



COASTAL HULL REPORT

as at 31.12.2024

The Nordic Association of Marine Insurers



Highlights

The main trends in the coastal hull portfolio were:

- **Extraordinary major loss impact in 2024 on fishing vessels**
In all, three claims above NOK 80 million were reported in 2024. All occurred on fishing vessels but differ by type of casualty (fire, heavy weather, machinery damage). In the coastal portfolio, such claims are rather the exception than the rule. 2018 was the last year before 2024 when a claim in that range was reported.
- **Significant increase in weather-related claims** in the fishing vessel portfolio. Two claims clusters coincide with extreme weather event Ingunn 29 Jan-2 Feb 2025 and a storm in the Troms Northern Norway 12 December. The Norwegian coast experienced in general a high storm frequency in 2024.
- An upward trend in the partial **claim cost per vessel** indicates **inflation in repair costs**. A weak Norwegian krone may also contribute to higher cost of imported spare parts needed for repairs in Norway.
- **The average insured values** show a substantial increase since 2021, especially for passenger, cargo and fishing vessels.

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Claims and portfolio trends per 31st December 2024

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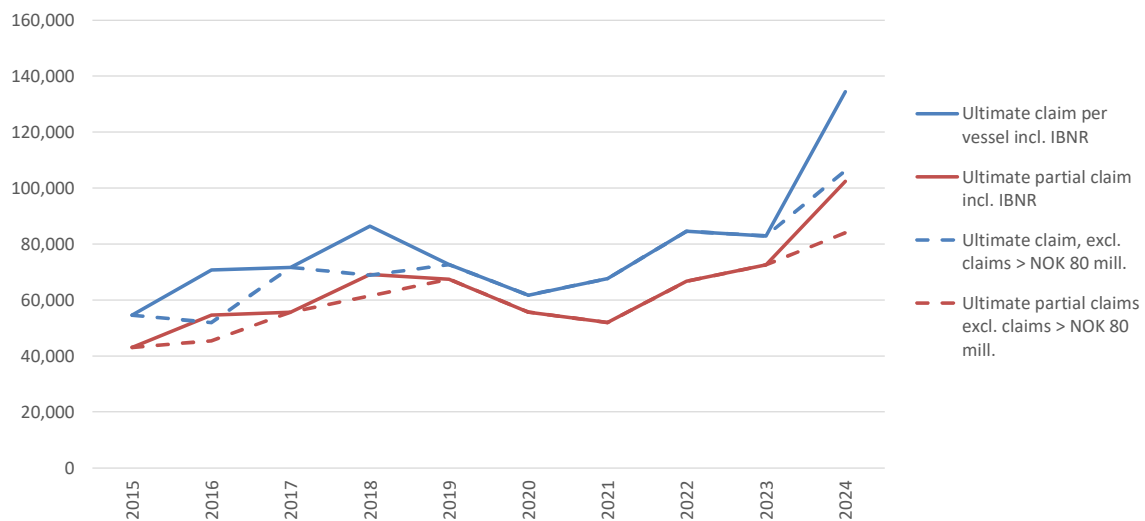
1. Claim cost per vessel

Claim cost divided by number of insured vessels

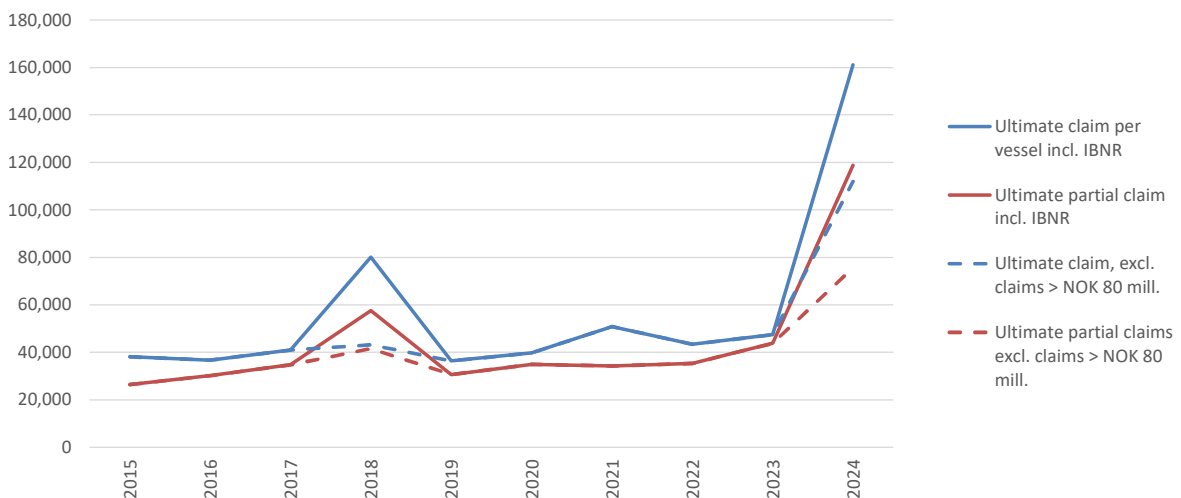
Some upward trend may reflect inflation impact

Expensive claims above NOK 80 million are not typical for the coastal segment but in 2024, three of these occurred, all on fishing vessels. Apart from that, both the partial and total claim cost per vessel showed some upward trend in the years from 2021 to 2023 which is not related to major loss influence but rather reflect a return to pre-pandemic usage and in particular repair cost inflation.

1.1: Coastal portfolio: Ultimate partial and total claim cost per vessel (NOK), by accident year



1.2: Fishing vessels: Ultimate partial and total claim cost per vessel (NOK), by accident year

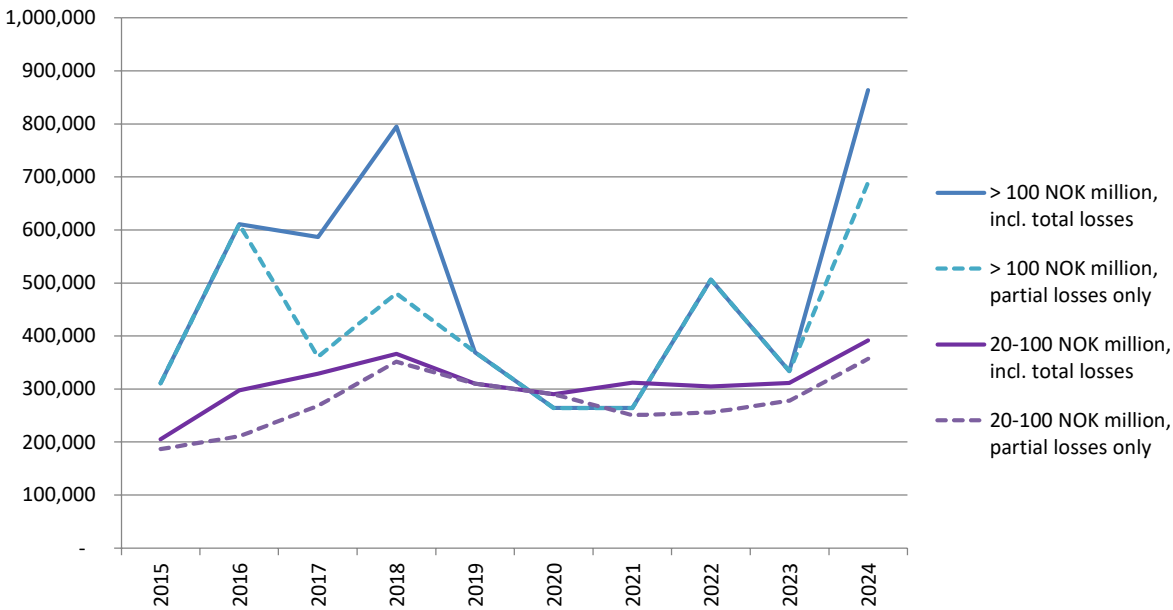


As the three largest losses in 2024 all occurred on fishing vessels, the claim cost per vessel for fishing vessels has shown an even more dramatic upswing in 2024. The last year before 2024 which was exceptional in terms of major losses was 2018. Apart from major losses, the fishing vessel portfolio shows a slightly increasing cost trend.

