



NorthStandard

Rule Book  
2025/26

# FD&D Rules



# NorthStandard

FD&D Rules for the 2025/26 policy year of

**NorthStandard Limited**

**The Standard Club Asia Ltd**

**NorthStandard EU Designated Activity Company**

**The Standard Club Ireland Designated Activity Company**

# Contents

Section no.		Page no.
01	The FD&D Rules of NorthStandard Limited	1
	The FD&D Rules of The Standard Club Asia Ltd	12
	The FD&D Rules of NorthStandard EU Designated Activity Company	13
	The FD&D Rules of The Standard Club Ireland Designated Activity Company	14
02	Index to the FD&D Rules	15

# 01

## FD&D Rules

## Section A: Insurance

- 1.1 These rules, which are subject to the articles of association for the time being of NorthStandard Limited, contain the terms upon which FD&D 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, 10, 11, 12, 13, 14, 15, 16, 17, 18 (but not rule 18.8), 19, 20, 23, 24 and 25 of the P&I class, to the extent they are applicable and 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 provided that for the purposes of these rules "class" shall mean the FD&D class of the club, NorthStandard Limited and the club subsidiaries.
- 1.5 Notwithstanding anything in these rules, the members' board shall have full discretion as to what claims, actions, disputes, proceedings, defences, matters and things (together referred to in these rules as a "matter" or "matters") shall be undertaken by (or at the cost and expense of) this class, and has the right to control every such matter that may be undertaken. The members' board may direct and require any proceedings to be taken, any act to be done, or any course to be pursued in any matters as it shall from time to time think proper. In doing so the members' board shall keep in view the objects of this class. The managers shall advise the membership of the special circumstances and cases where the members' board has determined in the interests of the club that it will in its discretion decline to afford protection.

## Section B: Scope of cover, recovery and limits

- 2.1** The costs and expenses in respect of which a member is insured are those authorised by the managers in their discretion and incurred in pursuing or defending matters. Such costs and expenses include (at the managers' discretion) any which the member may be liable to pay to any third party under any order or agreement.
- 2.2** The costs and expenses must relate to a matter or matters arising during the period of the ship's entry in the club and must arise out of or in relation to the operation, ownership, management or chartering by the member of the ship.
- 2.3** A matter is deemed to have arisen:
- (1)** in claims arising out of contract (other than a building, purchase or sale agreement), in tort or under statute, when the cause of action accrues.
  - (2)** in claims arising out of a building, purchase or sale agreement at the date of signing the agreement.
  - (3)** in claims for salvage or towage services, when the agreement for the services was concluded, or the services were concluded, whichever is the earlier.
- 2.4** When considering whether to authorise any costs and expenses in respect of any matter, the managers will take into account, among other issues:
- (1)** the merits
  - (2)** the enforceability of any claim
  - (3)** the costs and expenses, actual or anticipated
  - (4)** the effect on the financial position of the class or club
  - (5)** whether the member exercised reasonable care in the operation, ownership, management or chartering of the ship.
- 2.5** The managers may, at any time, decline or limit the reimbursement of any costs and expenses in respect of any matter, notwithstanding that they may previously have authorised reimbursement in connection with the same matter.
- 2.6** 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.
- 2.7** 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 or that he may have to the club itself, whether under these rules or otherwise.
- 2.8** Unless and to the extent that the managers otherwise determine, and subject always to rule 3.15, the costs and expenses for which the member is insured shall be limited to US\$10 million any one matter.

- 2.9 Unless otherwise agreed in writing between the managers and the member as part of the terms on which the ship is entered in the club the member's recovery shall be subject to a deductible of 25% with a minimum of US\$10,000 any one matter.

