

OCEAN HULL REPORT 2024

The Nordic Association of Marine Insurers



Highlights

- **Major losses – collisions and fires**

Collisions were the costliest claims in 2024. Fires continue to represent a high share of major loss costs. 2023 and 2024 were the first years after a benign ten-year period with claims above USD 50 million.

- **The Machinery claim cost per vessel was 50% higher in 2024 than in 2015-2021, after a steep increase the past 3 years.**

This is partly due to an increasing number of very large claims. Those claims often include substantial consequential damages such as collisions, groundings and contact claims due to engine or steering gear malfunction.

- **A silver tsunami in the offing**

Many vessels were delivered in the years after the financial crises (2008-2012). These vessels are now getting old (13-17 years) and more prone to fires, machinery claims and consequential damages. Machinery claims accounted for 56% of the claims cost for these vessels in 2024 compared to 35% machinery share on vessels built in later years.

- **Vessel rerouting causing more heavy weather claims?**

Weather-related casualties showed an increase from the 4th quarter of 2023. Vessel rerouting around the Cape of Good Hope and climate change might be contributing factors. Heavy weather can also trigger and/or affect the consequences of engine black-outs.

- **Idleness is the root of all evil – or is it the other way around?**

Analysis shows that vessels that were idle during the pandemic had more claims than other vessels especially before and after the idle / lay-up period – suggesting that the “worst” vessels go idle. Some of those vessels are later scrapped. This “survival of the fittest” phenomenon might contribute to the countercyclical nature of insurance.

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1. Claims costs

Claim cost per vessel, average claim cost, major losses, cost drivers and inflation impact

Highlights claim cost:

- Claim costs continue to raise in 2024
- Return of losses above USD 50 million
- An increasing share of the claims costs is attributable to machinery claims

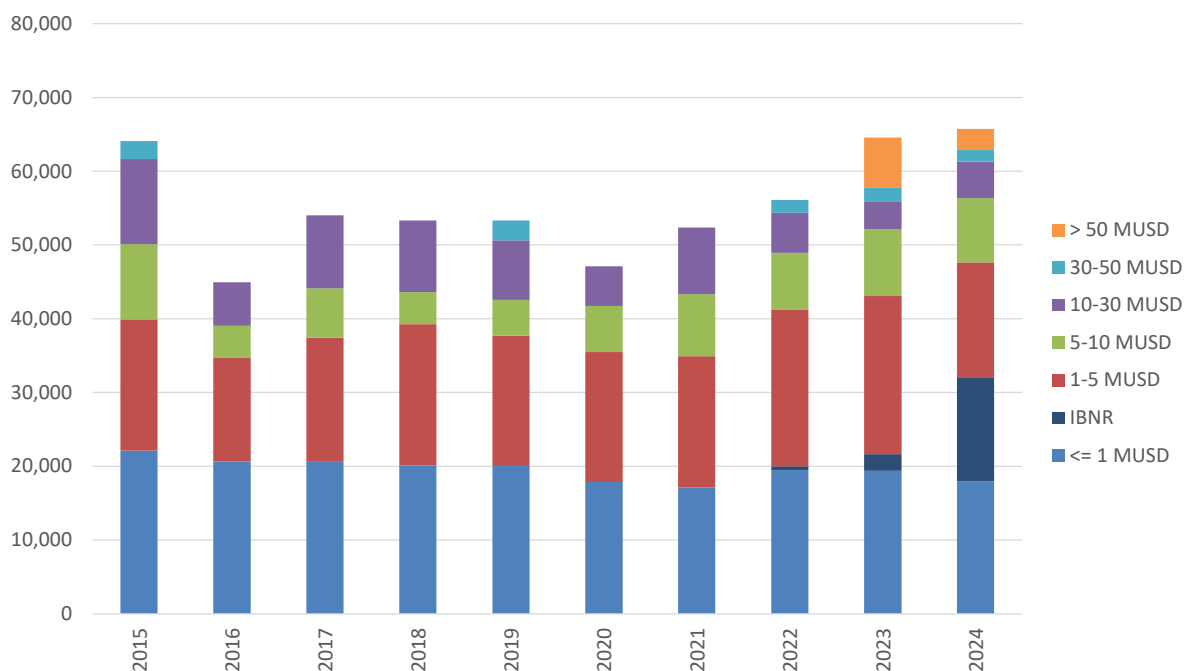
Major and total losses

Since the pandemic, the claim cost per vessel has been steadily rising. While the major claims impact was benign in the period from 2015 to 2022, with only an occasional claim exceeding USD 30 million, both 2023 and 2024 saw claims above USD 50 million.

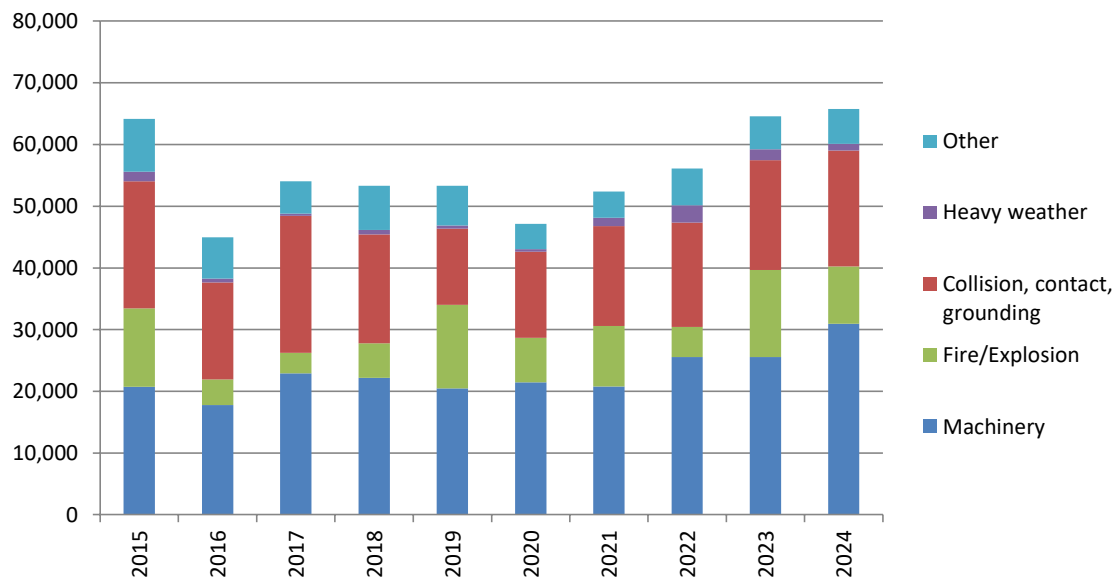
From 2023, the claim cost per vessel started to exceed those of the years prior to the pandemic. In 2023 and 2024, the claim cost per vessel was 22% higher than the average of the period 2017-2019. Even though some very large losses contribute to the increase, there is also a material increase in the cost of claims below USD 5 million.

The largest claims are often seen as individually unique. It is thus fascinating how stable the numbers of such incidents are. Over the past three years, the number of claims above USD 10 million varied from 8 to 10 claims per year. In 2024, four fires, three machinery damages and two tanker collisions exceeded USD 10 million. Despite the stability in the number of large claims, 2023 saw the return of losses in the highest range above USD 50 million. The upswing in global trade and the trend towards larger and more valuable vessels may to some degree heighten the probability of very large losses.

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

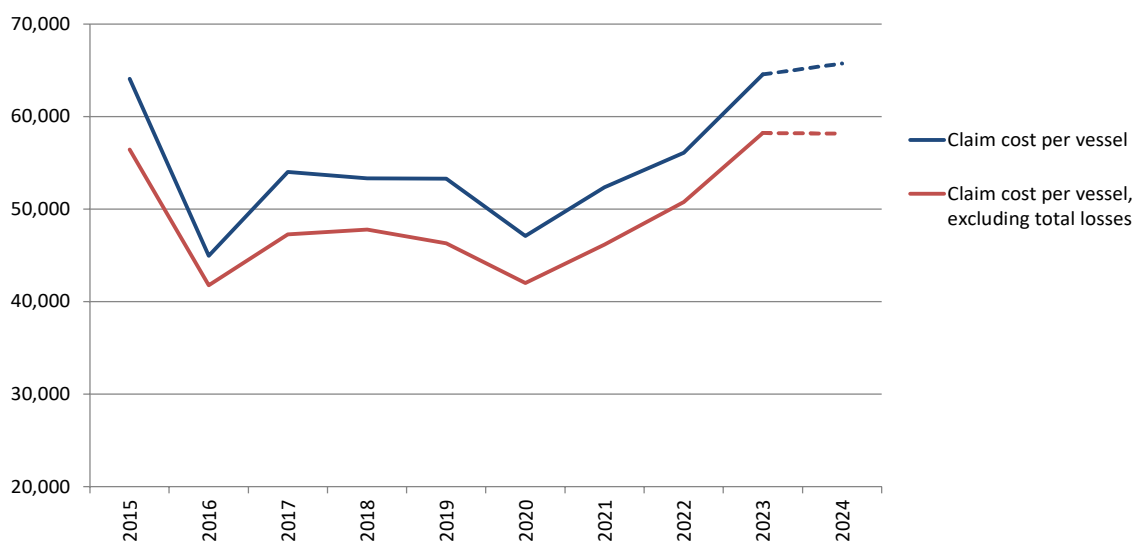


1.2: Claim cost per vessel (USD) by type of casualty, by accident year



The 16% jump from 2022 to 2023-2024 was caused by machinery claims and fires. From 2015 to 2021, the cost of machinery claims was stable at USD 20,000 per vessel per year but has since increased by 50% to USD 30,000.

