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NEWSLETTER – MARINE INSURANCE UPDATE

RELEASE OF NMIP 2027 ON 1 OCTOBER 2026: ENHANCED PROTECTION FOR ASSURED^S — AND NEW CONSIDERATIONS FOR INSURERS

As of 1 October 2026, a new version of the Nordic Marine Insurance Plan has been released. The Nordic Marine Insurance Plan of 2013, Version 2027 (“NMIP 2027”), has been issued against a shipping backdrop increasingly shaped by armed conflict, sanctions, state intervention and security-related disruption.

While the overall architecture of the Plan remains familiar, the 2027 revision introduces important changes to the allocation and management of war-risk exposure. Its significance is not confined to strengthened compliance requirements. NMIP 2027 also clarifies and, in certain respects, broadens the protection available to assureds where vessels are deprived of commercial use by contemporary war-related events, often without physical damage, capture or a conventional blockade.

For insurers, these developments may give rise to broader and more complex exposure in scenarios that have become increasingly prevalent: restrictions on navigation, security threats, political interference and the effective closure of

ports or trading areas. The revised provisions will therefore merit close attention at the underwriting stage, in policy drafting and when handling claims.

Broader protection where vessels cannot leave without a physical blockade

The revised war-risk provisions acknowledge that a vessel may be commercially immobilised despite remaining physically intact and technically capable of sailing.

NMIP 2027 clarifies that blocking and trapping may occur in the absence of a physical obstruction. It also expressly extends war-risk loss-of-hire cover to certain situations in which a covered war peril prevents a vessel from leaving a port or limited area, notwithstanding that no physical barrier exists.

For assureds, the revised wording may materially enhance protection in circumstances involving security restrictions, military activity, politically motivated interference or



comparable conditions. For insurers, it reinforces the need to examine carefully the relevant causation issues, the nature and effect of the alleged restraint, and whether the vessel was in fact prevented from departing as a result of an insured peril.

The amendments further clarify the treatment of deprivation of use resulting from foreign-state intervention, piracy and similar unlawful acts. Where the vessel is not recovered within the relevant period, the revised provisions may support a claim for a total loss under the war-risk insurance.

A reciprocal sanctions termination right for assureds

The revised sanctions clause is principally intended to protect insurers and reinsurers from sanctions exposure. It applies where the provision of cover or payment of a claim may expose the insurer or its reinsurers to sanctions, prohibitions or restrictions. In such circumstances, the insurer may terminate the insurance with immediate effect by written notice. Significantly, NMIP 2027 also confers an express reciprocal termination right on the assured. The assured may terminate the insurance immediately if the insurer becomes subject to specified sanctions or asset-freezing measures.

This is a notable development. It recognises that sanctions risks may affect either party to the insurance relationship and provides assureds with a contractual exit where the insurer itself becomes a sanctions-affected counterparty.

Increased control for insurers in relation to compliance and trading areas

The revision is not uniformly favourable to assureds. NMIP 2027 strengthens insurers' position in relation to sanctions compliance, customer due diligence and the management of dynamic war-risk areas.

The new KYC provision makes ongoing customer-due-diligence obligations an express feature of the insurance contract. Assureds are required to provide information necessary for anti-money-laundering, counter-terrorist-

financing and sanctions-compliance purposes, both before inception and throughout the insurance period. A failure to provide requested information may ultimately entitle the insurer to terminate the contract.

The revised rules on Listed Areas are equally important. Listed Areas are now excluded unless expressly designated as conditional areas. In addition, the former maximum deduction of USD 200,000 for certain failures to notify insurers before entering a conditional area has been removed.

These amendments afford insurers greater flexibility in responding to rapidly evolving geopolitical risks. They also underline the importance, for assureds, of robust internal compliance procedures, reliable voyage-approval processes and timely communication with underwriters.

Shorter cancellation periods in major geopolitical crises

NMIP 2027 introduces a 72-hour cancellation mechanism where circumstances involve one of the states specified in Clause 15-5. This significantly reduces the time available to assureds, insurers, brokers and financiers to respond to a major geopolitical escalation. Market participants should therefore ensure that routing decisions, charterparty arrangements, additional-premium issues and alternative-cover options can be addressed at short notice. Where cancellation is effected solely in order to amend the Listed Areas, however, the insurance is automatically reinstated once the amendment takes effect. This is an important safeguard for assureds.

A revised balance of risk

NMIP 2027 does not represent a wholesale shift in favour of either insurers or assureds. It equips insurers with more effective tools to address sanctions exposure, KYC requirements and rapidly changing trading-area risks. At the same time, the revisions to the provisions on deprivation of use, blocking, trapping and loss of hire offer assureds potentially valuable protection where geopolitical disruption frustrates a vessel's commercial employment without causing physical loss or damage.

In our view, the particular importance of the revised framework lies in its recognition that a vessel may be commercially immobilised by security conditions, political intervention or war-related restrictions even where no traditional casualty, capture or physical blockade has occurred.

Key considerations

Insurers and assureds should consider reviewing:

- sanctions and KYC procedures;
- voyage-approval and Listed Area notification protocols;
- policy wording and additional-premium arrangements;
- charterparty provisions addressing war risks, deviation and cancellation; and
- loss-of-hire exposure arising from non-physical restraints on navigation.

How NoordenJones can assist

The Marine Insurance Team at NoordenJones is available to discuss the practical implications of NMIP 2027, including its impact on underwriting, policy wording, sanctions and KYC procedures, war-risk trading arrangements, claims handling and loss-of-hire exposure.

Our Marine Insurance Team is available at any time to answer questions and to assist with the practical implications of NMIP 2027 for your business.

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