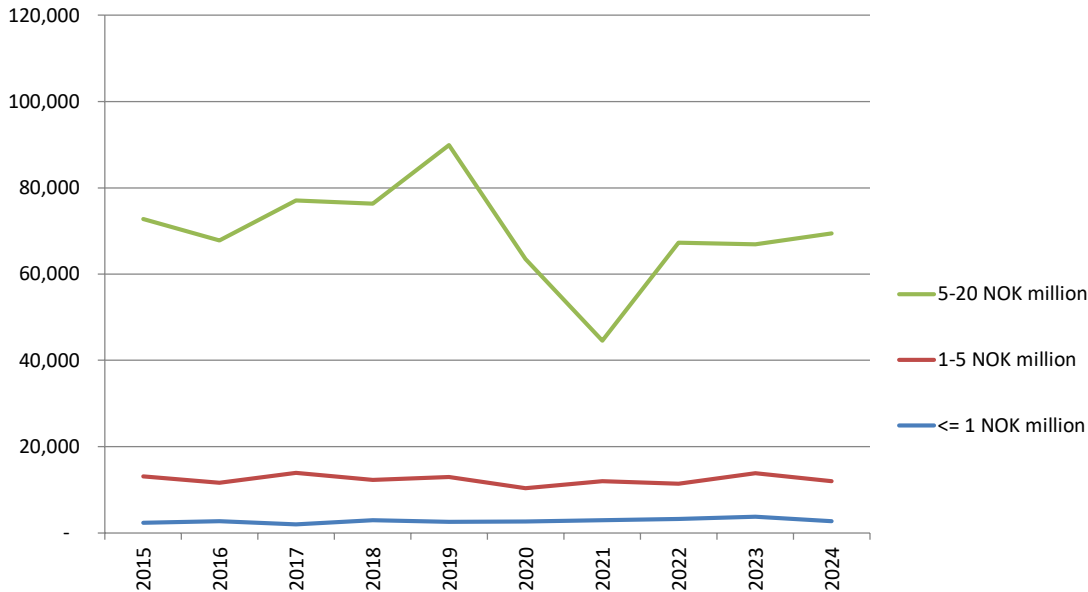
Reasons for some upward trend in claim costs could be effects of inflation connected to ship repairs in the Nordics (partial losses), in combination with a continuous increase in the average insured values of coastal vessels on renewal over the last ten years (total losses).

Claims cost and vessel values – Stable in low-value, volatile in high-value segment

1.3: Claim cost per vessel by intervals of the insured value (NOK), by accident year



1.4: Partial claim cost per vessel by intervals of the insured value (NOK), by accident year



Claims trends need to be interpreted in relation to the characteristics of the underlying portfolio. To illustrate this, graphs 1.3 and 1.4 show the partial claim cost per vessel split into sum insured bands. For vessels with insured values below NOK 5 million, the average repair cost has been relatively stable over time. For vessels with higher insured values, the cost per vessel is far more volatile, particularly when total losses are included in the claim cost. With relatively few high-value vessels in the coastal portfolio, single exceptionally costly claims have a big impact on the total claim cost per vessel in the year that they occur.

For vessels with insured values over NOK 5 million, the (partial) claim cost per vessel is more volatile than for the lower value vessels. The partial claim cost for vessels in the NOK 5-20 million band dropped substantially from 2019 to 2021 but has been rising somewhat again since.

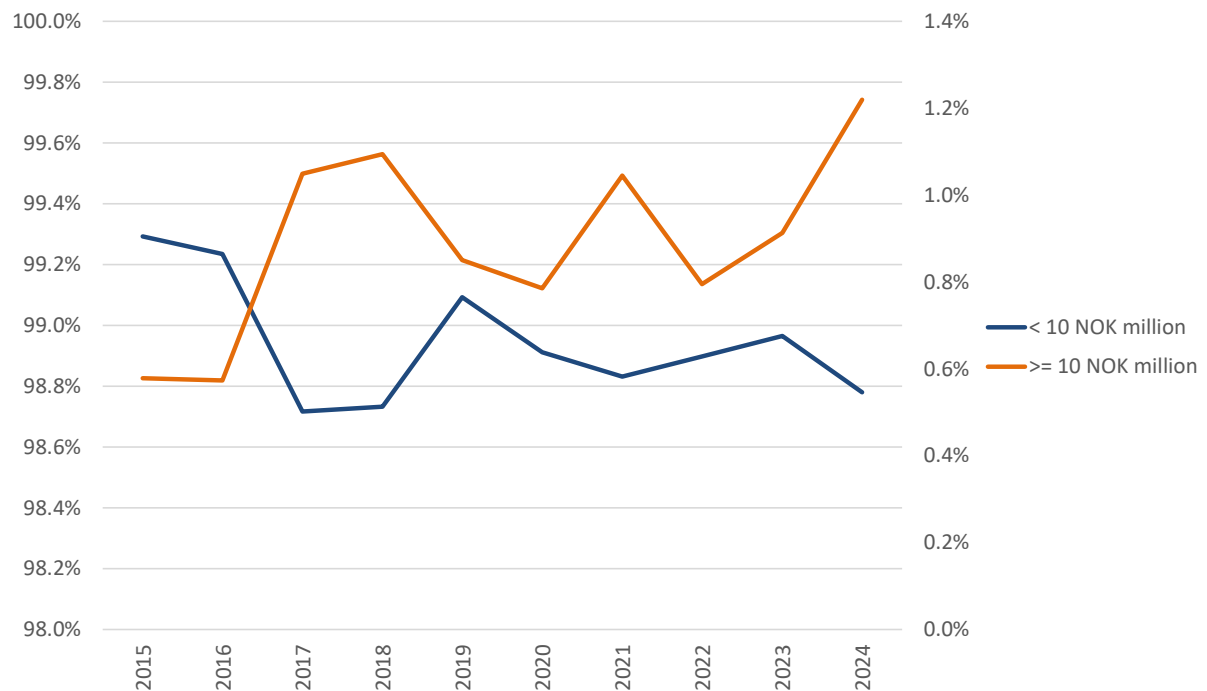
2. Major and special loss events

Increase in large loss impact

The typical claim in the coastal portfolio does not exceed NOK 20 million and only rarely NOK 50 million. The most notable exceptions before 2024 were one exceptionally costly grounding in 2014 resulting in a claim for about NOK 300 million, two claims above NOK 100 million in 2016, and the grounding of the fishing vessel Northguider in Arctic waters in 2018.

In 2024, a total of three costly claims on fishing vessels were reported, including a fire, machinery damage and heavy weather impact. This deviates from the typical pattern, as typically fires or groundings normally represent the costliest claims and only occasionally other types of casualties.

2.1: Claims exceeding NOK 10 million as a % of all claims, by accident year



Graph 2.1 shows the share of claims below and above NOK 10 million. The share of larger claims is somewhat volatile, with a new maximum in 2024.

