



2024 Rule Changes	Explanatory Notes
Rule 1 Nature of the insurances	
<p>1.1.2 Insurance Act 2015 ITIC is a mutual in which <u>members (and insureds of ITIICE)</u> insure each other through <u>the Club or its wholly-owned subsidiary, ITIICE</u>, against the liabilities and costs insured under these Rules <u>and the ITIICE Rules, respectively.</u></p>	<p><i>Updated due to ITIC having a subsidiary insurer and insureds of the subsidiary being corporate members of ITIC.</i></p>
<p>1.2.1 <u>You</u> are insured in accordance with these Rules and the terms and conditions in <u>your Certificate of Entry.</u> The Rules are subject to the Articles of Association. <u>Your</u> insurance is only for Parts 2, 3 and 4 of these Rules as set out in <u>your Certificate of Entry.</u> Parts 5 to 11 of <u>the Rules</u> apply to all insurances. Your Certificate of Entry may contain additional terms or vary these Rules.</p>	<p><i>As above</i></p>
<p>1.2.4 If the Club accepts an application for insurance from an insured who is not already a corporate member of the Club, then such insured shall, as from the date of commencement of such insurance, be and become a corporate member of the Club. A member shall cease to be a corporate member of the Club if for any reason whatsoever it shall cease to have any risks insured with each of the Club and ITIICE.</p>	<p><i>As above</i></p>
<p>2.1 Save as expressly stated below insurance under this <u>Rule 2.1</u> is for <u>your</u> liability to third parties and associated costs (including but not limited to any cost award to a third party) resulting from:</p>	<p><i>Clarification. ITIC has seen some cases (especially in the US) where the policy limitation has come into question regarding whether costs were included or excluded from the overall limitation. The position has always been that these costs form part of the overall policy limitation. These changes are to clarify this position.</i></p>
Rule 2.3 Insured Associated costs	<i>As above</i>
<p>2.3.1 Costs insured In respect of a liability insured under this Rule 2 Rules 2.1 and 2.2 above, if damages the sums claimed from <u>you</u> exceed, or are likely to exceed, the applicable deductible, <u>you</u> are insured for the following associated costs:</p>	<i>As above</i>
<p>2.3.3 Costs part of claim Overall limit and deductible The costs insured under this Rule Rules 2.1 to 2.3 are included in the amount of the claim payable for the purposes of the applicable deductible and/or limit of liability. For the avoidance of doubt, any payments made by the Club pursuant to these Rules 2.1 to 2.3 above are subject to the Policy's limit or limits of liability (less applicable deductible(s)) shown in your Certificate of Entry.</p>	<i>As above</i>
Rule 4 Liability insurance – physical loss of or damage to cargo	
<p>4.1 Insurance under this Rule 4 is for <u>your</u> liability for and associated costs resulting from physical loss of or damage to cargo, including but not limited to consequential losses arising therefrom and any costs award to a third party.</p>	<i>As above</i>



<p>Rule 5 Errors and omissions insurance for transport operators</p>	
<p>5.1 Insurance under this <u>Rule 5</u> is for <u>your</u> liability for and <u>associated costs</u> resulting from and <u>(including but not limited to any costs award to a third party) for:</u></p>	As above
<p>Rule 6 Third party liabilities</p>	
<p>6.1 Insurance under this Rule 6 is for your liability (including <u>but not limited to</u> consequential losses and associated <u>any</u> costs <u>award to a third party</u>) resulting from:</p>	As above
<p>Rule 7 Liabilities for fines, penalties and duty</p>	
<p>Insurance under this <u>Rule 7</u> is for <u>your</u> liability and associated <u>costs</u> <u>(including but not limited to any costs award to a third party)</u> arising from <u>your</u> breach of any of the following regulations made by an <u>authority</u> relating to:</p>	As above
<p>Rule 8 Associated Costs Insured</p>	As above
<p>8.1 Costs</p> <p>In respect of <u>any</u> liability insured under <u>Rule 4, 5, 6 and 7</u> <u>above</u> if <u>the sums</u> damages claimed from <u>you</u> exceed or are likely to exceed the applicable deductible, <u>you</u> are insured for the following associated costs:</p>	As above
<p>The limit of liability for costs in relation to Rules <u>8.1 (g) and (h)</u> will be restricted to US\$ 25,000 each <u>occurrence</u> and in the aggregate each <u>account year</u>.</p> <p>The costs insured under this Rule are included in the amount of the claim payable for the purposes of the applicable deductible and/or limit of liability.</p>	As above
<p>8.6 Overall limit and deductible</p> <p><u>For the avoidance of doubt, any payments made by the Club pursuant to any of Rules 4, 5, 6, 7 or 8 are subject to the Policy’s limit or limits of liability (less applicable deductible(s) shown in your Certificate of Entry.</u></p>	As above
<p>Rule 9 Exclusions and qualifications applicable to Part 3</p>	
<p>9.10 Air carriage of restricted articles</p> <p><u>You</u> are not insured for any liability arising out of the carriage by air of “Dangerous Goods” as defined in the IATA regulations <u>or instructions</u>.</p>	Clarification arising from a review of the Rules for members performing aviation services. Whereas the Rules have historically been written with members in the maritime sector in mind, logical amendments have been added to account for members in the aviation industry.
<p>Rule 13 General conditions and exclusions</p>	
<p>13.14 Radioactive and nuclear risks</p>	As above

