

## Rule Changes 2026

### Part 2 – P&I RISKS COVERED

RULE 2	STANDARD COVER
<b>14 Cargo liabilities</b>	
The liabilities and expenses set out in paragraphs A to D below when and to the extent that they relate to cargo intended to be or being or having been carried in the insured vessel.	
<b>A-D</b>	
<b>E Provisos</b>	
i <b>Hague and Hague-Visby Rules</b>	
Unless the Member has previously obtained appropriate special cover by agreement with the Managers or the Board in its discretion otherwise determines, there shall be no recovery from the Association in respect of liabilities to the extent to which they would not have been incurred or sums which would not have been payable or borne by the Member:	
<ul style="list-style-type: none"><li>a if the cargo had been carried on terms no less favourable to the Member than those laid down in the Hague or Hague-Visby Rules, save where the contract of carriage is on terms less favourable to the Member than those laid down in the Hague or Hague-Visby Rules solely because of the relevant terms of carriage being of mandatory application; <i>or</i></li><li>b <del>had the Member not waived or limited rights of recourse that would otherwise have been available under the contract of carriage in accordance with the Hague or Hague-Visby Rules, and/or the mandatorily applicable law. This exclusion shall not apply to a liability of a Member to indemnify another carrier under a vessel sharing or slot charter agreement, provided the liability of that carrier under the contract of carriage issued pursuant to the vessel sharing or slot charter agreement is not otherwise excluded by these Rules.</del></li></ul>	
<b>EXPLANATION</b>	
Please see Rule 27 explanation (page 2-3).	

# Rule Changes 2026

## Part 5 – LIMITATIONS AND EXCLUSIONS

RULE 27 MISCELLANEOUS EXCLUSIONS	
<u>1</u>	There shall be no right of recovery from the Association in respect of the following:
<u>1A</u>	Loss of or damage to an insured vessel or any part thereof.
<u>2B</u>	Loss of or damage to any equipment on board an insured vessel or to any containers, lashings, stores or fuel thereon, to the extent that they are owned or leased by the Member or by any company associated with or under the same management as the Member.
<u>3C</u>	The cost of repairs to an insured vessel or any charges or expenses in connection therewith.
<u>4D</u>	Loss of freight or hire on an insured vessel or any proportion thereof, unless such loss of freight or hire forms part of a claim for liabilities in respect of cargo.
<u>5E</u>	Salvage of an insured vessel or services in the nature of salvage provided to an insured vessel and any costs and expenses in connection therewith.
<u>6F</u>	Loss arising out of cancellation of a charter or other engagement of an insured vessel.
<u>7G</u>	Loss arising out of unrecoverable debts or out of the insolvency of any person, including insolvency of agents.
<u>8H</u>	Claims relating to demurrage on or detention of an insured vessel unless such demurrage or detention forms part of a claim otherwise covered by the vessel's entry in the Association. In no case shall a Member be entitled to recover sums in excess of the vessel's actual running costs.
<b>Provided that</b>	
The foregoing exclusions of liability shall not prevent recovery of claims under the following Sections of Rule 2:	
Section 4:	Diversion expenses
Section 6:	Liabilities for life salvage
Section 10:	Towage
Section 11:	Liability arising under certain indemnities and contracts
Section 15:	Unrecoverable general average contributions
Section 16:	Ship's proportion of general average
Section 18:	Special compensation to salvors
Section 21:	Liabilities and expenses incurred by direction of the Managers
Section 22:	Sue and labour and legal costs
<u>2</u>	<u>Unless the Board in its discretion otherwise decides, there shall be no recovery from the Association in respect of liabilities, costs and expenses arising out of or in connection with contracts for carriage wholly or partly by sea to the extent such liabilities, costs and expenses would not have been incurred or borne by the Member but for its waiver or limitation of, or failure to incorporate, rights of recourse that would have been available under a bill of lading contract which incorporated Article IV Rule 6 of</u>

the Hague or Hague Visby Rules or any equivalent provision under other applicable law, unless such rights of recourse are not available by reason of mandatorily applicable law.

