

# Section 1: General provisions

- **Clause 20-1. Scope of application**

The rules in this Chapter shall only apply to the extent that this follows from the insurance contract.

View Commentary [Go to full Commentary page](#)

## **Clause 20-1. Scope of application**

As mentioned under General, certain freighters and other vessels are insured on so-called hull conditions for ocean-going vessels (Chapters 10 to 13). It is therefore necessary to have a rule determining the applicable cover if this is not clear. According to Cl. 20-1 the rules in Chapter 20 sha...

- **Clause 20-2. Renewal of the insurance/Ref. Clause 1-5**

Upon expiry of the insurance period, the insurance is automatically renewed for 12 months at the same premium and on the same conditions.

If the insurer does not wish to renew the insurance, or if he only wishes to renew it at a different rate or on different conditions, he must notify the person effecting the insurance of this no later than one month prior to expiry of the insurance period.

If the person effecting the insurance wishes to cancel the insurance or if he does not wish to accept renewal at a new rate or on new conditions, he must notify the insurer of this no later than 14 days prior to expiry of the insurance period.

View Commentary [Go to full Commentary page](#)

## **Clause 20-2. Renewal of the insurance/Ref. Clause 1-5**

Cl. 1-5, sub-clause 3, establishes that the insurance is not renewed unless this has been specifically agreed. Many of the persons effecting insurances in this industry do not have professional offices. It may therefore be problematic for them to be required to ensure that the insurance is renewe...

- **Clause 20-3. Classification and vessel inspection/ Ref. Clause 3-14 and Clause 3-8**

If the vessel at the start of the insurance period is classified with a classification society approved by the insurer, Cl. 3-14 and Cl. 3-8, sub-clause 2, shall apply.

Vessels not ascribed to any class shall at the start of the insurance period have a valid certificate in accordance with the rules of the vessel's flag state. Expiry of a valid certificate is considered equivalent to loss of class, cf. Cl. 3-14.

View Commentary [Go to full Commentary page](#)

### **Clause 20-3. Classification and vessel inspection/Ref. Clause 3-14 and Clause 3-8**

Clause 3-14 assumes that the vessel is in class and establishes that the insurance will automatically lapse in the event of loss of class. Change of classification society is deemed to be an alteration of the risk, cf. Cl. 3-8, sub-clause 2, last sentence. However, there is no reason to introduce...

---

- **Clause 20-4. Safety regulations/Ref. Clause 3-22 and Clause 3-25**

The following special safety regulations shall apply, cf. Cl. 3-25, sub-clause 2:

- The vessel shall not force ice.
- If the vessel has a trading certificate, the provisions in the certificate shall constitute special safety regulations.
- When the vessel is at quay or laid up, the assured shall secure the vessel and equipment and arrange for daily supervision of the vessel and its moorings. Accessories, equipment, catch or cargo shall be locked away, or fixed or bolted to the vessel so that they cannot be removed without the use of tools.

View Commentary [Go to full Commentary page](#)

### **Clause 20-4. Safety regulations/Ref. Clause 3-22 and Clause 3-25**

Section 7, sub-clause 1 of the Norwegian Ship Safety Act No. 9 of 15 February 2007 reads as follows in English translation: “The operator of the ship shall ensure that a safety management system which can be documented and verified is established, implemented and developed in his organisation and...”

---

- **Clause 20-5. Savings to the assured**

If the assured as a result of a casualty or liability covered by the insurance has received additional income, saved expenses or averted liability which he would otherwise have

incurred and which would not have been covered by the insurer, the latter may deduct from the compensation an amount equivalent to the advantage gained.

## Section 2 Hull insurance

- **Clause 20-6. The relationship to Chapters 10-13**

The rules in Chapters 10-13 shall apply together with the amendments that follow from this Section.

View Commentary [Go to full Commentary page](#)

**Clause 20-6. The relationship to Chapters 10-13**

The provision states that for hull insurance the rules of Chapters 10 to 13 apply, with such amendments as follow from this Section.

---

- **Clause 20-7. Hull and freight-interest insurance/ Ref. Clause 10-12**

Instead of Cl. 10-12 the following shall apply: If the insured receives compensation under an interest insurance, the hull insurer's liability is reduced correspondingly, unless the hull insurer has consented in advance to such insurance being taken out.

View Commentary [Go to full Commentary page](#)

**Clause 20-7. Hull and freight-interest insurance/Ref. Clause 10-12**

The hull insurer may consent to the effecting of interest insurance. In that event, the reduction rule will only apply to interest insurances which are larger than what the hull insurer has consented to.

---

- **Clause 20-8. Condemnation/Ref. Clause 11-3**

Instead of Cl. 11-3, sub-clause 2, first sentence, the following shall apply: The conditions for condemnation are met when casualty damage is so extensive that the costs of repairing the vessel will amount to at least 90 % of the insurable value or of the value of the vessel after repairs if the latter is higher than the insurable value.

