint an auditor to fill the vacancy or an acting auditor to act during the incapacity of the auditor.
- 12.4** The auditor shall examine such books, accounts and vouchers as may be necessary for the performance of his duties.
- 12.5** The auditor shall make a report to the members of the accounts examined by him at the Annual General Meeting in each year.
- 12.6** The auditor shall be furnished with a list of all books kept by the Company and shall at all times have the right of access to the books, accounts and vouchers of the Company and shall be entitled to require from the Directors such information and explanation as may be necessary for the performance of his duties.
- 12.7** The auditor shall be entitled to attend any general meeting of the Company at which any accounts which have been examined or reported on by him are to be laid before the Company and to make any statements or explanations he may desire with respect to the accounts and notice of every such meeting shall be given to the auditor in the manner prescribed for members.

13 Notices

- 13.1** A notice or other document required under these Bye-Laws to be served on the Company may be served by sending it to:
- 13.1.1** the Company at its registered office for the time being; or
 - 13.1.2** the Managers at their office in Bermuda for the time being; or
 - 13.1.3** the Managers' Agents at their office in Isle of Man for the time being.
- 13.2** A notice or other document required under these Bye-Laws to be served on a member may be served by sending it to such member at:
- 13.2.1** his address as appearing in the Register of Members; or
 - 13.2.2** the address furnished by him to the Company as the address at which notices from the Company may be served upon him; or
 - 13.2.3** the address which is his last known address to the knowledge of the Managers; or
 - 13.2.4** the address of the intermediary or broker through whom the member's ship is entered for insurance in the Company.

Notices

- 13.3** Any such notice or other document, if served:
- 13.3.1** by post, shall be deemed to have been served on the day following the day on which it was posted;
 - 13.3.2** by telegram, cable or radio telegraph, shall be deemed to have been served on the day on which it was handed in to the telegram, cable or telegraph office;
 - 13.3.3** by telex, telefax or telecopier, shall be deemed to have been served on the day on which it was transmitted;
 - 13.3.4** by electronic communication shall be deemed to have been served on the day on which it was transmitted. The records held by or on behalf of the Company shall, in the absence of manifest error, be conclusive evidence of the communication, its despatch or its receipt.

14 Seal

The Directors shall provide for the safe custody of the Seal, which shall only be used by authority of the Board or of any Committee of the Directors authorised by the Board in that behalf and every instrument to which the Seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director, provided that the Secretary or any Director may affix the Seal over his signature only to any authenticated copies of these Bye-Laws and to the minutes of all meetings or any other documents required to be authenticated by him.

15 Alterations of Bye-Laws

The Board may from time to time revoke, alter, or add to the Bye-Laws. However, no such revocation, alteration, or addition shall be operative unless or until it is confirmed at a Special General Meeting or at the next Annual General Meeting.

16 Indemnity

- 16.1** Every Director, Alternate Director, officer of the Company and the Managers (as defined in Bye-Law 16.4) (each an “Indemnified Person”) shall be indemnified and held harmless by the Company against, and it shall be the duty of the Directors out of the assets of the Company to pay, all costs, liabilities, losses, damages and expenses including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable incurred or suffered by him as Director, Alternate Director, other officer or the Managers (as the case may be), provided always that the indemnity contained in this Bye-Law shall not extend to any matter which would render it void pursuant to the Companies Acts.
- 16.2** Each Indemnified Person as defined in Bye-Law 16.1 shall be indemnified out of the assets of the Company against all liabilities costs and expenses incurred by him as such Director, Alternate Director, officer of the Company or Manager in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in connection with any application under the Companies Acts in which relief from liability is granted to him by the court.
- 16.3** No person specified in Bye-Law 16.1 shall be liable for the acts, receipts, neglects or defaults of any other such person or for joining in any receipt or other act for conformity, or for any loss or expense happening to or incurred by the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Company may be or have been invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any monies, securities or effects are or have been deposited, or for any loss occasioned by any error of judgment, omission, default or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in relation to the Company or any subsidiary thereof, provided that this exemption of liability shall not extend to any matter which would render it void at law.

Indemnity

- 16.4** For the purposes of Bye-Law 16 “the Managers” means the Managers and any and all servants, agents and consultants of the Managers.
- 16.5** The indemnification and exemption from liability provided by, or granted pursuant to, these Bye-Laws shall, unless otherwise provided when authorised or ratified, continue as to a person who has ceased to hold the position for which he is entitled to be indemnified or exempted from liability and shall inure to the benefit of the heirs, executors and administrators of such a person.
- 16.6** The benefit of the indemnification and exemption from liability provided by, or granted pursuant to, these Bye-Laws shall have retrospective effect in favour of each Indemnified Person as defined in Bye-Law 16.1 without any limit as to time and extending to any matter for which indemnification or exemption from liability may be provided pursuant to these Bye-laws.
- 16.7** Notwithstanding any of the provisions of this Bye-Law 16 to the contrary, the Company’s rights to pursue claims for actionable fault against the Managers as defined in Bye-Law 16.4 are expressly preserved. The indemnity provided to the Managers under Bye-Law 16.1 shall not apply to any costs, liabilities, losses, damages or expenses incurred by the Managers in connection with any such claims.

Form of Proxy

Hellenic Mutual War Risks Association (Bermuda) Limited

The undersigned Member of the Hellenic Mutual War Risks Association (Bermuda) Limited hereby appoints [] or the Chairman of the Meeting as proxy to vote for and on behalf of the undersigned Member at the Special/Annual] General Meeting of the Members of the Company to be held on [] and at any adjournment thereof.

Notes

- (1) If you wish to appoint as your proxy someone other than the Chairman of the Meeting please insert the name and address of such person [A proxy need not be a Member of the Company].
- (2) Please indicate with a tick how you wish your vote to be cast in the event that the resolutions set out in the Notice of Meeting dated [] are duly proposed and seconded; if you do not do so the proxy will vote as he thinks fit or abstain at his discretion.

	For	Against
Resolution 1		
Resolution 2		

- (3) This form must be sent to:
The Secretary
Hellenic Mutual War Risks Association (Bermuda) Limited
c/o Thomas Miller (Isle of Man) Limited
Level 2, Samuel Harris House, 5-11 St George's Street
Douglas, Isle of Man, IM1 1AJ, British Isles
so that it reaches him at least 12 hours before the [Special/Annual] General Meeting.
- (4) Any alterations in this Form of Proxy should be initialled.
- (5) If the appointor is a Corporation (which includes a Limited Company) the Proxy must be under its Common Seal or under the hand of a properly authorised Officer or Attorney.

As witness the hand of the undersigned this day of 20.....

Signature
Name of Member (Block Capitals)
Name of Signatory (Block Capitals)
Designation of Signatory
Signed in presence of (Block Capitals)
Designation of Witness

Hellenic War Risks is a mutual insurance company managed on behalf of its Members by Thomas Miller.

Thomas Miller provides a range of insurance solutions for the international shipping and transport sectors.

ITIC, TT, UK P&I Club, UKDC, UK War Risks

email hwr@thomasmiller.com web www.hellenicwarrisks.com

Managers

Thomas Miller (Bermuda) Ltd

Canon's Court, 22 Victoria Street, Hamilton HM 1179, Bermuda

Managers' Agents

Thomas Miller (Isle of Man) Limited

Level 2, Samuel Harris House, 5-11 St George's Street,

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