



OCEAN HULL TRENDS as at 31 Dec. 2023

The Nordic Association of Marine Insurers



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Executive Summary

Claims and Portfolio trends per 31st December 2023

Post-Pandemic trends: inflation, changes in trading patterns, increasing claims estimates from prior years

This report presents hull trends from the Nordic Marine Insurance Statistics (NoMIS) database as of year-end 2023. The figures in this report are derived from the hull and machinery portfolio insured by Cefor members, for vessels with a valid IMO number. They do not include other types of hull-related insurance nor war-specific insurance.

In the years 2020 to 2022 Cefor analysed how the **Covid-19 pandemic** and **post-pandemic recovery** was reflected in the NoMIS hull trends. As of 2023, geopolitical challenges, inflation and other influences impact trade and shipping and marine insurance trends. The pandemic has subdued, and supply chain issues have eased. The war in Ukraine continues to affect global trade and shipping, and since the Israel Hamas war started an increasing number of vessels is rerouted around the Cape of Good Hope instead of going through the Suez Canal.

Although **inflation** in many areas is about to ease, the effect of increased cost of spare parts and labour on hull claims and repair costs shows in 2023 more clearly than before. As of 2023, the **claims frequency** and the **claim cost per vessel** show an upward trend. More clearly, **claim cost inflation** is reflected by an upward trend in the average cost of all reported claims. In addition, the cost of claims occurred in 2022 had a worse development in 2023 than claims of any previous year had in the following year.

Major claims are catching up in 2023, and fires continue to be a concern. This report aims to throw light on some of these effects.

The most interesting segment to watch over the past years were **container vessels**. Contrary to other vessel types, these had a sharp increase in claims frequency above USD 500,000 in 2020-2022 but returned to previous levels in 2023. With the ever-increasing size of these vessels and the broad spectrum of goods they transport, they continue to be in the spotlight also because of a high occurrence of severe fires. Cefor has issued several [analyses](#) on this subject over the past years and contributes actively to various initiatives with the goal to improve both the prevention of fires as well as fire-fighting on board such vessels.

The **cruise** market was back in full activity in 2023. This is reflected in the claims frequency bouncing back to pre-Covid levels.

The **total loss frequency** shows a small increase in 2023 but continues nevertheless the general trend of oscillating around a level of 0.05% since 2018. **Major losses** show some increase in 2023 compared to the extraordinary benign past years (except for fires). In 2023, the first loss exceeding USD 50 million was reported for more than ten years. With both the container and cruise segment having resumed full activity in 2023 and related increases in insured values in the portfolio, one may expect some further increase in major losses going forward. This applies not only to total losses which are related to insured values but also to repair cost. The engines and machinery on these vessel types tends to be more complex, and the costliest machinery claims often are related to these segments.

The **oil price rally** in 2022 led to renewed activity in the **supply/offshore segment**, reflected by an upward trend in vessel values for this segment.

Hull trends observed as of 31st December 2023

- **Development of claims cost over time**
The cost of claims occurred in 2022 increased more during 2023 than what was the case for claims from any previous years in the following year.
- **Total losses**
Since 2018, the total loss frequency has been relatively stable at a low level around 0.5%.
- **Major losses**
In 2023, eight losses above USD 10 million were reported, three of which exceeded USD 30 million. The two most costly losses were fires, and half of the eight losses above USD 10 million were fires. This compares to nine losses above USD 10 million in 2022 but only one exceeding USD 30 million.
- **Claim cost per vessel on the rise**
The claim cost per vessel has shown an increase after 2020. This is in line with expectations related to the return of shipping activity to pre-pandemic levels. In 2023, the cost per vessel is about the level of the years prior to the pandemic.
- **Average claim cost affected by inflation**
The average cost of reported claims has shown a rising trend, which may be an indicator of some impact of inflation on repair costs. When claims reserves on already reported claims are adjusted upwards, it also means that more claims may grow into higher cost ranges.
- **Claims frequency**
The long-term trend was a substantial reduction from about 30% of all vessels having a claim per year ten years ago, to 20% in the years prior to the pandemic. After the extraordinary dip in 2020 in connection with reduced vessel activity in some segments, claims frequency has been rising somewhat again, but still at moderate levels not exceeding pre-pandemic levels.
- **Claims by type of casualty**
In recent years, most casualty types showed a positive trend, except for fires. Cefor published several [analyses](#)¹ on that issue, with special focus on container/RoRo fires. While the impact of fires was reduced in 2022 compared to the years prior to 2022, four out of the eight most costly losses in 2023 were fires, and two of these even exceeding USD 50 million. Other types of casualties such as navigational-related claims have shown a rather positive trend.
- **Insured values**
Vessels renewed in 2023 showed an average decrease in insured values of 5%. This compares to an increase of 3% in 2022. The trend thus turned again after average value increases on 2021 and 2022 renewals. When interpreting the trend, one needs to consider that it differs substantially by vessel segment. For further details see section 6.

¹ <https://cefor.no/statistics/analysis-with-special-focus/>

1. Claim cost per vessel

Claim cost divided by number of insured vessels

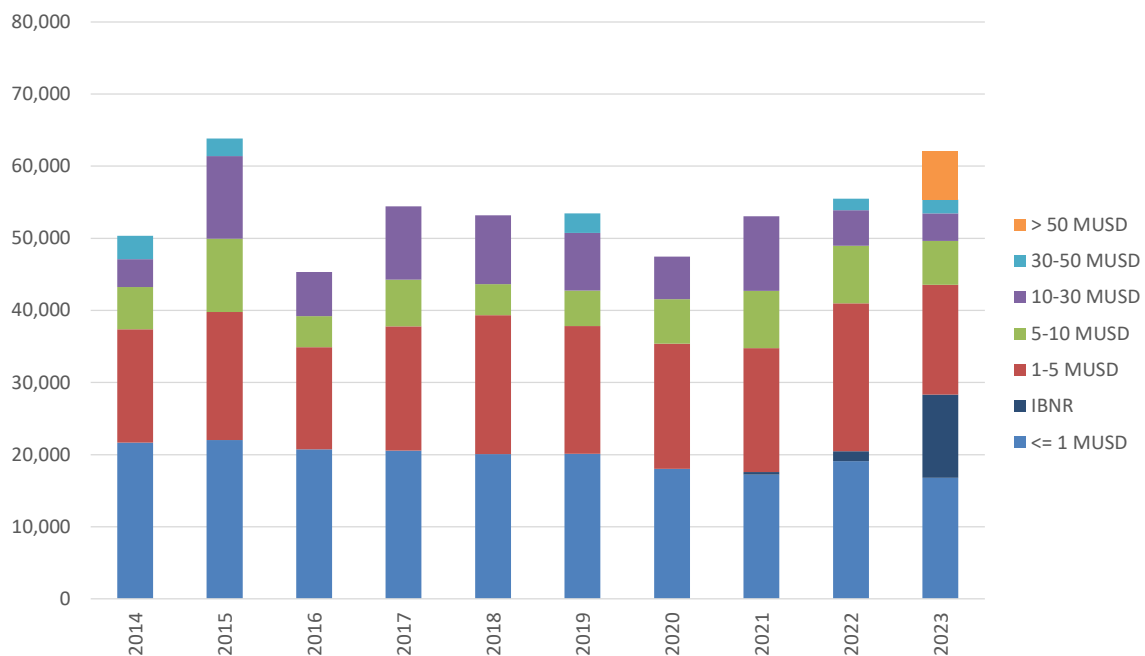
Major and total losses

2023 is the first year for more than ten years with losses exceeding USD 50 million. From 2016 to 2022, major claims impact was rather benign.

2020 saw an extraordinary drop in the claims frequency and cost probably caused by lower vessel activities or other effects of the pandemic. From 2021, the situation started to reverse with a moderate increase. The increase in the claim cost per vessel has been accelerating since and in 2023 exceeds the level of the years prior to the pandemic.

In 2023, eight losses above USD 10 million were reported, comparing to nine in 2022 and 14 in 2021. Four of the eight largest losses were fires. A substantial difference to the preceding years is that 2023 saw three losses above USD 30 million, two of which even exceeded USD 60 million. In 2022 only one loss exceeded USD 30 million and none in 2021. The return of losses in the highest cost range is not unexpected, given the return to full shipping and the continuing trend towards larger and more valuable vessels.

1.1: Claim cost per vessel (USD) by intervals of claim cost, by accident year



Repair cost

Excluding total losses, the claim cost per vessel showed a further increase in 2023 and is expected to reach a similar level as in 2015 and thus exceed the moderate level of the pre-pandemic years 2016-2018.

As repair costs are influenced by other currencies than USD, exchange rates impact the statistics. A strong US dollar will, all else being equal, imply a reduced claim cost measured in USD. After 2016, European and other currencies have alternately been strengthening and weakening against the USD but not regained the same strength as prior to 2013.

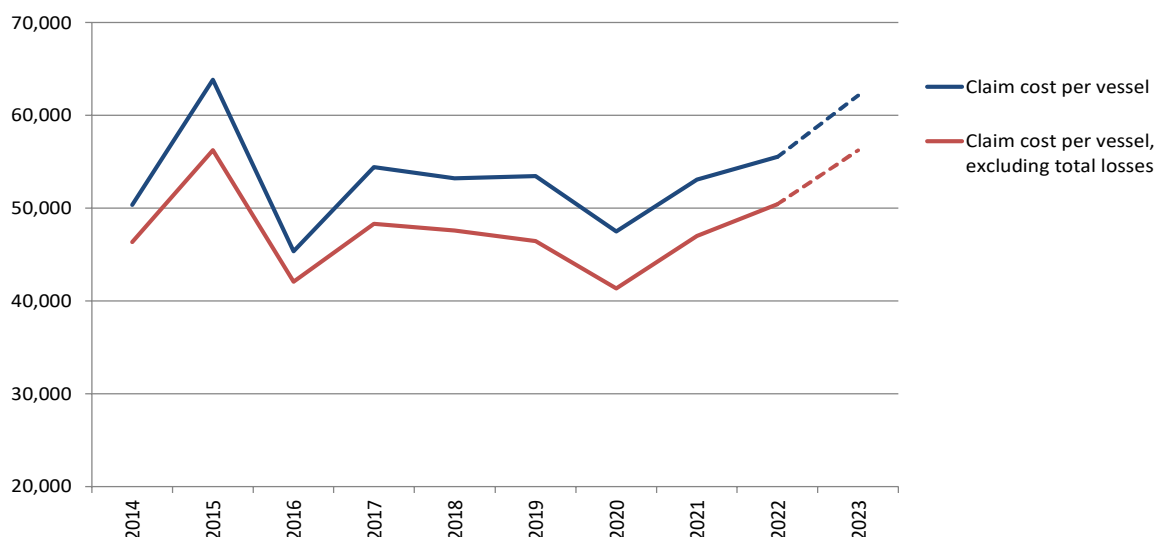
Other factors with influence on hull repairs are the price of steel and spare parts and conditions at repair yards. With an increase in steel prices in recent years and inflation in spare parts and labour cost this naturally contributes to an increase in the cost of individual claims.

When considering the impact of inflation, one should be aware that the claim cost per vessel reflects a combination of claims frequency and severity, calculated as the total claim cost per year divided by all insured vessels in the portfolio (including those without claims). For further details, see section 4.

Ultimate claim cost per year

The estimated ultimate claim cost per vessel for 2023 is based on claims reported as of 31st December 2023. The claim cost per vessel in below graphs includes an IBNR² reserve. No IBNR is added to reported total losses, as these due to their nature reflect 100% of the ultimate claim cost.

