



Cefor

THE 2015 CEFOR NOMIS OCEAN HULL REPORT

(VESSELS WITH REGISTERED IMO NUMBER)

Nordic Marine Insurance Statistics as of 31 December 2015

DATA INCLUDED IN THE OCEAN HULL REPORT

- Underwriting years 1996-2015
- Vessels with a registered IMO-number.

(For statistics on small coastal tonnage, see «The 2015 Cefor NoMIS COASTAL Hull report»)

- If not indicated otherwise on the slide, figures are presented
 - on accident year basis (claims allocated to the calendar year in which the claim occurred).
 - as reported by 31 December 2015 (i.e. without IBNR loading for claims not yet registered or incurred by this date).

2015 NOMIS – OCEAN HULL – PART 1

AS OF 31 DECEMBER 2015

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Cefor hull insurance market 2015/ Cefor share of World fleet
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Legal disclaimer Cefor provides the statistics material in this presentation for general information purposes only. All key figures are derived from the Cefor portfolio, which reflects a minor part of the world fleet, the selection of ships being biased by Nordic underwriting preferences. Therefore Cefor can accept no responsibility and shall not be liable for any loss which may arise from reliance upon the information provided.

With reference to **Commission Regulation (EU) No 267/2010 of 24 March 2010** (EU Block Exemption), it is further stressed that the statistical data presented in this publication is non-binding in its character.

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The **Nordic Marine Insurance Statistics (NoMIS)** is a joint database project of Cefor members active in the Hull & Machinery market to compile insurance data and vessel characteristics for statistical purposes, administered by Cefor.

From its foundation in 1985 until 1997, the data was compiled by appointing Cefor a facultative reinsurer to which members of the Norwegian Hull Agreement ceded 0.1% of their H&M insurance. Premium and claims information was exchanged via Boderaux, the lead insurer providing details of each claim.

In 1996, the hull agreement was discontinued, but the statistics cooperation continued.

In 1998, steps were taken to update the NoMIS' database electronically instead of manually. From December 1999, Cefor could produce up-to-date hull figures on a monthly basis. The database was extended the database substantially by including non-lead business.

From 2000, also business back to underwriting year 1995 was updated electronically. In the following years, several new major Cefor members joined the NoMIS cooperation, reporting retrospective data from 1995 underwriting year.

In 2009, data from Gjensidige and Tryg was integrated, dating back to underwriting years 2000 and 2003 respectively.

In 2012, data from Alandia was integrated, dating back to underwriting year 2005. Further, If extended their scope of reporting to include all Nordic business.

Recently, the reporting format was modernized and the database migrated to a new technical platform.

By 31st December 2015, in all 220,458 vessel years (vessels with IMO-number) and 66,899 claims were registered on underwriting years 1985 through 2015.

The NoMIS statistics in this report comprise data from the following marine insurers: Alandia, Bluewater (until 2008), Codan, Gjensidige, If, Gard, NEMI (until 2009), Norwegian Hull Club, The Swedish Club, Tryg (until 2009), Zurich (until 2002).

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All amounts are presented in USD.

Rate of exchange applicable to convert the figures from the original currencies into USD:

Insured values: av. rate of exchange of the month the insurance coverage gets into force

Paid claims: av. rate of exchange of the month of the payment transaction

Outstanding claims: av. rate of exchange of December 2015

Underwriting year = year in which the insurance policy attaches

All claims are net of any applicable deductibles.

Total Claims = Paid claims + Outstanding claims

TLO (total losses) = claims in excess of 75% of the Sum Insured

Partial Losses = all claims \leq 75% of the Sum Insured

IBNR ("Incurred but not reported") = reserve for claims adjustments and registration backlog

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Types of vessels specified

<u>Vessel Type group</u>	<u>Vessels Types included</u>	<u>Lloyd's List Intelligence Code</u>
BULK	Bulk, Ore, Cement	BAC, BBU, BCB, BCE, BOR, BWC
CAR/RORO	Car Carrier, RoRo	MVE, URC, URR
CARGO	Dry Cargo, General Cargo, Reefers, Pallett Vessels, Animal Transport Vessels	GCT, GGC, GPC, GRF, MLV
CHEM./PRODUCT	Chemical Carriers, Product / Acid / Edible Oil / Fish Oil / Fruit Juice / Wine / Molasses / Waste/ Water Tankers	TAC, TCH, TCO, TEO, TFJ, TFO TMO, TPD, TWA, TWN, TWT
CONTAINER	Container	UCC, UCR
FISHING	Fishing vessels	FFC, FFF, FFP, FFS, FTR,FWF,FWH
LNG/LPG	Gas Carriers LNG, LPG, LNG/LPG	LBK, LCN, LNG, LPG, LNP
OBO	Combined Vessels Bulk, Ore, Oil	COO, CBO
OTHER	any other ships and floating units, any codes not specifically defined otherwise, like Barges, Cranes, Floating Storage, Floating Production, Pollution Control Vessels, Mud boat, Research vessels, Cable, Seismic Search vessel, Flo/Flo, etc.	

2015 NOMIS – OCEAN HULL – PART 1

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Types of vessels specified contd.

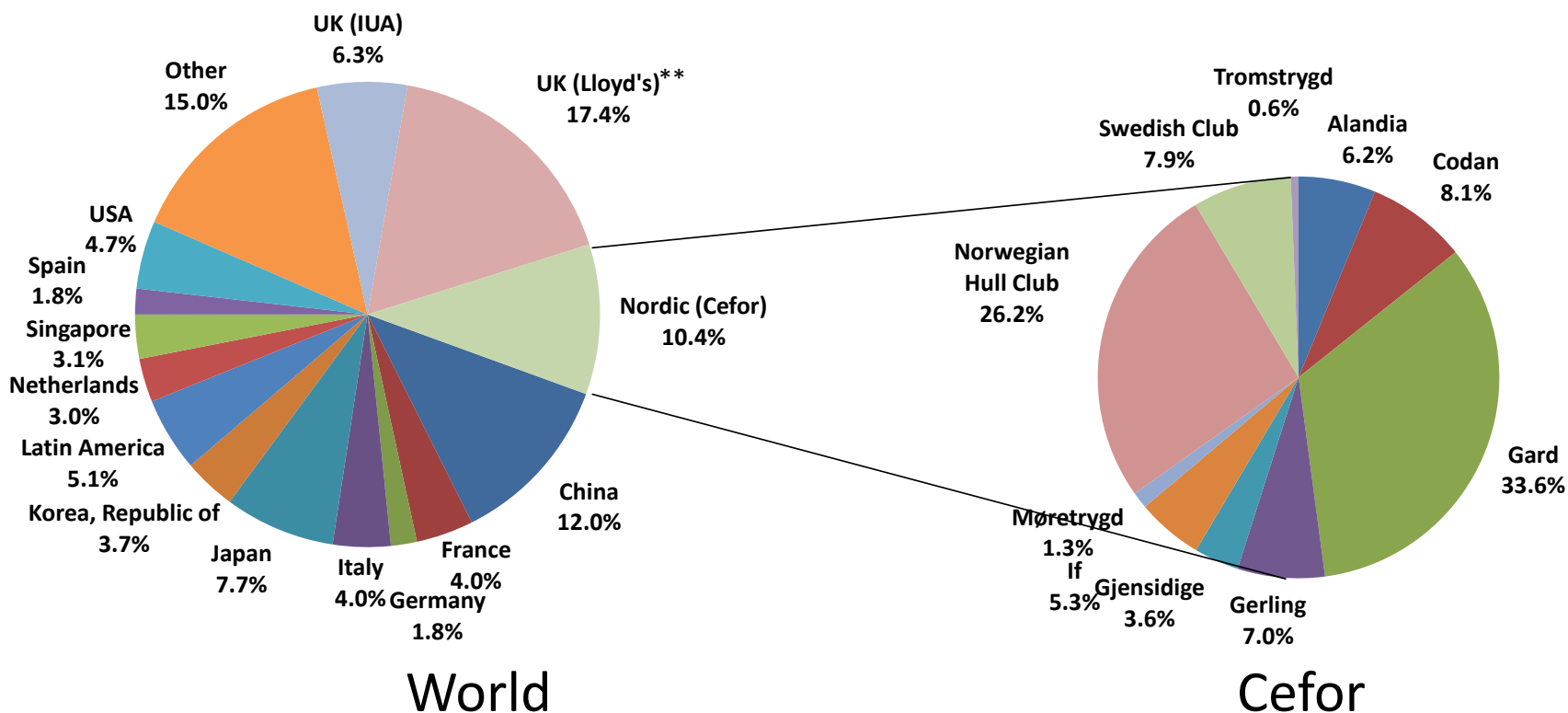
<u>Vessel Type group</u>	<u>Vessels included</u>	<u>Lloyd' List Intelligence Code</u>
PASSENGER	All types of passenger vessels and ferries, Passenger/Roro, Highspeed Craft	LOF, LOP, MPR, OFY, OHF, OHS, PRR, PZZ
SUPPL./OFF.	Supply, Anchorhandling, Standby, Drilling Vessel, General Service Vessel, Supply (Tug, Anchor), Tug/Icebreaker	OBS, OBT, ODS, OIB, OIF, OIS, OIT, OLT, OMN, OMT, OOS, OPP, ORP, OSU, OSY, OSZ, OWO, XAA, XAF, XAG, XAH, XAT, XCT, XFF, XFS, XFT, XPT, XTG, XTI, XTP, XTR, XTS, XTT, XTX
TANK	Tanker, Sludge Vessel, Crude Oil Tanker Asphalt Carriers, Bunkering Tanker, Naval Auxiliary	OSC, OTC, TAS, TBK, TCR, TNA, TRR, TTA, TUV

Excluded from the statistics in this report are the following offshore energy units:

LFP, LFR, LFS, LGP, LPS, TPD, TFP, TFS, YDP, YDS

2015 NOMIS – OCEAN HULL – PART 2

Distribution of Global Marine Hull* Premium 2014



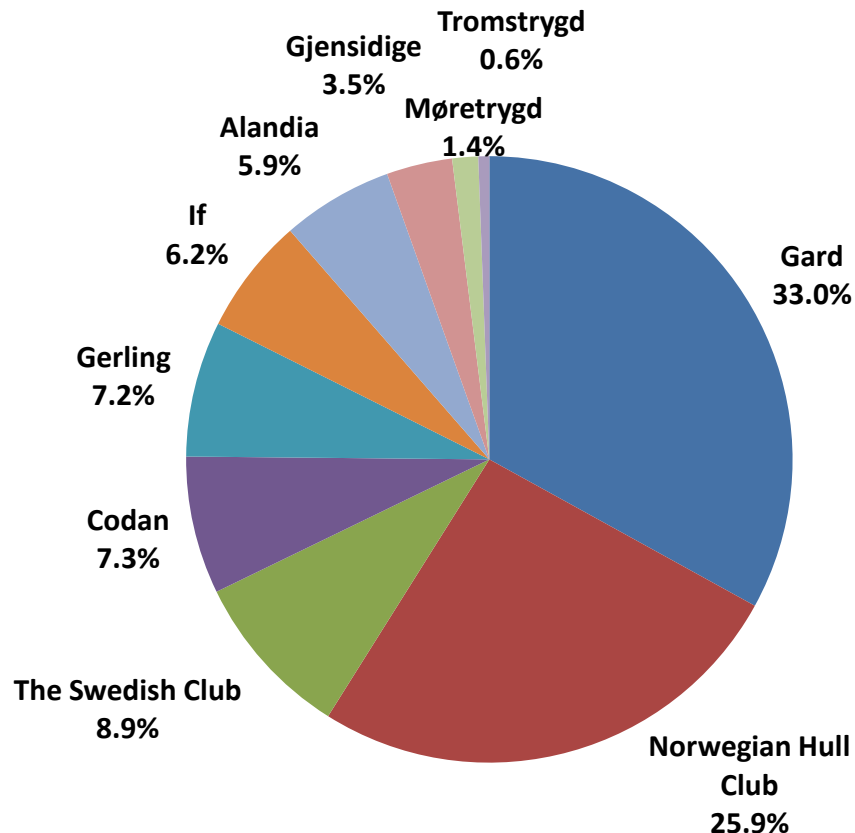
* The «hull» premium on this slide includes both ocean and coastal hull business for all hull-related insurance types (Hull, hull interest, freight interest, loss of hire, builder's risk, fishing (catch & gear)).

** Lloyd's premium includes proportional and facultative reinsurance. Other countries' premium includes only direct business.

