



Cefor

The Nordic Association of Marine Insurers

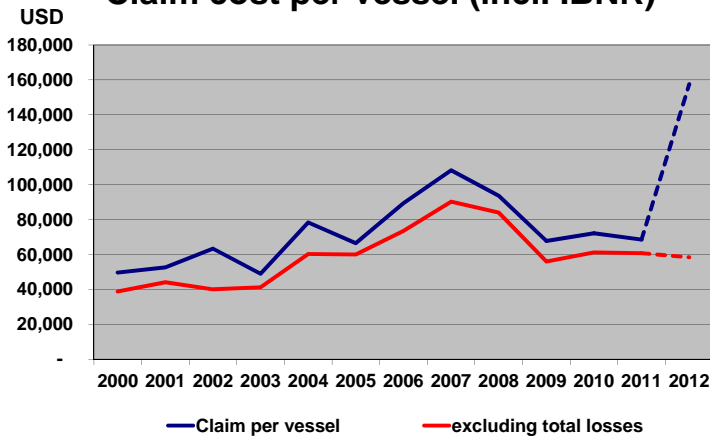
# Hull Claims Update 2012

per 30 June 2012, issued by the Cefor Statistics Forum

Portfolio: 173,780 registered vessel years / 9,339 vessels for uw year 2011 (with IMO-No.)

## 1 – Claim cost per vessel (Claim cost divided by number of insured vessels)

### Claim cost per vessel (incl. IBNR)



If not indicated otherwise, claims are grouped by date of loss (claims incurred in the respective calendar year).

### 2012 figures:

Claims for 2012 (cost, numbers) are as reported by 30 June 2012, but include an estimate of the total outstanding cost of these claims. Figures do not include an estimate of claims not yet incurred, but which may incur in second half of 2012. Accordingly, claims reported as of 30 June 2012 are related to portfolio figures for a half year (number of vessels, insured values).

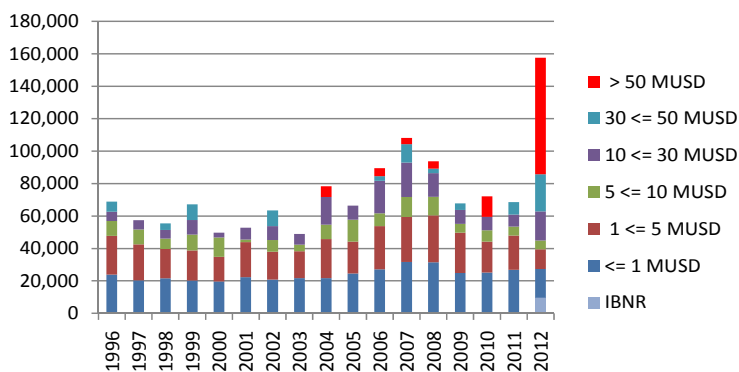
### Major claims:

Strong impact by 1st/2nd quarter major losses on 2012 results. As of June 2012, in addition to «Costa Concordia» four more claims were reported with a cost in excess of 30 MUSD (three groundings). Assuming that no further «Costa Concordia» event will incur, the 2012 claim cost per vessel is expected to decrease somewhat by the end of 2012.

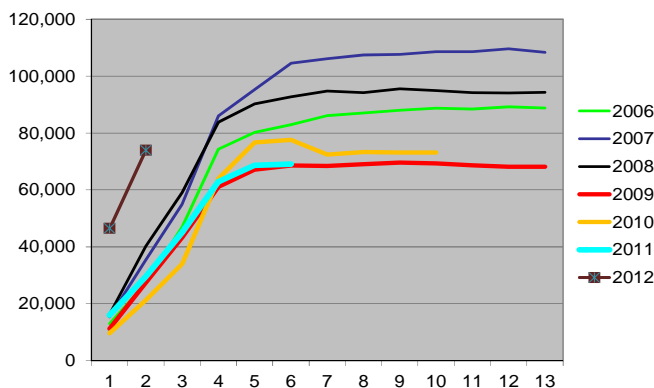
### Average repair cost:

Excluding total losses, the average repair cost per vessel stays in 2012 at the same level as in previous years. In all, the years 2009-2012 show a stable level of average repair cost, with results for 2011 somewhat improved after some downgrading of outstanding loss reserves.