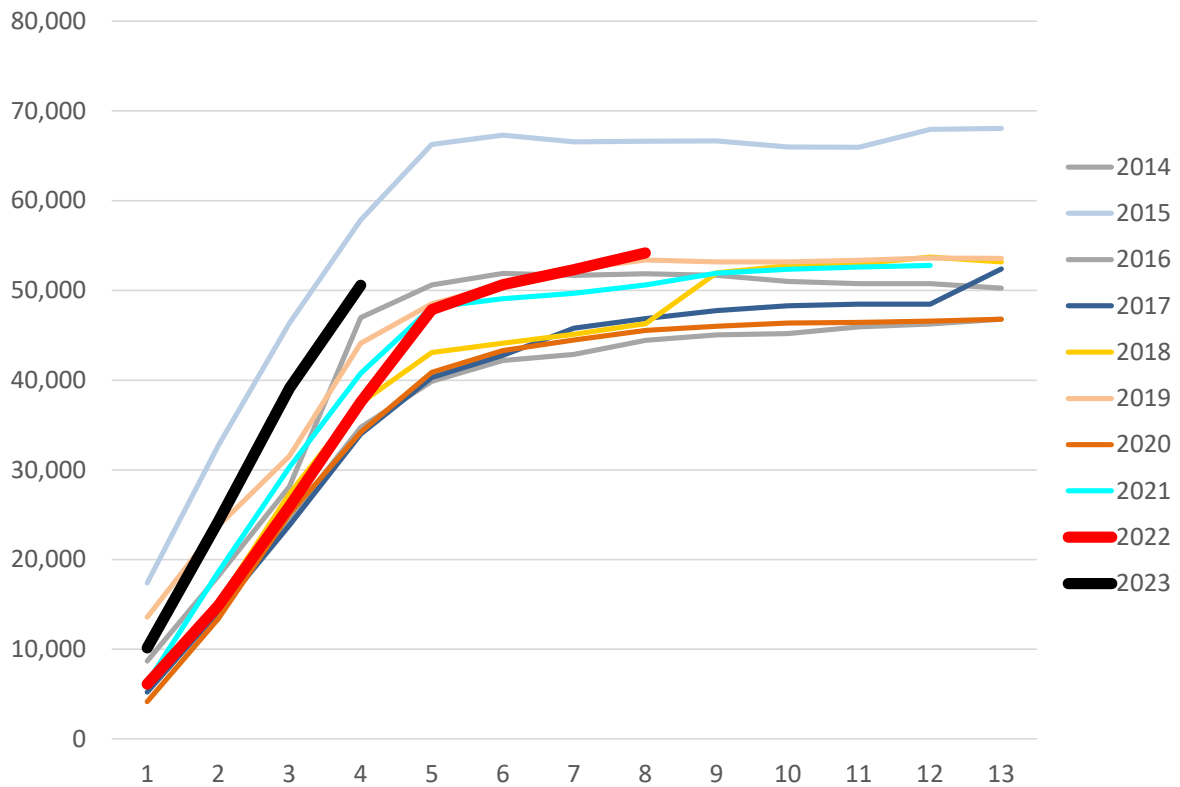
1.2: Ultimate partial and total claim cost per vessel (USD), by accident year³



² IBNR = Incurred But Not Reported = reserve for expected claims adjustment and registration backlog.

³ Accident year, or 'date of loss' perspective = Claims are grouped by the year in which the accident occurred (as opposed to grouping claims by the underwriting year, i.e. the inception year of the insurance coverage).

1.3: Claim per vessel (USD), accumulated quarterly development⁴, by accident year

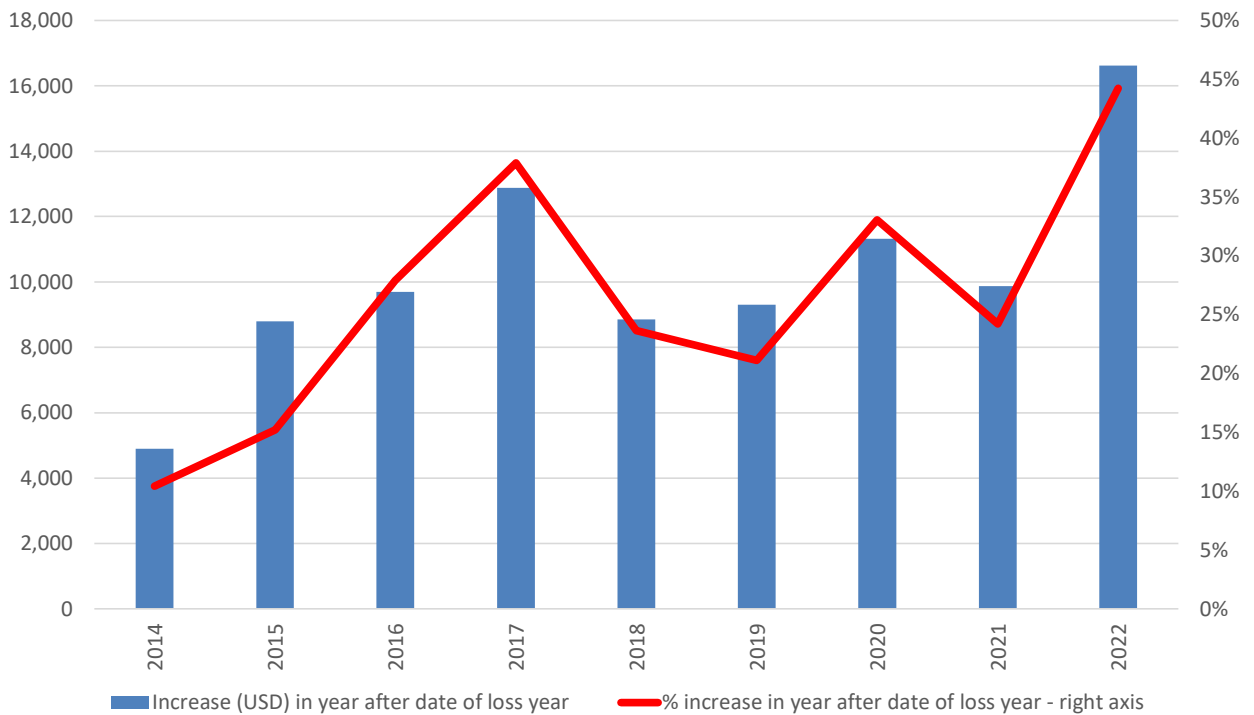


The quarter ladder statistics in graph 1.3 reflect the accumulated development of claims originating from a certain accident year by quarter. Thus, one can directly compare the development of each accident year by quarter.

2023 started at a higher level and had a steeper development than the preceding years, except for 2015. Also 2022 deviates from the typical average pattern and shows a much steeper upwards adjustment moving the year from among the best years to the second worst year. This might be a consequence of inflation.

⁴ In graph 1.3, annual exposure is used, i.e. the total number of vessels expected to be covered in the respective year. Therefore, the claim cost per vessel by end quarter 1 to 3 is less than in those graphs that visualize the expected ultimate results per year.

1.4: Increase in claim cost per vessel in the year after the date of loss year, relative (%) and absolute increase (USD), by accident year



Graph 1.4 shows both the absolute and % increase in the claim cost per vessel in the year after the date of loss year. The cost of claims occurred in 2022 increased more during 2023 than claims occurred in any previous year did in the following year. Or said otherwise, this indicates that the cost estimate of claims known by the end of each year has proved to be less accurate as some years ago. As there is no reason to assume that it has become more difficult to assess claims today than what was the case ten years ago, one may assume that the increase in the cost of known claims may be attributed to inflation in repair costs which could to a lesser degree be predicted than previously.

2. Claims frequency

No. of claims divided by the number of insured vessels

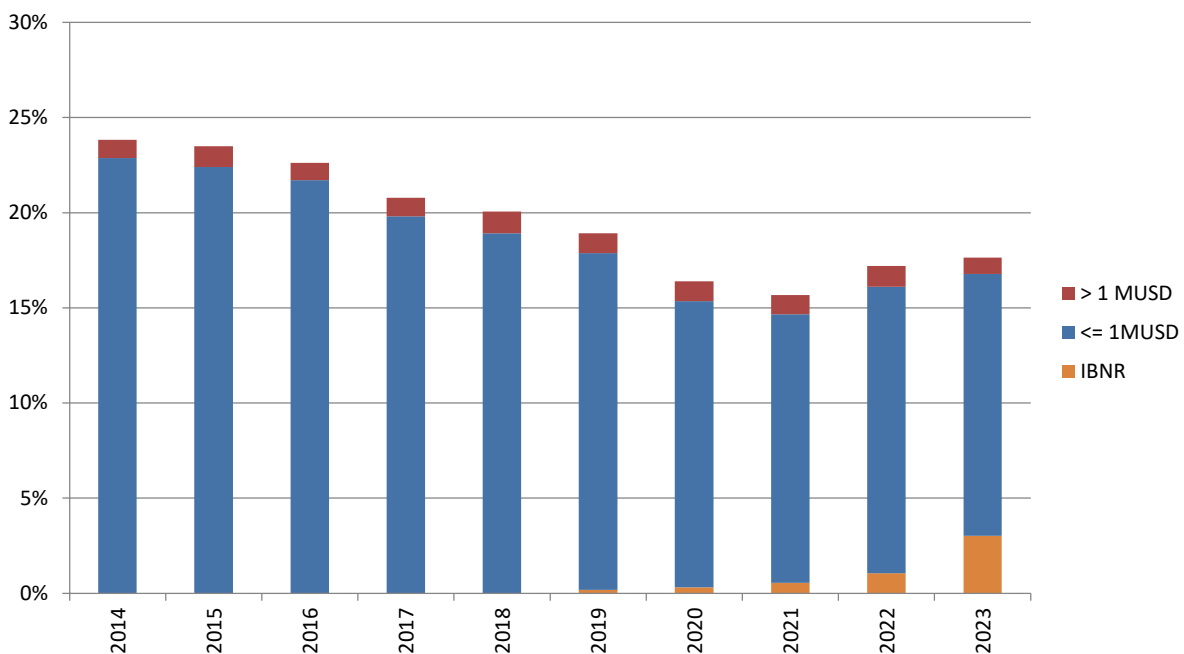
Claims frequency on the rise post-Covid but still at moderate levels

After the extraordinary drop in the claims frequency in 2020 in connection with effects of the pandemic, it has been rising again from 2021. That said, the claims frequency in 2023 still is at moderate levels and does not break the long-term positive trend.

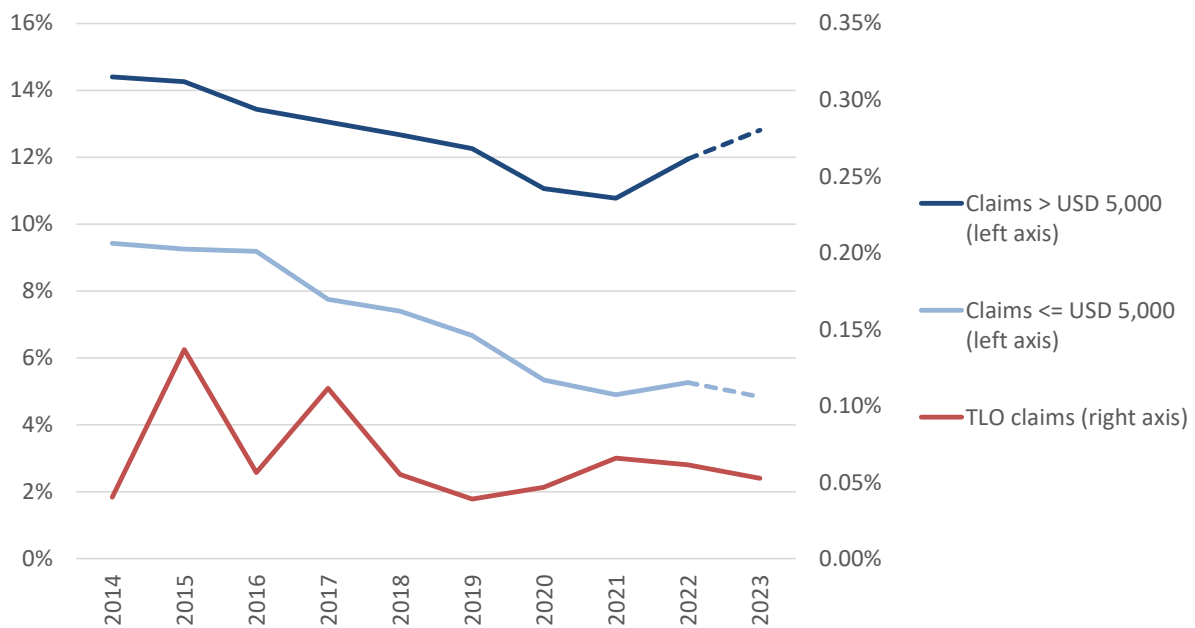
The total loss frequency has in recent years been fluctuating around a low level of 0.05%. In 2023, it shows some increase compared to 2022 but within the range of fluctuation since 2018. The low total loss frequency of the last ten years may be interpreted as a result of improved risk handling and loss prevention measures.

