



SPECIAL CIRCULAR

To the Members

No.14-018
23 January 2015

Dear Sirs,

ALTERATIONS TO THE RULES OF THE ASSOCIATION

As described in our circular of 3 December 2014 (No.14-013), the following alterations to the Rules of the Association (the "Rules") will become effective from 12 noon GMT on 20 February 2015 (the 2015 Policy Year). Also, there will be some alterations to the Special Clauses. The amendments are explained below, and extracts of the relevant provisions are attached hereto.

1. Alterations to the Rules

RULE 6-1(3) (CALLS AND PREMIUMS)

RULE 19-3 (LIABILITIES IN RESPECT OF SEAMEN)

RULE 20-3 (LIABILITIES IN RESPECT OF PASSENGERS)

RULE 25-2 (LIABILITIES IN RESPECT OF POLLUTION)

APPENDIX-Overspill Claims and Calls Rule 1

The purpose of this alteration is to clarify Japanese wordings (i.e. "the Pooling Agreement of the International Group of P&I Clubs") as used in the Rules.

Note: This alteration is made only to the Japanese language text and there is no change to the English version.

RULE 31-1(5) (FINES)

The purpose of this alteration is to ensure consistency with the Japanese wording of the Rules.

Note: This alteration is made only to the English language text and there is no change to the Japanese version.

RULE 35-1(6) (RISKS GENERALLY EXCLUDED)

The purpose of this alteration is to clarify the risks excluded (i.e. salvage operations conducted by an Entered Ship, including wreck removal) in accordance with the Pooling Agreement of the International Group of P&I Clubs.

RULE 35-2(5) and (6) (RISKS GENERALLY EXCLUDED)

The purpose of these alterations is to add new clauses so that the Association can issue Blue Cards in compliance with the Protocol of 2002 to the Athens Convention relating to the Carriage of Passengers and their Luggage by Sea, 1974 and the Nairobi International Convention on the Removal of Wrecks, 2007.

RULE 35-2(ii)(a) and 35-3(1) (RISKS GENERALLY EXCLUDED)

The purpose of this alteration is to unify the English wording of the Rules with the Japanese version.

Note: This alteration is made only to the English language text and there is no change to the Japanese version.

2. Alterations to the Special Clauses

SPECIAL CLAUSE FOR CALLS

The purpose of this alteration is to delete the clause as this special clause is not needed on a practical basis.

U.S. VOYAGE DECLARATION CLAUSE

The purpose of this alteration is to delete the clause as the Association decided to reduce the U.S. Oil Pollution Surcharge to nil as from the 2014 Policy Year.

OIL POLLUTION LIABILITY LIMITATION CLAUSE

PASSENGER AND SEAMEN LIABILITY LIMITATION CLAUSE

The purpose of these alterations is to clarify that the limitation amount set out in the clause is in accordance with the Pooling Agreement of the International Group of P&I Clubs.

Yours faithfully,

The Japan Ship Owners' Mutual Protection & Indemnity Association

Changes to the Rules of the Association for the 2015 Policy Year

(The underlined parts are to be changed.)