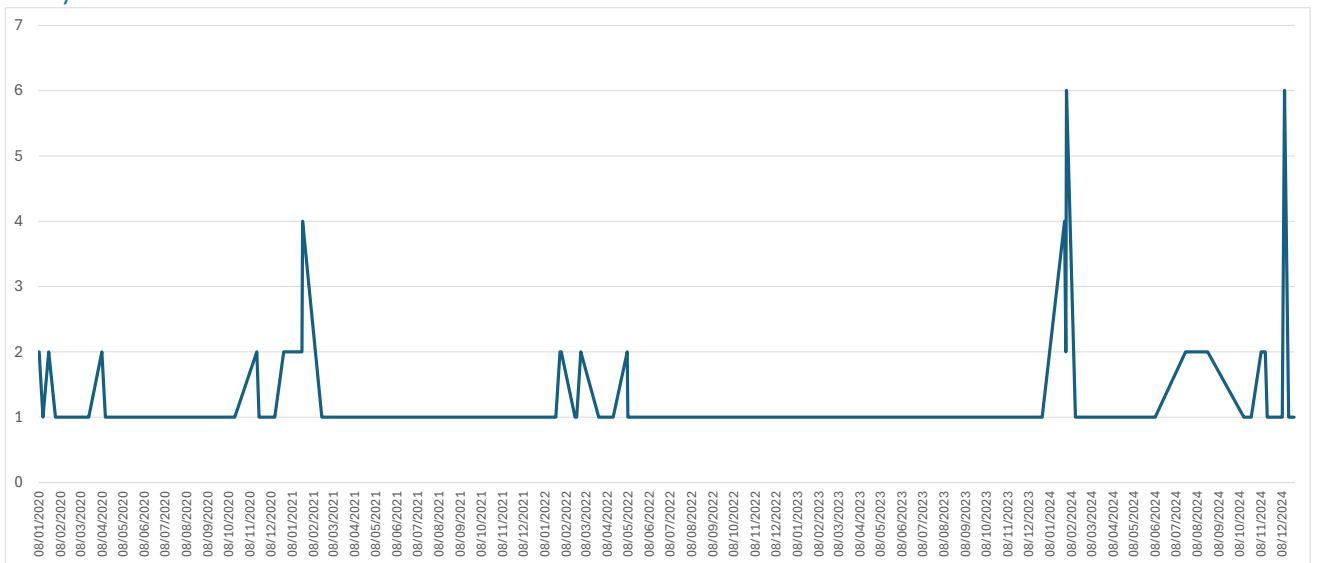
Fishing fleet sees increase in heavy weather claims in 2024

As explained in the [2022 report \(p.50\)](#), the Nordic fishing fleet shows a clear seasonal variation in the occurrence of claims, coinciding with the high season for fishing especially in Northern Norway.

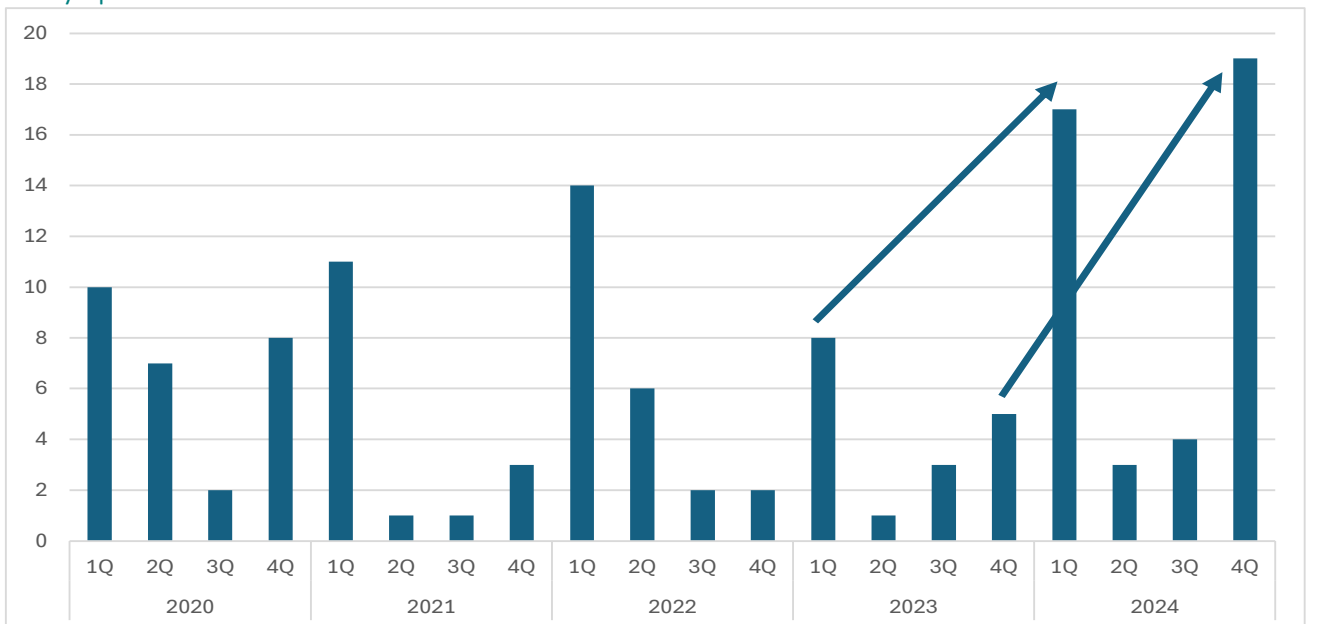
Looking at the occurrence of weather-related claims alone, we get a slightly different picture. Graph 2.2. shows the number of heavy weather claims by claims dates over the past five years. In 2024, the number of heavy weather claims by far exceeds those of the four preceding years. There are two clusters which coincide with the extreme weather event Ingunn 29 January – 2 February 2025, and with a storm in the Troms/Finmark region 11/12 December 2024.

2.2: Fishing vessels: Number of heavy weather claims 2020-24

a. by date



b. by quarter



3. Claims frequency

No. of claims divided by the number of insured vessels

Claims frequency – return to pre-2020 level for higher value vessels

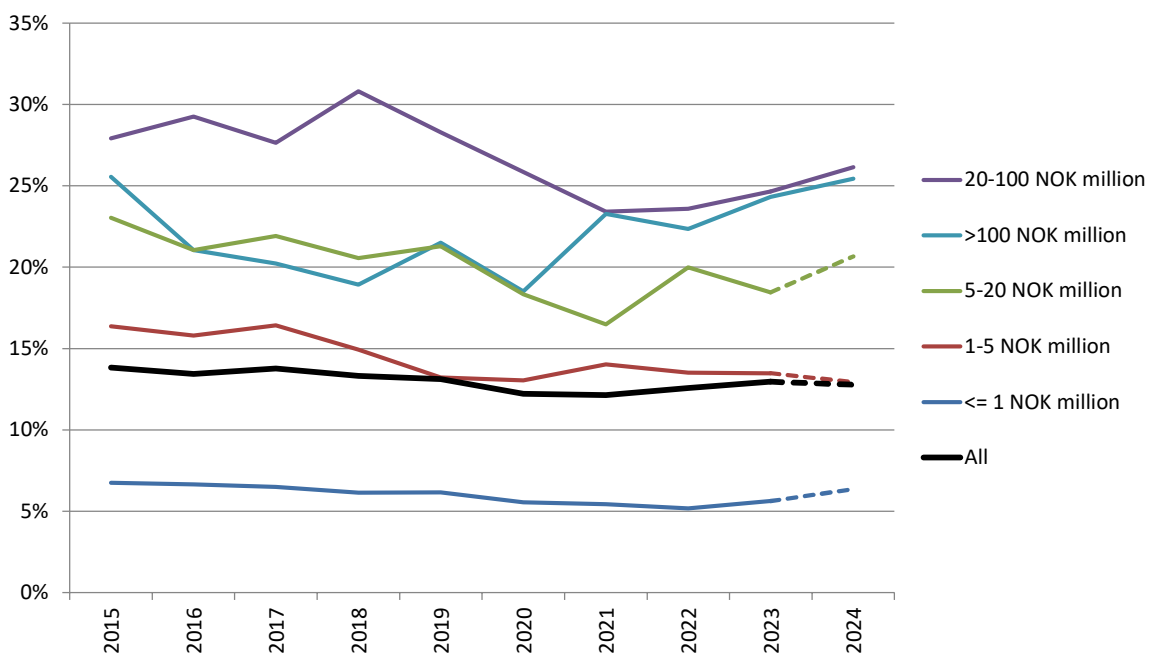
The overall claims frequency for the coastal segment has had a long-term positive trend. Since 2015 it kept below 15% (black line in graph 3.1). In 2020, the claims frequency showed a small, extraordinary dip similar to the ocean hull portfolio, but the effect of Covid-19 on the coastal portfolio was much less. From 2022, the claims frequency has shown some upward trend, particularly for the higher value vessels in this segment, but not exceeding the levels of the years back to 2015.