Several factors influence the claims frequency. Actual improvements such as better loss prevention play an important role. The frequency also tends to be lower during periods of reduced vessel activity. From the insurance perspective deductibles also have an impact, as claims below the deductible usually are not reported to insurers, but the average standard deductible has been stable in recent years.

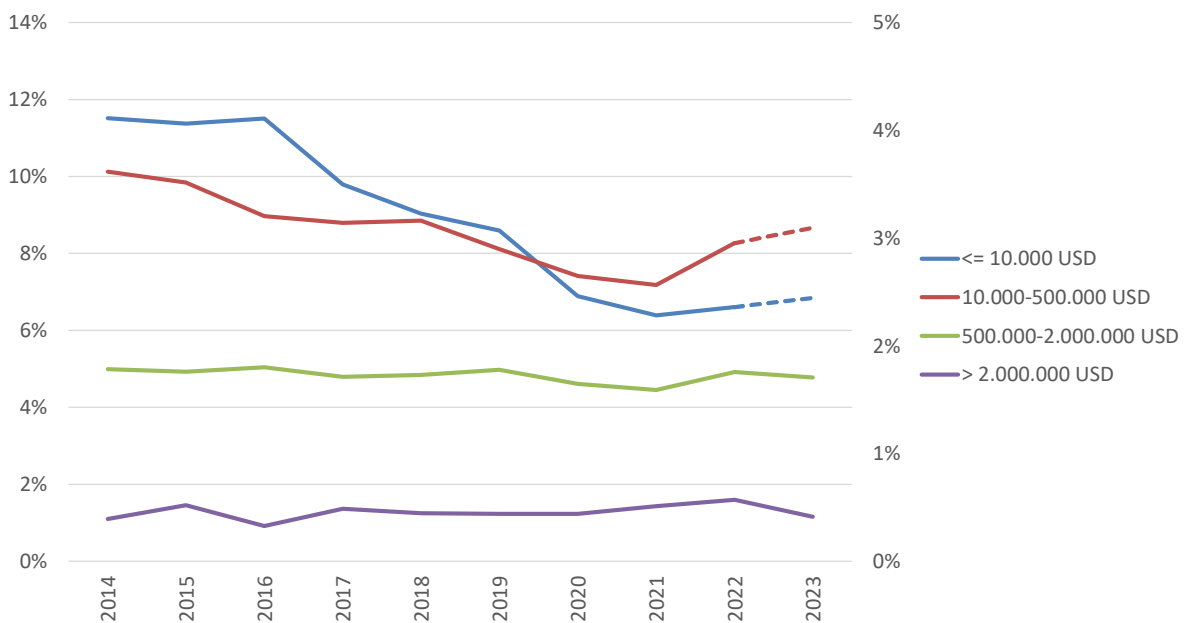
2.1: Ultimate claims frequency (%) by claim size, by accident year



2.2: Claims frequency, by accident year



2.3: Claims frequency by intervals of claim size, by accident year



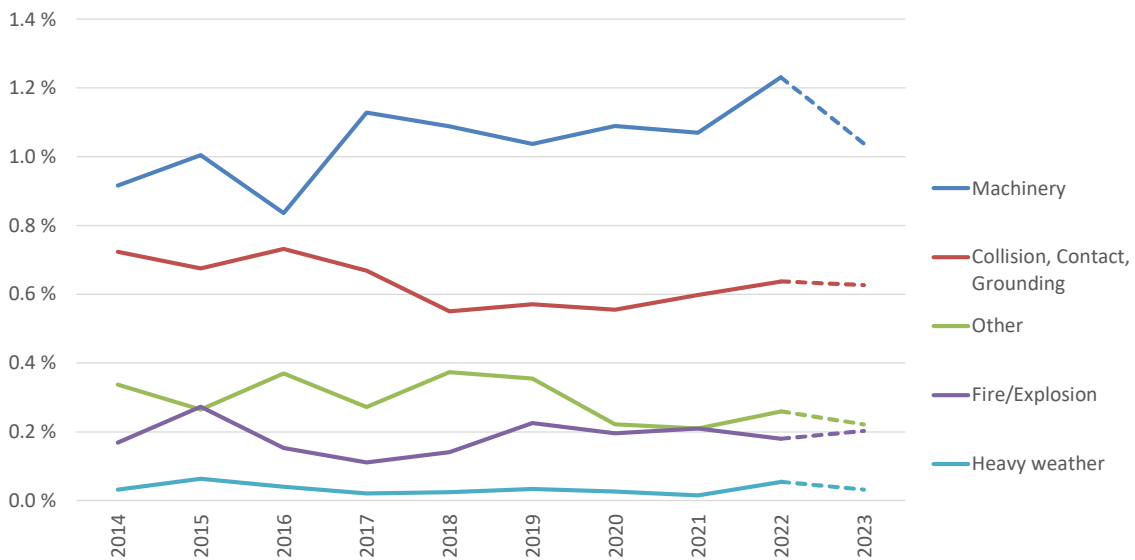
As newbuilds tend to be ever larger vessels, the risk exposure to high-value vessels continues to be high, although part of these were inactive in periods after the start of the Covid-19 pandemic. Container and cruise vessels have by now resumed pre-Covid activity levels. With these segments representing a high share of high-value vessels, after some years with low major claims impact one would from a statistical perspective expect some further increase in the number of major losses going forward.

While very large single losses are not possible without very large insured values, the occurrence of major losses is often due to random variation.

Large losses by type of casualty

Graph 2.4 illustrates the occurrence of claims over USD 500,000 by type of casualty. Machinery claims typically have a longer backlog in both reporting than other types. The graph indicates that the frequency of more costly machinery claims has shown some upward trend, while it is has been stable for navigational-related claims.

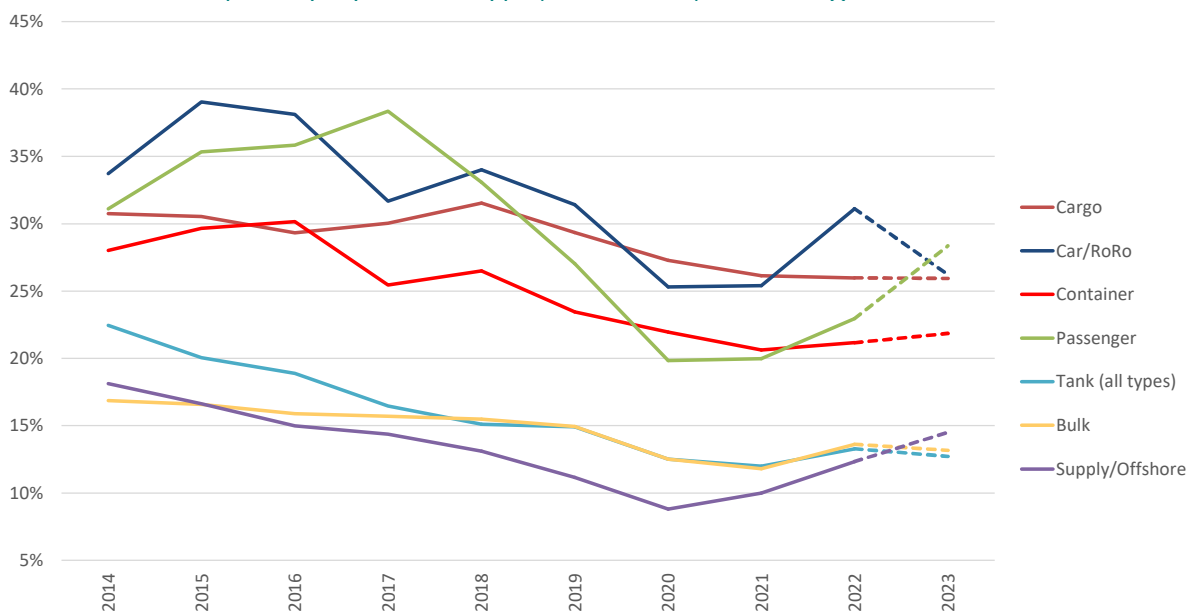
2.4: Frequency of claims > USD 500,000 by type of casualty, incl. IBNR, by accident year



Claims frequency by vessel type

Different vessel segments showed different casualty trends since 2020.

2.5: Claims frequency by vessel type, all claims, including IBNR

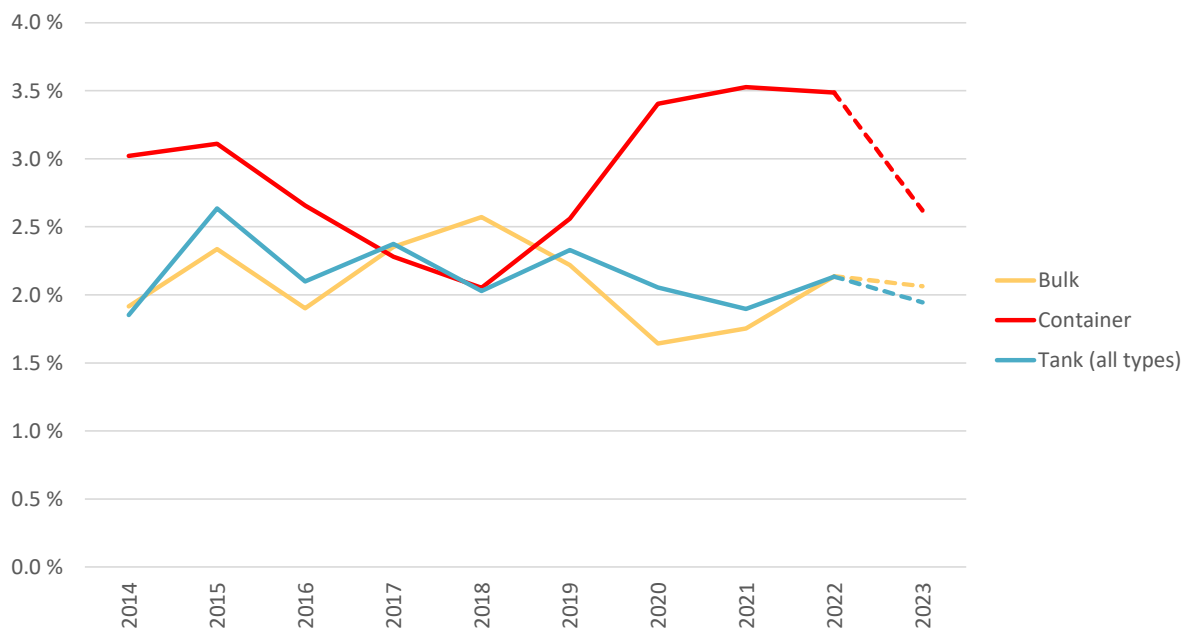


Graph 2.5 shows that the segments with the highest claims frequency in general are cargo, car/RoRo, container, and passenger vessels. It reflects the return of the cruise segment to full activity by the steep increase in claims frequency in 2023.

For the largest vessel segments we can also follow trends in claims above USD 500 000. This frequency has been declining since 2019 for bulk and tank vessels, while container vessels showed a contrary trend and an increase in the frequency from 2020 to 2022.

Graph 2.6 shows the frequency of claims above USD 500,000 as reported by 31 December 2023, with an IBNR reserve added for the backlog in either reporting or the upward cost adjustment of already reported claims. The backlog for large claims has a higher variance than for high-frequency low-cost claims. In combination with increased cost inflation over the past two years, it is more demanding to predict exactly how many claims will finally end up in that range, but graphs 2.6 gives an indication of how the ultimate claims frequency for such claims may turn out.