RULE 31 FINES

Existing Rules	New Rules
<p>1 The Association shall indemnify a Member for fines imposed by any court, tribunal, government, or public authorities such as immigration bureau, quarantine office or customs upon the Member as set out in subparagraph (1) to (4) and, subject to the Association's discretion, fines as set out in subparagraph (5). The Association may also indemnify a Member for such fines imposed upon the master or crew members of the Entered Ship or upon any other servant or agent of the Member to whom the Member is liable to reimburse legally or otherwise reasonably in the judgment of the Association.</p> <p>(1) For short-delivery or over-delivery of the cargo or failure to comply with any law or regulations relating to declaration or documentation of the cargo, subject always to the Entered Ship being insured by the Association for cover for the Member's responsibilities in respect of cargo under Rule 29 and Rule 29.2 shall be applicable;</p> <p>(2) For contravention by the master or crew members, etc. of any law or regulation relating to smuggling;</p> <p>(3) For contravention of any law or regulation relating to immigration;</p> <p>(4) For contravention of any law or regulation relating to the escape or discharge of oil or any other pollutants caused by accidental escape or discharge; provided always that the Association's limit of liability under Rule 25.2 shall be applied for these fines in addition to liabilities, costs and expenses under Rule 25;</p> <p>(5) For any other contravention of any law or regulation always subject to the Member having satisfied the Association that <u>he</u> took such steps as appear to the Association to be reasonable to avoid the event giving rise to the fine or penalty and that any amount claimed in respect of such fines shall be recoverable to such extent only as the Association may determine.</p> <p>2 Notwithstanding the provisions of the preceding paragraph, there shall be no recovery from the Association of a fine or other penalty:</p> <p>(1) imposed for the overloading of the Entered Ship; or</p> <p>(2) imposed for illegal fishing ;or</p> <p>(3) imposed for an infringement of regulation which the Member (including the agent) should have known or failed reasonably to know about or the Member failed to take appropriate measures for preventing fines; or</p> <p>(4) imposed for an infringement of regulations relating to safe navigation (including the maintenance of proper charts), unless the Association is satisfied that the Member had taken all reasonable steps to prevent the infringement which gave rise to the fine or other penalty; or</p> <p>(5) imposed for an infringement of the International Convention for the Prevention of Pollution from Ships, 1973, as modified or amended by the Protocol of 1978 (MARPOL) where the ship's oily water separator or other pollution prevention device has not been used or used incorrectly; or</p>	<p>1 Unchanged</p> <p>(1) Unchanged</p> <p>(2) Unchanged</p> <p>(3) Unchanged</p> <p>(4) Unchanged</p> <p>(5) For any other contravention of any law or regulation always subject to the Member having satisfied the Association that <u>the Member</u> took <u>all</u> such steps as appear to the Association to be reasonable to avoid the event giving rise to the fine or penalty and that any amount claimed in respect of such fines shall be recoverable to such extent only as the Association may determine.</p> <p>2 Unchanged</p>

<p>(6) involving the confiscation of the Entered Ship. However, the Association may determine, taking into account all the surrounding circumstance to afford cover to a Member for his claim for the loss of the Entered Ship following confiscation of the ship by reason of the infringement of any customs law or regulation, but limited to the extent of the assessed value of the Entered Ship at the date of the confiscation.</p>	
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Explanation:

This alteration to Rule 31-1(5) has been made in order to ensure consistency with the Japanese wording of the Rule.

RULE 35 RISKS GENERALLY EXCLUDED

Existing Rules	New Rules
<p>1 The Association shall not indemnify liabilities, costs and expenses arising out of the following events or circumstances:</p> <p>(1) Liabilities, costs and expenses caused by wilful misconduct of the Member himself or his agent.</p> <p>(2) Liabilities, costs or expenses irrespective of whether a contributory cause of the same being incurred was any neglect on the part of the Member (or his servants or agents) when the loss or damage, injury, illness or death or other accident in respect of which such liability arises or cost or expense is incurred, was caused by:</p> <p>(a) war, civil war, revolution, rebellion, insurrection or civil strife arising therefrom, or any hostile act by or against a belligerent power, or any act of terrorism;</p> <p>(b) capture, seizure, arrest, restraint or detainment (barratry and piracy excepted) and the consequences thereof or any attempt thereat;</p> <p>(c) mines, torpedoes, bombs, rockets, shells, explosives or other similar weapons of war, provided that this exclusion shall not apply to liabilities, costs and expenses which arise solely by reason of</p> <p>(i) the use of any such weapons, either as a result of government order or with the agreement in writing of the Association where the reason for such use was the avoidance or mitigation of liabilities, costs or expenses which would otherwise fall within the cover given by the Association, or</p> <p>(ii) the transport of any such weapons whether on board or not.</p> <p>However a Member may recover from the Association the liabilities, costs and expenses which arise or are incurred as a result of (a) to (c) above if there is a special agreement between the Member and the Association. In the event of any dispute as to whether or not any act constitutes an act of terrorism, the decision of the board of directors shall be final.</p> <p>Provided always that the exclusion set out in this Rule 35.1(2) shall not apply to the event that liabilities, costs and expenses of a Member are directly or indirectly caused by or contributed to by</p>	<p>1 Unchanged</p> <p>(1) Unchanged</p> <p>(2) Unchanged</p>

or arising from

- (i) any chemical, biological, biochemical or electromagnetic weapon, or
- (ii) the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.