<p><u>You</u> are not insured for any loss, damage, liability or expense directly or indirectly caused by, or contributed to by, or arising from:</p> <p>...</p> <p>(d) The radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, <u>carried</u>, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes <u>in compliance with the International Civil Aviation Organization's (ICAO) Technical Instructions for the Safe Transport of Dangerous Goods by Air where applicable</u>;</p>	
<p>13.15 Pollution</p> <p><u>You</u> are not insured for any risk arising from <u>pollution</u>:</p> <p>...</p> <p>(d) from actual or alleged discharges (whether accidental or deliberate) contrary to MARPOL <u>or the Chicago Convention and the standards and recommended practices developed by the International Civil Aviation Organization (ICAO)</u> or similar convention, regulation or law (see also Rule 13.22.2).</p>	<p>As above</p>
<p>13.17 Dangerous cargoes</p> <p><u>You</u> will use <u>your</u> best endeavours to ensure compliance with all relevant regulations <u>or instructions</u> relating to the carriage, handling and storage of dangerous cargoes, <u>including but not limited to the International Civil Aviation Organization's (ICAO) Technical Instructions for the Safe Transport of Dangerous Goods by Air where applicable</u>.</p>	<p>As above</p>
<p>13.19 Illegal trading</p> <p><u>You</u> are not insured for any risk arising from:</p> <p><u>(a) the handling, storage or carriage of cargo in an illegal trade;</u> <u>(b) the trafficking of humans;</u> <u>(c) the carriage of sanctioned cargo or people,</u> except as provided for in <u>Rule 2.1(h)(v)(2)</u>.</p>	<p>An update to what is considered illegal trading.</p>
<p>13.22 Fines and penalties</p> <p>13.22.2 There is no cover for any breaches (whether actual or alleged, <u>deliberate or accidental</u>) of <u>MARPOL or the Chicago Convention and the standards and recommended practices developed by the ICAO</u>, or similar conventions <u>and standards and recommended practices</u>, whether such claims are against you, your employee or any person acting on behalf of you or your principal or any other party for which you may be responsible (see Rule 13.15(d)).</p>	<p>Clarification following aviation review.</p>

13.27 Distribution of third party recoveries

It is a condition of this insurance that amounts recovered from third parties in respect of a claim **(including a debt claim on your behalf under Rule 10)** will be credited to the Club to the full extent of its liability in respect of such claim (including the costs of making the recovery); any balance will be credited to you to the extent of any amount borne by you in respect of such claim **or of the debt you are owed**; any excess will be distributed equitably between the Club and you, taking into account amounts paid/incurred and the relevant dates.

As above. This clarification helps to assist the parties in respect of recoveries from third parties to now expressly include debt recoveries. This stems from a case where ITIC collected more than 100% of the value of the debt.

13.28 Bills of Lading and Air Waybills and Sea Waybills

13.28.1.1 Deliberate release without original bill of lading

The deliberate release of cargo without presentation of the relevant original bill of lading is a commercial risk taken by the agent or carrier and is not an error or omission that would be the subject of a professional indemnity insurance policy.

