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# CEFOR Newsletter

Dear reader,

On 20 October, I had the great privilege to succeed Mr. Tore Forsmo as Managing Director of CEFOR. With a background in industry policies, I hope to utilize my knowledge and network to further improve the strong CEFOR profile developed under his leadership. Prior to joining CEFOR, I've held various positions within the Norwegian Shipowners' Association, served four years as State Secretary in the Norwegian Ministries of Trade & Industry and Finance, and most recently headed up the Innovation Norway office in Houston, Texas.

In promoting the Nordic marine insurance market and our members, a strong CEFOR is necessary as the industry takes on new challenges. Environmental and safety issues are high on the agenda, while nautical related claims continue to rise. CEFOR will seek influence in these and other areas of commercial interest to the Nordic marine insurance market.

I look forward to the task ahead, and wish you all a Successful New Year!

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## CEFOR 2008 Annual General Meeting

The Grand Hotel, Oslo  
3 April 2008

**CEFOR Members:**  
For User ID/Password to member sections at [www.cefor.no](http://www.cefor.no), please contact: *astrid.seltmann@cefor.no*

## Solvency II

In 2007, all insurers were asked to participate in QIS 3, the third round of "Quantitative Impact Studies". Results were published in November 2007. Seventeen Norwegian non-life insurance companies participated, a high participation rate compared to other countries. All participating companies satisfied the QIS 3

capital demands; on average with a good margin. The QIS 3 results are available here: [http://www.ceiops.org/media/docman/public\\_files/publications/submissionstotheec/CEIOPS-DOC-19-07%20QIS3%20Report.pdf](http://www.ceiops.org/media/docman/public_files/publications/submissionstotheec/CEIOPS-DOC-19-07%20QIS3%20Report.pdf)  
The future timetable is scheduled as follows: April to June 2008: QIS 4, November 2008: Final QIS 4 report, October 2009: CEIOPS final

advice on priority issues, 2009: Directive adopted, 2010: Level 2 implementing measures adopted and Level 3 guidance finalized, 2011-12: Member States enact legislation, 2012: Solvency II in force. If necessary, there will be a QIS 5 round as well.

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## Broker's commission – proposed ban

We reported in CEFOR Newsletter 1/2006 that the Ministry of Finance had instructed the Banking Law Commission to propose amendments to the Insurance Mediation Act prohibiting insurance brokers from receiving commission from insurers.

In its report to the Ministry of

Finance 16 January 2007, the Commission proposed that the ban shall not apply to brokerage relating to insurance of ships in the Norwegian International Ship Register or foreign ship registers. The same applies to brokerage relating to insurance of drilling rigs and other mobile offshore structures and fixed offshore oil

and gas installations. The Government is expected to submit a legislative bill to the Storting (Parliament) in December this year, proposing amendments to the Insurance Mediation Act.

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## Norwegian Ship Safety Act 2006 – English translation

The Norwegian Ship Safety Act was passed on 16 February 2007 and entered into force 1 July 2007. The Act applies to Norwegian ships worldwide and foreign ships in Norwegian waters, economic zone and continental shelf subject to limitations of international law.

Section 71 is important to marine insurers as it forms the legal basis to share information directly relevant to the safety of the ships they insure with other insurers, classification societies, international insurance and maritime organizations or Norwegian

and foreign maritime authorities. The Act is translated into English and may be downloaded from the link:

[http://www.sjofartsdir.no/en/Legislation\\_and\\_International\\_Relations/Translated\\_Norwegian\\_legislation/](http://www.sjofartsdir.no/en/Legislation_and_International_Relations/Translated_Norwegian_legislation/)

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## Master of Arts in Marine Insurance and Risk Management

The University of Oslo (UiO) has launched a new Master programme in Marine Insurance and Risk Management (MIRM) in cooperation with The Norwegian University of Science and Technology (NTNU) and Copenhagen Business School. The

programme has been developed in close co-operation with CEFOR and the marine insurance industry. 18 students are following the programme which commenced in the spring term of 2007. The next opportunity to take this study will be in the spring term