A relatively low claims frequency is typical for smaller tonnage (see graphs 3.1 and 3.2 and the extensive coastal hull statistics at cefor.no/statistics). The claims frequency for vessels with values below NOK 5 million is generally lower and more stable than for vessels with higher values. This stability is partly due to the large number of vessels in this lower value band.

The trends for vessels with values above NOK 5 million can be compared to those of the ocean hull portfolio (see separate ocean hull trend report), while claims trends for small coastal tonnage in the Nordics are subject to different drivers. In general, with comparably few vessels in the high-value bands, the claims frequency will naturally show a higher volatility in the large value bands than in the lower value bands which represent the bulk of the typical coastal vessels.

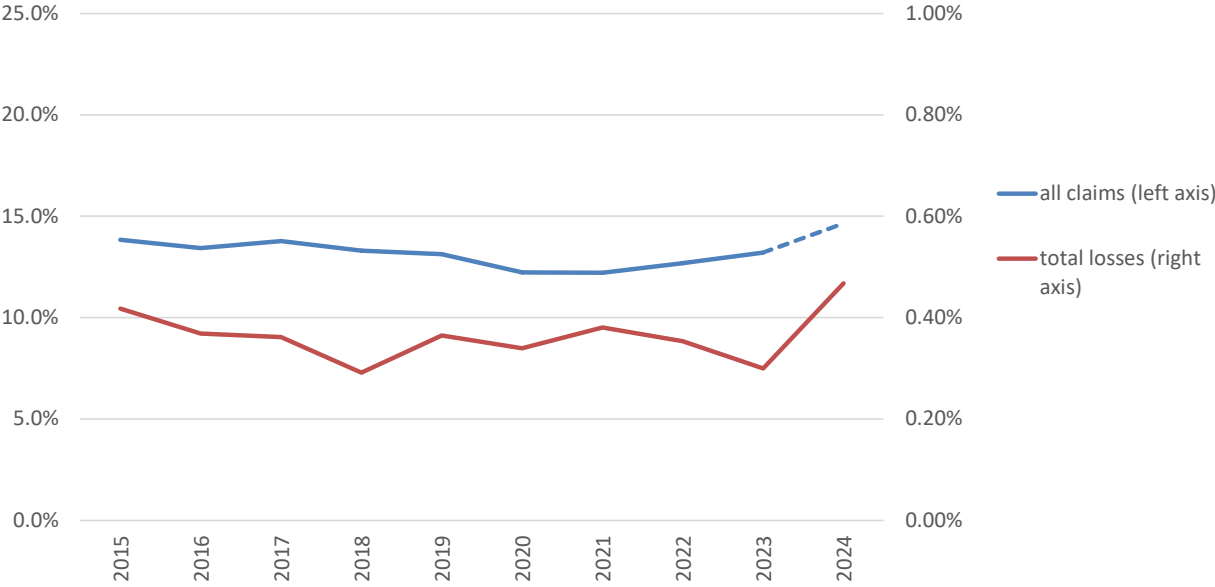
When interpreting the claims frequency, one should be aware that several factors tend to affect the claims frequency, such as deductibles, weather conditions, economic conditions, and portfolio-related factors such as vessel types and sizes and the type of trade.

3.1: Claims frequency by intervals of the insured value, including IBNR, by accident year



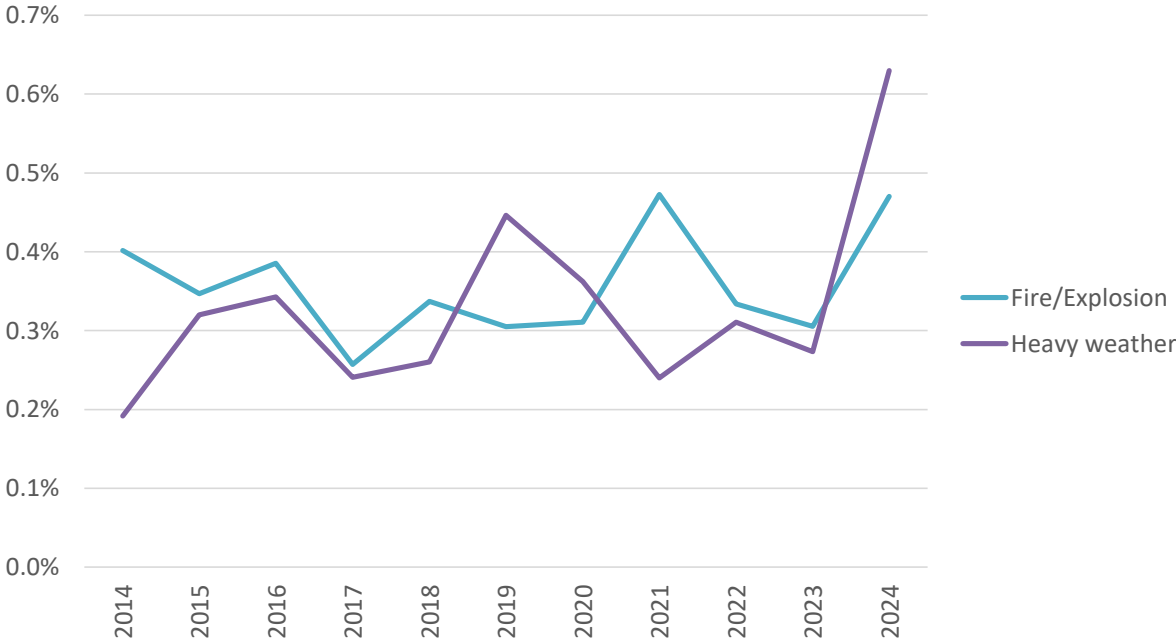
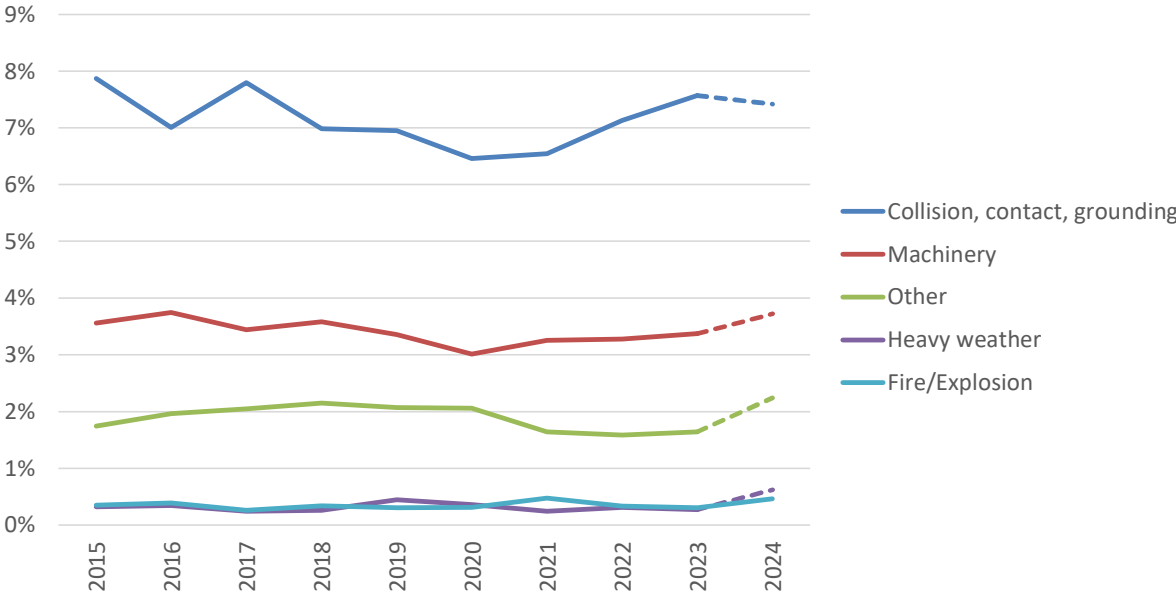
One characteristic of the coastal portfolio is a substantially higher total loss frequency than for the ocean fleet. Another feature is that the frequency of total losses in the coastal segment used to be more stable than in the ocean hull segment. 2023 was a favourable year in terms of total losses, with the frequency of total losses reaching its lowest level over the past ten years.