## Section C: Risks covered

- 3** Costs and expenses in respect of matters properly brought by or improperly brought against a member in respect of the ship relating to:
  - 3.1** any charterparty, contract of affreightment, bill of lading or other contract
  - 3.2** general average
  - 3.3** detention or loss of use of, or delay to, the ship
  - 3.4** the provision of supplies, equipment, bunker fuel or other necessities
  - 3.5** maintenance of or repair to the ship to the extent not covered by the policies on hull & machinery or, in the case of charterer members, the policies on charterers' liability for damage to hull, or if covered, where the amount is below the relevant franchise or deductible in force on the member's policies
  - 3.6** loss of or damage to the ship to the extent not covered by the policies on hull & machinery or, in the case of charterer members, the policies on charterers' liability for damage to hull, or if covered, where the amount is below the relevant franchise or deductible in force on the member's policies

### Exclusion to rules 3.5 and 3.6

Unless otherwise agreed in writing as part of the terms upon which the ship is entered in the club, the club will only cover a member for costs and expenses in relation to a matter within any franchise or deductible under a hull & machinery or damage to 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 matter for owner members and US\$25,000 in respect of each matter for charterer members

- 3.7** cargo operations
- 3.8** charges, disbursements or accounts
- 3.9** amounts due from or to underwriters or brokers, but always excluding claims against the club, club subsidiaries, associated companies, agents, representatives or servants
- 3.10** salvage, pilotage or towage services rendered by or to the ship
- 3.11** actions taken or instigated by the crew of the ship against a member, their servants or the ship, and the prosecution of or recovering of damages and other claims from any such crew
- 3.12** the mortgage of the ship
- 3.13** representation at inquests, official investigations or enquiries
- 3.14** claims by or against any customs, port, governmental or local authority, or body acting under statutory powers
- 3.15** the building, modification, purchase or sale of the ship



### Exclusions to rule 3.15

- (1) Unless otherwise agreed between the member and the managers, cover in respect of such matters shall be limited to US\$1 million;
  - (2) Where a limit has been stipulated in respect of such matters, it applies in the aggregate to all matters 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) Unless otherwise agreed between the member and the managers, there shall be no cover for matters relating to building, modification or purchase agreements unless a copy of the building, modification or purchase agreement or proposed agreement is approved by the managers before the commencement of cover and not later than 7 days from the date of signing such agreement.
- 3.16** seeking changes to and improvement of existing laws, usages, and customs, which are prejudicial to shipowners, or seeking to delay or prevent the enactment of such laws or the establishment of such usages and customs
- 3.17** all other matters in respect of which a member should, in the opinion of the members' board, be supported by the club.

## Section D: Excluded risks

### Risks covered by insurances

- 4 In addition to the provisions of rule 4 of the P&I class, the club will not cover a member in respect of any of the costs and expenses 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 P&I class of NorthStandard Limited or other insurer affording equally wide cover;
  - (2) fully entered in the War Risks class of NorthStandard Limited or other insurer affording equally wide cover.
- 4.1 The club will not cover matters between insured parties, or their affiliated or associated companies.

# Section E: Obligations with regard to claims

## Notification

**5.1** A member must promptly notify the managers in writing:

- (1)** of every matter; and
- (2)** of every claim made by a third party against him

which may lead to a claim for recovery, and in all events no later than 12 months after the member or his agents become aware or ought reasonably to have been aware of such matter or claim.

**5.2** A member must submit his claim for reimbursement of any liabilities within 12 months of discharging or settling them, and must produce in support of each claim all information the managers may require.

## Documentation

**5.3** A member must notify the managers of any information or documentation in his power, custody, control or knowledge relevant to any matter and must, as soon as requested by the managers, give to the club and/or to the experts, lawyers or surveyors appointed to act on his behalf all such documentation and allow it to be inspected and copied. Such experts, lawyers or surveyors shall, without prior reference to the member, give advice and report to the club in connection with the matter and produce to the club any documentation or information as if they had been appointed to act on behalf of the club. Any advice they may give to the member is that of an independent contractor employed by the member and shall in no way bind the club.

**5.4** A member must allow the managers, or the appointed experts, surveyors or lawyers, to interview any person employed by the member whom the managers consider may have knowledge of the matter. If any such person is required to give evidence at any legal proceedings relating to a matter, the member will use his best endeavours to make sure he attends.

## Developments

**5.5** A member must keep the managers fully informed of the progress of any matter which will or may cause the member to incur liabilities for which he is or may be insured by the club in whole or in part, including any costs or expenses, and of any action proposed in relation to such matter.