2015 NOMIS – OCEAN HULL – PART 2 -

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Distribution of Cefor Marine Hull* Premium 2015



* The premium on this slide includes both ocean and coastal hull business for all hull-related insurance types (Hull, hull interest, freight interest, loss of hire, builder's risk, fishing (catch & gear)). **Source: Cefor Annual Report 2015**

All following statistics are pure Hull & Machinery statistics based on vessels with IMO-number only, and EXCLUDE loss of hire, hull/freight interest, builder's risk. For claims trends for small craft & fishing vessels check «The Cefor NoMIS COASTAL Hull report 2015»

2015 NOMIS – OCEAN HULL – PART 2

AS OF 31 DECEMBER 2015

Cefor market participation as % of World Fleet – IMO-number ships > 1,000 gross ton

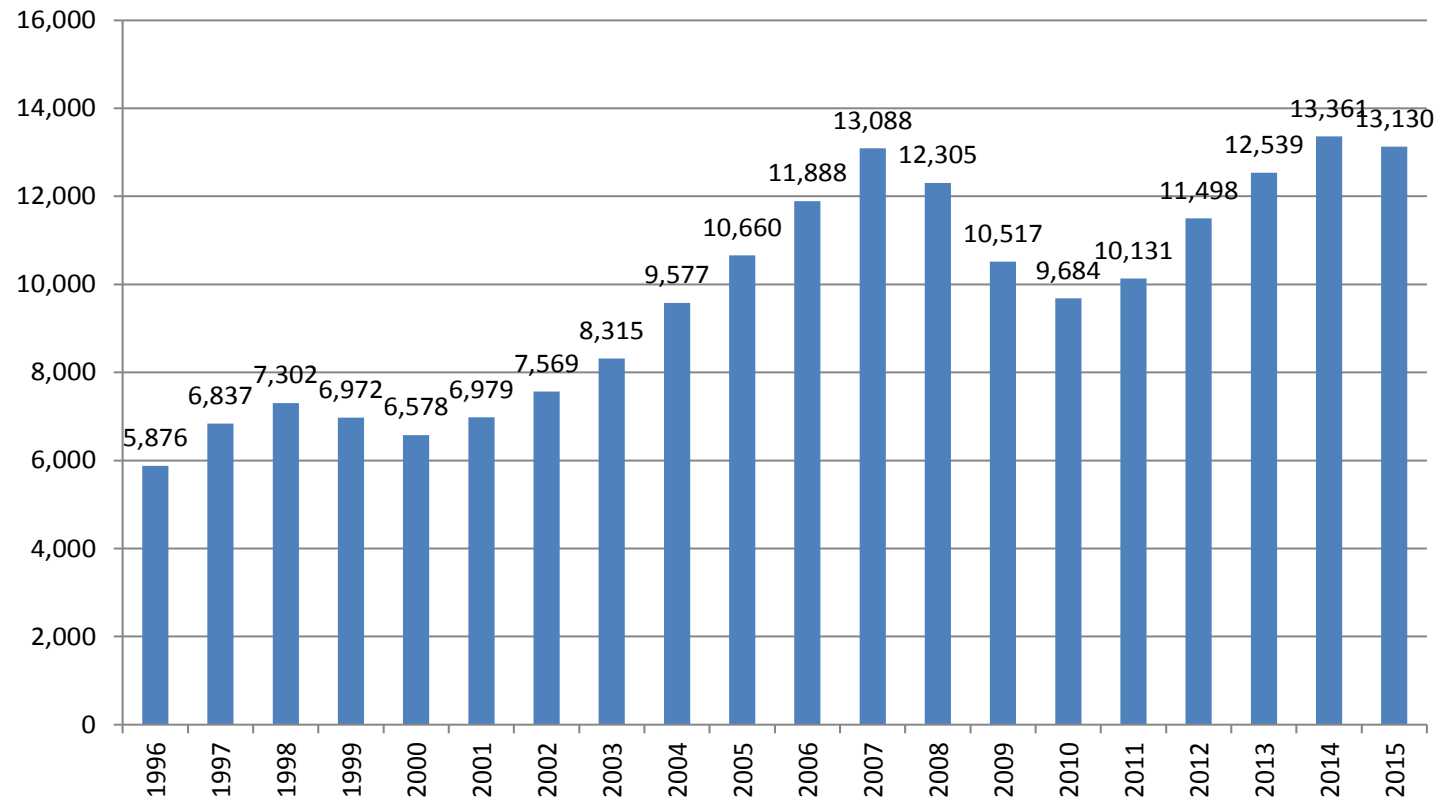
Year of Build	1000-3999	4000-6999	7000-10000	>10000	Grand Total
Cefor share 1)					
2010-2015	11%	24%	24%	41%	32%
2005-2009	13%	21%	33%	47%	34%
2000-2004	16%	26%	31%	55%	41%
1995-1999	14%	15%	23%	43%	29%
1990-1994	9%	11%	11%	27%	15%
1985-1989	5%	4%	13%	22%	9%
<1985 or unknown	3%	3%	3%	12%	4%
World fleet					
2010-2015	2752	1189	685	8172	12798
2005-2009	2995	1241	1159	6056	11451
2000-2004	1538	648	364	3710	6260
1995-1999	1640	842	380	2649	5511
1990-1994	1849	581	278	1116	3824
1985-1989	1936	500	165	694	3295
<1985 or unknown	7314	1546	518	1328	10706
Total Cefor share	8%	15%	23%	42%	25%
Total World fleet	20024	6547	3549	23725	53845

1) "Cefor share" calculated as the number of vessels partly or wholly covered by Cefor members in 2014/2015, divided by the total number of ships with registered IMO-number in the world fleet. World fleet count as according to Lloyd's List Intelligence "World Fleet Update" as of January 2016.

2015 NOMIS – OCEAN HULL – PART 3

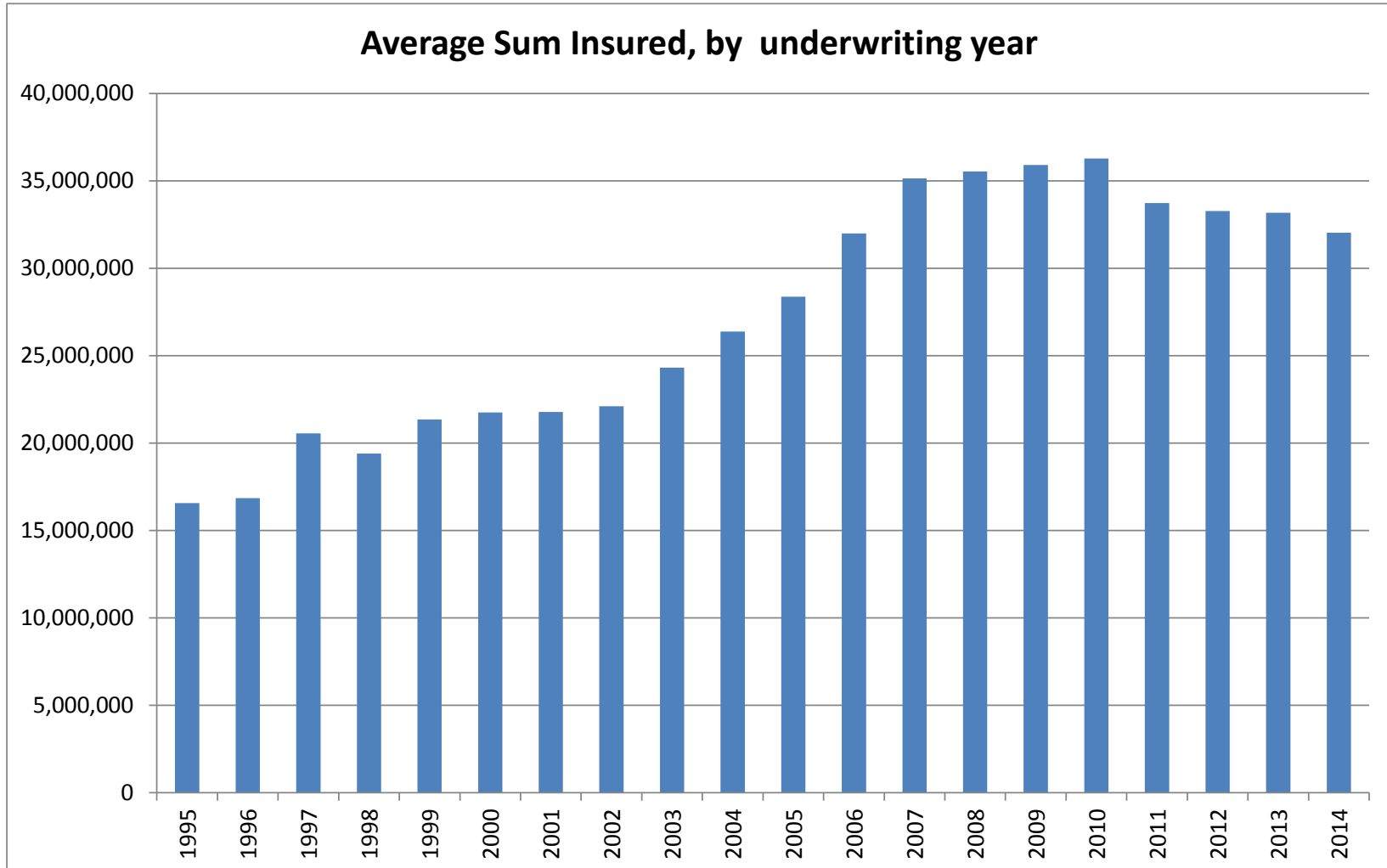
AS OF 31 DECEMBER 2015

**Number of vessels
by year of exposure**



2015 NOMIS – OCEAN HULL – PART 3

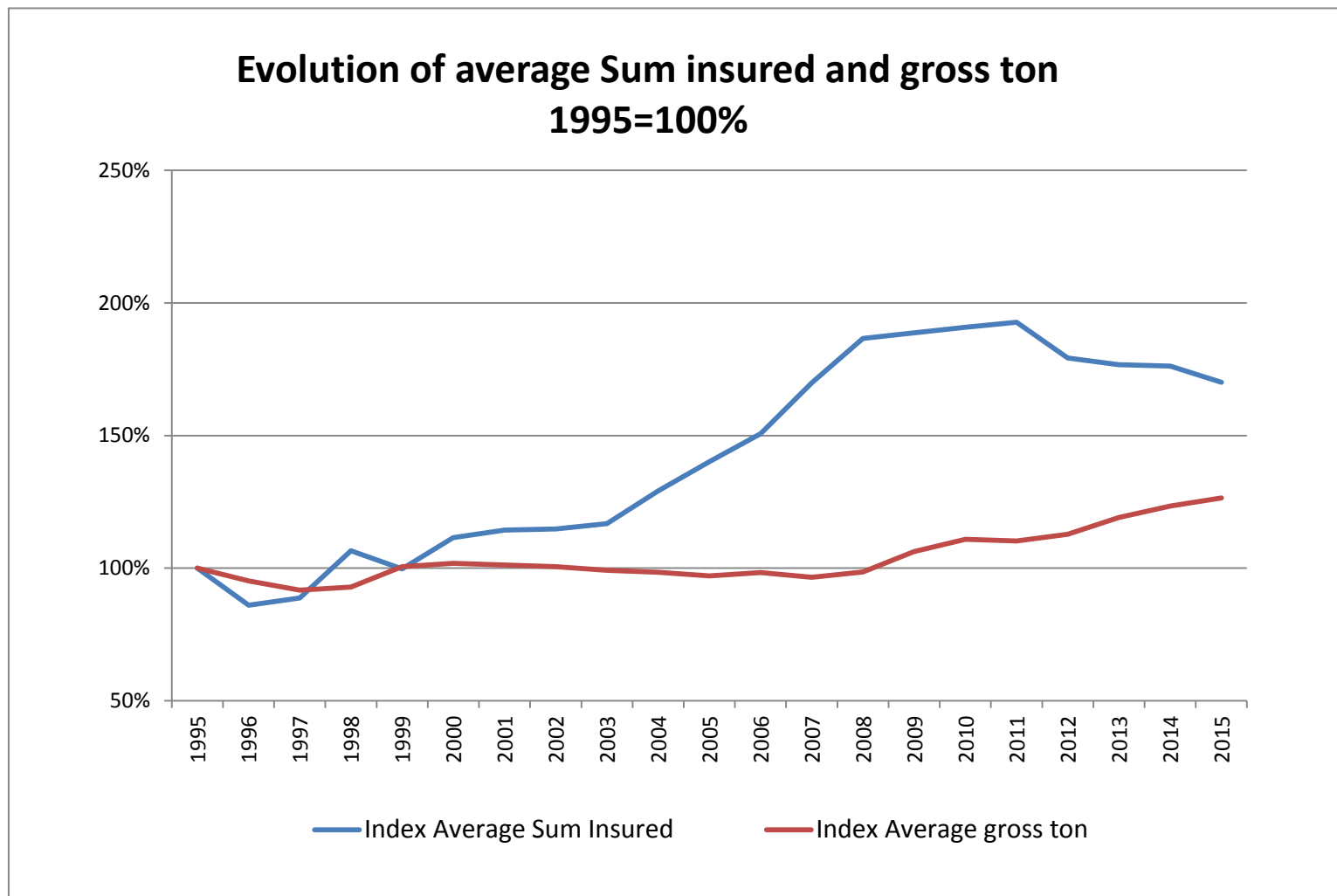
AS OF 31 DECEMBER 2015



Includes all insured vessels per underwriting year (renewed & new business).

