

▶ **THE SHIPOWNERS' MUTUAL PROTECTION AND INDEMNITY ASSOCIATION (LUXEMBOURG)**

MINUTES of an Extraordinary General Meeting of The Shipowners' Mutual Protection and Indemnity Association (Luxembourg) held on Tuesday 26th January 2021 at 11.45 hours at 16 Rue Notre-Dame, L-2240 Luxembourg.

MINUTES

The Chairman of the Association, Mr. P.D. Orme, presided over the meeting.

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Mr. P.D. Orme, Chairman of the Board took the Chair.

The notice convening the meeting was read.

The Chairman declared:

That the members present, or represented by a proxy holder, are shown on an attendance list signed by the members or their proxyholder and the Chairman. The said list as well as the proxies will be attached to the present minutes.

On the proposal of Mr. R. Knight seconded by Mr. P. Sydenham the following was unanimously passed as a Special Resolution.

SPECIAL RESOLUTION

THE MEETING RESOLVED THAT the Rules be amended as published in the Notice of the meeting on 18th December 2020 and set out hereafter, the amendments to be effective as from 20th February 2021.

The proposed amendments to the Rules, with explanations, follow overleaf on pages (1 to 2).



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P.D. Orme

Chairman of the Meeting

Rule Changes 2021



Part 5 – LIMITATIONS AND EXCLUSIONS

RULE 25 LIABILITY EXCLUDED FOR WAR RISKS AND MARINE CYBER RISKS

War Risks Exclusion

There shall be no right of recovery from the Association in respect of any liabilities or expenses, whether or not a contributory cause of their being incurred was any neglect on the part of the Member or the Member's servant or agents, when the incident giving rise to the liability or expenses was caused by the following:

- 1 War, civil war, revolution, rebellion, insurrection or civil strife arising therefrom, or any hostile act by or against a belligerent power or by any act of terrorism.
- 2 Capture, seizure, arrest, restraint or detainment (barratry or piracy excepted) and the consequences thereof or any attempt thereat.
- 3 Mines, torpedoes, bombs, rockets, shells, explosives or similar weapons of war (save for those liabilities or expenses which arise solely by reason of the transport of such weapons whether on board the insured vessel or not), provided that this exclusion shall not apply to the use of such weapons, either as a result of government order or through compliance with a written direction given by the Managers or the Board, where the reason for such use is the avoidance or mitigation of liabilities, costs or expenses which would otherwise fall within the cover given by the Association.

Marine Cyber Risks Exclusion

- 4 Subject only to paragraph 6 below, there shall be no right of recovery from the Association in respect of loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus, computer process or any other electronic system.
- 5 Subject to the conditions, limitations and exclusions of these Rules, the indemnity otherwise recoverable hereunder shall not be prejudiced by the use or operation of any computer, computer system, computer software programme, computer process or any other electronic system, if such use or operation is not as a means for inflicting harm.
- 6 Paragraph 4 shall not operate to exclude:
 - i losses otherwise recoverable under the War Risk Extension Clause arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile; or
 - ii losses otherwise recoverable under the Bio-Chemical Extension Clause.

Provided that

- i A Member shall be covered in respect of the risks set out in Rule 2 which would otherwise not be covered by reason of this Rule 25 but only in accordance with the terms of the War Risk Extension Clause, as appended to these Rules.

- ii The exclusions in Rule 25 and Rule 26 shall not apply to liabilities, costs and expenses of a Member insofar only as they are discharged by the Association on behalf of the Member pursuant to a demand made under a guarantee, undertaking or certificate issued by the Club in accordance with, or pursuant to, any other law, regulation or international convention coming into force during the current Policy Year. Where any such guarantee, undertaking or certificate is provided by the Club on behalf of the owner as guarantor or otherwise, the owner agrees that:
 - a any payment by the Club under any guarantee, undertaking or certificate above, in discharge of the said liabilities, costs and expenses shall, to the extent of any amount recovered under any other policy of insurance or extension to the cover provided by the Association, be by way of loan; and
 - b there shall be assigned to the Club, to the extent and on the terms that the Managers determine in their discretion to be practicable, all the rights of the owner under any such other insurance and against any third party; and
 - c unless the Managers shall otherwise determine, the owner shall indemnify the Club to the extent that any payment under any guarantee, undertaking or certificate referred to above, in discharge of the said liabilities, costs and expenses is or would have been recoverable under a standard P&I War Risk policy of insurance, had the owner complied with all the terms and conditions thereof, under which the vessel shall be deemed to be insured without deductible for its full value.

EXPLANATION

This added exclusion for Marine Cyber Risks is a consequence of market reinsurers seeking to limit cover provided for cyber risks through incorporation of the Lloyds standard clause: LMA 5403 Marine Cyber Endorsement.