



SHIPOWNERS

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TO ALL MEMBERS

3rd December 2018

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of The Shipowners' Mutual Protection and Indemnity Association (Luxembourg) will be held on Tuesday 15th January 2019 at 11.45 hours at The Shipowners' Mutual Protection and Indemnity Association (Luxembourg), 16, Rue Notre-Dame, L-2240 Luxembourg, for the purpose of considering and if thought fit, passing the following as SPECIAL RESOLUTIONS.

SPECIAL RESOLUTION

THAT the Rules be amended as set out hereafter, the amendments to be effective as from 20th February, 2019.

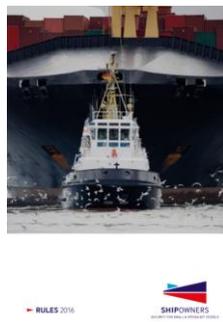
The proposed amendments to the Rules, with explanations, follow overleaf on pages 1 to 22.

By order of the Board

Pascal Hermann

General Manager

Note: A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of him/her. A proxy need not be a Member of the Association. The proxy must be in the form published on our website and signed by the appointing member or its legal representative(s).



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Rule Changes 2019



Part 2 – P&I RISKS COVERED

RULE 2 STANDARD COVER

1 Liabilities in respect of seafarers

A Illness, Injury, death, medical examination

- i Liability to pay damages or compensation for personal injury, illness or death of any seafarer whether or not on board a vessel and hospital, medical, funeral or other expenses incurred in relation to such injury, illness or death.
- ii ~~Liability to pay expenses incurred in medical examination of seafarers prior to engagement.~~

EXPLANATION

This now deleted text, related to Members who were part of our previous limited pre-employment medical scheme. With the imminent launch of the Club's new enhanced pre-employment medical scheme, this text is now redundant as cover will be contained on Members' certificates of insurance and detailed on the Club's website.



RULE 2 STANDARD COVER

7 Collision with other vessels

~~The liabilities, set out in paragraphs A, B and C below, to pay damages to any other person as a consequence of a collision between the insured vessel and any other vessel, but only if and to the extent that such liabilities are not recoverable under the hull policies of the insured vessel.~~ Liabilities, costs and expenses incurred as a result of a collision between an insured vessel and any other vessel as set out at paragraphs A-D below.

A Contact with other vessels or cargo or property on other vessels

One fourth, or such other proportion as may have been agreed by the Managers in writing, of the Member's liabilities costs and expenses not recoverable under clause 8 of the Institute Time Clauses (Hulls) 1/10/83 or under other forms of hull policies on the insured vessel approved by the Managers in writing. ~~arising out of the collision other than the liabilities identified in paragraph B of this Section.~~

B Other liabilities

~~Liability arising out of the collision for or~~ Four-fourths of the Member's liabilities, costs and expenses relating to:

- i the raising, removal, disposal, destruction, lighting or marking of obstructions, wrecks, cargoes, or any other thing insofar as such liability may be covered under Rule 2 section 12;
- ii any real or personal property or thing whatsoever (except other vessels or property on other vessels);
- iii pollution or contamination of any real or personal property except other vessels with which the insured vessel is in collision and property on such other vessels insofar as such liability may be covered under Rule 2 section 9;
- iv the cargo or other property on the insured vessel, or the Member's liability for general average contributions, special charges or salvage paid by the owners of that cargo or property insofar as such liability may be covered under Rule 2 Sections 14, 15, and 16;
- v loss of life, personal injury or illness insofar as such liability may be covered under Rule 2 Sections 1, 2 and 3.
- vi sums paid pursuant to the Special Compensation P&I Club (SCOPIC) Clause as incorporated into Lloyd's Open Form of Salvage Agreement in respect of salvage of a vessel in collision with the entered vessel.

C Excess collision liabilities

That part of the Member's liability ies, costs and expenses, arising out of the collision, which exceeds the sum recoverable under the hull policies of the insured vessel solely by reason of the fact that the liability exceeds the valuation of the vessel in those policies.

D Non-contact damage to vessels

Liabilities which a Member may incur, together with costs and expenses incidental thereto, as a result of damage caused to another vessel otherwise than by collision between that other vessel and the insured vessel as follows:

- i. Liability for loss of or damage to any other vessel, or other cargo or property therein.
- ii. Liability for the injury to, or death of, seafarers or others insofar as such liability may be covered under Rule 2 Sections 1, 2 and 3.
- iii. Liability in respect of an escape or discharge or threatened escape or discharge of oil or any other substance insofar as such liability may be covered under Rule 2 Section 9.
- iv. Liability for the removal of wrecks insofar as such liability may be covered under Rule 2 Section 12.

