

**“How is OEM warranty vs. insurance cover handled in respect to downstream damage to the WTG or other parts of the wind farm if such is caused by a defect for which an OEM is responsible? “**

Answer:

One of the main features and goals of NOWIC was to introduce a clear-cut insurance solution, especially on topics that sometimes overlap in current practice.

The relevant provisions of NOWIC addressing [this] question would be Cl. 2-2 for construction, and Cl. 4-2 for operation: [master-document--nowic--3-november-2025.pdf](#), which can be summarized as follows:

- Principal Assured, and those listed as Principal Assured, enjoy full cover regardless of given warranties, subject to any specific defect exclusions, see as an example Cls. 2-13A and 2-13-B.
- Other third parties, who are awarded a contract relating to the Construction Project / Windfarm, are co-insured automatically, up to the “*express contractual obligation towards an assured to remain liable for losses covered by the insurance*”, i.e. warranties.

Unless listed as a Principal assured, contractor’s loss that they have given a warranty for is therefore, as a starting point, not covered under NOWIC. For more details, please see the individual clauses and the commentary thereto.

OEM’s, or other contractor’s, warranty obligations under the contract can be of course insured on top of the existing coverage. Cefor Offshore Wind Forum is currently working on a Cefor clause, which could be used as a template for such purposes, and which will be published on the Cefor website.

There is also another element to [this] question, in current practice addressed by Manufacturer’s warranty clause. I.e. the duty of the insured, to make every reasonable effort to collect contractual warranties, before filing any claim under the policy. NOWIC has not implemented an equivalent to the Manufacturer’s warranty clause, as one of the clauses within Part One of the Plan, particularly [Cl. 5-16, NMIP](#), already addresses such situation. This clause is automatically incorporated into NOWIC via Cl. 1-1. According to Cl. 5-16, NMIP, the assured has a duty to maintain and safeguard the claim until the insurer is able to protect its own interest. Therefore, the assured may bring the claim to the insurers whilst taking the necessary steps to comply with this duty.