



Cefor Fact Sheet 2010

The Nordic Association of Marine Insurers

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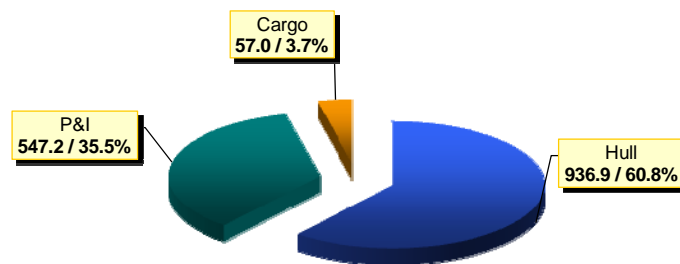
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Managing Director
Viggo Kristensen
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Analyst, Actuary
Hilde Spro
Executive Secretary

Cefor =

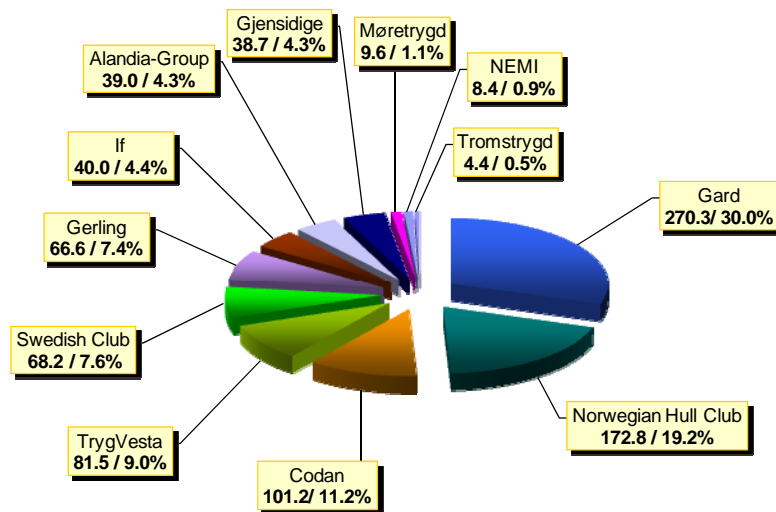
- Trade association for Nordic marine insurance companies
- 15 members in Nordic countries
- Cefor members insure the following risks: Hull and machinery (H&M), protection and indemnity (P&I), cargo, energy/offshore, war risk, legal defence

Cefor - Gross written premium (USDm) 2009

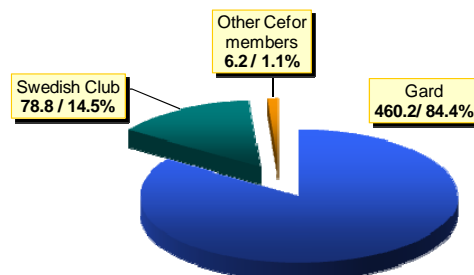
Totalsum = 1,541.1 USDm



Cefor - Gross written premium (USDm), Hull, 2009



Cefor - Gross written premium (USDm), P&I, 2009

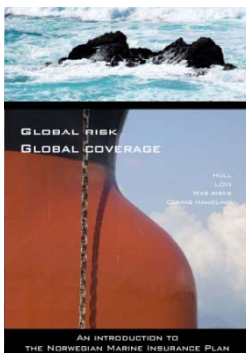


Mission Statement:
Secure the interest of our Nordic members by promoting quality marine insurance.

Core Activities:

- Develop and maintain competitive Nordic insurance conditions
 - Statistics
- Framework conditions for the Marine Insurance Industry
 - Education