DE Provisos

- i For the purposes of assessing any sum recoverable under paragraph C of this Section the Board may determine the value at which the insured vessel should have been insured if it had been 'fully insured' in accordance with Rule 24. There shall be a right of recovery only in respect of the excess, if any, of the amount which would have been recoverable under such policies if the insured vessel had been insured thereunder at such value.
 - ii Unless the Board otherwise determines, there shall be no right of recovery of any franchise or deductible borne by the Member under the hull policies of the insured vessel.
 - iii If the insured vessel shall come into collision with , or cause non-contact damage to another vessel belonging wholly or in part to the Member, he shall have the same right of recovery from the Association, and the Association shall have the same rights, as if such other vessel belonged wholly to different owners.
 - iv If both vessels are to blame, then where the liability of either or both of the vessels in collision becomes limited by law, claims under this section shall be settled upon the principle of single liability, but in all other cases claims under this section shall be settled upon the principle of cross liabilities, as if the owner of each vessel had been compelled to pay the owner of the other vessel such proportion of the latter's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Member in consequence of the collision.
- ivv For the purposes of assessing any sums recoverable under this Section, cover is subject always to Rule 21, as applicable.

EXPLANATION

The majority of changes to this Rule are for clarification purposes only.

An improvement is made at several sections of the Rule to explicitly reference 'costs and expenses' as forming part of the cover.

At Rule 2 section 7 A 'Contact with other vessels or cargo or property on other vessels', it is now clarified that, to the extent that the Club provides one fourth of Member's collision liability, this is based on the standard position that the remaining three fourths liability is covered under the hull policies.

Cover under Rule 2 section 7 B 'Other Liabilities' now cross references other relevant sections of the Rules. That is to say, it responds to liabilities from the Member's own vessel but only insofar as the Member has the benefit of Club cover for those specific liabilities, and always as per the terms of that cover.

Most collision scenarios involve contact damage. However, significant liabilities can of course occur in the absence of contact between vessels. For example, wash generated by the insured vessel is the most common cause of non-contact damage. This addition to the cover, at Rule 2 Section 7 D, clarifies that such non-contact damage is to be treated as a collision claim for the purpose of Club cover. Damage to fixed or floating property caused by non-contact damage from an insured vessel falls within Rule 2 Section 8 'Loss of or damage to other property'. This distinction allows underwriters to agree different deductibles depending on the scenario.



RULE 2 STANDARD COVER

12 Wreck liabilities

- A** Liabilities and expenses relating to the raising, removal, destruction, lighting or marking of the wreck of the insured vessel or of any cargo equipment or other property which is or was carried on board the [wreck of the](#) insured vessel, when such raising, removal, destruction, lighting or marking is compulsory by law or the costs thereof are legally recoverable from the Member.

- B** Liabilities and expenses incurred by the Member as the result of any such raising, removal, destruction, lighting or marking of the wreck of the insured vessel or of such cargo or other property or any attempt thereat.

- C** Liabilities and expenses incurred by the Member as the result of the presence or involuntary shifting of the wreck of the insured vessel or any cargo or other property which is or was carried on board such wreck or as a result of his failure to raise, remove, destroy, light or mark such wreck or such cargo or other property.

EXPLANATION

The intention of this Rule is to cover liabilities arising following a casualty that has resulted in the wreck of the insured vessel. This change makes absolutely plain that liabilities in relation to cargo equipment or other property under this Rule, are only triggered if the insured vessel has itself become a wreck. Club cover for cargo is contained at Rule 2 section 14 and is also potentially triggered under various other Rules depending on the circumstances of a claim.



RULE 2 STANDARD COVER

19 Fines

Fines as set out in paragraphs A to D below when and to the extent that they are imposed in respect of an insured vessel by any competent court, tribunal or authority and are imposed upon the Member or upon any seafarer whom the Member may be legally liable to reimburse or reasonably reimburses with the agreement of the Managers.

