



FD&D Rule Changes 2021/2022



Freight Demurrage &
Defence Insurance
2021/2022

FD&D Rule changes 2021/2022

Rule 23 - a section is added allowing the Club to terminate the insurance where the member has exposed or may expose the Club to sanctions.

FD&D Rule 23

Change: *The wording of the Rule has been updated to include the same termination provision for sanctions exposure as is contained in P&I Rule 26. The provisions serve as a safeguard against the risk of sanctions exposure.*

FD&D Rule 23 Termination

The period of insurance may be terminated by a written notice of termination from the Member to the Association or from the Association to the Member not later than 1200 hours UTC (Universal Time, Co-ordinated) on 20 January. Where such notice of termination has been given the period of insurance shall terminate at noon on 20 February next.

It shall be a condition precedent of the Members' right to recover costs and expenses and to receive legal advice from the Association that all premiums and other amounts due by the Member to the Association shall have been paid in full. Where the premium is not paid timeously, the Association shall not be liable and shall have the right to terminate the period of insurance on three days' written notice. Where the premium is paid before such termination, the Association shall be liable from the date of payment only.

Where the premium for an ensuing period is not paid without delay, the Association shall have the right either to serve a written reminder regarding the date of payment, whereupon the Association shall be relieved from liability after seven days, or to terminate the period of insurance on three days' written notice.

Where the period of insurance and/or the entry of a ship is terminated or has become terminated due to the non-payment of premiums at a time when premiums or any other sums due to the Association are outstanding, it is agreed that the Association is entitled to a lien over the previously entered ship.

The Association may further terminate the period of insurance

- (a) with immediate effect upon notification, where the Member has wilfully caused or tried to cause a casualty,
- (b) on three days' notice, where the Member has failed to pay, when due and demanded, any sums other than premiums,

- (c) on seven days' notice, where the Member has failed to comply with regulations issued by the Association,
- (d) on fourteen days' notice, where the Member becomes bankrupt or otherwise insolvent,
- (e) on thirty days' notice, without giving any reason.
- (f) On such notice as the Association may decide, where, in the opinion of the Association, the Member has exposed or may expose the Association to the risk of being or becoming subject to a sanction, prohibition or other adverse action under United Nations Resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America or other significant state power.

Notice of termination of the P&I insurance of the entered ship shall be regarded as a notice of termination of this insurance.
