

CIRCULAR

To the Members

Alterations to the Rules of the Association for the 2026 policy year

As described in our circular [No.25-016](#) dated 25 November 2025, the following alterations to the Rules of the Association (the "Rules") will become effective from 12 noon GMT on 20 February 2026 for the 2026 policy year. There will also be the 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 2 (DUTIES OF DISCLOSURE AND NOTIFICATION) 2 & 3; Rule 10 (CONTINUATION OF INSURANCE CONTRACT) The heading & 5; Rule 11 (CESSATION OF INSURANCE CONTRACT) 2; Rule 12 (LAID-UP RETURNS) 3; Rule 16 (MAINTENANCE OF CLASSIFICATION AND COMPLIANCE WITH STATUTORY REQUIREMENTS) 1(5); and Rule 42 (CLAIM OF INSURANCE MONEY) 3

Under the Rules, there are several provisions that require Members to provide information or give notice to the Association as necessary for insurance contracts. These notifications and disclosures are currently required to be made in writing. However, since in practice email is frequently used, this amendment aims to reflect actual practice by allowing such notifications to be made not only in writing but also by email (with the details of the changes included in the body of the message).

Rule 35 (RISKS GENERALLY EXCLUDED) 1(8)

This Rule sets out the liabilities and expenses that are excluded from cover. Item (8) stipulates that special operations differing from normal navigation are generally excluded from standard cover. The proposed amendment adds the use of bubble curtains to this list.

A bubble curtain is used, for example, during the construction of offshore wind farms to reduce underwater impact noise generated by piling and similar operations. As such activities constitute special operations that differ from the normal navigation of a vessel, the International Group of P&I Clubs has agreed to exclude them from standard cover. Accordingly, this item is to be added to the list of general exclusions.

Rule 35 (RISKS GENERALLY EXCLUDED) 1(15)

In recent years, there have been serious incidents such as fires and explosions caused by undeclared dangerous goods loaded in containers. In light of such risks, the International Group of P&I Clubs has decided that, where a carrier has waived, limited, or failed to incorporate, recourse rights that would otherwise be available under the Hague Rules, the Hague-Visby Rules, or equivalent carriage conditions, liabilities arising therefrom will in principle be excluded from cover, and recovery will only be permitted at the discretion of the Board. This new item is introduced to align with that position.

Article 29, Paragraph 2, Item (1) already excludes cover for cargo-related liabilities and expenses aggravated by carriage under conditions less favourable to the carrier than those under the Hague or Hague-Visby Rules. Under the new item, however, the exclusion will extend in principle to all losses arising in connection with contracts of carriage by sea, not limited to cargo damage.

2. Alterations to the Special Clauses

P&I WAR RISKS CLAUSE

This change arises from the amendment to the Excess War Reinsurance terms effective from the 2026 policy year. At present, the limit of Excess War cover for vessels navigating waters in or around Russia, Ukraine, and Belarus is USD 100 million; however, from the 2026 policy year, this will be increased to USD 125 million.

CAPITAL INVESTOR CLAUSE RULE 4,

SPECIAL CLAUSE FOR VOYAGES AFFECTED BY SANCTIONS

As with Article 2, paragraph (2) et seq. of the above Rules, this amendment is intended to revise the provisions so as to allow notification not only in writing but also by email (with the details of the changes included in the body of the message).

A Rule Book for the 2026 Policy Year is scheduled to be posted on our website in the middle of February 2026.

Yours faithfully,

The Japan Ship Owners' Mutual Protection & Indemnity Association

Attachment: Changes to the Rules for 2026 Policy Year

Changes to the Rules of the Association for the 2026 Policy Year

RULE 2 DUTIES OF DISCLOSURE AND NOTIFICATION

Existing Rules	New Rules
2 A Member shall, without delay, notify the Association in writing of any alteration to the particulars and information requested on the application forms for the entry of ship for insurance, whenever such an alteration occurs.	2 A Member shall, without delay, notify the Association in writing <u>(including by electronic means)</u> of any alteration to the particulars and information requested on the application forms for the entry of ship for insurance, whenever such an alteration occurs.
3 A Member shall give written notice without delay to the Association when some other insurance is effected with other insurers covering the same kind of risks insured by the Association in respect of his Entered Ship.	3 A Member shall give written notice <u>(including by electronic means)</u> without delay to the Association when some other insurance is effected with other insurers covering the same kind of risks insured by the Association in respect of his Entered Ship.

