

Mandatory Club Clauses 2021

Nordic Marine Insurance Plan

NMIP 1.1.2021-A



Hull & Machinery Insurance 2021

The Swedish Club Mandatory Clauses for Nordic Conditions

To be used with The Nordic Marine Insurance Plan of 2013 (Version 2019)

NMIP 1.1.2021-A

A.1 FLEET CLAUSE

2013-10-03

It is understood and agreed that this vessel forms part of the fleet [see Policy] entered in this Association. It is rated as a member of that fleet and the Assured and Co-Assured shall be jointly and severally liable with all the other Assureds and Co-Assureds in the fleet for premiums, calls and other sums whatsoever due in respect of all vessels in the fleet.

Accordingly, any failure by an Assured and Co-Assured of any vessel in this fleet to pay his premiums, calls or any sums whatsoever due from him to the Association shall be deemed to be a failure also of the Assured and Co-Assured of this vessel to pay such premiums, calls or other sums whatsoever and shall entitle the Association to give him notice under the applicable insurance conditions and to offset any amount due to him under this insurance against any such unpaid premiums, calls and other sums, and to decide not to put up security in respect of claims under this insurance.

Notwithstanding the aforesaid, should the receiver of monies for claim(s) or other payments due be the Mortgagee(s) or any other Person(s) or Company(ies), which by a Letter of Undertaking and/or a Loss Payable Clause attached to the Policy are entitled to receive said monies, this clause shall be waived by the Association in respect of the rights of such aforesaid parties, however, the Association will retain its right to decide as to whether or not to put up security in respect of claims under this insurance.

To the extent the terms of this clause are in conflict with any other clause in this policy, the terms of this clause shall take precedence.

A.4 SWEDISH CLUB CLAIMS LEAD CLAUSE

2019-10-01

The Swedish Club ("The Club") shall have claims lead.

The Swedish Club has the right on a 100% basis of the claim, in all respects, irrespective of The Swedish Club's share of the risk, to decide any matter relating to any claim made under this Policy, including but not limited to any appointments of experts, lawyers, adjusters, decisions, agreements, payments, settlements, claims, surveys, guarantees, towage, salvage, payments on account and claim settlements.

This Claims Lead Clause must be incorporated in all policies, and Co-insurers must follow The Swedish Club's decisions in all respects as long as they are in accordance with the Policy conditions.

Further, The Swedish Club shall at all times have the right to appoint and employ their choice of experts including but not limited to surveyors, lawyers etc. on behalf of the Assured to deal with any matters involving third parties (including investigating or advising and taking or defending legal actions or other proceedings) that may give rise to a claim by the Assured on The Swedish Club.

If The Swedish Club provides for security on a 100% basis of a claim covered under the Policy, Co-insurers are required to put up counter security for their respective shares, as per The Swedish Club's instructions. For putting up such a security, The Swedish Club may claim a commission of 1% of the guarantee sum (for open guarantees, the commission shall be calculated on the basis of the effective gross liability). The Swedish Club has the subsequent discretionary right to request Co-insurers to put up amended securities.

In the event of The Swedish Club putting up security on a 100% basis for the liability of the Assured in consequence of a collision, striking and/or salvage, other underwriters on all policies are not allowed to effect settlement of claims in connection with the liability directly with the Assured, and cannot set off against The Swedish Club's counterclaims against the Assured.

The Swedish Club has the right to set off against any sums due to the Assured, unpaid Co-insurers' or other underwriters' share or shares of sums advanced and any and all sums incurred for provision of both claims and general technical services including entry and condition surveys, if any, to the Assured by the leader. Any and all sums incurred shall be understood to include sums incurred in respect of internal resources involved in technical services and claims handling as well as sums incurred for external resources appointed by The Swedish Club. Alternatively, The Swedish Club has the right to charge participating Co-insurers directly any and all such sums mentioned in this paragraph, but always limited to such co-insuring Underwriter's proportion hereon.

For costs, fees and/or expenses fronted by The Swedish Club on behalf of Co-insurers it is the Assured's obligation to recover any unpaid Co-insurers' or other underwriters' share or shares. Alternatively, The Swedish Club has the right to set off any such unpaid Co-insurers' or other underwriters' share or shares against any sums due to the Assured.

Should The Swedish Club at its own discretion decide to make ex gratia payments to the Assured, The Swedish Club may limit such payments to its share of the risk written under this Policy and such payments should in no respect be binding for any other Co-insurers or underwriters participating in this risk.

Notwithstanding any of the above, or any condition in this Policy to the contrary, the liability of all underwriters to the Assured shall remain several and nothing shall affect The Swedish Club's right to limit its liability to the Assured to the proportion of the risk which it has written and The Swedish Club shall in no way be liable to the Assured for any amounts due or agreed to be due but not recovered or recoverable from other underwriters or Co-insurers.

A.14 CO-INSURANCE CLAUSE

2019-10-01

Wherever there is co-insurance all rights of recourse between the co insured parties are retained in full and there is no waiver of subrogation regarding claims between those parties. Furthermore, if the co-insured party enters into a contract with a third party regarding the operation of the vessel, the Assured shall ensure there is no waiver of subrogation and further ensure that all rights of recourse are retained in full in any contract between the Assured and co-insured party. There shall be no recovery from the Association for any loss or damage to the extent such loss or damage cannot be claimed from a third party because the Assured has not complied with the obligation to retain rights of subrogation and recourse.