2.6: Frequency of claims > USD 500,000 by vessel type, incl. IBNR

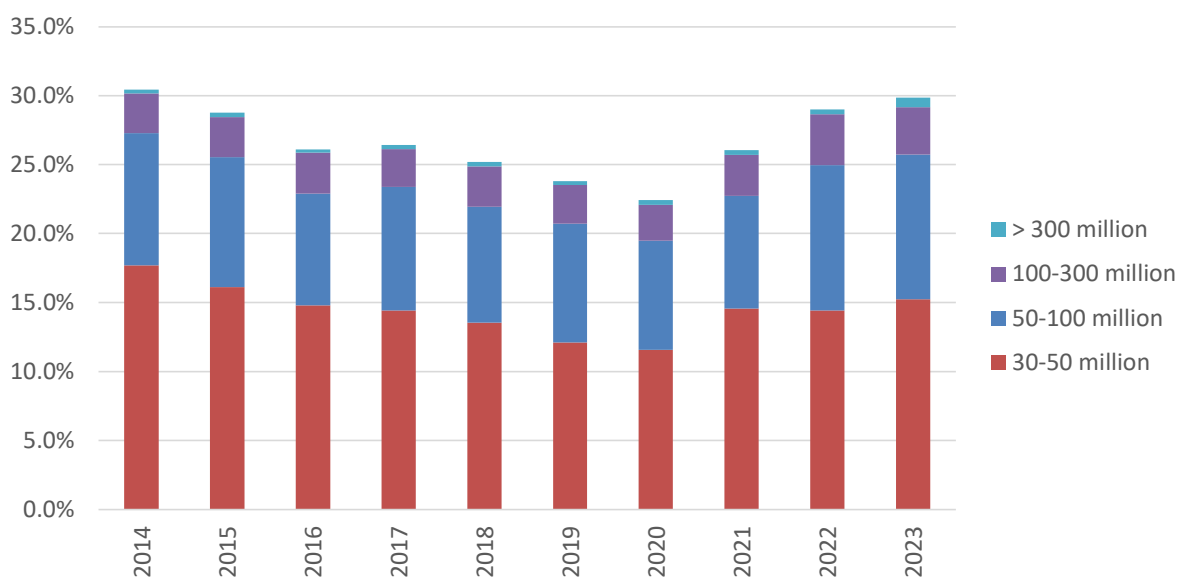


3. Major losses – Exposure and impact on total cost

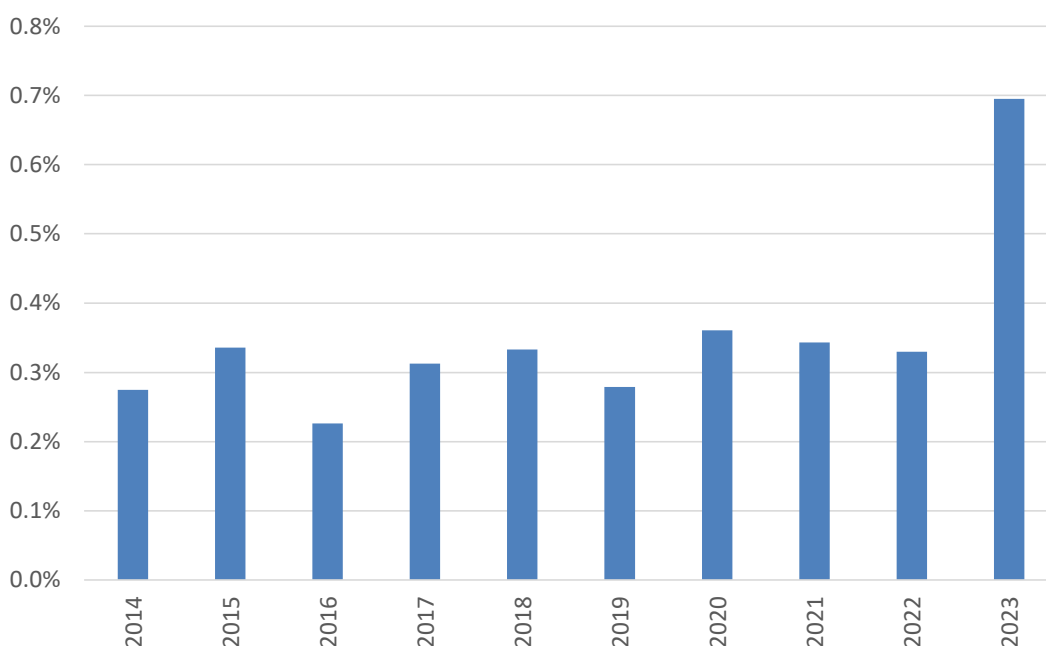
Portfolio share of high-value vessels

The inflow of high-value vessels gained some traction again since 2021. Expensive vessels are a prerequisite for expensive claims, especially when it comes to total losses. With an increase in the values of the largest vessels also follows the potential risk of new record losses.

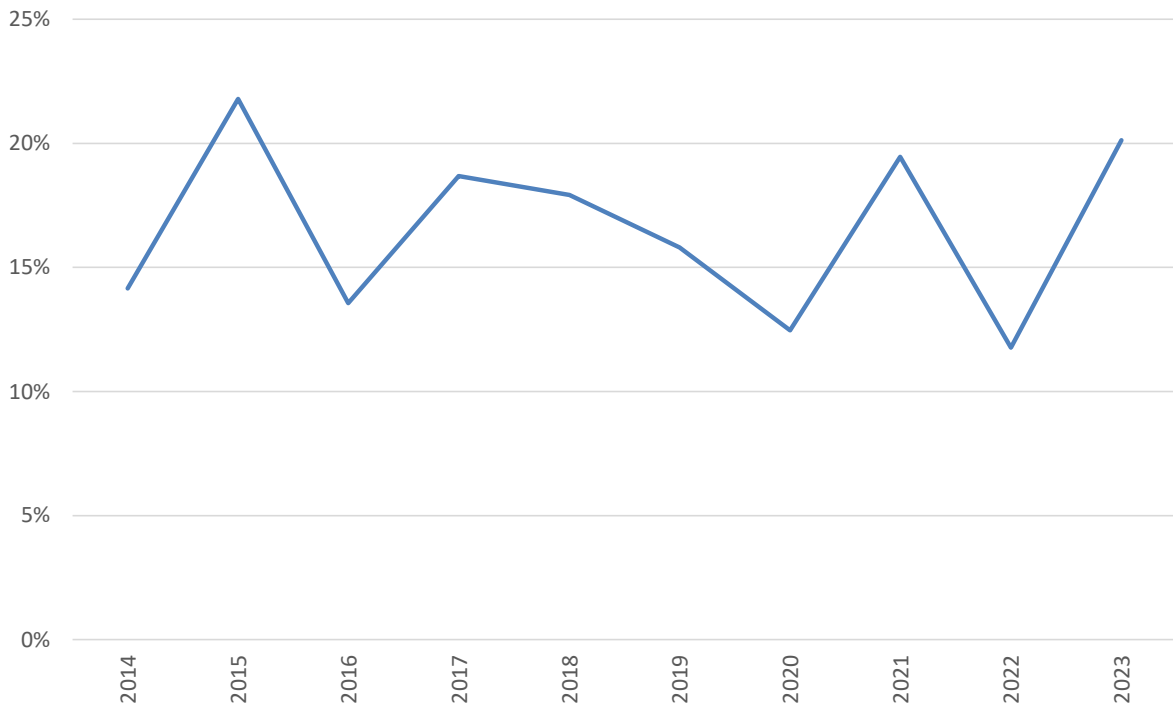
3.1: Portfolio share of ships with values exceeding USD 30 million



3.2: Portfolio share of ships with values exceeding USD 300 million



3.3: Claims exceeding USD 10 million as % of the total cost, by accident year



Major loss impact was highest in the years prior to and around the financial crisis with a maximum of 38% in 2007 but came down after that. In recent years, the impact of major losses was generally low. As explained before, with rising vessel values in particularly the container vessel segment and renewed activity in the cruise vessel segment, it is reasonable to expect a higher occurrence of major losses again.

4. Claims by type of casualty

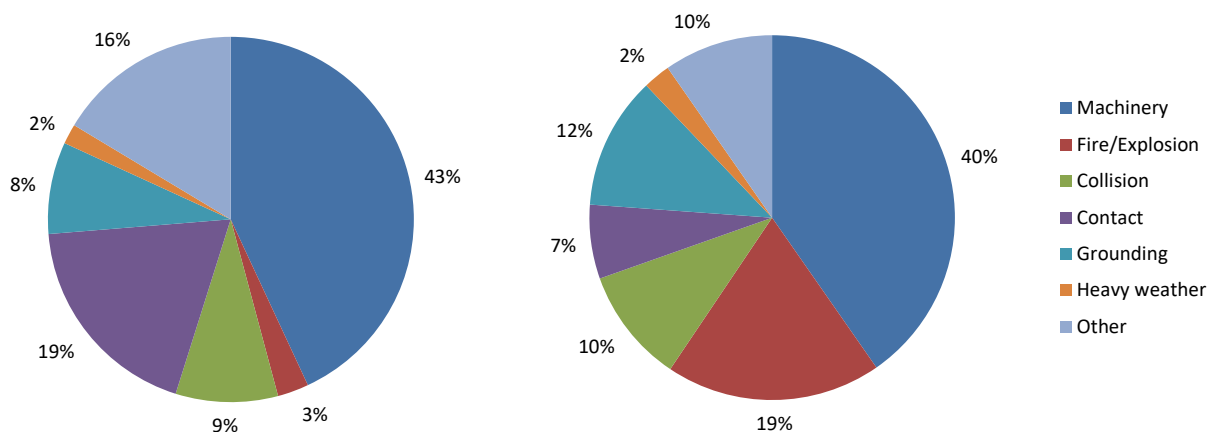
Renewed impact of fire/explosion in 2023

While the average cost of fire/explosion claims was high between 2008 and 2015, fires only had a moderate impact in the years 2016 to 2018. In these years, few fire/explosion claims exceeding USD 10 million were reported, with none of these exceeding USD 30 million. This changed since 2019 when particularly the number of severe fires on container vessels increased. Insurers and the marine industry got increasingly concerned by an escalating number of fires on container vessels in recent years, especially those starting in the cargo area of such vessels.

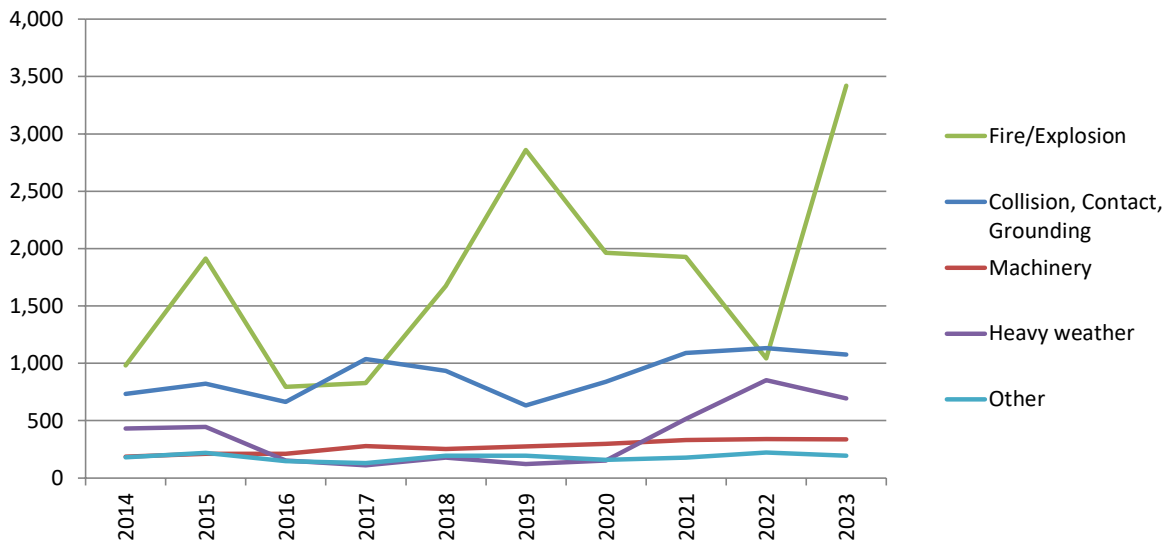
While the impact of fires was comparably modest in 2022, in 2023 again severe fires occurred. Both the two largest losses above USD 50 million were fires, and four out of the eight losses above USD 10 million were fires.