2015 NOMIS – OCEAN HULL – PART 3

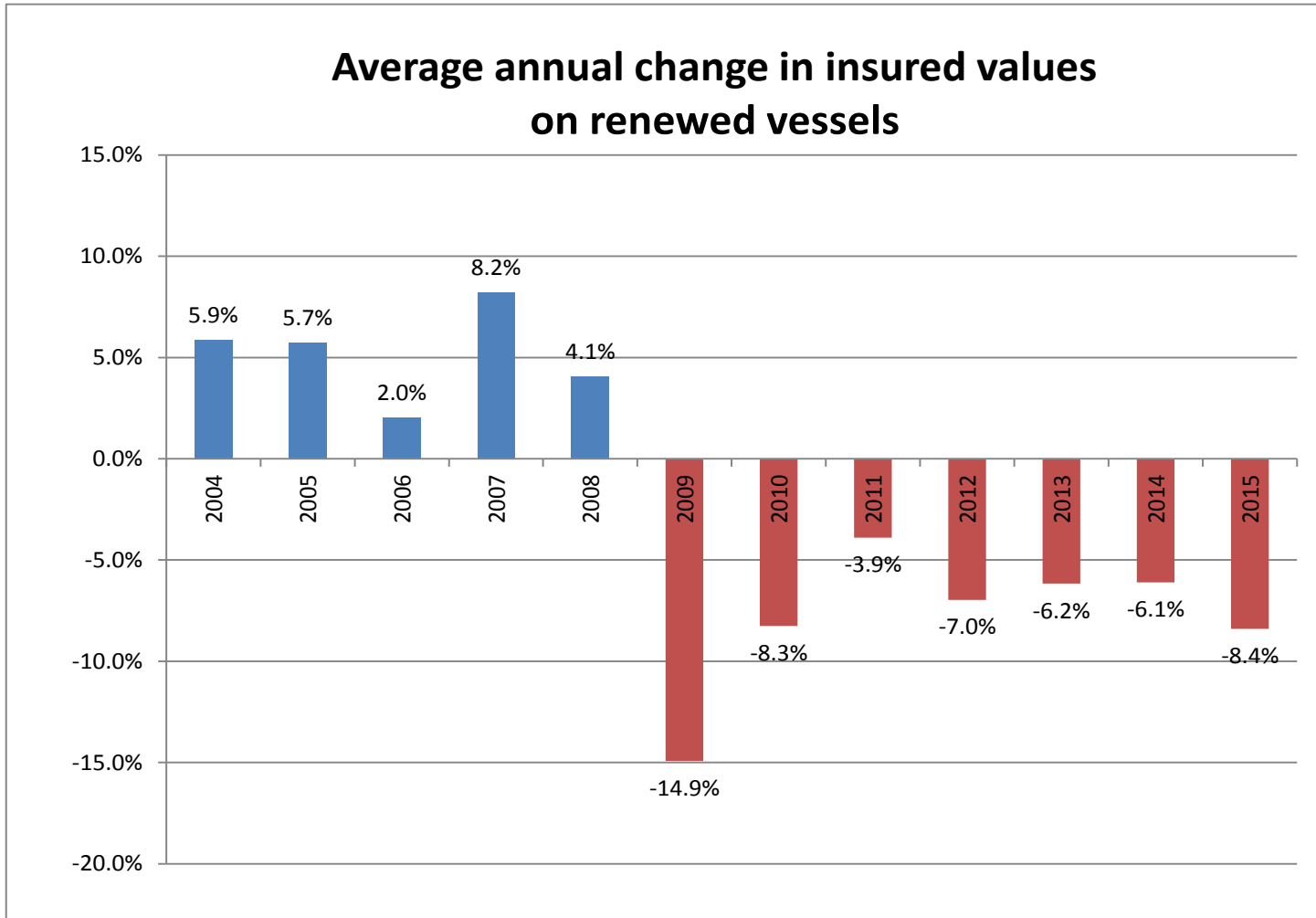
AS OF 31 DECEMBER 2015



Includes all insured vessels per underwriting year (renewed and new business).

2015 NOMIS – OCEAN HULL – PART 3

AS OF 31 DECEMBER 2015

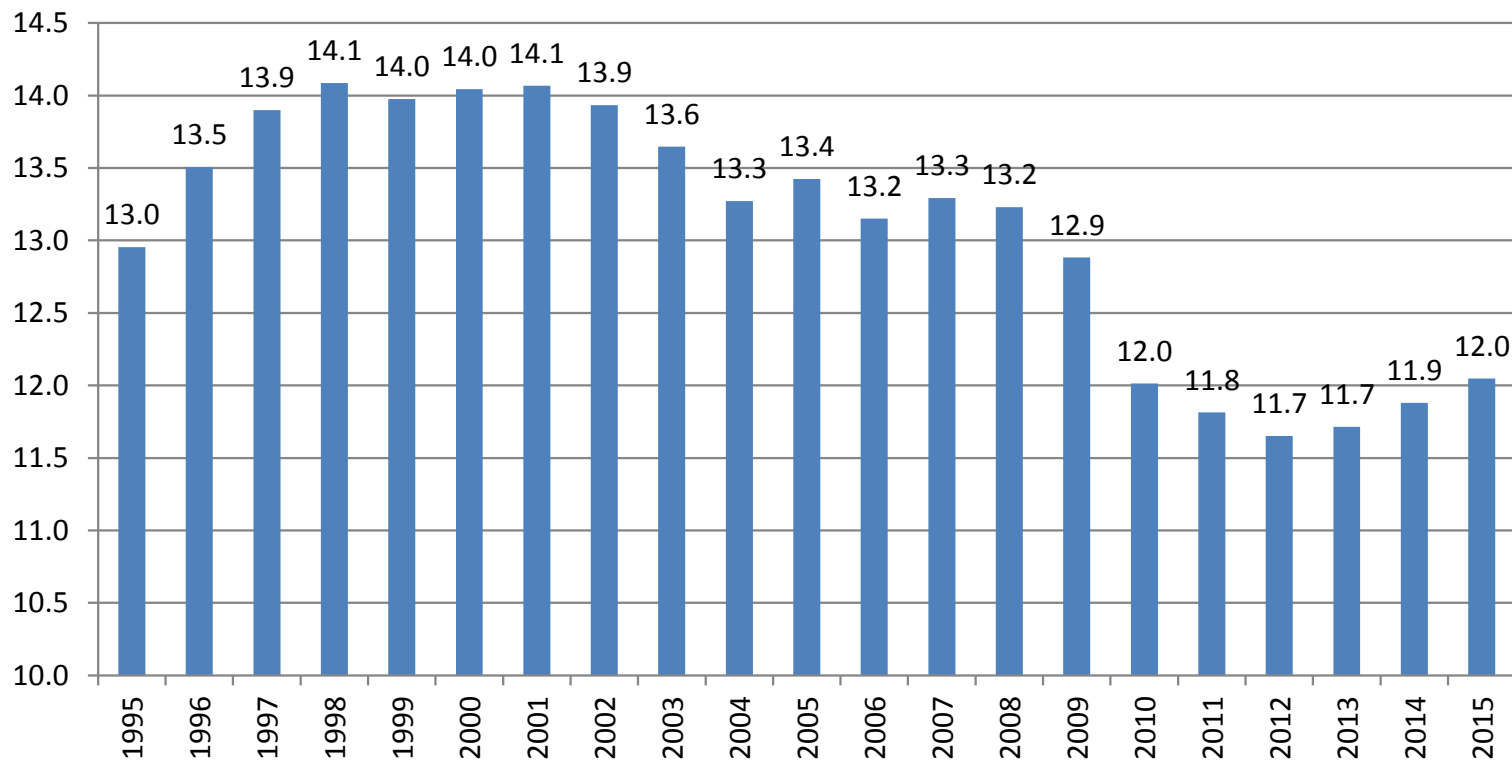


Based on renewals only in respective year – excluding new business. In stable market conditions, one would expect to see some reduction in the insured value on renewed vessels due to the aging factor.