3.2: Overall and total loss frequency, including IBNR, by accident year



The claims frequency by type of casualty has been quite stable in recent years for most types of casualties but shows an upward trend in machinery damage similar as for the ocean hull segment.

3.3: Claims frequency by type of casualty, by accident year

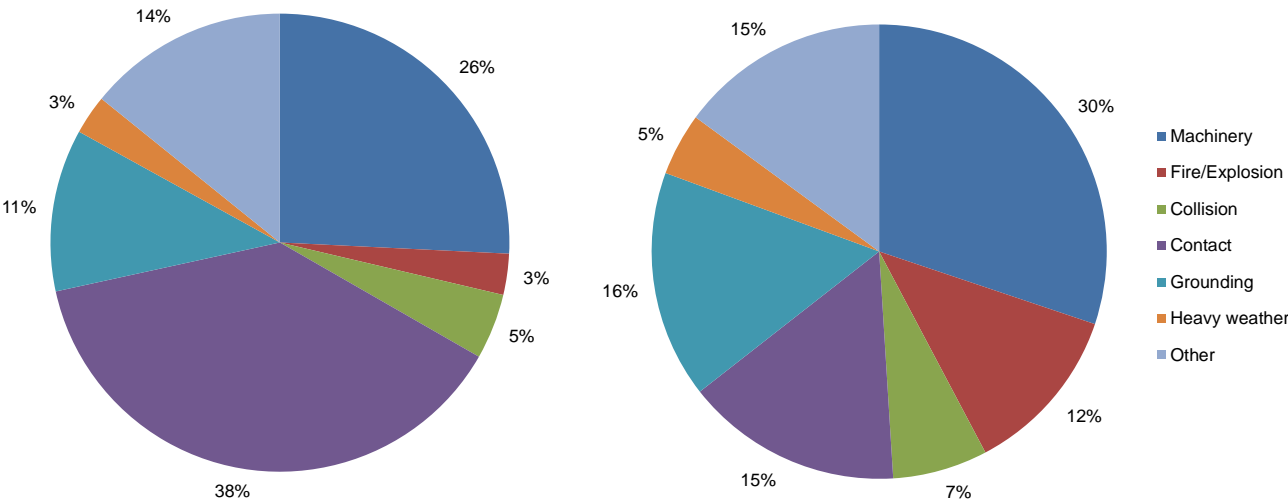


4. Claims by type of casualty

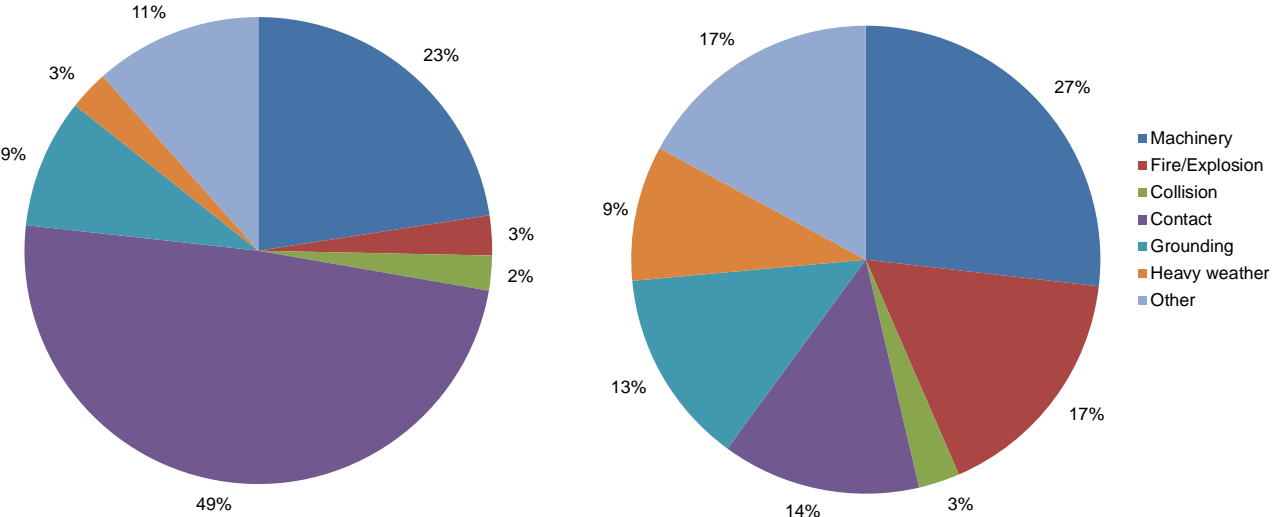
Breakdown of claims by type of casualty

Contact claims, which are characterised by a high frequency but typically low severity (cost), are typical for the coastal fleet. One explanation is the strong representation from fishing vessels exposed to claims directly or indirectly caused by their fishing gear. Despite representing 38% of all claims (49% for fishing vessels), contact claims account for just 15% of the total claims cost (14% for fishing vessels) over the years 2020 to 2024. Contact with plastic litter floating in the sea, getting into the propeller or causing other damage to the vessel, contributes to the 'contact' segment.