## Settlement

- 5.6** A member must not settle, compromise or admit liability for any matter for which he is or may be insured by the club in whole or in part without the written approval of the managers or without complying with any requirements of the managers for making provision for any costs or expenses incurred by the club. If he does so, he will be liable to pay by way of indemnity to the club such sum as the managers may determine against the costs or expenses it may have been put to in respect of such matter.

## Recovery

- 5.7** Where the club has provided cover for any matter and a member has become entitled to a recovery, there shall be credited and paid to the club any amount recovered as costs, or where, for any reason, no sum is recovered in respect of costs or the sum recovered is less than the total amount paid and payable by the club, then the member shall pay such other or additional amount as is decided by the managers to represent a fair recovery of costs for the club from the principal amount recovered by the member. Any amount recovered as costs shall be applied in the following order: (i) against costs incurred by the club (or costs for which the club may be liable) in excess of those which attract the member's maximum deductible (if applicable); (ii) pro rata to the club's costs and costs liabilities and any deductible paid by the member in excess of its minimum deductible; and (iii) against the member's minimum deductible.

The provisions of this rule 5.7 shall apply whenever the club has provided cover for any matter, whether wholly or in part, and shall continue to apply notwithstanding withdrawal or cessation of membership or cover.

- 5.8** A member who incurs any costs or expenses without the agreement of the managers, or without the matter being conducted by an expert, surveyor or lawyer appointed or previously approved by the managers, will not be entitled to reimbursement of such costs or expenses by the club without the approval of the managers.

## Evidence

- 5.9** A member must not withhold or conceal any evidence which it is or may be relevant to disclose, or make any false statement. If such evidence is withheld or concealed or false statement is made, any liabilities already incurred or reimbursed by the club must be repaid by the member.

## Powers of the managers relating to the handling of claims

- 5.10** The managers have the right to control or direct the conduct of any matter relating to any liabilities in respect of which the member is or may be insured by the club in whole or in part, and in particular to direct the member to use a particular expert, surveyor or lawyer, who may be a lawyer in private practice or a lawyer employed by the club.

- 5.11** Where legal steps or other proceedings have been, are, or will be undertaken on behalf of the member by lawyers employed by the club, the members' board may, at any time and in its entire discretion, whether prospectively or retrospectively, require the member to pay the club for such legal services (whenever such services have been, are or will be rendered) and the member shall be under a liability to the club in respect of the same. The amount payable shall be determined by the managers at the conclusion of the legal steps or other proceedings. If any difference or dispute shall arise between the member and the club as to the reasonableness of the amount payable as determined by the managers, such difference or dispute shall, in the first instance, be referred to an independent legal costs draughtsman to be appointed by the club who will rule upon such dispute or difference, and determine the extent (if any) to which the amount for which the member is liable is to be reduced. Such reference and determination shall be on written submissions only.
- 5.12** The managers have the right to require the member to continue, settle, compromise or otherwise dispose of any matter in such manner as they see fit. If the member declines to act in accordance with the managers' decision, he shall bear the entire risk and expense of all past and future proceedings and shall have no claim whatsoever against the club for reimbursement.
- 5.13** The managers may at any time on notice to the member withdraw their approval of any expert, surveyor or lawyer appointed to act on behalf of the member; in such circumstances, the member will have no further entitlement to reimbursement of any of the costs or expenses of that expert, surveyor or lawyer unless and to the extent the members' board otherwise determines.
- 5.14** The managers may at any time appoint, on behalf of a member at the expense of the club subject to the applicable deductible, experts, surveyors or lawyers to deal with any matter which may result in liabilities in respect of which the member is or may be insured by the club in whole or in part.
- 5.15** Nothing said, seen or done by the surveyor appointed by the club or advice given prior to, during, or after survey and/or inspection shall be taken as in any way derogating from the member's responsibility for the safety and seaworthiness of the ship and its mandatory compliance with any classification, statutory, flag state or port state requirement or any other issues relating to the safety of the ship, its crew, cargo and any other person, places or entities which may be affected by the operation of the ship.

## Effect of non-compliance

- 5.16** If a member fails to comply with any requirement under this rule 5, the club shall not be under any obligation to reimburse him unless the members' board otherwise determines.

