

Lay-up of ships and the marine insurance cover

In order for Gard to maintain the insurance cover of a ship in short or long term lay-up¹ the Assured must present a lay-up plan which must include the following items:



1. Lay-up Site

A description of the lay-up site must be provided with particular focus on the weather conditions. The lay-up site must also be approved by the local authorities. Lay-up in hurricane affected and/or tropical areas must be the subject of particular considerations.

2. Mooring/anchoring arrangements

Description and maintenance routines of anchoring and mooring arrangements must be provided including distances to shore and to other ships. The arrangements should preferably be approved by the vessel's Class Society or by a consultant appointed by them, but other competent bodies may also be used.

Information of sea bed, maximum wind forces and direction, shore and on board bollards, anchors with systems is needed for calculation purposes. The anchor windlasses and mooring winches which are in use or under constant tension must be the subject of frequent testing and maintenance to ensure that they function properly at all times.

3. Class Status

Gard generally requires that the Class is changed into the status of "laid-up" to facilitate a return of premium. Annual and other mandatory surveys must be carried out in accordance with Class rules. As for ships in normal trading it is a prerequisite for cover that the Class rules and regulations are followed at all times also during the lay-up, and any suspension of Class will lead to termination of the insurance cover.

4. Minimum manning

The Flag State's requirement as to minimum number of crew for the different lay-up situations must be maintained. If watchmen and routine maintenance as described in the lay-up plan are contracted out to third parties, these arrangements must also be described in the lay-up plan.

¹ Lay-up covered by the following requirements is either:

- (a) **Hot lay-up** with engineering and navigation officers present on board and the machinery kept in operation for the sake of fast re-commissioning. Sufficient crew must be on board to comply with the preservation and maintenance procedures in the lay-up plan and to comply with any requirements of the local port authority.
- (b) **Cold lay-up** with the presence on board of a security watch only and the machinery is taken out of service. The vessel is kept "electrically dead" with the exception of emergency power. Significant re-commissioning work is needed before trading can be recommenced, including dry-docking.
- (c) A condition whereby the ship is anchored/moored with a Minimum Safe Manning (MSM) on board awaiting new charter is defined as an **idle or waiting for order condition**, and does not represent an alteration of risk.

For more information please contact Loss Prevention Manager Terje R. Paulsen, email terje.paulsen@gard.no or Loss Prevention Executive Marius Schønberg, email marius.schonberg@gard.no

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5. Power availability

The lay-up plan should also include the envisaged need for propulsion power and describe the availability of tug assistance in the lay-up area.

6. Protection against explosions and fire

All cargo tanks, pump rooms, cofferdams and cargo lines must, as a general rule, be kept gas free during lay-up. Inerted tanks may be acceptable if approved by local authorities. Hot work is only permitted if a valid gas free certificate is kept on board.

All fire alarm systems must be fully operational during lay-up. The ship's normal fire fighting systems must be available and ready for use. If fixed fire fighting systems are disconnected (CO2 tanks) for any reason, substitute systems must be operational and approved by Class.

7. Precautions against flooding

All sea overboard valves not in use must be closed. If sea water coolers/condensers etc. are left open, the sea water connections must be blanked off.

The water level in the ballast tanks, pump room and bilges must be checked regularly and bilge alarms systems for all spaces must be maintained in normal operation. Temporary bilge alarm systems for cold lay-up conditions are acceptable. All water tight doors and manholes must be closed.

8. Maintenance of equipment

The lay-up plan must also include specific items in accordance with the manufacturers' recommendations as to the preservation, maintenance and operation of machinery and other equipment to prevent damage occurring as a result of the items not being in normal use. The plan should describe the preservation and maintenance of among others:

- Main engine with turbocharger, gear and shafting arrangement
- Auxiliary engines with generators
- Boilers
- Rotating equipment such as pumps, compressors etc.
- Ship type specific equipment
- General requirements as to ambient temperature and humidity, use of heaters, dehumidifiers, preservation oil etc.

9. Resuming of trading/Breaking of lay-up

The extent of survey and testing when breaking lay-up will depend on the extent of maintenance and other preservative measures which had been undertaken during the lay-up and the reason for breaking lay-up (trading, dry dock for re-commissioning, scrap). Gard's requirement is that Class' requirements for re-commissioning are followed, and that the manufacturers' recommendations for preservation and maintenance have been followed during the lay-up and re-commissioning.

Please note, these guidelines are general and should not replace any requirements given by class, authorities or flag state.

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