



## The Nordic Marine Insurance Plan of 2013, Version 2016

### Main amendments to the Plan and Commentary:

#### The Plan:

*With corresponding amendments to the Commentary*

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- (1) The term “policy” is replaced with the term “insurance contract” in the text and the Commentary where the term is referring to the whole insurance contract and not only the individual confirmation. The amendment is throughout the Plan and Commentary.
- (2) Clause 1-1: Further definitions of the terms “loss” and “particular loss” in letters (d) and (e) are deleted. The new letter (d) defines the “broker” as the entity that is instructed by the person effecting the insurance to act as an intermediary between the person effecting the insurance and the insurer.
- (3) Clause 1-3: Sub-clause 1 is rewritten based on the new definition of “broker” in Cl. 1-1, letter (d). Sub-clause 3 gives the broker authority to receive premium returns or claims settlements. Sub-clause 4 applies to premium payments. It states that the person effecting the insurance may pay the premium due to the insurer through a broker, but it shall not be deemed paid until received by the insurer.
- (4) Clause 2-2: A new sub-clause 1, second sentence states that the parties may fix the insurable value at a certain amount by agreement, hereinafter referred to as “agreed insurable value”, cf. Cl. 2-3. Based on this amendment the term “assessed” is replaced with “agreed” throughout the Plan and Commentary where the term is referring to insurable value. The new sub-clause 2 states that the sum or sums insured in the contract shall be deemed to constitute agreed insurable value(s) unless the circumstances clearly indicate otherwise.
- (5) Clause 2-17: This new Clause corresponds to the Cefor Sanction Limitation and Exclusion Clause of 2014.
- (6) Clause 3-15: Trading Areas – the amendments are identical to the wording of the Trading Area Clause posted on the Cefor website in November 2013. The amendments relate mainly to trading in ice-congested areas. If the insurer should give his consent subject to compliance with other conditions aiming at preventing loss, such

conditions shall constitute safety regulations, cf. Cl. 3-22 and Cl. 3-25, sub-clause I. A new sub-clause 3, third sentence, imposes a further reduction of claims arising out of ice damage where the assured has failed to notify the insurer that the vessel has entered a conditional trading area in accordance with sub-clause I, second sentence, and the damage is a result of the assured's failure to exercise due care and diligence. A new sub-clause 4 states that the insurance remains in full force and effect if the assured has given notice in accordance with sub-clause I but always provided that he complies with the conditions, if any, stipulated by the insurer.

As a result of the amendments to Clause 3-15, the previous rule concerning the effect of ice class is deleted, cf. (7) below.

- (7) Clause 3-22: Sub-clause 3 is amended. The previous rule concerning the effect of ice class is deleted. Further, a new rule imposes a duty of the assured to ensure that the Safety Management System “includes instructions and procedures for the use and monitoring of lubricating oil, cooling water and boiler feed water.” This rule replaces the previous exclusion in Cl. 12-5 letter (f) for liability for loss due to lubricating oil, cooling water or feed water becoming contaminated.
- (8) Clause 5-6: The time limit is amended from six to four weeks.
- (9) Chapter 8: Co-insurance of third parties. Most of the clauses are amended or completely rewritten and new clauses added in order to clarify and elaborate on the right of co-insured third parties.
- (10) Clause 12-14: Second sentence is amended. The words “common expenses which depend on the length of the period of the repairs” is replaced with “dry dock charges and quay rental”.
- (11) Clause 12-15: A new second sentence emphasizing that the ice damage deduction comes in addition to the general deductible under Cl. 12-18, sub-clause I, is added.
- (12) Clause 17-17: The heading and the Clause is amended to make it applicable for all types of vessels insured under Chapter 17. The amendments are partly editorial. Further, a new sentence defining the term “call” is added; see also Clause 17-35.
- (13) Chapter 18: Section 5 on war risks is expanded by incorporating all clauses from Chapter 15 amended as appropriate to fit war risks insurance for MOUs.
- (14) A new Section 6 on construction risks for MOUs is added. The Section is drawn up primarily with the interests of the owner in mind when he e.g. converts a tanker into an FPSO and enters into various contracts with a yard and/or other contractors and/or suppliers for different parts of the total project.
- (15) Clause 19-2A: A new Clause regarding premium in the event of total loss is added. The Clause corresponds to Cl. 18-83.

## The Commentary:

*There are following independent amendments:*

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- (1) Chapter 3, Section 3: The introduction to Section 3 is amended. The concept of safety regulations are elaborated on in the Commentaries to Cl. 3-22 and Cl. 3-25.
- (2) Clause 5-13: The Commentary to sub-clause 2 is amended. There are new comments and examples regarding allocation of common deductibles between liability and damage, and apportionment of recoveries in this respect.
- (3) Chapter 7: Co-insurance of mortgagees. The commentaries to all the clauses as well as the introduction are rewritten without any amendments to the Clauses. The reworded introduction elaborates on the special features of co-insurance of mortgagees in relation to the general co-insurance rules in Chapter 7. The commentaries to the individual clauses are shortened and reworded more stringently in several places.
- (4) Clause 12-1: Main rule concerning liability of the insurer. There are new paragraphs in the Commentary regarding electricity consumption as a common repair expense.
- (5) Chapter 15: War risks insurance. The commentaries to most of the Clauses in Chapter 15 are amended by deleting wording that is no longer relevant and updating the Clause with more relevant text.