

## JR2021-30 Comparison between LSW498 & JR2019-005/005A

The below table aims to provide a comparison, focussing on technical assurance certainty, between LSW498 (08/93) – *Mobile Unit Shift Addendum*, and JR2019-005 – *Rig Location & Move Code of Practice, Rig Location & Move Warranty Survey Scope of Work and Rig Location and Move Certificate of Approval Requirements and Examples*. It is noted that JR2019-005 is enabled via JR2019-005A – *Rig Location & Move Marine Warranty Survey Endorsement*.

The comparison has been made using the four main sub-headings of LSW498.

	LSW498	JR2019-005 & JR2019-005A	Comment
<b>Applicability</b>	<i>This Addendum shall prevail, notwithstanding any provisions whether written, typed or printed in this insurance inconsistent therewith, in respect of shifts of Jack-Ups/Lift Barges in excess of <b>insert</b> nautical miles, shifts of Semi-Submersible Barges (including Submersibles) in excess of <b>insert</b> nautical miles and shifts of Drill Ships not made under their own power in excess of <b>insert</b> nautical miles (hereinafter “Shifts”).</i>	JR2019-005 stipulates an applicability of: <b>all</b> wet jack-up moves, inclusive of jacking down and up; wet tows of other semi-submersibles & submersible/drill-ships/tender rigs where original tow plan exceeds 72 hours; <b>all</b> dry tows of jack-up rigs and semi-submersibles & submersibles; transits of semi-submersibles & submersibles and tender rigs under their own power where the original tow plan exceeds 72 hours	<p>Key difference here is that the LSW498 provides for an applicability ‘trigger’ based on a inserted number of nautical miles, whilst JR2019-005 is either mandatory or uses a 72 hour duration for move applicability.</p> <p>The JR2019-005 is more conservative, and uses a tow duration criteria that is consistent with the duration of an accurate good weather forecast as opposed to a tow distance.</p> <p>Using a typical tow speed of 4nm/hr - when using LSW498, any distance inserted &gt; 300 nm would give a less stringent applicability criterion. Examples of 1,000 nm are not untypical for LSW498, which on the above basis would only be applicable to movements of tow durations greater than 9 days, far in excess of accurate weather forecast capability.</p> <p>Noted that JR2019-005 also ensures the jacking down and up stages of a jack-up move are captured in the applicability for review.</p> <p>Noted that LSW498 has applicability for lift barges, which are not specifically mentioned in JR2019-005.</p>

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<b>Underwriter's Approval</b>	<i>It is understood and agreed that there shall be no coverage under this Policy in respect of any Shift unless Underwriters hereon have agreed to an additional premium prior to such Shift.</i>	Silent with regard to the prior agreement of additional premium for shifts	JR2019-005 & JR2019-005A are consistent with other JRC codes of practice/scopes of work and endorsements in leaving any rates, terms and clauses to the remit of the individual Underwriter.  It is unclear how LSW498 works consistently in practice in regard to Underwriter approval and additional premium.
<b>Survey Costs</b>	<i>The additional premium charged shall be inclusive of surveying costs incurred pursuant to the following warranties.</i>	Endorsement states:  5) The cost of the Marine Warranty Survey shall be borne by the Assured.  6) Any expenses incurred to comply with the MWS's recommendations shall be solely at the expense of the Assured.	Other JRC MWS codes of practice / scopes of work and endorsements are consistently clear in stating that survey fees shall be solely at the expense of the Assured. JR2019-005 and JR2019-005A are consistent with these other JRC codes of practice / scopes of work and endorsements. Contributions to survey fees and engineering allowances by Insurers remain at their sole discretion.  It is possible that LSW498 could be interpreted as requiring Insurers to pay MWS fees out of the proceeds of an AP.  Other JRC MWS codes of practice / scopes of work and endorsements are consistently clear in stating that such expenses incurred to comply with MWS's recommendations shall be solely at the expense of the Assured. JR2019-005 and JR2019-005A are consistent with these other JRC codes of practice / scopes of work and endorsements.  LSW498 is silent with regard to who bears the cost of compliance with recommendations.
<b>Warranties</b>	<i>It is warranted that prior to any Shift the following shall be approved by an attending surveyor from: insert name(s)</i>  <i>(surveyor to be appointed by Underwriters)</i>	A Marine Warranty Surveyor (MWS) Company being appointed by the Assured from a panel of MWS companies stipulated in the endorsement.  Explicitly stated that - <i>It is the duty of the Assured to ensure compliance</i>	JR2019-005A is consistent with other JRC endorsements in regards to responsibility of the assured to appoint and manage the contract relationship with the MWS, selected from a list pre-agreed with Underwriters.  As currently stated in LSW498, the appointment of the surveyor by Underwriters is inconsistent with actual practice.