Provided however that any recovery from the Association in respect of such liabilities, costs and expenses of a Member in this paragraph which are not excluded by Rule 35.1(2), shall be subject to such terms and conditions as the Association separately provides. At any time or times before, or at the commencement of, or during the Policy Year, this cover may be changed, cancelled or reinstated by the Association in its discretion, giving 24 hours prior notice to the Member.

Provided always that liabilities, costs, losses and expenses arising from the following shall not be covered:

- (i) explosives or the methods of the detonation or attachment thereof,
- (ii) the use of the entered ship or its cargo as a means for inflicting harm, unless such cargo is a chemical or bio-chemical weapon, or
- (iii) the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

(3) Liabilities, costs or expenses (irrespective of whether a contributory cause of the same being incurred was any neglect on the part of the Member or his servants or agents) when the loss or damage, injury, illness or death or other accident in respect of which such liability arises or cost or expense is incurred, was directly or indirectly caused by or arises from:-

- (a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- (b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- (c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- (d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter

other than liabilities, costs and expenses arising out of carriage of "excepted matter" (as defined in the Nuclear Installations Act 1965 of the United Kingdom or any regulations made thereunder) as cargo in an Entered Ship.

(4) Liabilities, costs and expenses arising out of or consequent upon an Entered Ship's carrying contraband, blockade running and being employed in an unlawful trade.

(3) Unchanged

(4) Unchanged

<p>(5) Liabilities, costs and expenses arising out of any voyage of an Entered Ship which the Association in its opinion having regards to all the circumstances, shall deem as imprudent, unduly hazardous and indiscreet.</p> <p>(6) Liabilities, losses, costs and expenses arising out of salvage operations conducted by an Entered Ship except for the case of saving or attempting to save life at sea, or the case of salvage operations conducted by a Ship constructed for the purpose of salvage provided a special agreement shall be made between the Member and the Association concerning liabilities during salvage or salvor's liabilities for oil pollution.</p> <p>(7) Liabilities, costs and expenses arising out of specialist operations (but excluding fire-fighting) including but not limited to dredging, blasting, pile-driving, well-stimulation, cable or pipe laying, construction, installation or maintenance work, core sampling, depositing of spoil, professional oil spill response or professional oil response training and tank cleaning (otherwise than on the Entered Ship). Provided always that this exclusion shall not apply to liabilities, costs and expenses incurred by a Member if there is a special agreement for coverage therefor between the Member and the Association, or in respect of following incidents: (a) loss of life, injury or illness of crew and other personnel on board the Entered Ship (b) the wreck removal of the Entered Ship (c) oil pollution emanating from the Entered Ship or the threat thereof</p> <p>(8) Liabilities, costs and expenses arising out of burning or disposal of waste or other special operations.</p> <p>(9) Liabilities, costs and expenses arising out of the operation of submarines or under-water vessels of equipment, unless the Association shall otherwise decide.</p> <p>(10) Loss of or damage to or wreck removal of cargo carried on a semi-submersible heavy lift vessel or any other vessel designed exclusively for the carriage of heavy lift cargo, save to the extent that such cargo is being carried under the terms of a contract on Heavycon terms or any other terms approved by the Association.</p>	<p>(5) Unchanged</p> <p>(6) Liabilities, losses, costs and expenses arising out of salvage operations <u>(including for the purpose of this paragraph, wreck removal)</u> conducted by an Entered Ship except for the case of saving or attempting to save life at sea, or the case of salvage operations conducted by a Ship constructed for the purpose of salvage provided a special agreement shall be made between the Member and the Association concerning liabilities during salvage or salvor's liabilities for oil pollution.</p> <p>(7) Unchanged</p> <p>(8) Unchanged</p> <p>(9) Unchanged</p> <p>(10) Unchanged</p>
<p>2 Notwithstanding the exclusions in Rules 35.1(2) and (3) above, the Association will discharge on behalf of the Member liabilities, costs, expenses arising under a demand made pursuant to the issue by the Association on behalf of the Member of</p> <p>(1) a guarantee or other undertaking given by the Association to the Federal Maritime Commission under Section 2 of US Public Law 89-777, or</p> <p>(2) a certificate issued by the Association in compliance with Article VII of the International Conventions on Civil Liability for Oil Pollution Damage 1969 or 1992 or any amendments thereof, or</p> <p>(3) an undertaking given by the Association to the International Oil Compensation Fund 1992 in connection with the Small Tanker Oil Pollution Indemnification Agreement (STOPIA), or</p> <p>(4) a certificate issued by an Association in compliance</p>	<p>2 Unchanged</p> <p>(1) Unchanged</p> <p>(2) Unchanged</p> <p>(3) Unchanged</p> <p>(4) Unchanged</p>

