



## PRESS RELEASE

**7 April 2021:** Cefor releases 2020 marine hull claims trends from the Nordic Marine Insurance Statistics (NoMIS) database, share some observations post-IMO 2020, and elects new members of the Board.

### **2020: Claims impact reduced but fires prevail**

‘We have seen an extraordinary reduction in overall claims frequency and cost for the ocean hull portfolio in the past year. This can be linked to the disruption caused by the corona virus leading to reduced shipping activity in several vessel segments. In addition, the impact of major claims was as its lowest level since 2005’, says Helle Hammer, Managing Director of Cefor. The Nordic Association of Marine Insurers (Cefor) published its 2020 claims statistics from the comprehensive Nordic Marine Insurance Statistics (NoMIS) database today.

Large claims are volatile, and the record low level in 2020 is not likely to continue when shipping activity in segments with high-value vessels return to normal after the pandemic. It should also be noted that the downward trend in larger losses was not equally true for all casualty types, with particularly fires being an exception.

‘The frequency of fires has not shown the same reduction as other types of casualties. A particular worrying trend is the continuing high number of fires on container vessels among the large claims’, warns Helle Hammer.

The occurrence of fire/explosion claims are generally more volatile than other claim types. While less frequent, the cost is typically high with a greater risk of injury to crew, pollution and damage to both cargo and vessel.

‘The claims frequency has remained stable over several years. What is special in 2020 is that the frequency of claims in all intervals has decreased compared to previous years, and to a larger degree than any normal trend would have indicated. This must be seen in light of the global pandemic which led to reduced activity in the container, cruise and offshore/supply segments. Other vessel types, on the other hand, had about the same activity level as in the two previous years’, Hammer explains.

For the smaller vessels in Nordic waters, the claims cost per vessel levelled out in 2020 after an upward trend 2011-2019. The claims frequency remained stable.

Fishing vessels showed some increase in the claim cost per vessel in 2020. In general, fishing vessels in Nordic waters show an increased claims frequency from February to April in connection with the high season for fishing, especially in Northern Norway.

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#### **About NoMIS**

Since 1995, leading members of Cefor have electronically compiled and analysed statistical information relevant to their hull & machinery insurance portfolio. The Nordic Marine Insurance Statistics database comprised more than 520,000 vessel years and more than 100,000 claims by the end of 2020.

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## Observations post-IMO 2020

'Most owners prepared well for the new low-sulphur regulation that took effect from 1 January 2020. But it has not been without challenges. Good news is that more occurrences were observed in the early part of 2020, which indicates a certain amount of learning from experience', says Helle Hammer.

The observations have been mainly related to five issues; tank cleaning, filtering, lube oil, viscosity and stability. Further explanation of this is given in an article published in the Cefor 2020 Annual Report. 'The maritime industry has done well. Poor fuels and poor handling of fuels constitute a significant risk for a vessel, and going forward all stakeholders need to co-operate, communicate and remain focused', Hammer concludes.

## Elections to the Board of Directors

The Association's Annual General Meeting elected today Audun Pettersen, Chief Underwriting Officer at Gard, and Anne Systad, Senior Vice President at the Norwegian Hull Club, as new members of the Board. Anders Hovelsrud, Insurance Director at the Norwegian Shipowners' Mutual War Risks Insurance Association (DNK), was re-elected Deputy Chair of the Board, while Jonny Gangstad, Senior Underwriter at If, and Director Tord Nilsson of The Swedish Club were re-elected as members.

After these elections, the Board comprises the following members:

**Jan Linnell**, Alandia, Chair

**Anders Hovelsrud**, DNK, Deputy Chair

**Tom Blix**, Skuld

**Arne Gangdal**, Gjensidige

**Jonny Gangstad**, If

**Lone Scheuer Larsen**, Codan Marine

**Tord Nilsson**, The Swedish Club

**Audun Pettersen**, Gard

**Anne Systad**, Norwegian Hull Club

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The 2020 Annual Report, NoMIS reports, and special focus analysis are available from the Cefor website: [cefor.no](http://cefor.no)

For more information, please contact:

*Helle Hammer, Managing Director*

*M: +47 948 35 951*

*[helle.hammer@cefor.no](mailto:helle.hammer@cefor.no)*

*Astrid Seltmann, Actuary/Analyst*

*Mobile: +47 454 36 485*

*[astrid.seltmann@cefor.no](mailto:astrid.seltmann@cefor.no)*

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### About Cefor:

The Nordic Association of Marine Insurers (Cefor) is a trade association for marine insurers in the Nordic countries. Our objective is to further enhance the lead Nordic hull market, promote the members' common interest on key issues for the marine insurance industry, and contribute to a sustainable ocean industry.