

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 "IBNR" 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)



2009 Nordic Marine Insurance Statistics – Part 1

As of 31 December 2009

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- Distribution of number of vessels
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- Claim per vessel
- Claim per Sum Insured
- Claim per gross ton

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- Claim per gross ton



2009 Nordic Marine Insurance Statistics – Part 1

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Legal disclaimer Cefor provides the statistics material in this presentation for general information purposes only. All key figures are derived from the Cefor portfolio, which reflects a minor part of the world fleet, the selection of ships being biased by Norwegian underwriting preferences. Therefore Cefor can accept no responsibility and shall not be liable for any loss which may arise from reliance upon the information provided.



2009 Nordic Marine Insurance Statistics – Part 1

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The **Nordic Marine Insurance Statistics (NoMIS)** is a joint database project of Cefor members active on the Hull & Machinery market to compile insurance data and vessel characteristics for statistical purposes. The database is administered by Cefor.

Since its foundation in 1985 until 1997, the data was compiled by appointing Cefor a facultative reinsurer to which members of the Norwegian Hull Agreement ceded 0.1% of their H&M insurance. Premium and claims information was exchanged via Borderaux, the lead insurer providing details of each claim. While the Hull Agreement was discontinued in 1996, the statistics cooperation continued.

In 1998 steps were taken to update the NoMIS' database electronically. This was in place December 1999, enabling Cefor to produce up-to-date hull figures on a monthly basis, and extending the database substantially by including non-lead business. In 2000, the database was extended to update business back to underwriting year 1995 electronically. In the following years, data from several new major Cefor members was integrated, incl. retrospective data from 1995 uw year.

The latest additions to the NoMIS database were made in 2009, when data from Gjensidige and TrygVesta was integrated, including retrospective data back to underwriting years 2000 and 2003 respectively, resulting in a new all-time high number of 13,084 vessels for underwriting year 2007.

By 31st December 2009, in all 147,304 vessel years (vessels with IMO-number) and 46,431 claims were registered on underwriting years 1985 through 2009.

The NoMIS statistics in this report comprise data from the following marine insurers: Bluewater (last uw year 2008), Codan Group (Codan, Denmark and Norway; Trygg-Hansa, Sweden), Gjensidige (**new coastal**: from uw year 2000), If, Gard, NEMI (last uw year 2009), Norwegian Hull Club, Swedish Club, TrygVesta (**new**; from uw year 2003), Zurich (last uw year 2002).



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All amounts are presented in USD.

Rate of exchange applicable to convert the figures from the original currencies into USD:

Premiums: average monthly rate of exchange of the month of transaction

Paid claims: average monthly rate of exchange of the month of transaction

Outstanding claims: average monthly rate of exchange of December 2009

All premiums are net of all rebates and commissions.

All claims are net of any deductibles applicable.

Total Claims = Paid claims + Outstanding claims

TLO (or Total Losses) = claims in excess of 75% of the Sum Insured

Partial Losses = all losses \leq 75% of the Sum Insured

Loss Ratio = Total claims / Net premium

Underwriting year = year in which the insurance policy attaches



Cefor

2009 Nordic Marine Insurance Statistics – Part 1

As of 31 December 2009

Types of vessels specified

<u>Vessel Type group</u>	<u>Vessels Types included</u>	<u>Lloyds Conf. Index Code</u>
BULK	Bulk, Ore, Cement	BBU, BCB, BCE, BOR, BWC
CAR/RORO	Car Carrier, RoRo	MVE, URC, URR
CARGO	Dry Cargo, General Cargo, Reefers, Pallett Vessels, Animal Transport Vessels	GCT, GGC, GPC, GRF, MLV
CHEM./PRODUCT	Chemical Carriers, Product / Acid / Edible Oil / Fish Oil / Fruit Juice / Wine / Molasses / Waste/ Water Tankers	TAC, TCH, TCO, TEO, TFJ, TFO TMO, TPD, TWA, TWN, TWT
CONTAINER	Container	UCC, UCR
FISHING	Fishing vessels	FFC, FFF, FFP, FFS, FTR,FWF,FWH
LNG/LPG	Gas Carriers LNG, LPG, LNG/LPG	LNG, LPG, LNP
OBO	Combined Vessels Bulk, Ore, Oil	COO, CBO
OTHER	any other ships and floating units, any codes not specifically defined otherwise, like Barges, Cranes, Floating Storage, Floating Production, Pollution Control Vessels, Mud boat, Research vessels, Cable, Seismic Search vessel, Flo/Flo, etc.	



2009 Nordic Marine Insurance Statistics – Part 1

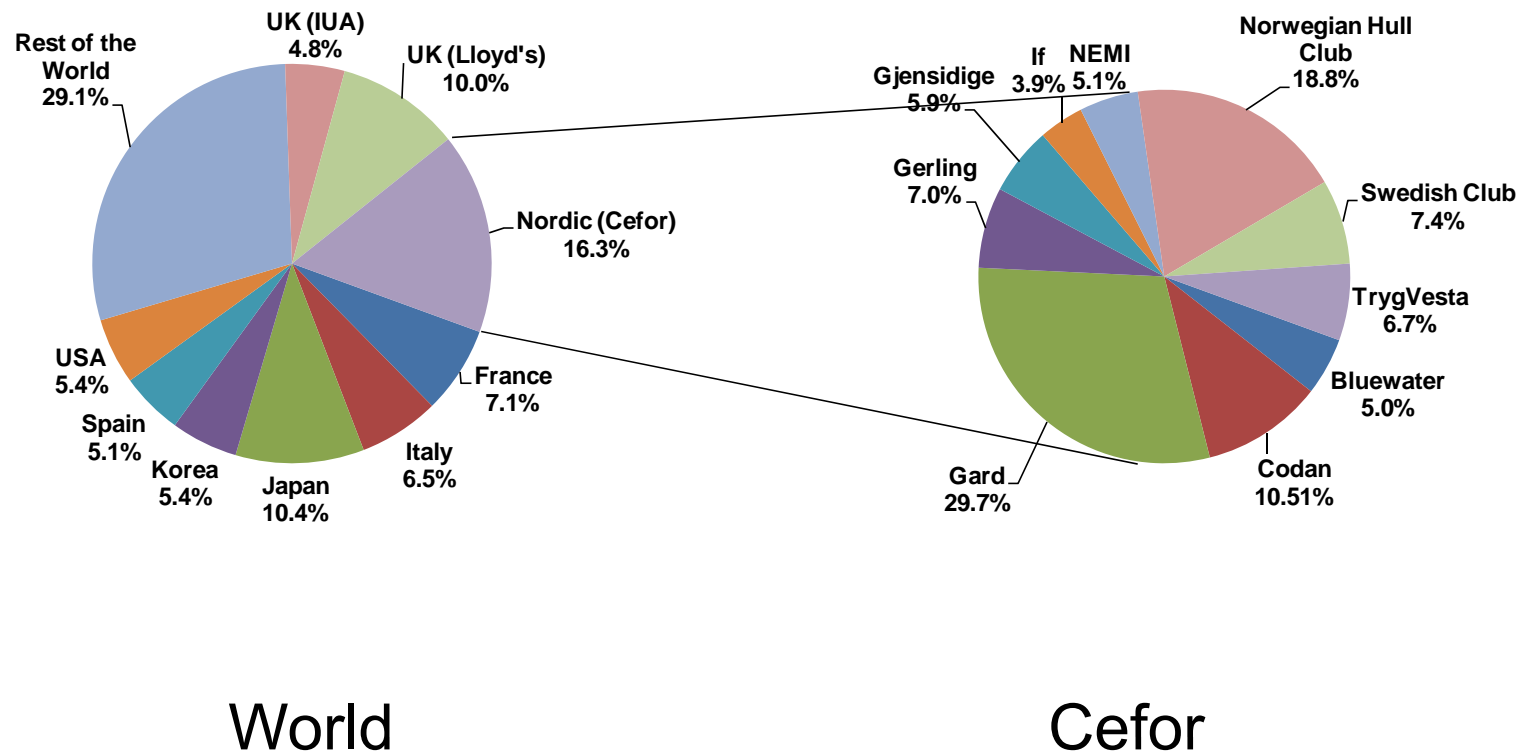
As of 31 December 2009

Types of vessels specified contd.

<u>Vessel Type group</u>	<u>Vessels included</u>	<u>Lloyds Conf. Index Code</u>
PASSENGER	All types of passenger vessels and ferries, Passenger/Roro, Highspeed Craft	LOF, LOP, MPR, OFY, OHF, OHS, PRR
SUPPL/OFF	Supply, Anchorhandling, Standby, Drilling Vessel, General Service Vessel, Supply (Tug, Anchor), Tug/Icebreaker	OBS, OBT, ODS, OIB, OIF, OIS, OIT, OLT, OMN, OMT, OOS, OPP, ORP, OSU, OSY, OSZ, OWO, XAA, XAF, XAG, XAH, XAT, XCT, XFF, XFS, XPT, XTG, XTI, XTP, XTR, XTS, XTT, XTX
TANK	Tanker, Sludge Vessel, Crude Oil Tanker Asphalt Carriers, Bunkering Tanker, Naval Auxiliary	OSC, OTC, TAS, TBK, TCR, TNA, TTA

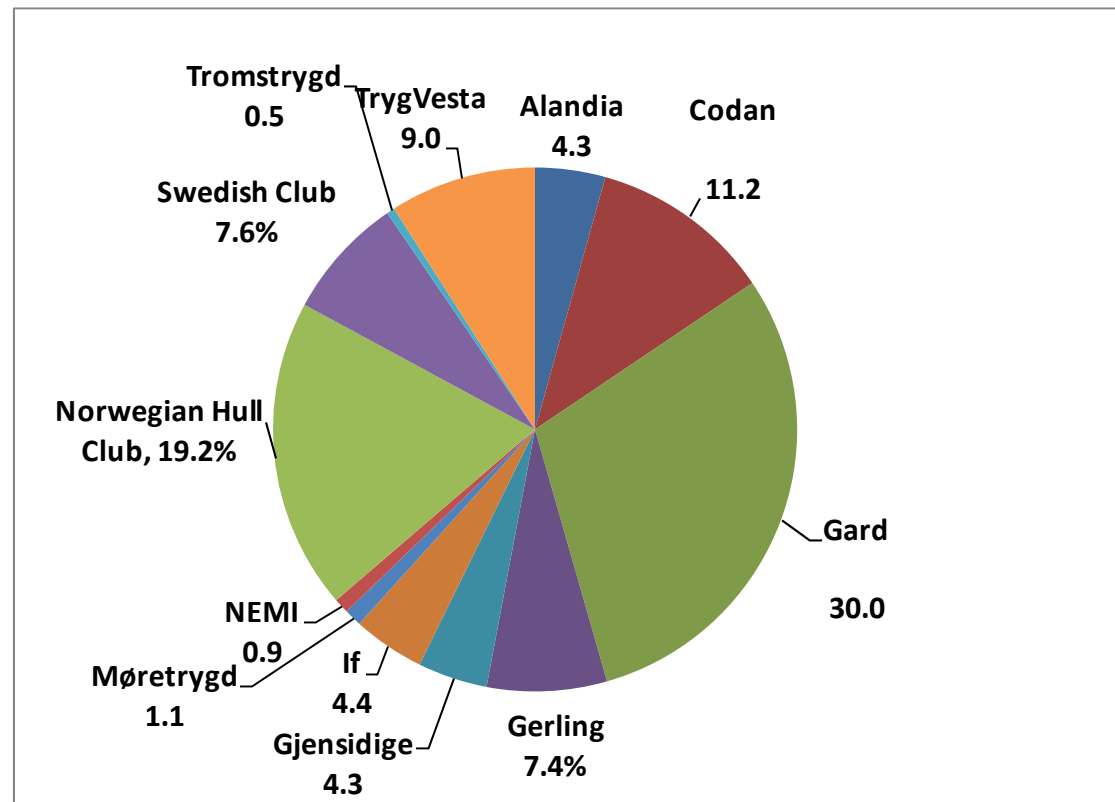
2009 Nordic Marine Insurance Statistics – Part 2

Distribution of Global Marine Hull Premium 2008



2009 Nordic Marine Insurance Statistics – Part 2

Distribution of Cefor Marine Hull Premium 2009



Note:

The premium overview on this slide INCLUDES Loss of hire, hull and freight interest and building risk in addition to hull.

Whereas all following statistics are pure hull statistics and EXCLUDE Loss of hire, hull and freight interest and building risk !

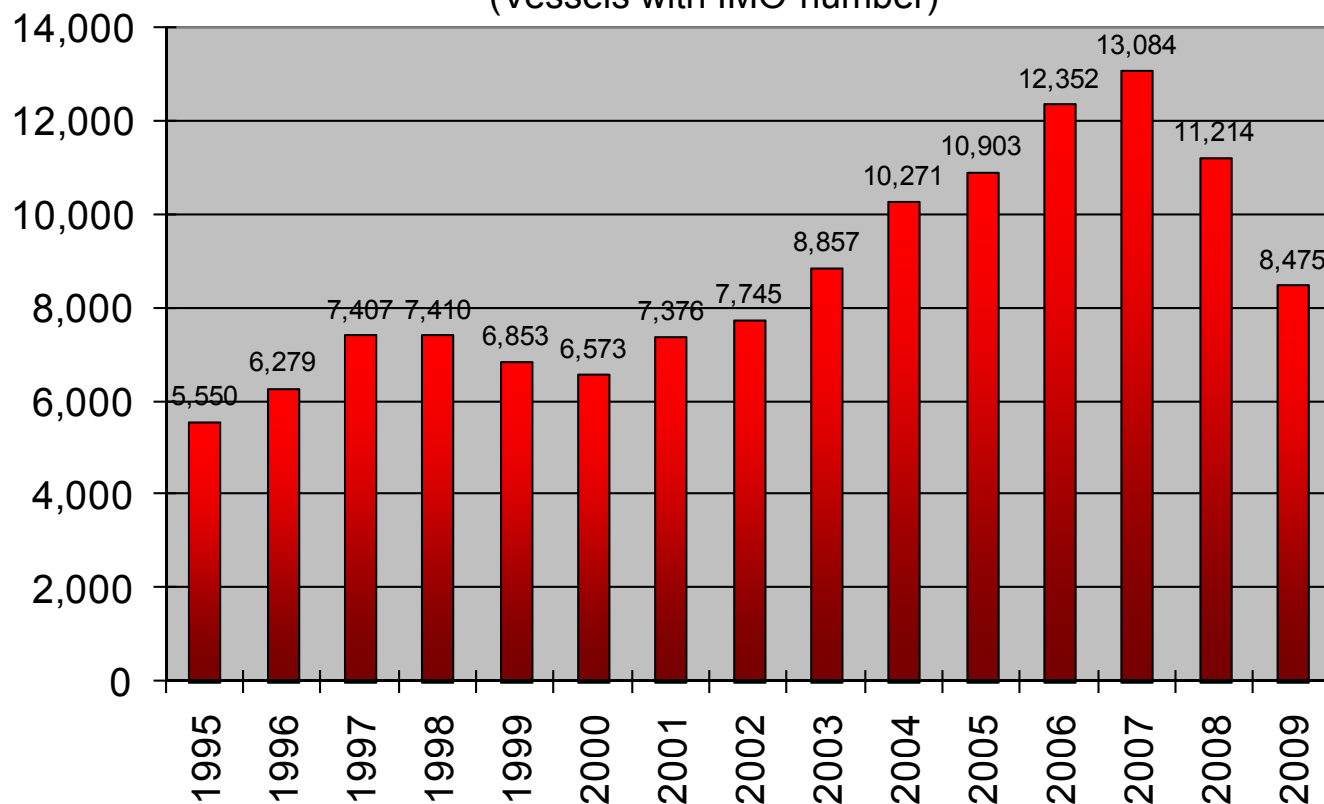


2009 Nordic Marine Insurance Statistics – Part 3

As of 31 December 2009

No. of Vessels per Underwriting Year

(Vessels with IMO-number)



Comment: Variations in the number of vessels registered in the NoMIS database may be due to:

