

Guidance for the interpretation and use of Joint Natural Resources Committee (JNRC) documents

This document is intended to provide guidance regarding the use of JNRC Technical Documents, which are located on the [LMA website](#).

Background:

The documents on this site started to be created about twenty years ago to provide guidance for the market primarily when instructing Marine Warranty Surveyors (MWS). At the time it was apparent there were misunderstandings between what underwriters expected and what the MWS was actually doing, what site coverage was being provided, with respect to the critical marine operations being attended and also inconsistency between different MWS companies. These documents were, therefore, intended to provide guidance only to address these inconsistencies and to provide confidence to underwriters that their interests in critical marine operations were being addressed.

The format of many of these documents is consistent; a Code of Practice (CoP), outlining how a survey should be conducted is followed by a Scope of Work (SoW) specifying which elements of a project should be examined, attended and specifically approved by the MWS.

While the first document to be created was the Upstream CoP and SoW the others were similarly created in response to requirements for guidance initially for Rig Location Approval, Decommissioning and Lay-up and Reactivation and, most recently, Renewables and Project Cargo.

These last two documents were not only created because of their current relevance to the increased profile of Renewables in the market but also to provide alignment with the membership categories of SOMWS (Society of Offshore Marine Warranty Surveyors). SOMWS have four categories of membership; Projects, Rigs, Project Cargo and Renewables. By having guidelines for each of these categories there is now a suitable common reference document connecting the underwriter, MWS company and SOMWS membership category.

Attached to these documents are example Certificates of Approval (CoA's). These are not definitive and their format is not mandatory. However, their inclusion is as a result of CoA's being seen in the market which are of poor quality, contain recommendations that effectively negate the approval, are not time, date or location specific, do not link the document reviews seamlessly with site approval and the issuing of a CoA (a diagram is included in some documents showing this relationship) and in some cases CoA has been issued remotely without attending site (totally unacceptable except in the single instance of issuing an SLR).

Suitable Endorsements have been provided relevant to each CoP and SoW document.

During the Covid-19 pandemic additional endorsements were added to provide a practical means by which the MWS could fulfil his attendances while satisfying their obligations to the underwriter. Should such a situation occur again then similar endorsements could be provided to assist the MWS fulfil their duties.

Use:

No two projects or attendances are the same. Some seemingly identical projects, on paper, can become quite different on site; personnel changes, weather, equipment breakdowns, schedule pressures, vessel availability and any number of other changes that require alterations to the planning and conduct of an operation can diverge from the original intentions. As a result, prescriptive demands on the MWS's conduct are usually inappropriate. Hence, the documents described here should be seen as guidelines and not rules. While this allows the MWS much more flexibility in decision making it also places more responsibility on the MWS to ensure sound judgement. "*Just following the rules*", is no defence.

The MWS disciplines required to conduct such activities are, generally, Master Mariners and Naval Architects with structural engineers and civil engineers sometimes working on these projects with specialists, as required.

Therefore, the documents appended to this guidance note do not have to be rigidly adhered to.

Specifically:**Marine Warranty Surveyor (MWS) Information:**

This document was created to provide an alternative means of qualifying as an acceptable MWS without going through the SOMWS process. It was felt that the LMA recommending only one route to acceptability as an MWS was not good practice. An alternative means was, therefore, devised, at least equally demanding, whereby a surveyor may be considered qualified for a particular MWS role.

The MWS Companies Good Practice Guideline was created to provide companies with guidance on what is regarded as being good practice for an MWS company. It is a small document, light on specifics but contains some general principles that would be expected. Companies which company with ISO 9001 should already be familiar with most of the contents of this document but it is intended to be a helpful guide and was largely created due to the increase in smaller companies entering the MWS market who may need guidance.

The third document in this category is a general information document on MWS companies intended to advise those not working for an MWS how their system of administration operates. Each company is, of course different and the description is not definitive but all MWS companies should recognise the general administrative processes involved, document logging, approval, attendances and the issuing of CoA's. Alos attached are two diagrams; one is a family tree showing the business relationship and origins of MWS companies and the other is intended to show the relationship between the MWS and the insurance market.

