

AMENDMENTS FOR 2019/2020 TO THE RULES OF THE PROTECTING & INDEMNITY CLASS, THE FREIGHT, DEMURRAGE AND DEFENCE CLASS AND THE WAR RISKS CLASS OF THE NORTH OF ENGLAND PROTECTING AND INDEMNITY ASSOCIATION LIMITED

Following consultation with the Members Board, the changes to the Rules of the P&I (Appendix A), FD&D (Appendix B) and War Risks (Appendix C) Classes detailed in this document were approved at the Meeting of the Board of Directors on Wednesday 16 January 2019 and will be effective from noon GMT on 20 February 2019.

New wording is in **red and underlined** and existing wording to be deleted is in **red and scored through**.

The Rule changes are required as a result of the future termination of the United Kingdom's membership of the European Union, to:

1. reflect the new group structure whereby non-EEA risks will continue to be underwritten by North but EEA risks will be underwritten by the Irish subsidiary, North of England P&I Designated Activity Company (North EU);
2. provide that mutual policyholders of North EU will acquire corporate membership rights in North in order to ensure continuity of North's existing ownership structure; and
3. enable the same rules to be incorporated into the contracts of insurance issued by both North and North EU.

The proposed amendments do not impact upon the scope or terms of cover provided under the Rules.

Appendix A

Amendments to the P&I Rules

Rule	Amendment
Contents Page	Rule 1 Memorandum and Articles of Association
1.	Memorandum and Articles of Association These Rules are subject to the Memorandum and A articles of A association of The North of England Protecting and Indemnity Association Limited.
2(1)	Reference in these Rules to the “Association”, shall mean North UK and/or North EU (as appropriate); however North UK and North EU shall have the power to act jointly and severally to enforce any rights under the Rules but shall be severally liable and not jointly liable for any obligations owed by the other under the Rules to a Member or any other third party.
2(1)	ARTICLES OF ASSOCIATION The articles of association for the time being of North UK.
2(1)	THE ASSOCIATION North UK and/or North EU (as appropriate). The North of England Protecting and Indemnity Association Limited.
2(1)	THIS CLASS Class 1 – Protecting and Indemnity of the Association.
2(1)(d)	DIRECTORS The D irectors for the time being of the Association or as the context may require those Directors present at a duly convened meetings of the D irectors of North UK or North EU at which a quorum is present.
2(1)	ENTRY The insurance in respect of any one Entered Ship of all parties insured under any one contract of insurance (with one Certificate of Entry) between the Association North UK or North EU and a Member (other than an insurer reinsured by the Association North UK or North EU) or between such reinsured insurer and its member.
2(1)	THE MANAGERS The m anagers for the time being of the Association including the Managing Director chief executive officer of North UK and North EU.
2(1)	MEMBER A Member of the Association North UK as defined in the Articles of Association as a result of being a m Member of this Class of the Association. Where the context permits, Member shall include a former Member.
2(1)	NORTH EU North of England P&I Designated Activity Company, a designated activity company limited by shares incorporated in Ireland, which is a wholly owned subsidiary of North UK.
2(1)	NORTH UK The North of England Protecting and Indemnity Association Limited, a private company limited by guarantee incorporated in England and Wales.

