

**CODE OF PRACTICE BETWEEN THE INTERNATIONAL GROUP OF P&I CLUBS AND THE
INTERNATIONAL UNION OF MARINE INSURANCE**

The following understanding has been reached between the International Group of P&I Clubs (hereinafter called "Liability Underwriters") and members of the International Union of Marine Insurance (hereinafter called "Property Underwriters") in relation to all future casualty situations that may give rise to the need for third party salvage services.

1. In the event of a casualty or other occurrence giving rise to the insured vessel requiring assistance such as but not limited to a salvage response, the property underwriter will:
 - a. Suggest their assured to immediately notify their liability underwriter of the occurrence with details of its severity in terms of risk to property and potential third-party liabilities.
 - b. Encourage conclusion of any contractual arrangements with third party casualty response providers as soon as reasonably practicable.
 - c. Establish, where possible, a means of communication between the lead property underwriter(s) and the liability underwriter through identification of the IG P&I Club concerned from an IG of P&I Clubs Search facility such as at: www.igpandi.org/ship-search/.

2. In relation to salvage services under Lloyd's Standard Form of Salvage Agreement where the Special Compensation P&I Clubs (SCOPIC) Clause has been invoked by the contractor the following provisions will apply:-
 - a. Whereas the primary liability for paying the fees and disbursements of the Special Casualty Representative ("SCR") rests upon the owner of the vessel, it is agreed that the owner of the vessel shall be reimbursed such fees and disbursements, subject always to the Club Rules and the terms and conditions of Club cover and the terms of any insurance policy or policies covering the salvaged property, in the following proportions:-
 - 50% by Liability Underwriters;
 - 50% by Property Underwriters (subject to Clause 2b. hereof).
 - b. (i) Property Underwriters shall pay for 50% of the SCR's fees and disbursements in proportion to the salvaged value of the subject matter insured.

(ii) Should 50% of the SCR's fees and disbursements exceed the salvaged value of the ship and cargo less the Article 13 award, Liability Underwriters agree to reimburse such excess proportion of the said SCR's fees and disbursements to the owners of the vessel.
 - c. In the event the Liability Underwriters pay the fees and disbursements of the SCR on behalf of the owner of the vessel, the property underwriters will, where practicable, reimburse their above proportion of those fees and disbursements agreed by them, whether interim or final, directly to the liability underwriter concerned within 28 days of a payment request.

3. This is a Code of Practice which Liability Underwriters and Property Underwriters shall recommend to their Members and it is not intended that it should have any legal effect.

1.8.1999
1.9.2000
1.1.2005
18.3.2022