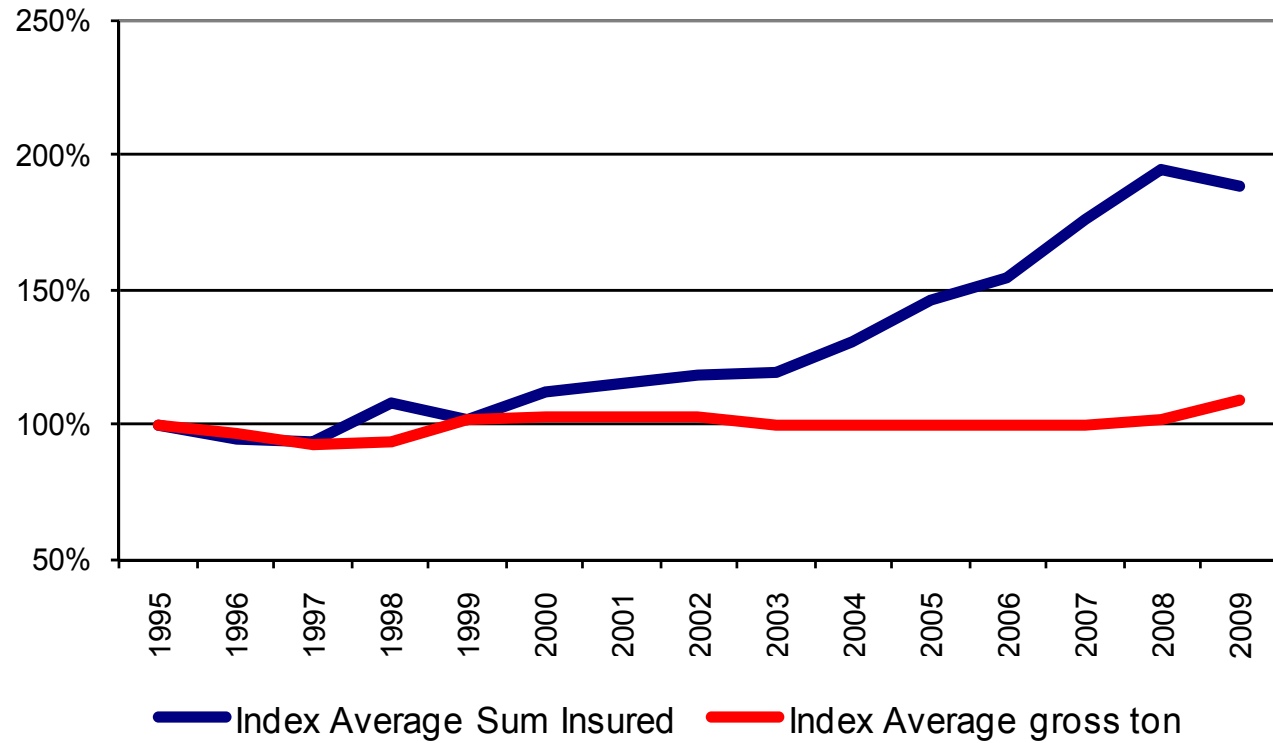
- New members joining the NoMIS datapool / alternatively others withdrawing from the marine hull market
- Real Market growth/decline when existing NoMIS members extend/reduce their marine hull portfolio



2009 Nordic Marine Insurance Statistics – Part 3

As of 31 December 2009

Index of evolution of average Sum insured and gross ton
1995=100%

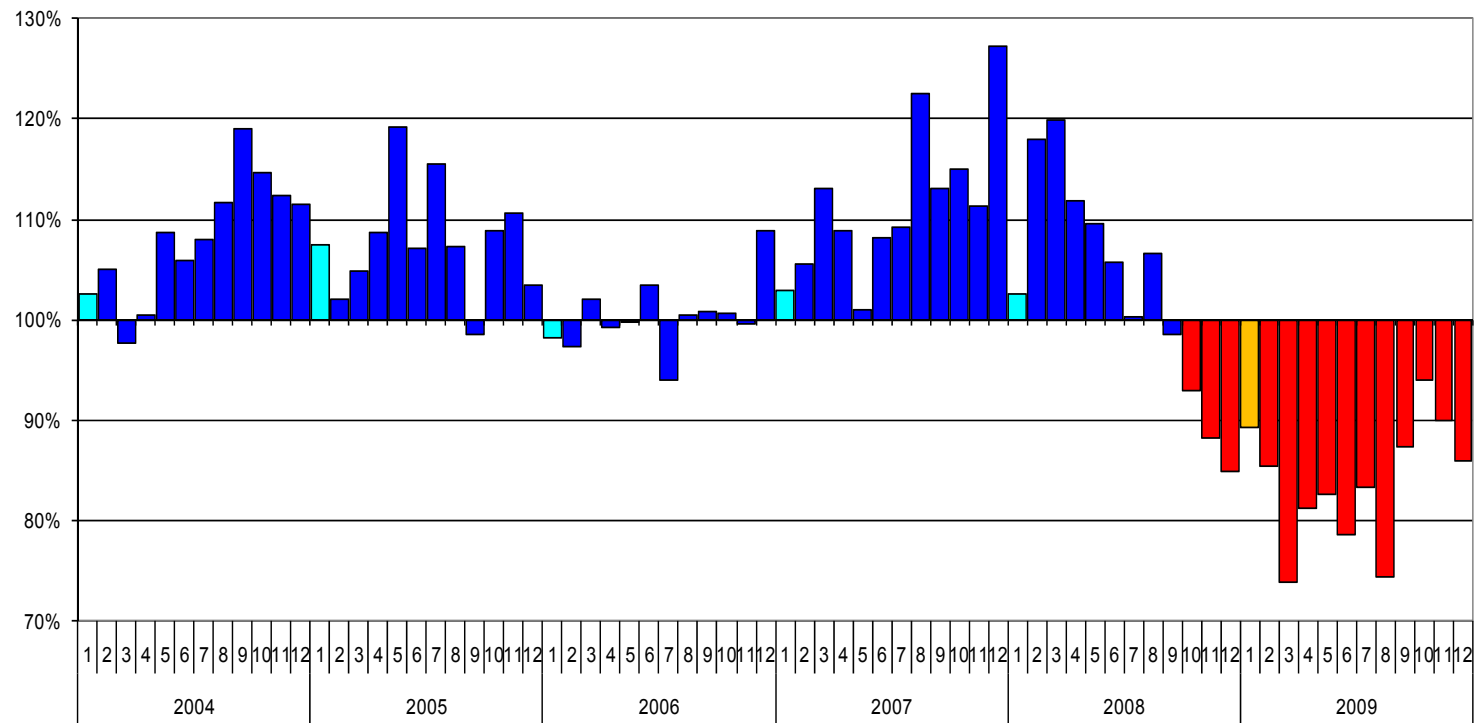




2009 Nordic Marine Insurance Statistics – Part 3

As of 31 December 2009

Average change in Sum Insured for all renewals in respective month, compared to previous underwriting year

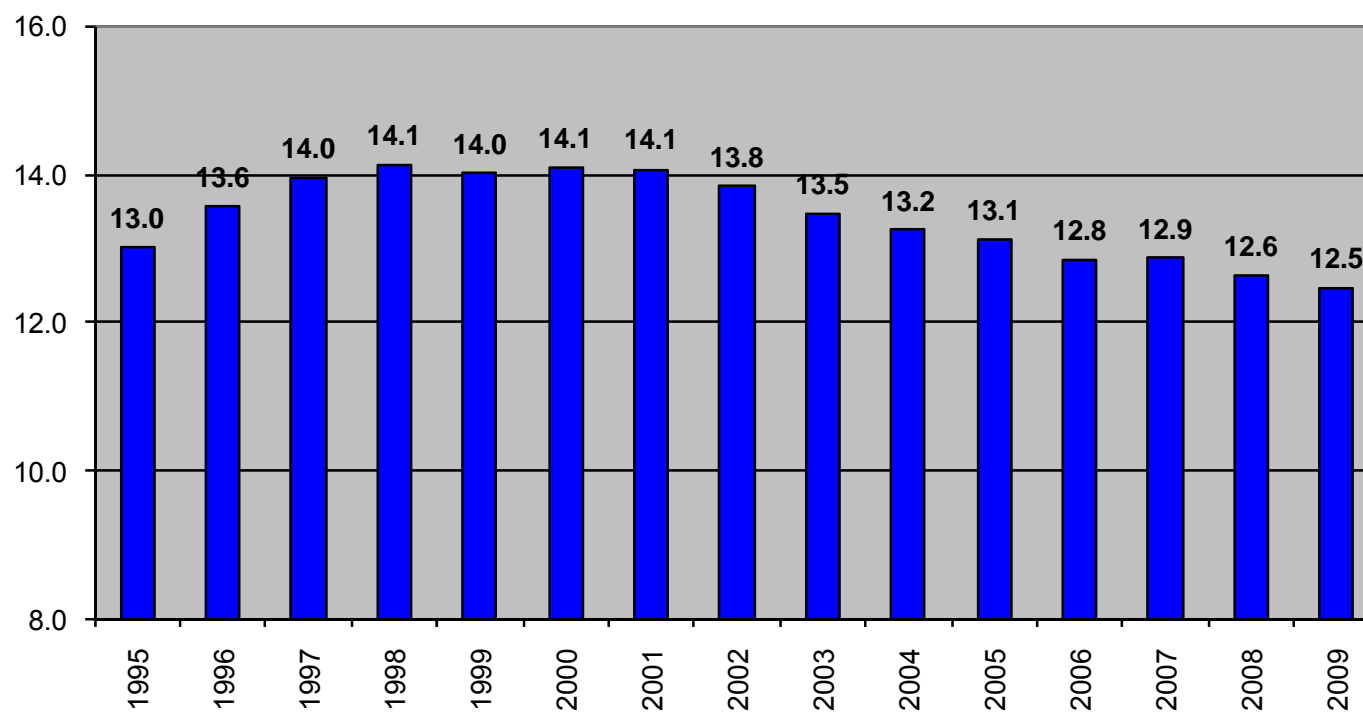




2009 Nordic Marine Insurance Statistics – Part 3

As of 31 December 2009

Average Age



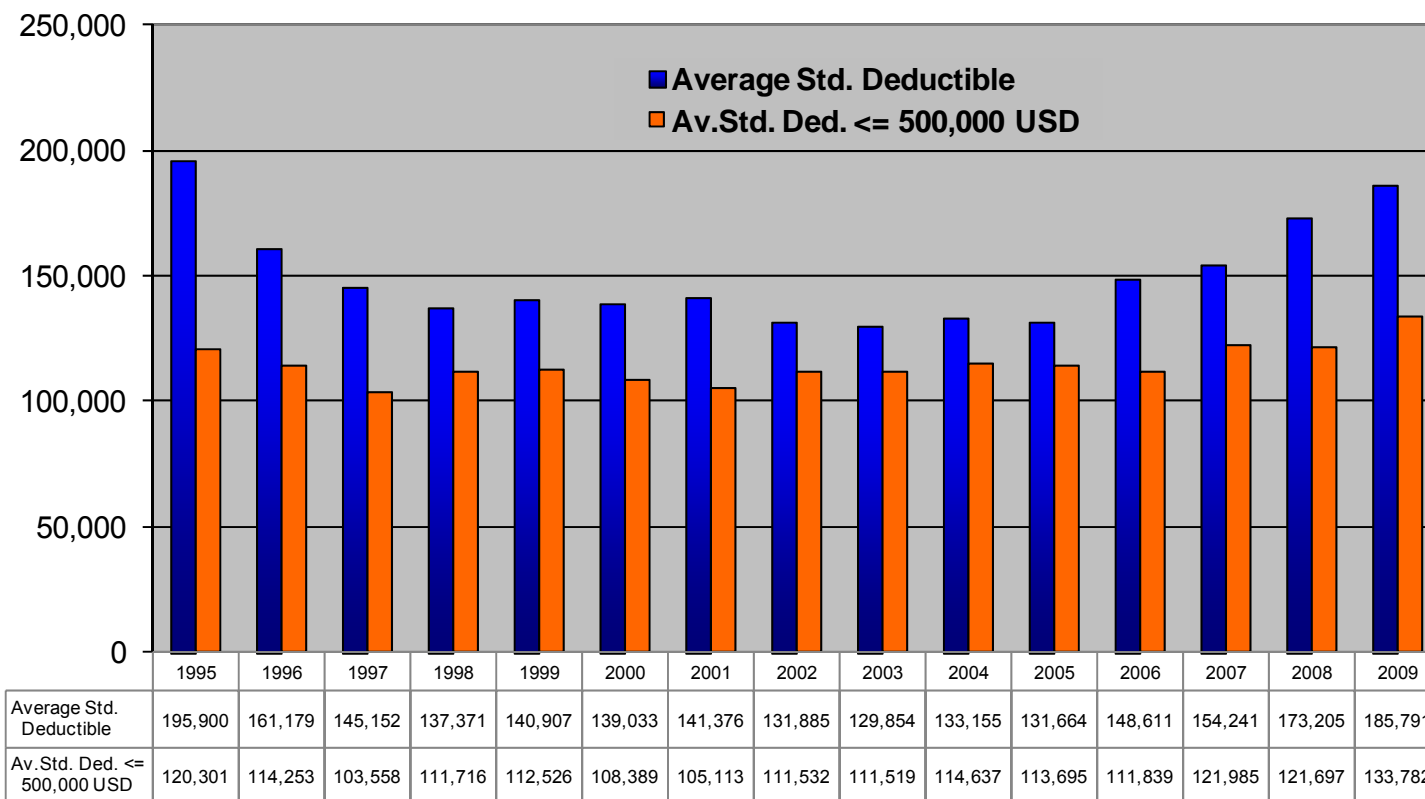


2009 Nordic Marine Insurance Statistics – Part 3

As of 31 December 2009

Average Standard Deductible Development

All business, **100%**, in USD

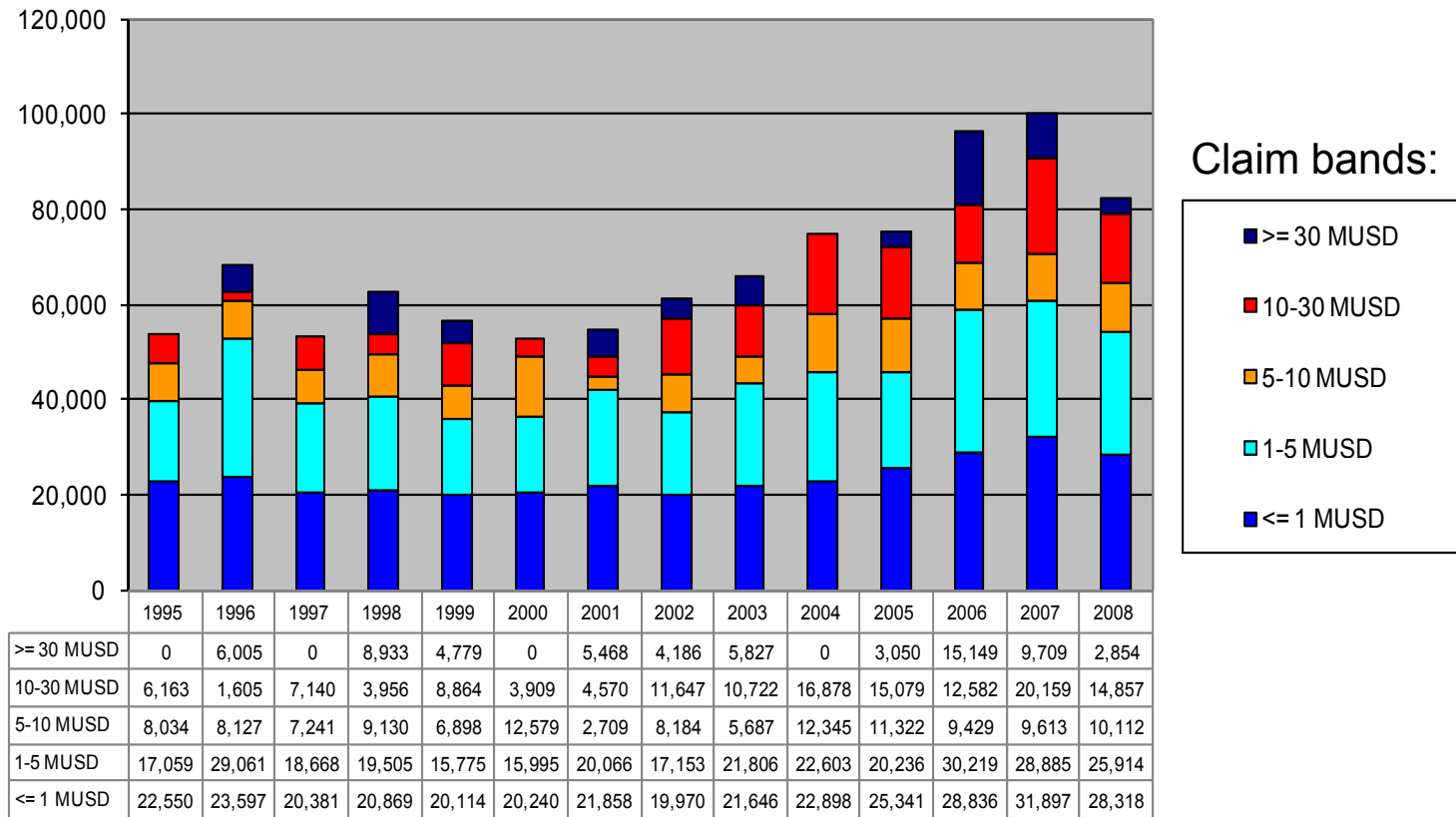




2009 Nordic Marine Insurance Statistics – Part 3

As of 31 December 2009

USD Claim per vessel



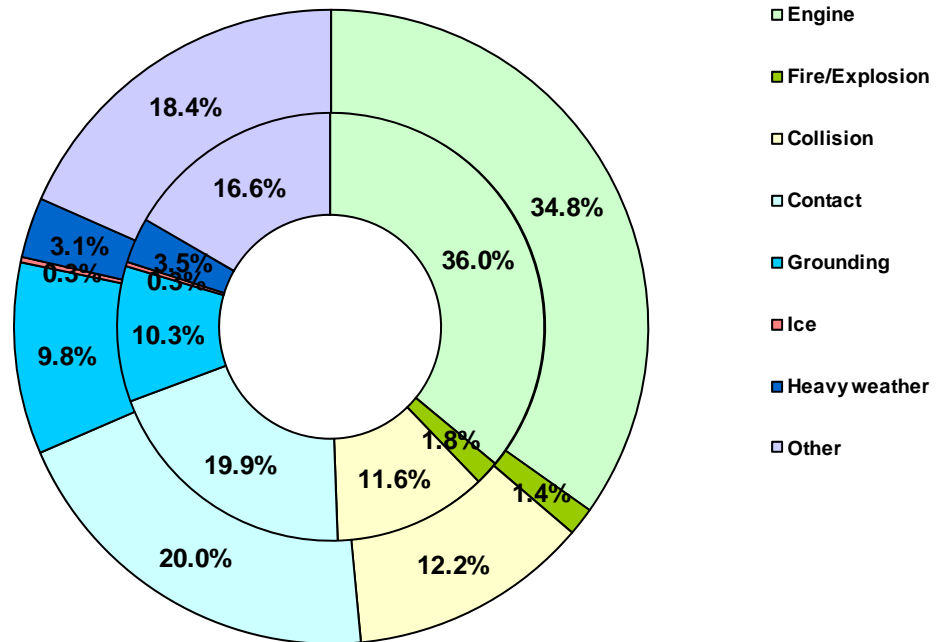
2009 Nordic Marine Insurance Statistics – Part 3

