



January 2023

CIRCULAR TO ALL MEMBERS

Skuld P&I Rules and Statutes amendments for the 2023/2024 policy year

All amendments to Skuld 2023 P&I Rules ("Rules") and Skuld Statutes are listed below.

Skuld Statutes and Rules will appear as two different publications on our website.

Changes to the Rules were approved by the Board of Directors of Assuranceforeningen Skuld (Gjensidig) at its Meeting in November 2022.

New text appears **in red** and deletions are ~~struck through~~.

SKULD P&I RULES

1. Membership

1.1 Application and entry

1.1.4. the Association may, in its absolute discretion, accept the reinsurance of any risks from another insurer and decide that the insurer reinsured by the Association and/or the assured of such insurer is to be a Member.

Comments: This change provides clarification that Skuld may accept reinsurance of risks and other insurers as Members. This also aligns our Rules with the provision of Skuld's Statutes.

2. Terms of cover

2.1 Conditions of cover

The terms of entry and cover provided by the Association to the member are subject to the Statutes, these Rules and any special conditions agreed between the member and the Association. Provided always that it is not intended that any third party other than those referred to in Rules 1.2 or permitted assign has any right under this Contract.

~~If, in the opinion of the Association, there is a substantial change of risk, as a result of new legislation or for any other reason, the Association may make such amendments to the Rules as the situation may require, giving at least two months' notice in writing on Skuld's website of the amendment.~~



Skuld may amend the Rules as the situation may require with effect from 00:00 hours GMT on any date by giving at least 30 days' notice prior to that date. Amendments which do not materially change existing cover, may be done without giving prior notice. Amendment notices may be posted generically on Skuld's website only.

Comments: This change clarifies terms on which Skuld may amend its Rules, it also aligns our Rules with the provisions in Skuld's other Terms & Conditions.

5. Cargo

5.2 Exceptions

However the standard insurance shall not cover liabilities, costs and expenses arising out of any of the following,

5.2.5 the issue of a bill of lading, waybill or other document containing or evidencing the contract of carriage which

- a) is antedated or postdated,
- b) contains a description of the cargo or its quantity or condition which the member or an officer of the vessel knows is incorrect, or
- c) ~~should be clause~~ to show that the cargo is carried on deck ~~and is not so clause~~, **unless**

- (i) the cargo is suitable for carriage on deck of the entered Vessel, and
- (ii) the contract of carriage contains an appropriate liberty to carry cargo on deck; and
- (iii) the contract of carriage is specially clause to the effect that the cargo is carried on deck and that either the carrier is exempted from all liability for loss or damage to such cargo howsoever caused, or that the Hague Rules or the Hague-Visby Rules apply to carriage on deck.

Comments: This change provides a more detailed provision for deck carriage and aligns our Rules with the prevailing market practice.

14. Pollution

14.2. Exceptions

14.2.2 costs and expenses which would be recoverable in general average if the member had incorporated the **unamended** York-Antwerp Rules 1994.

Comments: This change aligns our Rules with the market practice and our other Terms & Conditions.

15. Wreck Removal

15.1 The standard insurance shall cover liability and costs arising out of the raising, removal, destruction or marking of the wreck of the entered vessel or its equipment, bunkers or cargo lost as a result of a casualty, insofar as the raising and other operations are compulsory by law or necessary to avoid or remove a hazard or obstruction to navigation or the costs are legally recoverable from the member under a contract approved by the Association. For the purpose of this rule, 'casualty' means collision, stranding, explosion, fire or similar fortuitous event, but excludes any wreck caused by dereliction.



The standard insurance shall also cover the member's liability and costs of the raising, removal, destruction or marking of the wreck of any other vessel **or its equipment, bunkers or cargo** as far as the raising and other operations are compulsory by law.

Comments: This change aligns our cover for wreck removal both for own vessel and other vessel, when such removal is compulsory by law, to include equipment, bunkers or cargo.

20. Confiscation 20.2 Limitations

However, discretionary cover shall not be available,

20.2.1 for an amount exceeding the market value of the vessel without commitment at the date of the confiscation or fine, **and**

20.2.2 **unless** the Association is **not** satisfied that the member took all reasonable steps to prevent the infringement of the law or regulation giving rise to the confiscation or fine, and

20.2.3 ~~unless, where there is a confiscation, the member has not taken all reasonable steps to have the confiscation cancelled, and the confiscation has lasted at least 6 months from the time the Association was notified of the confiscation, and the member has been irrevocably deprived of his interest in the vessel.~~

20.2.4 the member has been irrevocably deprived of his interest in the vessel.

Comments: This change will align provisions in our Rules with respect to discretionary cover in confiscation cases with the changes done to Appendix V of the Pooling Agreement.

23. Towage 23.4 ~~Additional~~ Cover – towage by the entered vessel

The standard insurance shall not cover the member's liability for loss of or damage to or wreck removal of a vessel or other floating structure arising out of the towage by an entered vessel, or the cargo or other property on such tow (together with costs and expenses associated therewith) save insofar as:

a) the towage or attempt thereat is made for the purpose of saving or attempting to save life or property at sea, or

b. the vessel is entered as a tug or other vessel engaged in towage in the ordinary course of business, and

c. the entered vessel is towing under a contract approved by the Association (as referred to in Appendix 6).

Comments: This change will align our Rules with the changes introduced to clause 16, Appendix V of the Pooling Agreement.