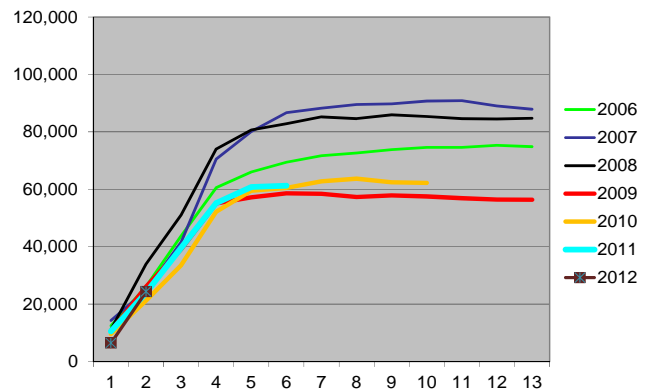
### USD Claim per vessel - claims layers



### Claim cost per vessel (all claims) - accumulated quarterly development



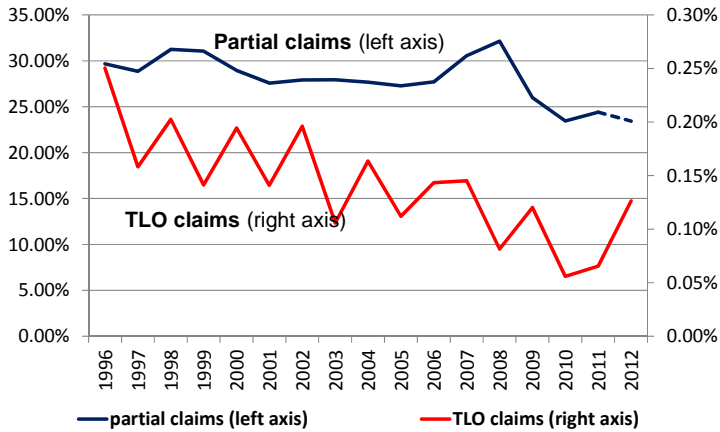
### Claim per vessel (excl. total losses) - accumulated quarterly development



All figures reflect 100% of the included vessels. Note that the 2012 figures include the unprecedented cost of the «Costa Concordia» accident, of which only a minor share is covered in the Nordic market.

## 2 – Claim frequency (Number of claims divided by number of insured vessels)

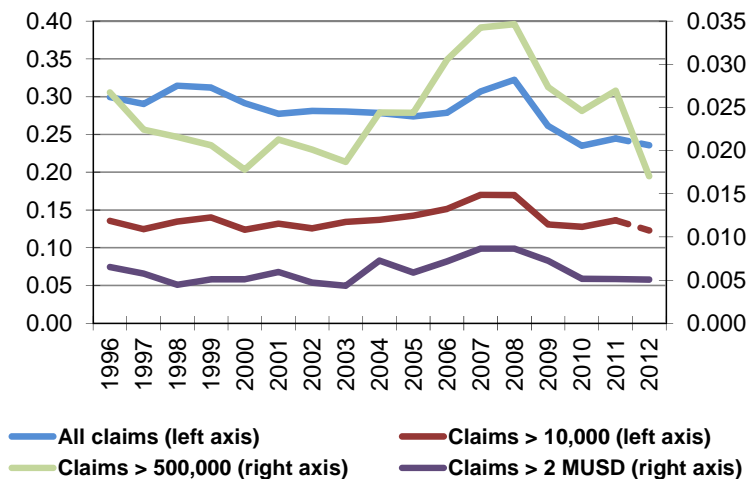
### Claim frequency - partial and total losses



After a peak year in 2008, the overall claim frequency is back to average levels, but 2012 shows a new increase in the frequency of total losses.

As of 30 June 2012, the first half year alone already brought already six total losses, as opposed to six total losses incurred in the whole year 2011 and five in 2010.

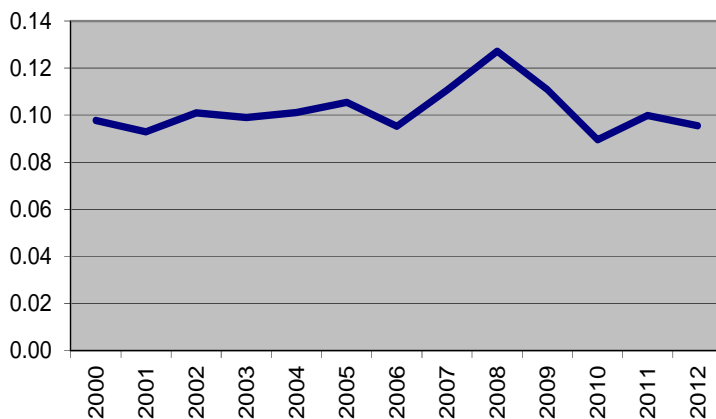
### Claims frequency - Claims excess a certain level



Claim frequency for most categories at average level, with the exception of major losses.

In the first half year of 2012, five losses exceeding 30 MUSD were reported, as opposed to only two such losses in the whole year 2011 and 2010 respectively.