As of 31 December 2009

Claims by Claims type

Number of claims

Inner ring: 2004-2008
Outer ring: 2008



Total 2008: 3,225

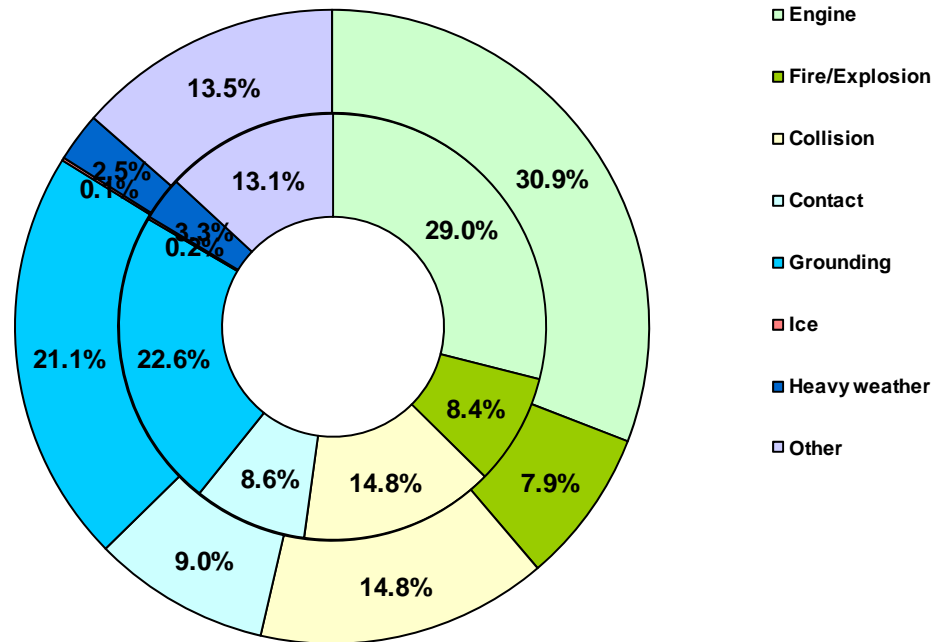
2009 Nordic Marine Insurance Statistics – Part 3

As of 31 December 2009

Claims by Claims type

Cost of claims

Inner ring: 2004-2008
Outer ring: 2008



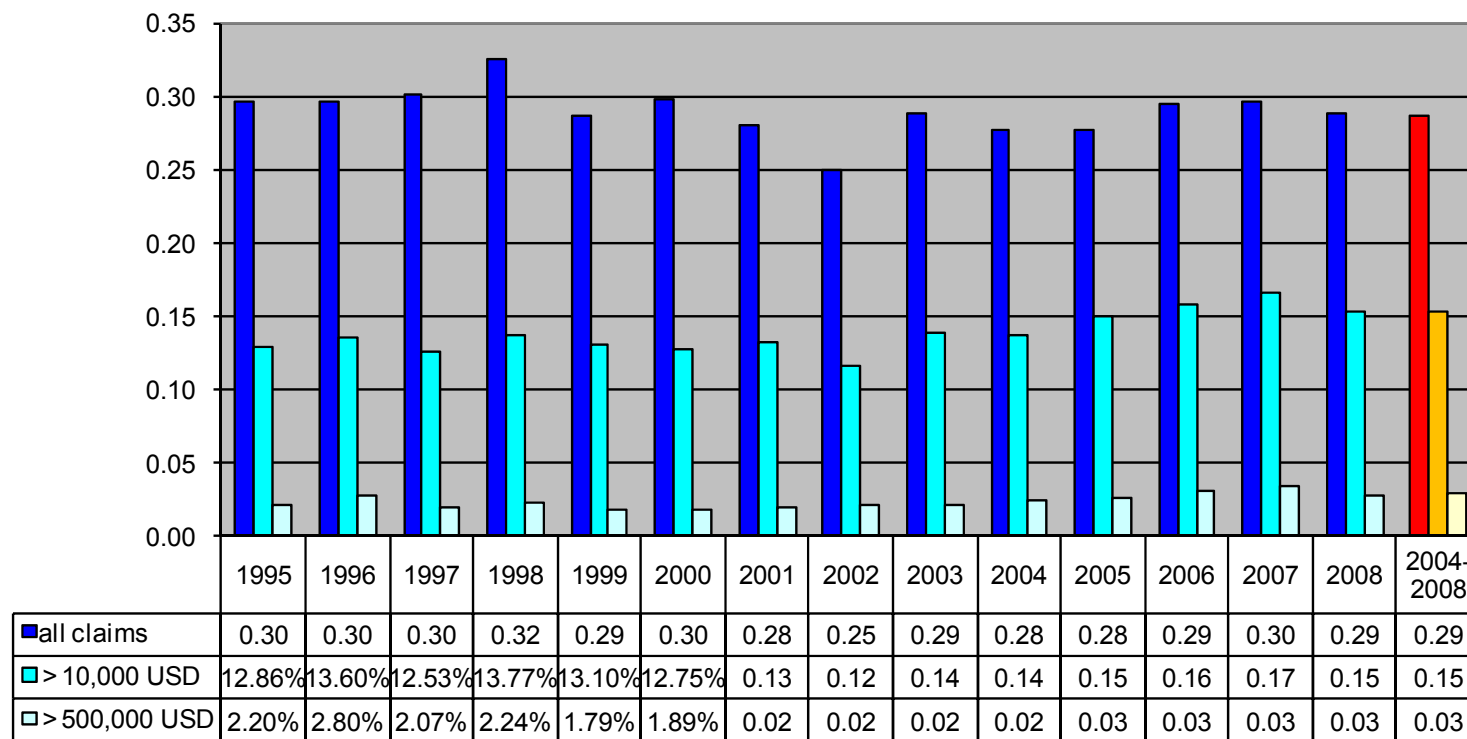
Total 2008: USDm 920



2009 Nordic Marine Insurance Statistics – Part 3

As of 31 December 2009

Claim frequency per underwriting year



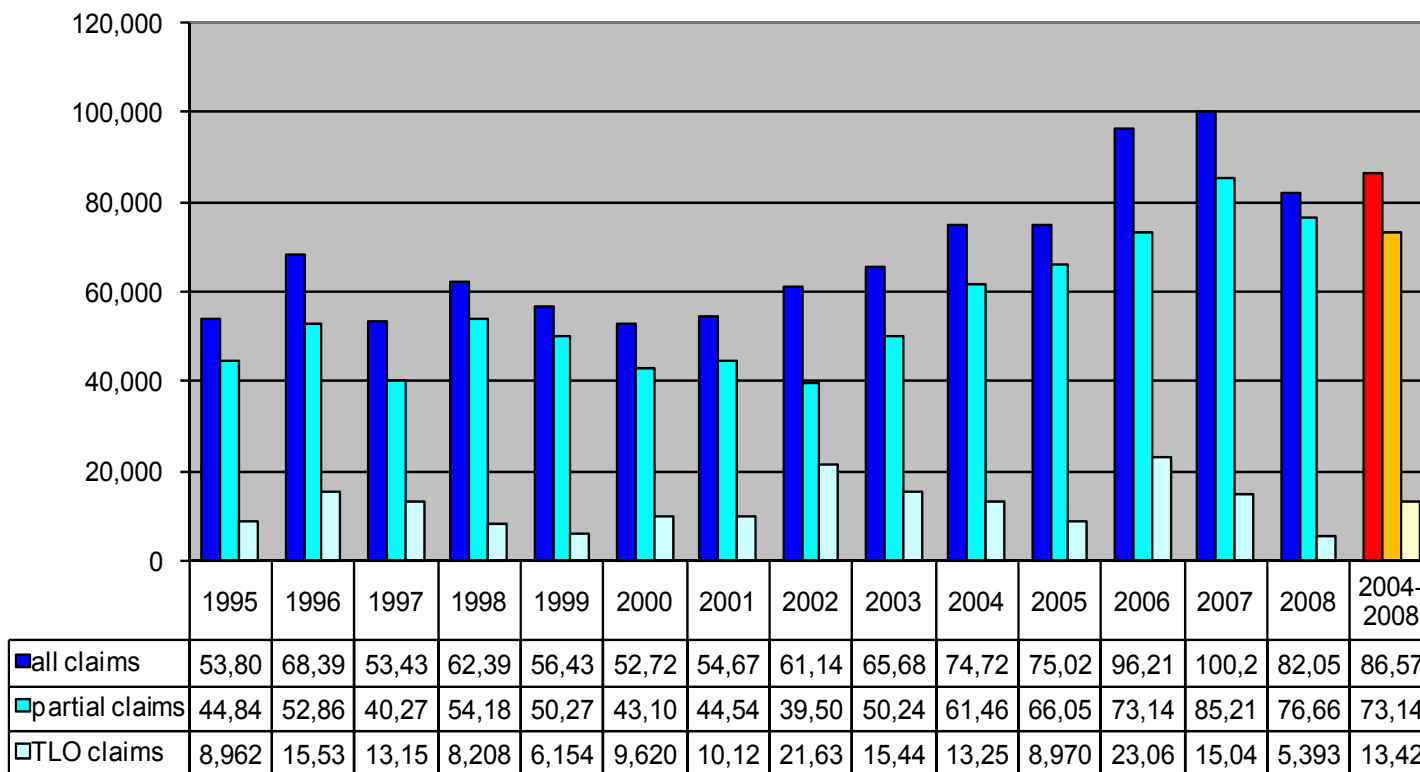
Comment: Claims < 10.000 USD account for about half of all claims. Registration of these may vary over time and in each company and will thus influence the registered frequency. In addition any increase/decrease of insurance deductibles will have impact on the registered frequency



2009 Nordic Marine Insurance Statistics – Part 3

As of 31 December 2009

Claim per vessel per underwriting year

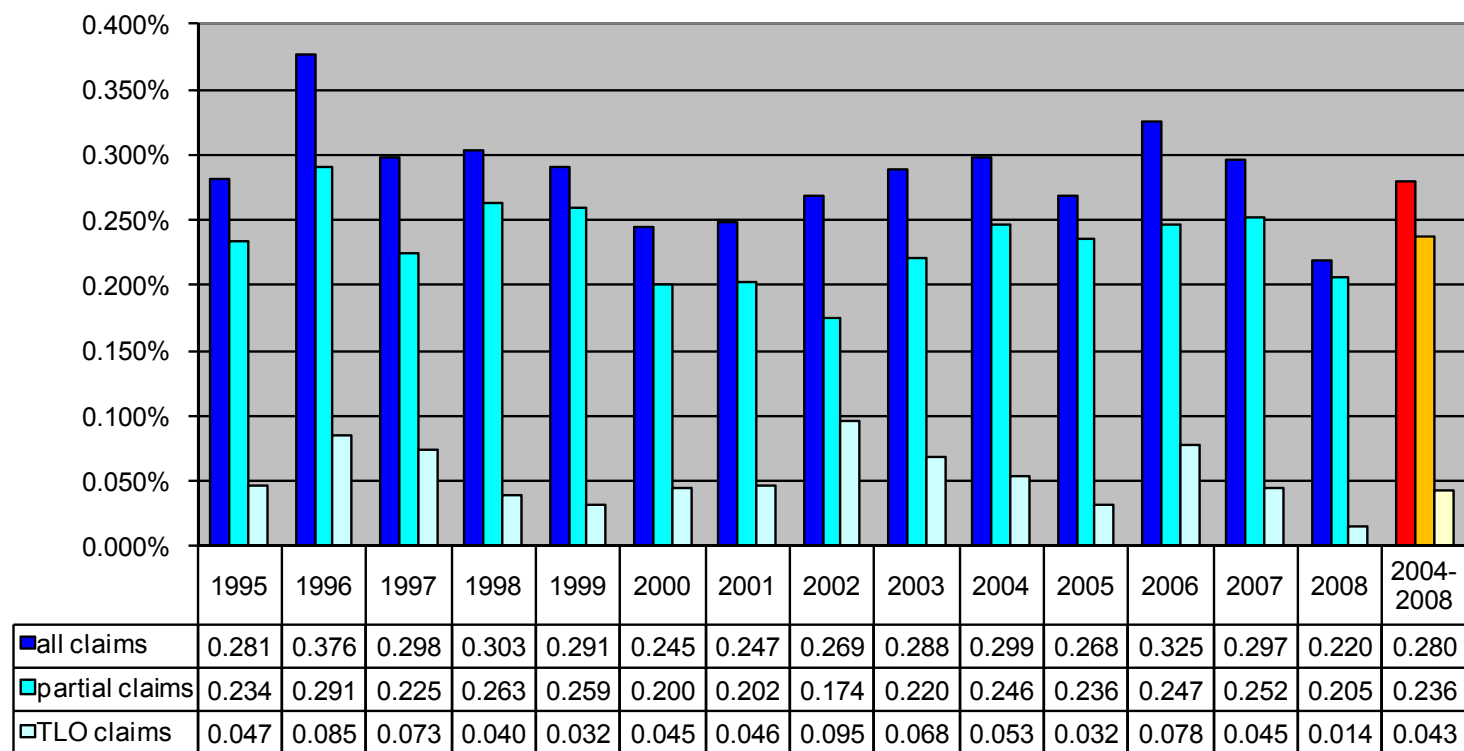




2009 Nordic Marine Insurance Statistics – Part 3

As of 31 December 2009

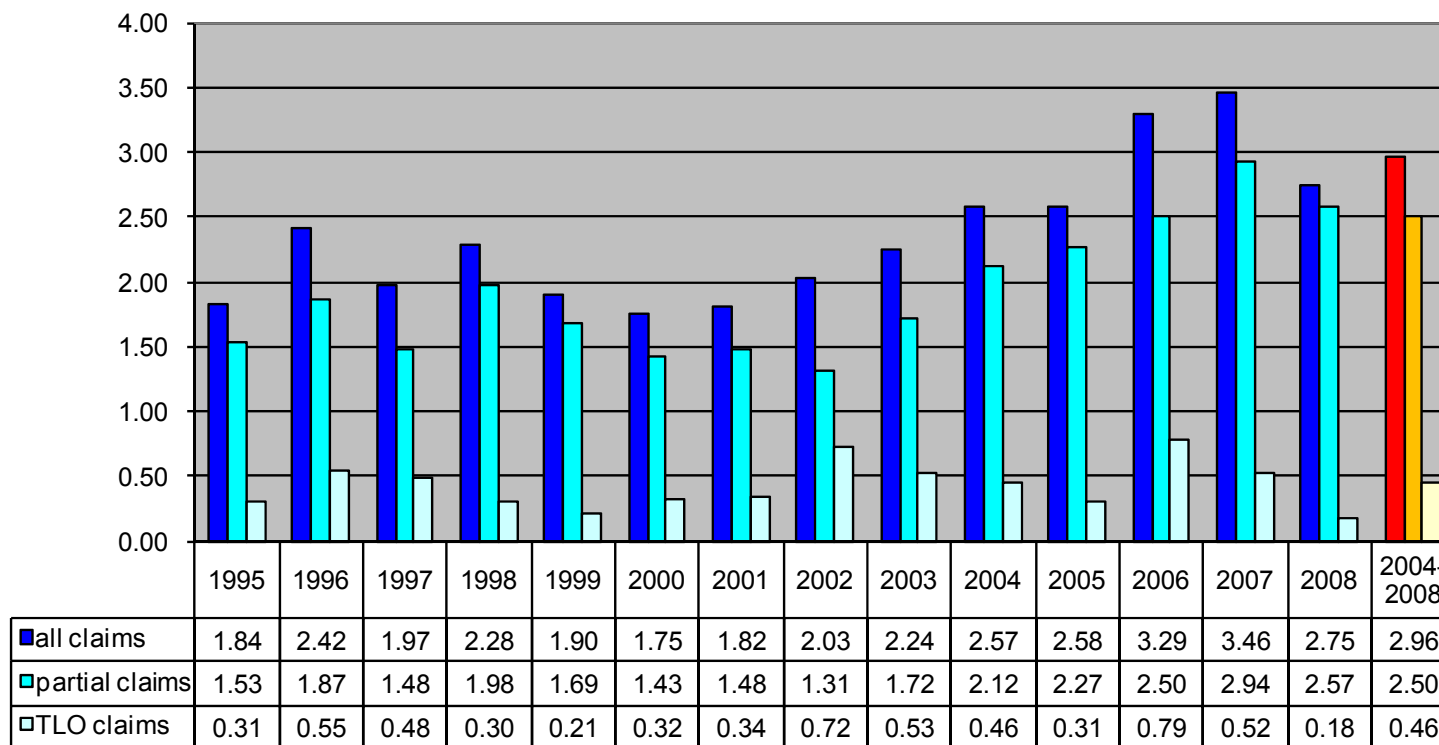
Claim per Sum Insured per underwriting year



