



The Nordic Marine
Insurance Plan of 2013
Version 2019

Based on the Norwegian Marine Insurance Plan of 1996, Version 2010

The Nordic Marine Insurance Plan of 2013, Version 2019

Main amendments to the Plan and Commentary:

The Plan:

With corresponding amendments to the Commentary

- (1) Clause 1-4A: The previous sub-clause 2 stated that the default choice of law for insurance contracts with a non-Nordic claims leader was Norwegian, but had no default regulation of jurisdiction for such insurance contracts. The amended sub-clause 2 states that disputes in such cases are referred to arbitration according to Cl. 1-4B.
- (2) Clause 1-4B: This new Clause is introduced as an optional arbitration clause for insurance contracts with Nordic claims leader and as the default jurisdiction clause for insurance contracts with non-Nordic claims leaders.
- (3) Clause 2-3: Sub-clause 2 is amended to not merely take into account market fluctuations, but to require a “change in the circumstances which formed the basis of the parties’ agreement of the insurable value” in order for either party to have the right to require a change in the agreed insurable value.
- (4) Clause 2-8: Letter (b) now deals with interventions of own State power “provided any such intervention is made for the furtherance of an overriding national political objective”. The provision is amended partly to extend the cover for such interventions and partly to clarify contradictions in the Commentary on the marine insurer’s liability for such interventions. Letter (c) now excludes “requisition by State power”. The reason for this is that with the narrower provision in the new letter (b) it is necessary to make a separate clause for requisition to emphasize that requisition for ownership for use by own State power is excluded regardless of the motive for the requisition. Expropriation, on the other hand, is now explicitly dealt with under letter (b).
- (5) Clause 2-9: Sub-clause 1, letter (b) and sub-clause 2 letters (a) and (c) are amended to clarify the distinction between the marine risk insurance and the war risks insurance for such interventions, to clarify several of the concepts used in letter (b), and to adjust the war risks cover to the criteria established in the Sira case. Similar to the revision of Cl. 2-8, letter (b) is divided so that expropriation is added to sub-clause 1,

letter (b) whilst requisition is addressed in a separate sub-clause, cf. sub-clause 2, letter (c).

- (6) Clause 4-5: The Clause has been amended to clarify the scope of cover for costs incurred in order to establish whether any recoverable loss has occurred after a casualty.
- (7) Clause 4-10: The Clause is amended to clarify that the assured always has the right to claim under the policy in respect of any physical damage to the vessel including sacrificial damage, and settle this concurrently with the particular average damage, thus not having to wait for a general average adjustment which often may take a long time to finalize.
- (8) Clause 5-4: Sub-clause 3 is amended with inclusion of a minimum interest rate of 2 percentage points independent of whether CIBOR, NIBOR or STIBOR is negative.
- (9) Clause 5-23: The previous reference in sub-clause 1 to “the master or the chief engineer of the ship” is deleted as it was considered inappropriate to apply such a wide identification. Consequently, the general identification rule in Cl. 3-36 to Cl. 3-38 apply also for notification of a casualty, and only the knowledge of the assured and those with whom he can be identified is relevant.
- (10) Clause 10-2: The Clause is amended to provide a broader cover for objects temporarily removed to be repaired.
- (11) Clause 15-11: In connection with the amendments made in Cl. 2-8 and Cl. 2-9 regarding cover for State intervention, the time-limit in subclauses 1 and 2, which sets out when the assured can claim total loss, is reduced from twelve to six months. The same amendment is made to Cl. 18-69.
- (12) Clause 16-1: The reinstatement clause in sub-clause 4 is new in this Version and automatically re-instates the policy to the original limit in case of a casualty during the policy period. The verbatim same amendment is made to Cl. 18-43.
- (13) Chapter 17: Chapter 17 is re-edited and is now split into three separate chapters. The “new” Chapter 17 only contains the rules relating to insurance of fishing vessels. The rules for other types of vessels with limited trading areas are singled out in a new Chapter 20. The same goes for the liability insurance, which is singled out as a standalone cover in a new Chapter 21.
- (14) Clause 18-90: The Clause is amended to give the assured an alternative option to claim for total loss compensation if costs of repairs amount to more than 80 % of the sum insured. This secures a seamless transfer from the construction risk insurance to the operations insurance under Section 2.
- (15) The reference to “the 1994 York-Antwerp Rules” is amended to “the 2016 York-Antwerp Rules” throughout the text and the Commentary in order to implement the application of the 2016 York-Antwerp Rules.

The Commentary:

There are following independent amendments:

- (1) Clause 2-11: A paragraph in the commentary is rewritten to make it clear that Cl. 2-11 is applicable for loss of hire insurance in accordance with Ch. 16 even though the hull insurance has been taken out on non-Plan conditions.
- (2) Clause 3-21: The commentary is amended to clarify that mergers and demergers are based on the principle of continuity and should not be seen as change of ownership.
- (3) Clause 4-8: The previous references to the Funding Agreement linked to Lloyd's Open Form 1995 are, in accordance with market practice, updated to refer to the SCOPIC Clause linked to Lloyd's Open Form. This update is also made in the commentary to Cl. 4-12.
- (4) Clause 5-24: The commentary to sub-clause 3 is updated to clarify that a written notification from the insurer stating that limitation will be invoked will not reduce or in any way limit the three-year time-bar limit set out in sub-clause 1.
- (5) Clause 7-4: The commentary to sub-clause 2 is amended to clarify that the application of the 5% limit as a starting point is made for each individual interest, but that other provisions apply for certain interests such as loss of hire insurance and liability insurance.
- (6) Clause 16-11: The Commentary is amended to clarify the insurance cover where an assured is able to engage a substitute vessel during repairs of a damaged vessel, in order to maintain earnings under the damaged vessel's trade/charterparty. The Commentary is further amended to clarify that allowance in certain situations can be made for extra tug costs under the terms of this Clause.
- (7) Clause 16-14: The Commentary is amended to clarify the rationale for the shipowner to postpone repairs and that the agreed daily amount shall apply for vessels having been continuously off-hire from before expiry of the policy period, even if the actual stay at a repair yard does not commence until after expiry. In addition, the dates used in the examples are updated.