4(1)(a)	Every person whose application to enter a Ship in this Class of the Association for the insurance of his interest in that Ship is accepted shall (if not already a Member of the Association) be and shall become a Member as from the date of the acceptance of his application.
4(3)	Subject always to Rule 4(4) and Rule 6 any person who is or becomes a M member of this Class shall be and remain a member of North of England (Bermuda) subject always to the provisions of the Memorandum of Association, Bye-laws and Rules thereof for the time being in force. Accordingly, subject as aforesaid, it is a condition of:
6(1)	These Rules and all contracts of insurance made by the Association North UK or North EU shall be subject to and incorporate the provisions of the Marine Insurance Act 1906 and the Insurance Act 2015 and any statutory modifications thereof except insofar as such Acts or modifications may have been expressly excluded by these Rules or by any term of such contract.
6(2)(c)	Section 11 of the Act is excluded. As a result the Rules and all terms of the contract of insurance between the Association North UK or North EU and the Member and any Insured Party, including terms which tend to reduce the risk of loss of a particular kind, loss at a particular location and/or loss at a particular time, must be strictly complied with and if the Member or any Insured Party fails to comply with any such term, the Association's liability may be excluded, limited or discharged in accordance with these Rules notwithstanding that the breach could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.
6(2)(d)	Section 13 of the Act is excluded. As a result the Association North UK or North EU shall be entitled to exercise its right to terminate the contract of insurance in respect of the Member and all Insured Parties in the event that a fraudulent claim is submitted by or on behalf of the Member and/or any Insured Party and/or any affiliated or associated company of the Member.
6(2)(e)	Section 13A of the Act is excluded. As a result the Rules and the insurance contract between the Association North UK or North EU and the Member and any Insured Party shall not be subject to nor shall the Association or the Managers be in breach of any implied term that they will pay any sums due in respect of a claim within a reasonable time save where the breach is deliberate or reckless and Section 13A of the Act is excluded to this extent.
6(2)(f)	Section 14 of the Act is excluded. As a result, the contract of insurance between the Association North UK or North EU , the Member and any Insured Party shall be deemed to be a contract of the utmost good faith, and any breach of the duty of the utmost good faith shall entitle the Association to avoid the contract of insurance.
7(2)	All particulars and information given in the course of applying for insurance shall, if the entry of the relevant Ship be accepted, be deemed to form part of the contract of insurance between the Member and the Association North UK or North EU and it shall be a condition precedent of such insurance that all such particulars and information were true so far as was within the Member's knowledge or could with reasonable diligence have been ascertained.
7(7)	The Managers may in their discretion and without giving any reason refuse an application by any person for entry of a Ship in this Class whether or not that person is already a Member of the Association .
9(1)(a)	The Managers may accept an application from a Member for another person or persons to become joint member(s) in respect of that Member's entry.

	In such a case, the Managers may agree that none, one or more of such persons may become Members of the Association.
11(3)(b)	PROVIDED ALWAYS THAT in Rule 11(3) if before the end of any Policy Year these Rules shall have been altered in any respect which affects the terms and conditions of the contract of insurance between the Member and the Association North UK or North EU , then such alteration shall be binding upon the Member and for all purposes take effect as from the commencement of the next ensuing Policy Year.
12(1)(c)	such transfers to reserves or provisions of the Association as the Directors may deem it expedient to make, including transfers to reserves and provisions in respect of any deficiency which has occurred or which may be thought likely to occur in respect of any Closed Policy Year as the Directors think fit;
13(4)	LEVY OF OVERSPILL CALL THE DIRECTORS SHALL LEVY ANY SUCH OVERSPILL CALL The Directors shall levy any such Overspill Call:
14(3)	No amount of any kind whatsoever due or alleged to be due by the Association North UK and/or North EU to the Member or for the avoidance of doubt by North of England (Bermuda) to the Member in his capacity as a member of North of England (Bermuda) shall constitute any set-off against the Contributions, Fixed Premiums or other sums of whatsoever nature due to the Association North UK and/or North EU or shall entitle a Member to withhold or delay payment of any such Contributions, Fixed Premiums or sums.
17(3)	If a Member whose Entered Ship or Ships cease for any reason to be insured by the Association fails to pay when due and demanded by the Managers any Release Call agreed or assessed under Rule 16, or any other sum due by way of Contribution, Fixed Premium or otherwise, he may be served with a notice by or on behalf of the Managers of the Association requiring him to pay such sum on or before any date which may be specified in such notice. If he then fails to pay such sum in full on or before the date so specified, then the Association shall not be liable for any claims under these Rules unless the incident giving rise to such claim occurred during a Policy Year which had been closed, in accordance with Rule 42(5), at the time of the cesser of insurance.
19(22)	Subject always to the Memorandum and Articles of Association of the Association , and save insofar as expressly prohibited by these Rules, the Managers may insure a Member against the risks specified in these Rules whether or not such risks arise in connection with an Entered Ship (notwithstanding the provisions of Rule 3(1)).
47(1)	No insurance given by the Association and no interest under these Rules or under any contract between the Association North UK or North EU and any Member, may be assigned without the written consent of the Managers who shall have the right in their discretion to give or refuse such consent without stating any reason or to give such consent upon any such terms or conditions as they may think fit.
47(2)	The Association shall be entitled before making any payment to an assignee to deduct or retain such amount as the Managers may then estimate to be sufficient to discharge any liabilities or potential liabilities of the Member to the Association North UK and/or North EU.
48(1)	Whenever any power, duty or discretion is stated in these Rules to be vested in the Directors such power, duty or discretion shall be exercisable by the Directors unless the same shall have been delegated to any sub-committee of the Directors or to the