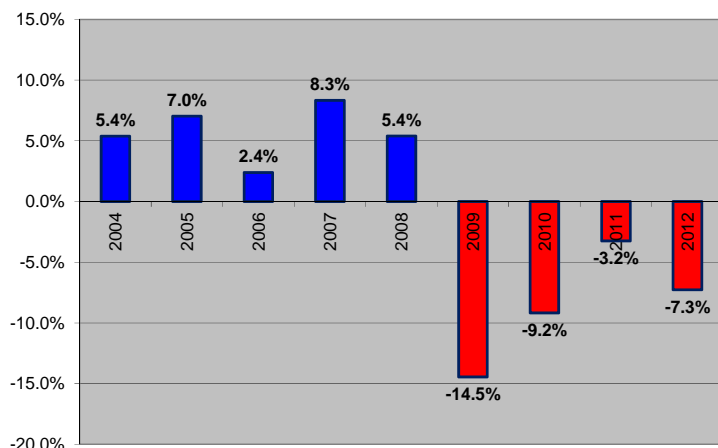
### Claim frequency - as reported as of 2nd quarter of each year



The 2012 Claim frequency as reported of 2nd quarter is at average level.

### 3 – Sum Insured development and Claim per Sum Insured (Claim cost divided by insured values)

Average annual change in insured values  
on renewed vessels

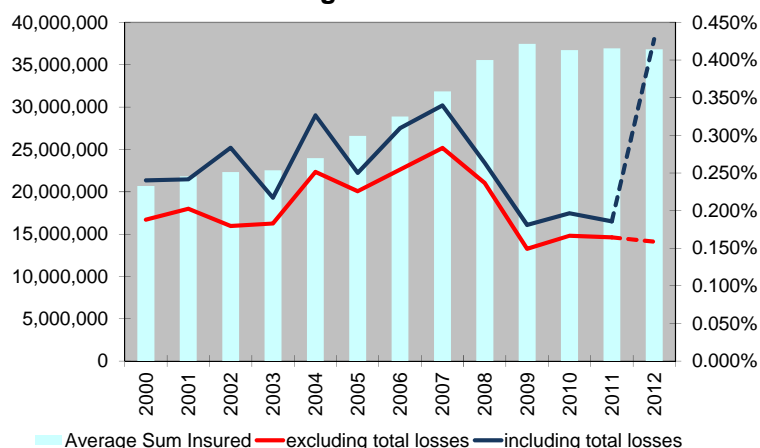


Since 4Q 2008, on renewal there was a substantial drop in insured values, with a certain stabilization at lower levels in 2011.

The first half year of 2012 showed a further decrease of the insured values on renewal, with on average 7.3% reduced values, as compared to the previous insured period for the same vessels.

The average sum insured for the whole portfolio (next graph) was stable in recent years, as the drop in insured values on renewed vessels was compensated by the inflow of newer and more expensive vessels.

Claim per Sum Insured  
& Average Sum Insured

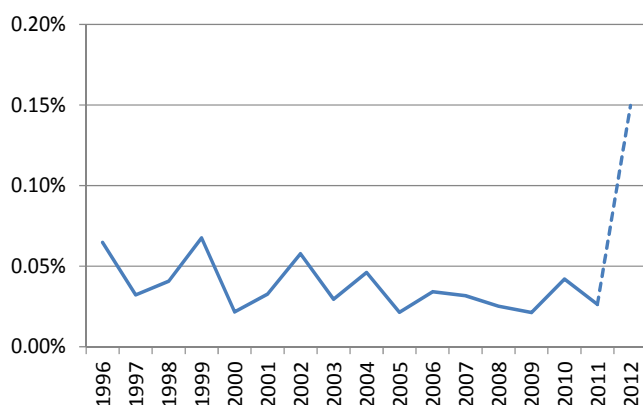


The claim cost per total insured value kept stable in the last years, and also stays stable in 2012 for «normal» repair cost claims.

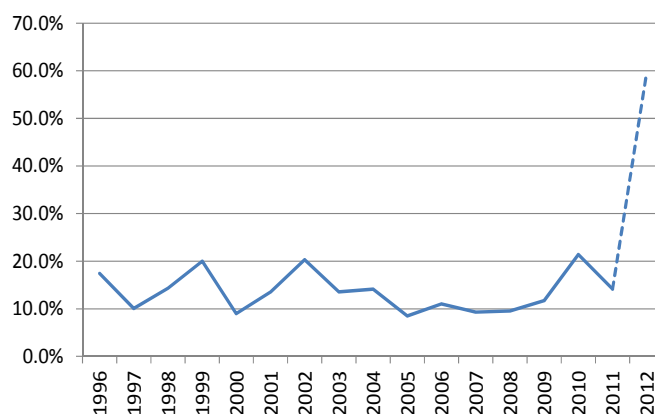
Contrary to that, including total losses, this trend is totally reversed in the first half of 2012. Here the effect of the major losses incurred in the first half of 2012 leads to a strong increase in the total claim cost compared to the total insured value.

