

Amendments to Rules 2025

Member Circular No. 17/2024

17 January 2025

The following amendments to the Rules for P&I and Defence cover for ships and other floating structures (“Rules for Ships”) and the Rules for P&I and Defence cover for mobile offshore units (“Rules for MOUs”) for both Assuranceforeningen Gard – gjensidig – and Gard P. & I. (Bermuda) Ltd. (collectively the “Associations” and individually the “Association”) have been endorsed by the Boards of Directors of the Associations and will enter into force at noon GMT on 20 February 2025.

RULES FOR SHIPS – P&I ENTRIES

Rule 1 – Interpretation – Gender neutrality changes

The Rules have been made gender neutral. This required a number of minor amendments throughout the Rules, inter alia, “he”/“his” has been changed to “it”/“its” or other gender neutral term and “seaman” to “seafarer”. Moreover, Rule 1.7 has been deleted as it is no longer relevant (amendments reflected by strike-through):

~~“7 Any words importing gender in these Rules shall import all genders.”~~

Rule 34 – Cargo liability

Rule 34 concerning cargo liability has been aligned with the Pooling Agreement and now reads as follows (changes reflected by underlining and strike-through):

“[...] provided that unless and to the extent that the Association in its discretion shall otherwise decide, the cover under this Rule 34.1 does not include:

[...]

vii ~~liability~~liabilities, costs and expenses arising out of carriage under an ad valorem Bill of Lading, waybill or other contract of carriage in which ~~where~~ a value of more than USD 2,500 (or the equivalent in any other currency) is declared and/or inserted by reference to a ~~per~~ unit, piece, ~~or~~ package or otherwise, where the effect of such a declaration/ insertion is to deprive the Member of any right or rights of limitation to which the Member would otherwise have been entitled and cause the Member to incur a greater liability than what would have been the case but for such declaration/insertion, to the extent that such liability thereby exceeds USD 2,500 (or the equivalent in any other currency) in respect of any such unit, piece or package is declared and in the case of Bills of Lading subject to the Hague or Hague-Visby Rules where a value of more than USD 2,500 (or the equivalent in any other currency) per unit, piece or package is also inserted in the Bill of Lading, to the extent, in any such case, that such liabilities, costs and expenses exceed in the aggregate USD 2,500 (or the equivalent in any other currency) in respect of any unit, piece or package;

Note: The Association as agent can arrange additional cover for the shipment of cargo with a declared value.”

[...]

Rule 63.1.f – Excluded losses – professional salvor

In order for Rule 63.1.f in the Rules for Ships to correspond with Appendix V.24 of the Pooling Agreement, the following amendments have been made (amendments reflected by underlining):

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“1 The Association shall not cover under a P&I entry, except where and to the extent that they form part of a claim for expenses under Rule 46 (measures to avert or minimise loss):

[...]

f liabilities, losses, costs or expenses arising out of salvage operations (including for the purpose of this sub-paragraph f, wreck removal) conducted by the Ship or provided by the Member, other than:

- i liabilities, costs and expenses arising out of salvage operations conducted by the Ship for the purpose of saving or attempting to save life at sea; and*
- ii liabilities, costs and expenses incurred by a professional salvor which are covered by a special agreement between the Member and the Association, and which arise out of the operation of, and in respect of the Member's interest in the Ship;*

In assessing whether the Member is a professional salvor the Association should consider the following factors including, but not limited to, whether the Member has:

- i International Salvage Union (or equivalent) membership;*
- ii as one of its main commercial activities, the provision of salvage services (such services to include emergency response (including emergency towage), environmental protection and/or wreck removal, as may be appropriate);*
- iii access to the necessary equipment, expertise, personnel and other resources needed in order to perform the type of salvage services contemplated;*
- iv a successful track record in performing such salvage services;*
- v demonstrated necessary safety standards and risk management measures to perform such salvage services; and/or*
- vi obtained any necessary industry, local, national or international regulatory approval or accreditation (as may be applicable) for the provision of such salvage services.”*

[...]

