



UiO • **Scandinavian Institute of Maritime Law**
University of Oslo

Professor dr. juris Trine-Lise Wilhelmsen

Nordic Plan 2013 Version 2023

Chapter 16 - clarification of concepts



Chapter 16 – Clarification of concepts

- The concept of insured interest
 - Hull: loss of or damage to the vessel – capital value of asset
 - Loss of hire: loss of income
 - For the assured
 - Depending on the vessel's contract
- Distinction between
 - Vessel being out of income-earning activity
 - The assured loses income

PARTICULARS FURNISHED BY SHIPPER		QUANTITY	UNIT	NET WEIGHT
21 CONTAINERS SAID TO CONTAIN LOTS OF CHEST		1776,000 KGs		20 000 CBM
1 BAG OF 1575,00 KGs NET OGIA CERTIFIED - OGP 2007 REGISTERED IN NY (4076222)				

DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL
MAERSK OCEAN FREIGHT	PER CONTAINER	1500	1000.00	1500.00
BUNKER ADJUSTMENT FACTOR	PER CONTAINER	1500	0.00	0.00
OCEAN TANKAGE	PER CONTAINER	1500	0.00	0.00
DOCUMENTATION FEES	PER CONTAINER	1500	0.00	0.00
EMERGENCY BUNKER SURCHARGE	PER CONTAINER	1500	0.00	0.00

16-1 (1)

The insurance covers loss **due to the vessel being wholly or partially deprived of income** as a consequence of damage to the vessel

Version 2019



Casualty covered under hull insurance +



Loss due to vessel being wholly or partially deprived of income

Cl. 16-1

The insurance covers **the assured's loss of income** due to the vessel being wholly or partially deprived of **income-earning activity** as a consequence of damage to the vessel

Version 2023



Casualty covered under hull insurance +



Vessel out of
Income-earning
activity



The assured
loses income

Cl. 16-1

The insurance covers **the assured's loss of income** due to the vessel being wholly or partially deprived of **income-earning activity** as a consequence of damage to the vessel

Version 2023



Vessel out of
Income-earning
Activity



Causation

Causation

Ch. 16: Concepts

- The requirement of causation
 - Between casualty and no income-earning activity
 - If the vessel was unemployed before the casualty – no causation
 - Between no income-earning activity and assured's loss of income:
 - If freight is paid regardless of non operation – no loss
 - If employment is continued with substitute vessel, no loss caused by unemployment



Concept: “loss of time”

- LoH insurance covers “loss of time”
- Not accurate –
 - time lost may not be restored
- Better: interruption of time or similar
- But:
 - Concept broadly used
 - And also used in charterparties
 - Interruption insurance established product with more narrow cover

