



PRESS RELEASE

Oslo, Norway, 21 March 2013: Cefor releases 2012 marine hull claims trends from the Nordic Marine Insurance Statistics (NoMIS) database and elects new members to its Board of Directors.

Year of the titans

Ocean hull claims costs have bounced back to record high levels according to new Cefor statistics released today. 2007 was the worst year in NoMIS history in terms of claims cost per vessel and 2012 was almost at level. “But this time only a few very large claims are to be blamed”, informs Helle Hammer, Managing Director of Cefor.

Six claims in excess of USD 30 million were reported to the NoMIS database last year. And the impact of heavy single losses is evident. “Of the total 2,239 claims reported, these six claims account for 50 % of the total claims costs. And there is still potential for more costly claims with 47 vessels in the database having higher, and some substantially higher, insured values than the record *Costa Concordia* claim. As a percentage of total insured values, the cost of the three largest claims more than tripled in 2012 as compared to the 2005-2011 average”, Helle Hammer explains.

“This is a clear message that we need to take a higher risk potential into account. Marine insurance is bought to cover extreme events as well as the types of events individual owners may have experienced over the past few years. Fleet statistics alone are not a sufficient tool for pricing”, warns Hammer.

The vessels lost in 2012 were mostly modern, valuable and big. Based on historical data, this type of vessels represents the lowest risk potential. There is also no clear pattern; the claims were caused by very different events, occurred in different geographic areas and waters and did not happen to the same type of vessels. “Knowing this and with the level of extremity experienced in 2012, there are clearly some pricing challenges ahead.”

“The good news is that the frequency of claims has remained stable over the past four years. The decrease after the peak in 2008 is visible across all main types of claims and marks a positive shift. Deductibles, repair costs and utilization rates are likely to have contributed”, says Hammer.

For the coastal portfolio, a number of smaller vessels have been added to the database since 2010. While this will have a great influence on claims, the picture is still encouraging: “With both frequency and the impact of larger claims decreasing, the coastal portfolio continues a very positive claims trend in 2012,” concludes Helle 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 289,733 vessel years and 71,647 claims by the end of 2012.

More information is available at www.cefor.no/statistics



New Chair and Members to the Board of Directors

Ole Wikborg of the Norwegian Hull Club stepped today down from the Cefor Board of Directors to which he has actively served as a member since 1997 and after completing his second two-year term as the Association's Chair. Under his chairmanship, Cefor has gone through some eventful years; including the celebration of the Association's centenary in 2011 and the launching of the new Nordic Marine Insurance Plan of 2013.

The Annual General Meeting elected Svein Ringbakken, Managing Director of Den Norske Krigsforsikring for Skib (DNK) as the new Cefor Chair and Leif Nordlund, Managing Director of Alandia Insurance, as Vice Chair.

In addition, the following new members were elected to the Board:

Hans Christian Seim, Director Offshore Energy, Norwegian Hull Club, and
Tord Nilsson, General Manager/Area Manager, The Swedish Club.

Jan-Hugo Marthinsen, Vice President, Gard, and Rickard Svensson, Nordic Head Product & Price, Commercial Marine, If, were both re-elected.

Following these elections, the Board comprises of the following members as per 21 March 2013:

Svein Ringbakken, DNK, Chair

Leif Nordlund, Alandia Insurance, Vice Chair

Arne Gangdal, Gjensidige

Jan-Hugo Marthinsen, Gard

Tord Nilsson, The Swedish Club

Hans Christian Seim, Norwegian Hull Club

Rickard Svensson, If

Anne Systad, Codan

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