



CIRCULAR

To the Members

Alterations to the Rules of the Association

As described in our circular of 27 November 2018 ([No.18-011](#)), the following alterations to the Rules of the Association (the "Rules") will become effective from 12 noon GMT on 20 February 2019 for the 2019 Policy Year. The amendments are explained below, and extracts of the relevant provisions are attached hereto.

Rule 20.2(3) (Liabilities in Respect of Passengers)

This alteration is to make it clear that the Association covers the liabilities and costs which are incurred in an act of tort, in accordance with an amendment to Pooling Agreement of the International Group of P&I Clubs (IG).

Rule 34.1, 2 & 3 (Deductibles)

This alteration clarifies the rule that the Association shall deduct any amounts as agreed between the association and the member, no matter whether the insurance contract is with fixed sum insured or not.

Rule 47 (Matters Not Stipulated in the Rules)

This alteration changes the rule on jurisdiction in order to clarify that it complies with Japanese law.

Appendix – Overspill Claims and Calls 1.1

This alteration changes the definition of the phrase "Convention Limit", which is used to calculate overspill calls, in accordance with an amendment to the IG Pooling Agreement.

A Rule Book for the 2019 Policy Year is scheduled to be delivered to Members in early February 2019.

Yours faithfully,

The Japan Ship Owners' Mutual Protection & Indemnity Association

Changes to the Rules of the Association for the 2019 Policy Year

RULE 20 LIABILITIES IN RESPECT OF PASSENGERS

| Existing Rules | New Rules |
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| <p>2 Notwithstanding the provisions of the preceding paragraph, there shall be no recovery from the Association in respect of the following liabilities, costs and expenses.</p> <p>(1) Aggravated liabilities, costs and expenses incurred due to the terms of the passage contract which waived to enjoy fully the defences permitted under the applicable laws or convention.</p> <p>(2) Liability, costs and expenses for death or injury or damage to property, delay or any consequential loss sustained by any passenger by reason of carriage by air, except where such liability occurs:</p> <p>(a) during the repatriation by air of passenger who sustained death or injury or of passenger aboard the Entered Ship which encountered an incident specified in Rule 20.1(2) above; or</p> <p>(b) during shore excursions outside the Entered Ship but always subject to the provision of (3) below.</p> <p>(3) Contractual liability of a Member for <u>death or injury of</u> passenger whilst on an excursion outside the Entered Ship in circumstances where either:</p> <p>(a) <u>a separate contract has been entered into by the passenger for the excursion; or</u></p> <p>(b) the Member has waived any rights of recourse against any sub-contractor or other third party in respect of the excursion.</p> | <p>2 Notwithstanding the provisions of the preceding paragraph, there shall be no recovery from the Association in respect of the following liabilities, costs and expenses</p> <p>(1) Unchanged</p> <p>(2) Unchanged</p> <p>(3) Contractual liability of a Member for <u>damages to passengers</u> whilst on an excursion outside the Entered ship in circumstances where either:</p> <p>(a) <u>a contract has been separately entered into by the passenger for the excursion whether or not with the Member;</u> or</p> <p>(b) the Member has waived any rights of recourse against any sub-contractor or other third party in respect of the excursion.</p> |

RULE 34 DEDUCTIBLES

| Existing Rules | New Rules |
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| <p>1 In respect of an insurance contract <u>with no fixed sum insured</u>, the Association shall deduct in payment of insurance money any amounts as agreed between the Member and the Association from the sum of liabilities, costs and expenses.</p> <p><u>2 In respect of an insurance contract with fixed sum insured, the Association shall deduct the following amounts in payment of insurance money.</u></p> <p><u>(1) In case of liabilities, costs and expenses referred to in Rule 19: Yen 50,000.</u></p> <p><u>(2) In case of liabilities, costs and expenses referred to in all other Rules: Yen100,000.</u></p> | <p>1 In respect of an insurance contract, the Association shall deduct in payment of insurance money any amounts as agreed between the Member and the Association from the sum of liabilities, costs and expenses.</p> <p>2 The provisions of the preceding paragraph shall not apply to the claims payable by the Association in accordance with Rules 32(1) and 37 (in case that the liability of the Member is limited by any laws concerning limitation of owner's liability for the damage).</p> |

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| <p><u>(3) Notwithstanding the above deductibles, such amount as otherwise agreed, if any.</u></p> <p>3 The provisions of the preceding paragraphs shall not apply to the claims payable by the Association in accordance with Rules 32(1) and 37 (in case that the liability of the Member is limited by any laws concerning limitation of owner's liability for the damage).</p> | |
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RULE47 GOVERNING LAW

| Existing Rules | New Rules |
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| <p><u>Any matters which are not stipulated for in the Rules of the Association shall be governed and construed in accordance with Japanese Law</u></p> | <p><u>Any contract of insurance howsoever made between the Association and the Member and these Rules shall be governed by and construed in accordance with Japanese law.</u></p> |

APPENDIX – OVERSPILL CLAIMS AND CALLS

| Existing Rules | New Rules |
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| <p>Rule 1 Interpretation 1-1 In these Rules the following words and expressions shall have the following meanings:</p> <p>“Convention Limit” in respect of a ship, the limit of liability of the shipowner of that ship for claims (other than claims for loss of life or personal injury) at the Overspill Claim Date, calculated in accordance with Article 6 paragraph 1(b) of the International Convention on Limitation of Liability for Maritime Claims 1976 (the "Convention") and converted from Special Drawing Rights into United States Dollars at the rate of exchange conclusively certified by the Association as being the rate prevailing on the Overspill Claim Date, provided that,</p> | <p>Rule 1 Interpretation 1-1 In these Rules the following words and expressions shall have the following meanings:</p> <p>“Convention Limit” in respect of a ship, the limit of liability of the shipowner of that ship for claims (other than claims for loss of life or personal injury) at the Overspill Claim Date, calculated in accordance with Article 6 paragraph 1(b) <u>(but applying 334 Units of Account to each ton up to 500 tons)</u> of the International Convention on Limitation of Liability for Maritime Claims 1976 (the "Convention") and converted from Special Drawing Rights into United States Dollars at the rate of exchange conclusively certified by the Association as being the rate prevailing on the Overspill Claim Date, provided that,</p> |