1.3: Ultimate partial and total claim cost per vessel (USD), by accident year¹



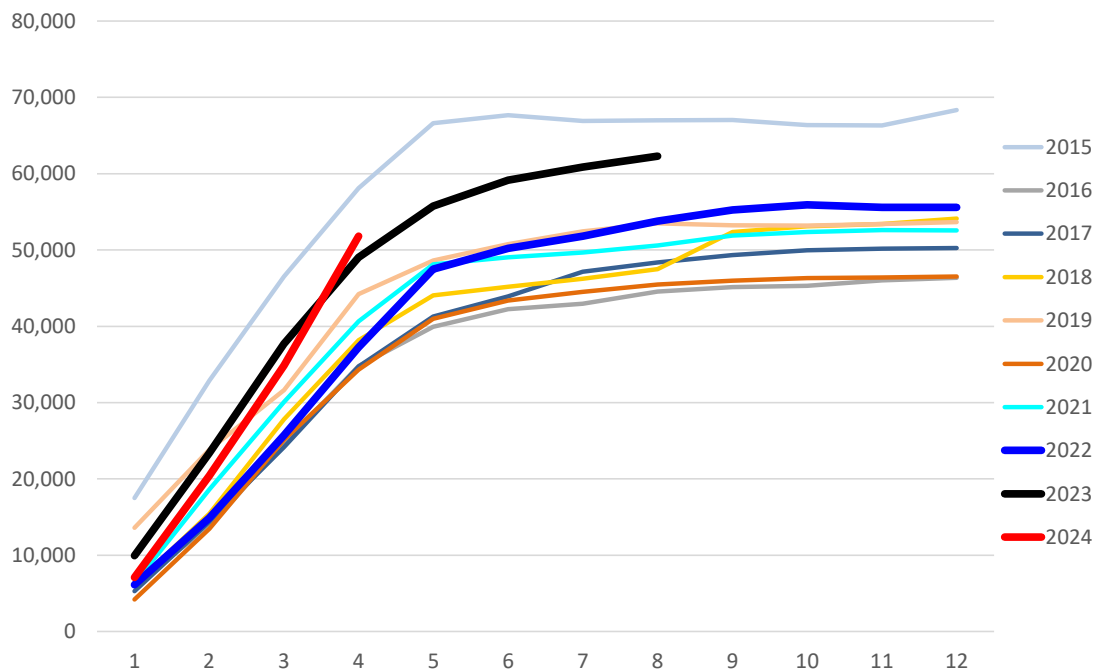
The estimated ultimate claim cost per vessel for 2024 is based on claims reported as of 31st December 2024. The claim cost per vessel in below graphs includes an IBNR² reserve. No IBNR is added to reported total losses, as these reflect 100% of the ultimate claim cost, although in some cases there may be some time lag until it can be verified if a claim is a total loss.

¹ 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).

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

The partial claim cost per vessel showed a 37% increase from 2020 to 2023 but only a 1.8% further increase in 2024. Repair costs are influenced by the price of steel and spare parts. Also exchange rates impact the statistics, as hull insurance covers often are written in USD, but repairs may be paid in other currencies.

1.4: Claim per vessel (USD), accumulated quarterly development³, by accident year



The previous graph reflects the development of the accumulated cost of claims occurred in a certain year by quarter. Thus, one can compare the claims development pattern between years. Typically, the cost of hull claims can be estimated rather exact by the second year such that the curves then flat out.

2024 started at a similar level as the years before 2023 but showed a steeper increase than 2023 in the fourth quarter. Both the years 2022 and 2023 deviated from the typical average pattern with a much steeper upwards adjustment during the 5th to 8th quarter. This might be a consequence of cost inflation.

How does vessel idleness relate to claims costs?

The two best years (2016 and 2020) in terms of the claim cost per vessel were not only statistically very similar, but the driving force might also be similar. Both years were impacted by a large number of vessels in lay-up or idle. In addition to the fact that idle vessels have fewer claims, the first vessels to go idle or in lay-up might be the “worst” vessels.

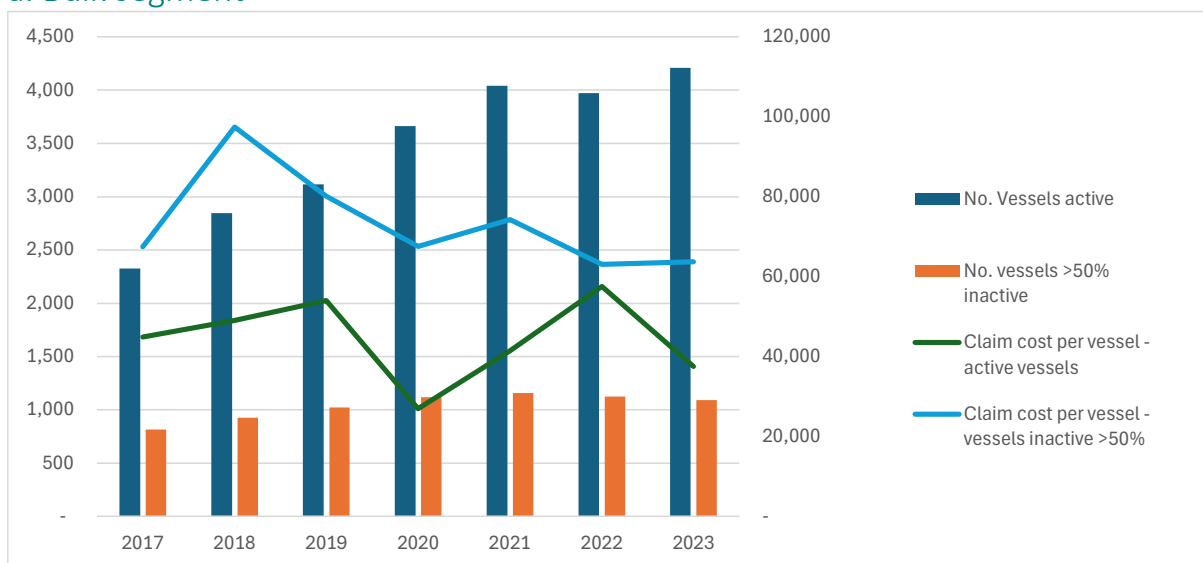
Cefor has previously analysed the effect of lay-ups on portfolio claims statistics. The [previous analysis](#) was published as part of the 2016 Cefor Annual Report and focused on container vessels in lay-up in 2009. The statistics showed that the vessels in lay-up performed worse than the active

³ 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.

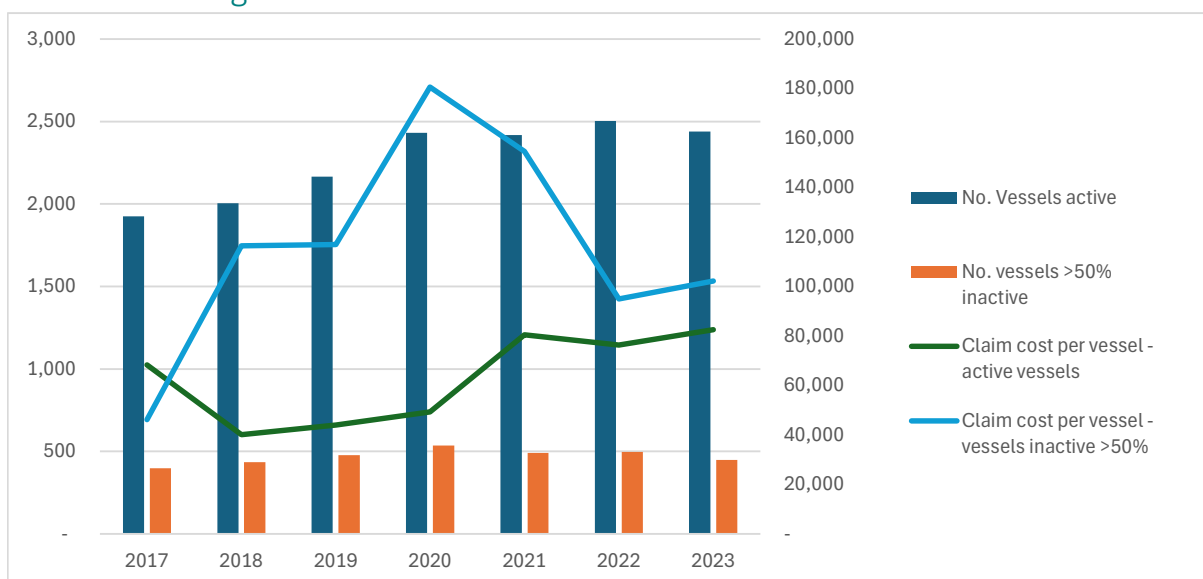
vessels in the years before and after the lay-up period – suggesting the “worst” vessels are most likely to be laid up. A similar analysis has now been done on bulk carriers and container vessels with a low level of activity in 2020 according to AIS data⁴. This approach causes an anomaly in the claims in 2020 as the vessels undergoing large repairs in 2020 are likely to be included in the low activity group. Our main interest is however the performance in the years before and after the low activity. The below graphs shows that the vessels with low activity in 2020 had poor performance in the years before the low activity. The poor performance is somewhat less evident in the years after. 7.3% of the bulk fleet and 6.7% of the container fleet with low activity in 2020 are now scrapped, as opposed to 1.1% and 3.3% of vessels with high activity in 2020. The fact that the group of vessels performs better after 2020 than before might be caused by the worst vessels were scrapped or remained idle for a long period of time.

1.5: Claim cost per vessel prior to, during, after 2020. Comparing vessels with reduced activity in 2020 to those with high/normal activity, by accident year

a. Bulk segment



a. Container segment



⁴ Data source vessel activity: Marine Benchmark

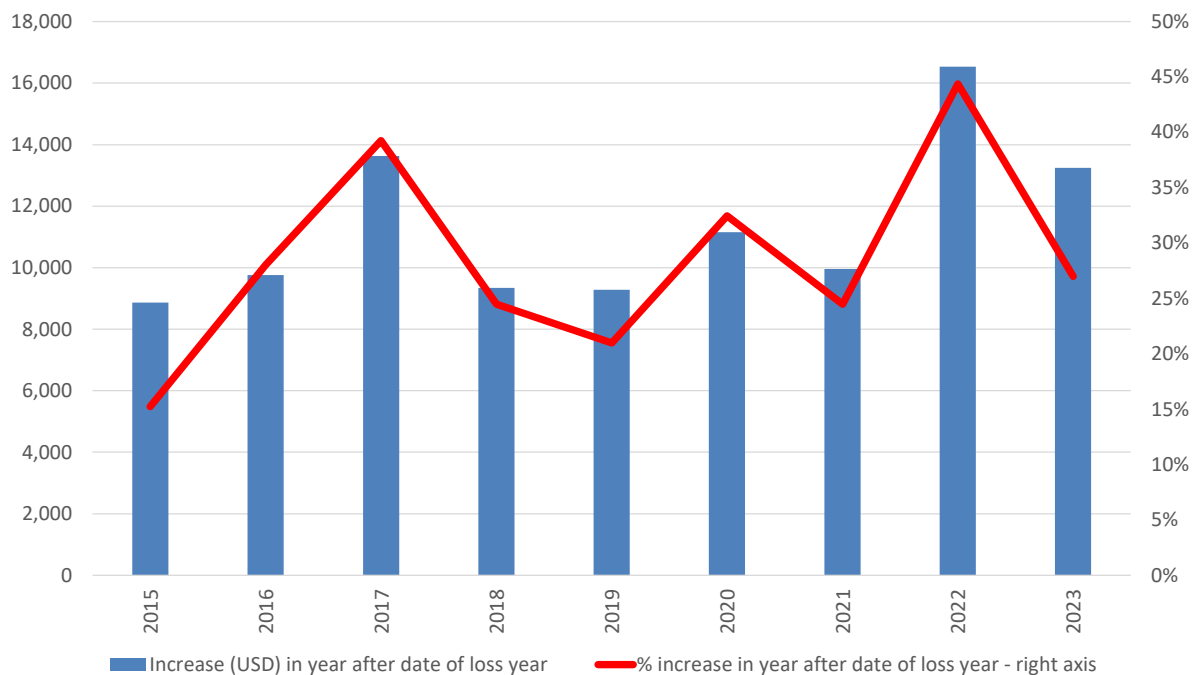
Similar analysis has been done on other vessel types. Tank and Supply show the same results in terms of claim frequency but are not as clear in terms of claim cost per vessel.