Comment to Clause A.14:

Members (Assured) may wish to use the following clause to be inserted in contracts with coinsured parties in order to fulfil the requirement in clause A.14:

Quote

A counterparty may be added (subject the Club's approval) as co-insured under any insurances in respect of P&I and Hull & Machinery, provided there is no waiver of subrogation in such insurances and that the parties' rights of recourse against each other under the contract in place, are all retained in full. Accordingly, where a liability is incurred or there is any loss or damage to the Vessel as a result of a breach of the contract by the counterparty, the counterparty shall, notwithstanding any such co-insurance, be obliged to indemnify the other party in full. However, to the extent that the counterparty is unable to make a recovery in respect of such loss, damage or liability from any third party, the other party shall reimburse the counterparty. To the extent the terms of this clause are in conflict with any other applicable provisions, the terms of this clause shall take precedence.

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C.1.3.2 MARINE CYBER ENDORSEMENT

2019-11-11

(Ref LMA5403, 11/11/2019)

1. Subject only to paragraph 3 below, in no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus, computer process or any other electronic system.
2. Subject to the conditions, limitations and exclusions of the policy to which this clause attaches, the indemnity otherwise recoverable hereunder shall not be prejudiced by the use or operation of any computer, computer system, computer software programme, computer process or any other electronic system, if such use or operation is not as a means for inflicting harm.
3. Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, paragraph 1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

C.6 COMMUNICABLE DISEASE EXCLUSION CLAUSE (CEFOR)

2020-12-01

For insurance covers subject to the Nordic Marine Insurance Plan of 2013, hereinafter called 'the Plan'.

Communicable Disease is an excluded peril under this insurance. This insurance shall not cover any loss incurred where the dominant cause of the casualty was a Communicable Disease, except where the dominant cause of the casualty was an act or omission of a person infected or allegedly infected by such disease. Where Communicable Disease is not the dominant cause, Cl. 2-13 shall apply.

In the event of a casualty otherwise caused by an insured peril and giving the assured a right to indemnity, then, to the extent the repair costs are increased by a Communicable Disease, the provisions in the Plan applies unamended.

This Clause shall in no circumstances extend the cover under the standard conditions of the Plan.

"Communicable Disease" shall mean any disease, known or unknown, which can be transmitted by means of any substance or agent from one organism to another where:

- a) the substance or agent includes but is not limited to a virus, bacterium, parasite or other organism or any variation or mutation of any of the foregoing, whether deemed living or not, and
- b) the method of transmission, whether direct or indirect, includes but is not limited to human touch or contact, airborne transmission, bodily fluid transmission, transmission to or from or via any solid object or surface or liquid or gas, and
- c) the disease, substance or agent may, acting alone or in conjunction with other co-morbidities, conditions, genetic susceptibilities, or with the human immune system, cause death, illness or bodily harm or temporarily or permanently impair human physical or mental health or adversely affect the value of or safe use of property of any kind.

C.9 US TERRORISM RISK INSURANCE ACT CLAUSE (TRIA CLAUSE)

2003-01-01

By accepting this Policy, the Assured(s), Member(s), Joint-Member(s) and or Co-Assured(s) named herein acknowledge and confirm that:

- a) cover for “acts of terrorism” as defined in the US Terrorism Risk Insurance Act 2002 was made available to the Assured(s), Member(s), Joint-Member(s) and/or Co-Assured(s) named herein;
- b) the Assured(s), Member(s), Joint-Member(s) and/or Co-Assured(s) named herein declined to purchase such cover;
- c) the Assured(s), Member(s), Joint-Member(s) and/or Co-Assured(s) named herein has/have not paid the Association any premium for such cover.

L.8 LOSS OF HIRE – PANDEMIC DELAY CLAUSE

2020-07-01

The following Clause is deemed to form part of any Policy in respect of Loss of Hire Insurance

For insurance covers subject to the Nordic Marine Insurance Plan of 2013, hereinafter called “the Plan”.

If the assured is deprived of income as a result of a casualty covered by Cl. 16-1, all loss of time caused by the COVID – 19 virus or any other infectious diseases declared by the World Health Organization as a pandemic, shall be limited to 30 (thirty) days.

This limitation shall apply to loss of time otherwise attributed to the casualty.

This Clause shall in no circumstances extend the cover under the standard conditions of the Plan.

W.7.1 THE SWEDISH CLUB OUTBREAK OF WAR CLAUSE (HULLS, etc.)

1982-01-01

The following Clause is deemed to form part of any Policy in respect of Hull, Interest, War and War Interest covers relating to a Swedish flagged vessel.

Should normal communications between Sweden and other countries be interrupted subsequent to the outbreak of a war which will greatly affect Swedish trade, commerce and industry, an organisation in the name of Svenska Transportförsäkringspoolen (hereinafter referred to as the Pool), formed by all the Swedish Marine Insurance Companies, will commence operations on a date to be decided upon by the Government War Risks Insurance Office.

Should this occur during the duration of this policy, the liability of the Association according to this policy will be transferred to The Pool as from the date upon which The Pool commences operations. The policy will then remain in force and subject to the same terms until 12 o'clock midnight on the thirtieth day of acceptance of liability by the Pool, unless it has been agreed to terminate the validity of the policy at an earlier date.

In the event of the liability terminating prior to the date indicated in the policy, the Assured is entitled to a refund from the Association of the excess premium paid. If on the other hand, the validity of the policy is to be maintained during a period for which no premium was paid, the Assured shall pay premium pro rata parte for this period. When the above mentioned contingencies arise, it will be incumbent upon the Insured to notify the Association or The Pool without delay of the position and the voyage of the vessel.

The Association takes over that portion of the ship's hull insurance which is not covered by the Association at the time when the own liability of the Association according to this policy is being transferred to The Pool, after which the risk thus taken over is immediately transferred to The Pool. The Assured will then have to pay premium pro rata parte to the Association at a rate calculated according to the period during which the insurance is valid according to the above; the insurance also applying in other respects to what, in pertinent parts, has been agreed upon through this clause.