The cost of nautical-related claims (collision, contact, grounding) has been at a relatively stable and moderate level since 2014, with only a slight increase after 2020.

4.1: Breakdown of claims numbers (left) and cost (right) by type of casualty, 2019-2023

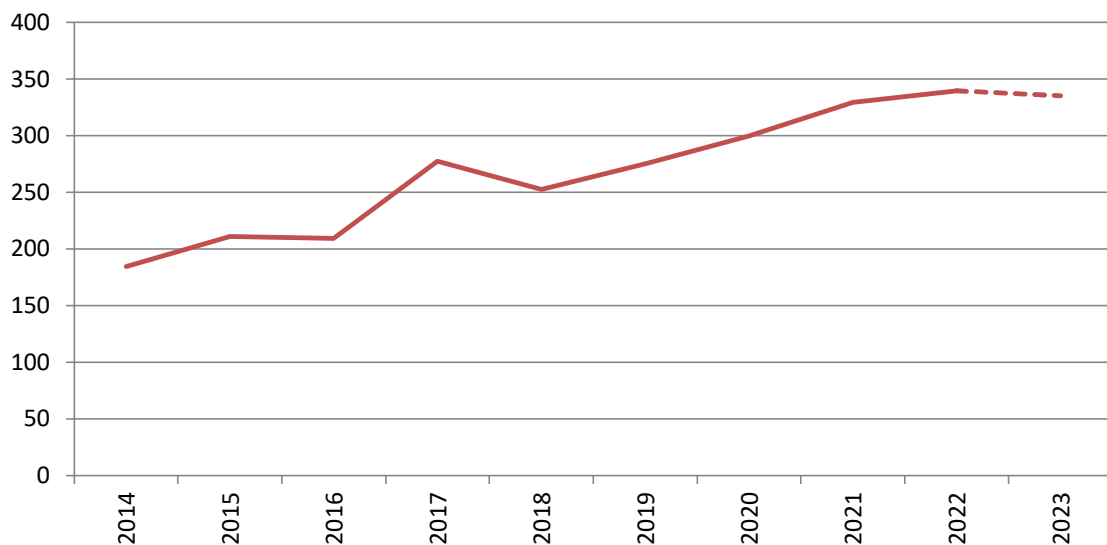


4.2: Average claim cost (USD 1,000) – all types of casualties, as reported



Graph 4.2 shows the big but volatile impact of fires on claims costs, with two costly fires in 2023.

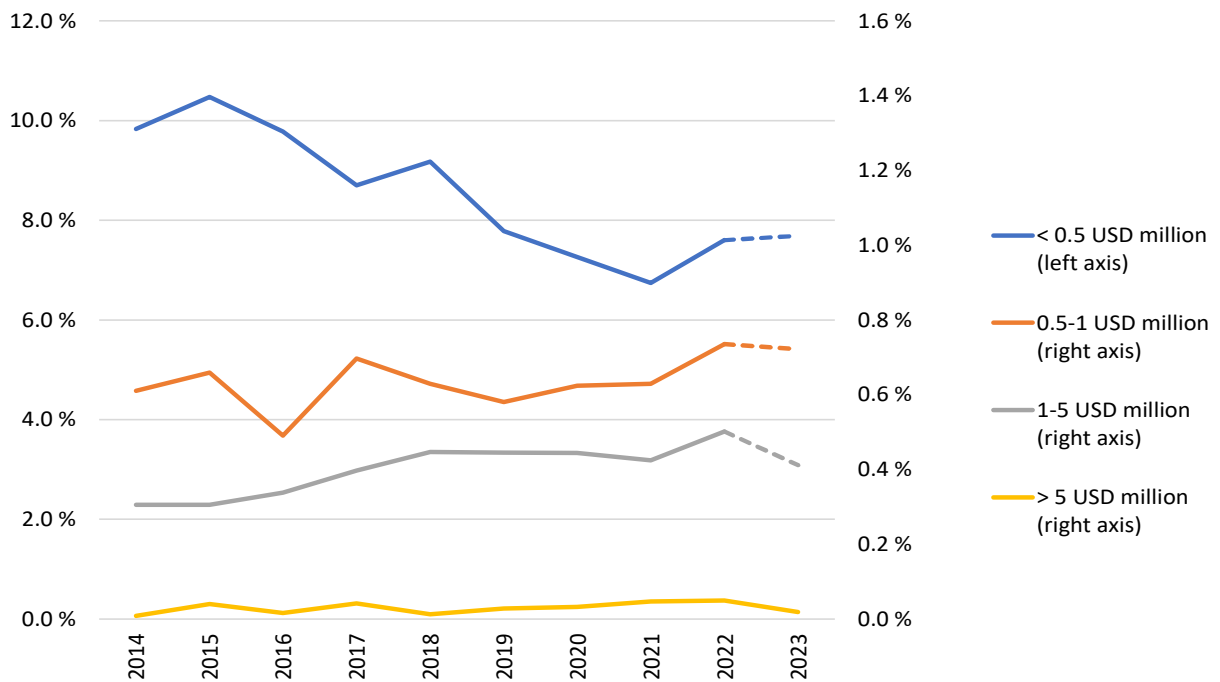
4.3: Machinery claims - Average claim cost (USD 1,000), incl. IBNR



The average cost of machinery claims has shown an upward trend in recent years.

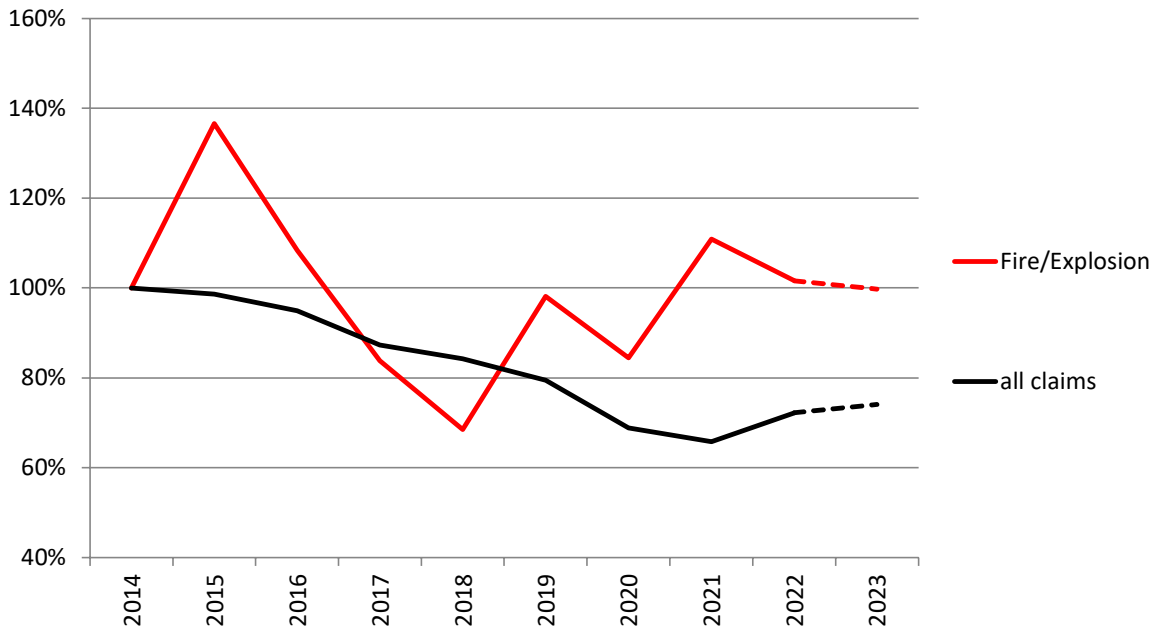
As of December 2023, three machinery claims exceeding USD 5 million were reported. This compares to nine such claims in 2022.

4.4: Machinery claims - Claims frequency by intervals of claims size, incl. IBNR



While low-cost machinery claims have seen a downward trend over the past ten years, this was not the case for the frequency of more costly machinery claims which showed a slight upward trend.

4.5: Index of fire/explosion claims against all claims, 2014=100%

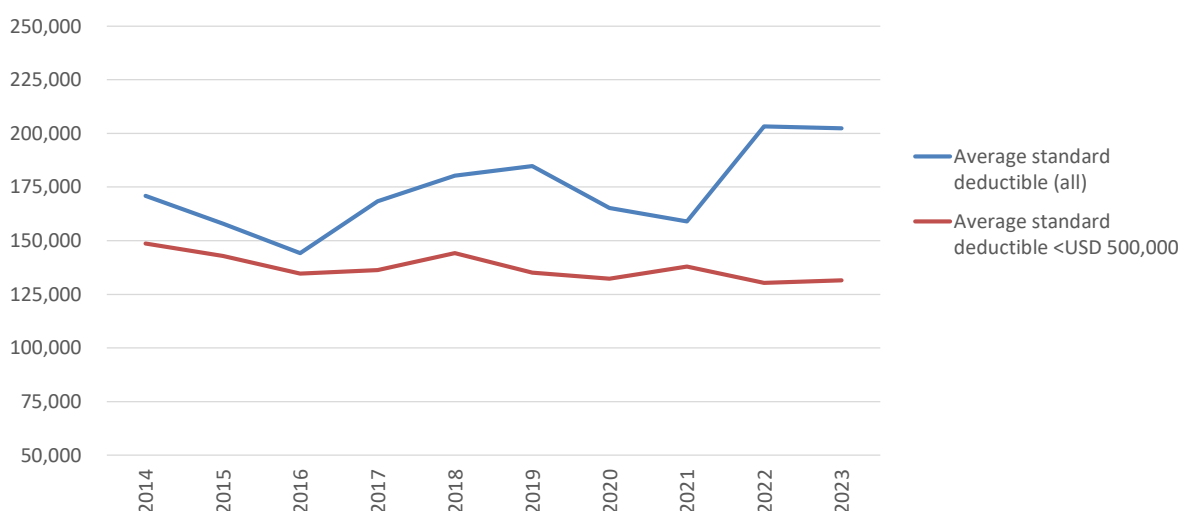


Graph 4.5 illustrates that the trend in the frequency of fires differs from other types of casualties. Where other types of casualties had a downward trend, this was not the case for fires.

5. Inflation

One of the hot topics currently discussed is inflation and its impacts on claims costs. An increase in steel prices, the cost of spare parts, labour cost and swinging exchange rates all influence repair costs. Exchange rates may influence repair cost in the sense that hull coverages often are written in USD, while ship repairs more often are carried out in areas with other currencies than USD. Thus, a weak Euro or Asian currency may contribute to keeping claims costs at bay when converted to USD statistics. Deductibles and particularly changes in deductible levels also play a role when interpreting the statistics, as only claims exceeding the agreed deductibles are registered by insurers.

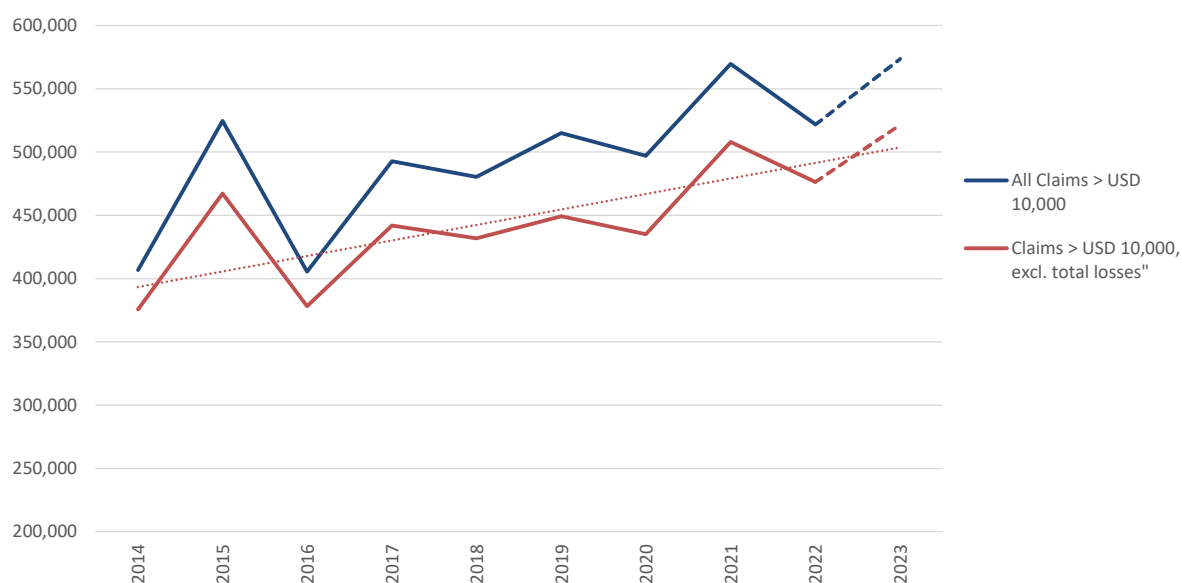
5.1: Average basic deductible, by underwriting year



Graph 5.2 shows the average cost of reported claims, including and excluding total losses. The average claims cost has shown a recent upward trend which may indicate inflation effects. The ten-year trend line indicates an increase of on average 3.7% per year.