2009 Nordic Marine Insurance Statistics – Part 3

As of 31 December 2009

Claim per gross ton per underwriting year

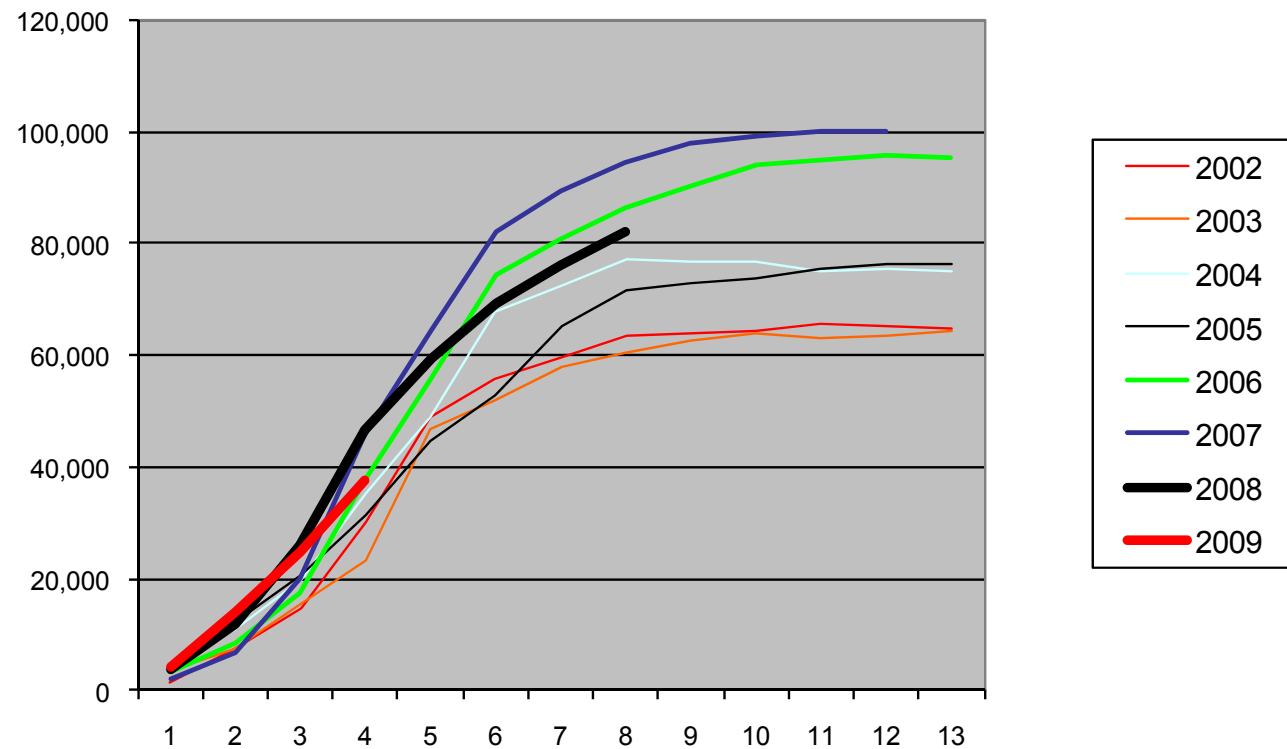




2009 Nordic Marine Insurance Statistics – Part 3

As of 31 December 2009

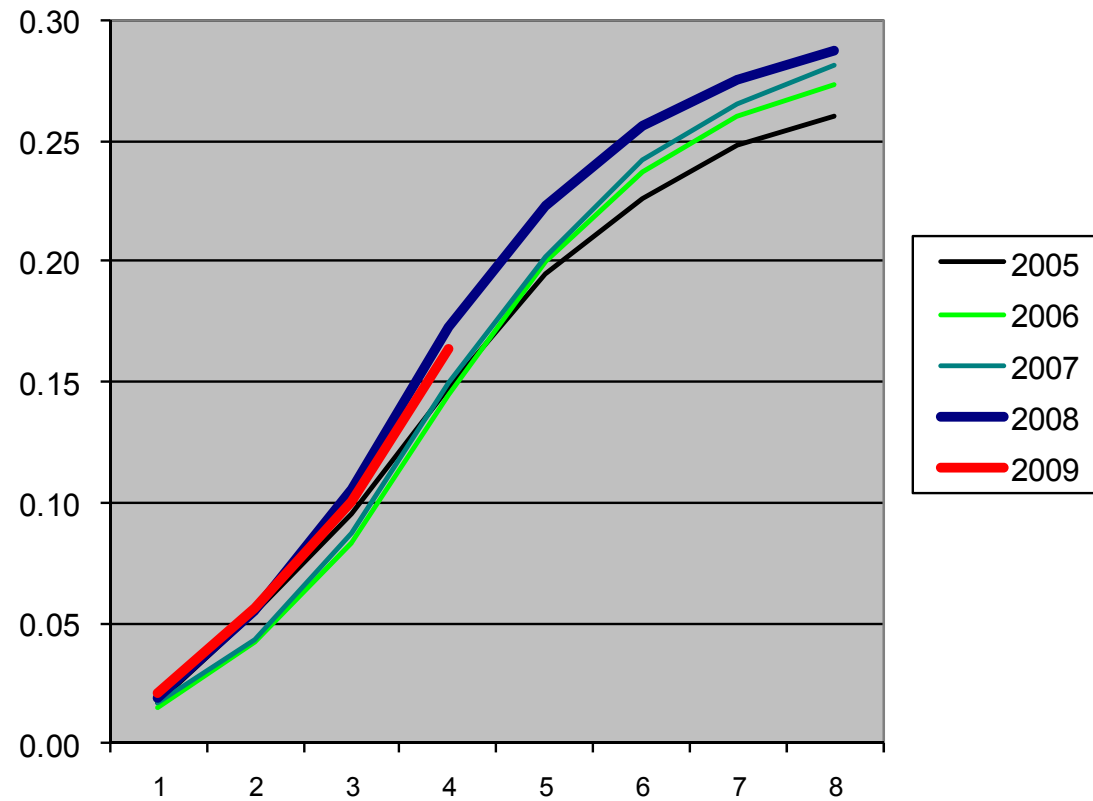
Marine Hull Claim per vessel per U/W year - accumulated quarterly development



2009 Nordic Marine Insurance Statistics – Part 3

As of 31 December 2009

Marine Hull - Claim frequency
quarterly development

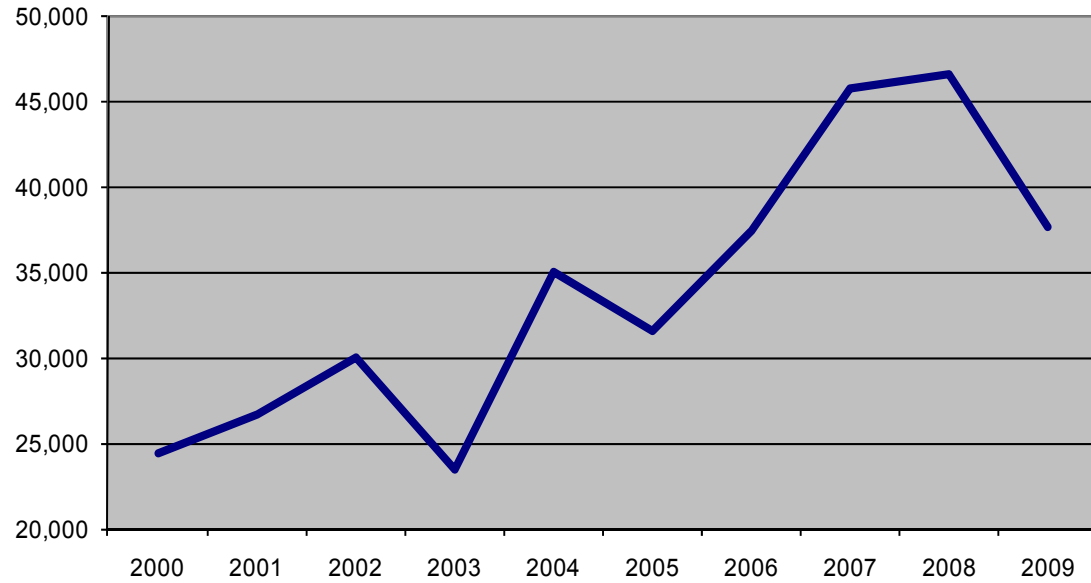




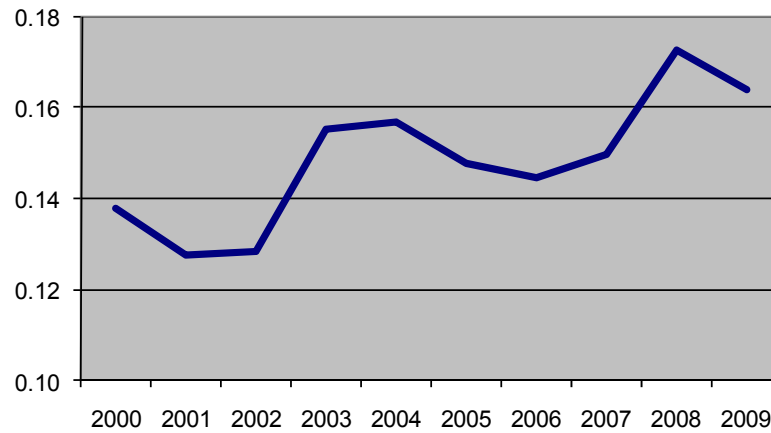
2009 Nordic Marine Insurance Statistics – Part 3

As of 31 December 2009

Claim per vessel - as reported
as of 4th quarter of each year



Claim frequency - as reported
as of 4th quarter of each year

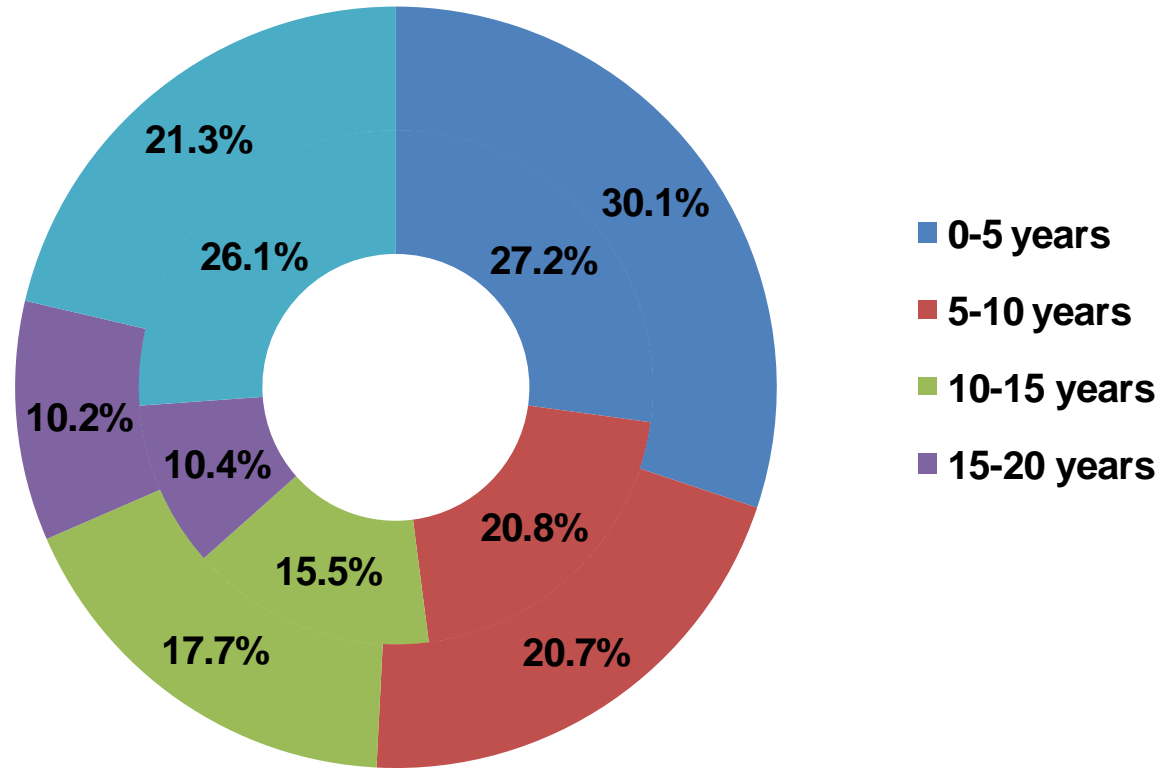


2009 Nordic Marine Insurance Statistics – Part 4

As of 31 December 2009

Number of vessels per age group

Inner ring: 2004-2008
Outer ring: 2009



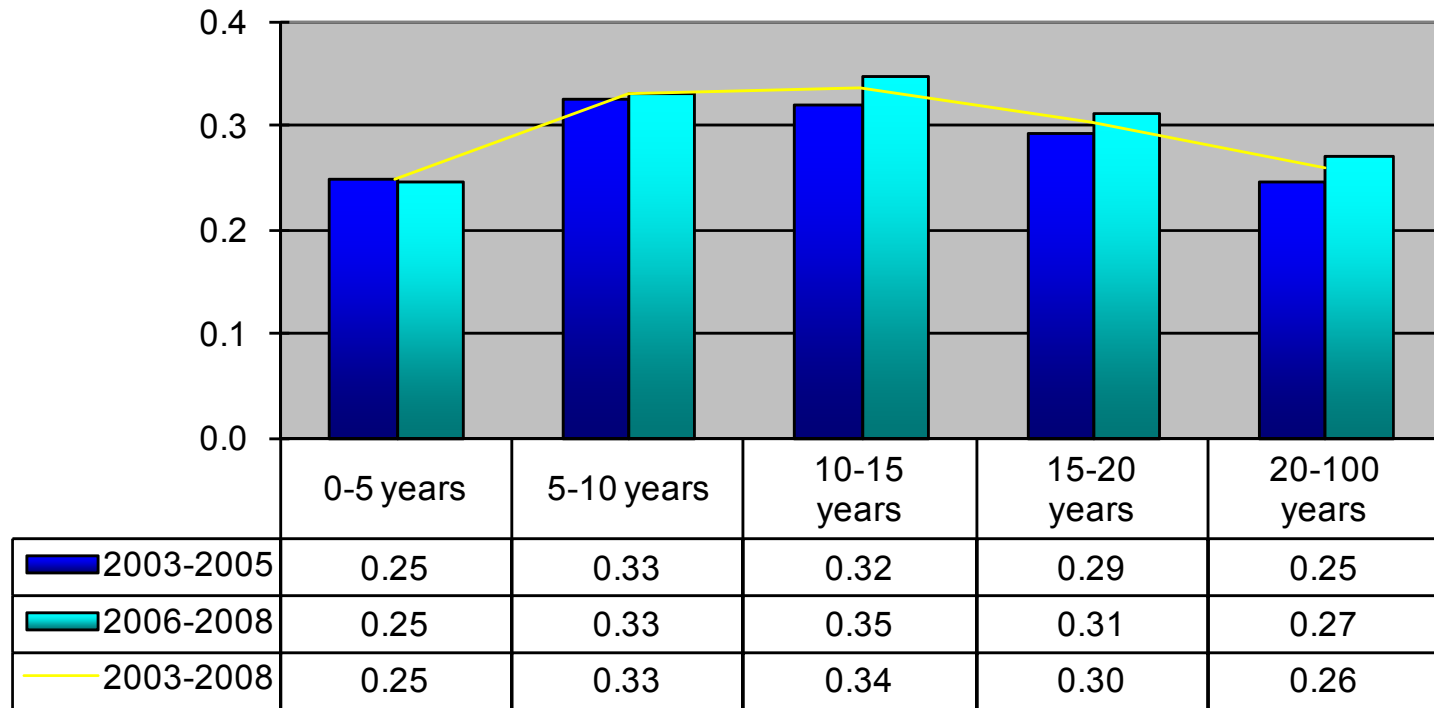
Total number of vessels
 2004-2008: 57,824
 2009: 8,475