- A** For short or over delivery of cargo, or failure to comply with regulations relating to the declaration of goods, or documentation of cargo, provided that the Member is covered by the Association for cargo liabilities under Rule 2 Section 14 and subject to the provisions of that Rule.
- B** For breach of any immigration law or [immigration](#) regulation.
- C** In respect of accidental escape or discharge of oil or other substance from the insured vessel.
- D** For smuggling or any infringement by Master or crew of any customs law or regulation other than in relation to cargo carried on the vessel.
- E** [Any other fine or penalty where the Member has satisfied the Board that it took such steps as appear to the Board reasonable to avoid the event giving rise to such fine or penalty and which the Board in its discretion decides that the Member should recover.](#)

EXPLANATION

The amendment at Rule 2 Section 19 B makes absolutely plain that cover for fines is available for breach of a law or regulation in respect only of immigration.

The provisions of the pooling agreement allow us to broaden cover at Rule 2 Section 19 thereby allowing an avenue, always in the Board's discretion, for reimbursement of claims in respect of fines or penalties where a Member has taken steps as appear to the Board reasonable to avoid the event that gave rise to the fine or penalty. Of course, even absent this amendment, Members would have recourse to Board discretion pursuant to the Omnibus rule.



Part 5 – LIMITATIONS AND EXCLUSIONS

RULE 28 LIABILITIES EXCLUDED IN RESPECT OF SALVAGE VESSELS, DRILLING VESSELS, DREDGERS AND OTHER SPECIALIST OPERATIONS

Unless special cover shall have been agreed by the Managers in writing pursuant to Rules 3 and 4, there shall be no right of recovery from the Association of any claim relating to liabilities, costs and expenses incurred by a Member in respect of the following:

1-2

- 3** The performance of specialist operations including, but not limited to, dredging, blasting, pile driving, well-~~intervention~~stimulation, cable or pipe laying, construction, installation or maintenance work, core sampling, depositing of spoil, ~~professional oil spill response or professional oil spill response training (but excluding fire fighting)~~, to the extent that such liabilities and expenses arise as a consequence of:
- A** claims brought by any party for whose benefit the work has been performed, or by any third party (whether connected with any party for whose benefit the work has been performed or not), in respect of the specialist nature of the operations; or
 - B** the failure to perform such specialist operations by the Member or the fitness for purpose and quality of the Member's work, products or services, including any defect in the Member's work, products or services; or
 - C** any loss of or damage to the contract works.

Provided always that this exclusion shall not apply to liabilities, costs and expenses incurred by a Member in respect of:

- i loss of life, injury or illness of crew and other personnel on board the insured vessel, ~~and~~or,
- ii the wreck removal of the insured vessel, ~~and~~or,
- iii oil pollution emanating from the insured vessel or the threat thereof,

but only to the extent that such liabilities, costs and expenses are otherwise covered by the Association in accordance with the Rules.

EXPLANATION

There are number of changes, this year, to Rules 28 and 29. These are dealt with above and overleaf.

Oil spill response has recently come under review by the International Group “Production Operations Specialist Craft” subcommittee which has agreed that it ought to be poolable. Therefore, it is no longer necessary for the Club to provide this cover as a non-poolable extension to cover.

The wording at Rule 28 section 3 has been a matter of substantial and prolonged debate amongst the Clubs. Some Clubs would wish the list of specialist operations to be exhaustive. Others would wish for more flexibility. The agreed resolution is that, if IG Clubs are in any doubt concerning whether a Member is carrying out any specialist operation or has incurred any liabilities other than those already listed in Rule 28 section 3, and which might nevertheless be regarded as “specialist”, the process should be as follows. The Club must promptly notify the other Clubs in the Group as well as sending a copy to the Group Secretariat. The Group may then decide whether any such operation is indeed specialist and, if so, amend the pooling agreement accordingly so as to exclude such activity. Once that decision has been made, Clubs shall give effect to it in accepting new entries and in renewing existing entries.

Other minor amendments have been made to ensure consistency. For example, the addition of ‘costs’ and the words ‘or the threat thereof’ broaden the cover available to Members.