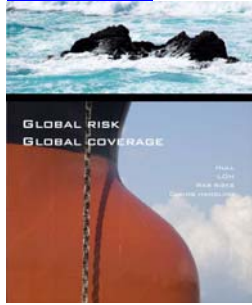
of 2009. Deadline for applications is 15 October 2008. More information is available on:

[http://www.jus.uio.no/nifs/nifs/seminar/marine\\_insur/index.html](http://www.jus.uio.no/nifs/nifs/seminar/marine_insur/index.html)

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### The Norwegian Marine Insurance Plan

A short and precise introduction is now available! Download the pdf-version from: [www.cefor.no](http://www.cefor.no)



### The Central Union of Marine Underwriters CEFOR

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

See us also at:

[www.cefor.no](http://www.cefor.no)

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## Bunker oil spills to be covered in 2008

An international treaty covering liability and compensation for pollution damage caused by spills of oil, when carried as fuel in ships' bunkers, will enter into force on 21 November 2008. The Convention was adopted by IMO in 2001, and

met its criteria for entry into force on 21 November 2007, following accession to the treaty by Sierra Leone. When implemented, ships over 1,000 gross tonnage registered in a State party to the Convention will be required to carry on board a certificate that

the ship has insurance or other financial security to cover liability damage under the applicable limitation regime. More information is available at [www.imo.org](http://www.imo.org)

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## HNS Protocol in 2008

More than 10 years after its adoption, the HNS Convention is not implemented due to unresolved issues such as contributions to the LNG accounts, the concept of receiver, and the non-submission of reports on

contributing cargo. In October this year, the IMO Legal Committee expressed its readiness to consider any proposals from the HNS Focus Group established by the 1992 Fund Assembly to ensure a rapid entry into force. A draft Protocol

to the HNS Convention is expected from the Focus Group by 15 February 2008. More information is available at [www.hnsconvention.org](http://www.hnsconvention.org)

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## IUMI Conference 2007, Copenhagen, Denmark

The International Union of Marine Insurance held its annual conference 9 - 12 September in Copenhagen. While the 2006 conference dealt with risk assessment and loss prevention, this year's conference addressed the technical, financial and human challenges in marine insurance. After the introductory and key note speeches, the Facts & Figures Committee set the scene by showing the recent development of the global market premiums and technical underwriting results, against the background of the global merchant fleet and key

economic indicators. A raising point of concern is the recent increase in the average cost of frequency losses, topped in 2007 by an unusual number of major claims. Presentations by Tore Forsmo and Astrid Seltmann, and a new Fact Sheet are available from [www.cefor.no](http://www.cefor.no) and [www.iumi.com](http://www.iumi.com). The Facts & Figures Open Forum addressed Solvency II and its implications for the marine underwriter. During the following committee workshops, cargo, ocean hull, legal and liability, inland hull, fishing vessel and yachting and loss prevention issues

were discussed and recent technical developments and challenges in the energy business presented. Much focus was this year on crewing issues, as the increasing shortage of qualified personnel to run the vessels raises serious concern not only with insurers, but throughout the shipping industry.

*The 2008 IUMI Conference will take place 14 -17 September in Vancouver, Canada.*

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## IUMI Spring Meeting March 2008, Oslo, Norway

CEFOR will host the 2008 IUMI Spring Meeting 9-10 March, at the Radisson SAS Hotel in Oslo.

Members of the IUMI Committees will gather to discuss recent developments in the industry and prepare

for the autumn conference in Vancouver.

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## Nordic Marine Insurance Days 2007

CEFOR hosted the Nordic Marine Insurance Days 11 – 12 June. The main theme on the first day was Crew quality and Criminalisation of seafarers. Captain Bjørn Haave of the Norwegian Maritime Officers

Association gave the opening presentation. Separate Hull and Cargo/Liability sessions were held on the second day. The Conference was concluded by the theme "Ship casualties – legal issues

– the Nordic approach". Presentations are available at the CEFOR website: <http://www.cefor.no/courses/courses.htm>

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