Inflation continues to push loss reserves up

One of the hot topics discussed the past years is inflation and its impacts on claims costs. Steel prices, the cost of spare parts, labour cost and exchange rate fluctuations all influence repair costs. Exchange rates may influence repair cost in the sense that hull coverages often are written in USD, while vessel 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. 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.

The following graph 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 that occurred in 2022 increased more during 2023 than ever seen before. The development of claims that occurred in 2023 during 2024 was not as extreme, but it is still the third highest in a ten-year period.

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

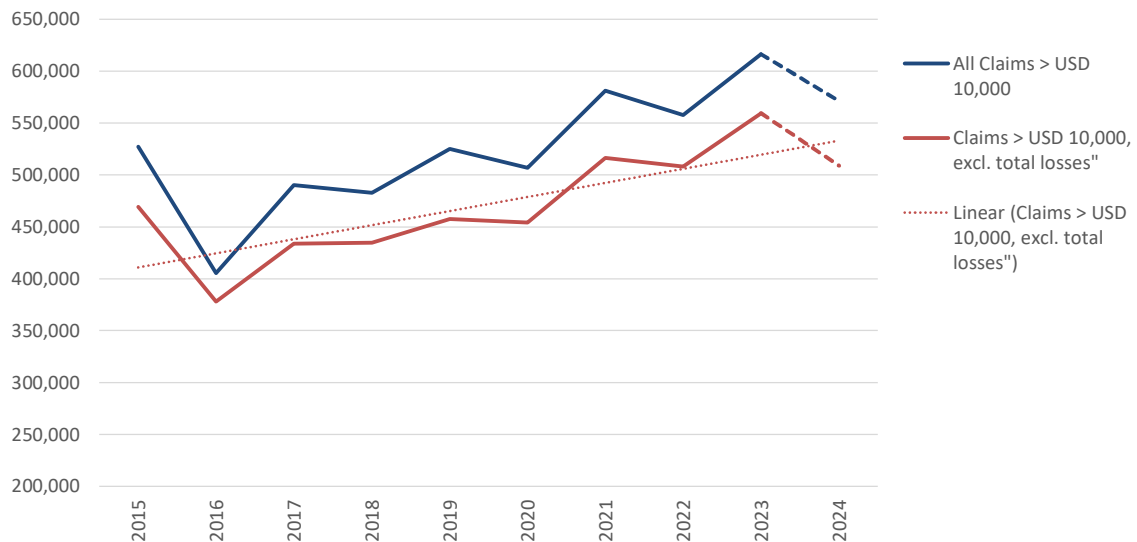


The graph illustrates to what degree the cost estimate of claims known by the end of each year has been accurate or needed to be adjusted further upwards. In addition, claims which are first reported in the year after they occurred contribute to cost adjustments.

The next graph shows the average cost of reported claims above USD 10,000, including and excluding total losses. The average claims cost has shown a recent upward trend which may indicate inflation effects. Claims below USD 10,000 are excluded as these showed a declining frequency in the NoMIS portfolio and may thus deter the average cost. The ten-year trend line indicates an average annual increase of 3%.

When interpreting the trend, 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 claim cost.

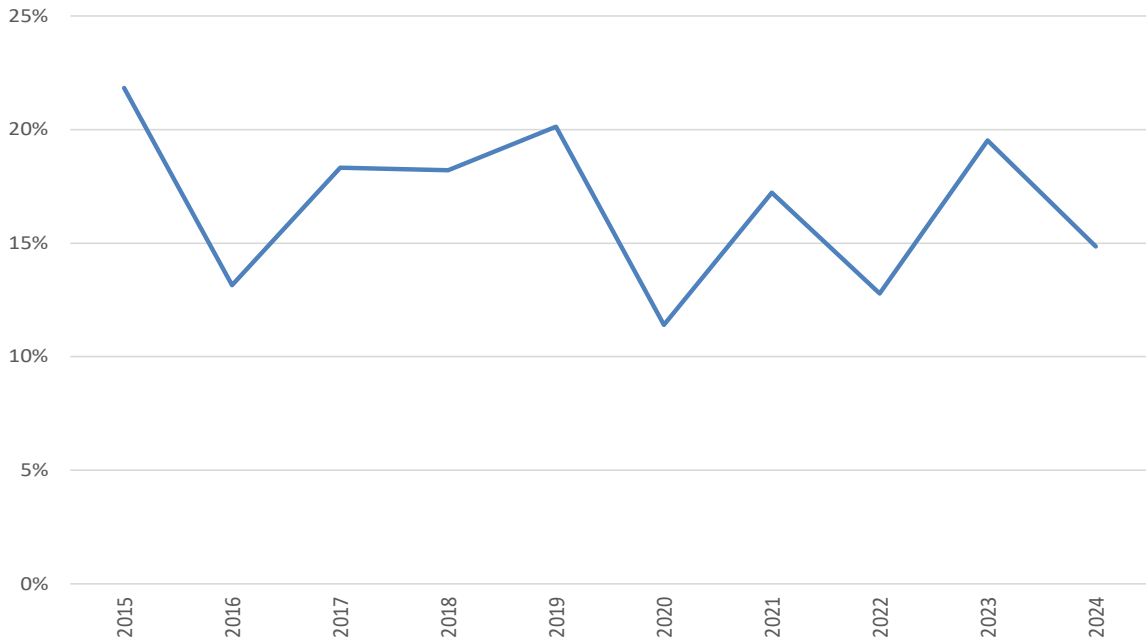
1.7: Average partial and total claim cost (USD), claims > USD 10,000, no IBNR



The 10-year development corresponds with a similar increase in insured value and gross tonnage (see chapter 5.). 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](#)

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



Major losses have had major impact in the past. Over the past ten years 2015 to 2024, claims exceeding USD 10 million represented on average 17% of the total claim cost, with an annual variation between 11% and 22%.

2. Claims frequency

Number of claims in relation to the underlying portfolio

Highlights claims frequency:

- Post-pandemic rise in claims frequency continues
- Drop in number of claims below USD 5,000
- 30% increase in the frequency of machinery claims above USD 500,000 and 71% increase in the frequency of machinery claims above USD 5 million the past 3 years compared to the preceding 3-year period

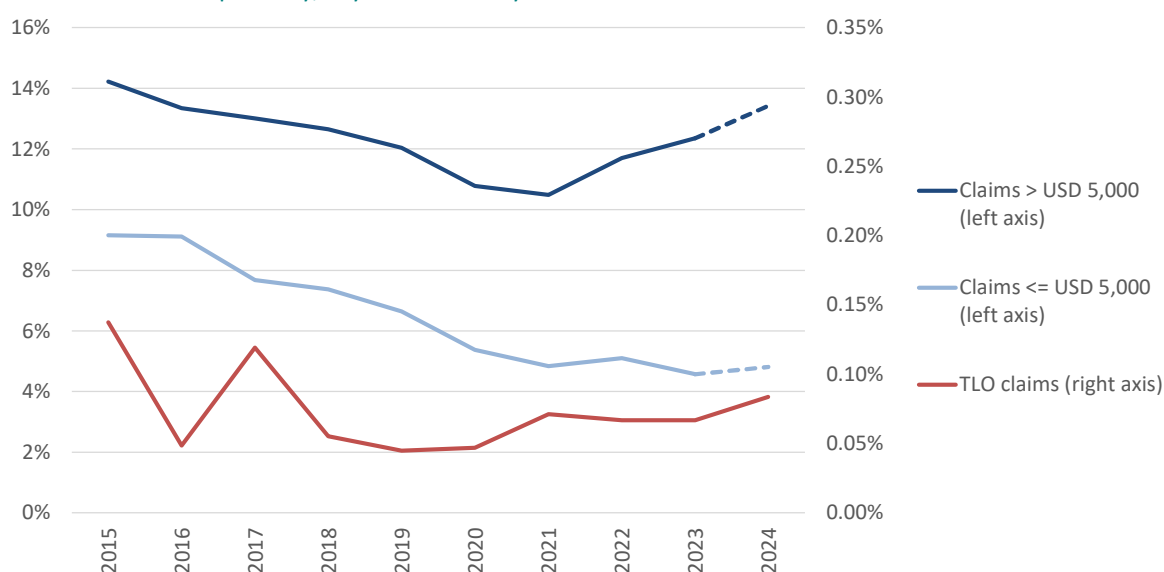
Claims frequency on the rise post-Covid but still at moderate levels

After an extraordinary drop in the claims frequency in 2020, it has been steadily rising in the following years. However, despite some further increase in 2024, the frequency is still low compared to the pre-pandemic levels.

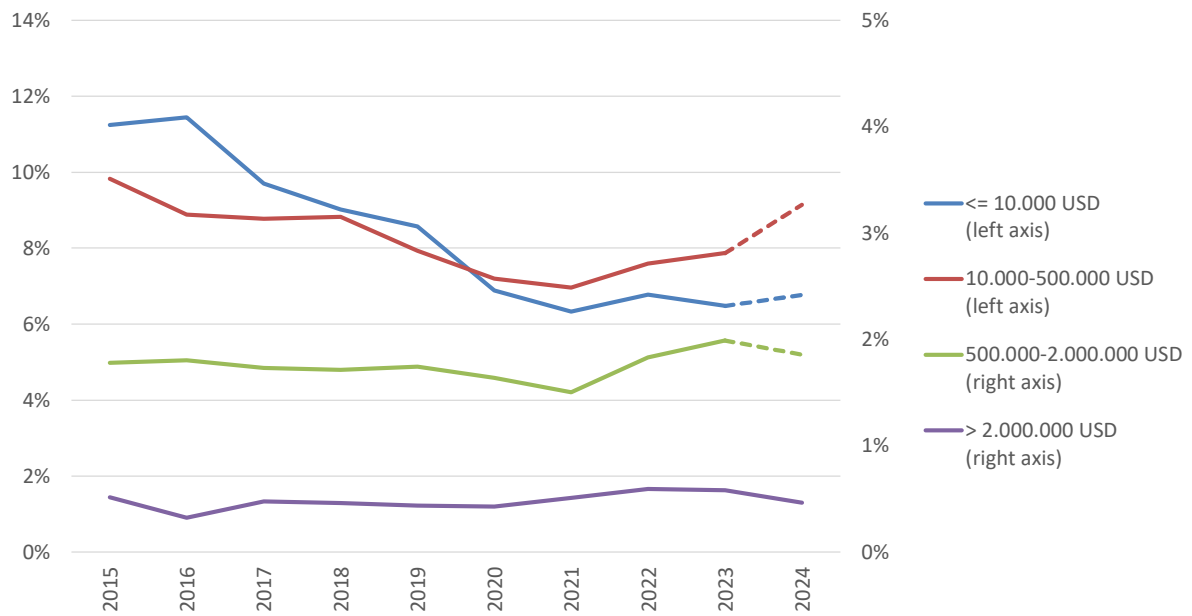
The total loss frequency has in recent years been close to a low level of 0.05% with only a slight recent increase.