2009 Nordic Marine Insurance Statistics – Part 4

As of 31 December 2009

Claim frequency per age group



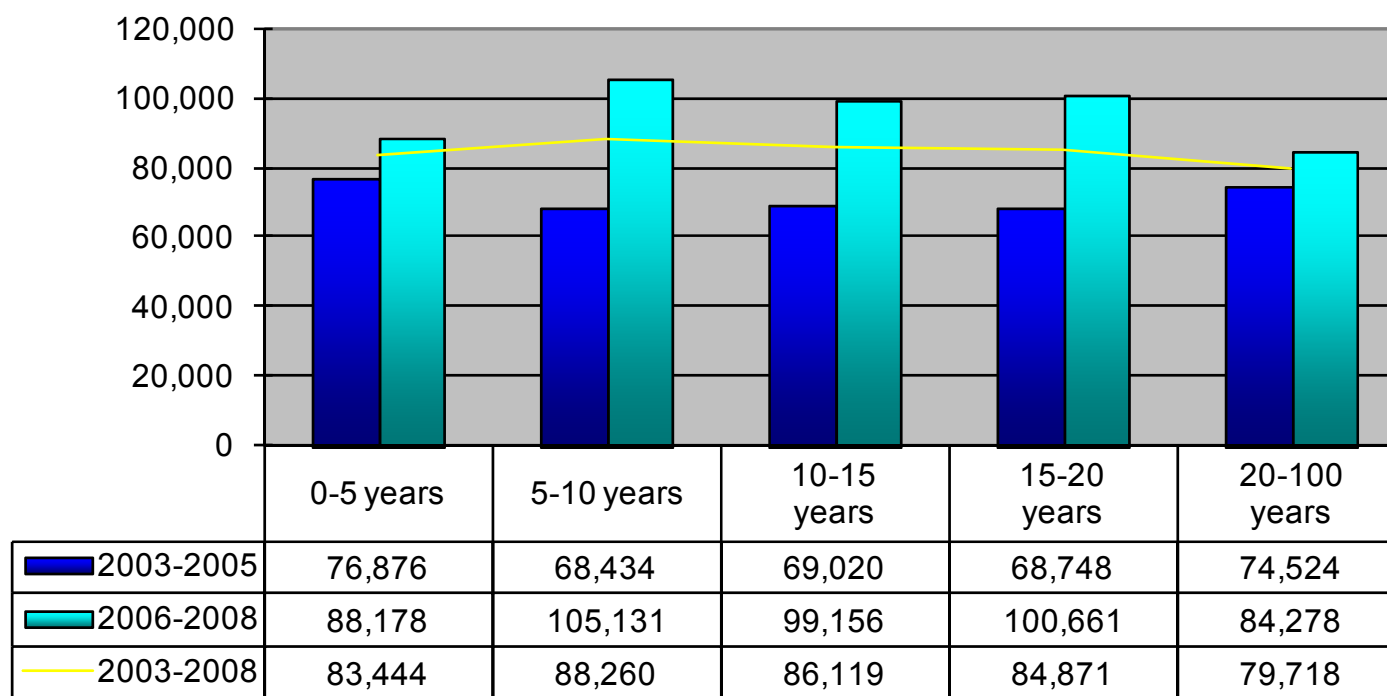
Comment: Claims < 10.000 USD account for about half of all claims. Registration of these may vary over time and in each company and will thus influence the registered frequency. In addition any increase/decrease of insurance deductibles will have impact on the registered frequency