Explanation: As a result of the amendment to Article 28 (Duty of disclosure and notification), paragraph 2 of the Articles of Association, notifications of any changes to the information stated in the Application for Membership or Application for Entry may now be made not only in writing but also by email (with the details of the changes set out in the body of the email). To ensure consistency with this amendment and to improve the convenience of members, the provisions requiring members to give notice to the Association in writing will be revised so that notice may also be given by electronic means.

RULE 10 CONTINUATION OF INSURANCE CONTRACT

Existing Rules	New Rules
<p>The insurance contract shall continue to run from Policy Year to Policy Year except for the case that the insurance contract terminates for one of the following reasons (1) - (5). In addition, where the Association reasonably considers that the premium rate and/or insurance conditions should be revised and if the Association and the Member cannot reach an agreement on such revisions before the end of the insurance period, the insurance contract shall not be continued.</p> <p>(5) When a Member notifies the Association in writing that he does not desire to continue the insurance contract not later than one (1) month prior to the end of the insurance period.</p>	<p>The insurance contract shall continue to run from Policy Year to Policy Year except for the case that the insurance contract terminates for one of the following reasons (1) - (5). In addition, where the Association reasonably considers that the premium rate and/or insurance conditions should be revised and if the Association and the Member cannot reach an agreement on such revisions before the end of the insurance period, the insurance contract shall not be continued.</p> <p>(5) When a Member notifies the Association in writing <u>(including by electronic means)</u>, that he does not desire to continue the insurance contract not later than one (1) month prior to the end of the insurance period.</p>

Explanation: Same as Rule 2.

RULE 11 CESSATION OF INSURANCE CONTRACT

Existing Rules	New Rules
2 A Member shall give written notice immediately to the Association of cessation of the insurance contract for any reason specified in Rule 11.1(1), (2) or (3).	2 A Member shall give written notice <u>(including by electronic means)</u> , immediately to the Association of cessation of the insurance contract for any reason specified in Rule 11.1(1), (2) or (3).

Explanation: Same as Rule 2.

RULE 12 LAID-UP RETURNS

Existing Rules	New Rules
<p>3 A Member, claiming a return of calls or premiums as provided for in the preceding paragraphs, shall give a written notice of lay-up without delay to the Association after the lay-up has started and shall further submit, within three (3) months of the end of the lay-up period, documents certifying the cause, place and period of the lay-up to the Association. If a lay-up period runs over into the following Policy Year, within three (3) months of the end of the Policy Year in which the lay-up started, the Member shall submit the documents required by the above sub-paragraph. When a Member fails to comply with the submission of the required documents or giving written notice as set forth above, the Association may be absolved from returning calls or premiums.</p>	<p>3 A Member, claiming a return of calls or premiums as provided for in the preceding paragraphs, shall give a written notice of lay-up without delay to the Association after the lay-up has started and shall further submit, within three (3) months of the end of the lay-up period, documents certifying the cause, place and period of the lay-up to the Association. If a lay-up period runs over into the following Policy Year, within three (3) months of the end of the Policy Year in which the lay-up started, the Member shall submit the documents required by the above sub-paragraph. When a Member fails to comply with the submission of the required documents or does not give written notice (including by electronic means) as set forth above, the Association may be absolved from returning calls or premiums.</p>

Explanation: Same as Rule 2.

