

# The Nordic Marine Insurance Plan of 2013

A brief overview

by

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# The Nordic Marine Insurance Plan of 2013

The “Plan”

Development of the Plan from Norwegian to Nordic

The Nordic marine insurance market

# Historic development

- \* The oil crisis in 1973 - 74
- \* Ship owners change of flag state
- \* Changes in the market and structural change in the financial market required new thinking
- \* National insurance organizations
- \* Cefor – representing 13 Nordic marine insurers
- \* 2007 – A Nordic plan?
- \* 2010 – The Nordic Plan Agreement



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# The Nordic Marine Insurance Plan of 2013

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

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# The Nordic Marine Insurance Plan 2013

- \* The Norwegian Marine Insurance Plan of 1996
- \* Part 1 Common rules
- \* Part 2 Rules for H & M insurance
- \* Part 3 Rules for TLO insurances, War Risks and LOH
- \* Part 4 Rules for fishing vessels and small freighters, builders risks insurance and insurance of mobile offshore structures

# The Nordic Marine Insurance Plan of 2013

- \* Plan and Commentary
- \* The Commentary – a legal source and integral part of the standard contract (the Plan)
- \* If conflict the Plan text shall prevail
- \* English wording but translated to the Nordic languages

# The Nordic Marine Insurance Plan 2013

- \* Revision every third year
- \* “All risks” principle
- \* Designed to support the Nordic claims handling model
- \* Chapter 18 Insurance of Mobile Offshore Units



# Clause 1-4. Jurisdiction and choice of law

- \* If insurance based on this Plan is effected with a **Nordic claims leader**, it is agreed
- \* **that legal** proceedings **against the claims leader** concerning any matter, dispute or disagreement of any kind which may arise during or in connection with or which in any way concerns the insurance contract, may only be instituted before the courts in the venue where the head office of the claims leader is located and on the basis of the law of the venue of the claims leader, and that law shall apply exclusively,
- \* If insurance based on this Plan is effected with a **non-Nordic claims leader**, it is agreed that Norwegian law shall apply.
- \* The co-insurer(s) may be sued in the venue of the **claims leader**.
- \* **Any changes in the terms of the agreement set out in sub-clause 1 must be in writing.**

# Clause 1-4 Jurisdiction and choice of law.

- \* Leading insurer – claims leader (C.L.)
- \* Nordic C.L. – legal proceedings shall be made where the head office is located
- \* Insurance Contract Act vs. Plan’s provisions
- \* Non-Nordic C.L. – legal proceedings where the head office is located. Norwegian law applies unless other agreement has been made.
- \* Co-insurers may be sued at C.L.’s venue. An option, can also be sued where domiciled.

# Adjusting rules

- \* Clause 5-2 – Claims adjustment
  - \* Claims leader – in-house claims department
  - \* C.L. may outsource drafting of the adjustment
  - \* No similar right for the assured but can be agreed between the parties

# Adjusting rules

- \* Clause 5-5 – Disputes concerning the adjustment of the claim
  - \* If the assured does not accept the insurer's adjustment the assured as well as the insurer may demand that the adjustment is submitted to a Nordic average adjuster before the dispute is brought before the court.
  - \* The assured chooses the adjuster
  - \* If the assured fails to appoint an adjuster the insurer may appoint the adjuster

# Clause 5-5 Disputes

- \* The costs of submitting the case to an average adjuster shall be borne by the insurer unless the assured's demand is clearly unfounded
- \* Contracts under Swedish or Finish law and jurisdiction.
  - \* The average adjuster is part of the court system

# Limitation

- \* Clause 5-23 Time-limit for notification of a casualty
  - \* 6 months time limit for notification to the insurer from becoming aware of the casualty
  - \* Knowledge of the assured, the master or the chief engineer of the ship

# Clause 5-24 Limitation

- \* Claim for compensation becomes time-barred after three years
- \* The claim becomes time-barred in any event at the latest after ten years
- \* For liability insurance – the claim will not be time-barred before the time prescribed by the rules that apply to the assured's liability

# Clause 5-24 Limitation

- \* If insurer has been notified in time the claim will not be time-barred before written notification has been received
- \* No extension beyond 10 years



## Cl. 5-25 Rules regarding claims notice and limitation for insurance contracts subject to Finnish law and jurisdiction

- \* Where the insurer rejects a claim in full or in part, the insurer shall notify the assured that the assured is obliged to refer the claim for adjustment to the Finnish Average Adjuster within a time limit of one year under the penalty of forfeiture of his right against the insurer. The time limit shall be calculated from the date at which the assured received written notice of the insurer's decision and of this time limit.
- \* The insurer shall attach to his decision a claim appeal instructions which explicitly states the time limit within which the claim must be referred for adjustment to the Finnish Average Adjuster.
- \* The insurer shall be liable for the expenses incurred by the Average Adjuster and for the Adjuster's fee.



Thank you for your attention