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BRIDGE LOOK-OUT

NORDIC MARINE INSURANCE PLAN 2027: PRACTICAL WAR-RISK CONSIDERATIONS FOR SHIPOWNERS

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As of 1 October 2026, the Nordic Marine Insurance Plan 2027 (NMIP 2027) has entered into force. While the revision introduces amendments across a range of insurance disciplines, the most significant developments for shipowners concern war risks, sanctions, compliance and geopolitical disruption.

In this edition of our Bridge Look-Out, we explore the practical war-risk implications for shipowners arising from the revision of the Nordic Marine Insurance Plan.

Expanded Recognition of Modern War-Risk Scenarios

One of the most noteworthy changes concerns situations where a vessel becomes unable to trade despite remaining

physically capable of navigation. NMIP 2027 now more clearly recognises that a vessel may be blocked or trapped by governmental restrictions, military activity or security concerns even where no physical obstruction exists.

For owners operating in regions exposed to political instability, sanctions or military conflict, this clarification may prove highly significant in future coverage discussions.

Expanded Loss of Hire Protection

The revised Plan also introduces an important development in relation to war-risk loss of hire cover.

NMIP 2027 extends protection to circumstances where a vessel is prevented

from leaving a port or limited area because of certain covered war perils, even though no physical blockade exists. This reflects the reality that modern disruptions often arise from security threats, governmental measures or military developments rather than physical barriers.

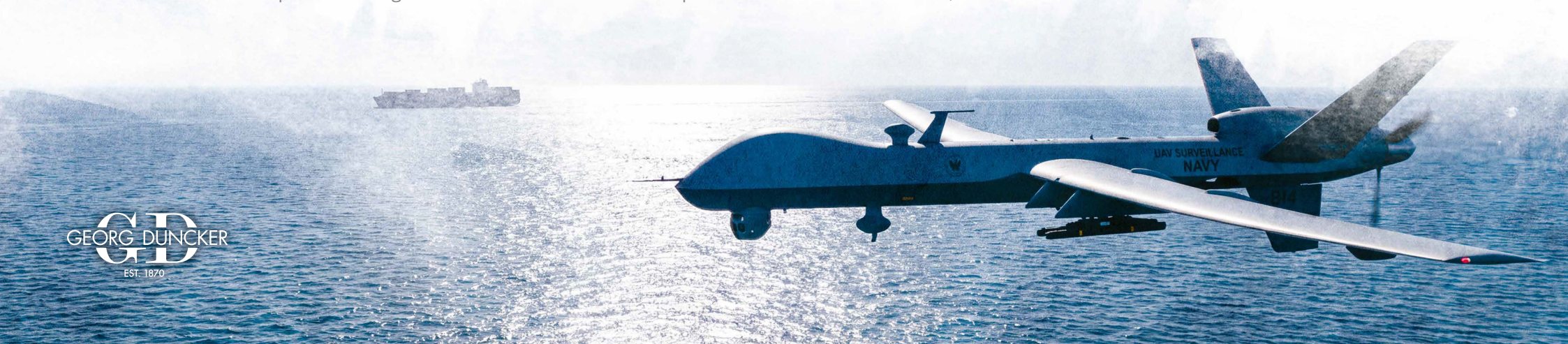
While the application of the clause will depend on individual circumstances, the revised wording may provide support in situations that previously fell into a more uncertain area of cover.

Change to Listed Areas

Another amendment with potentially significant practical consequences concerns the treatment of Listed Areas. Under NMIP 2027, Listed Areas are now

deemed to be excluded areas unless expressly designated as conditional areas. Although this may appear at first glance to be a technical drafting change, it represents a meaningful shift in the allocation of risk.

Owners can no longer assume that a Listed Area will automatically be treated as a conditional area. Unless expressly designated otherwise, the starting point under the revised wording is exclusion rather than conditional cover. The amendment gives insurers greater flexibility when responding to rapidly developing geopolitical situations and reflects the increasingly dynamic nature of modern war-risk management.



Shipowners trading near conflict-affected regions should therefore pay particularly close attention to notifications received from their brokers and underwriters concerning Listed Areas and any amendments thereto.

Removal of the USD 200,000 Cap

NMIP 2027 also removes a limitation that many owners may previously have regarded as a useful safeguard.

Under the prior version of the Plan, claims arising in certain conditional areas without the required notification could be subject to a deduction capped at USD 200,000.

That cap has now been deleted.

The practical consequence is straightforward. Failures to comply with notification requirements now have materially greater financial consequences than before.

Owners with vessels operating close to high-risk areas should ensure that voyage planning, compliance oversight and broker communications are sufficiently robust to avoid inadvertent notification failures.

A Faster Cancellation Regime

War-risk insurance has always been designed to respond quickly to changing

geopolitical circumstances. NMIP 2027 reinforces that principle.

In certain specified circumstances involving one of the major powers identified in the Plan, war-risk cover may now be cancelled on 72 hours' notice. A period of 72 hours leaves comparatively little time to assess alternative routing options, negotiate charterparty implications, arrange replacement cover or address additional premium requirements.

From a risk-management perspective, shipowners should consider whether their internal escalation procedures remain adequate in a scenario where cover could change materially within a matter of days.

Sanctions and KYC Requirements Move Centre Stage

NMIP 2027 also reflects the reality that compliance considerations have become a central component of marine insurance relationships. The revised sanctions clause has been expanded and strengthened. Insurers may now terminate cover where the provision of insurance may expose them or their reinsurers to sanctions-related risks. The provision also introduces additional rights in situations involving sanctioned insurers.



In parallel, NMIP 2027 introduces a wholly new Know Your Customer („KYC“) clause. Insurers are now expressly entitled to request information and documentation required for customer due diligence, anti-money laundering and sanctions compliance purposes. These obligations continue throughout the insurance period rather than being limited to placement. A failure to provide requested information within the applicable timeframes may ultimately entitle insurers to terminate the insurance.

What Shipowners should Consider

In light of the amendments introduced by NMIP 2027, shipowners may wish to review their existing procedures and risk-management arrangements.

In particular, we recommend that owners:

1. monitor Listed Area amendments closely and maintain a clear process for pre-entry approval and notification;
2. ensure that brokers and underwriters are notified sufficiently in advance before vessels enter, or approach, high-risk regions;
3. test internal escalation procedures against a potential 72-hour cancellation scenario;
4. maintain sanctions, KYC, ownership and counterparty documentation in a form that can be produced promptly if requested by insurers;

5. review charterparty war-risk provisions to ensure that additional premium obligations, deviations, delays and cancellation risks are appropriately allocated;

6. evaluate whether existing loss-of-hire arrangements adequately address the increasingly important category of geopolitical disruption unaccompanied by physical damage.

Concluding Remarks

NMIP 2027 demonstrates a clear evolution in marine insurance thinking.

For shipowners, the key message is that war-risk insurance is becoming progressively more dependent upon proactive compliance, timely notification and well-documented operational decision-making. The revised Plan offers potentially valuable protection in a range of modern disruption scenarios, but that protection will increasingly require disciplined risk management and close coordination between owners, brokers and insurers.

We would be pleased to discuss the implications of NMIP 2027 for your fleet, for trading patterns and your insurance arrangements.



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