## Security

- 5.17** The club is under no obligation to provide security, including security for costs, on behalf of a member, but where it is provided it shall be on such terms as the managers consider appropriate and shall not constitute any admission of liability by the club for the claim in respect of which it is given.
- 5.18** A member on whose behalf the club has provided security or security for costs with or without the member's express authority, shall on demand replace the security or pay to the club a sum corresponding to the amount of such security whether or not such amount may be recoverable in whole or in part from the club.
- 5.19** In no case shall the club be liable for the detention of the ship, or for any other detention or attachment of a member's assets, or for any damage whatsoever caused to a member by reason of the provision or non-provision of security.
- 5.20** A member shall upon demand reimburse the club such sum or sums as the club has paid on his behalf or under security provided by the club to the extent that such payment is, in the opinion of the managers, in respect of liabilities not recoverable from the club.

# The Standard Club Asia Ltd.

## Rules of the FD&D Class

The rules of The Standard Club Asia Ltd. shall be the same as the rules of NorthStandard Limited amended, varied and supplemented as follows:

- 1 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.
- 2 The words 'and the articles' shall be inserted into rule 1.1 after the words 'NorthStandard Limited'.
- 3 The words "(as modified where they apply to the club)" shall be inserted into rule 1.3 after the words "P&I class".
- 4 The words "(as modified where they apply to the club)" shall be inserted into rule 1.4 after the words "P&I class".
- 5 The words "NorthStandard Limited" shall be inserted into rule 3.9 after the words "the club,".

# NorthStandard EU Designated Activity Company Rules of the FD&D Class

The rules of NorthStandard EU Designated Activity Company shall be the same as the rules of NorthStandard Limited amended, varied and supplemented as follows:

1. Unless the context otherwise requires, 'the club' means NorthStandard EU Designated Activity Company and references to 'the articles' shall be deemed to be references to the Memorandum and Articles of Association of the club.
2. The words 'and the articles' shall be inserted into rule 1.1 after the words 'NorthStandard Limited'.
3. The words "(as modified where they apply to the club)" shall be inserted into rule 1.3 after the words "P&I class".
4. The words "(as modified where they apply to the club)" shall be inserted into rule 1.4 after the words "P&I class".
5. The words "NorthStandard Limited" shall be inserted into rule 3.9 after the words "the club,".



# The Standard Club Ireland Designated Activity Company Rules of the FD&D Class

The rules of The Standard Club Ireland Designated Activity Company shall be the same as the rules of NorthStandard Limited amended, varied and supplemented as follows:

- 1 Unless the context otherwise requires, 'the club' means The Standard Club Ireland Designated Activity Company and references to 'the articles' shall be deemed to be references to the Memorandum and Articles of Association of the club.
- 2 The words 'and the articles' shall be inserted into rule 1.1 after the words 'NorthStandard Limited'.
- 3 The words "(as modified where they apply to the club)" shall be inserted into rule 1.3 after the words "P&I class".
- 4 The words "(as modified where they apply to the club)" shall be inserted into rule 1.4 after the words "P&I class".
- 5 The words "NorthStandard Limited" shall be inserted into rule 3.9 after the words "the club,".

# 02


## Index to the FD&D Rules


	Rule no.	Page no.
<b>FD&amp;D rules, scope of cover, recovery and limits</b>	<b>2</b>	<b>3</b>
bill of lading, breach of	3.1	5
building – ship	3.14	5
cargo operations	3.6	5
charges, accounts	3.7	5
charterparty, breach of	3.1	5
contract, breach of	3.1	5
crew and others	3.10	5
customs authorities	3.13	5
damage – ship	3.5	5
detention, delay	3.2	5
maintenance – ship	3.4	5
modification – ship	3.14	5
mortgage – ship	3.11	5
official investigations	3.12	5
omnibus	3.15	5
pilotage	3.9	5
purchase – ship	3.14	5
repair – ship	3.4	5
risks covered	3	5
sale – ship	3.14	5
salvage	3.9	5
supplies	3.3	5
towage services	3.9	5
underwriters, brokers	3.8	5




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