RULE 16 MAINTENANCE OF CLASSIFICATION AND COMPLIANCE WITH STATUTORY REQUIREMENTS

Existing Rules	New Rules
<p>1 Unless otherwise agreed between the Member and the Association, the Member shall warrant the following conditions in respect of maintenance of classification and compliance with statutory requirements of an Entered Ship:</p> <p>(5) The Member shall immediately inform in writing the Association if, at any time during the period of entry, the Classification Society with which the Ship is classed is changed.</p>	<p>1 Unless otherwise agreed between the Member and the Association, the Member shall warrant the following conditions in respect of maintenance of classification and compliance with statutory requirements of an Entered Ship:</p> <p>(5) The Member shall immediately inform the Association in writing (including by electronic means) if, at any time during the period of entry, the Classification Society with which the Ship is classed is changed.</p>

Explanation: Same as Rule 2.

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>(8) Liabilities, costs and expenses incurred by the Member during the course of performing specialist operations including but not limited to dredging, blasting, pile-driving, well-intervention, cable or pipe-laying, construction, installation or maintenance work, core sampling, mining, depositing of spoil, power generation, decommissioning and such other operations as the Association may agree, to the extent that such liabilities, costs and expenses arise as a consequence of:</p>	<p>1 The Association shall not indemnify liabilities, costs and expenses arising out of the following events or circumstances:</p> <p>(8) Liabilities, costs and expenses incurred by the Member during the course of performing specialist operations including but not limited to dredging, blasting, pile-driving, well-intervention, cable or pipe-laying, construction, installation or maintenance work, core sampling, mining, depositing of spoil, power generation, decommissioning, the deployment, operation and recovery of pneumatic barriers, and such other operations as the Association may agree, to the extent that such liabilities, costs and expenses arise as a consequence of:</p> <p>(15) Liabilities, costs and expenses arising out of or in connection with contracts for carriage wholly or partly by sea to the extent such liabilities, costs and expenses</p>

	<u>would not have been incurred or borne by the Member but for its waiver or limitation of, or failure to incorporate, rights of recourse that would have been available under a bill of lading contract which incorporated Article IV Rule 6 of the Hague or Hague Visby Rules, or any equivalent provision under other applicable law, unless such rights of recourse are not available by reason of mandatorily applicable law or the Association in its discretion otherwise determines.</u>
--	--

Explanation:

These amendments are to reflect the amendments to be made to the Pooling Agreement for the 2026 policy year.

RULE 42 CLAIM OF INSURANCE MONEY

Existing Rules	New Rules
<p>3 Claims referred to in the paragraph 1 above must be presented within three (3) years following the Member's payments thereof together with the documents prescribed in the same paragraph. However, the foregoing shall not apply to cases where the Member has a justifiable reason and has given to the Association prior written notice.</p>	<p>3 Claims referred to in the paragraph 1 above must be presented within three (3) years following the Member's payments thereof together with the documents prescribed in the same paragraph. However, the foregoing shall not apply to cases where the Member has a justifiable reason and has given to the Association prior written notice (<u>including by electronic means</u>).</p>

Explanation: Same as Rule 2.

