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CEFOR Newsletter

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CEFOR 2003 Annual Meeting

Grand Hotel, Oslo
10th April 2003.
See the photos at
www.cefor.no

New Chairman,
CEFOR Board of Directors:
Torleiv Aaslestad,
Norwegian Hull Club.

Presentation held by
Miklos Konkoly-Thege,
CEO of Det Norske Veritas,
can be obtained upon
request to:
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For User ID/Password to
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Dear Reader,

Our first CEFOR Newsletter has the modest objective to bring you a general and very brief insight into some of the issues currently on our agenda. Our ambition is to produce the next issue by November this year. For further information and also suggestions you are welcome to get in touch with our staff or visit our website at www.cefor.no

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Marine Insurance Conference

The Norwegian Insurance Academy and the Norwegian Shipping Academy, both part of The Norwegian School of Management (BI), are planning a joint one-day conference on the future of Norwegian marine insurance.

The tentative date and venue for the conference is set to 13 October 2003, centrally located in Oslo and to be announced at a later stage. There will be key speakers from marine insurers, insurance brokers and

shipowners in addition to panel discussions. For further information please see www.forsakad.no.

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Norwegian Shipping White Paper

The Ministry of Trade and Industry has announced its intention to present a Shipping White Paper to the Norwegian Parliament, the Storting, in the spring of 2004. A number of ideas have been submitted by key shipping organizations and a

resource group has been established. This group held its first meeting on 11 June 2003 and it is expected that the key discussion will focus on how to ensure a stable and long term internationally competitive framework for the Norwegian maritime

industry. CEFOR is actively taking part in this work and is represented in the resource group.

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CEFOR - rejoining the Nordic Pool

As you may recall, CEFOR was a member of the Nordic Pool up until 1998. Urged by CEFOR cargo insurers, the CEFOR Board of Directors approved a membership application, initially for the benefit of cargo insurance. The Annual General Meeting of the Nordic Pool was held in Gothenburg on 10 June where CEFOR was admitted as a member. Inger Pedersen of Gjensidige NOR was elected to the Board of Directors. The Nordic Pool

has established three working committees, the Hull Committee, the Liability Committee and the Cargo Committee. Inger Pedersen and Arild Larsen (If) are CEFOR representatives in the Cargo Committee. This year's programme for the Nordic Pool included a session focusing on various aspects of port security seen from the point of view of port authorities, maritime authorities, shipowners and

underwriters. There were also three workshops, one on hull and P&I issues, one on a liability issue and one on cargo issues. The papers and presentations from the Nordic Pool meeting will be found on our website as soon as they are made available.

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The Central Union of
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The Central Union of
Marine Underwriters
(CEFOR) was
founded 15 August
1911 by Norwegian
and foreign insurance
companies. The
Committee of Mutual
Marine Insurers
(GSK) was founded 5
June 1885

The object of CEFOR
is to strengthen and
develop the basic
concepts of the
Norwegian marine
insurance market and
unite and coordinate
its members around
key issues for the
marine insurance
industry.

See us also at:

www.cefor.no

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Premium due payment acceleration project

Marine insurers and particularly hull insurers have traditionally had a very flexible attitude to due dates for premium payments. Whereas in other business sectors there are routines for collecting overdue payments at the cost of the customer, marine insurers have up until now accepted payments several months after due date.

A CEFOR project group of hull and P&I insurers presented its recommendations for a tougher collecting regime to the CEFOR Board of Directors on 20 May 2003 for approval.

The project group found that the P&I insurers have proper and efficient collecting routines which the hull insurers should try to copy. According to P&I insurers their collecting routines are widely accepted and understood by clients. This will hopefully encourage hull insurers to adopt the proposed measures in the guidelines in order to catch up with common market practice in other branches.

The proposed guidelines approved by the CEFOR Board are thus the basic common

denominator for both hull and P&I insurers. The guidelines will be issued in a CEFOR circular in July.

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Norwegian Marine Insurance Statistics (NoMIS)

The CEFOR statistics forum has held two meetings in 2003. At the first meeting the annual NoMIS hull statistics published in the CEFOR Annual Report 2002 were discussed and agreed. The second meeting focused on current projects including the regular as well as special statistics production, and set a timetable for projects to be faced during 2003. The major project to be accomplished in 2003 is the

integration of Norwegian Hull Club data into the NoMIS database, dating back to underwriting year 1995. Finalization of this project is close and Bluewater Insurance data integration will be next. CEFOR will then produce a special report comprising classic NoMIS data and NHC data per 30 June 2003 thus enabling a more detailed analysis of any portfolio

changes as well as data details. Regular reports are in the meantime carried on as usual, and other special projects such as new investigation into claims connected to navigational errors are planned after fulfilled integration.

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New EU Competition Regulation

On 27 February 2003, the European Commission adopted a new Regulation exempting certain categories of agreements, decisions and concerted practices in the insurance sector from the application of Article 81 (3) of the Treaty. According to the new regulation, the following areas (among others) are covered by the exemption:

- the common establishment and distribution of calculations of

- average costs covering a specified risk in the past and of tables (mortality tables, tables showing the frequency of illness, invalidity and accident);
- common studies on the impact of future claims in connection with a given risk or risk category;
- the joint establishment and distribution of nonbinding standard policy conditions for direct insurance;

- the joint establishment and distribution of nonbinding models illustrating the profits to be realized from an insurance policy.

The Regulation entered into force on 1 April 2003 and expire after 7 years. It replaces the former Competition Regulation of 21 December 1992 which expired on 31 March 2003.

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US TRIA update

Lloyd's has approached the US Treasury through their US Counsel, LeBoeuf Lamb Greene and MacRea, and have now held a meeting with the newly hired Executive Director of the Treasury's TRIA programme, Jeffrey Bragg. The US Treasury seems to be sympathetic to marine underwriters' view that "making available" the peril of terrorism in the all risk hull policy

is somewhat superfluous given the existence of longstanding war and terrorism arrangements for that market. It appears as though Treasury are not inclined to address the issue in any regulation as such but have suggested that Lloyd's submit a letter setting forth the issue and describing how or why the market proposes to comply with the make available

requirement on the basis of traditional policy forms. The goal would be to have Treasury respond with an acknowledging letter which confirms that the described practices are considered to be in compliance with the "make available" requirements.

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