Rule 63.1.j – Excluded losses – paperless trading

In order for Rule 63.1.j in the Rules for Ships to correspond with Appendix V.28 of the Pooling Agreement, the following amendments have been made (amendments reflected by underlining):

“1 The Association shall not cover under a P&I entry, except where and to the extent that they form part of a claim for expenses under Rule 46 (measures to avert or minimise loss):

[...]

j liabilities, losses, costs and expenses arising from the use of any electronic trading system, other than an electronic trading system approved in writing by the Association, to the extent that such liabilities, losses, costs and expenses would not (save insofar as the Association in its sole discretion otherwise determines) have arisen under a paper trading system.

For the purposes of this sub-paragraph (j) an “electronic trading system” is any system which replaces or is intended to replace paper documents used for the sale of goods and/or their carriage by sea or partly by sea and other means of transport and which:

- i are documents of title, or*
- ii entitle the holder to delivery or possession of the goods referred to in such documents, or*
- iii evidence a contract of carriage under which the rights and obligations of either of the contracting parties may be transferred to a third party.*

For the purpose of this sub-paragraph (j) a “document” shall mean anything in which information of any description is recorded including, but not limited to, computer or other electronically generated information.

An electronic trading system shall be deemed approved, provided:

- i it is a reliable system in accordance with the Electronic Trade Documents Act 2023 of the United Kingdom or UNCITRAL's Model Law on Electronic Transferable Records and the reliability of that system is evidenced by:*
 - (a) an audit by an independent body; or*
 - (b) a declaration by a supervisory, regulatory or accreditation body or applicable voluntary scheme; or*

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*(c) applicable industry standards; and
ii any electronic document generated thereunder, which performs the functions specified above in (i) second paragraph (i)-(iii), has the same effect under its applicable law as a paper document performing those functions.”*

[...]

Rule 83 – Exclusion of liability

Rule 83 excludes liability for errors and omissions done in the course of Gard employee's work. Directors of the Gard group have also been added. The revised rule also reflects that most of the employees do not work directly in the Association, but for the insurance agent Gard AS and its subsidiaries. The amended Rule 83 reads as follows (amendments reflected by strike-through and underlining):

“1 The Association and/or directors and employees of the Gard group shall not be liable for any negligence, errors and/or omissions whatsoever when performing any insurance distribution activities, ~~in the handling of a case and which may be committed by the Association's directors and employees of the Gard group or by lawyers, advisers or other experts engaged by the Association on behalf of the Member.~~

2 The Association and/or directors and employees of the Gard group shall not be liable for monies which are lost, having been collected by persons engaged ~~by the Association~~ on behalf of the Member, or entrusted to such persons.”

[...]

Rule 91 – Arbitration

The use of the term “Umpire” may be misleading due to its specific meaning in some jurisdictions, i.e. a person appointed to settle differences between the other two arbitrators. In order to clarify the term “Umpire” has been replaced with something that provides for more clarity. The amended Rule 91 reads as follows (amendments reflected by underlining and strike-through):

“1 Unless otherwise agreed, disputes between the Association and a Member or a former Member or any other person arising out of the contract of insurance or these Rules shall be resolved by arbitration. Each party shall nominate one arbitrator and those so nominated shall appoint ~~an Umpire~~ a Chair of the arbitration tribunal. If the arbitrators cannot agree ~~on an Umpire~~ a Chair of the arbitration tribunal or a party fails to nominate ~~his~~ its arbitrator, the nomination shall be made by the Chief Justice of the Oslo District Court. Reasons shall be given for the award. Arbitration proceedings shall take place in Oslo.”

[...]

Appendix I – War risks

The limit on the Russia, Ukraine, Belarus (“RUB”) buyback cover has increased with a further USD 20 million from USD 80 million to USD 100 million. Appendix I of the Rules for Ships, Paragraph 2 (War risks), sub-paragraphs 6 and 7, has therefore been updated (changes reflected by underlining and strike-through):

“Limitation of cover

[...]

6 The limit of USD 500 million referred to in 5. above is replaced with a limit of USD ~~80~~100 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:

[...]