	Managers or to the Members Board (as the case may be) in accordance with the provisions as regards delegation contained in the <u>Memorandum and Articles of Association of the Association</u> in which event the power, duty or discretion may be exercised by any person to whom the same shall have been so delegated.
48(2)	Whenever any power, duty or discretion is stated in these Rules to be vested in the Members Board such power, duty or discretion shall be exercisable by the Members Board unless the same shall have been delegated to any committee of the Members Board or to the Managers (as the case may be) in accordance with the provisions as regards delegation contained in the <u>Memorandum and Articles of Association of the Association</u> in which event the power, duty or discretion may be exercised by any person to whom the same shall have been so delegated.
50(1)	A notice or other document required under these Rules to be served on the the Association may be served in writing by sending it through the post in a prepaid letter or by sending it by courier, facsimile, email (to general@nepia.com) or other electronic communication addressed to <u>North UK or North EU (as appropriate) the Association or at North UK's at the Association's</u> registered office for the time being.
50(4)	The successors of anyone who is or was at any time an Insured Party <u>of the Association</u> shall be bound by a notice or other document served as aforesaid if sent to the last such address of the member or of his broker or agent notwithstanding that the Association may have notice of the Insured Party's death, disability, lunacy, bankruptcy or liquidation.
51	These Rules and any contract of insurance between <u>the Association North UK or North EU</u> and a Member shall be governed by and construed in accordance with English law, subject to the right of the Association under Rule 49(3) to enforce its right of lien in any jurisdiction in accordance with the local law of such jurisdiction.

Appendix B

Amendments to the FD&D Rules

Rule	Amendment
Contents Page	Rule 1 Memorandum and Articles of Association
1.	Memorandum and Articles of Association These Rules are subject to the Memorandum and A articles of A association of The North of England Protecting and Indemnity Association Limited.
2	Reference in these Rules to the “Association”, shall mean North UK and/or North EU (as appropriate); however North UK and North EU shall have the power to act jointly and severally to enforce any rights under the Rules but shall be severally liable and not jointly liable for any obligations owed by the other under the Rules to a Member or any other third party.
2	ARTICLES OF ASSOCIATION The articles of association for the time being of North UK.
2	THE ASSOCIATION North UK and/or North EU (as appropriate). The North of England Protecting and Indemnity Association Limited.
2	THIS CLASS Class 2 –Freight, Demurrage and Defence. of the Association.
2	DIRECTORS The D irectors for the time being of the Association or as the context may require those Directors present at a duly convened meetings of the D irectors of North UK or North EU at which a quorum is present.
2	ENTRY The insurance in respect of any one Entered Ship of all parties insured under any one contract of insurance (with one Certificate of Entry) between the Association North UK or North EU and a Member (other than an insurer reinsured by the Association North UK or North EU) or between such reinsured insurer and its member.
2	THE MANAGERS The m anagers for the time being of the Association including the Managing Director chief executive officer of North UK and North EU.
2	MEMBER A Member of the Association North UK as defined in the Articles of Association as a result of being a m Member of this Class of the Association. Where the context permits, Member shall include a former Member.
2	NORTH EU North of England P&I Designated Activity Company, a designated activity company limited by shares incorporated in Ireland, which is a wholly owned subsidiary of North UK.
2	NORTH UK The North of England Protecting and Indemnity Association Limited, a private company limited by guarantee incorporated in England and Wales.
4(1)(a)	Every person whose application to enter a Ship in this Class of the Association for the insurance of his interest in that Ship shall (if not already a Member

