



PRESS RELEASE

Oslo, Norway, 5 March 2009: Cefor releases 2008 marine claims statistics, adopts new name and elects new Chair and members of the Board of Directors.

Increased repair costs and frequency of marine claims

Claims costs continued to soar in 2008 with claims frequency increasing. To identify any early trend shifts due to the plummeting financial and shipping markets, Cefor is paying particular attention to the most recent figures in the 2008 Annual Report released today. "The overall conclusion is that the claims trend appears to be continuing at a historically high level also in the later part of 2008.", says Helle Hammer, Managing Director of the Nordic Association of Marine Underwriters (Cefor).

According to Cefor's 2008 Nordic Marine Insurance Statistics (NoMIS), the average cost of repairs per vessel reached new heights in 2008. The picture is particularly negative for engine claims. Per 4th quarter 2008 these claims were 34 % higher than the corresponding figure for 2007.

Large claims are traditionally not very stable on a year by year basis, and the severity of claims larger than USD 10 million is approximately 50 % lower in 2008 than in 2007. "At this point in time 2008 is positive in terms of the number of larger claims, albeit it is too early to draw any conclusions as to whether 2007 was particularly negative or 2008 particularly positive", warns Hammer.

For the past 10-15 years Cefor has reported a flat or reduced claims frequency. "Unfortunately, there is now a trend with frequency increasing for all types of claims and vessels. Earlier predictions of increased claims frequency due to the lack of experienced seafarers are evident from both 2007 and 2008 figures", explains Helle Hammer. She also points to the effects of the shipping boom with ships and crews being driven harder than ever before as a possible reason. A higher level of repair costs combined with a stable deductible level also seems to contribute to the increase in reported claims.

Towards the end of 2008 there was a visible reduction in sum insured due to plummeting freight rates. "This represents a new challenge to insurers in terms of determining premium in relation to the residual risk. While prices of repairs and availability of spares are improving, they are not nearly improving at the same speed or as significant as the reduction in market value of vessels," concludes Hammer.

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 134 076 vessel years and 40 613 claims by the end of 2008. In 2008, NoMIS members covered 9 907 vessels.

More information is available at www.cefor.no

The Nordic Association of Marine Insurers

Hansteensgt. 2, P.O. Box 2550 Solli, 0202 Oslo, Norway – T: +47 23 08 65 50 / F: +47 22 56 10 77
Org.no: 871 425 302 – www.cefor.no – cefor@cefor.no



The Central Union of Marine Underwriters (CEFOR), changes its name to The Nordic Association of Marine Insurers (Cefor)

The rebranding was adopted at Cefor's Annual General Meeting in Oslo 5 March 2009. The new name represents efforts taken by the organization and its members during the past years to build a pan-Nordic marine insurance market and to unite and coordinate its members around key issues facing the global marine insurance industry.

Cefor recently welcomed its newest member, the Åland-based insurance company Alandia-Group, thus securing vital ties between 15 marine insurance companies linking four Nordic countries; Denmark, Finland, Norway and Sweden.

"Co-operation among marine insurance companies in the Nordic region is paramount, both in terms of information sharing and to ensure quality improvements in the marine insurance industry," says Helle Hammer.

A pan-Nordic organization, Cefor will pursue the technical knowhow and skills to be the backbone of a strong and resilient marine insurance market. "Nordic marine insurers represent quality marine insurance through a highly qualified workforce and offer, undoubtedly, the best claims handling model available in the global market. Further collaboration among our members will secure top level technical expertise and underwriting skills," concludes Hammer.

Ole Wikborg of the Norwegian Hull Club new Cefor Chair

Cefor's Annual General Meeting elected today Ole Wikborg as new Chair of the Cefor Board of Directors. Wikborg succeeds Bjørnar Andresen from Gard at the end of his two year tenure.

Ole Wikborg has more than 25 years of experience from the marine insurance industry. Prior to entering the industry, he served as an officer in the Royal Norwegian Navy. Mr. Wikborg is today Director, Senior Underwriter and a member of the Norwegian Hull Club management team. He has served on the Cefor Board since 1997, and is also a Vice President and Member of the Executive Committee of the International Union of Marine Insurers (IUMI).

Svein Arne Aas, If, was elected Deputy Chair. Joakim Raben, Codan Marine, Nils Arne Fagerli, Gjensidige, and Kjetil Eivindstad, Gard were elected as new members of the Cefor Board of Directors. The following members were re-elected: Carsten Mortensen, TrygVesta, and Tord Nilsson, The Swedish Club.

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

The Nordic Association of Marine Insurers

Hansteensgt. 2, P.O. Box 2550 Solli, 0202 Oslo, Norway – T: +47 23 08 65 50 / F: +47 22 56 10 77
Org.no: 871 425 302 – www.cefor.no – cefor@cefor.no