with Article 7 of the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001

PROVIDED ALWAYS THAT:

- (i) The Member shall indemnify the Association to the extent that any payment under any such guarantee, undertaking or certificate in discharge of the said liabilities, costs and expenses is or would have been recoverable in whole or in part under a standard P&I war risk policy had the Member complied with the terms and conditions thereof, and
- (ii) The Member agrees that:
 - (a) any payment by the Association under any such guarantee, undertaking or certificate in discharge of the said liabilities, costs and expenses shall, to the extent of any amount recovered under any policy of insurance or extension to the cover provided by the Association, be by way of loan; and
 - (b) there shall be assigned to the Association to the extent and on the terms that it determines in its discretion to be practicable all the rights of the Insured Member under any other insurance and against any third party.

3 The Association shall not indemnify the followings:

- (1) Liabilities recoverable from other insurance contract which is recognised by the Association as double insurance covering a part or whole of the risks undertaken by the Association.
- (2) Liabilities, costs and expenses which a Member could have recovered if at the time of the incident giving rise to those liabilities, costs and expenses the ship had been insured under Hull Policies on terms not less wide than those of the Lloyd's Marine Policy MAR form 1/1/82 with the Institute Time Clauses-Hulls 1/10/83 (with RDC Clauses), or liabilities, costs and expenses which a Member could not recover by reason that the above insurance was not effected at the proper insured value.

(5) a non-war certificate issued by the Association in compliance with either Article 4 bis of the Athens Convention relating to the Carriage of Passengers and their Luggage by Sea, 1974 and the Protocol thereto of 2002 or Regulation (EC) No.392/2009 of the European Parliament and of the Council of 23rd April 2009 on the liability of carriers of passengers by sea in the event of accidents

(6) a certificate issued by the Association in compliance with Article 12 of the Nairobi International Convention on the Removal of Wrecks, 2007.

PROVIDED ALWAYS THAT:

- (i) The Member shall indemnify the Association to the extent that any payment under any such guarantee, undertaking or certificate in discharge of the said liabilities, costs and expenses is or would have been recoverable in whole or in part under a standard P&I war risk policy had the Member complied with the terms and conditions thereof, and
- (ii) The Member agrees that:
 - (a) any payment by the Association under any such guarantee, undertaking or certificate in discharge of the said liabilities, costs and expenses shall, to the extent of any amount recovered under any other policy of insurance or extension to the cover provided by the Association, be by way of loan; and
 - (b) there shall be assigned to the Association to the extent and on the terms that it determines in its discretion to be practicable all the rights of the Insured Member under any other insurance and against any third party.

3 The Association shall not indemnify the followings:

- (1) Liabilities recoverable from any other insurance contract which is recognised by the Association as double insurance covering a part or whole of the risks undertaken by the Association.
- (2) Unchanged

Explanation:

1. The alteration to Rule 35-1(6) has been made in order to clarify the risk excluded in accordance with the Pooling Agreement of the International Group of P&I Clubs.
2. The alterations to Rule 35-2(5) and (6) have been made in order to add new clauses so that the Association can issue Blue Cards in compliance with the Protocol of 2002 to the Athens Convention relating to the Carriage of Passengers and their Luggage by Sea, 1974 and the Nairobi International Convention on the Removal of Wrecks, 2007.
3. The alterations to Rule 35-2(ii)(a) and 35-3(1) have been made in order to unify the wordings used in the Rules.

