

# SKULD CIRCULAR

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TO ALL MEMBERS

## SKULD STATUTES AND RULES: AMENDMENTS FOR THE 2015 POLICY YEAR

All amendments are listed below. Please note that as of 2015, Skuld Statutes and Skuld P&I Rules will appear as two different publications. They will both be published on our website and hard-copies will be sent to members upon request.

### STATUTES

The following change to the Statutes has been adopted at Annual General Meeting of Assuranceforeningen Skuld ("the Association") in September 2014. New text is underlined and deletions are struck through.

#### 1.10 The Association's elected representatives

- 1.10.1 Any person who is the appointed representative of a member shall be eligible for election to the Members' Committee and the Board of Directors. If such person shall cease to be so eligible, he or she shall no longer be entitled to serve. In addition persons who are not otherwise eligible but have special expertise may be elected as a member of the Board of Directors. ~~The Board of Directors shall satisfy the requirements of Statute 1.12.2.~~

#### ~~1.12 The Board of Directors as Audit Committee~~

- ~~1.12.1 The Audit Committee shall in accordance with Regulation no. 18 of 11 January 2010 be comprised of all of the members of the Board of Directors. 1.12.2 The Board of Directors shall collectively have the necessary qualifications to ensure the functions of the Audit Committee. At least one of the members shall be independent of the Association and its business and have expertise relating to accounting or audit.~~
- ~~1.12.3 The Board of Directors as Audit Committee shall perform the duties stipulated in Section 5-11 of the Act on Insurance Activities.~~

#### 1.12 The Audit Committee

- 1.12.1 The Audit Committee shall consist of 3 to 4 members who are appointed by and among the members of the Board of Directors.
- 1.12.2 The Audit Committee shall collectively have the qualifications necessary to perform its duties as stipulated in Section 5-11 of the Act on Insurance Activities 2005. At least one of the members shall be independent of the Association and its business and have expertise relating to accounting or auditing.

#### Commentary

*This amendment gives effect to a recommendation of the Norwegian Financial Supervisory Authority that the Audit Committee should consist of a group of 3 to 4 Board members rather than the full Board.*

## RULES

The following changes to the Rules were approved by the Board of Directors of Assuranceforeningen Skuld at its Meeting in November 2014.

### 5. Cargo

#### 5.2 Exceptions

5.2.15 delivery of cargo carried under

- a) a negotiable bill of lading or similar document of title (including an electronic bill of lading without production (or equivalent thereof in the case of an electronic bill of lading) of that bill of lading or document by the person to whom delivery is made, except where cargo has been carried on the entered vessel either under the terms of a non-negotiable bill of lading, waybill or other non-negotiable document and has been properly delivered as required by that document, and liability arises under a negotiable bill of lading or other similar document of title issued by or on behalf of a party other than the member providing for carriage partly by a means of transport other than the entered vessel or under the terms of an approved electronic trading system and has been properly delivered to the person so entitled in accordance there with, or

#### Commentary

These amendments clarify the position in relation to delivery without production of a bill of lading in cases where an electronic bill of lading has been used under an approved electronic trading system.

### 8. Passengers

8.2 Exceptions

However the standard insurance shall not cover liabilities, costs and expenses

8.2.3 which arise in respect of carriage of the passenger by any other carrier (including by air) unless such liability arises during....

b) transportation to and from the vessel by boats in-port, or

#### Commentary

This amendment ensures that cover for passenger vessel operators remains in place during transportation by boat to and from the entered.

### Defence Cover

27.4 Limitation

Cover under this Rule is limited to USD 5 million per dispute, except for disputes arising under Rule 27.1.16 (alteration, conversion, building, purchase, mortgage or sale of the vessel) where the limit shall be USD 300,000 per dispute unless a different limit is agreed. Any policy limit shall apply to the total amount of any claim, inclusive of the deductible.

#### Commentary

The purpose of this amendment is to clarify that the policy limit includes the deductible amount.

### 30.4 Excluded risks

The insurance shall not cover,

30.4.1 war risks' liabilities, costs or expenses (as defined in Appendix 1),

a) except that this exclusion shall not apply to liabilities, costs and expenses of a member insofar only as they are discharged by the Association on behalf of the member pursuant to a demand made under

vi) a Wreck Removal Convention Certificate

## Appendix 1

### Wreck Removal Convention Certificate

A certificate issued by the Association in compliance with Article 12 of the Nairobi International Convention on the Removal of Wrecks, 2007

#### Commentary

The insertion of this reference will facilitate the issue of blue cards under the Wreck Removal Convention which enters into force in April 2015.

## 36. CLAIMS HANDLING

36.2 The member shall be obliged...

36.2.4. to refrain from admitting liability or settling any claim or **waiving any right of recourse or recovery from any third party** without the prior approval of the Association.

#### Commentary

This amendment is intended to make it clear that members must not waive any rights which might prejudice the Association's rights to bring subrogated claims for recovery of an indemnity or contribution from third parties.

## 38. PROVISION OF SECURITY

The Association shall be under no obligation to provide security in respect of any liability of the member or any claim against the member or the entered vessel.

If the Association provides security, the applicable deductible shall be paid by the Assured, irrespective of whether any payment has been made or not.

#### Commentary

This amendment emphasises that the condition of payment of a deductible applies at the time security is provided.

## Appendix 1 - Definitions

### Crew

Persons, including the master, contractually obliged to serve on an entered vessel ~~except persons engaged only for~~

~~nominal pay~~; including substitutes for such persons and including such persons while proceeding to or from the vessel

**Commentary**

*This amendment provides that crew includes persons on nominal pay.*

**Vessel**

Any ship, boat, hydrofoil, hovercraft or other description of vessel (including a lighter, barge or similar vessel howsoever propelled but excluding (a) a unit or vessel constructed or adapted for the purpose of carrying out drilling operations in connection with oil or gas exploration or production and (b) a fixed platform or fixed rig) used or intended to be used for any purpose whatsoever in navigation or otherwise on, under, over or in water or any part of such ship, boat, hydrofoil, hovercraft or other description of vessel or any proportion of the tonnage thereof or any share therein.

**Commentary**

*This amendment reflects changes in the International Group Pooling Agreement.*