## EXPLANATION

The 2024 Pooling Agreement included a new provision under which liabilities would be an excluded loss to the extent they would not have been incurred or borne but for a Member's waiver or limitation of rights of recourse available under the Hague/Hague Visby Rules, which in itself became the subject of a Rule change in 2025. Subsequently clarification was needed amongst the Group Clubs as to whether that exclusion applied only to bills of lading where the Hague/Hague Visby Rules apply as a matter of law, and whether the waiver was only in respect of those liabilities resulting from damage caused by the cargo or all liabilities resulting from the shipment of dangerous goods such as pollution, wreck removal and personal injury.

This latest change for 2026 gives effect to the clarification that: the relevant excluded losses will be those which arise by reason of a waiver or limitation of rights of recourse in any applicable contract for carriage and not merely bills of lading; the excluded losses are liabilities, costs and expenses to the extent they would not have arisen but for the waiver of rights of recourse available under the Hague/Hague Visby Rules; and that the right of recourse which should be preserved and not waived is in respect of all liabilities which fall within the scope of the indemnity and not simply liabilities arising in connection with damage to or by cargo. Part of that required clarification on the application of this exclusion is to shift it away from the Association's cargo rule (Rule 2 section 14) and into the "Miscellaneous Exclusions" under Rule 27.

# Rule Changes 2026

## Part 2 – P&I RISKS COVERED

RULE 2	STANDARD COVER
<b>20 Inquiries and criminal proceedings</b>	
<p><b>A</b> Expenses incurred by the Member in protecting their interests during an investigation by any government or authority into the loss of or a casualty involving the insured vessel.</p> <p><b>B</b> Expenses incurred by the Member in connection with the defence of criminal proceedings brought against the Master of or a seafarer aboard the insured vessel or some other servant or agent of the Member or some other person associated with the Member.</p> <p><b>C</b> Provisos</p> <p>No costs or expenses shall be recoverable under this Section unless:</p> <ul style="list-style-type: none"><li>i they were incurred <u>for the purpose of averting or minimising any expense or liability in respect of which they may be covered by the Association</u><del>with the agreement of the Managers in writing; and/or</del></li><li>ii <u>they were incurred with the agreement of the Managers in writing or</u> the Board in its discretion decides that they should be recoverable from the Association.</li></ul>	
<b>EXPLANATION</b>	
<p>This revised rule clarifies the scope of cover for Members' legal and related expenses arising from official investigations or criminal proceedings connected to an insured vessel. It specifies: (1) cover for expenses incurred in government or authority investigations into a loss or casualty (Part A); (2) cover for expenses incurred in defending criminal proceedings against the Master, crew, or associated parties (Part B); and (3) a clear proviso that costs are only recoverable if they are incurred with the Managers' written agreement (or later approved at the Board's discretion) and formally introduces the aim to avert or minimise liabilities that may be covered by the Association (Part C).</p>	