Changes to the Special Clauses of the Association for the 2015 Policy Year

(The underlined parts are to be changed.)

SPECIAL CLAUSE FOR CALLS

Existing Clause	New Clause
In the event of legislation coming into force anywhere in the world during the currency of this contract affecting shipowners' or bareboat charterers' liabilities in respect of an escape or discharge of oil or other pollutants, the Association may charge an additional call.	Deleted

Explanation:

The purpose of this alteration is to delete the clause as this special clause is not needed on a practical basis.

OIL POLLUTION LIABILITY LIMITATION CLAUSE

Existing Clause	New Clause
<p>1 Unless otherwise limited to a lesser sum or the sums as set out in paragraphs 2 and 3 below, the Association's aggregate liability in respect of Oil Pollution Claims shall be limited to US\$1 billion each ship any one occurrence.</p> <p>2 When an entered ship provides salvage or other assistance to another ship following a casualty, any liabilities of the entered ship in respect of Oil Pollution Claims shall be aggregated with any liabilities of any other ships in respect of Oil Pollution Claims while such ships are engaged in providing salvage or assistance in connection with the same casualty when and to the extent that those other ships either (i) are entered in the Association and covered for oil pollution risks or (ii) are covered for those risks with any other Association which participates in the <u>same pooling</u> and reinsurance arrangements of the International Group of P & I Clubs. In these circumstances the limit of liability of the Association in respect of the entered ship will be such proportion of US\$1 billion as the said liabilities of the entered ship bear to the aggregate of the said liabilities of all such assisting ships in connection with the said casualty.</p> <p>3 Where an owner, demise charterer, manager and operator are separately insured with the Association or any other P & I Association(s) which participate(s) in the <u>same pooling</u> and reinsurance arrangements of the International Group of P & I Clubs, the aggregate of all claims for oil pollution following an accident or occurrence brought against the Association and/or such other Association shall be limited to US\$1 billion per ship with respect to any single occurrence. The liability of the Association in respect of such claims shall be limited to that proportion of US\$1 billion that each claim recoverable from the Association bears to the aggregate of the claims recoverable against the Association and such other Association if any.</p> <p>4 For the purposes of this Clause "Oil Pollution Claims" shall mean any liabilities, costs and expenses in respect of an escape or discharge or threatened escape or discharge of oil, whether or not arising from legal liabilities, including fines, defence costs and the liabilities, costs and expenses incurred for the purpose of avoiding or minimising such claims.</p>	<p>1 Unless otherwise limited to a lesser sum or the sums as set out in paragraphs 2 and 3 below, the Association's aggregate liability in respect of Oil Pollution Claims shall be limited to US\$1 billion each ship any one occurrence <u>in accordance with the Pooling Agreement.</u></p> <p>2 When an entered ship provides salvage or other assistance to another ship following a casualty, any liabilities of the entered ship in respect of Oil Pollution Claims shall be aggregated with any liabilities of any other ships in respect of Oil Pollution Claims while such ships are engaged in providing salvage or assistance in connection with the same casualty when and to the extent that those other ships either (i) are entered in the Association and covered for oil pollution risks or (ii) are covered for those risks with any other Association which participates in the <u>Pooling Agreement</u> and reinsurance arrangements of the International Group of P & I Clubs. In these circumstances the limit of liability of the Association in respect of the entered ship will be such proportion of US\$1 billion as the said liabilities of the entered ship bear to the aggregate of the said liabilities of all such assisting ships in connection with the said casualty <u>in accordance with the Pooling Agreement.</u></p> <p>3 Where an owner, demise charterer, manager and operator are separately insured with the Association or any other P & I Association(s) which participate(s) in the <u>Pooling Agreement</u> and reinsurance arrangements of the International Group of P & I Clubs, the aggregate of all claims for oil pollution following an accident or occurrence brought against the Association and/or such other Association shall be limited to US\$1 billion per ship with respect to any single occurrence <u>in accordance with the Pooling Agreement.</u> The liability of the Association in respect of such claims shall be limited to that proportion of US\$1 billion that each claim recoverable from the Association bears to the aggregate of the claims recoverable against the Association and such other Association if any.</p> <p>4 For the purposes of this Clause "Oil Pollution Claims" shall mean any liabilities, costs and expenses in respect of an escape or discharge or threatened escape or discharge of oil, whether or not arising from legal liabilities, including fines, defence costs and the liabilities, costs and expenses incurred for the purpose of avoiding or minimising such claims.</p>