RULE 28 LIABILITIES EXCLUDED IN RESPECT OF SALVAGE VESSELS, DRILLING VESSELS, DREDGERS AND OTHER SPECIALIST OPERATIONS

Unless special cover shall have been agreed by the Managers in writing pursuant to Rules 3 and 4, there shall be no right of recovery from the Association of any claim relating to liabilities, costs and expenses incurred by a Member in respect of the following:

- 1 An insured vessel which is a salvage tug or other vessel used or intended to be used for salvage operations (including wreck removal), when the claim arises as a result of or during any salvage operations or attempted salvage operations other than salvage operations conducted by the insured vessel for the purpose of saving or attempting to save life at sea.
- 2 An insured vessel being a drilling vessel or barge or any other vessel or barge employed to carry out drilling or production operations in connection with oil or gas exploration or production, ~~including any accommodation unit moored or positioned on site as an integral part of any such operations,~~ to the extent that such liabilities and expenses arise out of or during drilling or production operations.

RULE 29 LIABILITIES EXCLUDED IN RESPECT OF NON-MARINE PERSONNEL

There shall be no right of recovery from the Association in respect of any liabilities, costs or expenses incurred in respect of any of the following:

- 1 Personnel, ~~(other than marine crew) seafarers,~~ on board the insured vessel, being an accommodation vessel, employed otherwise than by the Member, ~~where~~ unless:
 - i such vessel is moored or anchored more than 500 metres from any oil or gas production or exploration facility;
 - and
 - iii there has ~~not~~ been a contractual allocation of risks as between the Member and the employer of the personnel which has been agreed by the Managers in writing.
- 2 Hotel and restaurant guests and other visitors and catering crew of the insured vessel when the insured vessel is moored, otherwise than on a temporary basis, and is open to the public as a hotel, restaurant, bar or other place of entertainment.

EXPLANATION

The current exclusion wording in Rule 28 2 mirrors the exclusion in the pooling agreement by catching both drilling vessels/barges employed to carry out oil or gas related drilling or production operations as well as any accommodation units moored or positioned on site as an integral part of any such operations, to the extent that liabilities and expenses arise out of or during drilling or production.

The exclusion of accommodation units has been under review for some time, by the International Group "Production Operations Specialist Craft" subcommittee. Thought has been given as to whether an accommodation unit moored on site, in fact presents a greater risk than any other type of vessel moored in close proximity to oil or gas related activities. Exposure to common risks such as pollution and damage to property are thought to be similar for all vessel types, with the only real difference being the perceived greater exposure to non-marine personnel that is presented by accommodation units.

The greater exposure for non marine personnel is currently catered for, separately, by an exclusion in the pooling agreement, mirrored in our Rule 29. Currently, the wording of this non marine personnel exclusion requires only, in order to pool such risks, that there is a contractual allocation of risks between the insured owner and the employer of the personnel which has been approved by the Club.

The above deletion from Rule 28 2 reflects the conclusion reached by the subcommittee that, with the exception of non marine personnel risks, accommodation units are thought to pose no greater risk for most common exposures, than other vessel types. At the same time, the change to Rule 29 bolsters the exclusion for non marine personnel; in addition to the existing contractual requirements described above, it now excludes absolutely cover for personnel that are accommodated on any vessel providing accommodation to an oil or gas facility in so far as that vessel is within 500 metres of any oil or gas production or exploration facility.



RULE 45 TERMINATION BY NOTICE

- 4 Without prejudice to any other provision or power in the Rules, the Managers may, on such notice in writing as they may decide, terminate the insurance of the Member in respect of any and all vessels entered by him or on his behalf where any such vessel has been employed in an unlawful trade or where, in the opinion of the Managers, the Member or the provision of insurance to the Member may expose the Association or its Managers to the risk of being or becoming subject to any sanction, prohibition or adverse action in any form whatsoever by any State where the Association or its Managers have their registered offices or permanent places of business or by any State being a Major Power or by the United Nations or the European Union. ~~For the purpose of this Rule 45 (4) “Major Power” means any of the following States: United Kingdom, United States of America, France, The Russian Federation and the People’s Republic of China.~~ Notwithstanding that the happening of such event may not have increased the risk of any loss which may have occurred.

EXPLANATION

The term Major Power is now referred to in two separate sections of the Rules: ‘Termination by Notice’ (Rule 45 (4)), ‘Cesser of Insurance’ (Rule 46 H). Therefore, so as to streamline the Rules, the definition of ‘Major Power’ is moved to Definitions (Rule 67).



