

CIRCULAR



February 2013

TO ALL MEMBERS

SKULD P&I Rule Amendments for 2013/14 - update

In addition to the Rule Changes announced in the Circular published following the Meeting of the Board of the Association on 7 November 2012, further changes have been made to reflect positions adopted by International Group Clubs in response to the entry into force of the EU Passenger Liability Regulation (PLR) on 31 December 2012 and of the Maritime Labour Convention 2006 (MLC) on 20 August 2013.

Maritime Labour Convention 2006 – Repatriation costs

The Board of Skuld has approved the Association providing shipowner members with cover for the costs of repatriating seafarers as prescribed in the MLC in terms reflected in the following Rule changes:

7. CREW

7.1 Cover

The standard insurance for crew shall cover the member's liability for, 7.1.7 costs of repatriation under a statutory obligation, **including the Maritime Labour Convention 2006 or equivalent domestic legislation by a State Party to MLC,**

28.5 Pay to be paid

....

28.5.2 Notwithstanding Rule 28.5.1, where a member has failed to discharge a legal liability to pay damages or compensation for personal injury, illness or death of a crew member, **or costs of repatriation under the Maritime Labour Convention 2006,** the Association shall discharge or pay such claim on the member's behalf directly to such crew member or dependent thereof, provided always that

...

c) where the Association is under no liability to the member in respect of the claim by reason of termination under Rule 3.3.2 (b) for non-payment of premiums or other sums due to the Association, the Association shall discharge or pay the claim to the extent only that it arises from an event occurring prior to the date of termination ~~but as agent only of the member and the member shall be liable to~~

~~reimburse the Association for the full amount of such claim, and~~

~~d) any payment under c) or in respect of costs of repatriation under Rule 28.5.2 shall be made by the Association as agent only of the member and the member shall be liable to reimburse the Association for the full amount of such payment.~~

As repatriation costs under MLC are not poolable, Appendix 5A will contain a new paragraph 5 (see below) which limits the Association's liability to the amount of the own retention under the Pooling Agreement (USD 9 million for the 2013 policy year).

EU Passenger Liability Regulation

Since the entry into force of the EU Passenger Liability Regulation (EC) No 392/2009 on 31 December 2012, P&I Clubs issuing non-war blue cards may face passenger claims made under the Regulation for which they have provided blue cards ("Certified Liabilities") and also other claims not made under the Regulation. The changes entitle the Association to prioritise Certified Liabilities if there is a risk that the total claims (certified and non-certified) may exceed the passenger cover limit of USD 2 billion.

Appendix 5a Passengers, Crew and Other Persons Carried On Board

....

4. Where liabilities to passengers include liabilities arising under a Non-war Athens Convention/PLR Certificate issued by the Association and such liabilities ("Certified Liabilities") exceed or may exceed in the aggregate the limit of cover specified in this Appendix 5A:

- (1) the Association may in its absolute discretion defer payment of a claim in respect of those liabilities or any part thereof until the Certified Liabilities, or such part of the Certified Liabilities as the Association may decide, have been discharged, and
- (2) if and to the extent any Certified Liabilities discharged by the Association exceed the said limit any payment by the Association in respect thereof shall be by way of loan and the Member shall indemnify the Association in respect of such payment.

5. The Association's liability in respect of costs of repatriation under MLC pursuant to Rule 7.1.7 shall be limited to an amount equivalent to the Association's retention under the Pooling Agreement.

Yours faithfully
Assuranceforeningen Skuld (Gjensidig)



Douglas Jacobsohn
President & Chief Executive Officer