



PRESS RELEASE

Oslo, Norway, 5 April 2018: Cefor releases 2017 marine hull claims trends from the Nordic Marine Insurance Statistics (NoMIS) database, elects new Chair and members of the Board.

Major claims on hold

'2017 has been a benign claims year with no claims above USD 30 million. This is the second consecutive year without these major claims. Given that the ten previous years all experienced such claims, we do not expect this situation to last and must prepare for their return', warns Helle Hammer, Managing Director of Cefor. For claims between USD 10 and 30 million there was an increase compared with 2016. This is also the main reason for a modest 14 per cent increase in the overall claim cost per vessel in 2017. The overall claims frequency has remained stable for the past six years.

The top 1%

Very large hull claims are fortunately rare but have a significant impact on the overall claims cost in the NoMIS portfolio. By analyzing the top 1% most expensive claims for each year, the evidence is clear: In 2012, a year with some very expensive claims, the top 1% accounted for 60% of the total claims cost. Equally interesting, in 2016 with a record-low number of large claims the 1% most expensive claims still accounted for 30% of the total claims cost.

'This observation concerning the top 1% most expensive claims is relevant in a fleet perspective. For instance, within 4-5 years a fleet of 100 vessels will typically have about 100 claims, but only one of the top 1% will be among them. For smaller fleets, there may be none. This means that a typical five-year fleet statistic will often not reveal the inherent risk of major losses occurring. This knowledge is useful to remember when assessing a risk based on fleet statistics', Hammer concludes.

Change of owner and flag

A new analysis by Cefor's Statistics Forum reveals that vessels with a change of ownership or flag during their lifetime have a higher claims frequency than those without. 'There could be several explanations for this, and vessel management is certainly one. Furthermore, the tendency for the outgoing technical manager to remove maintenance and service records from a vessel that changes ownership increases the risk of insurance claims. We have previously called for a change of rules to require that these records remain with the vessel and are further convinced this would mitigate some of the claims we are experiencing', says Helle Hammer.

The 2017 Annual Report and claims statistics are available from the Cefor website: www.cefor.no

About NoMIS

Since 1985, leading members of Cefor have compiled and analysed statistical information relevant to their hull & machinery insurance portfolio. The Nordic Marine Insurance Statistics database comprised more than 430,000 vessel years and 95,000 claims by the end of 2017.



Elections to the Board of Directors

The Association's Annual General Meeting elected today Svein Buvik, Chief External Affairs Officer of Gard, as Chair of the Cefor Board of Directors. Buvik has been the Acting Chair since January 2018, succeeding Anne Systad, formerly of Codan Marine, who stepped down from the Board at the end of last year. Director Jan Linnell of Alandia Insurance was elected Deputy Chair and re-elected to the Board.

Lone Scheuer Larsen, Nordic Director Marine Hull of Codan Forsikring, and Tom Blix, Vice President Underwriting H&M of Skuld Marine Agency, were elected new members of the Board. Arne Gangdal, Head of Marine Practice at Gjensidige, was re-elected to the Board.

Following these elections, the Board comprises the following members as per 5 April 2018:

Svein Buvik, Gard, Chair

Jan Linnell, Alandia Insurance, Deputy Chair

Tom Blix, Skuld Marine Agency

Anna Erlandsen, Norwegian Hull Club

Arne Gangdal, Gjensidige

Jonny Gangstad, If

Anders Hovelsrud, Den Norske Krigsforsikring for Skib (DNK)

Lone Scheuer Larsen, Codan Forsikring

Tord Nilsson, The Swedish Club

For more information, please contact: *Helle Hammer, Managing Director*

Dir. phone: +47 23 08 65 57 Mobile: +47 948 35 951

helle.hammer@cefor.no

About Cefor:

The Nordic Association of Marine Insurers (Cefor) is a trade association for marine insurers in the Nordic countries. Our objective is to further enhance the lead Nordic hull market and promote the members' common interest on key issues for the marine insurance industry.