

An introduction to the Nordic Marine Insurance Plan (NMIP) of 2013, Version 2023

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Agenda

- ✓ Brief overview of the Nordic Association of Marine Insurers (Cefor)
- ✓ Characteristic features of the Nordic Marine Insurance Plan (NMIP) of 2013, Version 2023
- ✓ The NMIP revision cycle
- ✓ Brief overview of the amendments

Agenda - 1

- ✓ **Breif overview of the Nordic Association of Marine Insurers (Cefor)**



About Cefor

- ✓ Cefor was founded on 15 August 1911 under the name of Sjøassurandørernes Centralforening (CEFOR – the Central Union of Marine Underwriters) by Norwegian and foreign insurance companies
- ✓ On 5 March 2009 the Annual General Meeting adopted a new name to reflect the pan- Nordic members of association- the Nordic Association of Marine Insurers (Cefor)
- ✓ In celebration of its centennial anniversary in 2011, Cefor published a book to reflecting on the development of shipping, marine insurance and Cefor over the past 100 years.

The Cefor mission

*To serve the interests of our Nordic members
by promoting quality marine insurance and knowledge sharing,
through*

- *agreed all risks conditions,*
- *comprehensive statistics,*
- *a common public voice,*
- *competence building.*

Organisation

General Meeting

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Board of Directors

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Administration

|

10 Forums (96 member participants):

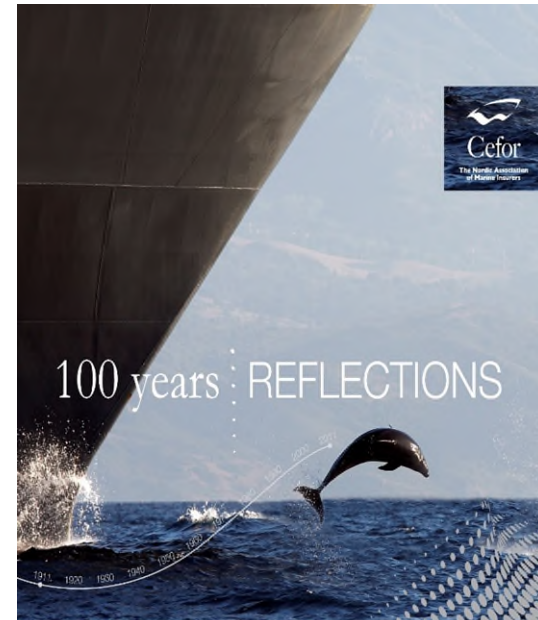
(1) Cargo, (2) Claims, (3) Coastal & Fishing Vessels, (4) Compliance, (5) Offshore Energy,
(6) **Plan Revision**, (7) Statistics, (8) Technical, (9) Sanctions (10) Sustainability

About Cefor - continued

Trade association for

✓ Nordic marine insurance companies engaged in:

- Hull and Machinery (H&M)
(ocean & coastal)
- Protection and indemnity (P&I)
- Cargo
- Loss of hire
- Legal defence (FD&D)
- War risks
- Offshore energy
- Builders' risks
- Ship repairers' liability
- Mortgage interest



- ### ✓ **Currently 17 members:** Alandia, Betri Trygging, Codan Marine, the Norwegian Shipowners' Mutual War Risks Insurance Association, Fender Marine, Gard, Gjensidige Forsikring, Granne forsikring, HDI Global Specialty Se, Hydor, If Skadeforsikring, Nordisk Defence Club, Norwegian Hull Club, S Insurance, Skuld, the Swedish Club, Tromstrygd Gjensidig Sjøforsikringssselskap.

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- ✓ **Characteristic features of the Nordic Marine Insurance Plan (NMIP) of 2013, Version 2023**



General information

- ✓ All relevant information - cefor.no / <https://cefor.no/clauses/nordic-plan/>
- ✓ The Nordic Marine Insurance Plan (**NMIP**) and **Commentary** can be found - <https://nordicplan.org/>
- ✓ The Nordic Plan is also available free of charge as an App
- ✓ Currently working on the project - catalogue of the Nordic Plan webinars

The Nordic Marine Insurance Plan (NMIP) or simply “the Plan” – characteristic features

- ✓ Comprehensive set of insurance conditions for all standard non-P&I marine and offshore insurances covering
 - all general rules
 - all relevant types of insurances
- ✓ Supported by the **Commentary**:
 - clarifies many issues of interpretation and practice, reducing the probability of disputes
 - highly relevant in legal disputes
- ✓ An **agreed** document
- ✓ Long history and tradition & continued maintenance



The Nordic Marine
Insurance Plan of 2013
Version 2023

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

NMIP – agreed document

- ✓ All interested parties participate in the negotiations and drafting of the Plan conditions:
 - The Nordic Association of Marine Insurers (Cefor)
 - The Nordic Shipowners' Associations (The Norwegian Shipowners' Association, Danish Shipping, the Swedish Shipowners' Association, the Finnish Shipowners' Association)
- ✓ The Nordic Average Adjusters
- ✓ Plus academic support
 - Secretariat: Chair and Secretary from the Scandinavian Institute of Maritime Law at the University of Oslo, Norway
- ✓ Cooperation between the parties results in finding balanced and fair solutions

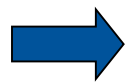
Long history and tradition

- ✓ The first Norwegian Plan was issued back in 1871
- ✓ Norwegian Marine Insurance Plan 1964
 - it's structure and many provisions are still in use
 - major revision
- ✓ Norwegian Marine Insurance Plan 1996
 - several versions
 - Version 2010 was used as basis for the Nordic Plan 2013

