



PRESS RELEASE

Oslo, Norway, 24 March 2010: Cefor releases 2009 marine claims statistics, introduces new coastal and fishing vessels statistics, and elects new members to the Board of Directors.

Change but no change in marine claims

Cefor today released its latest hull claims statistics, revealing that the average claim per vessel in 2009 dropped sharply from the peak in previous years. “We are of course pleased with a positive development after years of increasing hull claims costs”, says Helle Hammer, Managing Director of the Nordic Association of Marine Insurers (Cefor).

However, the 15% drop came as no surprise under the current market situation and could only be a temporary relief. “Take away the effects of vessels in lay-up or idle, the fortunate absence of very large claims and the decrease in ship values, and the level is probably on par with the record high 2007-2008 level. These factors may very well change as the shipping markets recover from the current recession”, warns Helle Hammer.

A number of conditions affecting marine insurance results have changed substantially since strong growth in the world economy turned to strong decline at the end of 2008. The combined effects on marine insurance results from factors such as lower utilization rates, repair costs, increased risk when re-employing laid-up vessels, lag effects of the ship-building boom and less strain on vessels are difficult to predict. However, the effect of some of the variables impacting premiums and claims in 2009 can be assessed.

According to Cefor’s 2009 Nordic Marine Insurance Statistics (NoMIS), the average claim amount per individual claim is down from USD 360,000 to USD 280,000. “With vessel values down on average by 14% in 2009, this is an expected development”, says Hammer. However, decrease in market values is also followed by a demand for reduction in premium, representing a challenge to insurers who need to ensure that there are still enough premiums to pay for the residual risk carried. Prices of repair and the availability of spares are improving, but not nearly at the same rate or significance as the reduction in market value of vessels.

The increase in claims frequency recorded in the last few years did not continue in 2009. “The number of vessels in lay-up or idle and increased deductibles have undoubtedly led to a reduction in the number of reported claims”, explains Helle Hammer. Less pressure on vessels due to the general downturn in international trade is also believed to have had a positive impact on the claims frequency.

“With regard to types of claims, our main concern remains with fire/explosion and nautical-related claims which in a long-term perspective show a clear trend towards increasingly expensive claims”, concludes Helle Hammer.



Introducing new coastal vessels statistics

The NoMIS database was extended in 2009 to include coastal vessels. “We are pleased to present separate statistics for coastal vessels, including all fishing and offshore/supply vessels, in addition to our comprehensive ocean hull statistics”, announces Helle Hammer.

The coastal fleet typically has a high number of contact claims due to the many fishing vessels with equipment in the sea. The overall claims frequency had a rather favourable development due to a reduction in the number of claims below USD 500,000, while claims exceeding USD 1 million showed a reverse trend.

Analyzing claims by type, the average claims cost for the coastal portfolio increased for almost all claims types in recent years. A major part of this increase is due to the increasing impact of larger claims.

About NoMIS

Since 1985, leading members of Cefor have compiled and analysed statistical information relevant to their hull & machinery insurance portfolio. The Nordic Marine Insurance Statistics database comprised 213,348 vessel years and 57,907 claims by the end of 2009 – also including the coastal portfolio.

More information is available at www.cefor.no

Åland- and Copenhagen-based representatives elected to the Board

Cefor’s Annual General Meeting elected today Leif Nordlund, Managing Director of Åland-based Alandia-Group, and Anders Hestbech, Codan Marine’s Nordic Director, as new members to the Cefor Board of Directors.

With these elections, the Cefor Board truly reflects the Nordic affiliation of the Association with members from four Nordic countries.

The Cefor Board of Directors now comprise of the following members: Ole Wikborg, Norwegian Hull Club (Chair), Svein Arne Aas, If (Deputy Chair), Carsten Mortensen, TrygVesta, Nils Arne Fagerli, Gjensidige, Kjetil Eivindstad, Gard, Lars Malm, Swedish Club, Leif Nordlund, Alandia-Group, and Anders Hestbech, Codan Marine.

For more information, please contact: *Helle Hammer, Managing Director*
Dir. phone: +47 23 08 65 57 Mobile: +47 94 83 59 51
helle.hammer@cefor.no www.cefor.no