7 Where there is more than one Owner's Entry or Charterer's Entry in respect of an Entered Ship with the Association or any other P&I Association which participates in the reinsurance arrangements of the International Group of P&I Clubs, the aggregate of all claims following an

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event brought against the Association and/or such other Association shall be limited to USD 500 million or USD ~~80~~100 million (for Ships subject to the limit in 6 above). In these circumstances, the limit of liability shall be such proportion of USD 500 million or USD ~~80~~100 million respectively as the claims recoverable under an Owner's Entry or Charterer's Entry in the Association bear to the aggregate of all the said claims recoverable under all Owner's Entries and Charterer's Entries in respect of that Ship with this or any other Association.”
[...]

Appendix II – Charterers' limits including special limit for Consortium Claims

In order for section 5.2.d of Appendix II of the Rules concerning Consortium Claims to be aligned with the Pooling Agreement the following changes have been made (amendments reflected by underlining):

“[...]

5.2 Consortium Claims

A claim shall be a Consortium Claim where:

- a it arises under a P&I entry of a Ship; and
- b it arises out of the carriage of cargo on a Consortium Vessel; and
- c that the Member and the operator of the Consortium Vessel are parties to a Consortium Agreement; and
- d at the time cover pursuant to the special provisions in this section 5 initially attaches, the Member employs a ship under an entry with an association which participates in the Pooling Agreement pursuant to that Consortium Agreement.

For the purpose of a Consortium Claim under this Appendix II to the Rules for Ships, the Consortium Vessel shall be treated as a Ship entered on behalf of the Member under a Charterer's Entry in the Association.”

[...]

RULES FOR MOUS – P&I ENTRIES

MOU Rule 1 – Interpretation – Gender neutrality changes

Reference is made to the comments above to Rule 1 in the Rules for Ships. Similar amendments have been made to the Rules for MOUs. Furthermore, MOU Rule 1.7 has been deleted (amendments reflected by strike-through):

~~“7 Any words importing gender in these Rules shall import all genders.”~~

MOU Rule 63 – Exclusion of liability

Reference is made to the comments above to Rule 83 in the Rules for Ships. Similar amendments have been made to MOU Rule 63 (amendments reflected by underlining and strike-through):

- “1 The Association and/or directors and employees of the Gard group shall not be liable for any negligence, errors and/or omissions whatsoever when performing any insurance distribution activities, in the handling of a case and which may be committed by the Association's directors and employees of the Gard group or by lawyers, advisers or other experts engaged by the Association on behalf of the Member.
- 2 The Association and/or directors and employees of the Gard group shall not be liable for monies which are lost, having been collected by persons engaged by the Association on behalf of the Member, or entrusted to such persons.”

[...]

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MOU Rule 71 – Arbitration

Reference is made to the comments above to Rule 91 in the Rules for Ships. Similar amendments have been made to MOU Rule 71 (amendments reflected by underlining and strike-through):

“Unless otherwise agreed, disputes between the Association and a Member or a former Member or any other person arising out of the contract of insurance or these Rules shall be resolved by arbitration. Each party shall nominate one arbitrator and those so nominated shall appoint an Umpire a Chair of the arbitration tribunal. If the arbitrators cannot agree on ~~an Umpire a Chair of the arbitration tribunal~~ or a party fails to nominate ~~his~~its arbitrator, the nomination shall be made by the Chief Justice of the Oslo District Court. Reasons shall be given for the award. Arbitration proceedings shall take place in Oslo.”

RULES FOR CHARTERERS

A new set of rules has been developed for the Associations' covers for charterers and traders. These covers previously incorporated the Rules for Ships with special terms in the assureds' certificates of entry. The new Rules for Charterers will provide assureds with a new and more accessible set of rules written specifically for chartering and trading clients. The new Rules for Charterers and additional information will be published on www.gard.no.

Updated Rules for Ships, Rules for MOUs and Rules for Charterers will be published on www.gard.no prior to the renewal date of 20 February 2025.

If you have any questions, please contact [Tore Svinøy](#) and [Oskar Otterstrøm](#), Gard, Arendal.

Yours faithfully,
GARD AS



Rolf Thore Roppestad
Chief Executive Officer