RULE 46 CESSER OF INSURANCE

3 Unless otherwise agreed by the Managers in writing, a Member shall forthwith cease to be insured by the Association in respect of any vessel entered by him or on his behalf upon the happening of which ever shall be the earliest of the following events:

A-F

G Upon a decision by the Managers that:

i the ship is to be considered or deemed to be an actual or constructive total loss or otherwise abandoned; or

ii that seafarers on the insured vessel are considered or deemed to be abandoned for the purpose of the Maritime Labour Convention.

H Upon the vessel being employed or being permitted to be employed by the Member in a carriage, trade or on a voyage which may in anyway howsoever expose the Association or its Managers to the risk of being or becoming subject to any sanction, prohibition or adverse action in any form whatsoever by any State where the Association or its Managers have their registered offices or permanent places of business or by any State being a Major Power or by the United Nations or the European Union. ~~For the purpose of this Rule 46 “Major Power” means any of the following States: United Kingdom, United States of America, France, The Russian Federation and the People’s Republic of China.~~ Notwithstanding that the happening of such event may not have increased the risk of any loss which may have occurred.

EXPLANATION

It is inappropriate to continue cover of an insured vessel where Members have abandoned their crew. Therefore, this amendment provides for automatic cesser following abandonment. Notwithstanding the cesser of insurance, the Club's MLC obligations to abandoned crew of course survive by virtue of MLC financial security certificates.

The term Major Power is now referred to in two separate sections of the Rules: 'Termination by Notice' (Rule 45 (4)) and 'Cesser of Insurance' (Rule 46 H). Therefore, so as to streamline the Rules, the definition of 'Major Power' is moved to Definitions (Rule 67).



RULE 47 EFFECTS OF CESSER OF INSURANCE

When a Member ceases to be insured by virtue of an event as described in paragraph 1 of Rule 46 or when a Member ceases to be insured in respect of any vessel by virtue of any event as described in paragraph 2 or 3 of Rule 46 (the date on which any such event occurs being hereinafter referred to as the 'date of cessation') then – in respect of:

- a all vessels insured by the Member, where the event falls within paragraph 1 of Rule 46; and
- b the vessel concerned, where the event falls within paragraphs 2 or 3 of Rule 46:

1 The Member shall be and remain liable to pay

A all such calls or premium as may have been levied for the relevant policy year in accordance with Rule 54; and

B all overspill calls for the relevant policy year; and

C all calls or premium and other sums payable in respect of previous policy years.

2 The Association shall remain liable for all claims under these Rules arising by reason of any event which occurred prior to the date of cessation but shall not otherwise be under any liability whatsoever by reason of anything occurring after the date of cessation. ~~save that the Association shall remain liable in relation to liabilities flowing from any one of the events listed in paragraph 3 A-G of Rule 46.~~ Except that notwithstanding that a cesser has been occasioned by any one of the events listed in paragraphs 3 A-G of Rule 46, the Association shall, subject always to the Rules and to the terms and conditions of the entry of vessel, remain liable for claims arising directly from such cesser event.

3 The Member shall be allowed a return of calls or premium for the relevant policy year on a pro rata basis from noon on the date of the happening of such event to the end of the relevant policy year. No claim for a return of calls or premium relating to any policy year shall be recoverable from the Association unless written notice has been given to the Association within six months of the end of the policy year concerned.

EXPLANATION

This change at Rule 47 2 clarifies that where cover has ceased automatically, for example as a result of a total loss, the Club will continue to honour claims arising directly from that event notwithstanding that the event itself is a cesser event. For example, in circumstances where a third party contacts our entered vessel post wreck.



RULE 67 DEFINITIONS

A-I

Knock for Knock, a provision or provisions stipulating that,

- a each party to a contract shall be similarly responsible for loss of or damage to, and/or death of or injury to, any of its own property or personnel, and/or the property or personnel of its contractors and/or of its and their subcontractors and/or of other third parties, and that
- b such responsibility shall be without recourse to the other party and arise notwithstanding any fault or neglect of any party, and that
- c each party shall, in respect of those losses, damages or other liabilities for which it has assumed responsibility, correspondingly indemnify the other against any liability that that party shall incur in relation thereto.

Major Power means any of the following States: [United Kingdom, United States of America, France, The Russian Federation and the People's Republic of China.](#)

Managers means the Managers for the time being of the Association.

EXPLANATION

See the explanation for the changes to Rules 45 and 46.