2009 Nordic Marine Insurance Statistics – Part 4

As of 31 December 2009

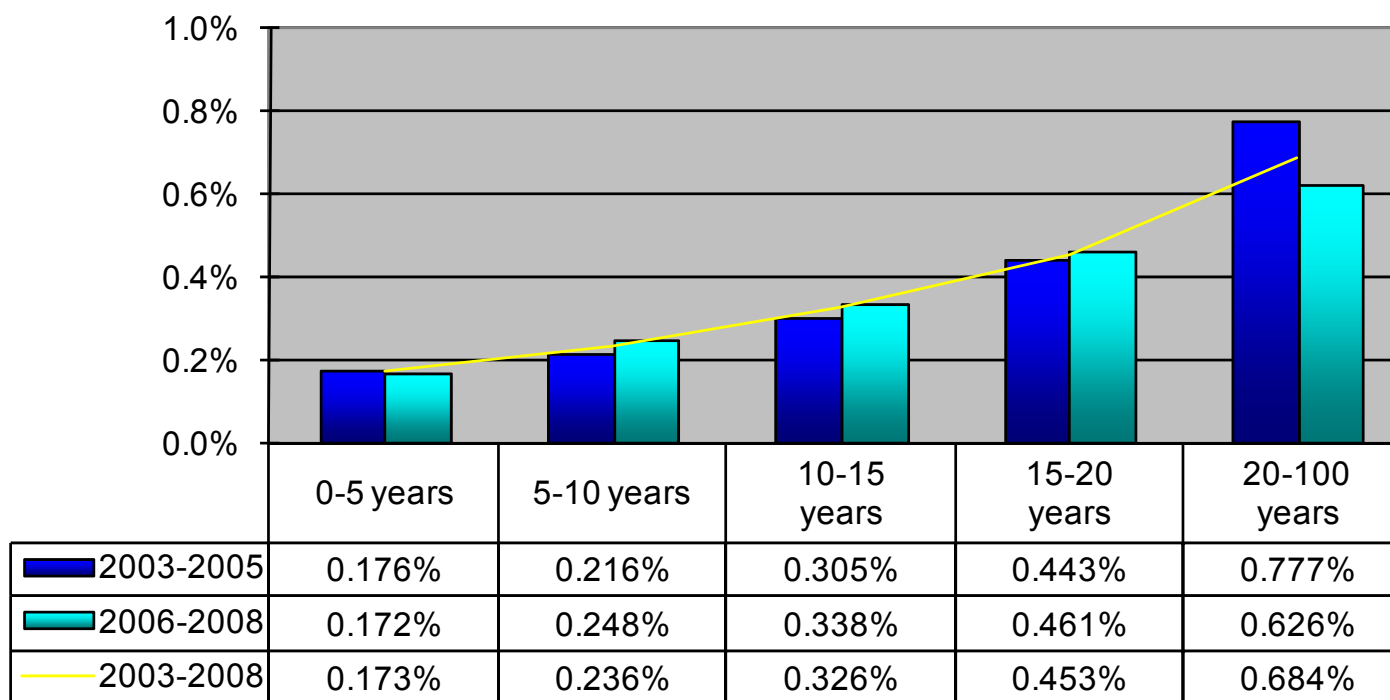
Claim per vessel per age group
in USD



2009 Nordic Marine Insurance Statistics – Part 4

As of 31 December 2009

Claim per Sum Insured per age group





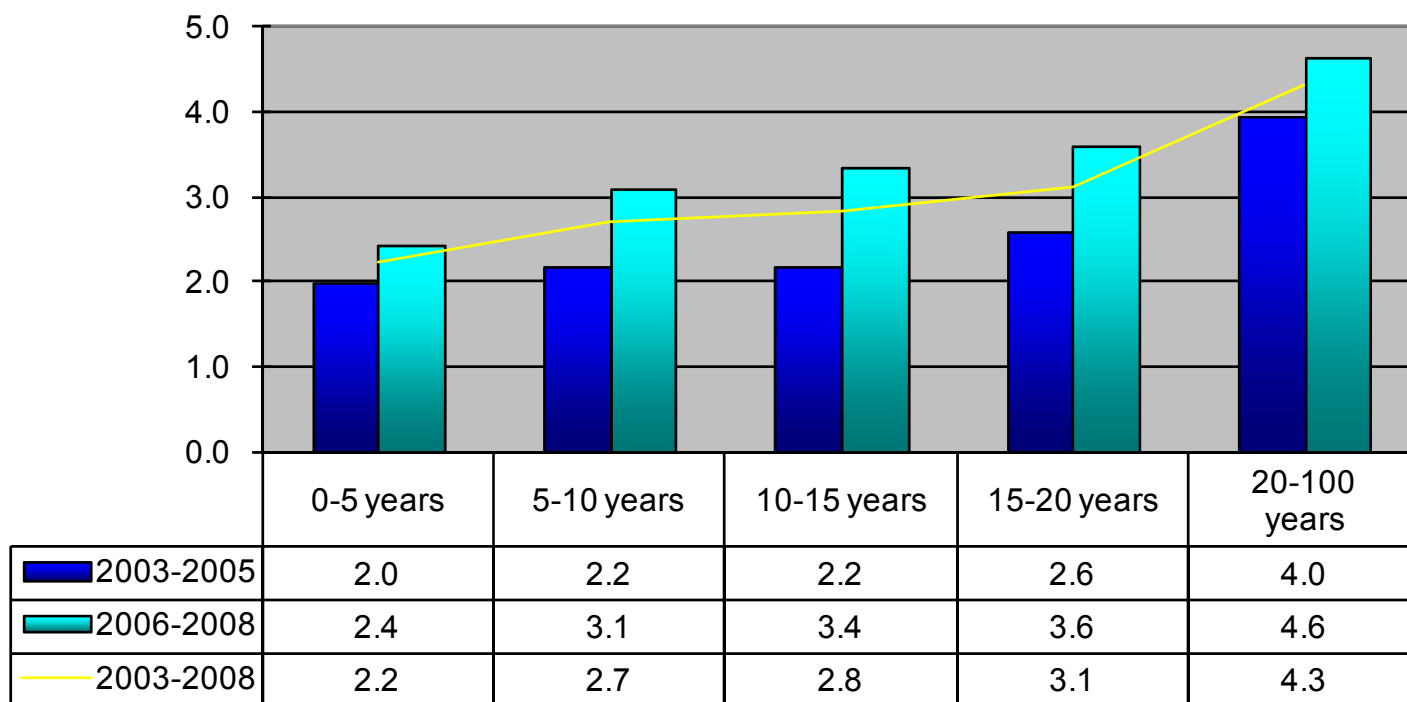
Cefor

2009 Nordic Marine Insurance Statistics – Part 1

As of 31 December 2009

Claim per Gross ton per age group

in USD

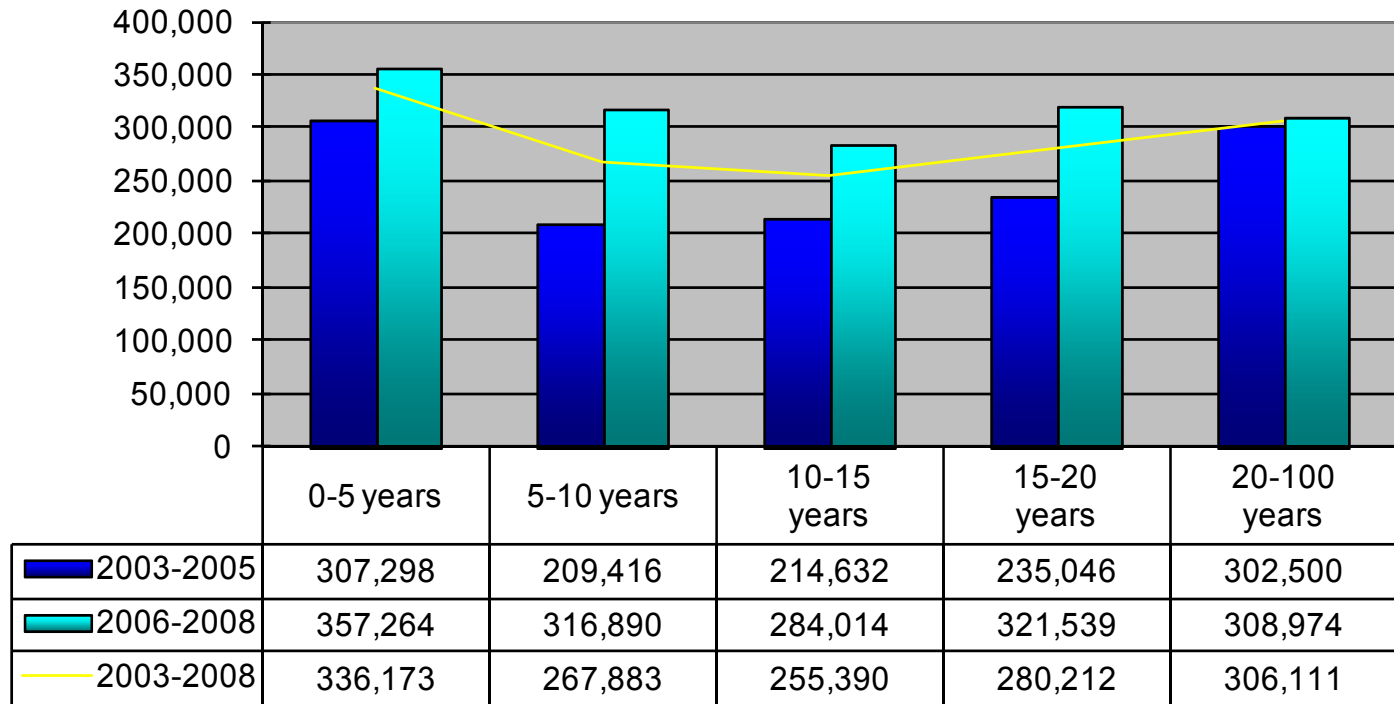




2009 Nordic Marine Insurance Statistics – Part 1

As of 31 December 2009

Average claim amount per age group
in USD

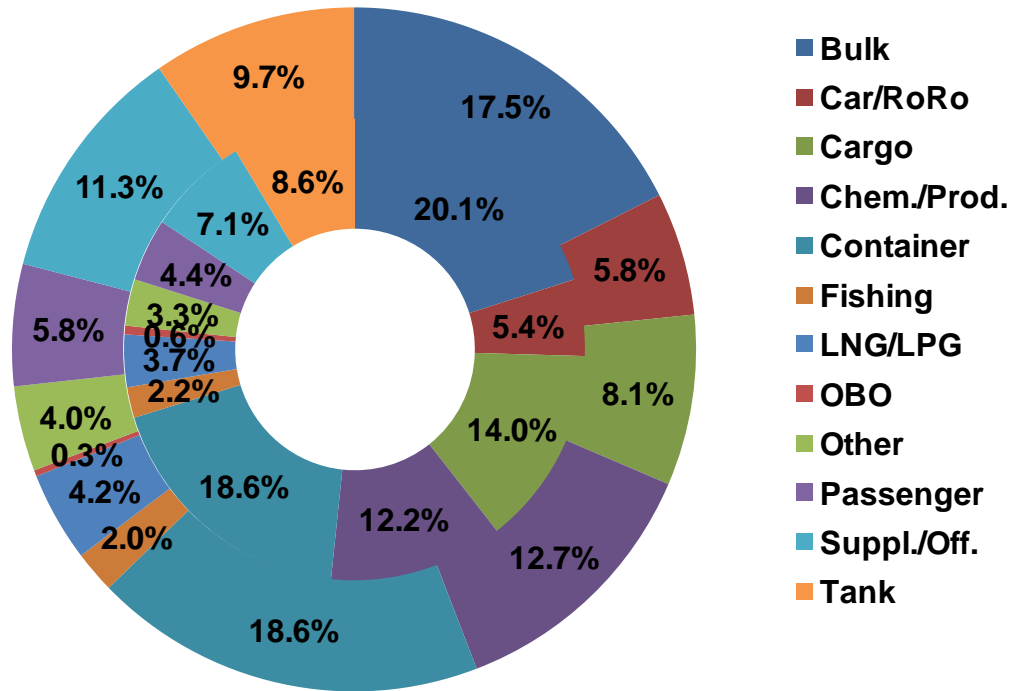


2009 Nordic Marine Insurance Statistics – Part 5

As of 31 December 2009

Number of vessels per vessel type

Inner ring: 2004-2008
Outer ring: 2009

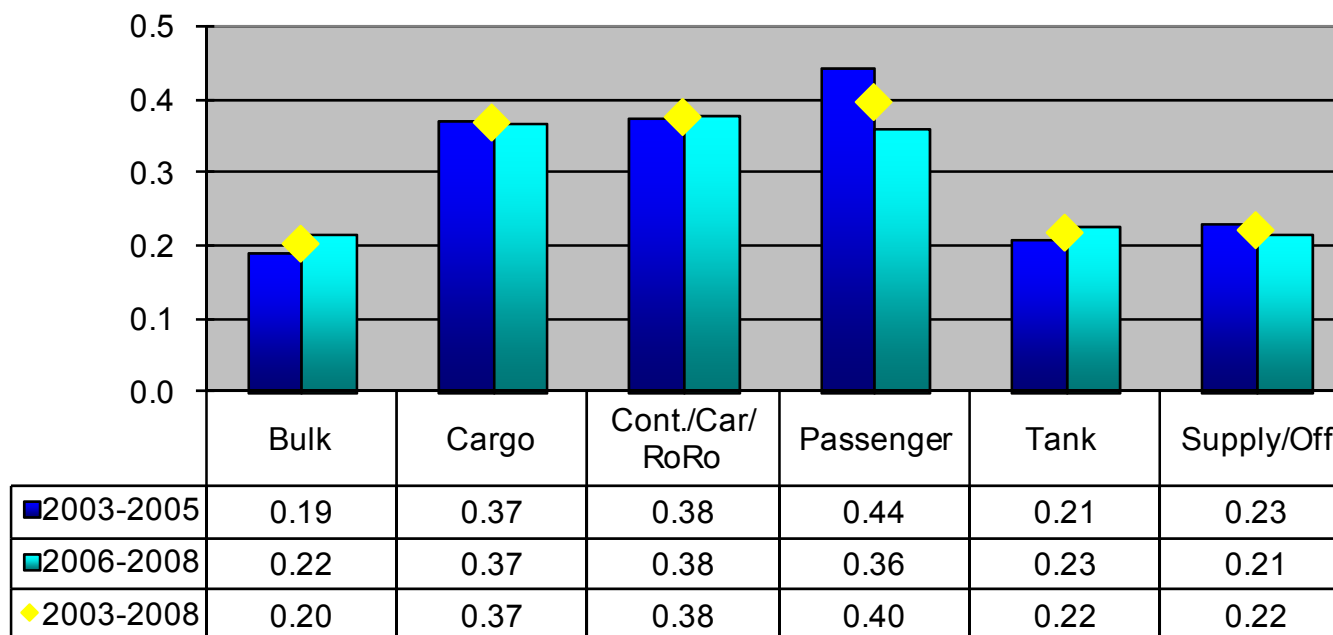


Total number of vessels
2004-2008: 57,824
2009: 8,475

2009 Nordic Marine Insurance Statistics – Part 5

As of 31 December 2009

Claim frequency per vessel type group



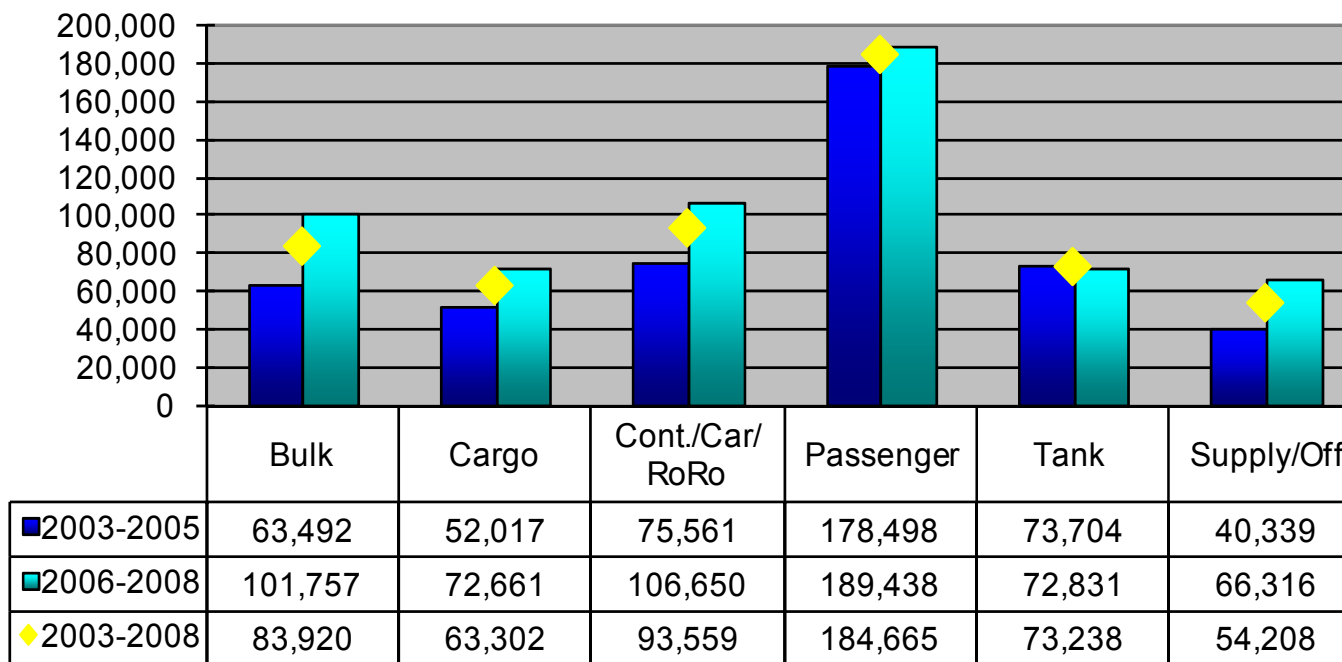
Notes:

- "Tank" includes in this and the following slides: Chemical/Product, LNG/LPG, OBO and other tank vessels
- Claims < 10.000 USD account for about half of all claims. Registration of these may vary over time and in each company and will thus influence the registered frequency.
In addition any increase/decrease of insurance deductibles has impact on the registered frequency

2009 Nordic Marine Insurance Statistics – Part 5

As of 31 December 2009

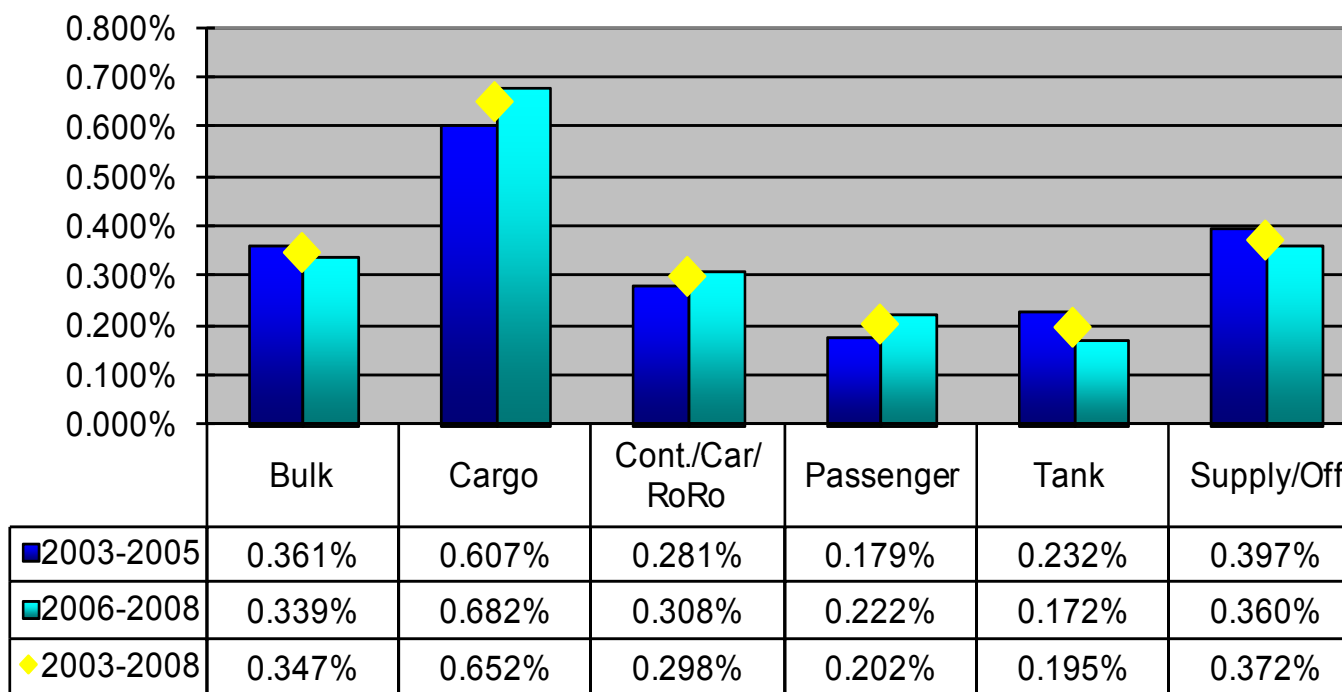
Claim per vessel per vessel type group



2009 Nordic Marine Insurance Statistics – Part 5

As of 31 December 2009

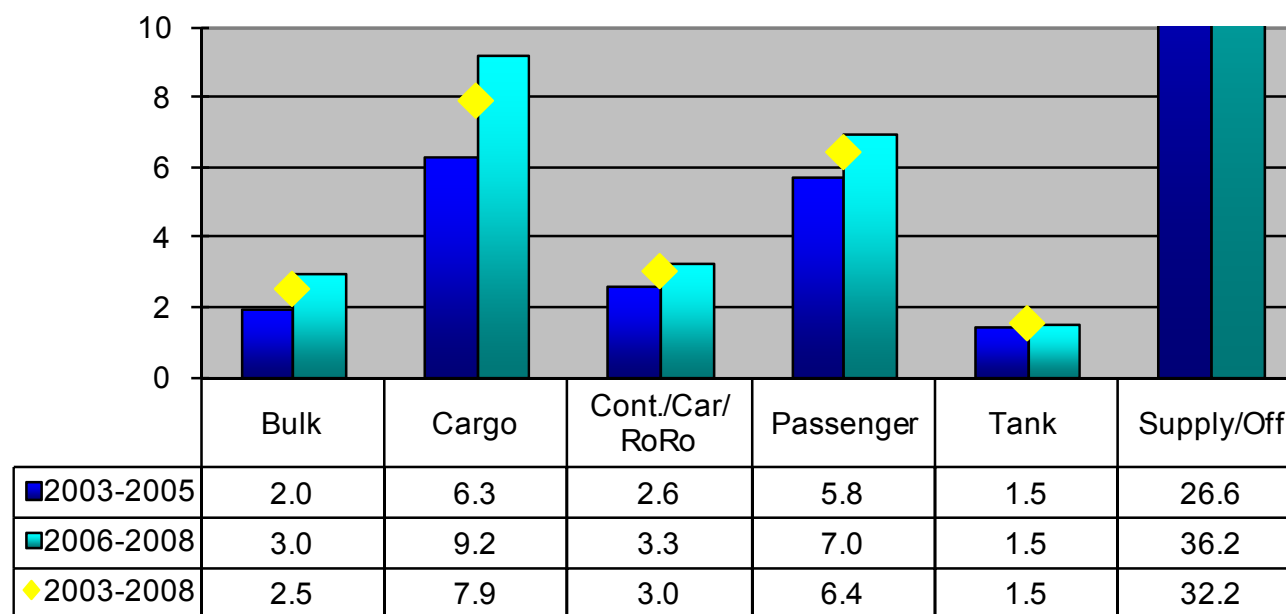
Claim per Sum Insured per vessel type group



2009 Nordic Marine Insurance Statistics – Part 5

As of 31 December 2009

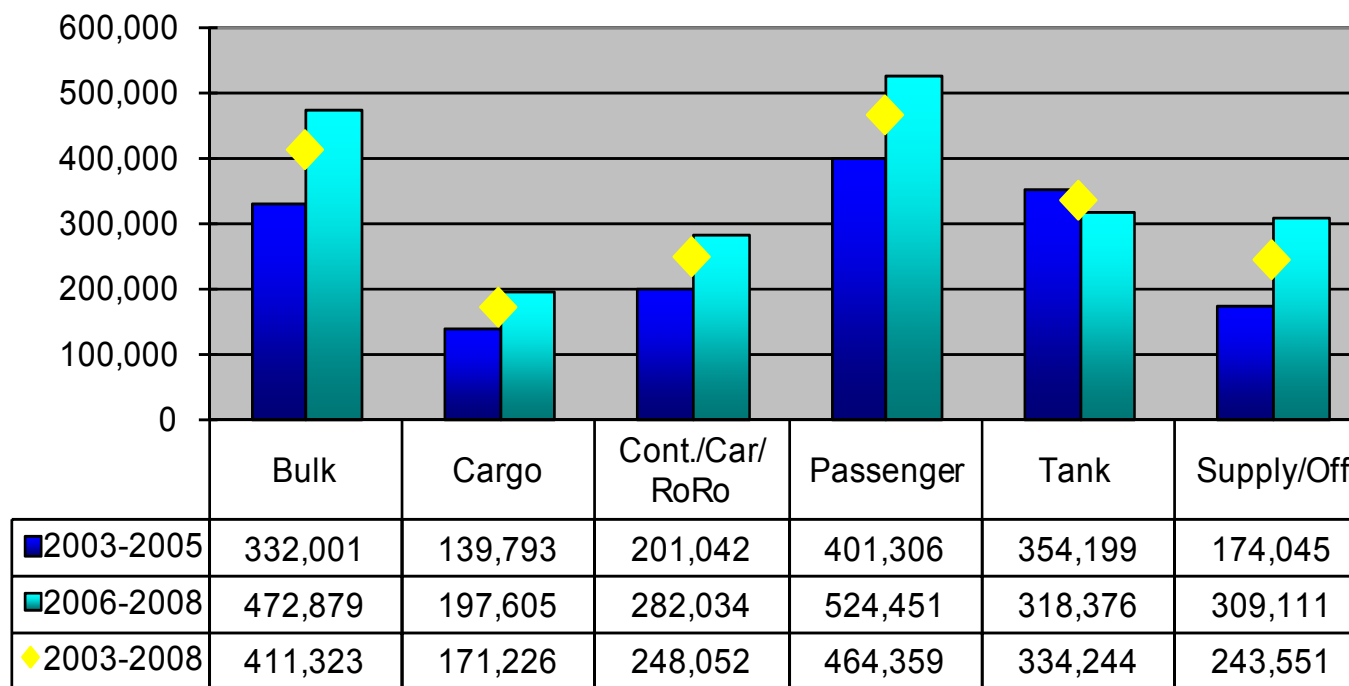
Claim per gross ton per vessel type group



2009 Nordic Marine Insurance Statistics – Part 5

As of 31 December 2009

Average claim amount per vessel type group

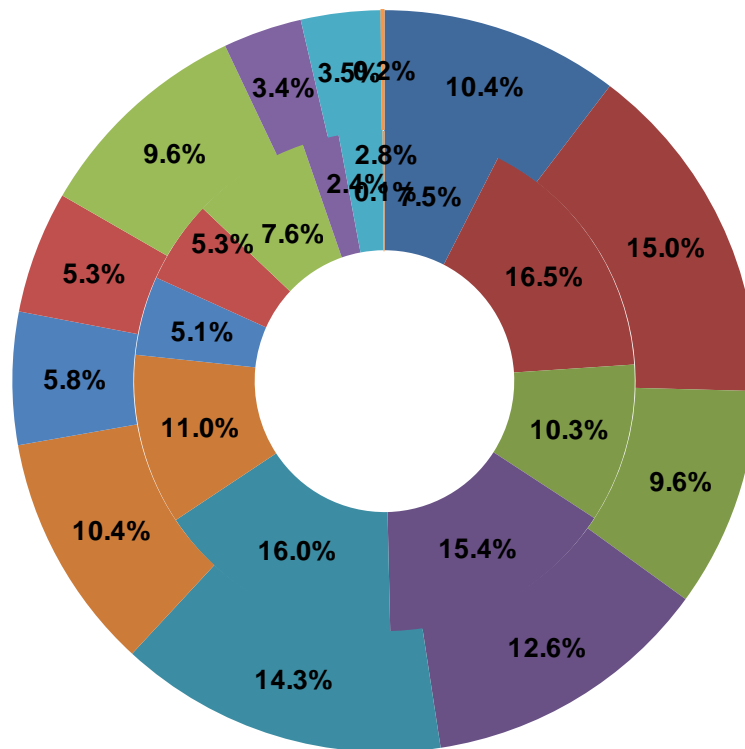


2009 Nordic Marine Insurance Statistics – Part 6

As of 31 December 2009

Number of vessels per GT Size Group

Inner ring: 2004-2008
Outer ring: 2009



Gross ton:

