



Cefor

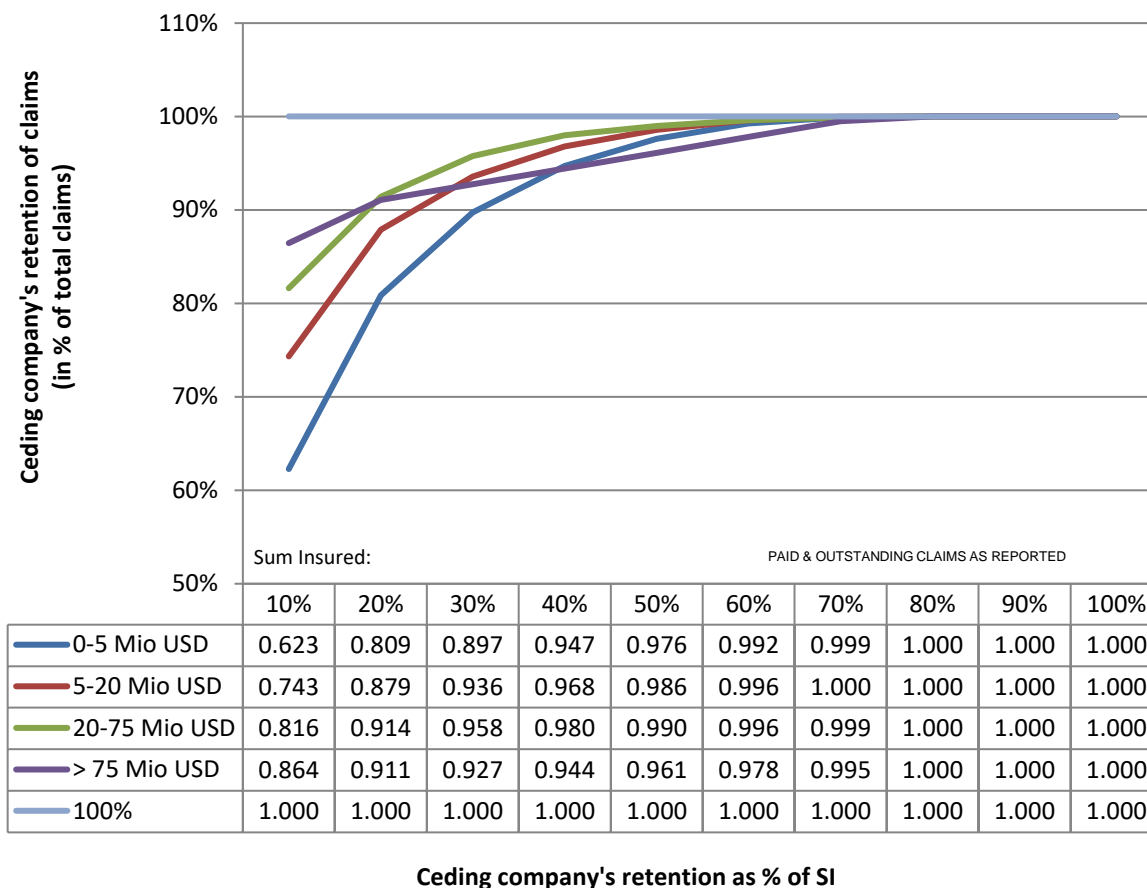
# EXPOSURE CURVES – OCEAN HULL

## VESSELS WITH VALID IMO NUMBER

Nordic Marine Insurance Statistics as of 31 December 2021

# OCEAN HULL – EXPOSURE CURVES

## Exposure curves by Sum Insured Partial Claims only ( $\leq 75\%SI$ )



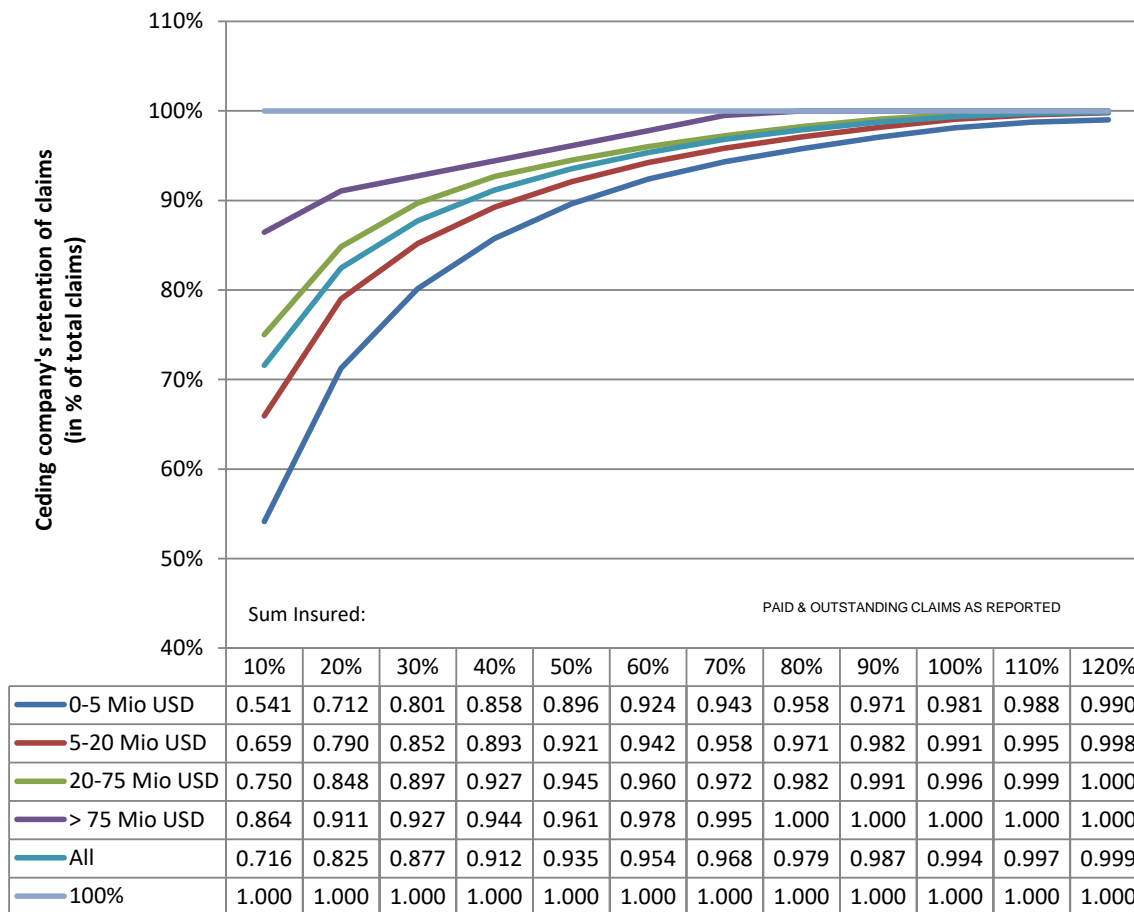
PA claims in % of all claims\* :

- 0-5 MUSD: 85%
- 5-20 MUSD: 87%
- 20-75 MUSD: 91%
- > 75 MUSD: 100%\*

The curves are based on 100% shares. For a ceding company writing 10% shares, the exposed values in the given bands are " $\leq 0.5$  MUSD", "0.5-2 MUSD", "2-7.5 MUSD", ">7.5 MUSD".

# OCEAN HULL – EXPOSURE CURVES

**Exposure curves by Sum Insured**  
**All claims including total losses**



The curves are based on 100% shares. For a ceding company writing 10% shares, the exposed values in the given bands are "<0.5 MUSD", "0.5-2 MUSD", "2-7.5 MUSD", ">7.5 MUSD".

Ceding company's retention as % of SI

# EXPOSURE CURVES – EXPLANATIONS

- **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.
- The curves are based on USD claims amounts. Due to exchange rate fluctuations, the ratio between claim cost and insured value may deviate in the original currency.

- **Exposure Curves technicalities**

- The curves are based on H&M covers only for vessels with valid IMO-No.
- The curves are based on claims incurred in the **years 2016-2021**  
(17,673 partial claims; 17,831 claims in all; only claims with reported cost > 1 USD included)
- The curves are calculated as follows:
  - x = percentage retained
  - C = Individual claims <sup>1)</sup>
  - V = Vessel value
  - $f(x) = \frac{\sum \min[C, V*x]}{\sum C}$

- <sup>1)</sup> First set of exposure curves: based on partial claims only; Second set of exposure curves: based on all claims, including total losses / claims exceeding the Sum Insured