# Rule Changes 2026

## Part 2 – P&I RISKS COVERED

RULE 4 SPECIAL COVER FOR SALVORS, CHARTERERS AND SPECIALIST OPERATIONS	
<b>1 Salvors</b>	<p>Notwithstanding Rule 28, provided that special cover has been agreed by the Managers in writing and endorsed on the Certificate of Insurance, and provided that they have paid such calls or premium as may be required by the Managers, a Member who is the owner or operator of a salvage tug or other vessel intended to be used for salvage operations (including for the purposes of this Rule 4, wreck removal) may be covered for the following:</p> <p><b>A</b> Liabilities and expenses arising in respect of risks covered under Rule 2.</p> <p><b>B</b> Liabilities and expenses caused by oil pollution during salvage operations whether or not they arise in respect of the Member's interest in the insured vessel.</p> <p><b>C</b> Liabilities and expenses, not covered under paragraph 1A or B of this Rule, caused by events occurring during salvage operations whether or not they arise in respect of the Member's interest in the insured vessel. Cover under this paragraph 1C of this Rule is only available as specifically agreed by the Managers in writing and endorsed on the Certificate of Insurance and on payment of such additional calls as the Managers may require.</p> <p><b>Provided that</b></p> <ul style="list-style-type: none"><li>i There shall be no right of recovery under this Rule of any liability or expense which is incurred under the terms of an indemnity or contract unless the terms of the indemnity or contract have been agreed by the Managers in writing.</li><li>ii The cover afforded under this Rule in connection with any salvage or attempted salvage operations shall be in all respects the same as that afforded under Rule 2 in respect of the operations of the insured vessel save that in the case of cover afforded under paragraph 1B or 1C of this Rule the liabilities and expenses need not arise in respect of an insured vessel or out of the operation of an insured vessel provided that they arise in connection with the Member's business as a salvor.</li><li>iii <del>It shall be a condition of cover under this Rule that the Member shall apply to enter for insurance in the Association every vessel intended to be used in connection with salvage operations at the time when the insurance is given and, thereafter, at least 30 days before the beginning of each policy year.</del></li></ul>
<b>EXPLANATION</b>	
The deletion of this section is to better align with the Pooling Agreement and moreover as this is now superfluous in light of the 2025 introduction of the Association's Cover for Salvage, Emergency Towage and Wreck Removal Operations.	

# Rule Changes 2026

## Part 4 – CLAIMS PROCEDURES

<b>RULE 8</b>	<b>NOTIFICATION OF CLAIMS</b>
<p>A Member must:</p>	
<ol style="list-style-type: none"><li><b>1</b> Promptly notify the Managers of every event or matter which <del>is liable to</del><ins>may</ins> give rise to a claim upon the Association and of every event or matter including any legal or arbitration proceedings commenced against the Member which is liable to cause the Member to incur liabilities or expenses for which they may be covered by the Association.</li><li><b>2</b> Promptly notify the Managers of every survey or opportunity to survey in connection with such event or matter.</li><li><b>3</b> At all times promptly notify the Managers of any information documents or reports in their or their agents' possession power or knowledge relevant to such event or matter.</li><li><b>4</b> Whenever so requested by the Managers, promptly produce to the Managers and/or allow the Managers or their agents to inspect, copy or photograph, all relevant documents of whatsoever nature in their or their agents' possession or power.</li><li><b>5</b> Permit the Managers or their agents to interview any servant, agent or other person who may have been employed by the Member at any time whom the Managers may consider likely to have any direct or indirect knowledge of the matter or who may have been under a duty at any time to report to the Member in connection therewith.</li></ol>	
<b>EXPLANATION</b>	
<p>Please see Rule 11 explanation (page 8).</p>	

# Rule Changes 2026

## Part 4 – CLAIMS PROCEDURES

RULE 9	TIME BAR
<p><b>1</b> Without prejudice to the duty of prompt notification contained in Rule 8, if a Member:</p> <ul style="list-style-type: none"><li>i fails to notify the Managers of any event or matter referred to in Rule 8 within one year after they have knowledge of it (or in the opinion of the Board ought to have known of it), or</li><li>ii fails to submit a claim to the Managers for reimbursement of any loss, damage, liabilities, cost or expenses within one year after discharging the same, <i>(line break)</i> the Member's claim against the Association shall be extinguished and the Association shall be under no further liability in respect of such claim, unless and to the extent that the Board in its discretion otherwise decides.</li></ul> <p><b>2</b> Without prejudice to paragraph (1) of this Rule, unless and to the extent that the Board in its discretion otherwise decides, no claim shall in any event be recoverable from the Association unless written notice of it has been given to the Managers within three years from the time of the casualty or other event or matter giving rise to the claim.</p>	

### EXPLANATION

Please see Rule 11 explanation (page 8).