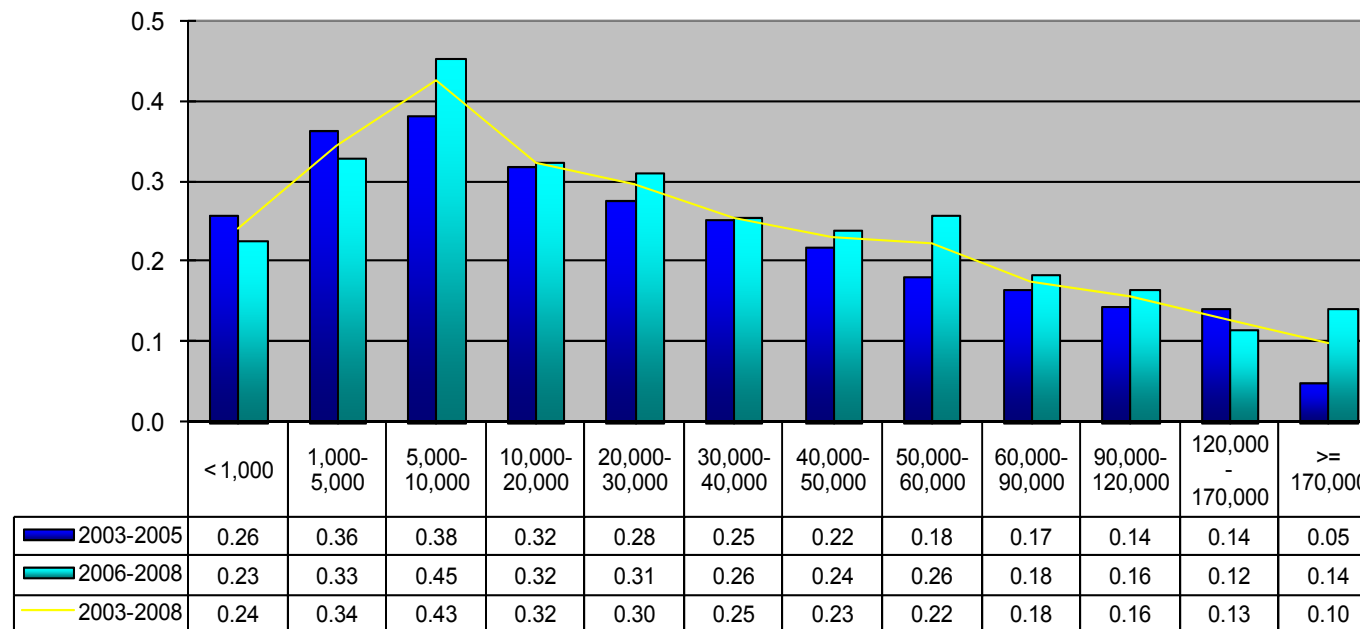
- < 1,000
- 1,000-5,000
- 5,000-10,000
- 10,000-20,000
- 20,000-30,000
- 30,000-40,000
- 40,000-50,000
- 50,000-60,000
- 60,000-90,000
- 90,000-120,000
- 120,000-170,000
- >= 170,000

Total number of vessels
 2004-2008: 57,824
 2009: 8,475

2009 Nordic Marine Insurance Statistics – Part 6

As of 31 December 2009

Claim frequency per GT size group



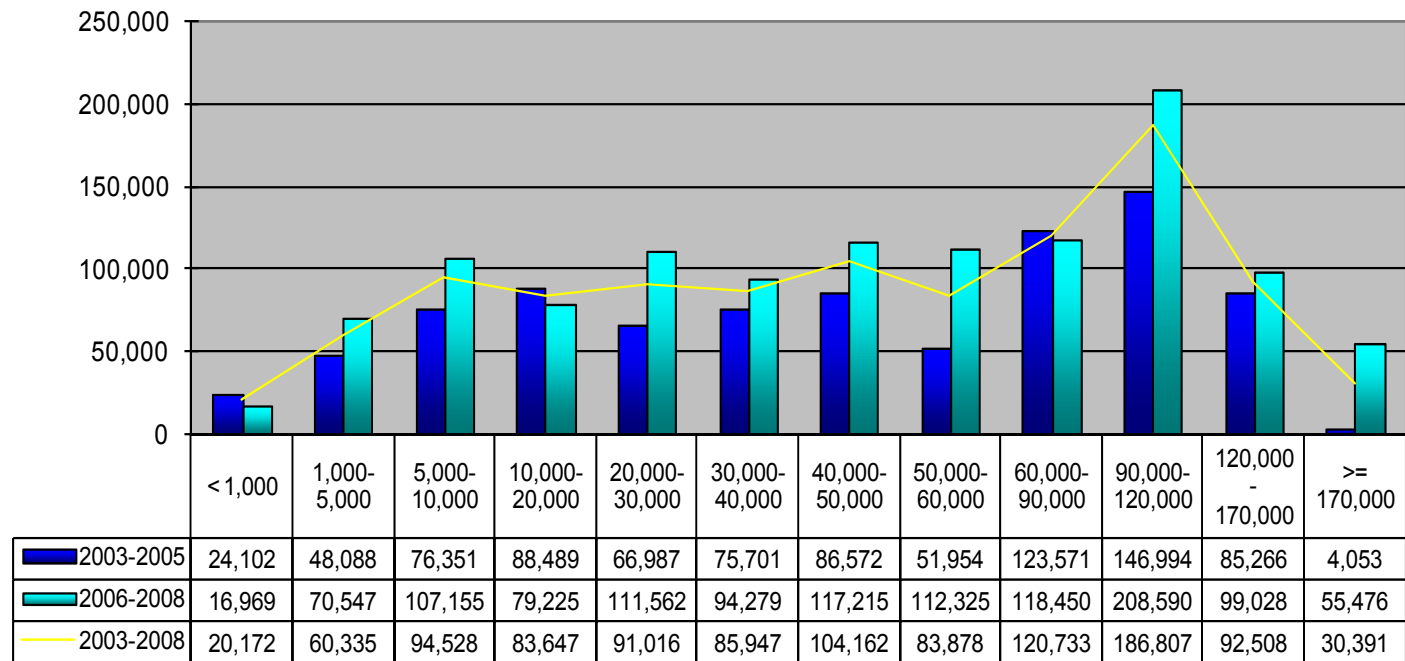
Comment: Claims < 10.000 USD account for about half of all claims. Registration of these may vary over time and in each company and will thus influence the registered frequency. In addition any increase/decrease of insurance deductibles will have impact on the registered frequency