Upstream Construction:

This is the original document published by the JNRC (formerly JRC – Joint Rig Committee) in 2004 and established the format still used. It is intended to cover all tradition oil and gas related construction, transportation and installation activities from design documents required, to site attendances and to final installation.

Standard offshore projects consisting of jackets, topsides, pipelines and subsea infrastructure, are covered together but the document can also be used for GBS's (Gravity Based Structures) and other structures such as TLP's (Tension Leg Platform's), spar buoys, guide towers and FPSO's (Floating Production Storage Oil).

Offshore Renewables:

This document is intended to be used for all renewables projects with a marine element. It covers, primarily, offshore wind but can also be adapted for onshore wind. It does not yet cover floating solar (there being relatively few floating solar projects confined to lakes and sheltered rivers) but the potential for expanding the document to cover ocean energy sources of renewables; waves, current and tidal, has been built into the SoW. This can either be added to the document by the user or expanded, as progress is made in this field, with revisions to this document.

The seven main categories of renewables are as follows:

- Biomass
- Geotechnical
- Hydro
- Hydrogen
- Ocean energy: waves, tidal, current
- Solar
- Wind

The non-marine activities listed above are not covered in this document although the use of battery storage, hydrogen and solar more extensively offshore may lead to additions to this SoW. Coverage of the warranty of Project Cargo, relating to any of the above, could equally be covered using the Project Cargo SoW.

Rig Move:

Rig moves are a unique activity in that the MWS is onboard for the tow of a jack-up, semi-submersible or similar vessel and works particularly closely with respect to the actual tow and installation. As a result the MWS is always a Master Mariner who has qualified by undertaking several rig moves under the supervision of a more experienced MWS.

Some companies try to cut corners by using the MWS as a Tow Master. This is clearly a conflict of interest and incompatible with sound practice and should not happen.

If the rig to be moved is a jack-up then a Spot Location Report (SLR) should be provided to ensure on the suitability of a rig location.

Therefore, this activity is considered as being rather unique amongst MWS attendances and a specific SoW is required to ensure all aspects are considered.

Project Cargo:

Project cargo is loosely defined but can generally be regarded as heavy components of a larger project weighing generally under about 1,000t. This SoW is intended to cover the unique aspects of the transportation of these items such as road transportation, loadout down small rivers and creeks or in a commercial port, stowage and transportation on a barge or heavy lift ship (often in a hold but sometimes on deck), seafastening and supporting with minimal design back-up and lifting in place using onshore cranes often requiring bumpers and guides.

Lay-up and Reactivation:

An activity for which assurance is increasingly required is lay-up and reactivation. The two activities are related in that the quality of lay-up usually determines the success of a reactivation.

Lay-up has become increasingly sophisticated as vessel's become more capable, automation increases and manning decreases. In the 19th century a laid-up ship contained hardly anything that could not be removed for preservation ashore (guns, navigation equipment, fittings, even masts and rigging). With the advent of the dreadnought battleships equipment was integrated into a vessel's hull making removal uneconomic when lay-up was required. The integration of equipment increased throughout the 20th century with guns, radars, sonars, electronic equipment all being integrated into the vessel. This was further extended, especially in the offshore sector, where vessels are also built around equipment which becomes uneconomic to remove during lay-up; pipelaying equipment, large cranes, electronic equipment and control rooms, processing equipment and separators and drilling equipment. Formal methods are, therefore required to preserve such equipment such as the flushing of pipelines with preservative, controlling temperature and humidity, greasing equipment and preserving engines, monitoring moorings and external dangers and deciding on a hot, cold or warm lay-up regime.

It is a correctly performed lay-up and competent reactivation that this SoW is intended to assist by providing a framework for these activities to take place in a structured manner to the satisfaction of the surveyor and underwriter (and ultimately the Assured).

Upstream Decommissioning:

Decommissioning can be more critical and, in some respects, potentially more dangerous than installation, so, in this respect, this document is as important as the Upstream SoW. Decommissioning takes place on elderly structures which, due to corrosion, having lost strength, are often of an unknown strength and weight (invariably the strength decreases and the weight increases) with the CoG having also moved due to structural additions and liquids contained within the structure. Stringent removal requirements in terms of seabed clearance, hazardous material disposal and seabed conditions have to be met but usually on a minimal budget.