Clarity and certainty

✓ Long tradition of the Plan resulted that:

- Many of its provisions have long history
- Well establish practice and tested solutions



give great certainty to its users and reducing the probability of disputes - few legal conflicts

- ✓ The Plan is designed to support the **Nordic claims handling model**:
- entails active support and cooperation of the insurer when dealing with claims



Continued maintenance

- ✓ The **Nordic Plan Agreement** was entered between Cefor and collectively 'the Nordic Shipowners' Associations'
- ✓ On 3 November 2010 with amendments 2013/2016/2024
- ✓ Main purpose: regulate the drafting and publication of the Plan
- ✓ Establish and define composition of the **Standing Revision Committee** to do:
 - drafting the Plan
 - making amendments
- ✓ Regulate proceedings and time frame
- ✓ Additionally regulate also:
 - translation(s)/publication/termination/distribution of costs/competition rules/confidentiality/governing law



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Agenda – 3

✓ The NMIP revision cycle



The revision cycle

- ✓ Time frame: revision every **four years**
- ✓ Amendments: presented **by 1 June** in the year prior to a new version is due for completion
- ✓ Negotiations for about a year (from 1 June until 1 July next year)
- ✓ Amendments proposed by the Committee **must be agreed by all** signatory parties
- ✓ The Committee Chair forward the approved texts to Cefor (holds the copyright to the Plan) **no later than 1 July** in the final year of the revision cycle



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- ✓ **Brief overview of the amendments**



The structure of the Plan

- Part I** contains common rules for all types of insurance dealt with in the Plan, such as:
- general rules relating to the scope of the insurance,
 - the liability of the insurer,
 - automatic co-insurance for mortgagees, and
 - general provisions for the settlement of claims
 - general rules for relations between the claims leader and co-insurers
- Part II** contains the rules for hull and machinery insurance.
- Part III** contains the rules for loss of hire (LoH), war risks and total loss insurances.
- Part IV** contains a cover for fishing vessels and small freighters, builders' risk insurance and insurance of mobile offshore units, liability insurance

What is covered, what is not?

✓ 'All risk cover':

- All perils are covered, unless specifically excluded, cf. Clause 2-8.
- In order to reject a claim, the insurer must prove that a relevant exclusion applies, cf. Clause 2-12.

✓ Excluded perils:

- war risks,
- capture at sea, confiscation, expropriation and other interventions by own State power to obtain national political objective,
- requisition by State power,
- insolvency or lack of liquidity,
- nuclear radiation or weapons, chemical, biological, bio-chemical, or electromagnetic weapons as described in the RACE II Clause,
- exposure to sanctions, cf. Clause 2-17.

Brief overview of the amendments

- ✓ List of all amendments contains in **Preface**
- ✓ Two main amendments:

Chapter 7 (Co-insurance of mortgagees), Cl.9-2/9-7

- More shipowner friendly procedures
- Create link between the Nordic and UK systems

Chapter 16 (Loss of Hire insurance)

- Clarification of concepts/terminology
- Some material changes:

(Cl.16-2/16-9/16-11/16-12/16-15)

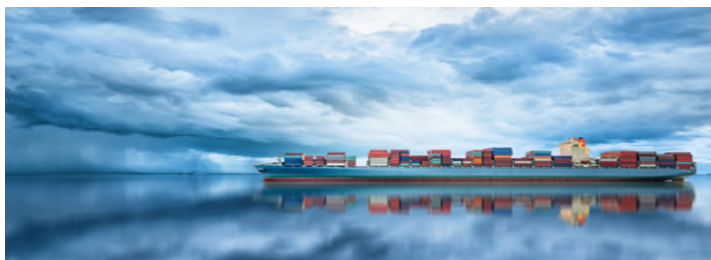


Chapter 7 – general comments

- Automatic co-insurance for mortgagees
- Protected regardless of any specific agreement/notification
- BUT extended protection if insurer is notified
 - Clause 7-2 (amendments and cancellation of the insurance)
 - Clause 7-4 (payment of compensation)
- The mortgagee is identified with the assured = not independent
- However, independent cover may be effected (Clause 8-7)

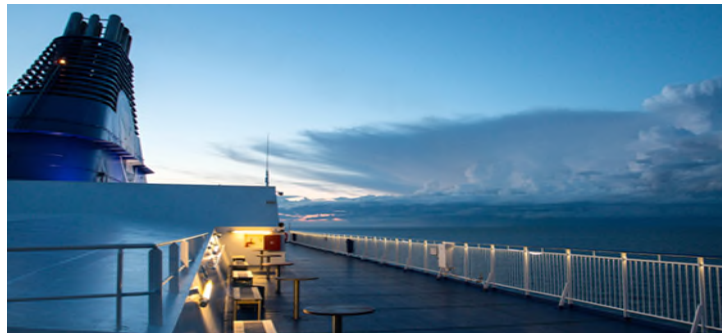
Follow up amendments

- ✓ 2-17: Sanction clause deleting France/Russia/China
- ✓ 5-4(3): Interest rate set to US Prime Rate.
- ✓ 5-23: Timelimit for notification of a casualty extended from 6 to 12 months
- ✓ 8-2 (2): Insurers subrogation against not co-insured third party
- ✓ 10-8 (d): Insurance on stranding conditions



Follow up amendments - continued

- ✓ 12-12 & 18-29: Choice of repair yard – main focus on sustainability & support of decarbonization
- ✓ 12-16: Machinery damage deductible – modernizing terminology
- ✓ 15-11 & 18-69: Time limit for establishing total loss increased from 6 to 12 months
- ✓ Chapter(s) 17/18/20: mainly to reflect other amendments



Thank you!