2015 NOMIS – OCEAN HULL – PART 3

AS OF 31 DECEMBER 2015

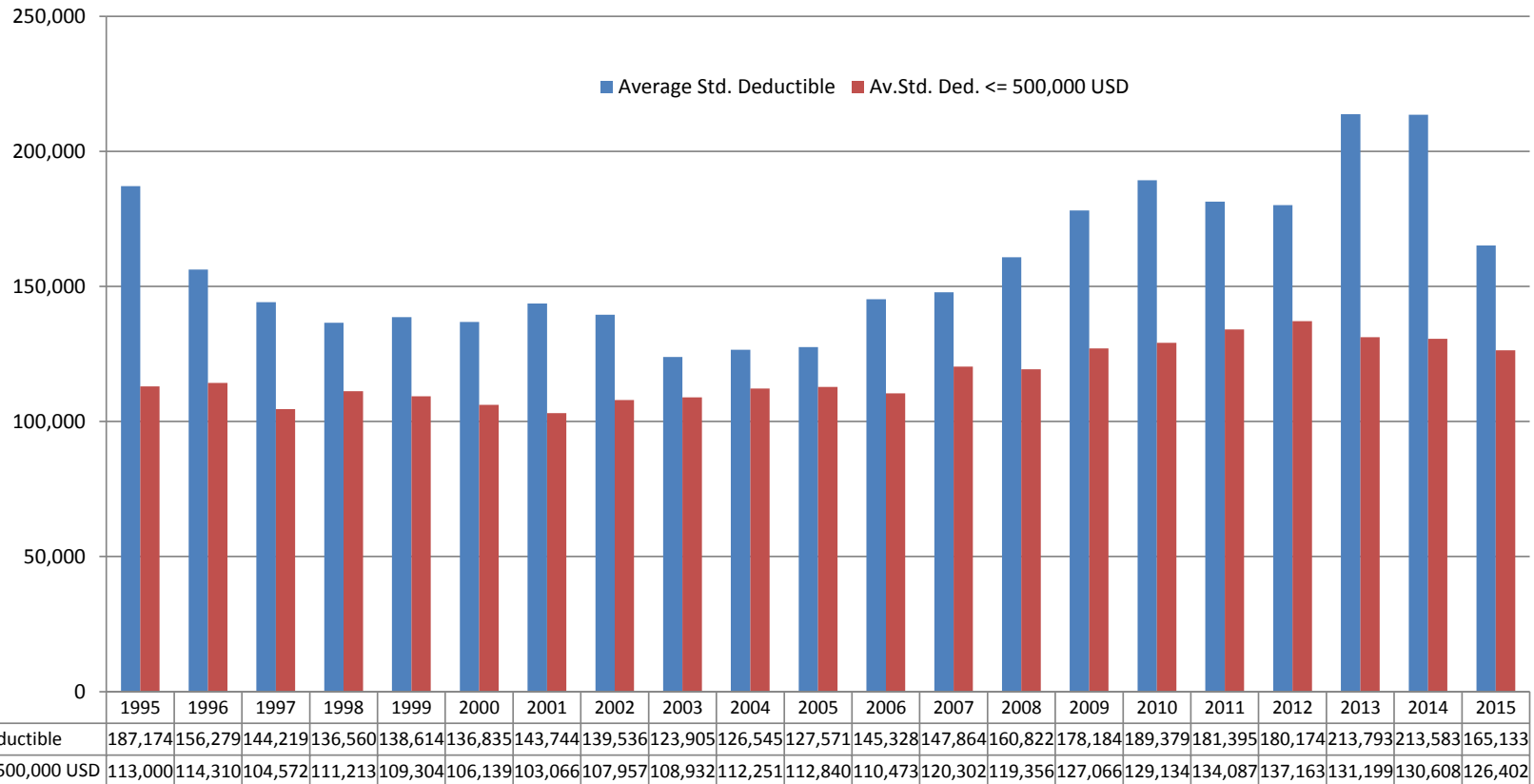
Average age



2015 NOMIS – OCEAN HULL – PART 3

AS OF 31 DECEMBER 2015

**Average Standard Deductible Development
All business, 100%, in USD**

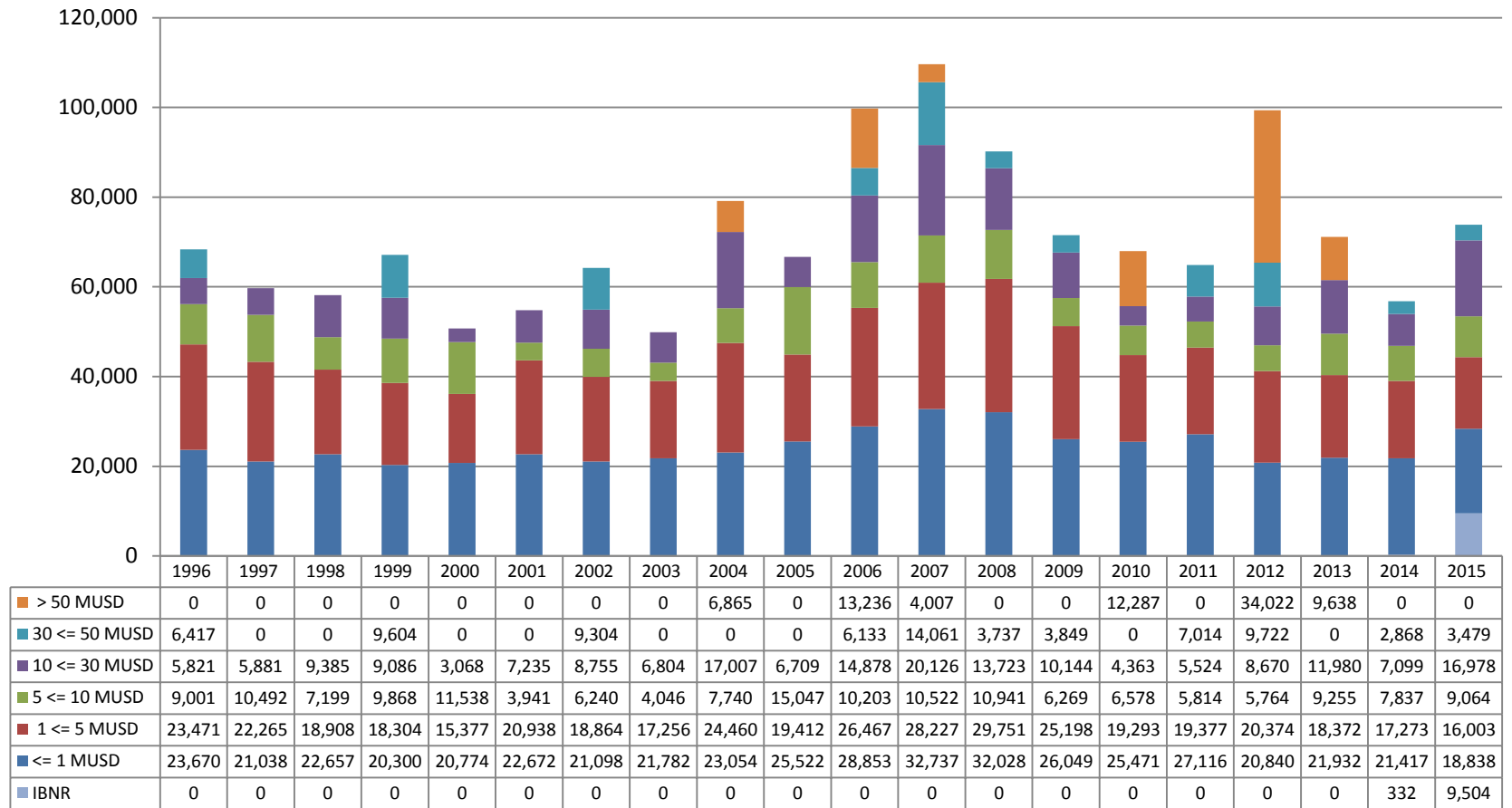


Includes all insured vessels per underwriting year (renewed and new business).

2015 NOMIS – OCEAN HULL – PART 3

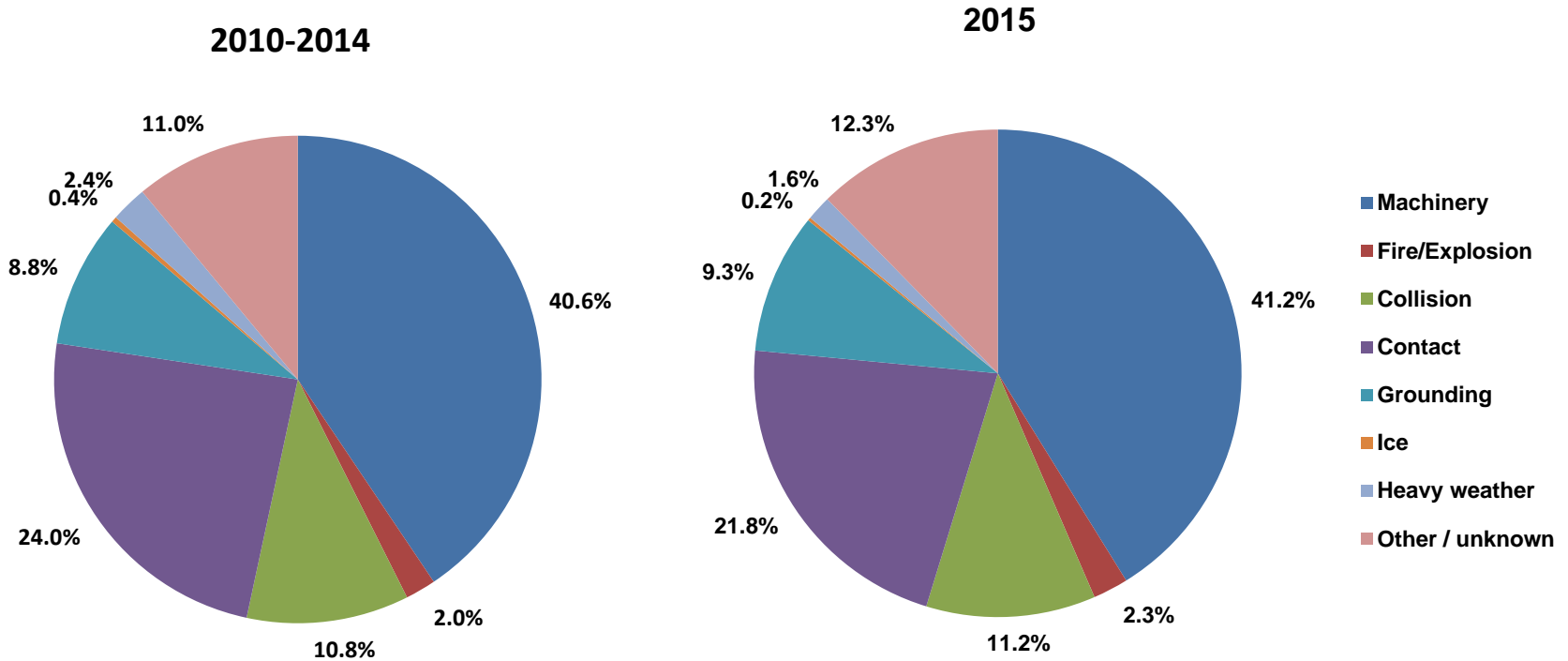
AS OF 31 DECEMBER 2015

USD Claim per vessel, by date of loss



2015 NOMIS – OCEAN HULL – PART 3

AS OF 31 DECEMBER 2015 – PAID & OUTSTANDING AS REPORTED, NO IBNR RESERVE ADDED



Total number of claims:

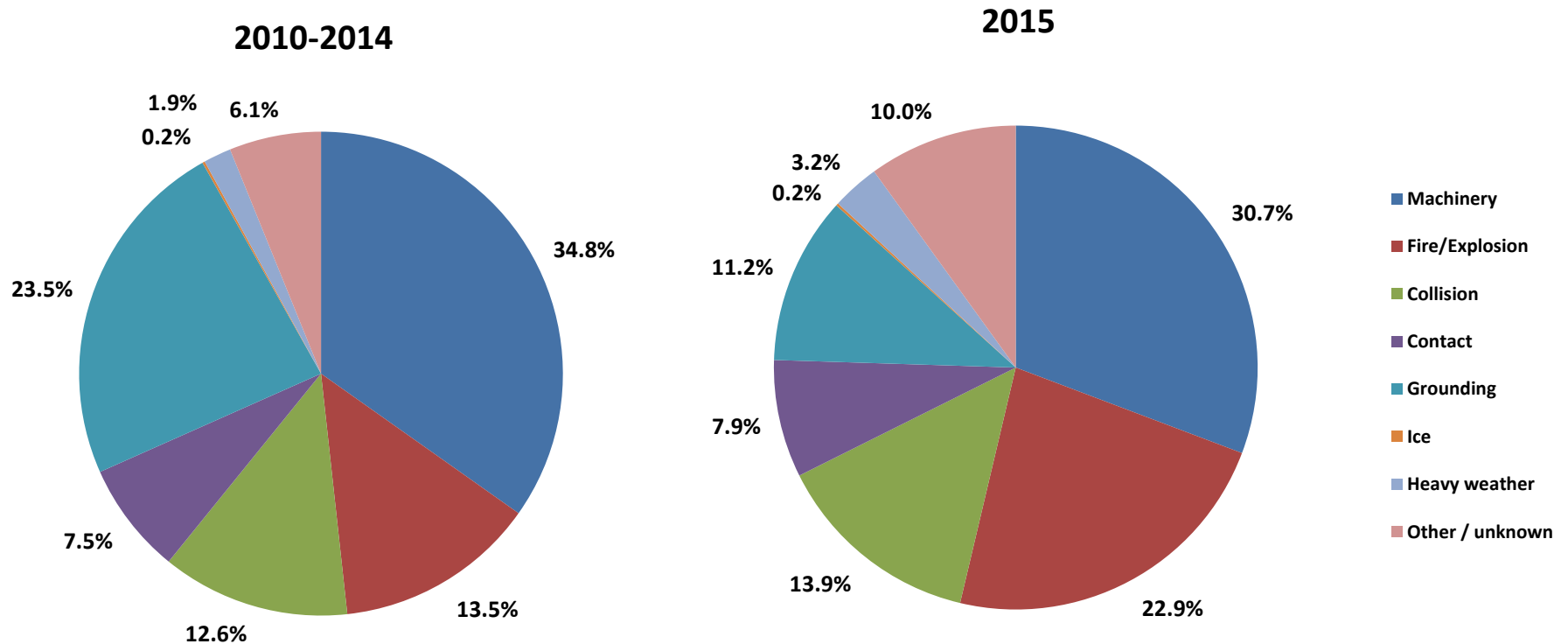
2010-2014: 14,727

2015: 2,910

2015 NOMIS – OCEAN HULL – PART 3

AS OF 31 DECEMBER 2015 – PAID & OUTSTANDING AS REPORTED, NO IBNR RESERVE ADDED

Distribution of claims cost by type of claim



Total cost of claims in USD million:

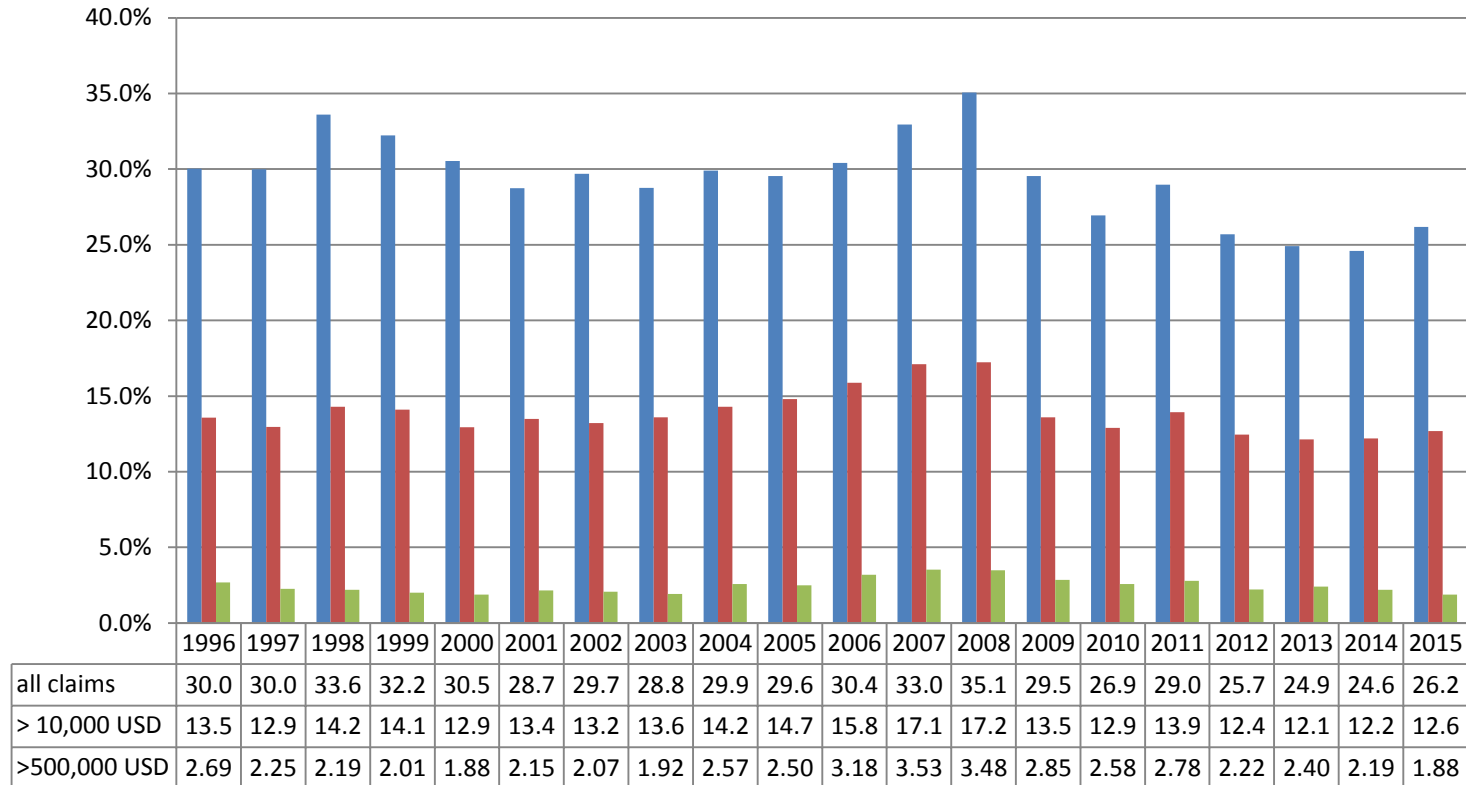
2010-2014: 4,105.5

2015: 845.1

2015 NOMIS – OCEAN HULL – PART 3

AS OF 31 DECEMBER 2015 – INCL. IBNR RESERVE FOR FREQUENCY OF PARTIAL CLAIMS

Claims frequency by date of loss (%)



Comment: Claims < 10.000 USD account for about half of all claims. Registration of these may vary over time and by company and will thus influence the registered frequency. In addition any increase/decrease of insurance deductibles will have impact on the registered frequency

2015 NOMIS – OCEAN HULL – PART 3

AS OF 31 DECEMBER 2015 – INCL. IBNR RESERVE FOR FREQUENCY OF PARTIAL CLAIMS

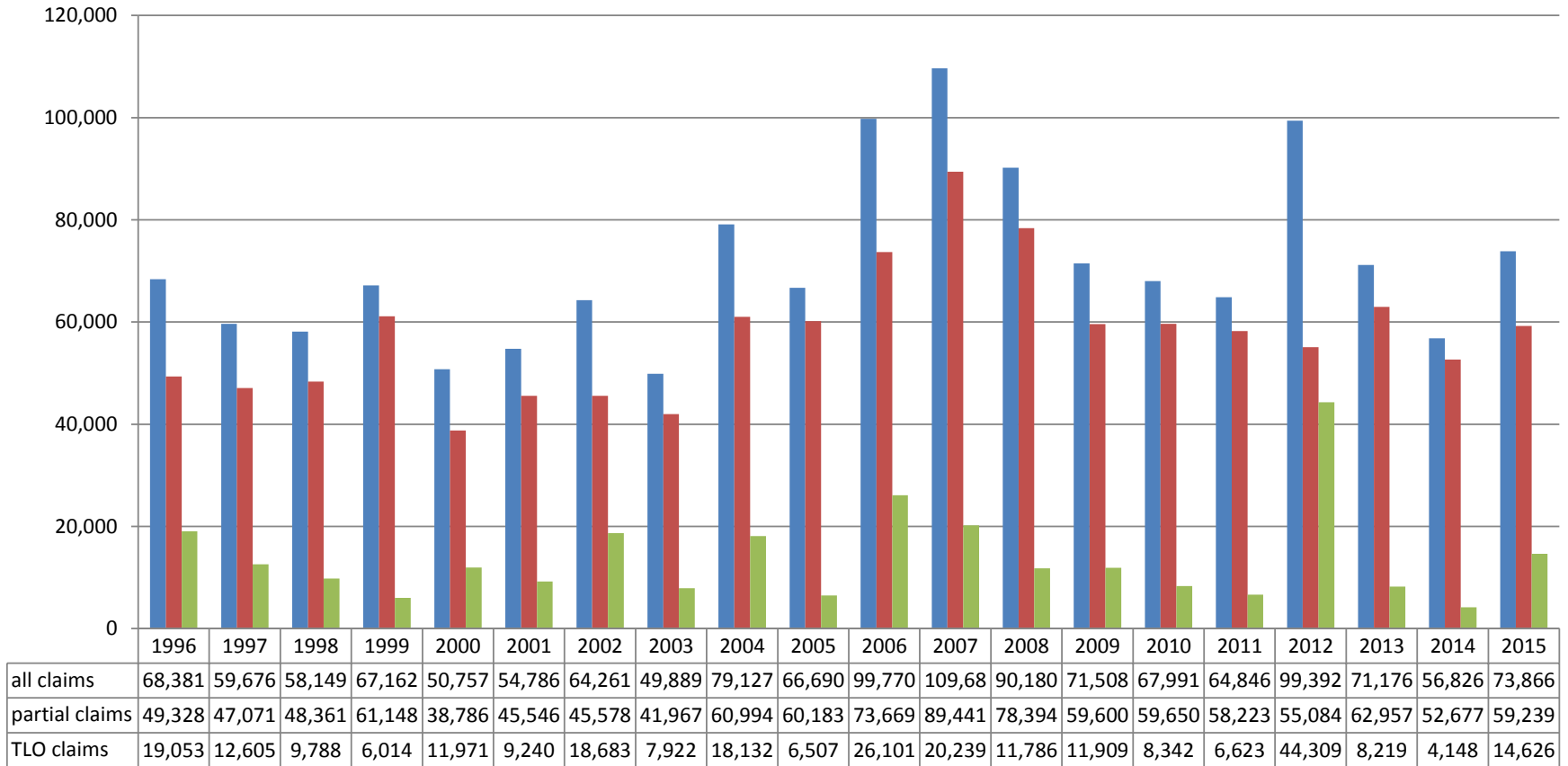
Claims frequency, by date of loss



2015 NOMIS – OCEAN HULL – PART 3

AS OF 31 DECEMBER 2015 – INCL. IBNR RESERVE FOR PARTIAL CLAIMS

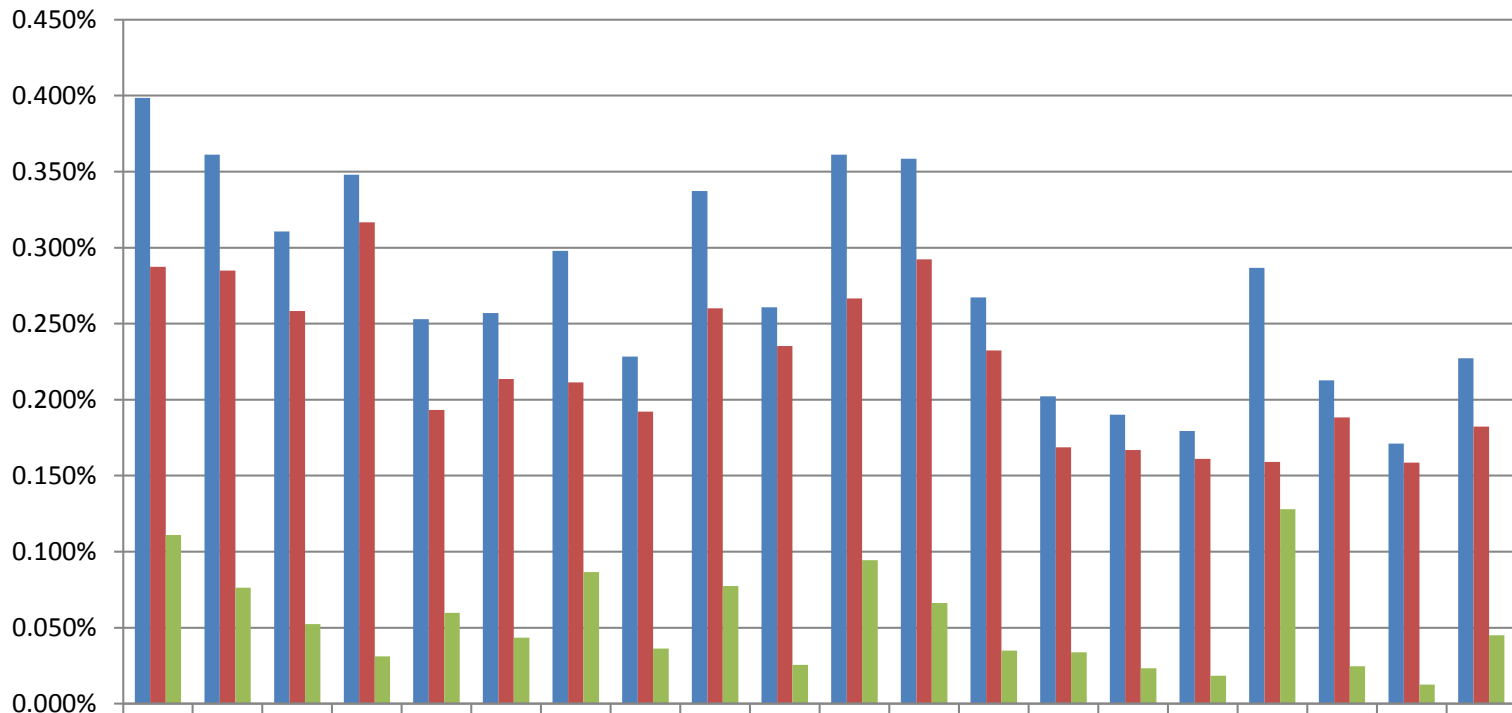
Claim per vessel by date of loss (USD)



2015 NOMIS – OCEAN HULL – PART 3

AS OF 31 DECEMBER 2015 – INCL. IBNR RESERVE FOR PARTIAL CLAIMS

Claim per Sum Insured by date of loss (%)

