



European Commission, DG TREN
 Att.: Director Fotis Karamitsos
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 Belgium

13 October 2009

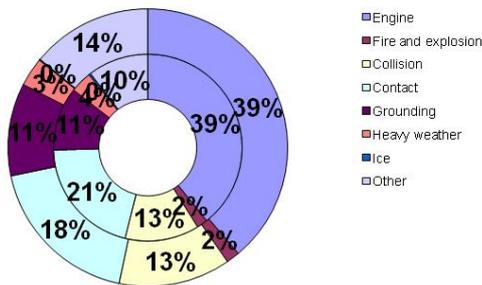
DIRECTIVE 2005/33/EC RE. SULPHUR CONTENT OF MARINE FUELS

It has come to our attention that the EU Commission and EMSA has called a stakeholders meeting on 15 October in order to discuss technical issues and risks associated with the implementation of EC Directive 2005/33. Cefor would like to express our concerns and recommendation in this respect as an input to your discussions.

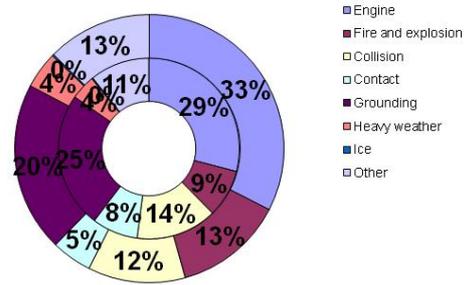
Cefor is a Nordic marine insurance association, representing our members' common interests in key issues for the marine insurance industry. We are, individually and as an industry, involved in various loss prevention schemes to avoid risks endangering life at sea and the marine environment. The enforcement of a new regulation on sulphur content of marine fuels without sufficient time for necessary boiler modifications is one such risk.

Engine related claims are today the single most common reason for incidents in the marine industry as demonstrated by our most recent statistics below. This is of great concern to marine insurers.

Numbers (%)
 by date of loss
 Inner ring: 2004-2008
 Outer ring: 2008



Costs (%)
 by date of loss
 Inner ring: 2004-2008
 Outer ring: 2008



In assessing risks, underwriters rely heavily on the technical advice given by classification societies. We have noted that Det Norske Veritas (DNV) has made a clear statement confirming that switching from heavy fuel oil to marine gas oil in existing boilers does represent a safety risk and may even cause boilers to explode.



On the basis of the expert advice from DNV and concerns also expressed by other industry stakeholders, we strongly recommend that the EU Commission allow for a longer phase-in period (preferably an additional 12 months) beyond the due date 1 January 2010 to avoid unnecessary safety risks.

Yours sincerely,

Helle Hammer
Managing director