Explanation:

These alterations have been made in order to clarify that the limitation amount set out in the clause is in accordance with the Pooling Agreement of the International Group of P&I Clubs.

U.S. VOYAGE DECLARATION CLAUSE

Existing Clause	New Clause
<p>1 Any and all claims in respect of oil pollution arising out of any incident to which the United States Oil Pollution Act of 1990 is applicable shall be covered subject to the Member complying with the following terms and conditions: The Member undertakes:</p> <ul style="list-style-type: none">(1) to make quarterly declarations in arrears, at the latest within two months of each quarter ending 20th May, 20th August, 20th November and 20th February, of all cargo voyages to or from ports or places to which the United States Oil Pollution Act of 1990 applies, indicating the date of such voyages, the nature or details of the cargoes carried and the name of port or place in the United States where the cargo was first loaded or discharged, and(2) to pay an additional premium, if a voyage declared involved the carriage of persistent oil as cargo, before the date shown in the debit note, in accordance with the aforementioned declaration. <p>2 In the event that the Member fails to make a declaration in the period as mentioned above,</p> <ul style="list-style-type: none">(1) United States Coast Guard Certificate of Financial Responsibility valid at that time of such failure will be cancelled in respect of all tankers entered in this Association by him or on his behalf.(2) the terms of entry of such tankers will be amended with effect from the expiry of the said period of two months to incorporate the following exclusion clause: "Excluding any and all claims in respect of oil pollution arising out of any incident to which the United States Oil Pollution Act 1990 is applicable."(3) he shall remain liable to pay any additional premium in respect of any relevant voyage performed prior to the incorporation of the above exclusion in this Certificate of Entry.	Deleted

Explanation:

The purpose of this alteration is to delete the clause as the Association decided to reduce the U.S. Oil Pollution Surcharge to nil as from the 2014 Policy Year.

PASSENGERS AND SEAMEN LIABILITY LIMITATION CLAUSE

Existing Clause	New Clause
<p>1 Unless otherwise limited to lesser sum or the sums as set out in paragraph 2 and 3 below, the Association's aggregate liability arising under any one owner's entry shall be limited to</p> <ul style="list-style-type: none">(1) US\$2 billion (US\$2,000,000,000) in respect of liability to Passengers each ship any one occurrence.(2) US\$3 billion (US\$3,000,000,000) in respect of liability to Passengers and Seamen each ship any one occurrence. <p>2 Where an owner, demise charterer, manager and operator in respect of the same ship are separately insured with the Association and/or by any other</p>	<p>1 Unless otherwise limited to lesser sum or the sums as set out in paragraph 2 and 3 below, the Association's aggregate liability arising under any one owner's entry shall <u>in accordance with the Pooling Agreement</u>, be limited to</p> <ul style="list-style-type: none">(1) US\$2 billion (US\$2,000,000,000) in respect of liability to Passengers each ship any one occurrence.(2) US\$3 billion (US\$3,000,000,000) in respect of liability to Passengers and Seamen each ship any one occurrence. <p>2 Where an owner, demise charterer, manager and operator in respect of the same ship are separately</p>

