



# Changes in respect of Mandatory Club Clauses 2019



Hull & Machinery Insurance 2019

## A.2.1

### CLASSIFICATION CLAUSE

2018-10-01

*The Assured shall at the request of The Swedish Club ("the Club") authorize the Club to access all information held by Classification Societies ("Class") concerning the condition of the vessel before and during the insurance period.*

~~The Assured authorizes The Swedish Club ("The Club") to access all information held by Classification Societies ("Class") relating to the vessel and agrees to authorize such Class to disclose information to the Club.~~

The Club may instruct the Assured to request the Classification Society ("The Society") to survey the ship should the Club consider that the safety of the ship is endangered.

The vessel shall at all times be classed with a Society being member of International Association of Classification Societies (IACS). The insurance shall terminate automatically if the vessel is transferred to a Society not being member of IACS without the consent of the Club, or if the vessel loses its class. If the vessel loses its class while at sea, the insurance shall not terminate until the vessel has reached the nearest safe port.

The vessel's class shall be deemed lost if:

1. the Assured or any person on his behalf requests that the vessel's class be cancelled,
2. the class is suspended, cancelled, interrupted or withdrawn.

If periodic surveys are not carried out within the time limits fixed by Class, the Club shall only be liable if the Assured establishes (to the satisfaction of the Club) that the damage giving rise to the claim against the Club would have occurred even if such surveys had been properly carried out to Class satisfaction.

If Class has expressly extended the time limit for completion of a survey and the Assured has complied with the conditions that may be given for the extension, the class is not deemed lost until the extended time limit has expired.

All recommendations as specified by Class or any extension thereof to be complied with failing which the Club shall be exempted from all liability for any damage or loss whatsoever unless the Assured establishes (to the satisfaction of the Club) that the failure was not material to the damage or loss claimed.

## A.4

### THE SWEDISH CLUB CLAIMS LEAD CLAUSE

2018-10-01

The Swedish Club ("The Club") shall have claims lead.

The Club has the right on a 100% basis of the claim, in all respects, irrespective of The Club's share of the risk, to decide any matter relating to any claim made under this Policy, including but not limited to any appointments of experts, *lawyers, adjusters*, decisions, agreements, payments, settlements, claims, surveys, guarantees, towage, salvage, payments on account and claim settlements.

This Claims Lead Clause must be incorporated in all policies, and Co-insurers must follow The Club's decisions in all respects as long as they are in accordance with the Policy conditions.

Further, The Club shall at all times have the right to appoint and employ their choice of experts including but not limited to surveyors, lawyers etc. on behalf of the Assured to deal with any matters involving third parties (including investigating or advising and taking or defending legal actions or other proceedings) that may give rise to a claim by the Assured on The Club.

If The Club provides for security on a 100% basis of a claim covered under the Policy, Co-insurers are required to put up counter security for their respective shares, as per The Club's instructions. The Club has the subsequent discretionary right to request Co-insurers to put up amended securities.

In the event of The Club putting up security on a 100% basis for the liability of the Assured in consequence of a collision, striking and/or salvage, other underwriters on all policies are not allowed to effect settlement of claims in connection with the liability directly with the Assured, and cannot set off against The Club's counterclaims against the Assured.

The Club has the right to set off against any sums due to the Assured, unpaid Co-insurers' or other underwriters' share or shares of sums advanced and any and all sums incurred for provision of both claims and general technical services including entry and condition surveys, if any, to the Assured by the leader. *Any and all sums incurred shall be understood to include sums incurred in respect of internal resources involved in technical services and claims handling as well as sums incurred for external resources appointed by The Club.* Alternatively, The Club has the right to charge participating Co-insurers directly any and all such sums mentioned in this paragraph, but always limited to such co-insuring Underwriter's proportion hereon.

Should The Club at its own discretion decide to make ex gratia payments to the Assured, The Club may limit such payments to its share of the risk written under this Policy and such payments should in no respect be binding for any other Co-insurers or underwriters participating in this risk.

Notwithstanding any of the above, or any condition in this Policy to the contrary, the liability of all underwriters to the Assured shall remain several and nothing shall affect The Club's right to limit its liability to the Assured to the proportion of the risk which it has written and The Club shall in no way be liable to the Assured for any amounts due or agreed to be due but not recovered or recoverable from other underwriters or Co-insurers.