FD&D Rule Changes 2027/2028

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FD&D Rule 10 Exclusion

Change:

Rule 10 section 4: Introducing a sanctions clause

Rule 10 section 3(a): Adding ship value "without commitment" to align with P&I rules

Rule 10 section 4 Sanctions

The Association shall not be liable for liabilities, costs or expenses:

(a) where the reimbursement or any payment in respect thereof would expose the Association to the risk of being or becoming subject to any sanction, prohibition or 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 another significant state power,

(b) in respect of that part of any liabilities, costs and expenses which is not recovered by the Association under any reinsurance arranged by the Association because of a shortfall in any recovery from any reinsurer by reason of the reinsurer being exposed to any sanction, prohibition or adverse action against them under United Nations Resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America or another significant state power or the risk thereof if payment were to be made by such parties or reinsurers.

For the purposes of this Rule "shortfall" includes any failure or delay in recovery by the Association by reason of such parties or reinsurers making payment into a designated account in compliance with the requirements of United Nations Resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America or another significant state power. The provisions of this Section shall cease to apply in respect of any shortfall to the extent the same is subsequently recovered by the Association under any reinsurance arranged by the Association.

The Association shall not be liable for costs and expenses incurred in connection with claims, disputes or proceedings caused by the intentional or grossly negligent acts or omissions of the Member.

Rule 10 section 3

(a) The Association shall not be liable for costs and expenses incurred in connection with claims, disputes or proceedings which would have been covered under the Hull insurance if the entered ship had been fully insured under Hull insurance conditions approved by the Association for a sum which at any time should be either the market value of the ship without commitment or its maximum liability under the Brussels Convention of 1957 whichever is the higher