



The Siri case

From “physical damage” to the high court

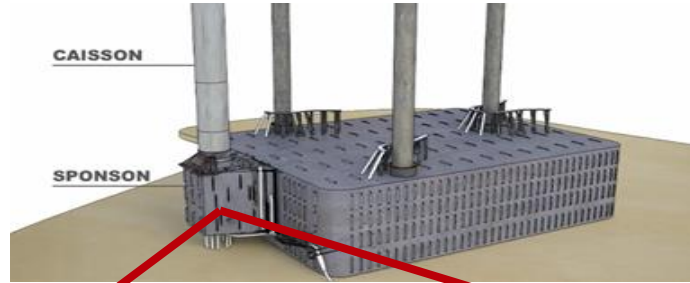
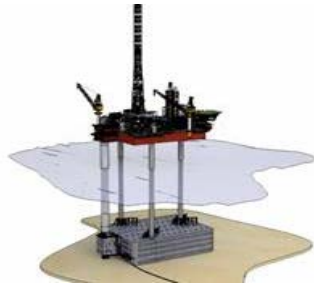
21 September 2017

Lea Kolmos Weis, Bech-Bruun, Copenhagen

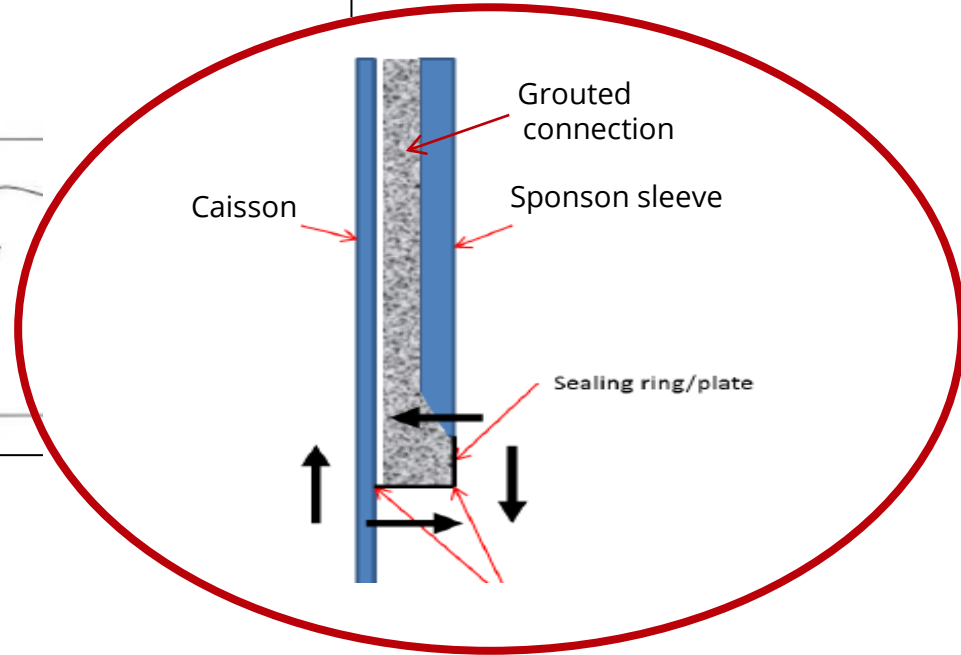
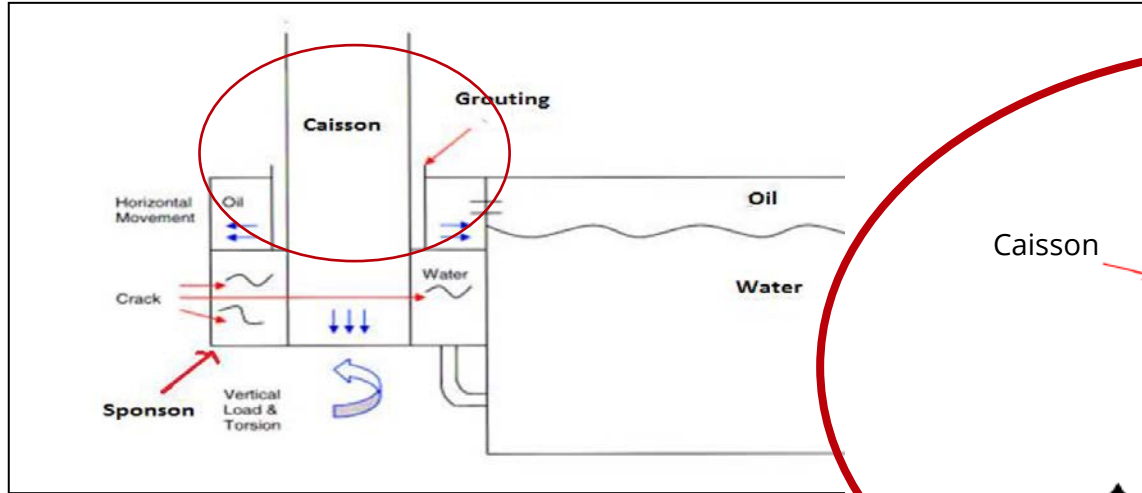
The Siri offshore field in the North Sea