APPENDICES

Rule Changes 2019

ADDITIONAL CLAUSE WORDINGS



WAR RISK EXTENSION CLAUSE

The following war risk extension clause forms part of a member's insurance unless otherwise agreed by the managers in writing.

This WAR RISKS EXTENSION CLAUSE provides for such liabilities as would be covered by the Association and the Member's terms of entry, but for the exclusion of war risks in Rule 25.

1. NOTICE OF CANCELLATION

Cover hereunder may be cancelled by the Association giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight on the day on which notice of cancellation is issued by the Association).

2. AUTOMATIC TERMINATION OF COVER

Whether or not such notice of cancellation has been given cover hereunder shall TERMINATE AUTOMATICALLY

2.1. upon the outbreak of war (whether there be a declaration of war or not) between any of the following:

United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China. 2.2

2.2. in respect of any vessel, in connection with which cover is granted hereunder, in the event of such vessel being requisitioned either for title or use.

3. FIVE POWERS WAR EXCLUSIONS

This insurance excludes loss damage liability or expense arising from the outbreak of war (whether there be a declaration of war or not) between any of the following:

United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China;

Requisition either for title or use.

Cover hereunder shall not become effective if, subsequent to acceptance by the Association and prior to the intended time of attachment of risk, there has occurred any event which would have automatically terminated cover under the provisions of this clause.

4. CHEMICAL, BIO-CHEMICAL, ELECTROMAGNETIC WEAPONS AND COMPUTER VIRUS EXCLUSION CLAUSE

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith

- 4.1. ~~1.1~~** In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
- 4.2. ~~1.2~~** any chemical, biological, bio-chemical or electromagnetic weapon.
- 4.3. ~~1.3~~** the use or operation, as a means for inflicting harm, of any computer virus.
- 4.4. ~~1.4~~** Clause ~~1.2~~[4.3](#) shall not operate to exclude losses (which would otherwise be covered under terms of this policy) 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.

5. LIMIT

Cover hereunder shall be subject to any limits set out elsewhere in this certificate, provided always that cover hereunder shall not in any event exceed US\$ 500,000,000 any one accident, each vessel.

Provided always that:

where a ship entered in the Association by or on behalf of any person is also separately insured in the name of or on behalf of the same or any other person by the Association or by any other insurer which is a party to the Pooling Agreement in respect of the losses, liabilities or the costs and expenses incidental thereto which are covered pursuant to the terms of this Clause and/or the equivalent policy provisions of such other insurer, the aggregate recovery in respect of all such losses, liabilities and the costs and expenses incidental thereto shall not exceed US\$ 500 million, each ship, any one event, and the liability of the Association to each such person insured by the Association shall be limited to such proportion of US\$ 500 million as the maximum claim otherwise recoverable by such person from the Association bears to the aggregate of all such claims otherwise recoverable from the Association and all such insurers, or the limit applicable to the claim under that persons individual terms and conditions of entry if less.

6. EXCESS

[The cover shall apply, any one event, in excess of the greater of:](#)

US \$50,000; or

the proper value of the vessel (proper value meaning the market value of the vessel free of any commitment as determined by the Board; where the proper value exceeds US\$ 100 million, the proper value will be deemed to be US\$ 100 million); or

the amount recoverable under any other policy of insurance, whether of war risks or otherwise.

~~Under a charterer's entry other than a charterer by demise or bareboat charterer the cover shall apply, any one event, in excess of the greater of the deductible set out in the Member's certificate of insurance or US\$ 50,000. This cover shall pay claims only in excess of the US dollar equivalent of such insured value as the Board determines represents the market value of the insured vessel disregarding any charter or other engagement to which she may be committed, or, the amount recoverable from a participating Member underlying war risk underwriters, whichever is the greater. However, such an excess shall not apply where any insured vessel is entered solely in the name of a charterer, other than a charterer by demise or Bareboat charterer, and in any case the excess shall be deemed to be no more than US\$ 100 million per entered vessel. The Board shall retain an absolute discretion to pay claims within this excess.~~

7. TOPIA

This cover shall not provide insurance for any losses, liabilities, costs or expenses if the provision of such insurance would create a liability for the insured owner under the Tanker Oil Pollution Indemnification Agreement 2006 to contribute to the IOPC supplementary fund.

EXPLANATION

This change clarifies the excesses applicable to Owner and Charterer Members and more fully mirrors the reinsurance in place for excess war P&I risks.