



Notice to Members No.3 2004/2005

April 2004

Dear Sirs

THE ISPS CODE AND CLUB COVER

Members are reminded that the International Ship and Port Facility Security (ISPS) Code requires companies to have obtained from the relevant flag state an International Ship Security Certificate for each applicable vessel on or before 1 July 2004. By now, progress towards obtaining such certification should be well advanced and Members with a significant amount of work still to complete may need to devote considerable resources towards finishing this important task in time.

Although it is difficult to gauge how certain aspects of the ISPS Code may work in practice, it is known that some countries, most notably the United States, will be operating a strict policy of "zero tolerance" after the deadline has passed. Vessels found to be lacking an International Ship Security Certificate after 1 July 2004 may be delayed, detained, denied entry to or expelled from port.

Members should also be mindful of Rule 20 G which reads:

Unless otherwise agreed in writing by the Managers, it is a condition of cover that every Member insured in respect of an insured vessel shall at all times maintain the validity of such statutory certificates as are issued in respect of such vessel by or on behalf of the state of the vessel's flag.

Unless the Committee otherwise determines no claim shall be recoverable from the Association in respect of events occurring during any period in which the validity of such certificates is not maintained.

Consequently, a Member who does not maintain a valid International Ship Security Certificate in respect of an entered vessel may not be insured by the Association and any claim arising during the period when such Certificate is not maintained may be recoverable only at the discretion of the Directors.

As in the past, Members seeking further guidance on any aspect of ISPS Code compliance may contact the Loss Prevention department for advice.

Yours faithfully
Assurance Foreningen Ltd

M W H Williams
Director