# Rule Changes 2026

## Part 4 – CLAIMS PROCEDURES

<b>RULE 11</b>	<b>EFFECT OF BREACHES OF OBLIGATIONS IN RULES 7, 8,<del>9</del> AND 10</b>
If a Member commits any breach of their obligations in Rules 7, 8, <del>9</del> and 10, the Board may in its discretion reject any claim by them against the Association arising out of any event or matter, or reduce the sum otherwise recoverable from the Association in respect thereof by such amount as it may determine.	
<b>EXPLANATION</b>	
Various brief clarifications to certain intertwined sections of the Claims Procedures contained in the Rules, Members' obligations thereunder, and the effects of breach. Specifically, reference to Rule 9 is removed from Rule 11 ("Effects of Breaches") as an effect of breach under Rule 9 is already set out therein.	

# Rule Changes 2026

## Part 5 – LIMITATIONS AND EXCLUSIONS

<b>RULE 28</b>	<b>LIABILITIES EXCLUDED IN RESPECT OF SALVAGE VESSELS, DRILLING VESSELS, DREDGERS AND OTHER SPECIALIST OPERATIONS</b>
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:	
<b>1-2</b>	
<b>3</b> <u><a href="#">Arising out of</a></u> <del>t</del> he performance of specialist operations including, but not limited to, dredging, blasting, pile driving, well-intervention, cable or pipe laying, construction, installation or maintenance work, decommissioning, <u><a href="#">the deployment, operation and recovery of pneumatic barriers,</a></u> core sampling, mining, depositing of spoil and power generation to the extent that such liabilities and expenses arise as a consequence of:	
<b>A</b> 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>B</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	
<b>C</b> 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; or	
ii the wreck removal of the insured vessel; 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.	
<b>EXPLANATION</b>	
It has been noted that so-called "bubble curtains", also described as pneumatic barriers, are now frequently being deployed in the offshore windfarm industry. The International Group's Production Offshore Specialist Craft Committee concluded that the use of such bubble curtains, including their installation and removal, was a specialist operation and should be included in the list of specialist operations in Appendix V, paragraph 18 of the Pooling agreement, as mirrored by this change to the Association's Rule 28(3).	
There is a further amendment to the opening words of Rule 28.3 to mirror more precisely the provisions of the Pooling Agreement.	

# Rule Changes 2026

## Part 5 – LIMITATIONS AND EXCLUSIONS

### RULE 34

### SURVEY OF VESSELS AND MANAGEMENT AUDIT

The Managers may at any time in their discretion appoint a surveyor or such other person as they may think fit to act on behalf of the Association:

- i to inspect an insured vessel or a vessel proposed for insurance, including any follow-up inspection, and,
- ii to perform a management audit on the Member or Member proposed for insurance, including any follow-up audit.

The Member or proposed Member shall:

- A** afford all facilities as may be required for such inspection;
- B** comply with all recommendations as the Managers may make following such inspection/audit and afford the Managers all facilities as may be required to carry out a follow-up inspection, all of which shall be at the Member's cost, to confirm compliance with all recommendations;
- C** consent to and authorise the disclosure by the Managers to any Association which is a party to the Pooling Agreement any survey or inspection of such ship undertaken on behalf of the Association either pursuant to an application for, or after entry in, the Association; and
- D** waive any rights or claims against the Association of whatsoever nature arising in respect of or relating to the contents of or opinions expressed in any survey or inspection so disclosed

**Provided always that**

- a such survey or inspection may only be disclosed to another Association when an application for entry of such ship is made thereto; and
- b the disclosure of the survey or inspection shall be for the limited purpose only of that Association considering an application to enter such ship for insurance.

Unless and to the extent that the Board in its discretion otherwise decides, a Member who commits any breach of their obligations under paragraphs A and B above shall not be entitled to a right of recovery from the Association in respect of any claim whatsoever arising after such breach is committed until such time as the Member has complied with these obligations. Notwithstanding that such failure to comply may not have increased the risk of any loss which may have occurred.