When interpreting the trend in graph 5.2, one should however be aware that the average claim cost is impacted by both the reported number of claims and their cost. This means that presence or absence of very large claims as well as the frequency of very small claims influence the average cost.

5.2: Average partial and total claim cost (USD), claims > USD 10,000, no IBNR



As shown in the chapter about claims frequency, the frequency of claims below USD 10,000 has decreased over the past years in the NoMIS portfolio. Excluding these small claims, the average claim cost still shows an increasing trend but not to the same degree. The 10-year development corresponds with a similar increase in insured value and gross tonnage. The inflationary effect on insurance claims is somewhat complex. If the cost of claims increases, more claims will exceed the deductible, thus increasing the measurable claims frequency. Claims that were previously slightly above the deductible will show a large relative increase on a net basis. The sum of net claims will therefore increase more than the underlying inflation, while the increase in the claims frequency will reduce the effect on the average claim cost⁵. In spite of this, the claims frequency in the NoMIS portfolio has not increased, mainly because the frequency of claims below USD 10,000 has dropped in recent years.

⁵ For further details, see page 38 in the [Cefor Annual Report 2021](#)

6. Fleet characteristics – Vessel value, size and age trends

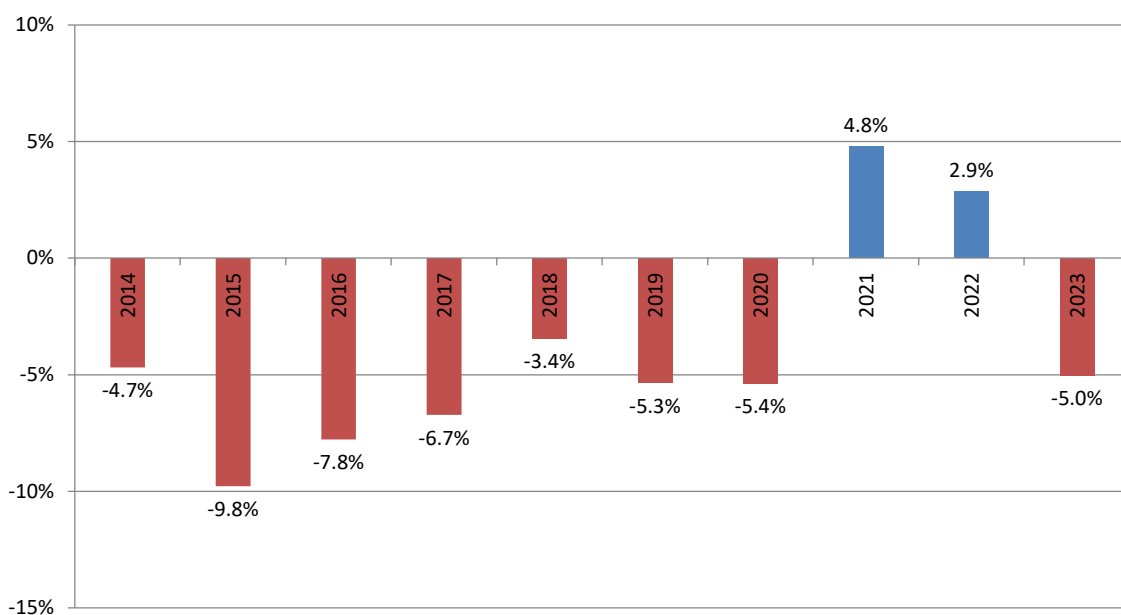
Change of values on renewal

For vessels renewed between January and December 2023, the change in average value compared to the previous insured period was -5.0%. After two years with increasing values, the situation turned around again in 2023, with a decrease in the average value on renewals.

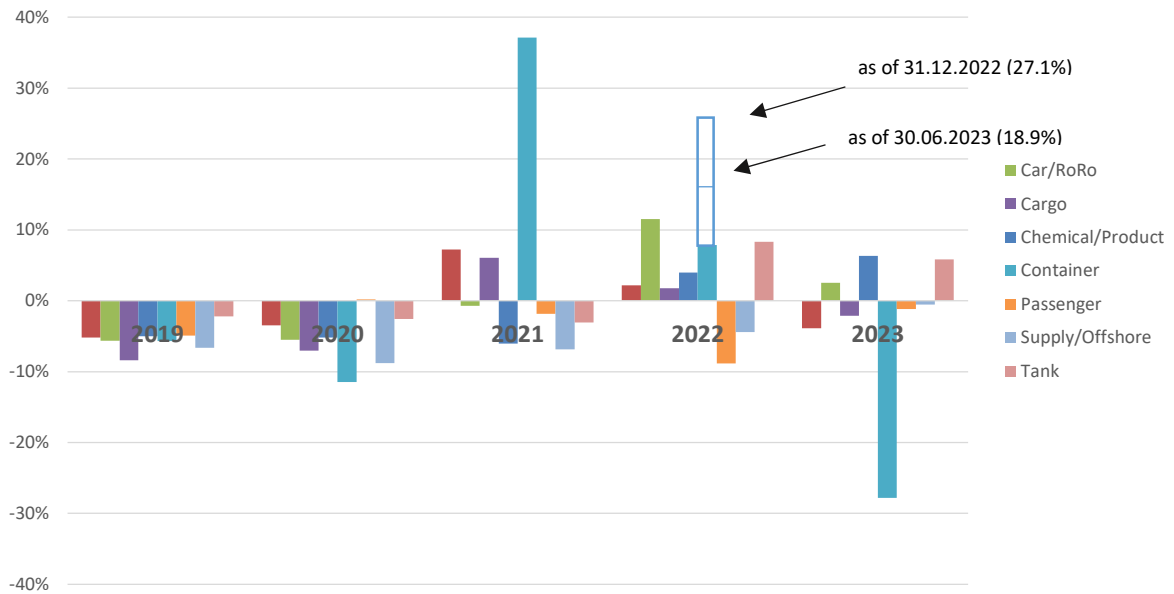
Analysing value changes by segment, graph 6.2 reveals that the situation is very diverse and differs substantially between vessel types. In 2020 and 2021, trades were affected differently by the pandemic. This was followed by a recovery in parts of the global economy and various geopolitical disturbances with impact on trade and shipping. The big increases in 2021 and 2022 and subsequent decrease in 2023 were to a large degree due to the variance in container vessel values, driven by changing market conditions. The downward adjustment from the 2021 peak started during the second half of 2022 and continued in 2023. Comparing graph 6.2 to previous versions published by Cefor as of 2022 and June 2023, one can detect that also values on previously reported 2022 coverages were adjusted downwards. The various adjustments reflect the high demand for container transport in the wake of the pandemic, followed by a similarly sudden decline when supply chain issues started to resolve.

Generally, under unchanged market conditions, some reduction in the insured value of a vessel, compared to the previous insurance period, is expected due to the aging factor.

6.1: Average annual change (%) in insured values on renewed vessels

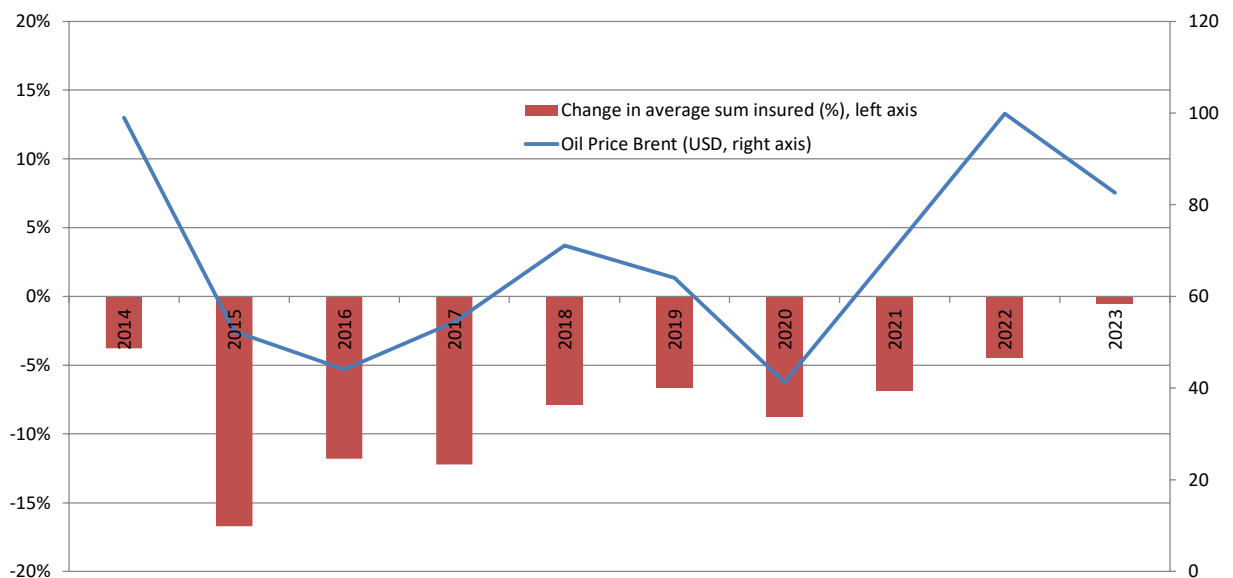


6.2: Change in average annual insured values on renewed vessels, by vessel type

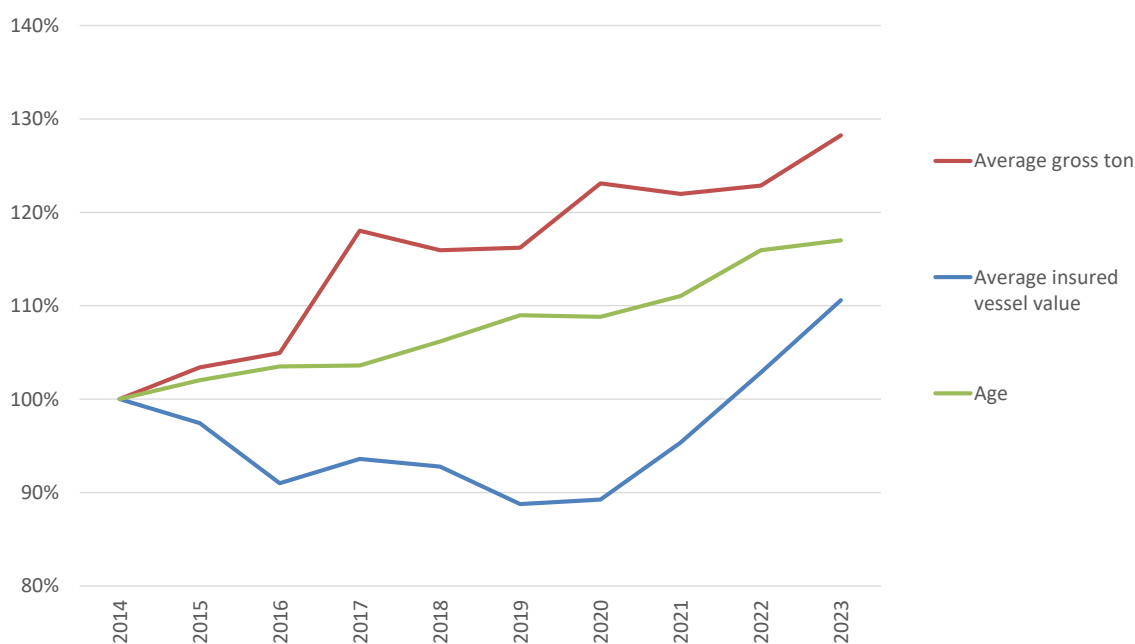


Graph 6.3 illustrates that the oil price rally in 2021 and 2022, with a typical time lag, led to some recovery in the supply/offshore segment as reflected by the change in renewal values.