4.1: All coastal: Breakdown of claims by type of casualty, by accident year
 Numbers (%), 2020-2024 Cost (%), 2020-2024



4.2: Fishing vessels: Breakdown of claims by type of casualty, by accident year
 Numbers (%), 2020-2024 Cost (%), 2020-2024

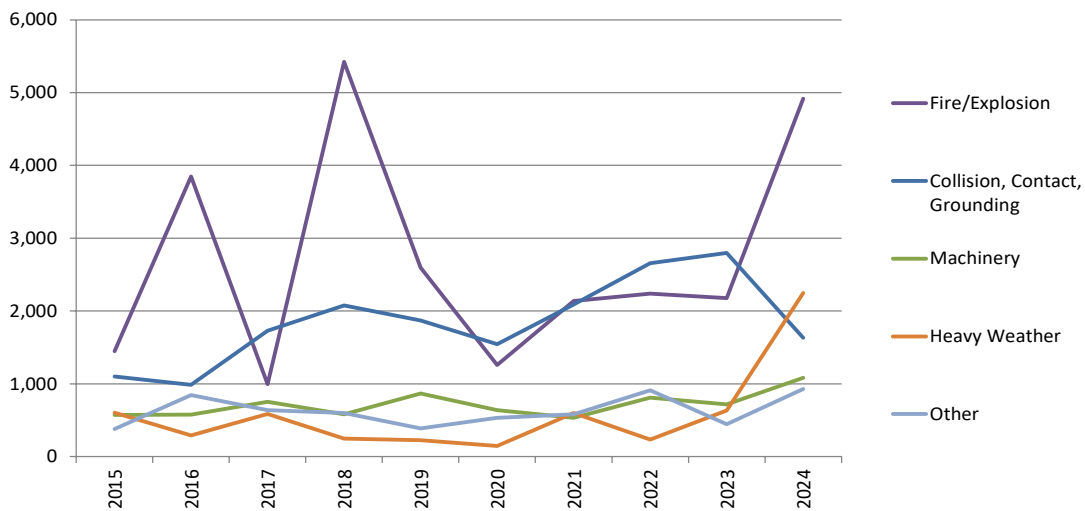


Machinery claims account for 27% of all claims in terms of numbers and a somewhat higher share (30%) of the total claims cost. Groundings and fires/explosions usually follow the same pattern as the ocean hull fleet, with a relatively low frequency and a higher share of the cost.

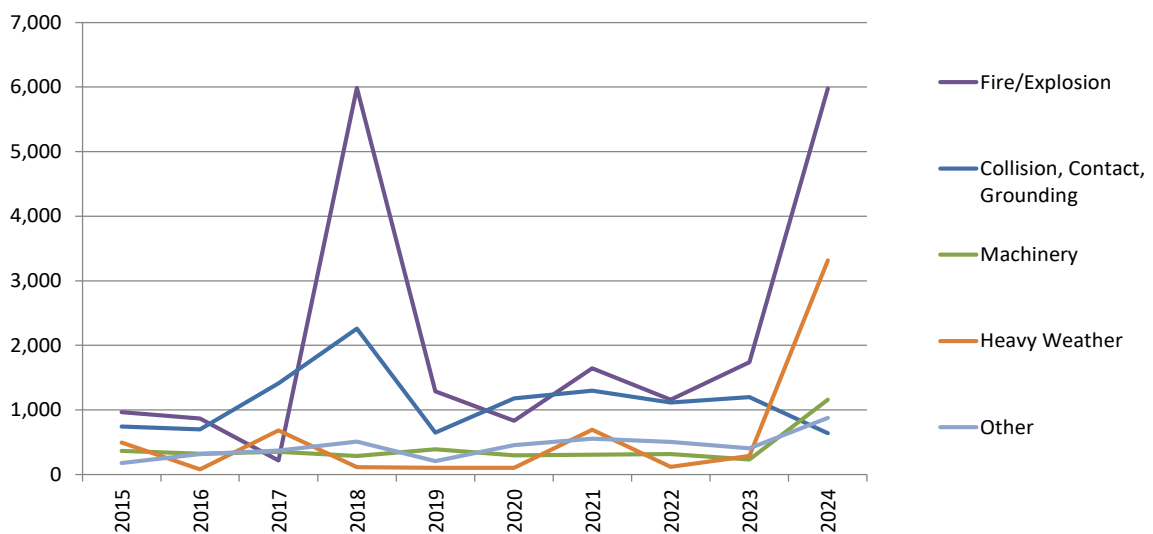
Average claim cost by type of casualty

The average cost per type of casualty is far more volatile than the claim cost per vessel. Major claims, particularly fires/explosions and nautical-related claims such as groundings and collisions, can cause a wide variation in the average claim cost from year to year.

4.3: All coastal: Average claim cost per type of casualty (NOK 1,000), by accident year



4.4: Fishing vessels: average claim cost per type of casualty (NOK 1,000), by accident year



The average cost of machinery damage for fishing vessels is less than half of what it is in the entire coastal portfolio. However, the impact of collisions and groundings on the average cost is greater in the fishing vessel fleet than for the total coastal portfolio.

5. The NoMIS COASTAL HULL PORTFOLIO

Portfolio characteristics

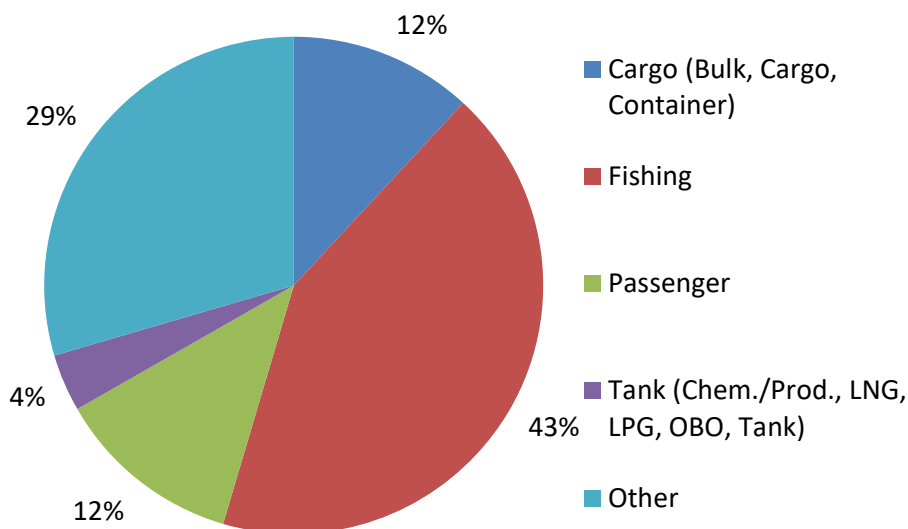
As of 2024, the number of vessels assigned to the 'coastal' segment is nearly five times as high as in 1996 and captures the major share of minor coastal tonnage covered by the Norwegian coastal mutual clubs.

The annual number of 'coastal' vessels reported has been between 10,000 and 12,000 vessels per year over the past ten years. For the underwriting years 2015 to 2024 this report is based on, about 127,000 vessel-years and 16,000 claims were reported.

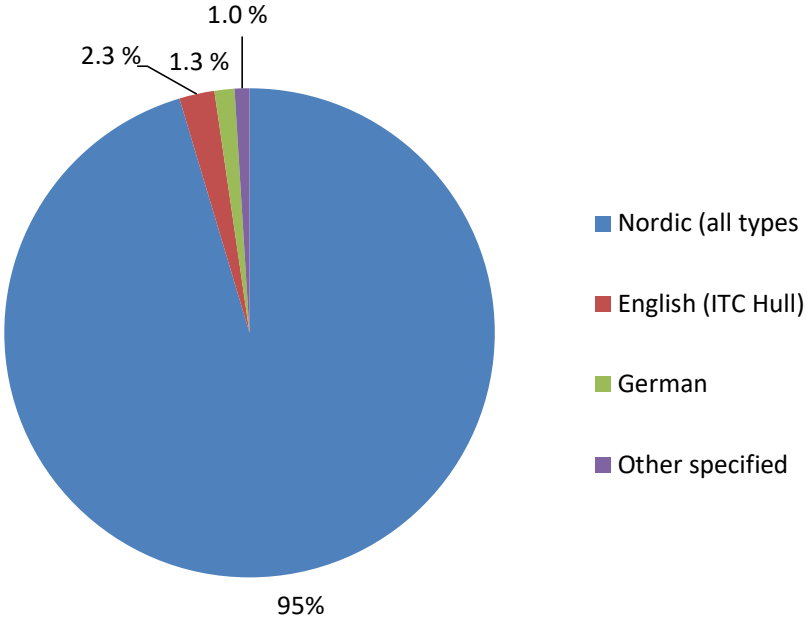
41% of the vessels in the coastal portfolio have values below NOK 1 million, and 67% under NOK 5 million. Most of these are fishing vessels covered by Norwegian coastal mutual clubs, representing 43% of the total coastal segment but a much higher share of the low-value vessels.