Several factors influence the claims frequency in an insurance portfolio such as deductibles, insurance conditions and the portfolio composition. Claims below the deductible are not reported to insurers, insurance conditions may differ in the scope of coverage, and the claims frequency varies by vessel type related to trade characteristics. The average standard deductible has been stable in recent years, thus some inflation driven increase in the frequency was expected.

2.1: Claims frequency, by accident year



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



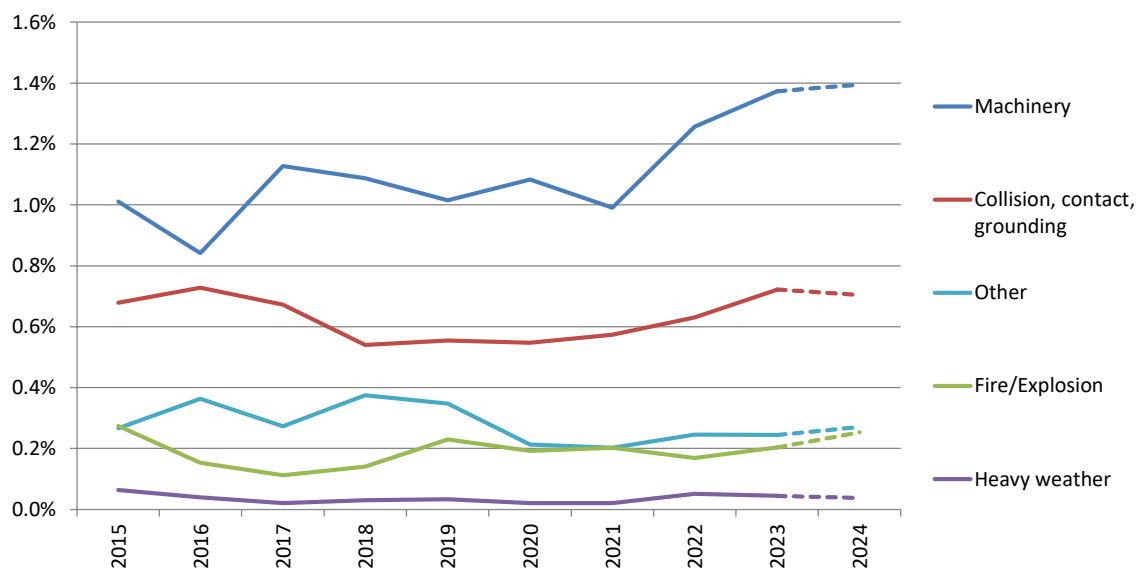
Other factors influencing the claims frequency originate from the vessel's, including its technical equipment, economic trading conditions or weather conditions in certain geographic areas, to name a few. To mitigate existing and new risks, accident analysis and loss prevention measures are key

Large losses by type of casualty

Graph 2.3 illustrates the occurrence of claims over USD 500,000 by type of casualty, 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 graph 2.6 gives an indication of how the ultimate claims frequency for such claims may turn out.

Machinery claims typically have a longer backlog in reporting than other types. The graph indicates that the frequency of more costly machinery claims has shown a 40% increase. To a lesser degree this also is the case for navigational-related claims and recently heavy weather claims.

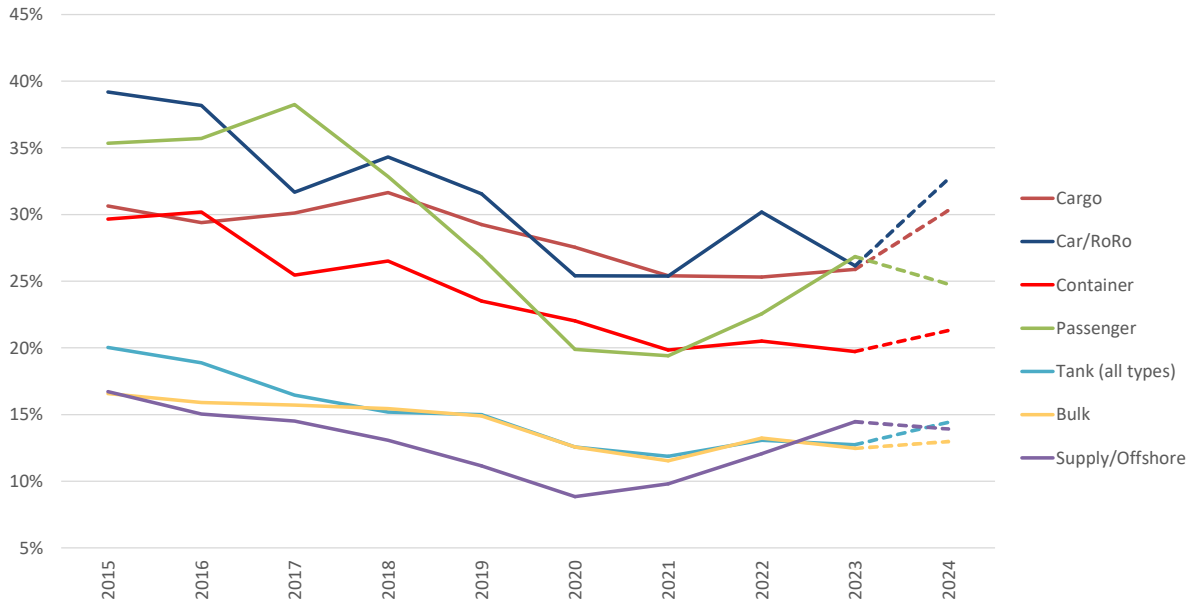
2.3: Frequency of claims > USD 500,000 by type of casualty, incl. IBNR, by accident year



Claims frequency by vessel type

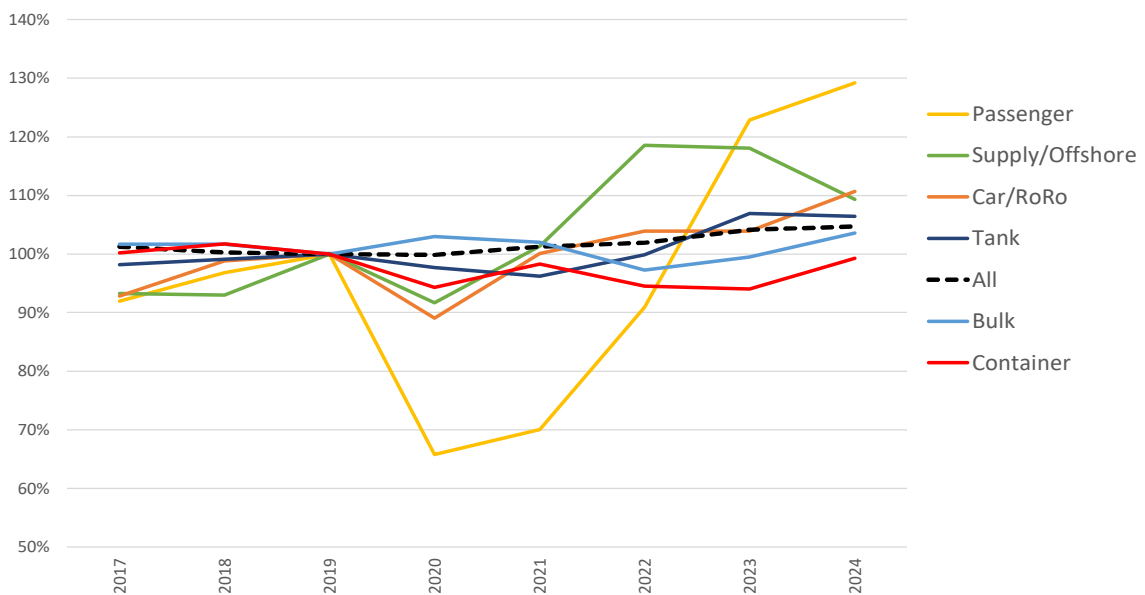
Different vessel segments showed different casualty trends since 2020.

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



The segments with the highest claims frequency in general are cargo, car/RoRo, container, and passenger vessels. The rather sharp increase in the claims frequency for passenger vessels from 2021 to 2023 reflects the return to normal operation in the wake of the pandemic. The increase in the claims frequency of supply/offshore segment results from increased activity following the increase in the oil price.

2.5 Change in average distance sailed per year⁶, NoMIS fleet, Index, 2019=100%



⁶ Data source graph 2.5 and 2.6 (distance sailed per vessel per year): Marine Benchmark, graphs: Cefor
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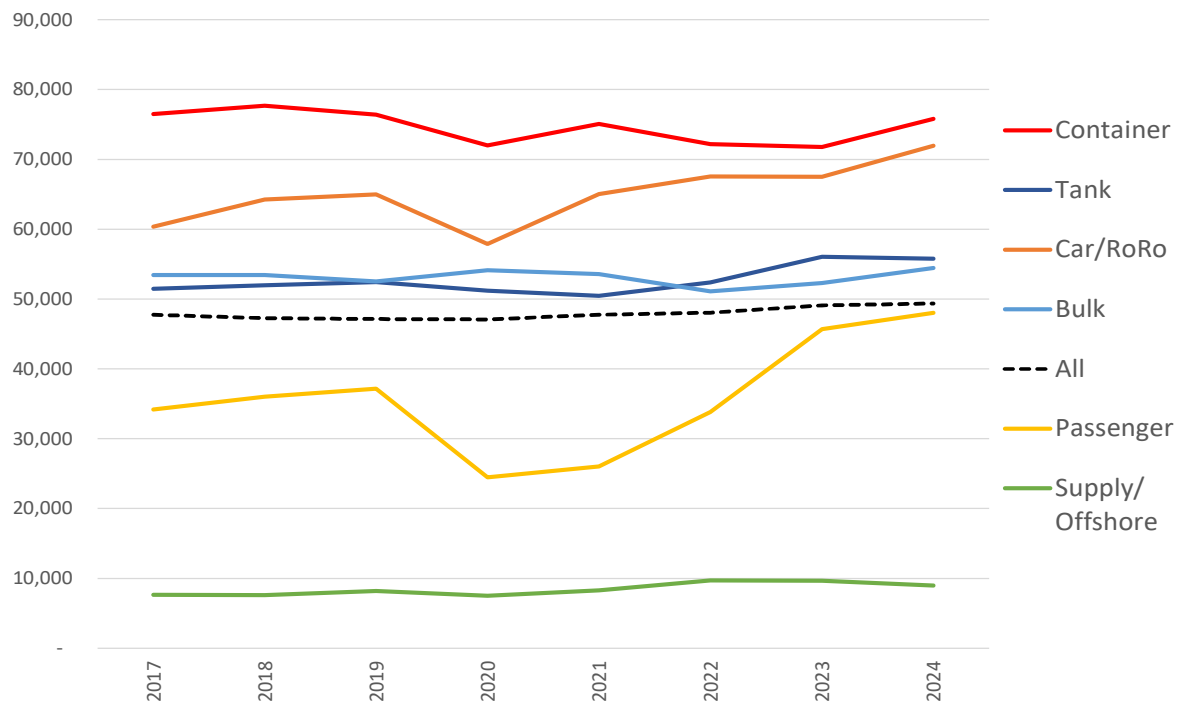
The change in activity of the NoMIS fleet, measured by the distance sailed per year, reflects the market situation of different vessel segments. The share of cruise vessels in the NoMIS passenger vessels is higher than in the world fleet in general and thus its impact on the passenger segment statistics.