View Commentary [Go to full Commentary page](#)

**Clause 20-8. Condemnation/Ref. Clause 11-3**

The condemnation limit is 90 % in relation to Cl. 11-3. A limit of 80 % is too advantageous when taking into account that the average age of the fleet is far higher today than 30-40 years ago, that the international marine insurance market relies on a condemnation limit of 100 %.

- **Clause 20-9. Damage to the hull of vessels which are not built of steel/Ref. Clause 12-1**

In the event of damage to the hull of vessels which are not built of steel, the insurer is not liable for:

- distortion of the keel or damage resulting therefrom. The same applies to a depreciation in value caused by the fact that repairs are not carried out,
- damage resulting from striking against or contact with ice,
- caulking of hull and deck.

View Commentary [Go to full Commentary page](#)

**Clause 20-9. Damage to the hull of vessels which are not built of steel/Ref. Clause 12-1**

Sub-clause 1 (a) is first and foremost relevant to insurance of vessels deserving of preservation. Sub-clause 1 (b) is not intended to cover more unforeseeable forms of striking against ice, e.g. where an ice floe has drifted out from a branch of a fjord to an open area of water where there is...

- **Clause 20-10. Limited cover of damage to machinery**

Unless otherwise agreed in the insurance contract, the insurer is only liable for damage to:

- machinery with accessories,
- pipelines and electric cables outside the machinery, and
- electronic equipment

if the damage is a result of collision, striking, an earthquake, an explosion outside the engine room, fire, or of the vessel having sunk or capsized, or the vessel having been filled with water as a result of a breach of a hose or a pipe onboard the vessel provided the breach was not caused by corrosion or age. Damage to electronic equipment caused by heavy weather shall, however, be covered if damage to hull or superstructure occurred in the same casualty.

View Commentary [Go to full Commentary page](#)

### **Clause 20-10. Limited cover of damage to machinery**

The Commentary to Cl. 17-13 was amended in 2016. Cl. 20-10 is identical to Cl. 17-13. The Clause provides limited cover for damage to machinery. On the other hand, extended cover for damage to machinery may be effected in accordance with Cl. 17-18. The wording has been editorially amended in the...

- **Clause 20-11. Costs incurred in saving time/ Ref. Clause 12-7, Clause 12-8, Clause 12-11 and Clause 12-12**

The insurer is not liable for costs incurred in connection with:

- temporary repairs under Cl. 12-7, sub-clause 2, in excess of what he saves by a postponement of the final repairs,
- the fact that the assured pursuant to the rules in Cl. 12-8 expedites repairs by extraordinary measures in order to limit his loss of time,
- repairs and removal in accordance with the rules in Cl. 12-12, sub-clause 2, in excess of the amount that would have been recoverable if the lowest corrected bid had been accepted, nor for the loss of time under Cl. 12-11, sub-clause 2.

View Commentary [Go to full Commentary page](#)

### **Clause 20-11. Costs incurred in saving time/Ref. Clause 12-7, Clause 12-8, Clause 12-11 and Clause 12-12**

The provision excludes the time-loss element in the ordinary hull conditions from the cover under the coastal hull insurance conditions.

- **Clause 20-12. Deductions/Ref. Clause 12-15, Clause 12-16 and Clause 12-18**

- Ice damage deduction, cf. Cl. 12-15:  
Damage resulting from striking against or contact with ice is covered subject to the deductions stated in the insurance contract.
- Electronic equipment damage deduction:  
Damage to electronic equipment is covered subject to the deductions stated in the insurance contract.
- Machinery damage deduction, cf. Cl. 12-16:  
Damage to machinery etc. is covered subject to the deductions stated in the insurance contract.

- Deductible, cf. Cl. 12-18:  
For any one casualty, the amount stated in the insurance contract shall be deducted.

View Commentary [Go to full Commentary page](#)

#### **Clause 20-12. Deductions/Ref. Clause 12-15, Clause 12-16 and Clause 12-18**

Sub-clause (a) refers to ice damage. According to the 2013 Plan the deduction will be the subject of individual negotiations where inter alia the strength of the hull and ice class will be taken into account. According to the Plan, the deduction applies only to partial damage in accordance with...

---

- **Clause 20-13. Collision liability/Ref. Clause 13-1**

In addition to the limitations in Cl. 13-1, sub-clause 2, the following shall apply:  
The insurer does not cover liability under Cl. 13-1 for damage to or loss of fish or structures for keeping live fish, where the loss or damage occurs in connection with a call at the relevant structure. By a call is meant arrival, anchoring, working, discharging, loading and leaving.