<p>insurer which participates in the Pooling Agreement of the International Group of P&I Clubs, the aggregate of claims in respect of liability to Passengers recoverable from the Association and/or such other insurers shall be limited to US\$2 billion (US\$2,000,000,000) each ship each occurrence and the liability of the Association shall be limited to such proportion of that sum as the claims recoverable by such persons from the Association bears to the aggregate of all such claims otherwise recoverable from the Association and all such insurers.</p> <p>3 Where an owner, demise charterer, manager and operator in respect of the same ship are separately insured with the Association and/or or by any other insurer which participates in the Pooling Agreement of the International Group of P&I Clubs, the aggregate of all claims in respect of liability to Passengers and Seamen recoverable from the Association and/or such other insurers shall be limited to US\$3 billion (US\$3,000,000,000) each ship any one occurrence and liability of the Association shall be limited, provided always that:</p> <p>(1) where claims in respect of liability to Passengers have been limited to US\$2 billion (US\$2,000,000,000) in accordance with paragraph 2 above to such proportion of the balance of US\$1 billion (US\$1,000,000,000) as the claims recoverable by such persons in respect of liability to Seamen bears to the aggregate of all such claims otherwise recoverable from the Association and all such insurers; and</p> <p>(2) in all other cases, to such proportion of US\$3 billion (US\$3,000,000,000) as the claims recoverable by such persons in respect of liability to Passengers and Seamen bears to the aggregate of all such claims otherwise recoverable from the Association and all such insurers.</p> <p>4 For the purpose of this Clause "PASSENGERS AND SEAMEN LIABILITY LIMITATION CLAUSE" a "Passenger" shall mean a person carried onboard a vessel under a contract of carriage or who, with the consent of the carrier, is accompanying a vehicle or live animals covered by a contract for the carriage of goods and a "Seaman" shall mean any other person onboard a ship who is not a Passenger.</p> <p>5 Any matters which are not stipulated for in this Special Clause shall be subjected to the Rules of the Association.</p>	<p>insured with the Association and/or or by any other insurer which participates in the Pooling Agreement of the International Group of P&I Clubs, the aggregate of claims in respect of liability to Passengers recoverable from the Association and/or such other insurers shall be limited to US\$2 billion (US\$2,000,000,000) each ship each occurrence <u>in accordance with the Pooling Agreement</u>, and the liability of the Association shall be limited to such proportion of that sum as the claims recoverable by such persons from the Association bears to the aggregate of all such claims otherwise recoverable from the Association and all such insurers.</p> <p>3 Where an owner, demise charterer, manager and operator in respect of the same ship are separately insured with the Association and/or or by any other insurer which participates in the Pooling Agreement of the International Group of P&I Clubs, the aggregate of all claims in respect of liability to Passengers and Seamen recoverable from the Association and/or such other insurers shall be limited to US\$3 billion (US\$3,000,000,000) each ship any one occurrence <u>in accordance with the Pooling Agreement</u>, and liability of the Association shall be limited, provided always that:</p> <p>(1) where claims in respect of liability to Passengers have been limited to US\$2 billion (US\$2,000,000,000) in accordance with paragraph 2 above to such proportion of the balance of US\$1 billion (US\$1,000,000,000) as the claims recoverable by such persons in respect of liability to Seamen bears to the aggregate of all such claims otherwise recoverable from the Association and all such insurers; and</p> <p>(2) in all other cases, to such proportion of US\$3 billion (US\$3,000,000,000) as the claims recoverable by such persons in respect of liability to Passengers and Seamen bears to the aggregate of all such claims otherwise recoverable from the Association and all such insurers.</p> <p>4 For the purpose of this Clause "PASSENGERS AND SEAMEN LIABILITY LIMITATION CLAUSE" a "Passenger" shall mean a person carried onboard a vessel under a contract of carriage or who, with the consent of the carrier, is accompanying a vehicle or live animals covered by a contract for the carriage of goods and a "Seaman" shall mean any other person onboard a ship who is not a Passenger.</p> <p>5 Any matters which are not stipulated for in this Special Clause shall be subjected to the Rules of the Association.</p>
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Explanation:

These alterations have been made in order to clarify that the limitation amount set out in the clause is in accordance with the Pooling Agreement of the International Group of P&I Clubs.