

**CIRCULAR**

20th December 2024

To the Members

It should be noted that the following amendments to Rules will be effective from the 20th February 2025.

**GENERAL RULES**

General Rule 32.2 amended by the inclusion of the following clause i:

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:
  - a. if the Member shall part with or assign the whole or any part of his interest in the ship, whether by Bill of Sale or other formal document or agreement or shall cease to have an interest in the ship or shall part with or transfer the entire control or possession of the ship, whether by demise charter or by any other way whatsoever,
  - b. if the ship is mortgaged or otherwise hypothecated without an undertaking or guarantee approved by the Managers being given to pay all contributions due or to become due in respect of the entered ship, unless the Managers exercise their discretion in any particular case to dispense with such an undertaking or guarantee,
  - c. if any person having given an undertaking or guarantee under the preceding paragraph fails to discharge his liability thereunder upon demand by the Managers.
  - d. in the case of any entry by a time charterer, if the time charter ends or is terminated,
  - e. if the entry of the ship is terminated in accordance with any Class Rule,

- f. if the management of the ship is transferred or the flag of the ship is changed, where a ship is entered for insurance through an agent (not being an insurance broker), such agent shall for the purposes of this paragraph in this Rule be deemed to be the manager of the entered ship unless at the time of the ship's entry for insurance the Managers were furnished with the name of the management of the ship to be insured.
- g. if the Member fails to provide a Bank Guarantee required to be furnished under General Rule 12.1 within 14 days of being called upon to do so.
- 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.
- i. if the ship shall enter any sea or area which is excluded by the applicable trading warranty or is outside the permitted trading area specified in the applicable trading warranty.**

## **CLASS I**

Class 1 Rule 16 amended to read as follows:

### **16 TOWAGE BY AN ENTERED SHIP**

Liability which the Member incurs to pay damages under the terms of contract for the towage of another ship by the entered ship.

PROVIDED ALWAYS that:

- i. an entered ship specially designed or converted for the purpose of towage has been declared as such to the Managers at the time of entry or conversion for the purpose of towage; and
- ii. the terms of the towage contract between the Member of the one part and the owners of the towed ship and / or cargo or other property on board

the towed ship of the other part provided that each party shall be responsible for any loss or damage to their own ship and / or cargo or other property on board their own ship without any recourse whatsoever against the other party; and

- iii. subject always to the provisions of sub-rule ii hereof which shall apply in any event the Managers in their discretion and having regard to all the circumstances:

consider the terms of the towage contract as reasonable and the liability as coming within the scope of the cover afforded by the Association; and

- (a) the Member has paid or agreed to pay such additional call or premium as may be required by the Association; and
- iv. unless the Managers shall otherwise agree in writing prior to the commencement of the tow giving rise to the liability, a Member shall not be entitled to be reimbursed by the Association in respect of the liability to the owners of the tow or its cargo or other property carried thereon out of loss of, damage to or wreck removal of the tow, its cargo or other property carried thereon.

## **CLASS VI RULES**

Class VI Rule 16 amended to read as follows:

### **16. Towage by a Chartered Ship**

Liability which the Member incurs to pay damages under the terms of contract for the towage of another ship by the chartered ship.

PROVIDED ALWAYS that:

- i. a chartered ship specially designed or converted for the purpose of towage has been declared as such to the Managers at the time of entry or conversion for the purpose of towage; and
- ii. the terms of the towage contract between the Member of the one part and the owners of the towed ship and / or cargo or other property on board the towed ship of the other part provided that each party shall be responsible for any loss or damage to their own ship and / or cargo

or other property on board their own ship without any recourse whatsoever against the other party; and

- iii. subject always to the provisions of sub-rule ii hereof which shall apply in any event the Managers in their discretion and having regard to all the circumstances:
  - (a) consider the terms of the towage contract as reasonable and the liability as coming within the scope of the cover afforded by the Association; and
  - (b) the Member has paid or agreed to pay such additional call or premium as may be required by the Association; and
- iv. unless the Managers shall otherwise agree in writing prior to the commencement of the tow giving rise to the liability, a Member shall not be entitled to be reimbursed by the Association in respect of the liability to the owners of the tow or its cargo or other property carried thereon out of loss of, damage to or wreck removal of the tow, its cargo or other property carried thereon.

Yours faithfully

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