The bulk of the coastal segment originates from Gjensidige (including Norwegian mutual coastal clubs), If and Alandia, but all the other NoMIS members also contribute to this portfolio.

5.1 Coastal hull portfolio breakdown by vessel segment, year of exposure 2024

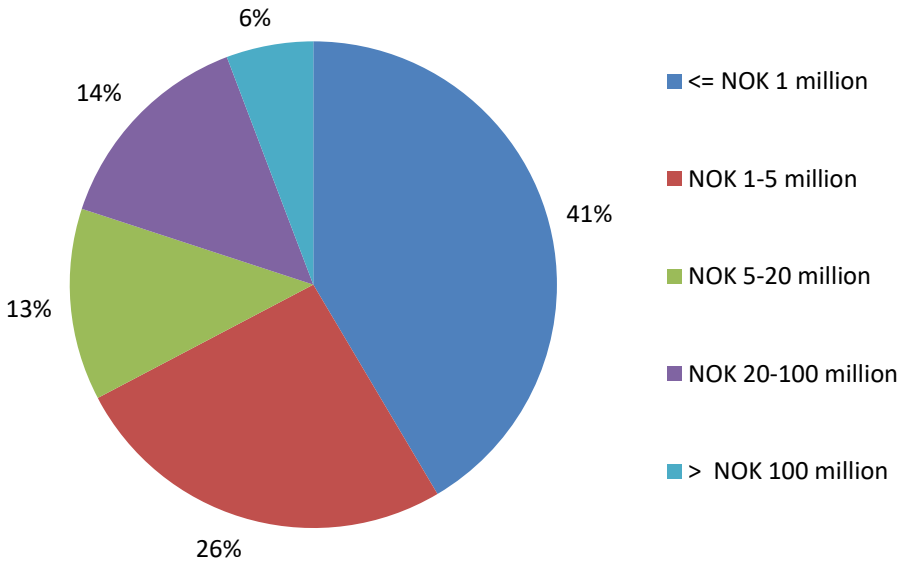


5.2 Coastal hull portfolio breakdown by type of insurance conditions 2024



A major part of the coastal fleet consists of fishing vessels and local ferries in Nordic waters. This is reflected by 95% of the coastal fleet being insured on Nordic terms (Nordic Plan and national Danish/Finnish/Norwegian/Swedish insurance conditions for small craft). A large proportion of the coastal fleet is claims lead business, as smaller tonnage often is 100% insured with one insurer.

5.3 Breakdown of the number of coastal vessels by insured value, year of exposure 2024

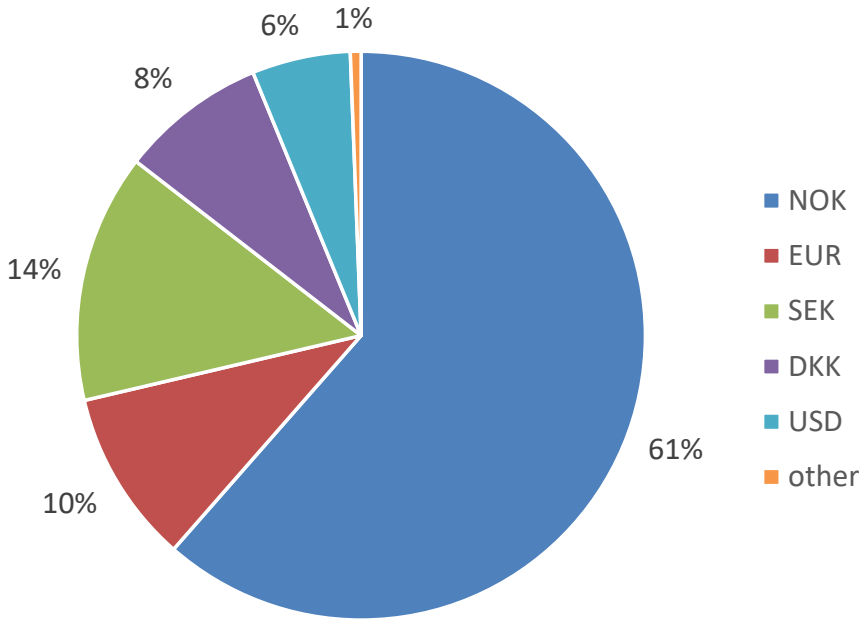


The coastal segment differs substantially in its characteristics from the ocean hull portfolio. While the ocean hull portfolio is characterised by vessels of all types, flags, sizes and global trading areas, the

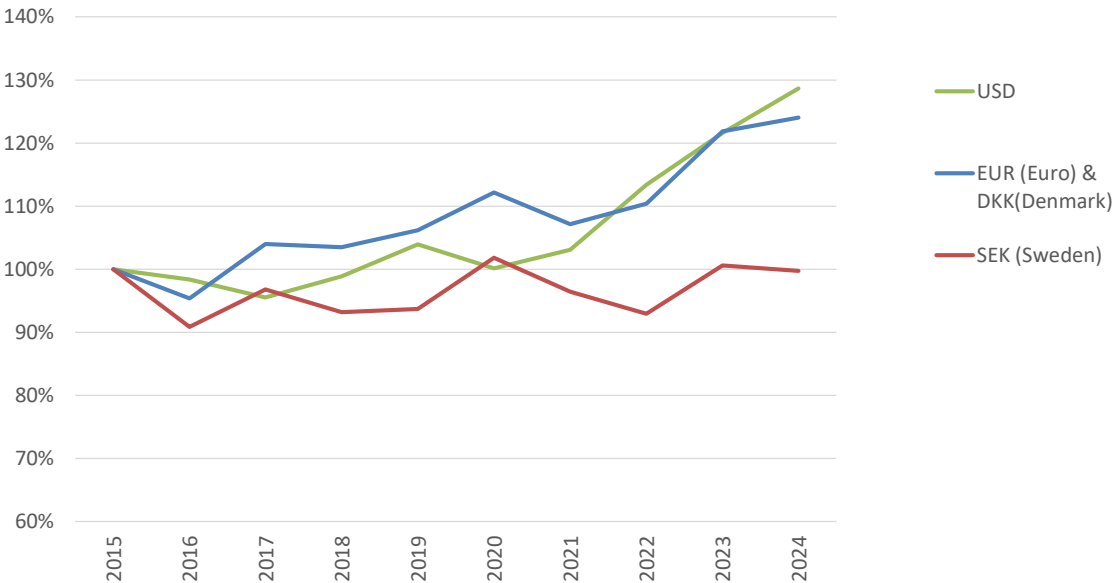
coastal segment consists largely of Nordic and particularly Norwegian small craft, and in particular captures most Norwegian fishing vessels.

