

MARITIME MUTUAL



CIRCULAR

20th December 2019

To the Members

It should be noted that the following amendments to Rules will be effective from the 20th February 2020

General Rule 6.1

If an entry is made in the name or on behalf of more person than one, they shall be deemed to be Joint Members. Joint Members shall be jointly and severally liable to pay all contributions and any other sums due to the Association in respect of such entry.

General Rule 19(1)(f)

The Managers shall have the right to control or direct the conduct of any claim or legal or other proceedings relating to any liability, cost or expense in respect of which the Member is or may be insured in whole or in part, and to recommend that the Member settle, compromise or otherwise dispose of such claim or proceedings on such terms as the Managers consider to be appropriate. The Managers shall not proceed to settle any claim or proceedings without the Member's consent. If the Member refuses to consent to any such recommendation made by the Managers and elects to contest or continue any claim or legal proceedings, the Association's liability to reimburse the Member shall not exceed the amount for which the claim or legal proceedings could have been settled, plus the costs and expenses incurred with the Manager's consent up to the date of such refusal. Notwithstanding anything else in this Rule 19(1)(f), the consent of the Member shall not be required where the Association has (i) provided bail, security for costs, deposits or other security on behalf of the Member or (ii) issued certificates, otherwise known as blue cards, furnished as evidence of insurance pursuant to Article VII of the International Convention on Civil Liability for Oil Pollution Damage 1992, Article 7 of the International Convention on Civil Liability for Bunker Oil Pollution Damage 2001, Article 12 of the Nairobi International Convention on the Removal of Wrecks 2007, Article 12 of the International Convention on Liability and Compensation for Damage in

connection with the Carriage of Hazardous and Noxious Substances by Sea 2010 or any other convention or law requiring certificates to be furnished as evidence of insurance or (iii) issued certificates furnished as evidence of insurance or financial security in respect of liabilities or obligations under Regulation 2.5, Standard A2.5.2 and Regulation 4.2, Standard A4.2 of the Maritime Labour Convention 2006, as amended.

General Rule 32.2

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

.....
(h) if the ship or the Member including, if the Member is a corporation, the officers and beneficial owners or any one of them shall be appear on the United Nations Security Council Sanctions List, the United States Department of the Treasury Office of Foreign Assets Control (OFAC) Specially Designated Nationals and Blocked Persons List, the European Union Consolidated Financial Sanctions List or any other national or international sanctions list such that by continuing with the entry of the ship the Association or the Managers might be exposed to the risk of being or becoming subject to any sanction, prohibition or adverse action in any form whatsoever by any state, international organization or other competent authority.

Class 1 Rule 3(4)

1. If liabilities, losses or expenses are incurred as a result of want of due diligence by the Member, his managers, superintendents or onshore management, then the Directors may, in their discretion, reject or reduce the liability of the Association to the Member to the extent that such want of due diligence has, in their opinion, caused the liabilities, losses or expenses concerned.
2. In exercising their discretion under paragraph 4 (1) of this Rule the Directors may take into account any failure by the Member, his managers, superintendents or onshore management to comply with recommendations in connection with operation of the entered ship which may have been made in any Circular or Risk Bulletin issued by the Association and published on its website.

Class 1 Rule 4.1(b)

Delete existing Rule and replace with the following:-

Where the Association has issued to a Member a certificate of insurance or other financial security in respect of shipowners' liability as required under Regulation 4.2 Standard

A4.2.1 paragraph 1(b) of the Maritime Labour Convention 2006 as amended (MLC Certificate) the Association may discharge and pay on behalf of the Member the liabilities, losses, costs and expenses set out in and subject to the conditions in the MLC Extension Clause 2019 included as an Appendix to these Rules. The terms and conditions of the MLC Extension Clause 2019 shall be deemed to be part of the contract of insurance with a Member upon approval by the Association of an application of the Member for an MLC Certificate.

Class 1 Rule 4.5(d)

Delete existing rule and replace with the following:-

Where the Association has issued to a Member a certificate of insurance or other financial security in respect of shipowners' liability as required under Regulation 2.5 Standard A2.5.2 of the Maritime Labour Convention 2006 as amended (MLC Certificate) the Association may discharge and pay on behalf of the Member the liabilities, losses, costs and expenses set out in and subject to the conditions in the MLC Extension Clause 2019 included as an Appendix to these Rules. The terms and conditions of the MLC Extension Clause 2019 shall be deemed to be part of the contract of insurance with a Member upon approval by the Association of an application of the Member for an MLC Certificate.

Yours faithfully

The Board of Directors
Maritime Mutual Insurance Association (NZ) Limited