30.2. Excluded Losses

30.2.4. which are in respect of the loss of or damage to equipment or any containers, lashing, stores or fuel ~~on board~~ insofar as they are owned or leased by the member or by any party associated with or under the same management as the member,

Comments: This change clarifies that there is no cover to a.o. equipment or containers the insured vessel before they are on onboard the vessel.



32.3 Limitation of liability - joint members, co-assureds and affiliates

32.3.2 Where the member is an owner but the member's co-assured or affiliate is a charterer, any insurance cover extended to the charterer or affiliate shall be limited to USD ~~350~~ 500 million in the aggregate for any one vessel arising out of any one event

32.5 Limitation of liability - consortiums Where the member is a party to a consortium agreement, there shall be no recovery in excess of USD ~~350~~ 500 million arising out of any one event in respect of all insured parties and all vessels operating under such consortium. Where the member and any other party or parties to the consortium agreement are insured under entries with the Association or any other insurer which participates in the Pooling Agreement or the International Group Re-insurance policies, the aggregate for all claims brought against the Association and other insurers shall be limited to USD ~~350~~ 500 million for any one event and the Association's liability shall be limited to that proportion of USD ~~350~~ 500 million that the claim bears to the aggregate of all the claims recoverable from the Association and the other insurers.

Comments: Changes in Rule 32.3.2 and 32.5 reflect the increase in limit from US\$350 million to US\$500 million reflects the increase in cover agreed as part of the GXL renewal.

32.6 Sanctions

The member shall in no circumstances be entitled to recover from the Association that part of any liabilities, costs and expenses which is not recovered by the Association under the Pooling Agreement, General Excess Loss Contract or any reinsurance(s) arranged by the Association because of a shortfall in recovery from such parties or reinsurers thereunder by reason of a sanction, prohibition or adverse action against them by a state, international organisation or other competent authority or the risk thereof if payment were to be made by such parties or reinsurers and, if for any reason whatsoever the Association discharges the liabilities of the Member or makes any payment to the Member in respect of which it suffers such a shortfall in recovery, the Member shall indemnify and hold the Association harmless to the extent thereof.

For the purpose of this Rule 32.6, "shortfall" includes any failure or delay in recovery by the Association by reason of the parties or reinsurers making payment into a designated account in compliance with the requirements of any state, international organisation or other competent authority.

Comments: This change allows Skuld to request indemnification of any payment made to the Member, if it is not recoverable under reinsurance arrangements due to shortfall.

46. Omnibus Rule

46.1. The Association may cover, in its absolute discretion, the member's liability, loss, expense or costs which the Association and the member agree would not otherwise be covered under the Rules, to the extent that the Association considers that such cover would be appropriate and consistent with the purpose of the Association.

Comments: This change clarifies that a pre-condition for requesting the discretion under the Omnibus Rule is member's consent that the related claim is not covered under the Rules.

47. Arbitration and Law

47.2 Each party shall appoint one Arbitrator who shall together appoint a chairman of the arbitration tribunal, although if the two arbitrators fail to reach agreement on the appointment of a chairman, the chairman shall be appointed by the Chief Justice of the Oslo City District Court.

Comments: This change corrects the name of the court.



Appendix I Definitions

Specialist operations

Performing dredging, blasting, pile-driving, well-intervention, cable or pipelaying, construction, installation or maintenance work, core sampling, **mining**, depositing of spoil, power generation and decommissioning.

Comments: This amendment aligns our Rules with the changes introduced to Pooling Agreement by adding mining to specialist operations definition.

Appendix 6 Contracts and Contractual Terms

3. Towage contracts approved by the Association

3.1 Towage of the entered vessel (Rule 23.1.2)

It is a requirement of approval under Rule 23.1.2 that the contract **is towage under Lloyd's Open Form of Salvage Agreement (whether or not incorporating SCOPIC) or any other form of salvage contract approved by the Association** incorporating a term to the effect that the member and the owner of the towing vessel shall each be responsible for any loss or damage to his own vessel ~~and for loss of life or personal injury on his own vessel~~ without any recourse whatsoever against the other.

3.2 Towage by the entered vessel (Rule 23.4)

Where the vessel is engaged in towage under Rule 23.4 under an owner's entry, the Association approves the following contracts:

- a) Scandinavian, UK or Netherlands standard towage conditions,
- b) "Towcon" or "Towhire",
- c) Lloyd's Standard Form of Salvage Agreements,
- d) **Supplytime**; and
- ~~d~~**e**) other contracts **under which towage takes place** containing similar exclusions of liability clauses to those in the contracts specified in (a), (b) and (c) or incorporating a term between (i) the member and (ii) the owner of the tow and the owners of any cargo or other property on board the tow, that each shall be responsible for loss of or damage to, ~~or injury or death of~~, its own property ~~and personnel~~ and property and ~~personnel of its affiliates and other contractors~~ (and in the case of off-shore operators, co-licensees) and its and their sub-contractors, irrespective of any fault or neglect of that party or its affiliates, contractors or co-licensees or its or their sub-contractors or of any of their personnel (i.e. a knock-for knock).

Comments: This amendment will align our Rules with the changes done to paragraphs 16 and 17, Appendix V of the Pooling Agreement with the intention to (i) make the provisions consistent with present commercial practice and (ii) removing from the bespoke towage knock for knock arrangements of references to loss of life and personal injury on the relevant party's ship.

There are no changes to 2023 Skuld Statutes.