With most vessels in this segment being of Nordic and particularly Norwegian origin, a conversion to USD might distort the actual claims trends due to variations in exchange rates. To give a realistic picture of the actual claims trends for this portfolio, therefore all figures/graphs for the coastal segment are shown in Norwegian kroner (NOK) instead of USD.

5.4 Breakdown of the number of coastal vessels by currency, underwriting years 2020-2024

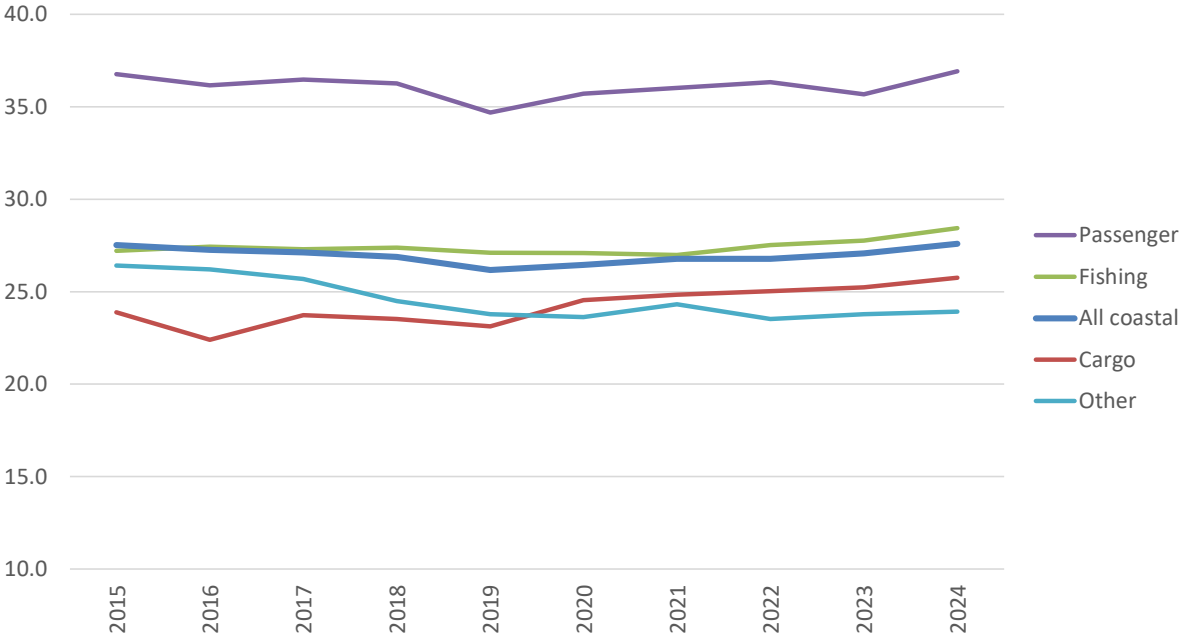


5.6: Index of exchange rates for DKK/EUR, SEK and USD against NOK



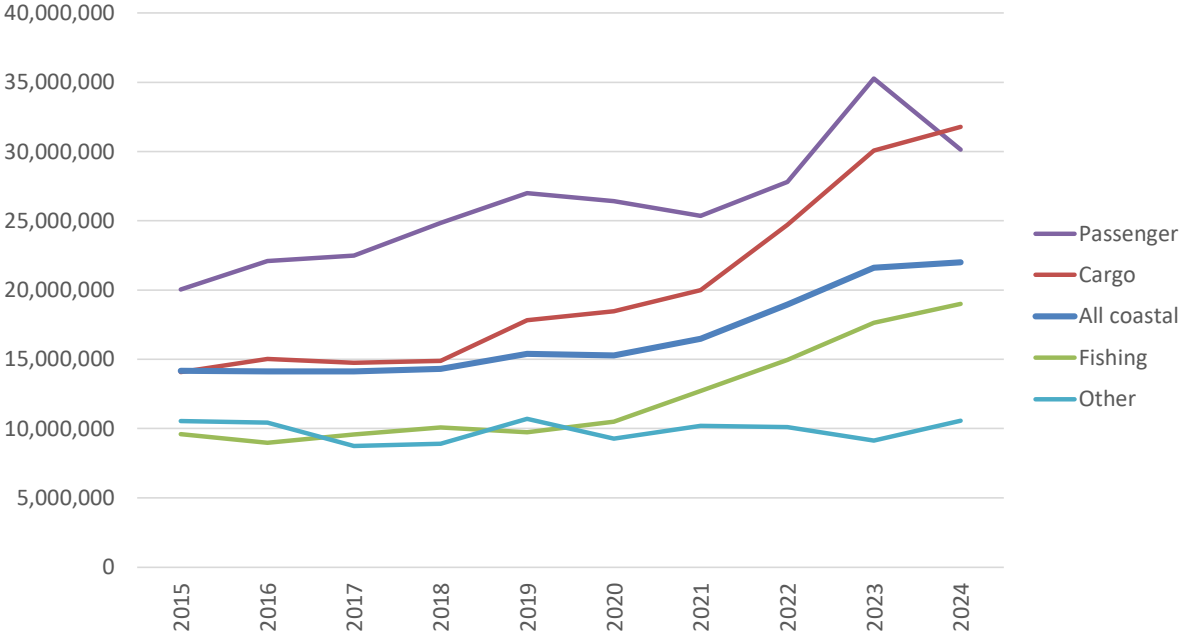
The average age in the coastal portfolio is quite high and relative stable over time, which is related to the high share of coastal fishing and passenger vessels in this segment.

5.7: Average age, all coastal and main subsegments, by underwriting year



The average insured values in the coastal segment have partly seen a substantial value increase in NOK since 2021, especially for the Fishing, cargo and passenger vessel segment. One may keep in mind that the depreciation of the Norwegian krone against the USD also may come in here.

5.7: Average insured vessel value (NOK), by underwriting year



6. About this Report /

Data explanations

Data: The statistics in this report reflect data reported by Cefor members into the Nordic Marine Insurance Statistics (NoMIS) database as of 31st December 2023. Coastal hull trends as included in this report are based on hull & machinery coverage for vessels classified as fishing vessels and any other type of vessel up to 5,000 gross tonnes or 15 metres in length (with the exception of supply/offshore vessels, which are analysed as part of the ocean hull statistics).

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.

IBNR¹ 2024 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.

Exchange rates: All figures in this report have been converted to NOK. Paid claims have been converted into NOK at the exchange rate in the month of payment. Outstanding claims reserves have been converted at the December 2024 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. Cefor members report data for the entire commercial fleet underwritten from their Nordic and foreign offices.

Further statistics

In addition to this report, detailed statistics for ocean and coastal hull 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 analyses can be found here: cefor.no/statistics/analysis-with-special-focus/

¹ IBNR = Incurred But Not Reported = reserve for claims adjustments and registration backlog.

Cefor Statistics Forum as at December 2024:

Christian Irgens, Norwegian Hull Club (Chair)
Jonas Svartström, Alandia
Mikkel Gardner Andersen, Codan
Günes Pedersen, Gjensidige
Mikael Elhouar, HDI Global Specialty
Anders Öhlund, If
Christian Yavneh Børve, S Insurance
Otto Rendedal, Skuld
Anders Hultman, The Swedish Club
Astrid Seltmann (Cefor Analyst & Forum Secretary)

Further reports:



In addition to the 2024 Coastal Hull Report, Cefor issues the 2024 Ocean Hull Report and additional ocean and coastal hull key figures with breakdowns by age group, size group, vessel types, bands of insured value and other key figures.

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