As a result this SoW is used to ensure the project is adequately overseen by the MWS.

Well Review Guidelines:

Well reviews require a different approach for gaining confidence, as to the efficacy of the risk, than the other documents described. Obviously a physical attendance in every case would be impractical and would provide marginal value in assessing the risk of a well. It is of much greater value to assess the well on paper initially, as the assured would also do and draw conclusions regarding the risk from such an in-depth study.

Therefore, a formal approach has been documented in this guidance note to ensure that the well reviews are conducted in a logical and thorough manner. For levels, Tiers, of review are listed each for a different levels of detail based on the risk and each stating what should be examined in each review.

(FUMA) Floating Unit Mooring Analysis:

The Floating Unit Moorings Assessment process was published in 2013 and is intended to:

- Provide an opinion of the fitness for purpose of an assured's mooring system(s).
- Promote dialogue with assureds.
- Assist underwriters in understanding the operational practices and experiences of assureds.

- Facilitate, where possible, information gathering using Desk-Top/Correspondence Technical Reviews and to facilitate, where required, attendances by agreed Mooring Assessors (MAs) of:
 - Onshore sites i.e. Assureds Offices
 - Offshore sites i.e. floating units with, if required, sub-sea inspection to varying levels

The four levels of assessment are as follows:

Level One: Desk-Top/Correspondence Technical Review
 Level Two: Attended Technical Review
 Level Three: Physical Inspection
 Level Four: Detailed Physical Inspection

This document can be used by anyone in industry who wishes to critically assess the suitability and condition of their moorings.

Offshore Operations:

These guidelines are for general information and outline good practice in offshore operations. As well as describing the equipment and being general educational documents, they are also intended to lay out good practice with the intention of avoiding mistakes, accidents and claims.

Asset Values Guidelines:

This document has been written to provide general high-level guidance with respect to the relative confidence of valuations provided for assets under different circumstances together with guidance notes describing the valuations of assets of different types.

QA/QC Document:

The QA/QC document was developed due to a recognition that auditing facilities, such as factories (in particular cable factories), fabrication yards and shipyards was not part of the MWS remit but could result in significant claims later in production. The document describes the QA/QC process, what a facility with good QA/QC looks like and, although the intention is not to explicitly supersede the well-known JH143 shipyard audit format, it does provide a more comprehensive audit list highlighting areas which may result in more significant claims and expand the format to factories and fabrication yards.

Minimum Information Required for Risk Assessments:

Two documents have been added to the documents provided, one for Upstream and one for Renewables. When reviewing documents underwriters and risk engineers spend a lot of time trawling through masses of data for even the most basic information on a risk so they can understand the risk. It is sometimes difficult to establish the exact location, types of equipment being installed, water depths, contractors and schedule, for instance. These documents list, for different types of projects, the minimum information that would be expected to be immediately available in an easily accessible document. Not buried deep in one of many large reports. This has a twofold benefit:

- It enables the underwriter's risk engineer to spend time on assessing the risk rather than finding basic information. If there is a severe deadline for a response to brokers and the information is unavailable then the risk engineer would, naturally, make the

most onerous assumption to the detriment of the assured, both financially and reputationally.

- It enables the Assured and the brokers to focus on the most important aspects of a project, aspects which often get lost in the detail and provide a reality check of the key aspects of the project.

Much more information should usually be provided but these documents are intended to help address, not only a lack of pertinent information provided but also to try and standardise the presentation of such information to save time and improve the quality of the risk assessment.

Key:

CoA	Certificate of Approval
CoG	Centre of Gravity
CoP	Code of Practice
FPSO	Floating Production Storage Oil
FUMA	Floating Unit Mooring Analysis
GBS	Gravity Based Structure
JNRC	Joint Natural Resources Committee (formerly the JRC)
JRC	Joint Rig Committee
LMA	Lloyds Management Association
LULAS	Lay-Up Location and Arrangements Surveyor
MA	Mooring Assessor
MWS	Marine Warranty Surveyor
QA	Quality Assurance
QC	Quality Control
SOMWS	Society of Marine Warranty Surveyors
SLR	Spot Location Report
SoW	Scope of Work
TLP	Tension Leg Platform

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