Below graphs illustrate the impact of the three major claims each year, compared to the insured value and the total claim cost. This relation was quite stable until 2011, but reaches an unprecedented height in 2012.

Cost of maximum three claims  
in % of total insured value



Cost of maximum three claims  
in % of total claim cost

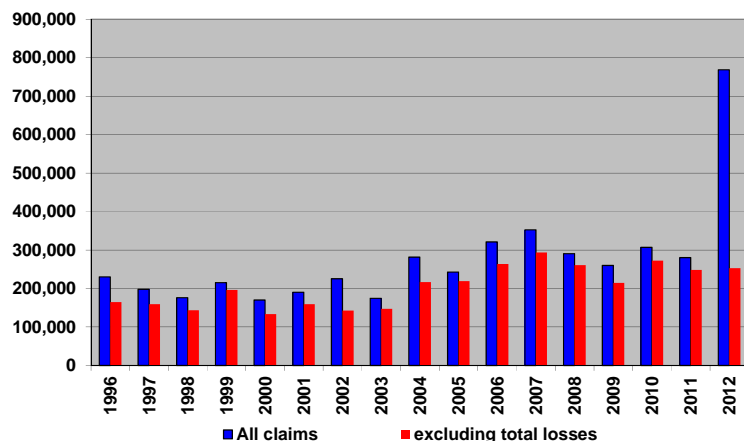


All figures reflect 100% of the included vessels. Note that the 2012 figures include the unprecedented cost of the «Costa Concordia» accident, of which only a minor share is covered in the Nordic market.

## 4 – Average individual claim cost (Claim cost divided by number of claims)

All figures reflect 100% of the included vessels. Note that the 2012 figures include the unprecedented cost of the «Costa Concordia» accident, of which only a minor share is covered in the Nordic market.

Average claim cost per individual claim (USD)

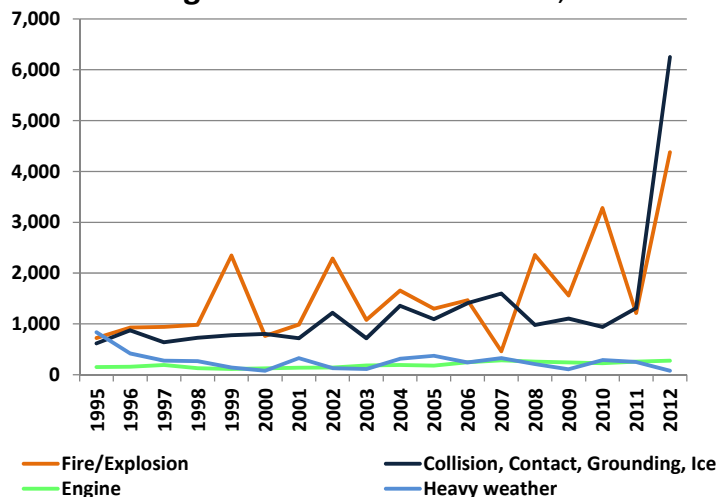


The average repair cost stays stable, but major losses have strong impact in the first half of 2012.

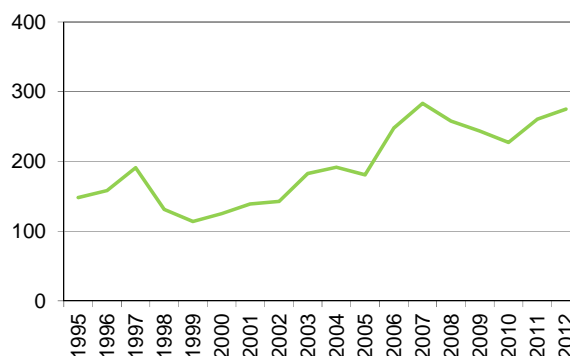
The average cost of nautical-related claims, especially groundings, rises in the 1st half of 2012 to unprecedented levels, with a similar trend for fire/explosion claims.

Machinery claims showed in recent years a relative stable trend towards more expensive claims, which also continues in 2012.

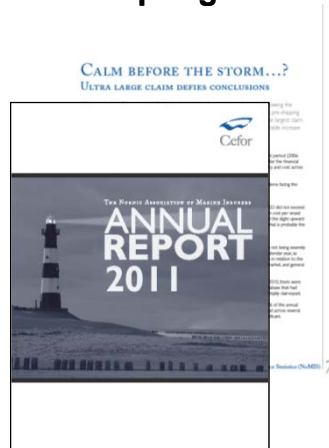
Average claim amount in USD 1,000



Average claim amount - machinery claims in USD 1,000



**Check also: Claims trends from the Nordic Marine Insurance Statistics (NoMIS) database, issued spring 2012:**



← Cefor Annual Report 2011, p.8-19

The 2011 Cefor NoMIS Reports for Ocean and Coastal Hull business →

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