P&I WAR RISKS CLAUSE

Existing Rules	New Rules
<p>3</p> <p>(2) Notwithstanding clause 3(1) above, the limit of US\$500 million is replaced with a limit of <u>US\$100</u> million for a ship transiting and/or calling within all Russian waters, including Russian coastal waters up to 12 nautical miles offshore, and the waters defined below:</p> <p>(3) Where a ship entered in the Association by any person is also separately insured in the name of the same or any other person by the Association or by any other Association which participates in the Pooling Agreement and/or the General Excess Loss Reinsurance Contract for losses, liabilities, or the costs and expenses incidental thereto covered under this cover of the Association and/ or the equivalent cover of such other Association, the aggregate of claims in respect of such losses, liabilities, or the costs and expenses incidental thereto, shall be limited to US\$500 million each ship, any one accident or occurrence or <u>US\$100</u> million each ship, any one accident or occurrence for ships subject to the limit in clause 3(2) above respectively. If such claims exceed this limit, the liability of the Association to each such person shall be limited to such proportion of that limit as maximum claim otherwise recoverable by such person from the Association bear to the aggregate of all such claims otherwise recoverable from the Association and from all such Associations.</p>	<p>3</p> <p>(2) Notwithstanding clause 3(1) above, the limit of US\$500 million is replaced with a limit of <u>US\$125</u> million for a ship transiting and/or calling within all Russian waters, including Russian coastal waters up to 12 nautical miles offshore, and the waters defined below:</p> <p>(3) Where a ship entered in the Association by any person is also separately insured in the name of the same or any other person by the Association or by any other Association which participates in the Pooling Agreement and/or the General Excess Loss Reinsurance Contract for losses, liabilities, or the costs and expenses incidental thereto covered under this cover of the Association and/ or the equivalent cover of such other Association, the aggregate of claims in respect of such losses, liabilities, or the costs and expenses incidental thereto, shall be limited to US\$500 million each ship, any one accident or occurrence or <u>US\$125</u> million each ship, any one accident or occurrence for ships subject to the limit in clause 3(2) above respectively. If such claims exceed this limit, the liability of the Association to each such person shall be limited to such proportion of that limit as maximum claim otherwise recoverable by such person from the Association bear to the aggregate of all such claims otherwise recoverable from the Association and from all such Associations.</p>

Explanation: Changes to coverage limits due to changes in Excess War P&I conditions from the 2026 policy year.

CAPITAL INVESTOR CLAUSE

RULE 4 TERMINATION OF INSURANCE CONTRACT

Existing Rules	New Rules
<p>2 Should the Capital Investor no longer fall within the definition of a Capital Investor, (as set out in Rule 2 of this Clause):</p> <p>(b) the Member and the Capital Investor shall give written notice of such change of status of the Capital Investor, without delay, to the Association.</p>	<p>2 Should the Capital Investor no longer fall within the definition of a Capital Investor, (as set out in Rule 2 of this Clause):</p> <p>(b) the Member and the Capital Investor shall give written notice (including by electronic means) of such change of status of the Capital Investor without delay, to the Association.</p>

Explanation: Same as Rule 2.

SPECIAL CLAUSE FOR VOYAGES AFFECTED BY SANCTIONS

Existing Rules	New Rules
<p>1 Any and all claims arising out of any voyage where recovery from the Association may be affected because of any sanction, prohibition, restriction or other adverse action of a competent authority or government applying to the reinsurers of any reinsurance contract (including but not limited to the Pooling Agreement, the Group Excess Loss Reinsurance Contract and other reinsurance contracts specially arranged by the Association), shall not be covered under the Rules of the Association unless the Member has complied with the following undertakings, namely:</p> <p>(1) to make a declaration in writing to the Association in advance of fixing an entered ship for any voyage, on which recovery from the Association may be affected by any sanction, prohibition or restriction or other adverse action of a competent authority or government, indicating the detail of such voyages including the schedule, full details of the cargoes to be carried, the name of the port or place where the cargoes are loaded and discharged and the end user of any such cargo.</p>	<p>1 Any and all claims arising out of any voyage where recovery from the Association may be affected because of any sanction, prohibition, restriction or other adverse action of a competent authority or government applying to the reinsurers of any reinsurance contract (including but not limited to the Pooling Agreement, the Group Excess Loss Reinsurance Contract and other reinsurance contracts specially arranged by the Association), shall not be covered under the Rules of the Association unless the Member has complied with the following undertakings, namely:</p> <p>(1) to make a declaration in writing (including by electronic means) to the Association in advance of fixing an entered ship for any voyage, on which recovery from the Association may be affected by any sanction, prohibition or restriction or other adverse action of a competent authority or government, indicating the detail of such voyages including the schedule, full details of the cargoes to be carried, the name of the port or place where the cargoes are loaded and discharged and the end user of any such cargo.</p>

Explanation: Same as Rule 2.