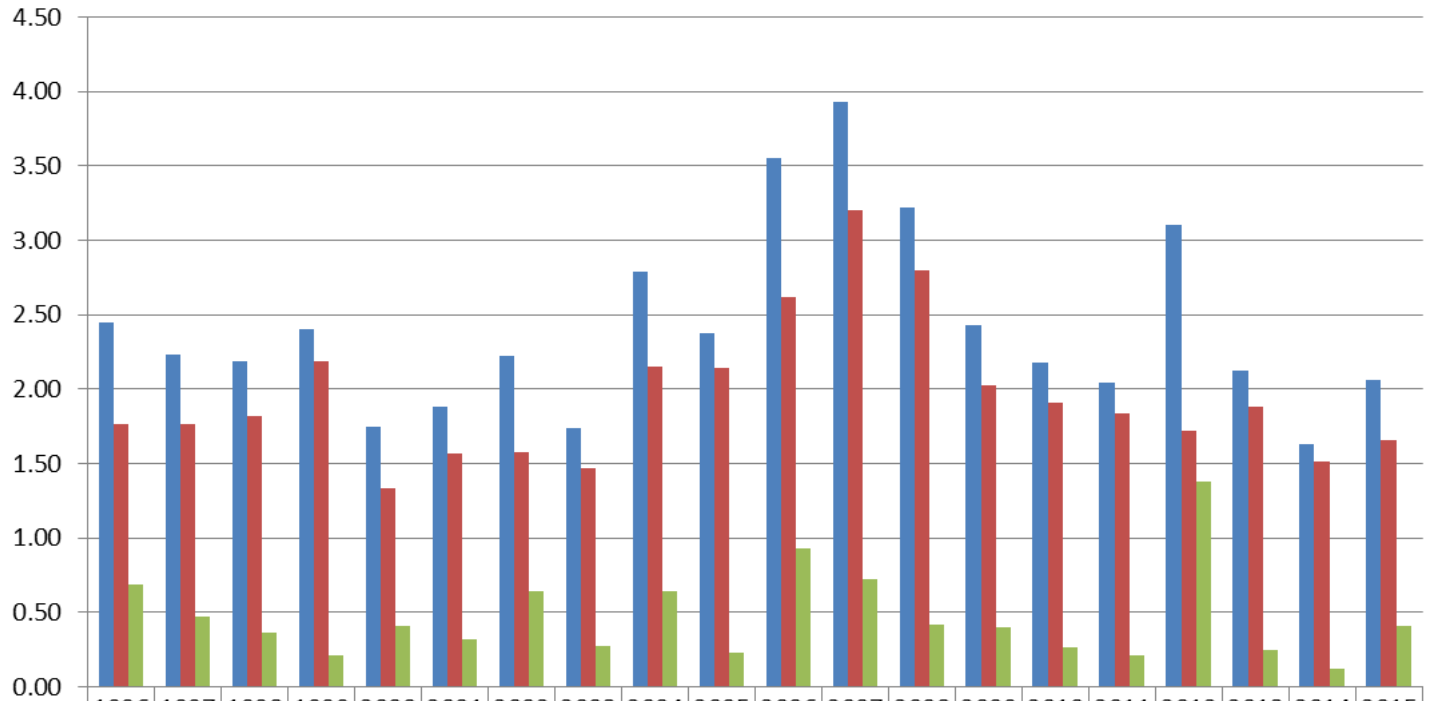


	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
all claims	0.39	0.36	0.31	0.34	0.25	0.25	0.29	0.22	0.33	0.26	0.36	0.35	0.26	0.20	0.19	0.17	0.28	0.21	0.17	0.22
partial claims	0.28	0.28	0.25	0.31	0.19	0.21	0.21	0.19	0.26	0.23	0.26	0.29	0.23	0.16	0.16	0.16	0.15	0.18	0.15	0.18
TLO claims	0.11	0.07	0.05	0.03	0.06	0.04	0.08	0.03	0.07	0.02	0.09	0.06	0.03	0.03	0.02	0.01	0.12	0.02	0.01	0.04

2015 NOMIS – OCEAN HULL – PART 3

AS OF 31 DECEMBER 2015 – INCL. IBNR RESERVE FOR PARTIAL CLAIMS

Claim per gross ton by date of loss (USD)

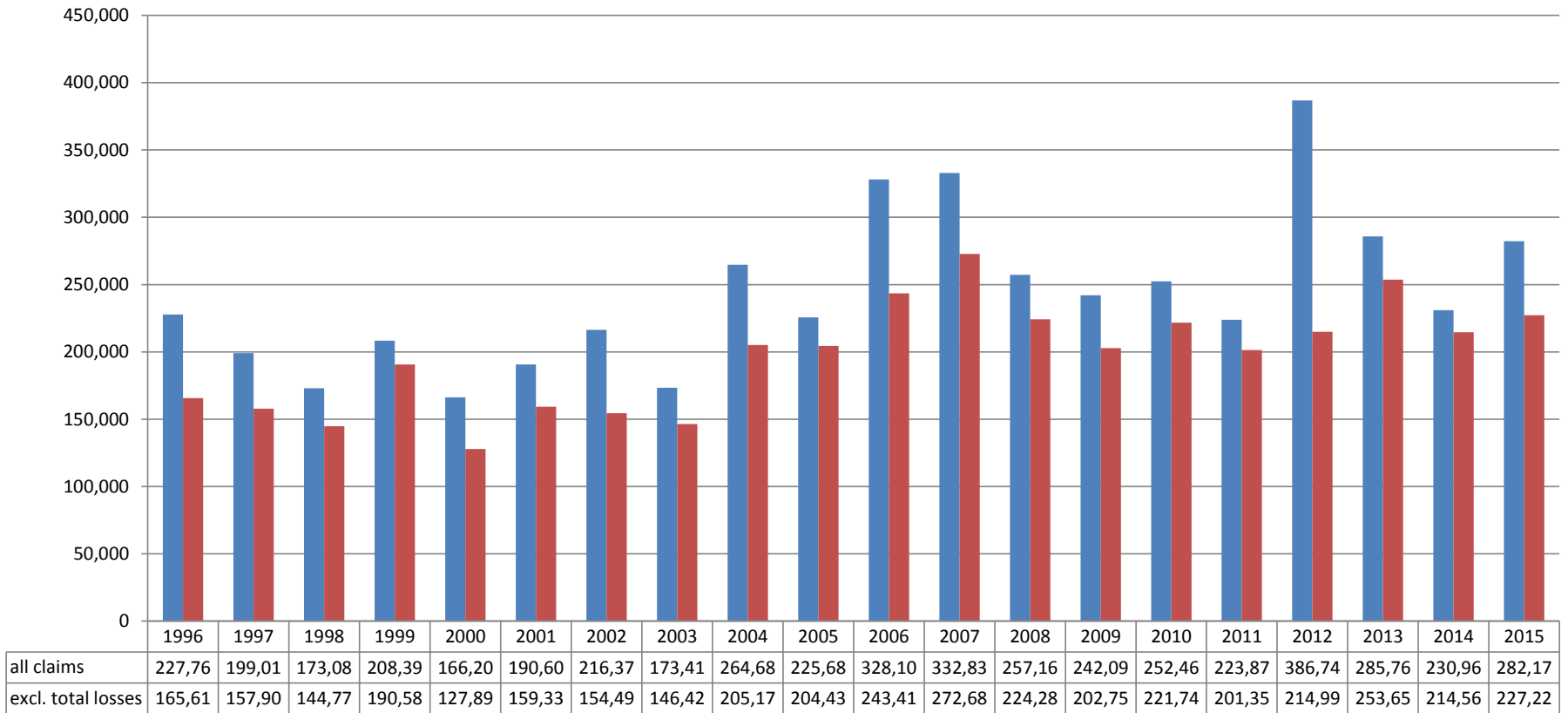


	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
all claims	2.45	2.23	2.19	2.40	1.74	1.88	2.22	1.74	2.79	2.38	3.55	3.93	3.22	2.43	2.18	2.05	3.10	2.13	1.63	2.06
partial claims	1.77	1.76	1.82	2.18	1.33	1.56	1.57	1.47	2.15	2.15	2.62	3.21	2.80	2.02	1.91	1.84	1.72	1.88	1.51	1.65
TLO claims	0.68	0.47	0.37	0.21	0.41	0.32	0.65	0.28	0.64	0.23	0.93	0.73	0.42	0.40	0.27	0.21	1.38	0.25	0.12	0.41

2015 NOMIS – OCEAN HULL – PART 3

AS OF 31 DECEMBER 2015 – INCL. IBNR RESERVE FOR PARTIAL CLAIMS

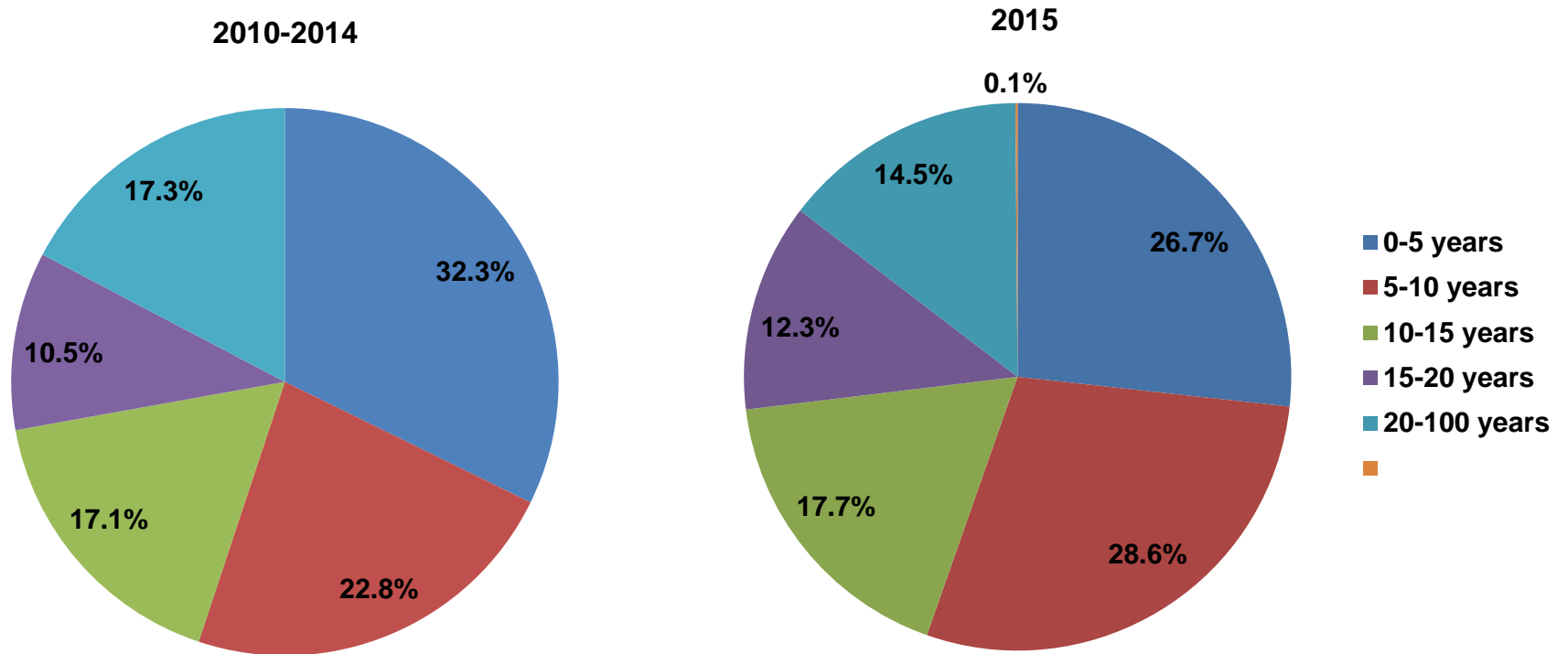
**Average claim cost per individual claim (USD)
by date of loss**



2015 NOMIS – OCEAN HULL – PART 4

AS OF 31 DECEMBER 2015

Distribution of vessels by age group, by year of exposure



Total number of vessels:

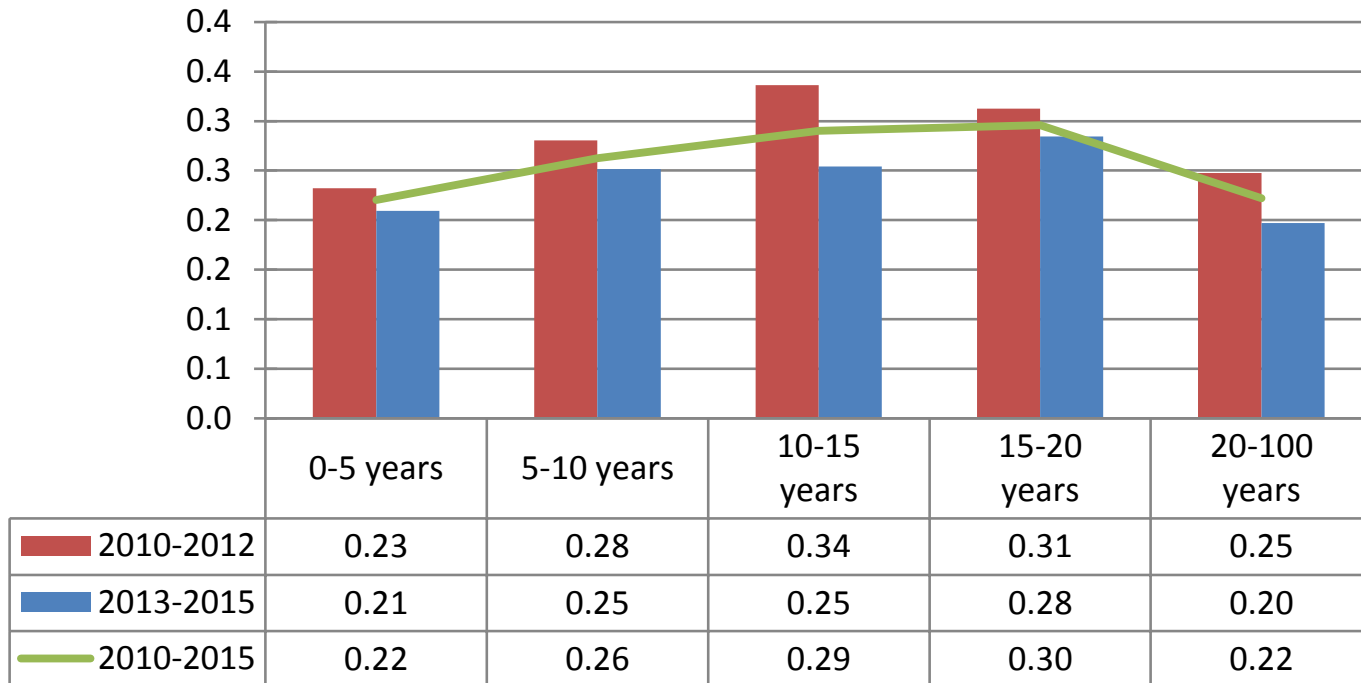
2010-2014: 57,214

2015: 13,130

2015 NOMIS – OCEAN HULL – PART 4

AS OF 31 DECEMBER 2015 – PAID & OUTSTANDING AS REPORTED, NO IBNR RESERVE ADDED

Claims frequency per age group

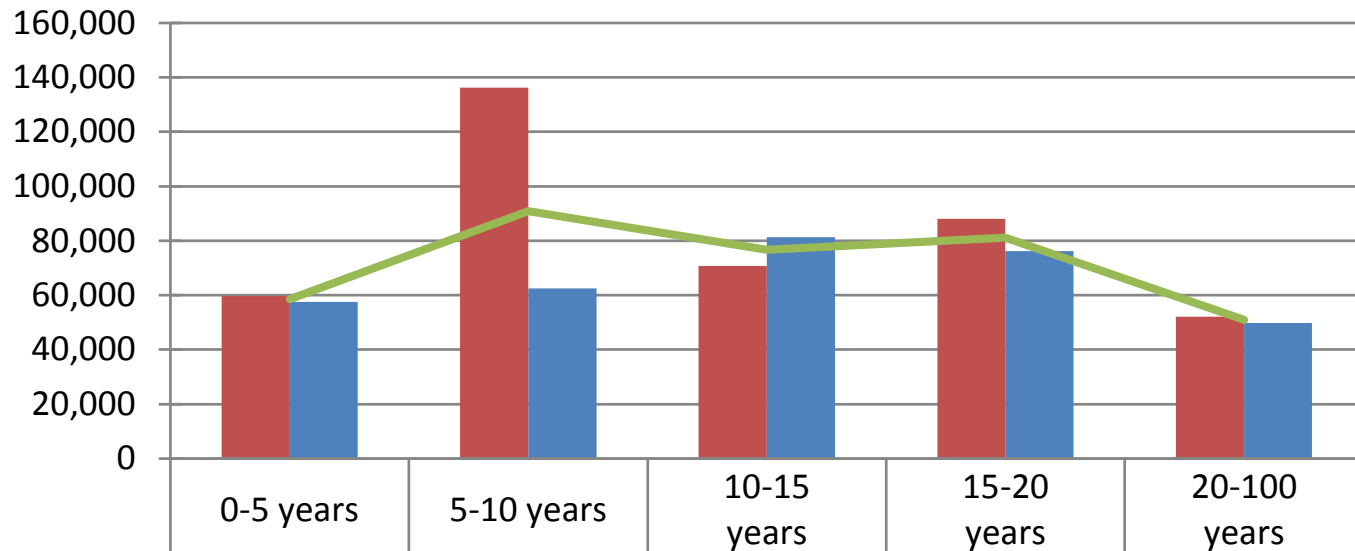


Comment: Claims < 10.000 USD account for about half of all claims. Registration of these may vary over time and by company and will thus influence the registered frequency. In addition any increase/decrease of insurance deductibles will have impact on the registered frequency

2015 NOMIS – OCEAN HULL – PART 4

AS OF 31 DECEMBER 2015 – PAID & OUTSTANDING AS REPORTED, NO IBNR RESERVE ADDED

Claim per vessel (USD) per age group

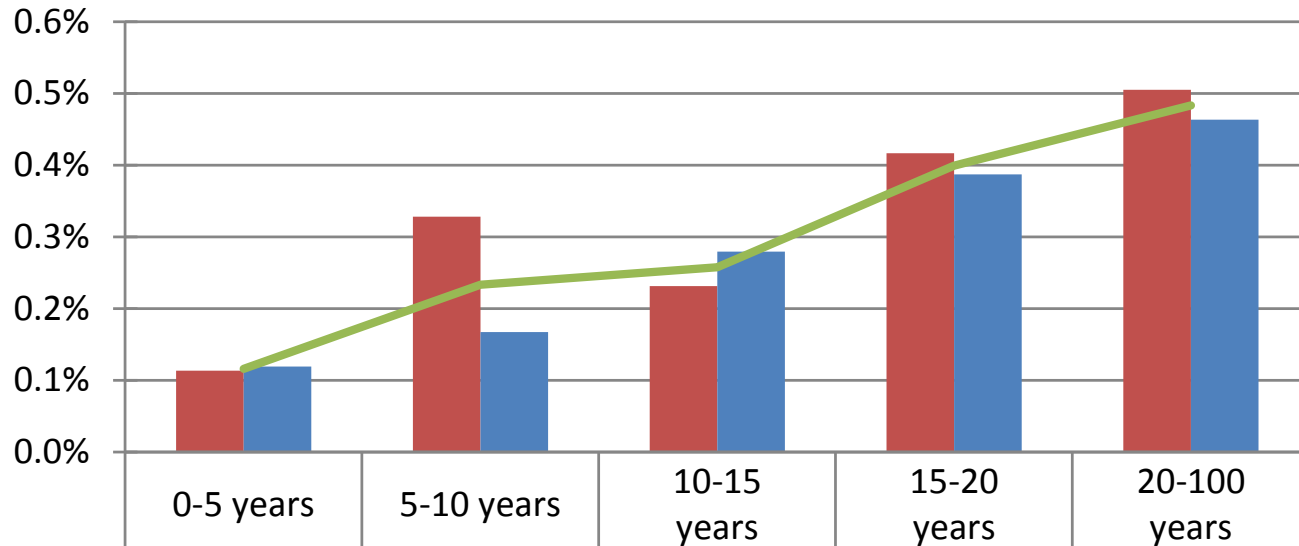





	0-5 years	5-10 years	10-15 years	15-20 years	20-100 years
2010-2012	59,667	136,267	70,688	88,030	52,068
2013-2015	57,618	62,517	81,337	76,223	49,866
2010-2015	58,603	90,863	76,631	81,042	50,957

2015 NOMIS – OCEAN HULL – PART 4

AS OF 31 DECEMBER 2015 – PAID & OUTSTANDING AS REPORTED, NO IBNR RESERVE ADDED

Claim per Sum Insured per age group

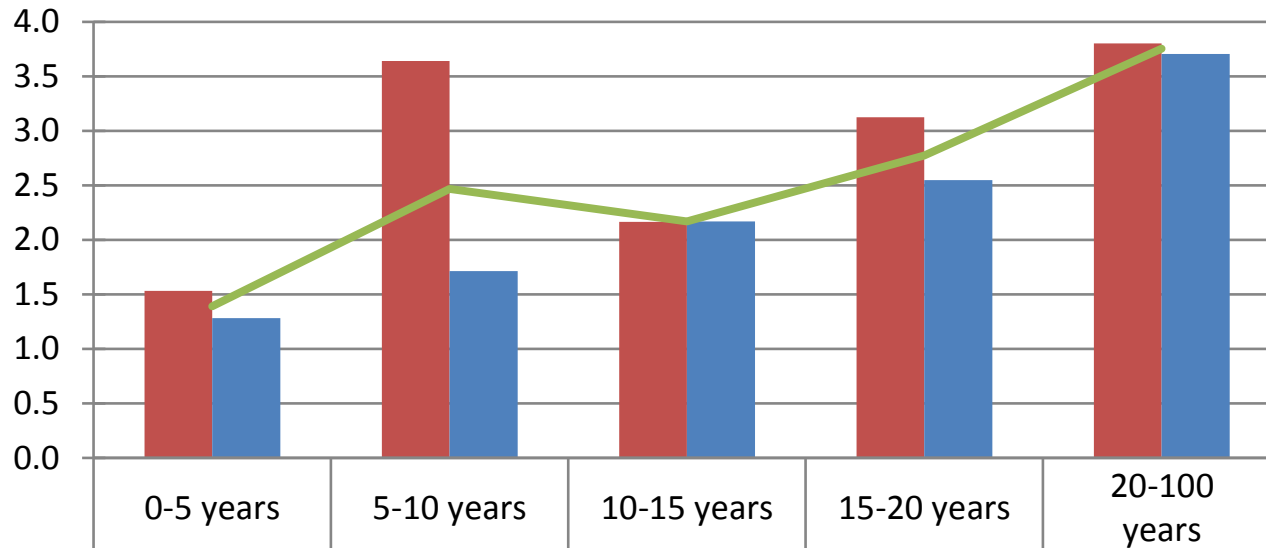


 2010-2012	0.113%	0.328%	0.232%	0.416%	0.505%
 2013-2015	0.119%	0.167%	0.280%	0.387%	0.463%
 2010-2015	0.116%	0.233%	0.258%	0.399%	0.483%

2015 NOMIS – OCEAN HULL – PART 4

AS OF 31 DECEMBER 2015 – PAID & OUTSTANDING AS REPORTED, NO IBNR RESERVE ADDED

Claim per gross ton (USD) per age group

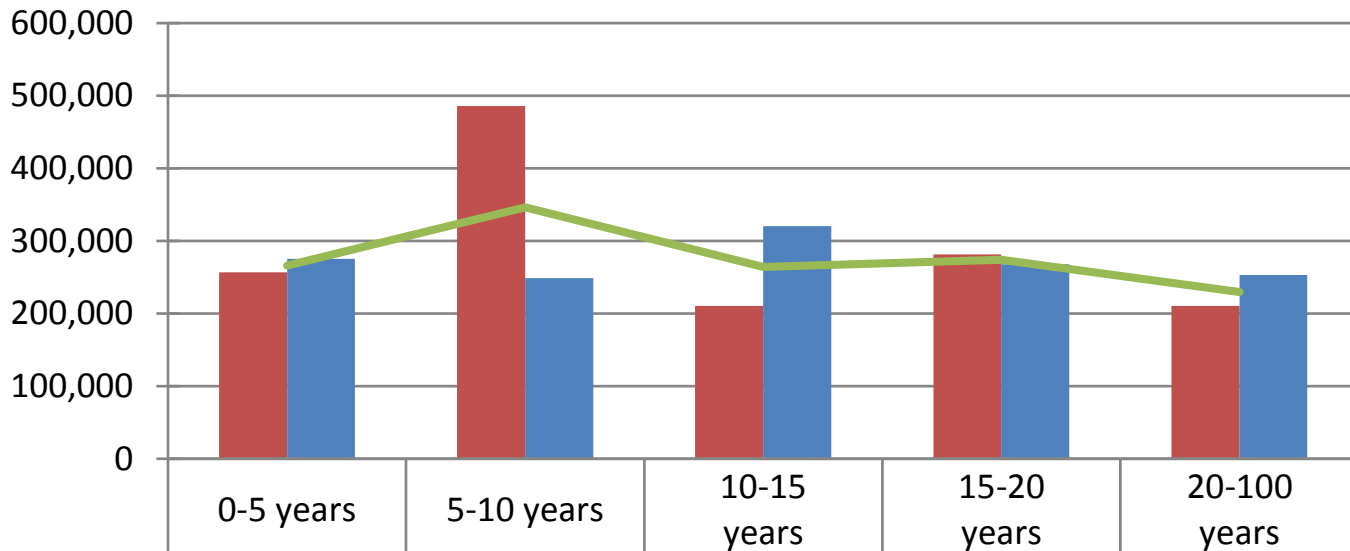


	0-5 years	5-10 years	10-15 years	15-20 years	20-100 years
2010-2012	1.5	3.6	2.2	3.1	3.8
2013-2015	1.3	1.7	2.2	2.5	3.7
2010-2015	1.4	2.5	2.2	2.8	3.8