You are not insured for claims made directly or indirectly by the holder of a bill of lading where cargo has been delivered without prior presentation of the relevant original bill of lading unless you can show that you reasonably believed the relevant original bill of lading had been presented and that the delivery was solely the result of a negligent act or omission.

Clarification following aviation review.

13.28.1.2 Deliberate release without verification of identity

The deliberate release of cargo without verifying that the presented identification matches the name of the consignee listed on the relevant air or sea waybill constitutes a commercial risk undertaken by the agent or carrier. Such an act is not considered an error or omission that would be the subject of a professional indemnity insurance policy.

You are not insured for claims made directly or indirectly by the holder of an air or sea waybill where cargo has been delivered without prior verification of the identity of the consignee unless you can show that you reasonably believed the party to whom the cargo was delivered was the named consignee under the air or sea waybill and that the delivery was solely the result of a negligent act or omission.

Cargo is not usually released in exchange for an original air or sea waybill. Usually, cargo is released upon the consignee identifying themselves as the consignee on the waybill. Therefore deliberate release without making any checks would be considered a commercial risk.

13.28.2 Paperless trading

You are not insured for risks arising from your participation in any system of paperless trading documentation including but not limited to electronic bills of lading except those approved by the International Group of P&I Clubs or approved by the managers and entered in your Certificate of Entry.

It is your responsibility to ensure that all electronic trade documentation systems and practices adhere to the latest

Update following the Electronic Trade Documents Act 2023 – which essentially allows the legal recognition of, amongst other documents, electronic bills of lading.



<p><u>legal standards and industry best practices including those applicable under the Electronic Trade Documents Act 2023.</u></p>	
<p>13.32.3 Notwithstanding anything in the Rules to the contrary, <u>the Club</u> may, where continuing to provide insurance to <u>you</u> could in anyway whatsoever expose or risk exposing <u>the Club and/or ITIICE</u> (or any fronting insurer or reinsurer or financial institution) to violating or becoming subject to any sanction, embargo, prohibition, restriction or adverse action in any form whatsoever by any state, competent authority or government, decide to:</p>	<p><i>Updated due to ITIC having a subsidiary insurer and insureds of the subsidiary being corporate members of ITIC.</i></p>
<p>at any time <u>the Club</u> determines it (<u>or any other person referred to above</u>) is exposed to such risk, terminate <u>your</u> cover with immediate effect by written notice.</p>	<p><i>As above</i></p>
<p>13.38 Commercial misjudgment</p> <p><u>You are not insured for any risk arising directly or indirectly due to the consequences of commercial misjudgment whether in contract or in tort.</u></p>	<p><i>Clarification. This provision has always appeared in the Certificate of Entry of commercial managers and it was considered prudent to place it in the Rules for all members. "Commercial Misjudgment" is now defined in the Part 11 "Interpretations".</i></p>
<p>Rule 16 Period of insurance and renewal</p>	
<p>16.5 Break clause</p> <p><u>If the period of insurance stated in your Certificate of Entry is for a period of longer than 12 months, then the managers shall have the right to review the policy terms and premium six weeks prior to the end of every account year. If amended terms and/or premium are agreed, these are to apply from the start of the next account year unless otherwise agreed. If any new terms and/or premium cannot be agreed then you and the Club have the right to terminate the policy with effect from the end of the active current account year upon the giving of notice in writing no later than 2 weeks prior to the expiry of the active current account year. In the absence of either party serving a notice of termination, then the new terms will apply with effect from the start of the new account year.</u></p> <p>16.56 This Rule 16 is without prejudice to the provisions of Rules 17, 18 and 19.</p>	<p><i>All policies longer than 12 months contain a break clause in the individual certificate of entry. It was felt prudent to add this clause to the Rules generally. For accounting purposes, ITIC needs to show that all policies are subject to a break clause at the end of every 12 month "account year" – even if such a clause is never in fact exercised.</i></p>
<p>Rule 18 Cesser or suspension of insurance and membership of the Club</p>	
<p>18.2 Cesser or suspension of insurance at option of the Club</p> <p>18.2.1 If the Club is notified under Rule 17.2 or becomes aware of any matter which the Directors consider in their discretion, alters the nature of the risk insured, the Directors may give you 14 days' notice in writing:</p> <p>...</p> <p>(b) that <u>your</u> insurance will be terminated from such date (<u>in which case the provisions of Rule 1.2.4 shall apply</u>). This includes (but is not limited to) circumstances where <u>the Directors</u> consider</p>	<p><i>Updated due to ITIC having a subsidiary insurer and insureds of the subsidiary being corporate members of ITIC.</i></p>



