



Lillehammer 2013 - Corrosion Coverage Intent

Buyer's Perspective

Sigurd Willoughby, Statoil

Corrosion - Buyer's Perspective

Exclusion taken from PD Section of Statoil offshore operating wording

Notwithstanding anything to the contrary which may be contained in this insurance there shall be no liability under this insurance in respect of:

- (H) any cost of repairing or correcting normal or abnormal wear and tear, gradual deterioration, metal fatigue, machinery breakdown, expansion or contraction due to changes in temperature, gradual corrosion, gradual rusting, electrolytic action, latent defect, but the foregoing shall not be deemed to exclude any consequential physical loss or physical damage caused by or arising from any of the aforesaid conditions.

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 - Gradual corrosion is clearly excluded

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 - Gradual corrosion is clearly excluded
 - S&A corrosion is therefore included

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 - Gradual corrosion is clearly excluded
 - S&A corrosion is therefore covered
 - All consequential damage is covered

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 - Gradual corrosion is clearly excluded
 - S&A corrosion is therefore covered
 - All consequential damage is covered
 - But not the cost of repairing the corroded item!