



Defence Class rules  
for the 2020/21 policy year  
of

**The Standard Club Ltd**

**The Standard Club UK Ltd**

**The Standard Club Asia Ltd**

**The Standard Club Ireland DAC**

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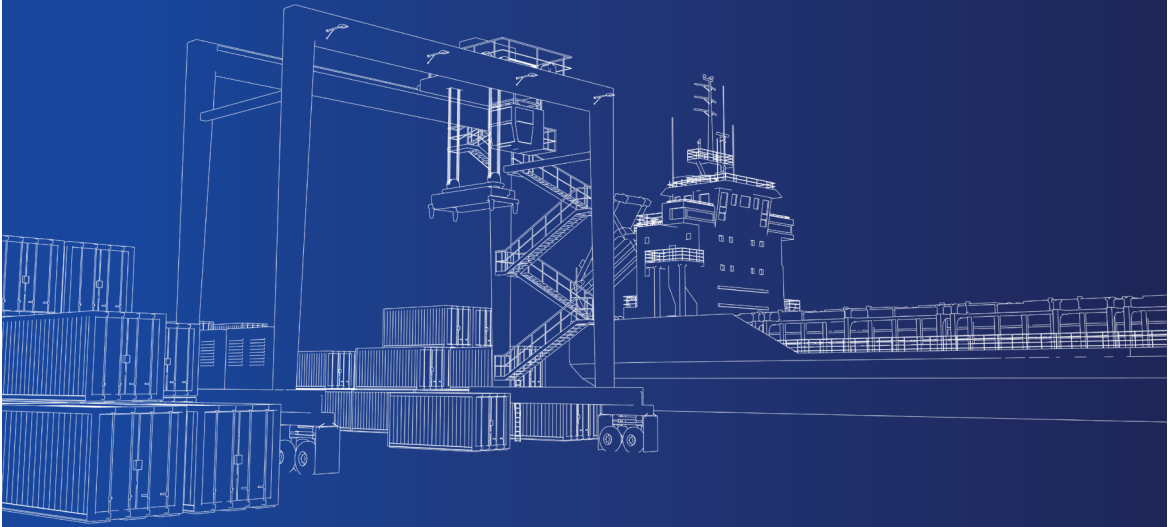
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# 01

## Defence Class Rules





## SECTION A: INSURANCE

- 1.1** These rules, which are subject to the articles, contain the terms upon which Defence cover is given by the club.
- 1.2** The risks for which a member is insured are set out in rule 3.
- 1.3** Rules 1, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 23, 24 and 25 of the P&I class, insofar as not inconsistent, are incorporated in and form part of these rules.
- 1.4** The definitions in rule 26 of the P&I class are, to the extent they are applicable, incorporated in and form part of these rules.

## SECTION B: SCOPE OF COVER, RECOVERY AND LIMITS

- 2.1** The costs in respect of which a member is insured are those authorised by the managers in their discretion and incurred in pursuing or defending claims, disputes or proceedings. Such costs include any which the member may become liable to pay to any third party under any order or agreement.
- 2.2** The costs must relate to a cause of action arising during the period of the ship's entry in the club and must arise out of or in relation to the operation or chartering by the member of the ship.
- 2.3** When considering whether to authorise any costs in respect of any matter, the managers may take into account, among other issues:
- (1)** the merits
  - (2)** the enforceability of any claim
  - (3)** the costs, actual or anticipated
  - (4)** the effect on the financial position of the class or club
  - (5)** whether the member exercised reasonable care in the chartering, control or management of the ship.
- 2.4** The managers may, at any time, decline or limit the reimbursement of any costs in respect of any matter, notwithstanding that they may previously have authorised reimbursement in connection with the same matter.
- 2.5** A member's insurance is subject to the warranties, conditions, exceptions, limitations and other terms set out in the rules and his certificate of entry.
- 2.6** A member is not insured for any liabilities incurred by him in a capacity other than that in which he has entered into the contract of insurance with the club.
- 2.7** Unless and to the extent that the managers otherwise determine, the costs for which the member is insured shall be limited to US\$5 million any one claim, dispute or proceeding.

## SECTION C: RISKS COVERED

- 3 Costs in respect of claims, disputes or proceedings brought by or against a member relating to:
  - 3.1 any charterparty, contract of affreightment, bill of lading or other contract
  - 3.2 detention or loss of use of, or delay to, the ship
  - 3.3 the provision of supplies
  - 3.4 maintenance of or repair to the ship
  - 3.5 loss of or damage to the ship

### Exclusion to rules 3.4 and 3.5

The club will only cover a member for costs in relation to a claim within any franchise or deductible under a hull policy if and to the extent that such franchise or deductible does not or is deemed not to exceed US\$100,000 in respect of each incident.

- 3.6 cargo operations
- 3.7 charges, disbursements or accounts
- 3.8 amounts due from or to underwriters or brokers
- 3.9 salvage, pilotage or towage services rendered by or to the ship
- 3.10 claims by or against any person
- 3.11 the mortgage of the ship
- 3.12 representation at official investigations or enquiries
- 3.13 claims by or against any customs, port, governmental or local authority
- 3.14 the building, modification, purchase or sale of the ship.

### Exclusions to rule 3.14

- (1) there is no cover for claims arising out of a contract for the building or modification of the ship or in respect of a contract for the purchase of the ship, for claims arising before delivery of the ship to the member, unless the entry is made effective from the date of the relevant contract, or on such terms as the managers may agree;
  - (2) where a limit has been stipulated in respect of claims, it applies in the aggregate to all claims in respect of all ships entered by the insured parties or associated or affiliated companies arising out of any one contract or series of related contracts unless otherwise agreed by the managers.
- 3.15 all other matters in respect of which a member should, in the opinion of the board, be supported by the club.

## SECTION D: EXCLUDED RISKS

### Risks covered by insurances 4

The club will not cover a member in respect of any of the costs for which he would be covered, or could be covered subject to a discretion contained within the risk, if the ship were:

- (1) fully entered in The Standard Club UK Ltd or other insurer affording equally wide cover;
- (2) fully entered in the War Risks Class of The Standard Club UK Ltd or other insurer affording equally wide cover.



## **The Standard Club Asia Ltd**

### **Rules of the Defence Class**

The rules of The Standard Club Asia Ltd shall be the same as the rules of The Standard Club UK Ltd amended and varied as follows:

Unless the context otherwise requires, 'the club' means The Standard Club Asia Ltd and references to 'the articles' shall be deemed to be references to the Memorandum and Articles of Association of the club.

## **The Standard Club Ireland DAC**

### **Rules of the Defence Class**

The rules of The Standard Club Ireland DAC shall be the same as the rules of The Standard Club UK Ltd amended and varied as follows:

Unless the context otherwise requires, 'the club' means The Standard Club Ireland DAC and references to 'the articles' shall be deemed to be references to the Memorandum and Articles of Association of the club.

# 02

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