	of the Association) be and shall become a Member as from the date of the acceptance of his application.
4(3)	Subject always to Rule 4(4) and Rule 6 any person who is or becomes a M member of this Class shall be and remain a member of North of England (Bermuda) subject always to the provisions of the Memorandum of Association, Bye-laws and Rules thereof for the time being in force. Accordingly, subject as aforesaid, it is a condition of: (i) continuation of m Memberships of this Class;
6(1)	These Rules and all contracts of insurance made by the Association North UK or North EU shall be subject to and incorporate the provisions of the Marine Insurance Act 1906 and the Insurance Act 2015 and any statutory modifications thereof except insofar as such Acts or modifications may have been expressly excluded by these Rules or by any term of such contract.
6(2)(c)	Section 11 of the Act is excluded. As a result the Rules and all terms of the contract of insurance between the Association North UK or North EU and the Member and any Insured Party, including terms which tend to reduce the risk of loss of a particular kind, loss at a particular location and/or loss at a particular time, must be strictly complied with and if the Member or any Insured Party fails to comply with any such term, the Association's liability may be excluded, limited or discharged in accordance with these Rules notwithstanding that the breach could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.
6(2)(d)	Section 13 of the Act is excluded. As a result the Association North UK or North EU shall be entitled to exercise its right to terminate the contract of insurance in respect of the Member and all Insured Parties in the event that a fraudulent claim is submitted by or on behalf of the Member and/or any Insured Party and/or any affiliated or associated company of the Member.
6(2)(e)	Section 13A of the Act is excluded. As a result the Rules and the insurance contract between the Association North UK or North EU and the Member and any Insured Party shall not be subject to nor shall the Association or the Managers be in breach of any implied term that they will pay any sums due in respect of a claim within a reasonable time save where the breach is deliberate or reckless and Section 13A of the Act is excluded to this extent.
6(2)(f)	Section 14 of the Act is excluded. As a result, the contract of insurance between the Association North UK or North EU , the Member and any Insured Party shall be deemed to be a contract of the utmost good faith, and any breach of the duty of the utmost good faith shall entitle the Association to avoid the contract of insurance.
7(2)	All particulars and information given in the course of applying for insurance shall, if the entry of the relevant Ship be accepted, be deemed to form part of the contract of insurance between the Member and the Association North UK or North EU and it shall be a condition precedent of such insurance that all such particulars and information were true so far as was within the Member's knowledge or could with reasonable diligence have been ascertained.
7(6)	The Managers may in their discretion and without giving any reason refuse an application by any person for entry of a Ship in this Class whether or not that person is already a Member of the Association.
9(1)(a)	The Managers may accept an application from a Member for another person or persons to become joint member(s) in respect of that Member's entry. In such a case, the Managers may agree that none, one or more of such persons may

	become Members of the Association.
11(3)(b)	PROVIDED ALWAYS THAT in Rule 11(3) if before the end of any Policy Year these Rules shall have been altered in any respect which affects the terms and conditions of the contract of insurance between the Member and the Association, North UK or North EU then such alteration shall be binding upon the Member and for all purposes take effect as from the commencement of the next ensuing Policy Year.
12(1)(c)	Such transfers to reserves or provisions of the Association as the Directors may deem it expedient to make, including transfers to reserves and provisions in respect of any deficiency which has occurred or which may be thought likely to occur in respect of any closed Policy Year as the Directors think fit.
14(3)	No amount of any kind whatsoever due or alleged to be due by the Association North UK and/or North EU to the Member or for the avoidance of doubt by North of England (Bermuda) to the Member in his capacity as a member of North of England (Bermuda) shall constitute any set-off against the Contributions, Fixed Premiums or other sums of whatsoever nature due to the Association North UK and/or North EU or shall entitle a Member to withhold or delay payment of any such Contributions, Fixed Premiums or sums.
30(2)	For the purpose of determining whether any (and if so, what) sum is due for the purposes of Rule 30(1) or otherwise under these Rules no account shall be taken of any amount due or alleged to be due by the Association North UK and/or North EU or, for the avoidance of doubt, by North of England (Bermuda) to the Member in his capacity as a member of North of England (Bermuda) for any reason whatsoever, and no set-off of any kind (including any set-off which might otherwise have arisen by reason of the bankruptcy or winding up of the Member) shall be allowed against such sum (whether or not any set-off against Contributions or Fixed Premiums has been allowed at any time in the past) except to the extent (if any) to which any sum demanded by the Managers as due, and required to be paid in a notice served under Rule 27(c) (Cesser for Non-Payment) may (in the Managers' discretion) in itself have already allowed for a set-off or credit in favour of the Member.
36(1)	No insurance given by the Association and no interest under these Rules or under any contract between the Association North UK or North EU and any Member, may be assigned without the written consent of the Managers who shall have the right in their discretion to give or refuse such consent without stating any reason or to give such consent upon any such terms or conditions as they may think fit.
37(1)	Whenever any power, duty or discretion is stated in these Rules to be vested in the Directors such power, duty or discretion shall be exercisable by the Directors unless the same shall have been delegated to any sub-committee of the Directors or to the Managers or to the Members Board (as the case may be) in accordance with the provisions as regards delegation contained in the Memorandum and Articles of Association of the Association in which event the power, duty or discretion may be exercised by any person to whom the same shall have been so delegated.
37(2)	Whenever any power, duty or discretion is stated in these Rules to be vested in the Members Board such power, duty or discretion shall be exercisable by the Members Board unless the same shall have been delegated to any committee of the Members Board or to the Managers (as the case may be) in accordance with the provisions as regards delegation contained in the Memorandum and Articles of Association of the Association in which event the power, duty or discretion may be exercised by any person to whom the same shall have been so delegated.