Car/RoRo vessels also showed a constant post-pandemic increase, although not to the same extent.

Container vessel demand has undergone various shifts over the past years. This is not only reflected in sailed distance but by the big up- and downward adjustments in vessel values as outlined in chapter 4.

Tanker vessels have seen some increased activity post-pandemic which may be seen in connection with changed markets and rerouting because of the geopolitical situation.

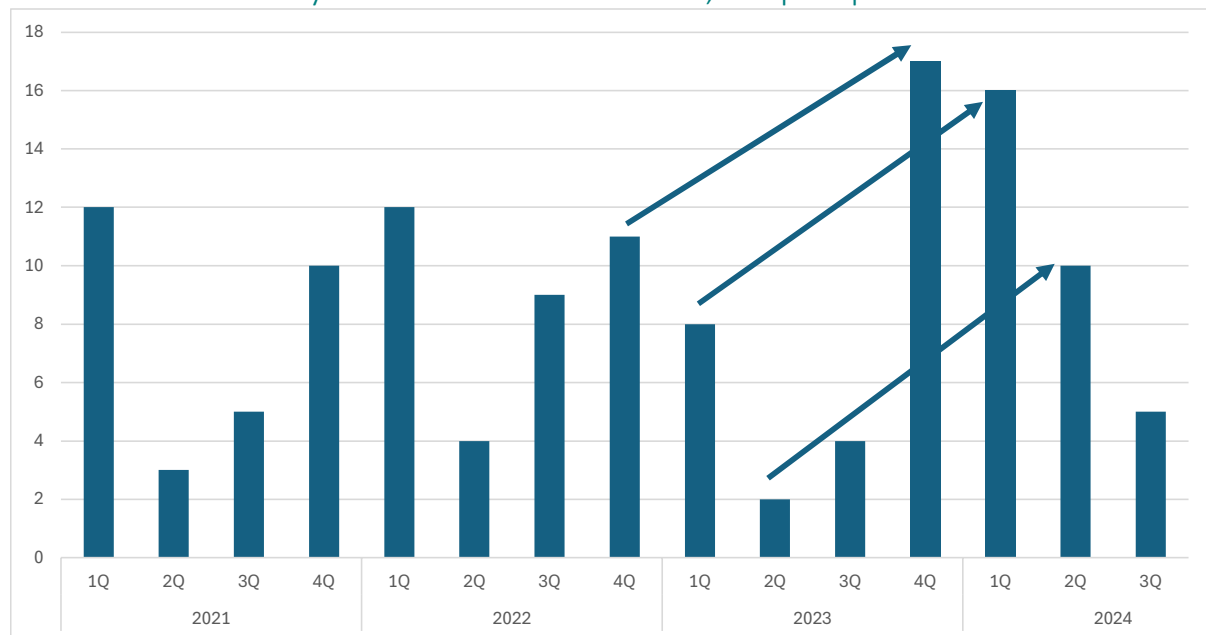
2.6 Average distance sailed (nm) per year by vessel type, NoMIS fleet



Heavy Weather effect of vessel rerouting on claims occurrence?

When a major part of the Europe-Asia shipping traffic started to avoid the Suez Canal and went on the longer voyage around the Cape of Good Hope, one of many consequences could be a change in the occurrence of casualties, and in particular specific types of casualties. When studying the quarterly number of claims the only clear change is related to heavy weather claims.

2.7 Number of heavy weather claims > USD 10,000 per quarter



Weather-related casualties from the 4th quarter 2023 to 2nd quarter 2024 showed an increase which clearly exceeded the seasonal variation of the preceding years. The 2nd quarter has previously been benign with 2 to 4 claims, and the jump to 10 claims in 2024 is thus material. The figures indicate that the increased exposure to weather events on the longer route around the Cape of Good Hope might have had some impact on the occurrence of weather-related damage.

3. Claims by type of casualty

Highlights casualty types

- Machinery claims cost continue to increase
- Fires/explosions and collisions biggest impact on costs

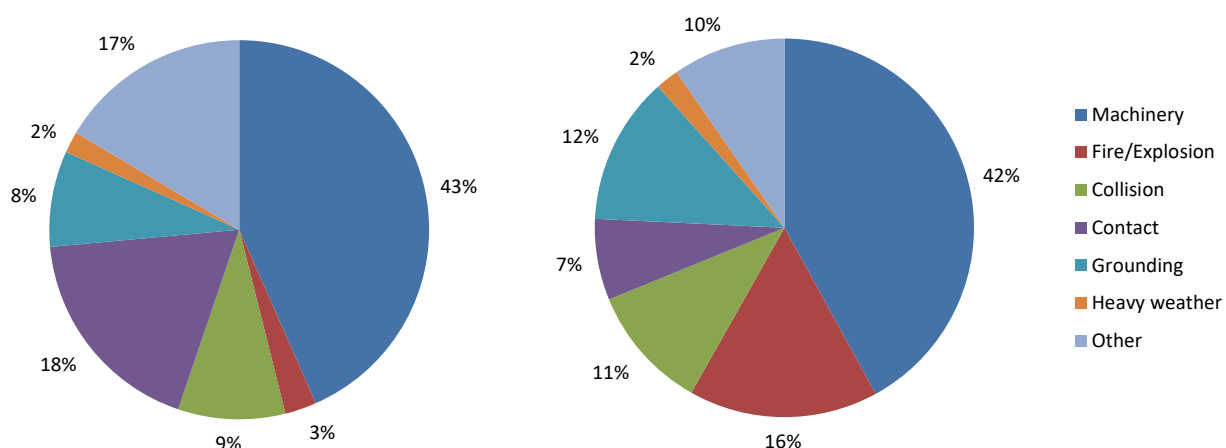
Fires/explosions continue to impact costs

In the years 2016 to 2018, only a 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.

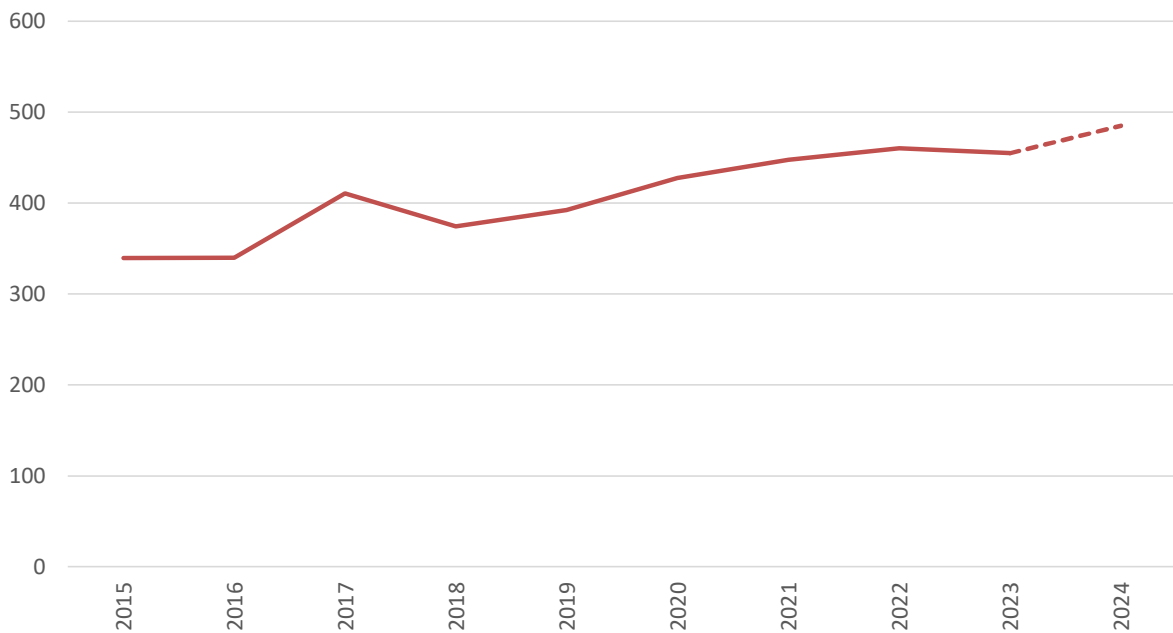
After slightly reduced impact in 2022, the two following years again saw a number of severe fires. In 2023, the two largest losses above USD 50 million were fires, and four out of the eight losses above USD 10 million were fires. In 2024, four out of the nine losses above USD 10 million were fires.

The cost of nautical-related claims (collision, contact, grounding), which has been relatively stable since 2014, shows some recent increase. In 2024, the two largest losses above USD 30 million were both collisions.

