



PRESS RELEASE

Oslo, Norway, 29 March 2012: Cefor releases 2011 marine claims statistics from the Nordic Marine Insurance Statistics (NoMIS) database

No major claims in 2011 but volatility prevails

Claims costs have come down from the record noted during the shipping boom years 2006-2008. “Although claims costs are increasing once again in 2011, the period 2009-2011 shows a relative benign claims picture both in terms of frequency and severity compared to the previous three-year period”, says Helle Hammer, Cefor’s managing director.

Most notable is the lack of major claims reported to the NoMIS database last year. “These major claims have a significant impact on costs, and show an upward trend over time due to the general increase in insured values, more advanced and larger vessels entering the market, and general market conditions. The volatility of these claims is well known and taken into consideration by serious marine insurers and through the added service provided through the Nordic claims handling model”, informs Hammer. With the January *Costa Concordia* loss, the effect of these major claims is sure to become visible through increasing claims costs in 2012.

In contrast to the absence of major losses, minor claims were on the rise in 2011. “The drop since 2008 in claim cost per vessel for claims below 1 MUSD has definitely reversed, and the cost is now increasing, causing the total claim cost per vessel to continue its upward trend from 2010”, confirms Helle Hammer. Minor claims also show an increase in frequency.

Engine claims are still by far the most frequent individual claim type with 37% of all claims, and a slightly lower impact on the cost at 31% of the total cost due to a number of minor claims. “Engine claims are high on our agenda, and Cefor is in particular paying close attention to the introduction of fuel oil of different grades and the impact this will have on machinery”, says Hammer.

Nautical-related claims are a major concern to marine insurers, and several loss prevention schemes are offered by Cefor members to their respective clients. In 2011, these claims accounted for as much as 52% of the total claims cost.

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 250,558 vessel years and 64,779 claims by the end of 2011.

More information is available at www.cefor.no

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