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	<p><i>and that all recommendations of the surveyor shall be complied with:</i></p> <p><i>A. In respect of any Wet Tow, all arrangements including but not limited to tug(s), tows, towage, stowage, weather forecasts arrangements and, when applicable, jacking operations.</i></p> <p><i>B. In respect of any Dry Tow, all arrangements including but not limited to tug(s), tows, towage, loading, unloading, seafastening, stowage, weather forecast arrangements and, when applicable, jacking operations.</i></p> <p><i>C. In respect of any Dry Transportation, all arrangements including but not limited to loading, stowage, seafastening, unloading, weather forecast arrangements and, when applicable, jacking operations.</i></p> <p><i>D. In respect of any Shift of Jack-Ups/Lift Barges or Semi-Submersible Barges (including Submersibles) under their own power, all arrangements, including but not limited to weather forecast arrangements, manning and marine crew requirements.</i></p>	<p><i>with all recommendations, requirements or restrictions of the MWS within the specified timescales. In the event of a breach of this duty, Underwriters shall not be liability for any loss, damage, liability or expense arising from or contributed to by such breach.</i></p> <p>Four detailed MWS Scopes of Work are referenced covering:</p> <ul style="list-style-type: none"> <li>• Jack-Up Location Approval (SOW 1)</li> <li>• Wet Tows of Jack-Up Rigs inclusive of jacking down/coming off location, tow and positioning and going on location/jacking-up</li> <li>• Wet Tows of Semi-Submersible (MODUs)/Drill Ships/Tender Rigs</li> <li>• Dry Transportation/HLV Transportation of Jack-ups/Semi-Submersible and Submersible MODUs (and other MOUs of similar configuration)</li> </ul>	<p>From a warranty perspective the JR2019-005 provides greater clarity as to who is responsible for compliance with all recommendations and the consequences of a breach of this duty.</p> <p>In regard to the guidance to all parties as to what the MWS should consider for activities that meet the applicability criteria, there is a major difference between the two documents. JR2019-005 provides absolute clarity as to the expectations of what the MWS should Review and Approve, Attend and when a COA should be issued, whilst the LSW498 provides only a very brief summary of what areas are to be considered, leaving significant room for greater interpretation and possible omission as to minimum MWS expectation.</p> <p>JR2019-005 also provides greater clarity in the form a specific scope of work (with clear guidance as to expectations for satisfying the requirements) of a site-specific assessment for a jack-up.</p> <p>It is noted that the LSW498 does specifically mention moorings arrangements and their adjustment in the event of heavy weather, to which more specific attention could be drawn in the JR2019-005.</p>

	<b>LSW498</b>	<b>JR2019-005 &amp; JR2019-005A</b>	<b>Comment</b>
	<i>E. The destination site and all arrangements in respect of mooring, including procedures for adjustment of moorings in the event of heavy weather and, when applicable, preloading and elevation at the destination site.</i>		

Other (Key) Differences:

- JR2019-005, enabled by JR2019-005A provides for a Code of Practice, clearly defines the roles of MWS, Assured and Underwriter, together with reporting requirements and ensures open lines of communication between the MWS and Underwriter. There is no such provision under LSW498.
- The JR2019-005 is additionally supported by an Underwriter focussed pre-assessment document in the form of JR2019-004 Rig Location and Move Initial Screening Process