4.1: Breakdown of claims numbers (left) and cost (right) by type of casualty, 2020-2024



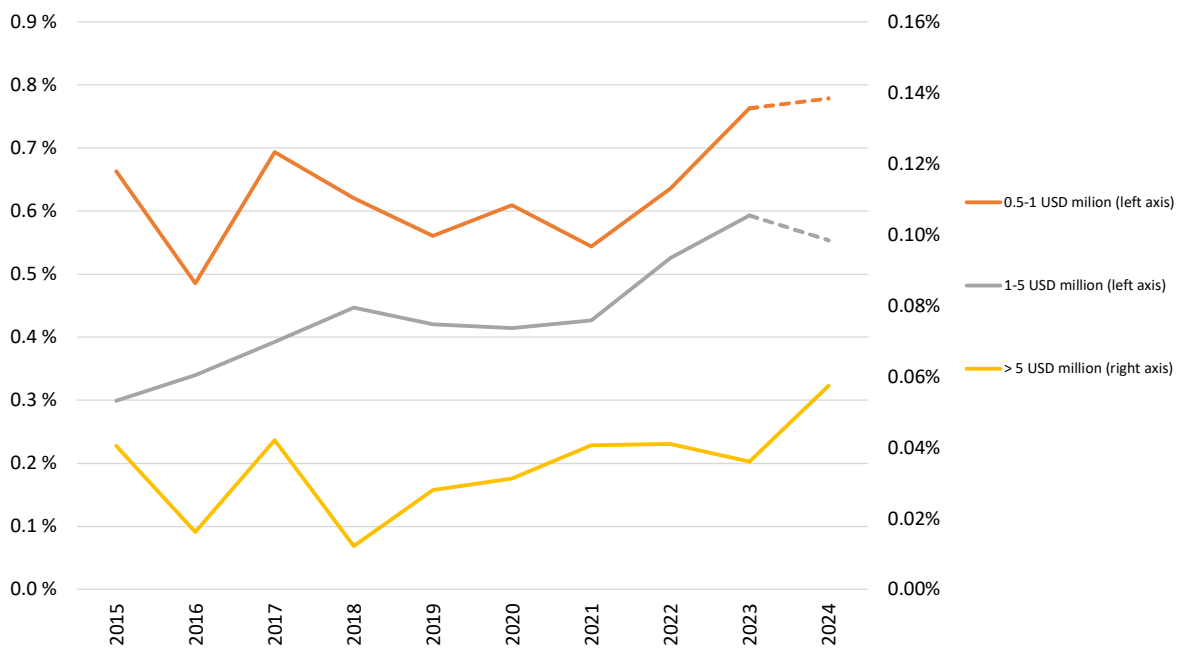
4.3: Machinery claims > USD 10,000- Average claim cost (USD 1,000), incl. IBNR



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

In 2024, per year-end eleven machinery claims above USD 5 million were reported. This compares to seven such claims in 2023 and nine in 2022. The majority of machinery claims represent damage to the main engine, followed by auxiliary engine and propeller shaft.

4.4: Machinery claims - Frequency by intervals of claim cost, incl. IBNR (claims > USD 5 million as reported)



While low-cost machinery claims have seen a downward trend over the past ten years, this was contrary for the frequency of more costly machinery claims which showed an upward trend. One should also be aware that some of the costliest claims in the portfolio such as collisions, contact or groundings, may be caused by machinery or steering gear failure. A recent spectacular example was the machinery blackout causing the container vessel Dali to hit the Baltimore Bridge. In some cases, these claims are coded as machinery claims, in other cases they are not.

Similarly, many fires start in the engine room and some heavy weather claims are triggered by machinery black out. The cost of all claims that are fully or partly triggered by machinery and equipment malfunction is thus higher than 'machinery claims' bucket alone.

Investigating deeper the details of machinery claims, two issues were addressed by the Cefor Technical Forum in recent Memos: [Leakage from low pressure fuel pipes](#) and [stern tube damage](#). In addition, the Cefor Technical Forum published in March 2025 a [memo with recommendations relating to blackout incidents](#).

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

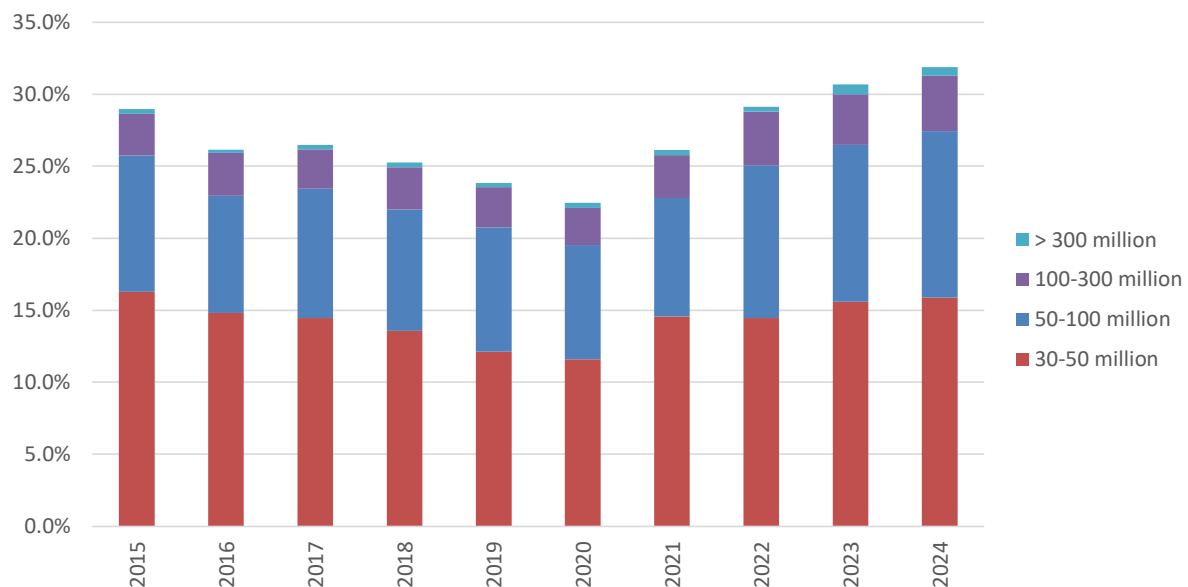
Inflation continues to push loss reserves up

- Portfolio share of vessels with values above USD 30 million increasing.
- Container vessel values renew break-even in 2024 after years with extreme volatility
- Silver tsunami in the offing – ageing world fleet creating waves

Portfolio share of high-value vessels

The inflow of high-value vessels gained traction again since 2021. Expensive vessels are a prerequisite for the most 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



Change of values on renewal

For vessels renewed between January and December 2024, the change in average value compared to the previous insured period was +1.8%.

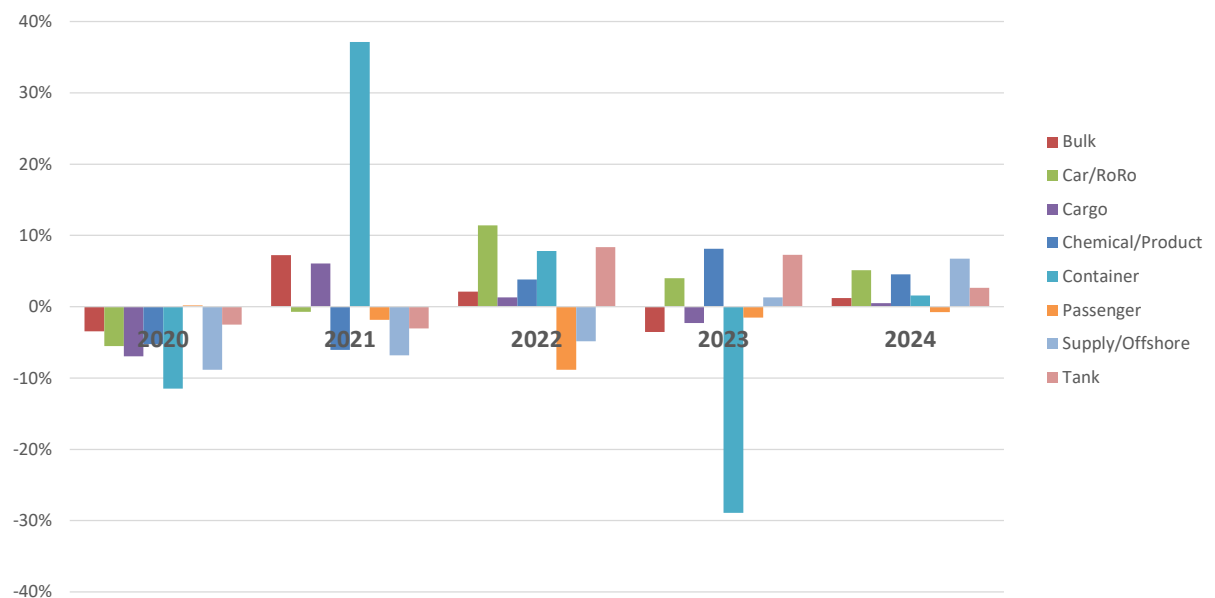
Value changes differ substantially between vessel types. In 2020 and 2021, trades were affected differently by the pandemic. This was followed by a recovery in parts of the global economy and various geopolitical disturbances with impact on trade and shipping. The big increases in 2021 and 2022 and subsequent decrease in 2023 were to a large degree due to the variance in container vessel values. The downward adjustment from the 2021 peak started during the second half of 2022 and continued in 2023. 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.

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



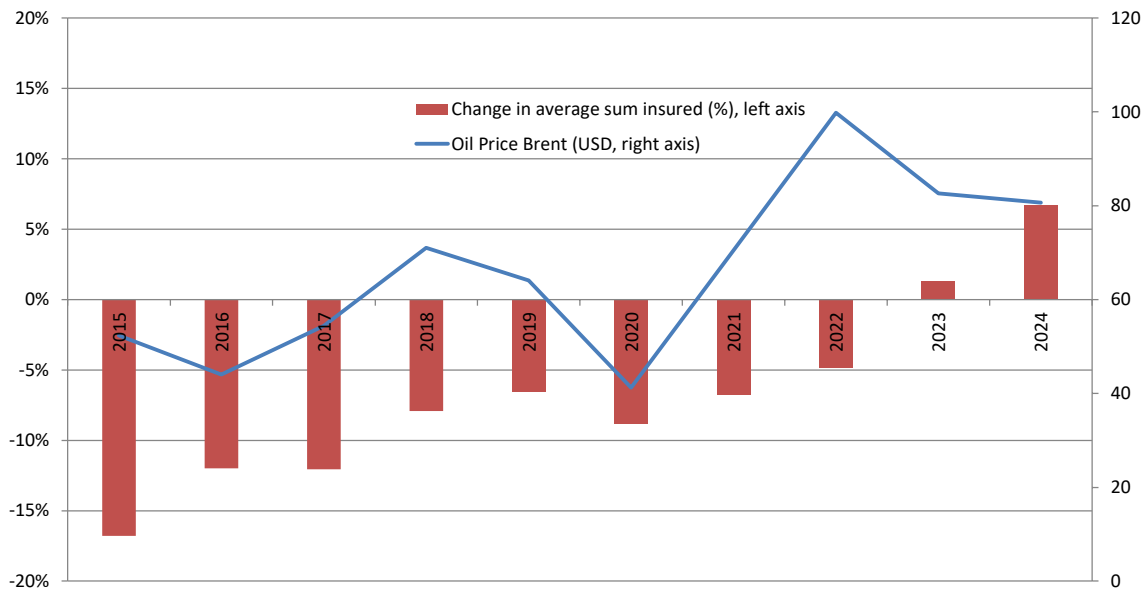
6.2: Change in average annual insured values on renewed vessels, by vessel type