<p>that the risk is fundamentally different from that originally disclosed.</p>	
<p>18.2.2 If the Club is notified or becomes aware of: ... the Directors may in writing (where it is possible to do so) terminate the insurance with immediate effect (<u>in which case the provisions of Rule 1.2.4 shall apply</u>) or suspend the insurance.</p>	<p><i>As above</i></p>
<p>18.3 Cesser of insurance for failure to pay</p> <p>18.3.2 Any failure to comply with this notice may result in your insurance being cancelled as of the commencement date without further notice (<u>in which case the provisions of Rule 1.2.4 shall apply at the time of such cancellation</u>). Such cancellation is without prejudice to any other remedies available to the Club by virtue of these Rules or by law.</p>	<p><i>As above</i></p>
<p>Rule 19 Contribution by way of premium</p>	
<p>19.2 Premium</p> <p>19.2.1 ITIC is a mutual <u>in which members (and insureds of ITIICE)</u> insure each other through the Club or its wholly-owned subsidiary, ITIICE, against liabilities and costs insured under these Rules <u>and the ITIICE Rules, respectively</u>, which any of them may become liable to pay.</p>	<p><i>Updated due to ITIC having a subsidiary insurer and insureds of the subsidiary being corporate members of ITIC.</i></p>
<p>Rule 30 Notices</p> <p>30.1 To the Club</p> <p>A notice to be served on the Club may be served by: (a) sending it through the post in a pre-paid letter <u>addressed to the Club at its registered address from time to time</u>; or ...</p>	<p><i>For clarification</i></p>
<p>30.3 Date of service</p> <p>Any document if served by post shall be deemed to have been served on the second day following the day on which the letter was posted, if <u>posted and</u> sent to an address in the United Kingdom and otherwise on the seventh day following the day on which the said letter was posted.</p> <p>Evidence that the letter was properly addressed and put into the post in a pre-paid envelope serves as proof that the letter was properly served. Any notice served by email will be <u>considered served on the business day it is sent provided it is sent by 5pm London time, otherwise it will be deemed served on the next business day, deemed to have been served at the time it is sent (provided that the email was not automatically returned by the recipient's email address), save for where it is sent (i) after 5pm on a usual working day in the place of</u></p>	<p><i>As above</i></p>



<p><u>receipt, or (ii) on a day which is not a usual working day in the place of receipt, in which case it will be deemed to have been served on the next usual working day in the place of receipt.</u></p>	
<p>Rule 34 Interpretations</p>	
<p><u>commercial misjudgment</u></p> <p><u>A poor business decision, unless specifically due to the negligence of the member in the provision of insured services to a client.</u></p>	<p>See Rule 13.38</p>
<p>controller</p> <p>Any director, board member, commissioner, president, vice president, senior managerial employee or autonomous employee, partner, including salaried partner, or sole trader <u>or any individual employed by you and/or by any affiliated, related or subsidiary company, who in fact exercises control over you or over the operations giving rise to a claim.</u></p>	<p><i>To include individuals that exercise control over a member’s operations even where they may not be employed directly by the member facing the claim or may not hold a senior title despite controlling the relevant operations.</i></p>
<p>corporate member</p> <p><u>A firm admitted as a member of the Club in accordance with the Articles of Association.</u></p>	<p><i>Updated due to ITIC having a subsidiary insurer and insureds of the subsidiary being corporate members of ITIC.</i></p>
<p>ITIICE</p> <p><u>International Transport Intermediaries Insurance Company (Europe) Limited, a company incorporated in the Republic of Cyprus with registered number HE451137.</u></p>	<p><i>As above</i></p>
<p>ITIICE Articles</p> <p><u>the Memorandum and Articles of Association of ITIICE from time to time.</u></p>	<p><i>As above</i></p>
<p>ITIICE Rules</p> <p><u>the Rules of ITIICE from time to time.</u></p>	<p><i>As above</i></p>