39(1)	A notice or other document required under these Rules to be served on the Association may be served in writing by sending it through the post in a prepaid letter or by sending it by courier, facsimile, email (to general@nepia.com) or other electronic communication addressed to the Association North UK or North EU (as appropriate) at the Association's or at North UK's registered office for the time being.
39(4)	The successors of anyone who is or was at any time an Insured Party of the Association shall be bound by a notice or other document served as aforesaid if sent to the last such address of the member or of his broker or agent notwithstanding that the Association may have notice of the Insured Party's death, disability, lunacy, bankruptcy or liquidation.
40	These Rules and any contract of insurance between the Association North UK or North EU and a Member shall be governed by and construed in accordance with English law, subject to the right of the Association under Rule 38(2) to enforce its right of lien in any jurisdiction in accordance with the local law of such jurisdiction.

Appendix C

Amendments to the War Risks Rules

Rule	Amendment
0	<u>Reference in these Rules to the “Association”, shall mean North UK and/or North EU (as appropriate); however North UK and North EU shall have the power to act jointly and severally to enforce any rights under the Rules but shall be severally liable and not jointly liable for any obligations owed by the other under the Rules to a Member or any other third party.</u>
0	THE ARTICLES OF ASSOCIATION The a Articles of a A ssociation for the time being of the Association North UK.
0	THE ASSOCIATION <u>North UK and/or North EU (as appropriate). The North of England Protecting and Indemnity Association or this Class of the Association as the context may require.</u>
0	THIS CLASS Means Class III – war risks <u>of the Association.</u>
0	DIRECTORS the D irectors for the time being of the Association or as the context may require those Directors present at a duly convened meetings of the D irectors <u>of North UK or North EU</u> at which a quorum is present.
0	THE MANAGERS means the m anagers for the time being of the Association <u>including the chief executive officer of North UK and North EU.</u>
0	MEMBER <u>A Member of North UK as defined in the Articles of Association as a result of being a member of this Class of the Association. Where the context permits, Member shall include a former Member.</u> means a Member for the time being of this Class of the Association.
0	MEMBERS BOARD has the meaning given to it in Article 2 of the Association’s Articles of Association.
0	<u>NORTH EU</u> <u>North of England P&I Designated Activity Company, a designated activity company limited by shares incorporated in Ireland, which is a wholly owned subsidiary of North UK.</u>
0	<u>NORTH UK</u> <u>The North of England Protecting and Indemnity Association Limited, a private company limited by guarantee incorporated in England and Wales.</u>
4.E.13	Without prejudice to anything elsewhere contained in these Rules, the Association shall be entitled to set off any amount due from an Insured Owner against any amount due to such Insured Owner from the Association North UK and/or North EU.
6.2	An Owner or other person (including an insurer to be reinsured under Rule 12) by whom or on whose behalf an application is made for insurance or reinsurance by the Association shall be deemed to have agreed not only on his own behalf but also on behalf of his Successors and each of them that both he and they will in every respect be subject to and bound by the provisions of these Rules and by any policy or contract of insurance with the Association North UK or North EU.