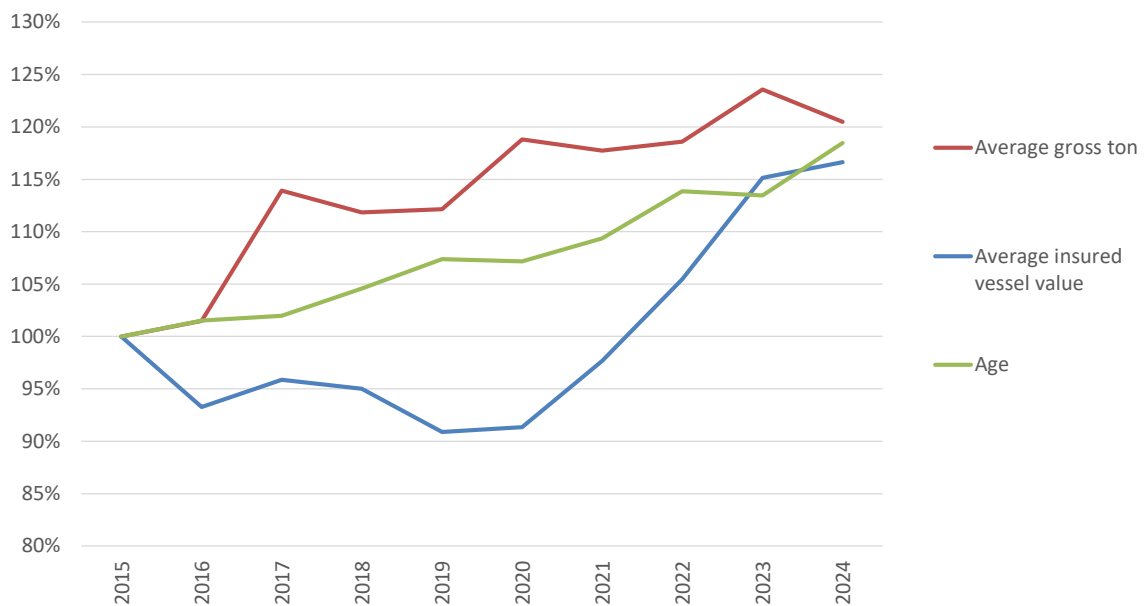
Generally, under unchanged market conditions, some reduction in the insured value of a vessel, compared to the previous insurance period, is expected due to the aging factor.

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 2007 financial crisis and until 2019, the average vessel size and average insured vessel value even showed adverse trends. From 2020, this changed again, with the average insured values showing a continuous increase since.

It should however be noted that the increase in 2021 and 2022 were mainly driven by container vessels, while other vessel types showed different trends. Similarly, the decrease in 2023 was heavily

influenced by the container segment, the values of which started to trend downward again from the second half of 2022. In 2024, renewals did not show major changes to vessel values.

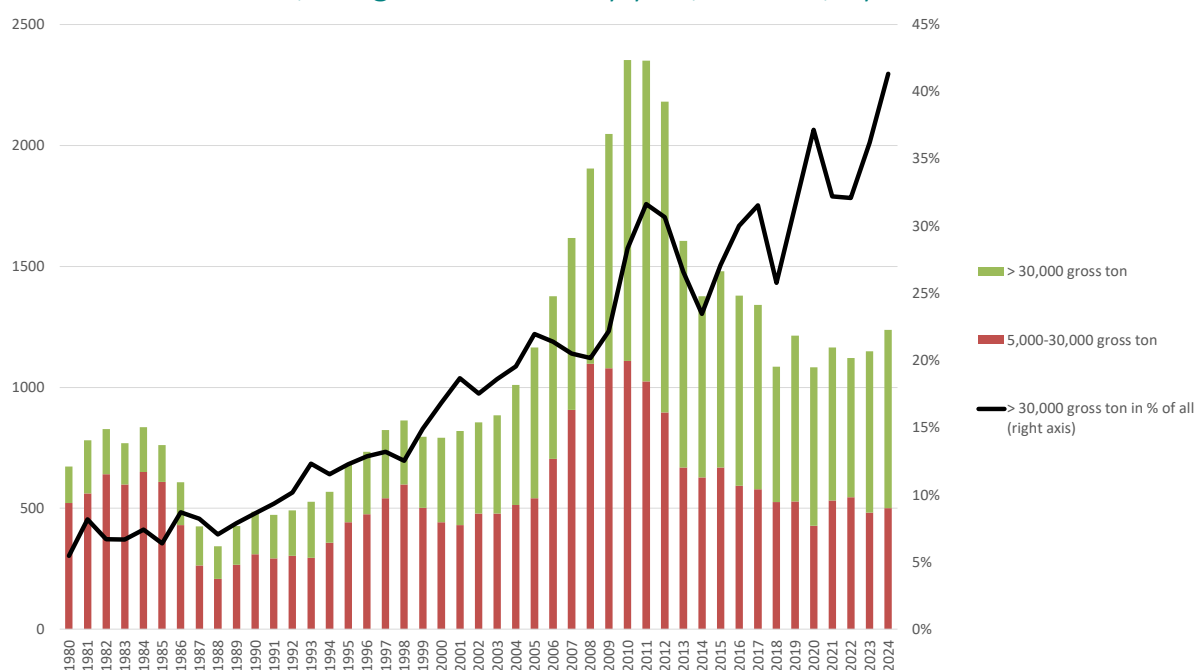
The figures in graph 6.4 include renewed vessels as well as newbuilt vessels and vessels reported to the NoMIS portfolio for the first time. As newbuilt vessels tend to be larger and often have higher values, this influences the average value over the whole portfolio, as compared to the graphs showing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

The increase in age over the last years originates from several segments and cannot 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 > 5,000 gt⁷: Deliveries by year, of build, by intervals of vessel size



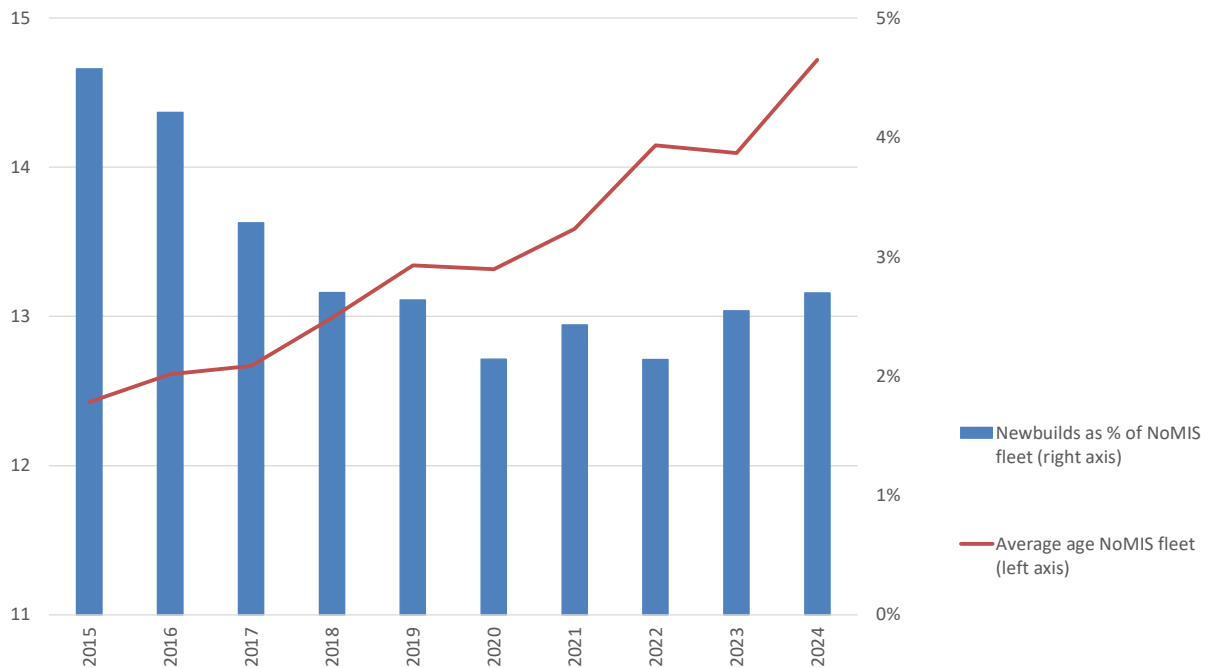
Graph 6.5 illustrates how the composition of the world fleet over 10,000 gross ton has been changing. The number of newbuilt vessels entering the world fleet showed a downward trend since the peak years 2010/2011. In 2024 figures started to slightly increase again. The large number of vessels built in 2008-2012 are now getting old, causing a Silver Tsunami in the demographics of the world fleet.

Another feature is the increasing size of newbuilt vessels, with the share of vessels over 30,000 gross ton reaching a new peak in 2024.

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. After years of decline, the percent of newbuilds entering the NoMIS fleet has stabilised around 2% since 2020 but seems to be slightly rising again in 2024.