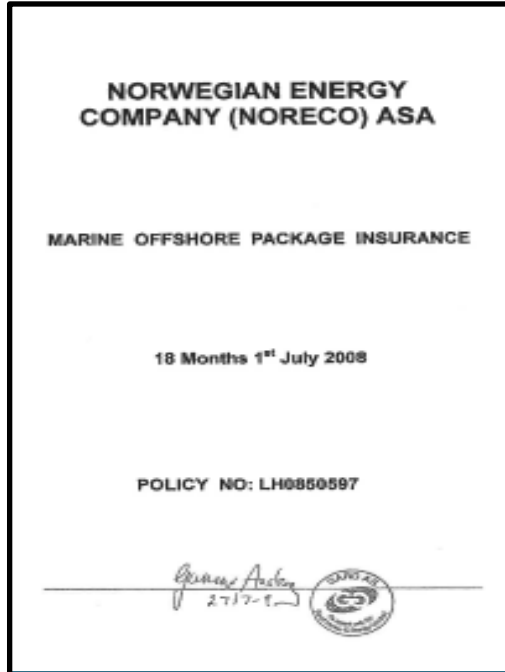
Discovery of cracks in the sponson



The root cause?



Noreco's All Risk Property Insurance



1. Insuring Agreements (Property Insured A., B., and D.)

(...)

i. In respect of Property insured A. and B.:

Against all risks of direct physical loss of or physical damage to the property insured during the period of this Section (...)

The insurance claim

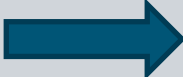
1. Property damage and repair costs

2. Sue and Labour costs

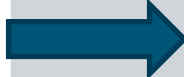
3. Loss of production income

Legal issues of the Siri case regarding coverage

Noreco

- The agreement
- 
- The principle of the manifestation of the damage = 2009

The insurers

- General principle
- 
- The principle of damage causation = 1999

The Maritime and Commercial High Court's Judgment:

**“Noreco
must be
deemed to
have
prevailed
in all
essentials”**

Noreco was awarded:

- Sue and Labour claim covered in full (USD 43,424,051)
 - LOPI claim covered in full (USD 33,077,738)
 - Section 1 claim (USD 307,000,000) with a reduction of approx. 13.5 %
 - Interest (approx. USD 148,000,000)
 - Legal costs of USD 2,892,000
-

Comparative?

Nordic law approach vs. English law approach (cf. the recent English case, Leeds Beckett University vs. Travelers Insurance Company Limited as of 11 April 2017)

The appeal case

- 24 February 2017: The insurers appealed to the High Court of Eastern Denmark
 - March 2018: Oral hearing
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Thank you for your kind attention

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