7.2	The Managers shall be entitled, in their discretion and without assigning any reason, to refuse any application for insurance whether or not the Owner is a Member. of the Association.
8	When applying for insurance or on the renewal of any insurance, an Owner or Insured Owner shall furnish or disclose to the Managers all such particulars and information as may be material to the insurance given by the Association or as the Managers may require. It shall be a condition precedent to the liability of the Association North UK or North EU under any policy or contract of insurance that in the course of all such applications and negotiations the Owner or the Insured Owner has disclosed all such particulars and information as he ought to have disclosed, and that all the particulars and information disclosed by him were true so far as he and his servants and agents knew or could with reasonable diligence have ascertained.
16.1	If before the end of any Policy Year these Rules shall have been altered in any respect which affects the terms and conditions of the policy or contract of insurance between the Insured Owner and the Association North UK or North EU , then such alteration shall be binding upon the Insured Owner and for all purposes take effect as from the commencement of the next ensuing Policy Year.
44.2	Wherever any discretion or power is granted to the Directors or the Members Board (as the case may be) under these Rules, and notwithstanding any provision in these Rules or the Articles of Association to the contrary, the Directors or the Members Board (as the case may be) shall in exercising any such discretion or power with respect to any matter in any way affecting insurance against Queen's Enemy Risks or the recovery of any claim in respect thereof have regard to or take into account or act in accordance with the views or wishes or requirements of the Secretary of State and the Association may by agreement with the Secretary of State bind the Directors or the Members Board (as the case may be) not to exercise such discretions or powers without the consent of the Secretary of State and in such circumstances the discretions and powers shall not be exercised by the Directors or the Members Board (as the case may be) without such consent.
47.1	A notice or other document required under these Rules to be served on the Association may be served by sending it through the post in a prepaid letter or by sending it by telegram , cable, courier, telex , facsimile, <u>email (to general@nepia.com)</u> or other electronic communication addressed to the Association North UK or North EU (as appropriate) at the Association's or at North UK's registered office for the time being.
47.2	A notice or other document required under these Rules to be served on an Insured Owner may be served by sending it through the post in a prepaid letter or by sending it by telegram, cable, courier, telex , facsimile, <u>email</u> or other electronic communication addressed to such Insured Owner at his address as appearing in the Register or to his broker or agent. In the case of Joint Insured Owners notice shall be served on any such Insured Owner or on his broker or agent and such service shall be sufficient service upon all the Joint Insured Owners.
47.3	Any <u>such</u> notice or other document, if served by post or courier, shall be deemed to have been served on the day following the day on which the letter containing the same was put in the post or handed to the courier and in proving such service it shall be sufficient to prove that the letter containing the notice or other document was properly addressed and put into the post in a pre-paid letter or handed to the courier. Any such notice or other document served

	by facsimile, email or other electronic communication, shall be deemed to have been served on the day on which it was despatched and in proving such service it shall be sufficient to prove that such facsimile, email or other electronic communication was duly despatched.
48.1	These Rules and all contracts of insurance made by the Association North UK or North EU shall be subject to and incorporate the provisions of the Marine Insurance Act 1906 and, upon its entry into force, the Insurance Act 2015 of the United Kingdom and any statutory modifications thereof except insofar as such Acts or modifications may have been expressly excluded by these Rules or by any term of such contract.
48.2.3	Section 11 of the Act is excluded. As a result the Rules and all terms of the contract of insurance between the Association North UK or North EU and the Member and any Joint Insured Owner, including terms which tend to reduce the risk of loss of a particular kind, loss at a particular location and/or loss at a particular time, must be strictly complied with and if the Member or any Joint Insured Owner fails to comply with any such term, the Association's liability may be excluded, limited or discharged in accordance with these Rules notwithstanding that the breach could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.
48.2.4	Section 13 of the Act is excluded. As a result the Association North UK or North EU shall be entitled to exercise its right to terminate the contract of insurance in respect of the Member and all Joint Insured Owners in the event that a fraudulent claim is submitted by or on behalf of the Member and/or any Joint Insured Owner and/ or any affiliated or associated company of the Member.
48.2.5	Section 13A of the Act is excluded. As a result the Rules and the insurance contract between the Association North UK or North EU and the Member and any Joint Insured Owner shall not be subject to nor shall the Association or the Managers be in breach of any implied term that they will pay any sums due in respect of a claim within a reasonable time save where the breach is deliberate or reckless and Section 13A of the Act is excluded to this extent.
48.2.6	Section 14 of the Act is excluded. As a result, the contract of insurance between the Association North UK or North EU , the Member and any Joint Insured Owner shall be deemed to be a contract of the utmost good faith, and any breach of the duty of the utmost good faith shall entitle the Association to avoid the contract of insurance.
49	These Rules and any policy or contract of insurance between the Association North UK or North EU and an Insured Owner shall be governed by and construed in accordance with English law.