6.3: Average annual change in insured value on renewed supply/offshore vessels versus annual average oil price



6.4: Index of evolution of average gross ton, age and insured values Renewed and new vessels, by underwriting year



The average size of vessels in the Cefor portfolio has been increasing over time in line with ever larger vessels entering the world fleet. In the wake of the financial crisis and until 2019, this development the trends for the average vessel size and the average insured vessel value were even adverse. From 2020 this changed again, and the average insured values have been increasing substantially. It should however be noted that the increase in 2021 and 2022 mainly originated from container vessels, while other vessel types showed different trends. Similarly, the decrease in 2023 is heavily influenced by container vessels, the values of which started their downward trend from the second half of 2022.

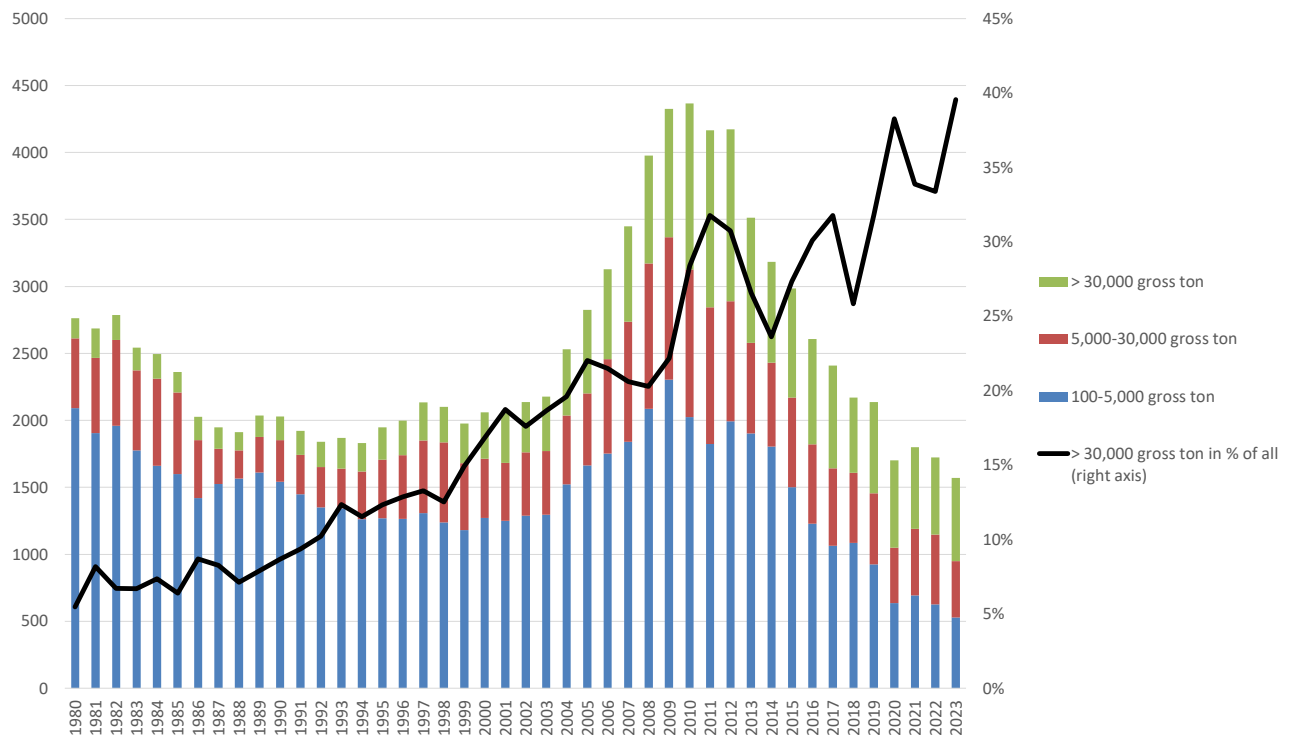
The figures in graph 6.4 include both renewed vessels as well as newbuilt vessels and vessels reported to the NoMIS portfolio for the first time. As newbuilt vessels tend to be larger and often have higher values, this influences the average value over the whole portfolio, as compared to the previous graphs showing value changes for renewed vessels only.

The increase in age over the last years originates from several segments and cannot only be attributed to a particular segment alone. It reflects the general aging of the world fleet and hence also the NoMIS fleet.

The change in insured values may impact insurance results in various ways. On the one hand, when the insured value is reduced, the potential cost of a total loss of a vessel is also reduced. On the other hand, it may increase the probability of a constructive total loss which incurs when the assumed repair cost exceeds a certain percent of the insured value.

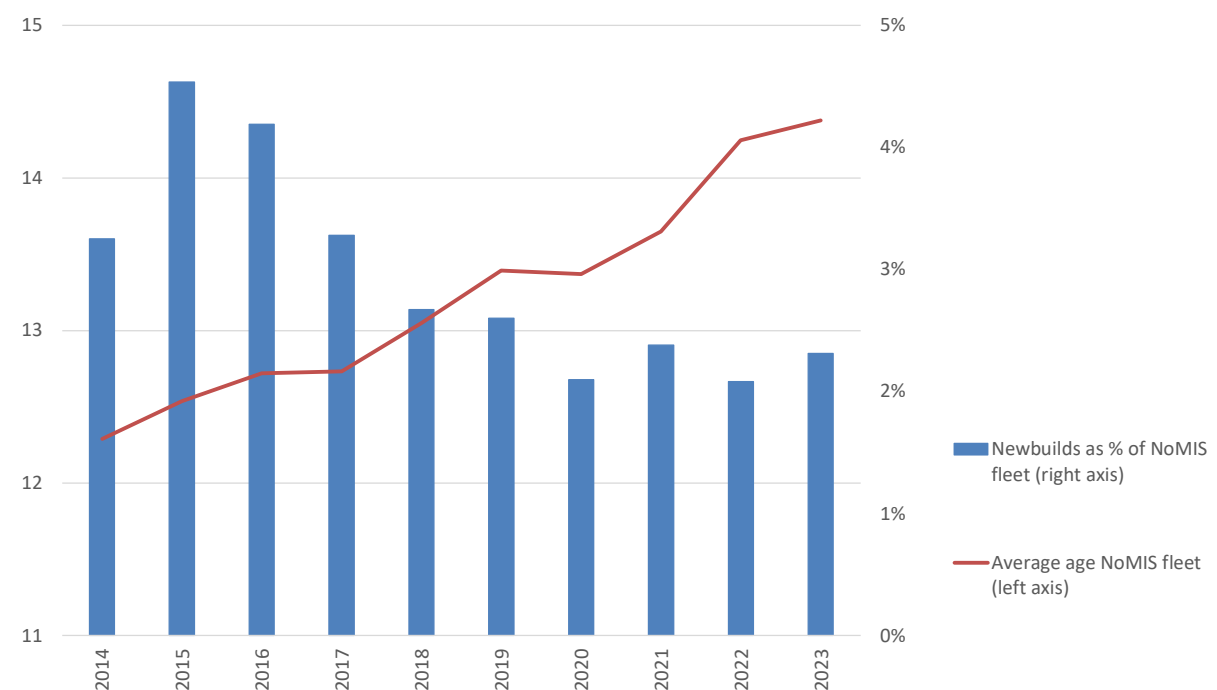
In addition, a value reduction is one of several factors which may influence the income side.

6.5: World fleet: Deliveries by year, of build, by intervals of vessel size



Graph 6.5 illustrates how the composition of the world fleet has been changing. The number of newbuilt vessels entering the world fleet has shown a downward trend since the peak years 2008 to 2011. Another feature is the increasing size of newbuilt vessels, with the share of vessels over 30,000 gross ton reaching a new peak in 2023.

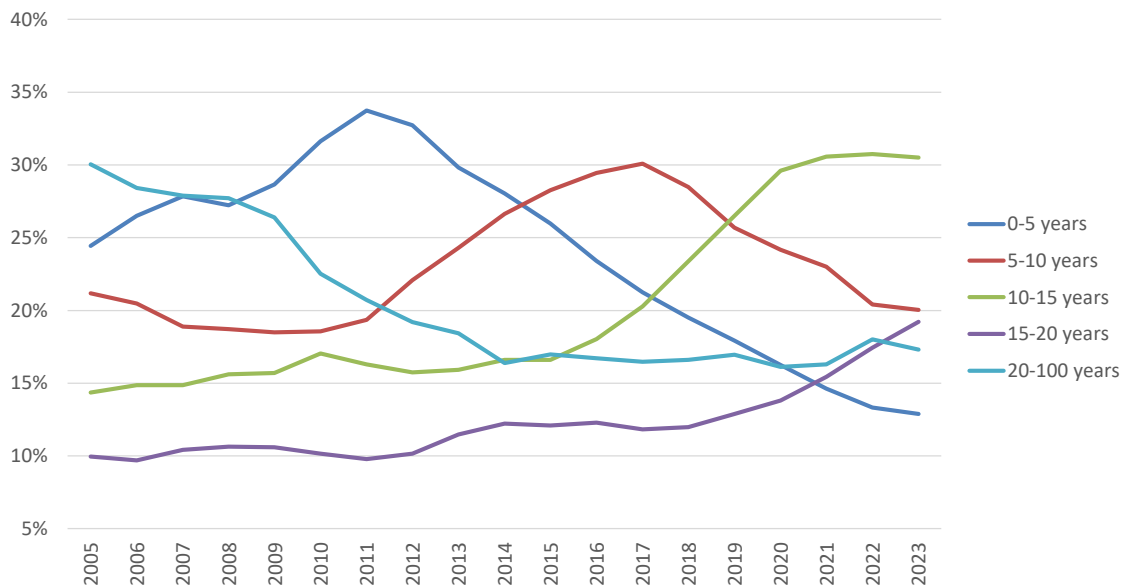
6.6: Average age, Newbuilds as % of the NoMIS fleet, by underwriting year



Parallel to the aging of the world fleet, the influx of newbuilds into the NoMIS fleet has reduced and the average age has been increasing.

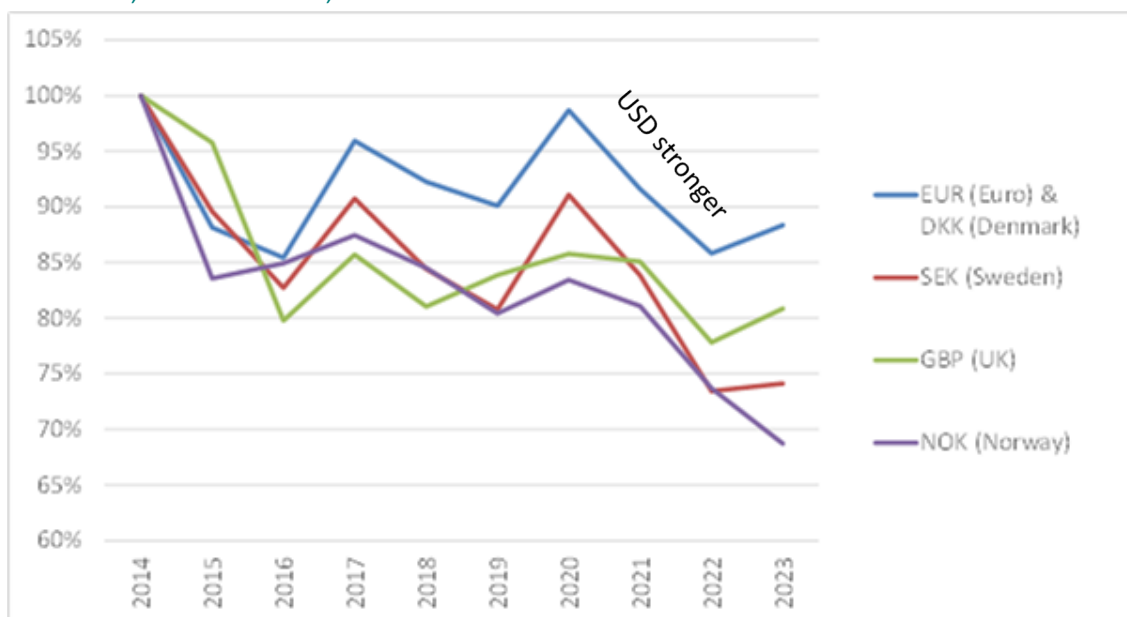
Graph 6.7 shows how the age structure of the NoMIS fleet changed over time, mirroring the ageing of the world fleet. The percent of newbuilds entering the NoMIS fleet has after years of decline been stabilising around 2% over the past four years.