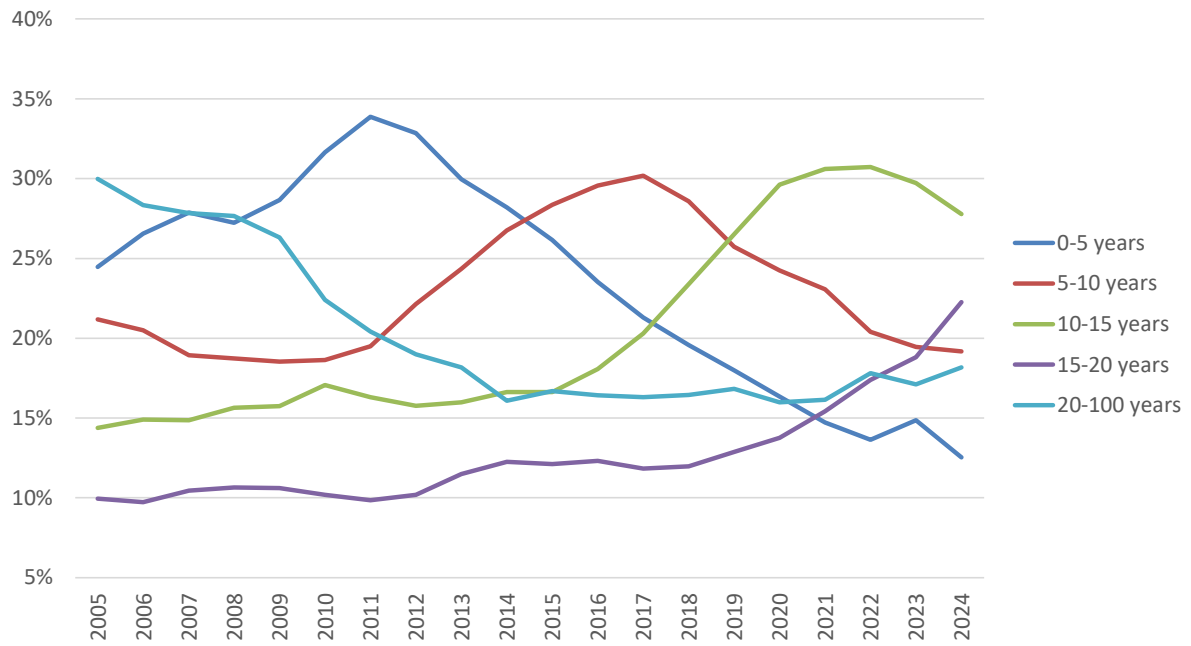
⁷ Data source: Lloyds List Intelligence, World Fleet Update as of 6 January 2025, Page | 23

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



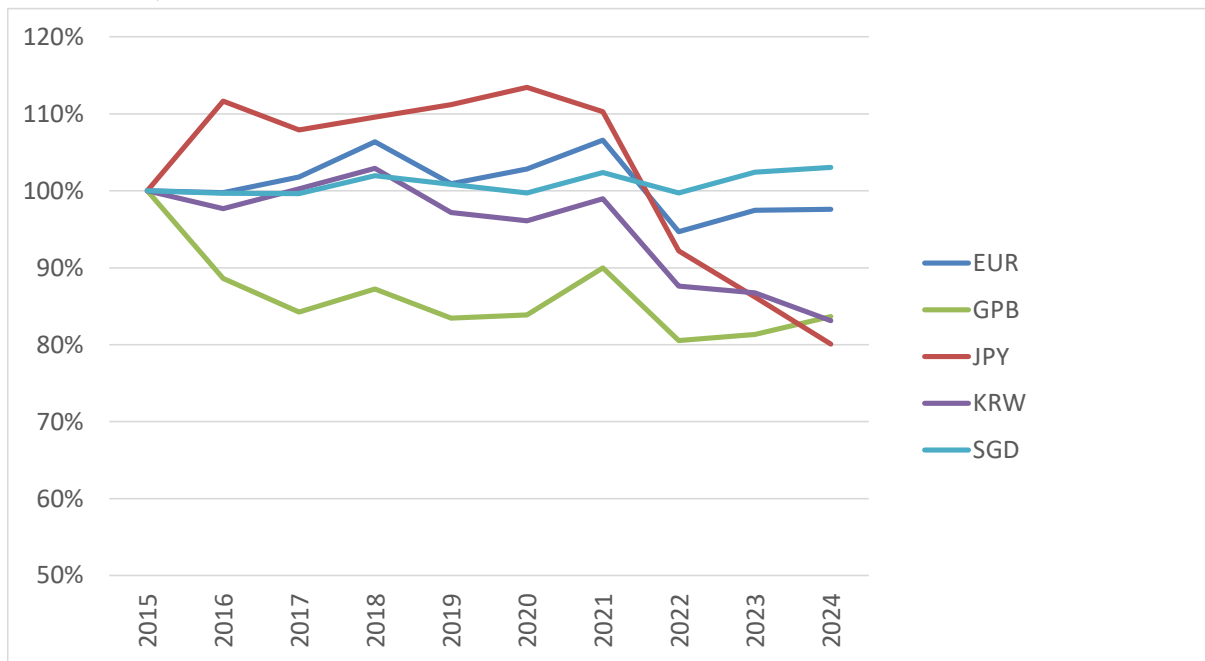
Graph 6.7 shows how the age structure of the NoMIS fleet changed over time, mirroring the ageing of the world fleet. Many vessels were built between 2008 and 2012, causing the share of newbuilds as % of the total fleet to peak around 2012. With vessels getting older, this peak moves like a wave through the age groups, triggering peaks in the 5-10, 10-15 and 15-20-years age groups 5, 10 and 15 years later. Currently the share of 15–20-year-old vessels is thus rapidly rising. It should be noted that vessels in the 10–15-year range have represented about 30% of the NoMIS fleet since 2020 and thus a much higher share of the fleet than in all preceding years. As older vessels are more prone to machinery problems, the increase in the frequency of costly machinery claims may also be related to the ageing of the fleet.

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 vessel repairs may be carried out at shipyards in Europe, Asia or elsewhere, such that fluctuating exchange rates will influence the costs stated in USD.

6.8: Annual exchange rates, Euro and other currencies against USD Index, 2015=100%



5. 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 vessel dynamics to be included 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' with the world merchant fleet shows the following market participation:

7.1: Percentage of world merchant fleet compiled in the NoMIS database⁸ Vessels with IMO number covered for underwriting years 2022-24

Year of build	Gross tonnage		Grand Total
	1000-20000	>20000	
Cefor share of world fleet			
2021-2024	22.0%	48.0%	37.1%
2017-2020	20.5%	55.7%	39.1%
2013-2016	22.3%	65.1%	44.6%
<2013 or (blank)	15.0%	54.7%	25.5%
World fleet count			
2021-2024	2,222	3,159	5,381
2017-2020	2,648	3,252	5,900
2013-2016	3,694	4,354	8,048
<2013 or (blank)	31,153	13,587	44,740
Total Cefor share of world fleet	16.3%	55.9%	29.8%
Total World fleet count	39,717	24,352	64,069

The table shows that Cefor members' coverage of the world fleet is highest for larger vessels. NoMIS members write shares in 56% of the 24,352 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.

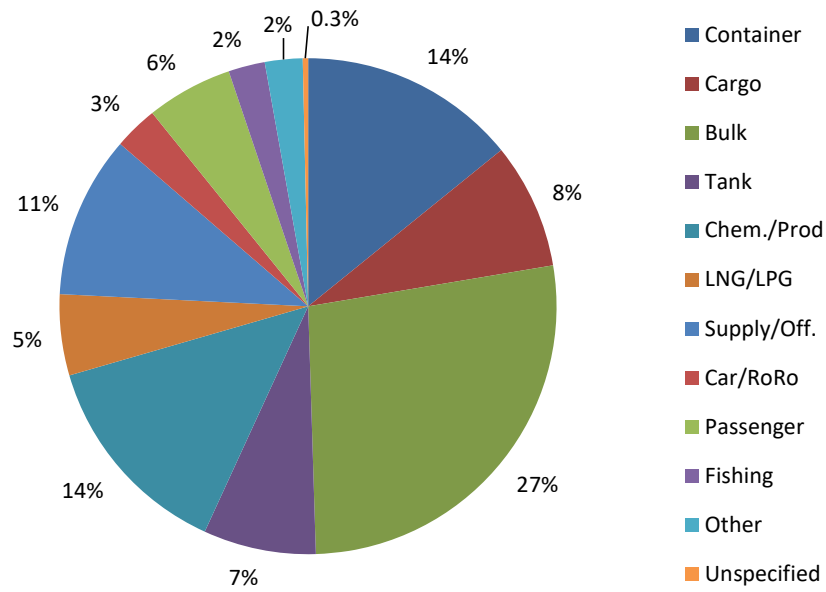
Portfolio characteristics – Types of insurance conditions

Since its introduction in 2013, the Nordic Marine Insurance Plan has received massive support. The latest version was launched in October 2022, with new updates as part of a continuous evolution⁹. 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 2024, 58% of claims lead business was covered on Nordic conditions (57% Nordic Plan, the remainder on local conditions in Denmark, Finland, Norway and Sweden). Of the remainder, 25% was insured on English, 10% on German, and 5% on US conditions.

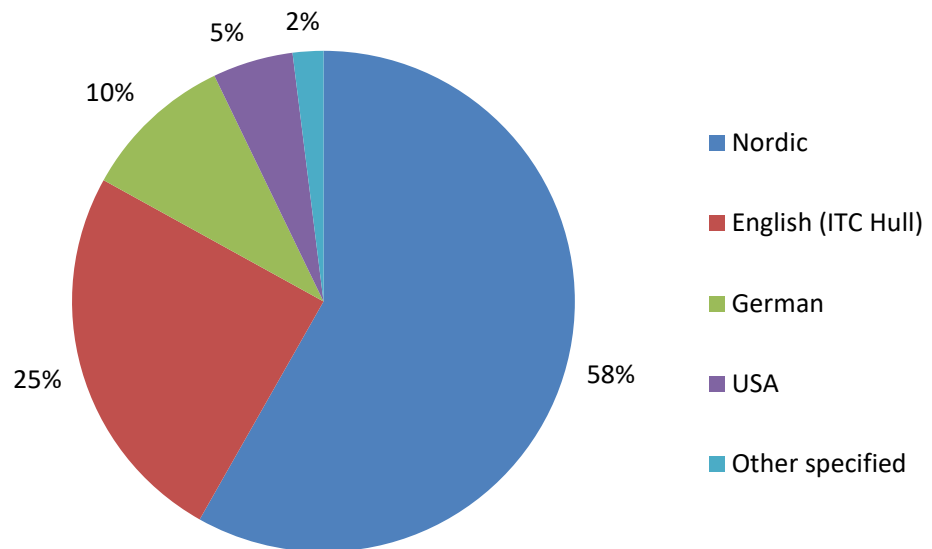
⁸ Calculated as the number of vessels partly or wholly covered by Cefor members in underwriting years 2022 to 2024, divided by the total number of vessels with a registered IMO number in the world fleet. World fleet numbers according to Lloyd's List Intelligence 'World Fleet Update' as of January 2025.

⁹ See information here: <https://cefor.no/clauses/nordic-plan/>

7.2: Ocean hull portfolio breakdown by vessel segment, year of exposure 2024



7.3: Breakdown of the ocean hull portfolio by type of insurance conditions, 2024, Nordic claims lead business



6. Data explanations and further reports

Data: The statistics in this report reflect data reported by Cefor members into the Nordic Marine Insurance Statistics (NoMIS) database as of 31st December 2024. Ocean hull statistics as included 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.

Accident year / date of loss perspective: 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: 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.

“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 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. 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 analyses can be found here: cefor.no/statistics/analysis-with-special-focus/

Cefor Statistics Forum as of December 2024:

Christian Irgens, Norwegian Hull Club (Chair)
Jonas Svartström, Alandia
Mikkel Gardner Andersen, Codan
Günes Pedersen, Gjensidige
Jordan Ko, HDI Global Specialty SE
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 Ocean Hull Report, Cefor publishes a Coastal Hull Report and additional 2024 key figures ocean and coastal hull with breakdowns by age group, size group, vessel types, bands of insured value and other key figures.

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