Download an introduction to **The Norwegian Marine Insurance Plan:**



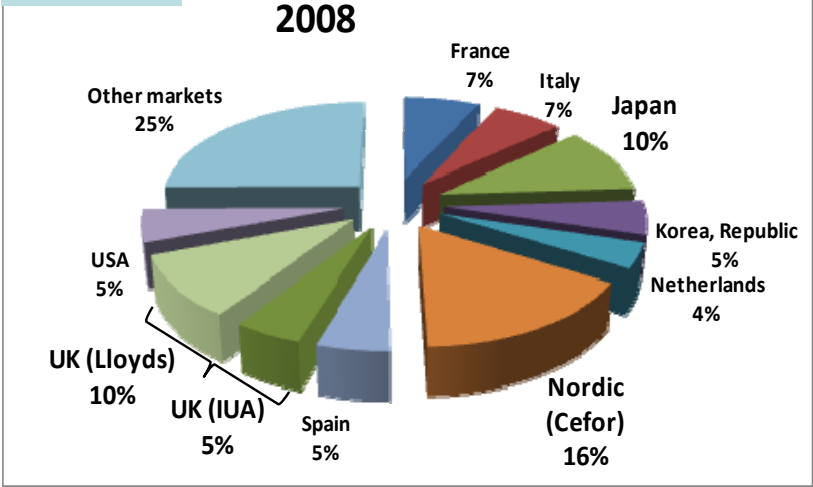
from www.cefor.no

Global Hull Premium by markets

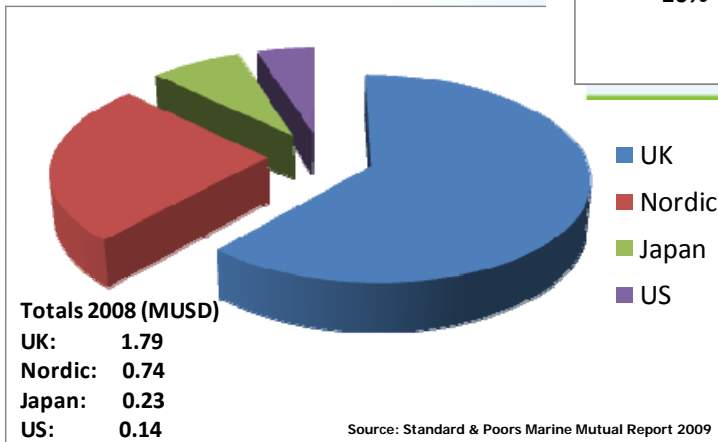


Cefor in a Global context , 2008:
(Source: IUMI, Standard & Poors)

Total: 6.1 MUSD



MARINE MUTUAL MARKET P&I Clubs in International Group Gross Calls 2008 (Premium) – Operational



Cefor maintains the Nordic Marine Insurance Statistics database (NoMIS)

Extensive Hull claims statistics are available here:

http://www.cefor.no/news/CEFOR%20%20Annual%20Report/Cefor%20Annual%20Report%202008_for%20web.pdf

<http://www.cefor.no/statistics/documents/2008%20CEFOR%20The%20NoMIS%20report.pdf>

THE YEAR THAT CHANGED EVERYTHING?

Claims costs continue at high levels despite financial crisis and economic recession

After years of strong growth in the world economy in general and in shipping in particular, strong growth turned to strong decline at the end of 2008. A number of factors affecting marine insurance claims changed substantially. These include oil price increases, and price and repair costs of vessels from growth in decline.

As reported the average claim per vessel dropped sharply from the peak reached in previous years. However, most of the factors leading to the reduction in claims cost also have a negative impact on the premium. It is therefore too early to determine the combined impact on marine insurance results.

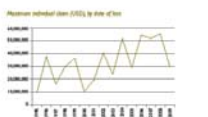
A changing world of claims is unpredictable and long-term marine insurance statistics caution against jumping to the conclusion that the troubled times are over for hull underwriters. Some indicators for the industry changed substantially, resulting in positive as well as negative effects on both costs and income. Among these indicators factors on board calculation were not repair costs, increased ship age, increasing fuel oil costs, effects of the including losses, increased repair and supply and parts availability and the drop in claims. There is also an uncertainty as to the effects on recruiting and training of sailors and maintenance in a market where owners and charterers are hesitant to cut costs and many ships are off. Any effect to predict the combined effect of factors affecting marine insurance results should be more than welcome. However, what we will try to assess is the effect of some of the factors requiring premium and claims in 2009.

Months in lay-up on file
We know that a substantial number of vessels have been in lay-up or fully or partly off during the year 2008. The underlying data in the NoMIS database does not provide information on this, meaning that claims figures for fully trading vessels may change from the average figures in the report. The effect on our statistics from lay-up or off vessels can only be accounted for by using an estimate of the number of vessels involved. But we want to ensure that 100% of all vessels were in lay-up or off a total number of months off, and no claims were filed on these vessels, the claim cost fully trading vessels would be approximately 10% higher (100% x 1.1%).

Absence of very large claims
In 2008 the number and size of claims of between USD 10 million and USD 20 million showed a small downward trend to 2009. There were no claims registered in excess of USD 20 million. Although several vessels notably have an impact on the rate of the hull claims, the stability in these claims suggest that the absence of such claims is due to 2009 being a "fortunate" year with few total losses other than a sign of a trend.

This is also illustrated by the graph showing the amount of the maximum individual claim incurred per year. The largest claim in 2009 is almost half that of the largest claim in preceding years – even though the rate of the specific vessel remained unchanged from 2008 to 2009.

If the cost of claims in excess of USD 10 million was reduced by a five per cent, the claim per vessel for 2008 would increase by 20% (see graph on page 11 "Claim per vessel" and "Claim per vessel Expenditure").



Nordic Marine Insurance Statistics (NoMIS) IO

← Cefor Annual Report 2009, p.10-16

The 2009 Cefor NoMIS Report →
(claims by age group, size group, vessel type, ...)

& The 2009 Cefor NoMIS COASTAL Report (new)



The 2009 Cefor NoMIS COASTAL Report

Nordic Marine Insurance Statistics
ber 2009



The 2009 Cefor NoMIS Report

Nordic Marine Insurance Statistics
Underwriting Years 1995–2009, as of 31 December 2009

This report is on underwriting year basis

(i.e. portfolio and claims data is allocated to the year the insurance policy attaches to).

All figures as reported by 31 December 2009

(i.e. without "BNR" loading for claims not yet registered or incurred by this date)

Included are only vessels with a registered IMO-nr.
(i.e. not small coastal tonnage)

Issued by The Nordic Association of Marine Insurers (Cefor)

is policy attaches to).
ed by this date)

Visit us at www.cefor.no for more information

Via the **Main menu** on the left-hand side you have access to information on: **Cefor** and **Cefor members**, **Insurance conditions**, **CEFOR** and **IUMI Statistics**, the **Cefor Academy** and other related marine insurance data.

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