2009 Nordic Marine Insurance Statistics – Part 6

As of 31 December 2009

Claim per vessel per GT size group

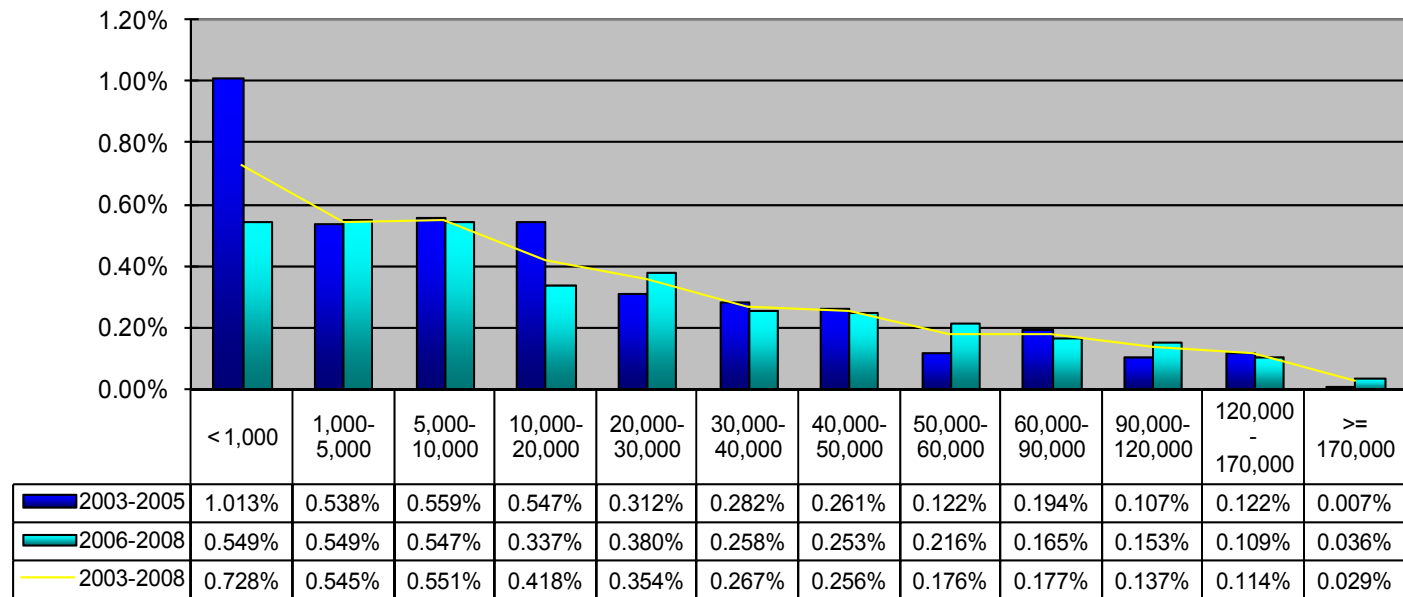




2009 Nordic Marine Insurance Statistics – Part 6

As of 31 December 2009

Claim per Sum Insured per GT size group

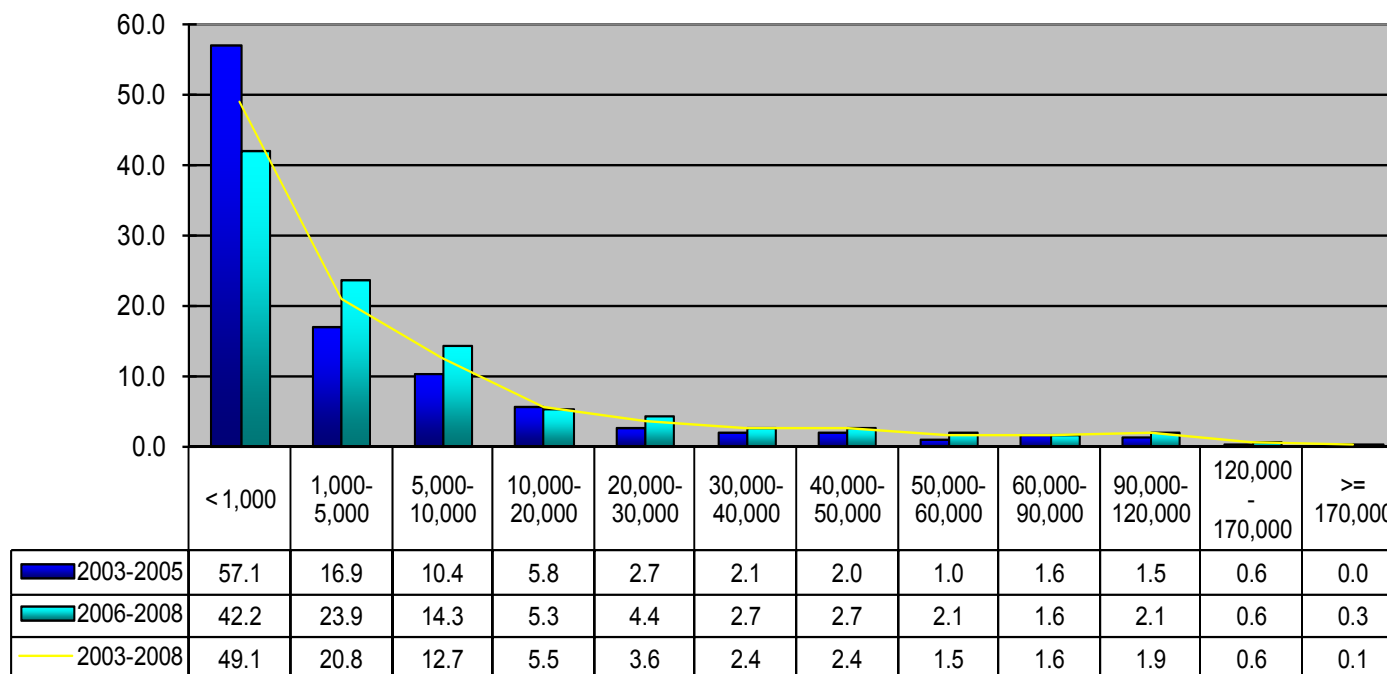




2009 Nordic Marine Insurance Statistics – Part 6

As of 31 December 2009

Claim per GT per GT size group

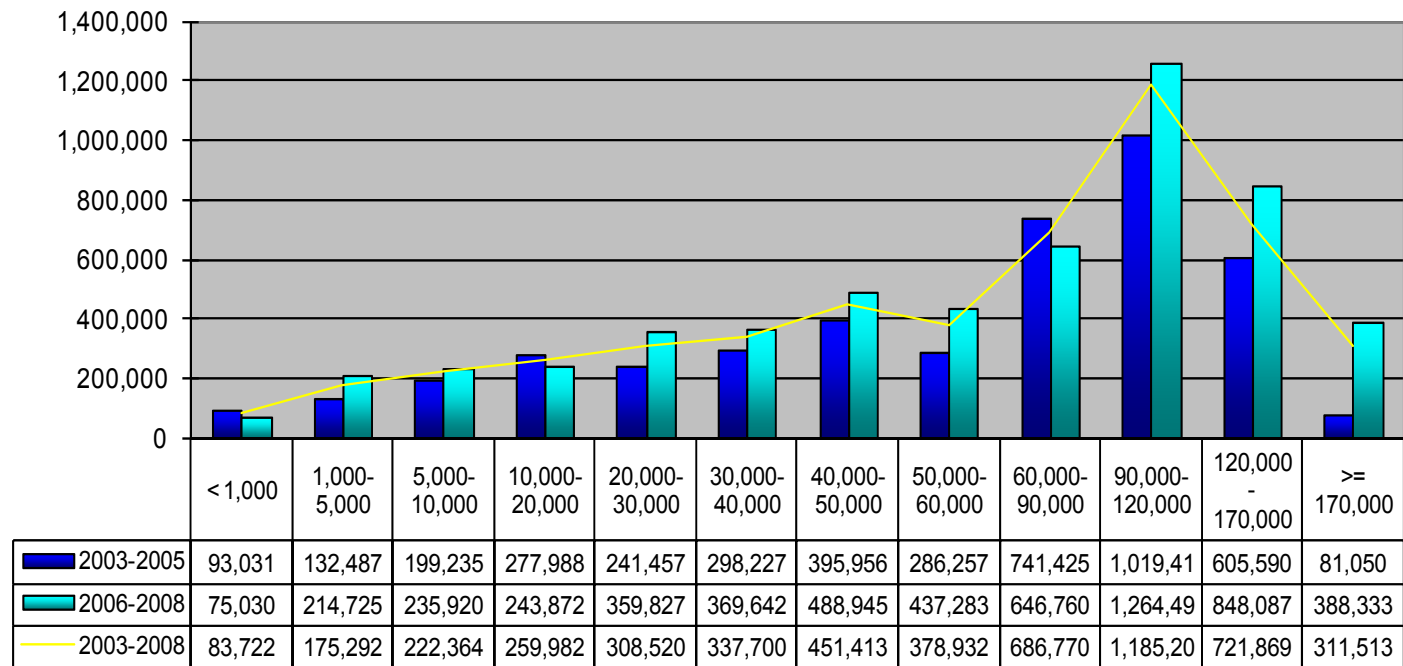




2009 Nordic Marine Insurance Statistics – Part 6

As of 31 December 2009

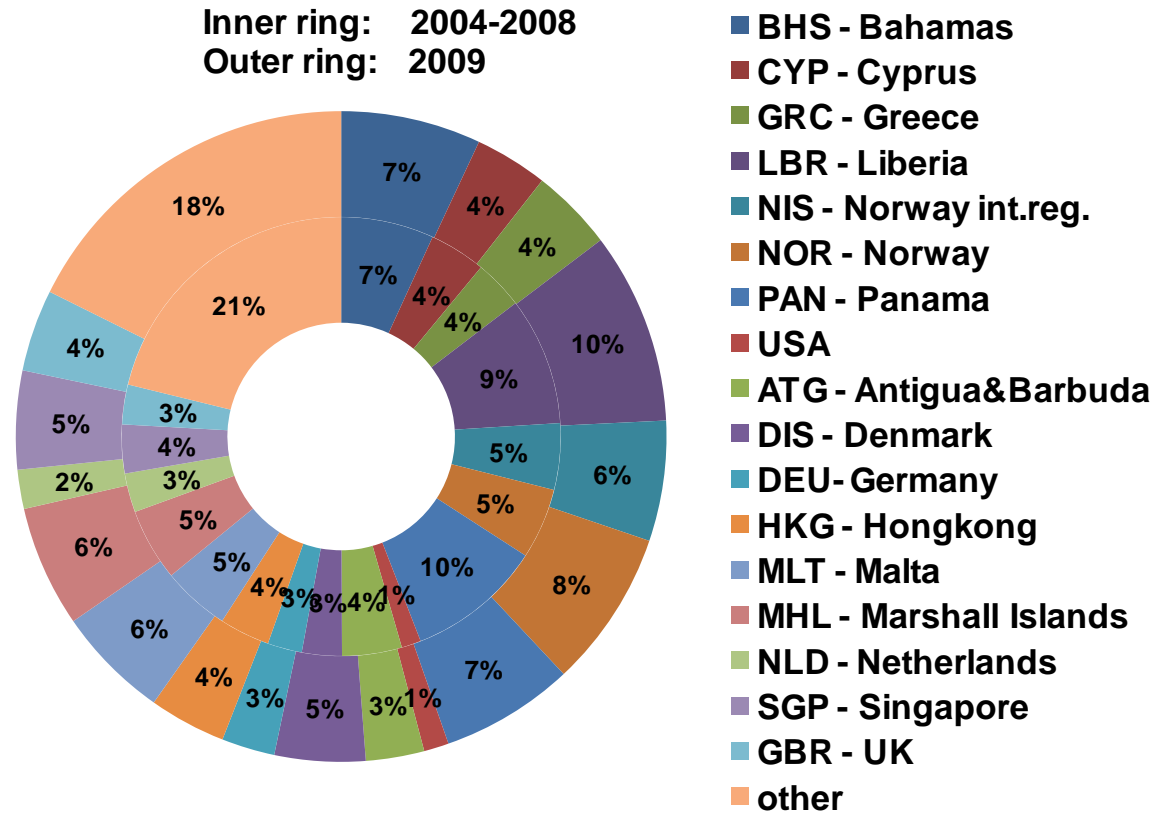
Average Claim amount per GT size group



2009 Nordic Marine Insurance Statistics – Part 7

As of 31 December 2009

Number of vessels per largest flags



Total number of vessels
 2004-2008: 57,824
 2009: 8,475



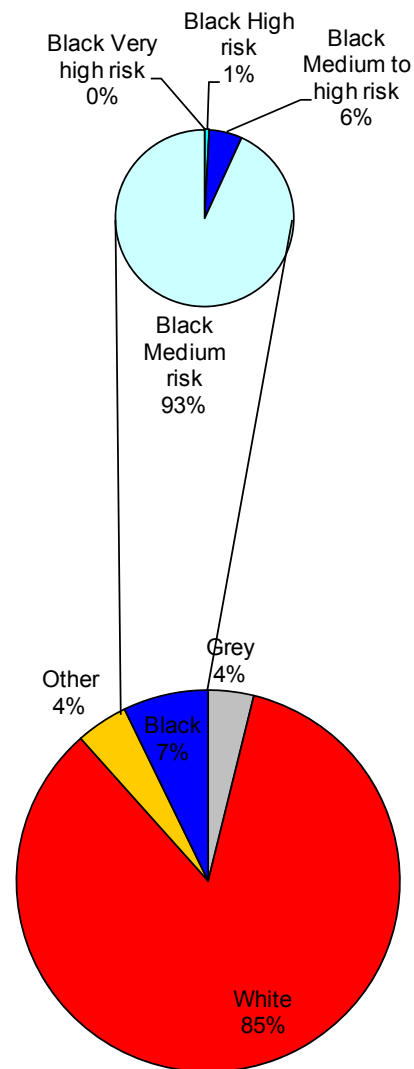
2009 Nordic Marine Insurance Statistics – Part 7

As of 31 December 2009

Vessel distribution by flag
by Paris MOU classification

(Black Grey and White list 2008,
as of June 2009)

OBS:
"black medium risk" includes Panama

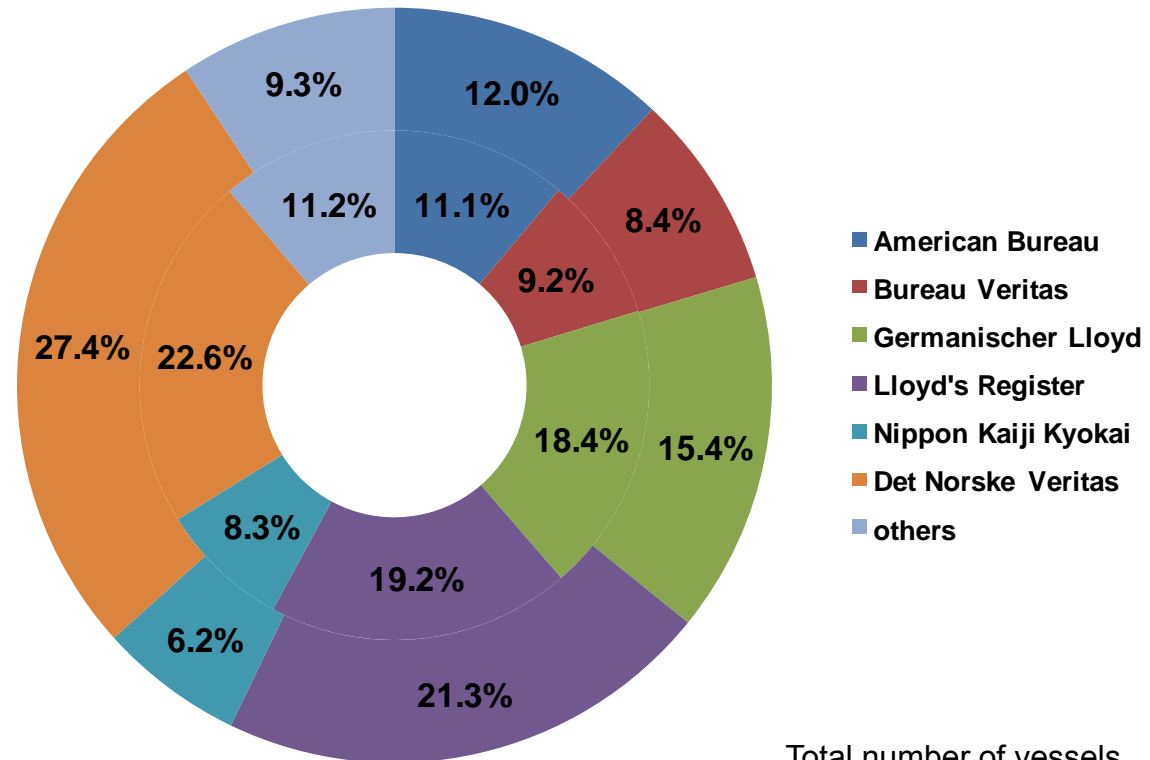


2009 Nordic Marine Insurance Statistics – Part 7

As of 31 December 2009

Number of vessels per classification society

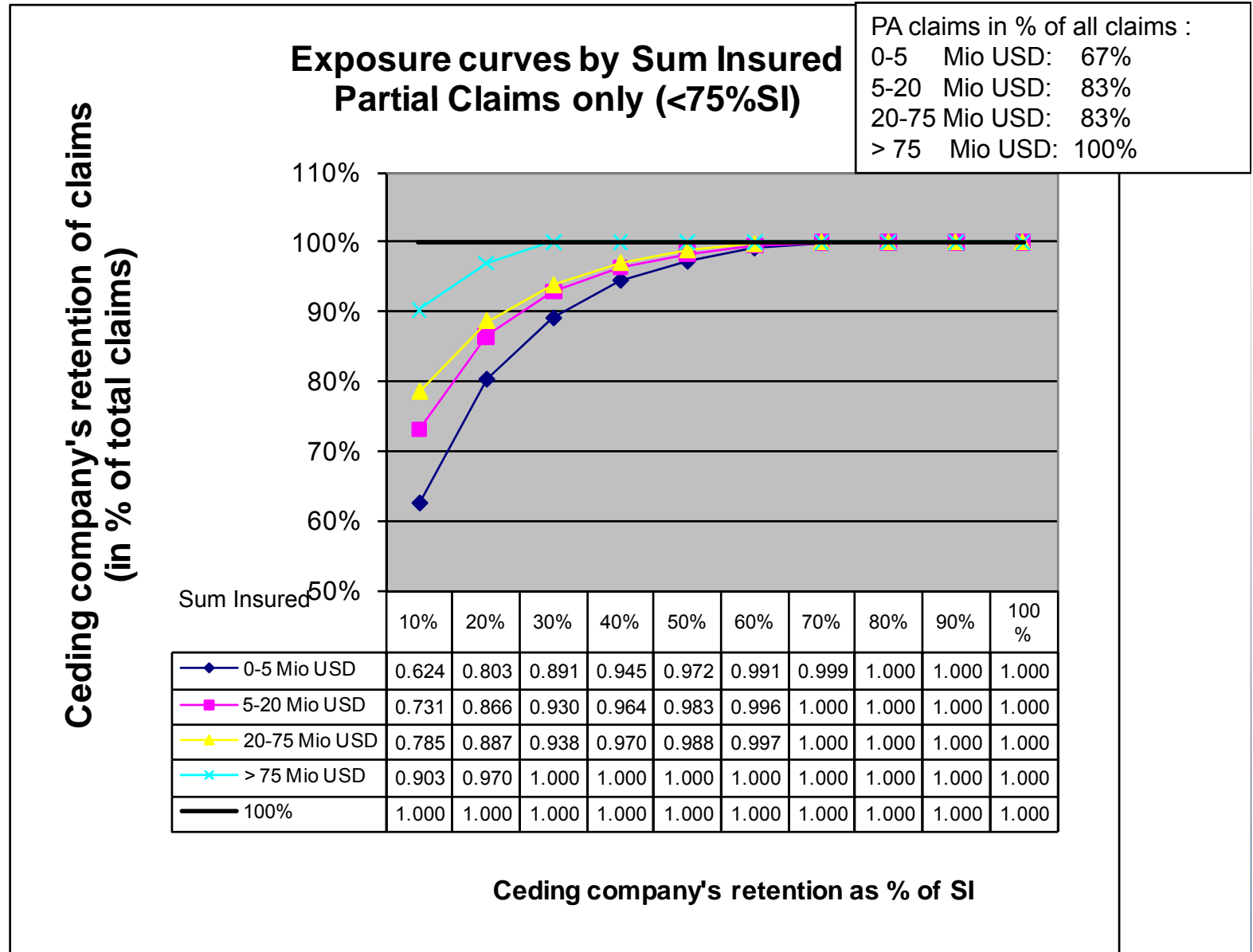
Inner ring: 2004-2008
Outer ring: 2009



Total number of vessels
2004-2008: 57,824
2009: 8,475

2009 Nordic Marine Insurance Statistics – Part 8

As of 31 December 2009





2009 Nordic Marine Insurance Statistics – Part 8

As of 31 December 2009

Exposure Curves

- Exposure curves are used by reinsurers to price excess of loss reinsurance.
- The curves indicate the ceding company's retained share of PA claims after ceding claims in excess of a given percentage of a vessel's sum insured.
- The curves should be applied on individual vessels or groups of vessels with similar values and written shares.
- The curves are calculated for 100% values. In applications the choice of curve should thus also be based on 100% values.

Exposure Curves technicalities

- The curves are based on H&M covers only for vessels with valid IMO-No.
- The curves are based on the underwriting years 2004-2009 (15,735 claims)
- The curves are calculated as follows:

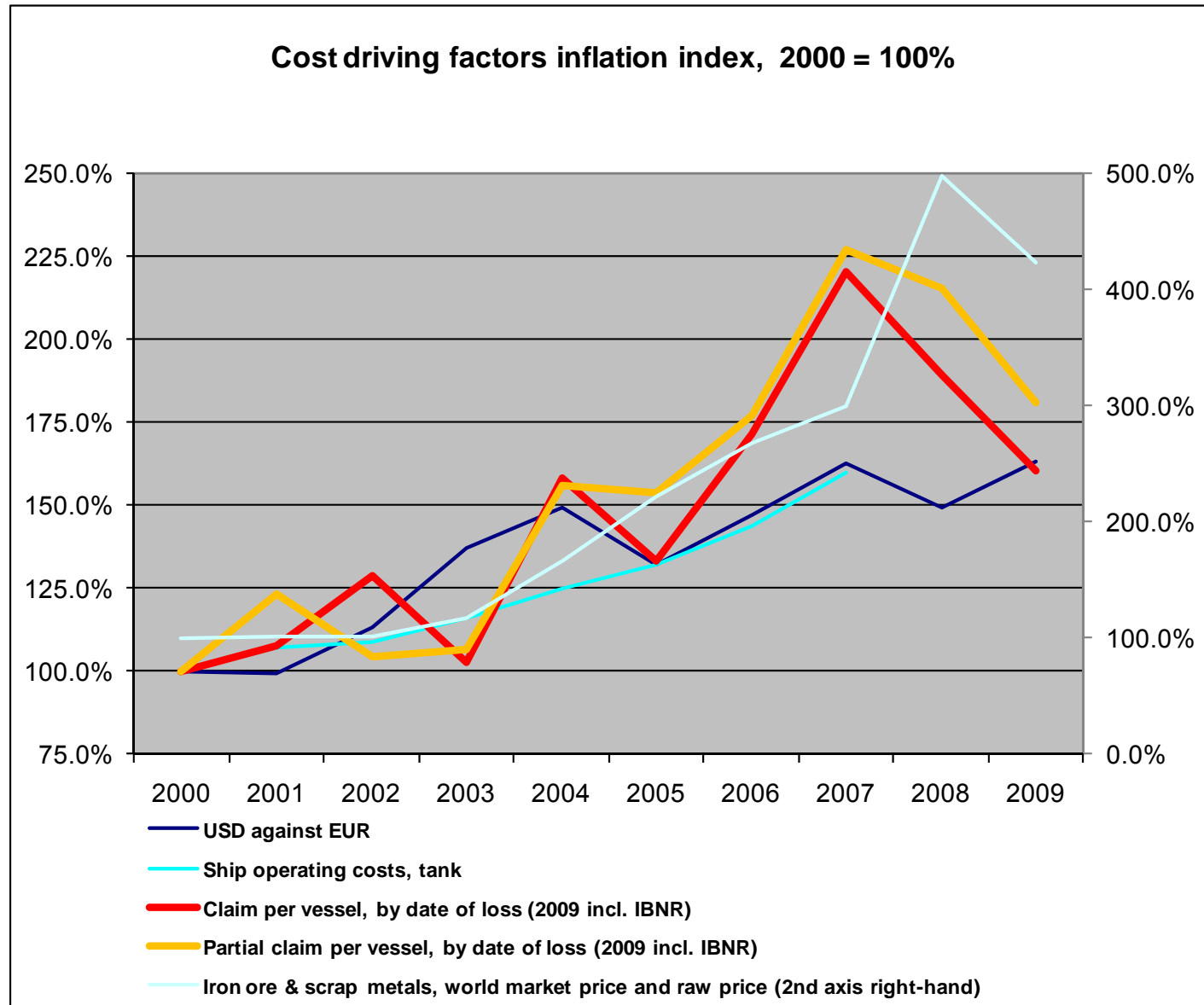
x = percentage retained

C = Individual partial claims

V = Vessel value

$$f(x) = \frac{\sum \min[C, V \cdot x]}{\sum C}$$

2009 Nordic Marine Insurance Statistics – Part 9



Sources: Claim index: Cefor as of 31 December 2009, exchange rates: Norges Bank, Ship operation costs: Moore Stephen's, Iron Ore: IUMI



2009 Nordic Marine Insurance Statistics

Cefor marine insurance statistics publications at <http://www.cefor.no> :

- Cefor Annual Report 2009
- The 2009 Cefor NoMIS Report & The 2009 Cefor NoMIS COASTAL Report
- Half-yearly Claims Update Fact Sheet
- All Cefor statistics, including previously published reports, are available for download from the statistics section of the Cefor website:
<http://www.cefor.no/statistics/statistics.htm>

Other marine insurance statistics:

- IUMI (International Union of Marine Insurance):
Statistics issued by IUMI's Facts & Figures Committee:
<http://www.iumi.com/index.cfm?id=7165>