6.7: Age distribution of the NoMIS fleet, by underwriting year



When interpreting statistics presented in a specific currency, in this case USD, one should keep in mind that exchange rates influence the absolute figures. Ocean hull insurance is often written in USD, while ship repairs may be carried out at shipyards in Europe, Asia or elsewhere, such that swinging exchange rates will influence the costs stated in USD.

6.8: Exchange rate Euro and Nordic currencies against USD Index, 2014=100%, as of December 2023



7. The NoMIS Ocean Hull Portfolio

Composition and statistical relevance

Composition

Since 1985, leading members of Cefor have been compiling and analysing statistical information relevant to their hull and machinery insurance portfolio. After the transition to electronic reporting in combination with the expansion of Nordic marine insurers into the global marine hull market, the number of vessels reported per year increased substantially, from 5,900 in 1995 to roughly 30,000 vessels reported for 2023. These numbers include both lead and follower business for ocean and coastal hull.

The ocean hull portfolio constitutes a representative sample of the world fleet, comprising vessels of all types and all global trading areas. The coastal hull portfolio mainly represents vessels in Nordic coastal waters. All reported portfolio and claims data is compiled in the Nordic Marine Insurance Statistics (NoMIS) database and form the basis for all Cefor hull statistics and analyses as published in this report and on the Cefor website.

By the end of 2023, the NoMIS database covered about 330,000 vessel-years and 76,000 claims for vessels with a registered IMO number for the years 1995 to 2023. Including small coastal vessels, the totals amount to nearly 550,000 registered vessel-years and over 100,000 claims.

Statistical relevance

The statistical relevance of the NoMIS database has increased over time and captures roughly 20,000 vessels per year with a valid IMO number for the youngest years (30,000 including small coastal vessels).

Along with coverage data (vessel identities, insured values, deductibles), a substantial claims database has been built up, capturing the type of claim, geographic data and other claims features relevant for analysis. Over the past three years, vessel activity data has been added, enabling to include vessel dynamics in the analysis of trends.

Claims above USD 250,000 represent 17% of all claims over the past five years. Expressed in absolute numbers, 600 to 800 claims in that range are reported each year into the NoMIS database.

While the absolute number of reported claims will increase along with the number of reported vessels, the occurrence of claims does depend on the risk environment and several parameters such as a vessel's characteristics (age, size, engine types etc.), its type of trade, activity patterns and many more. Cefor aims to increase awareness about how certain vessel and market characteristics influence and change the risk and thus claims trends.

Cefor coverage of the world fleet

A comparison of the 'Cefor fleet' (vessels covered in underwriting years 2021-2023) with the world merchant fleet shows the following market participation:

7.1: Percentage of world merchant fleet compiled in the NoMIS database⁶ Vessels with IMO number covered for underwriting years 2021-23

Year of build	Gross tonnage		Grand Total
	1000-20000	>20000	
Cefor share of world fleet			
2020-2023		19.1%	35.6%
2016-2019		21.0%	48.2%
2012-2015		23.6%	48.4%
<2012 or (blank)		15.1%	47.8%
World fleet count			
2020-2023		2,151	3,159
2016-2019		2,913	3,669
2012-2015		4,328	5,069
<2012 or (blank)		30,229	12,510
Total Cefor share of world fleet		16.5%	46.4%
Total World fleet count		39,621	24,407

The table shows that Cefor members' coverage of the world fleet is highest for larger vessels built after 2000. NoMIS members write shares in 46% of the 24,863 vessels of more than 20,000 gross tonnes in the world fleet.

Cefor members also write a significant portfolio of Mobile Offshore Units. These are not included in the NoMIS database.

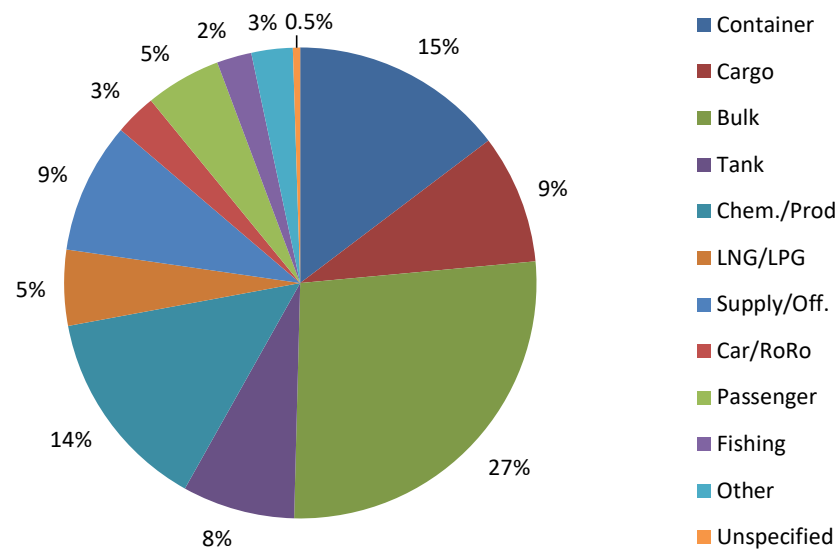
Portfolio characteristics – Types of insurance conditions

Since its introduction in 2013, the Nordic Marine Insurance Plan has received massive support. In October 2022, the latest version was launched with new updates as part of a continuous evolution⁷. For the Cefor ocean fleet, the Plan represents the most widely used insurance conditions for vessels with a Nordic claims lead (graph 1.3). In 2023, 58% of claims lead business was covered on Nordic conditions (55% Nordic Plan, the remainder on local conditions in Denmark, Finland, Norway and Sweden). Of the remainder, 24% is insured on English, 11% on German, and 6% on US conditions.

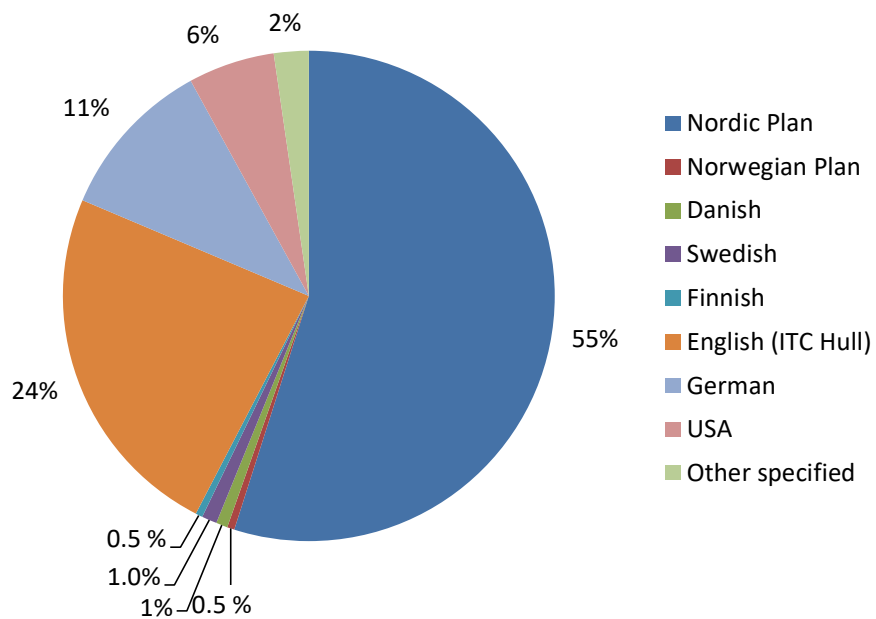
⁶ Calculated as the number of vessels partly or wholly covered by Cefor members in underwriting years 2021 to 2023, divided by the total number of vessels with a registered IMO number in the world fleet. World fleet numbers according to Lloyd's List Intelligence 'World Fleet Update' as of January 2024.

⁷ See information here: <https://cefor.no/clauses/nordic-plan/>

7.2: Ocean hull portfolio breakdown by vessel segment, year of exposure 2023



7.3: Breakdown of the ocean hull portfolio by type of insurance conditions, 2023, Nordic claims lead business



8. Data explanations and further reports

Data: The statistics in this report reflect data reported by Cefor members into the Nordic Marine Insurance Statistics database as of 31st December 2023. Ocean hull trends in this report are based on the hull & machinery coverage for vessels with an IMO number.

100% perspective: Figures reflect 100% of each vessel and resulting claims originating from the vessel's hull & machinery insurance, regardless of the share underwritten by any of the Nordic insurers. This approach enables to give an as objective picture of vessel and casualty trends as possible.

Date-of-loss perspective (accident year): Unless otherwise indicated, all claims are grouped by the calendar year in which the loss occurred, as opposed to grouping claims by underwriting year. This enables to give a more up-to-date picture of recent casualty trends and a more exact estimation of the ultimate expected claims amount for the latest year.

IBNR: 2023 claims (cost, numbers) reflect the status as reported per 31st December, including an estimate of incurred but not yet reported claims in this calendar year as well as expected claims cost adjustments for already reported claims. IBNR adjustments represent only expected reporting backlog and adjustments for claims incurred by 31 December but not any additional reserves for claims that may happen later but relate to previous underwriting years.

“Quarterly development” graphs show the development of figures as actually reported per 1,2, 3 etc. quarters. Claims figures are related to the total annual exposure (vessel numbers, values). Therefore, the claim cost per vessel by 4th quarter of each year is less than in other graphs showing the expected ultimate results per year.

Exchange rates: All figures in this report have been converted to USD. Paid claims have been converted into USD at the exchange rate in the month of payment. Outstanding claims reserves have been converted at the December 2023 exchange rate.

Further information is available on the Cefor website at www.cefor.no/statistics

NoMIS and the Cefor Statistics Forum

The NoMIS database comprises data from the majority of Cefor members writing hull insurance, including run-off data from insurers no longer active. NoMIS members report data for the entire commercial fleet underwritten from their Nordic and foreign offices.

Further statistics

In addition to this report, more detailed hull statistics are available from the Cefor website, with breakdowns of claims trends by vessel type, age group, size group and many other characteristics. Annually updated exposure curves for ocean hull business as well as half-yearly hull trend updates are also published here: cefor.no/statistics/nomis/

In addition to standard trends, Cefor issues special analyses related to topics of current interest such as vessel fires, the role of detentions as an indicator of future casualties, or more recently on CO₂ emissions. All special analysis can be found here: cefor.no/statistics/analysis-with-special-focus/

Cefor Statistics Forum as of January 2024:

Otto Rendedal, Skuld (Chair)
Jonas Svartström, Alandia
Mikkel Gardner Andersen, Codan
Tobias Abrahamsen, Gjensidige
Mikael Elhouar, HDI Global Specialty
Walter Johansson-Juup, If
Christian Irgens, Norwegian Hull Club
Christian Blindheim Børve, S Insurance
Anders Hultman, The Swedish Club
Astrid Seltmann (Cefor Analyst & Forum Secretary)



The 2023 NoMIS Reports for Ocean and Coastal Hull claims and fleet trends, with trend analyses and breakdowns by age group, size group, vessel types, bands of insured value and other key figures.

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