In addition to the above:

- i Unless and to the extent that the Board in its discretion otherwise decides, in no case shall a Member be entitled to recover any liabilities or expenses directly arising out of any defect or matter concerning the vessel or the Member's management of the vessel(s) as revealed in the course of such inspection and/or audit;
- ii The Managers may, on such notice in writing as they may decide and without prejudice to Rule 45(1)-(4), terminate the insurance of the vessel or amend or vary the terms of entry in such manner as they think fit.

## EXPLANATION

This amendment clarifies that all costs arising under the Association's requirements and recommendations for inspections/audits per Rule 34B fall to the relevant Member. No such Rule 34B costs are payable by the Association.

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# Rule Changes 2026

## Part 6 – ENTRY FOR AND CESSER OF INSURANCE

RULE 41 JOINT ENTRIES, CO-ASSURED AND FLEET ENTRIES	
<b>1-2</b>	
<b>3</b>	<p><del>Failure by any joint Member to disclose material information within their knowledge shall be deemed to have been the failure of all the joint Members.</del></p> <p><u>a</u> Failure by any joint Member to disclose material information within their knowledge shall be deemed to have been the failure of all the joint Members.</p> <p><u>ab</u> Conduct of any joint Member which would have entitled the Association to exclude a right of recovery by them shall be deemed the conduct of all the joint Members.</p> <p><u>bc</u> Unless otherwise agreed by the Managers in writing, the contents of any communication from or on behalf of the Association to any joint Member shall be deemed to be within the knowledge of all the joint Members, and any communication from any joint Member to the Association, the Managers or their agents shall be deemed to have been made with the full approval and authority of the joint Members.</p> <p><u>ed</u> There shall be no right of recovery from the Association in respect of any liabilities, costs and expenses arising directly or indirectly from disputes or claims between joint Members or between Co-assureds. The cover provided to Co-assureds does not extend to any liabilities, costs and expenses arising directly or indirectly from disputes or claims between Co-assureds and Members or joint Members.</p>
<b>EXPLANATION</b>	
Correction of a typographical error and thus clarification to the numbering and effect of this Rule.	

# Rule Changes 2026

## APPENDIX

### APPENDIX      WAR RISK EXTENSION CLAUSE 5: LIMIT

#### 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.

Notwithstanding the above, for vessels transiting and/or calling within Russian waters including their coastal waters up to 12 nautical miles offshore, and certain European waters as defined below, is sub-limited to US\$ 100.125 million any one event, each vessel. The limitation in respect to certain European waters is as follows:

1. Sea of Azov and Black Sea waters plus inland waters enclosed by the following boundaries:

- a) On the west, around Romanian waters, from the Ukraine-Romania border at 45° 10.858'N, 29° 45.929'E to high seas point 45° 11.235'N, 29° 51.140'E
- b) thence to high seas point 45° 11.474'N, 29° 59.563'E and on to high seas point 45° 5.354'N, 30° 2.408'E
- c) thence to high seas point 44° 46.625'N, 30° 58.722'E and on to high seas point 44° 44.244'N, 31° 10.497'E
- d) thence to high seas point 44° 2.877'N, 31° 24.602'E and on to high seas point 43° 27.091'N, 31° 19.954'E
- e) and then east to the Russia-Georgia border at 43° 23.126'N, 40° 0.599'E

2. All inland waters of Ukraine;

3. Inland waters of Russia within the following areas:

- a) Crimean Peninsula
- b) River Don, from Sea of Azov to vertical line at 41° E
- c) River Donets, from River Don to Ukraine border

4. All inland waters of Belarus south of horizontal line at 52° 30' N

#### **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.

## EXPLANATION

Further to the Association's Notice of Alteration to the Term and Conditions of Insurance dated 16 January 2025, Clause 5 of the Club's War Risks extension has been amended to increase the sublimit applicable to Russia/Ukraine/Belarus war risks from US\$100m to US\$125m, in respect of poolable risks only. This adjustment follows changes to the Club's reinsurance programme at renewal, under which increased reinsurance capacity has been secured for these specific exposures. The amendment aligns the sublimit with the enhanced level of reinsurance support now available for these war risks.