2015 NOMIS – OCEAN HULL – PART 4

AS OF 31 DECEMBER 2015 – PAID & OUTSTANDING AS REPORTED, NO IBNR RESERVE ADDED

Average claim cost (USD) per age group

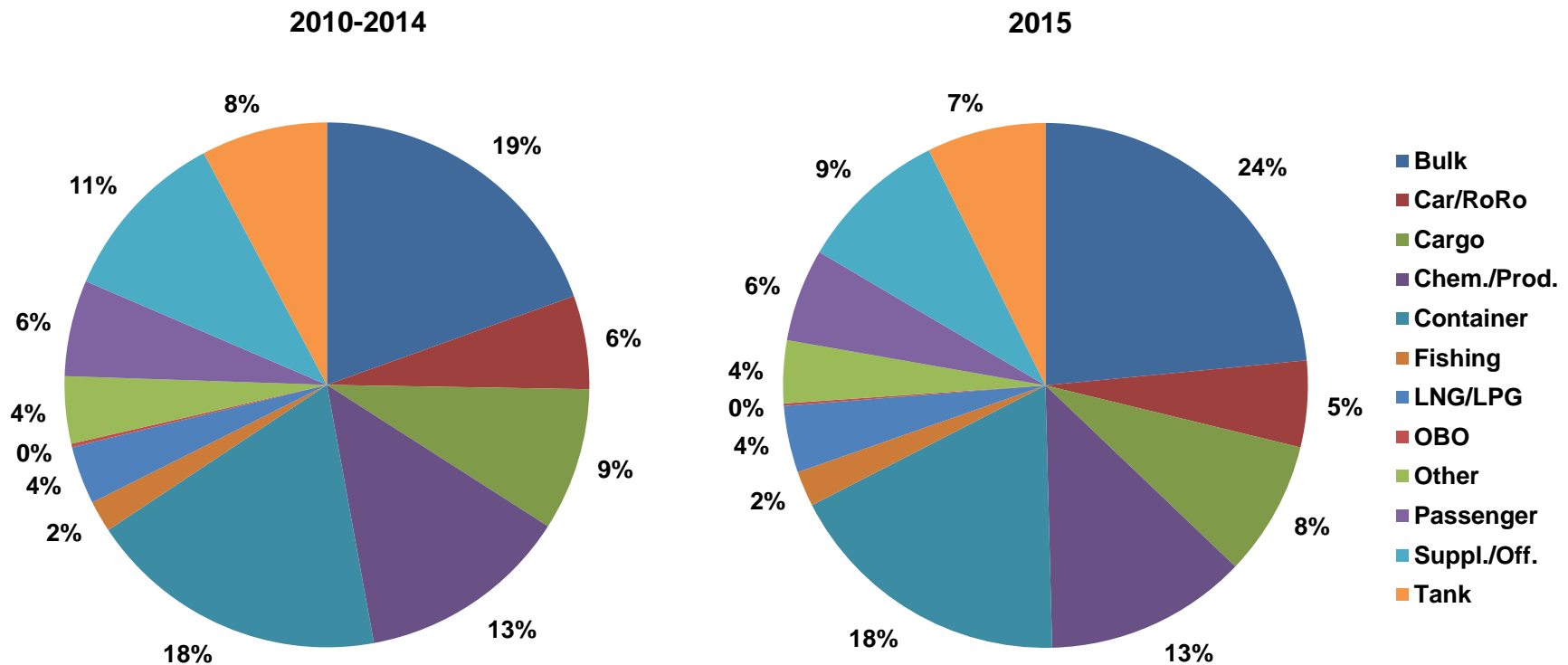


	0-5 years	5-10 years	10-15 years	15-20 years	20-100 years
2010-2012	256,892	485,468	210,262	281,622	210,126
2013-2015	274,984	248,558	320,089	267,958	252,737
2010-2015	265,823	345,840	263,904	273,849	229,206

2015 NOMIS – OCEAN HULL – PART 5

AS OF 31 DECEMBER 2015

Distribution of vessels by vessel type, by year of exposure



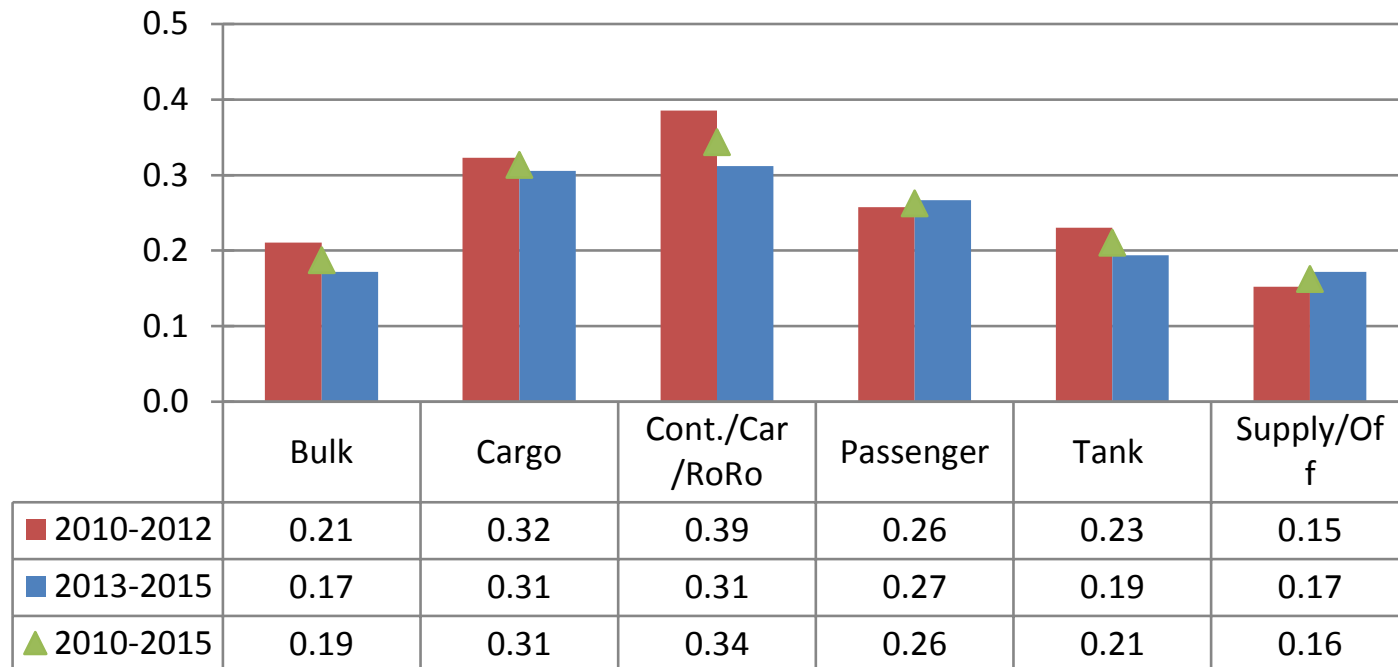
Total number of vessels:
2010-2014: 57,214

2015: 13,130

2015 NOMIS – OCEAN HULL – PART 5

AS OF 31 DECEMBER 2015 – PAID & OUTSTANDING AS REPORTED, NO IBNR RESERVE ADDED

Claims frequency per vessel type group



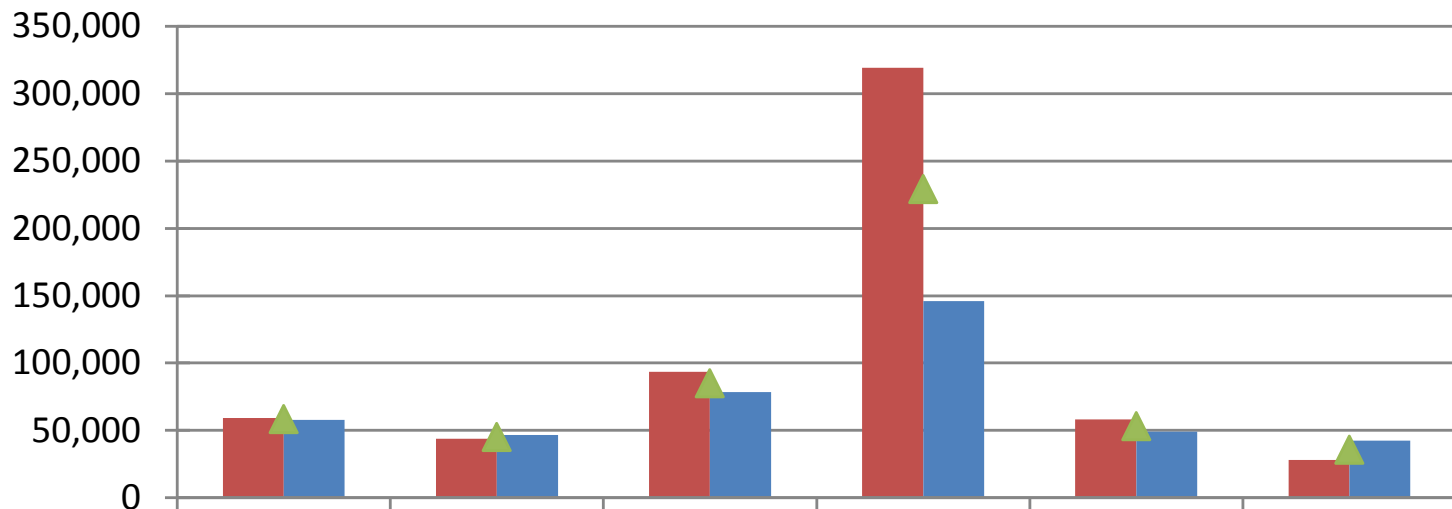
”Tank” includes in this and the following slides: Chemical/Product, LNG/LPG, OBO and other tank vessels,

Claims < 10.000 USD account for about half of all claims. Registration of these may vary over time and by company and will thus influence the registered frequency. In addition any increase/decrease of insurance deductibles has impact on the registered frequency

2015 NOMIS – OCEAN HULL – PART 5

AS OF 31 DECEMBER 2015 – PAID & OUTSTANDING AS REPORTED, NO IBNR RESERVE ADDED

Claim per vessel per vessel type group

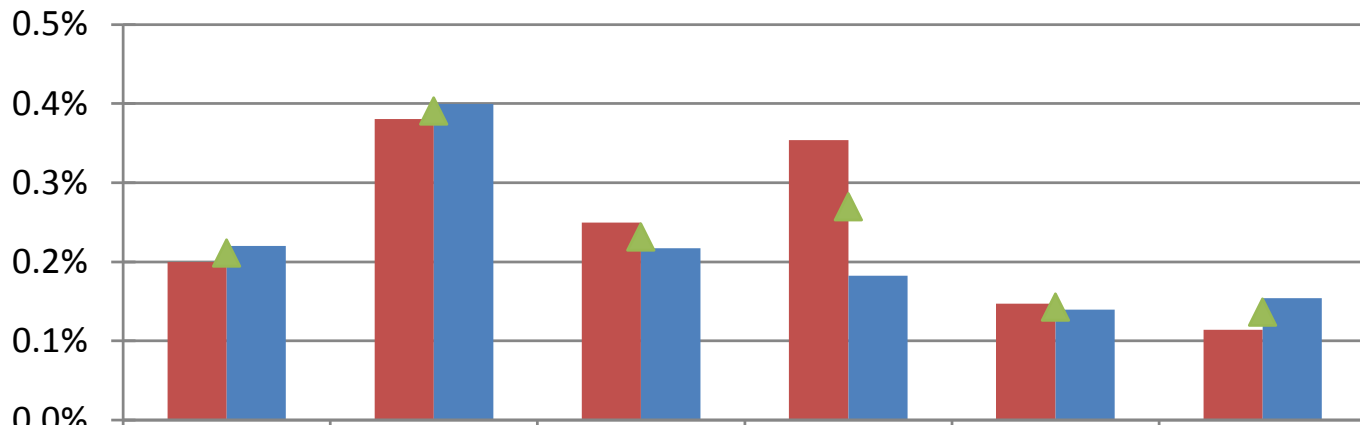


	Bulk	Cargo	Cont./Car /RoRo	Passenger	Tank	Supply/Of f
■ 2010-2012	59,096	43,904	93,372	319,148	58,031	28,046
■ 2013-2015	57,891	46,690	78,494	145,817	49,034	42,619
▲ 2010-2015	58,374	45,400	84,996	229,073	53,171	35,733

2015 NOMIS – OCEAN HULL – PART 5

AS OF 31 DECEMBER 2015 – PAID & OUTSTANDING AS REPORTED, NO IBNR RESERVE ADDED

Claim per Sum Insured per vessel type group

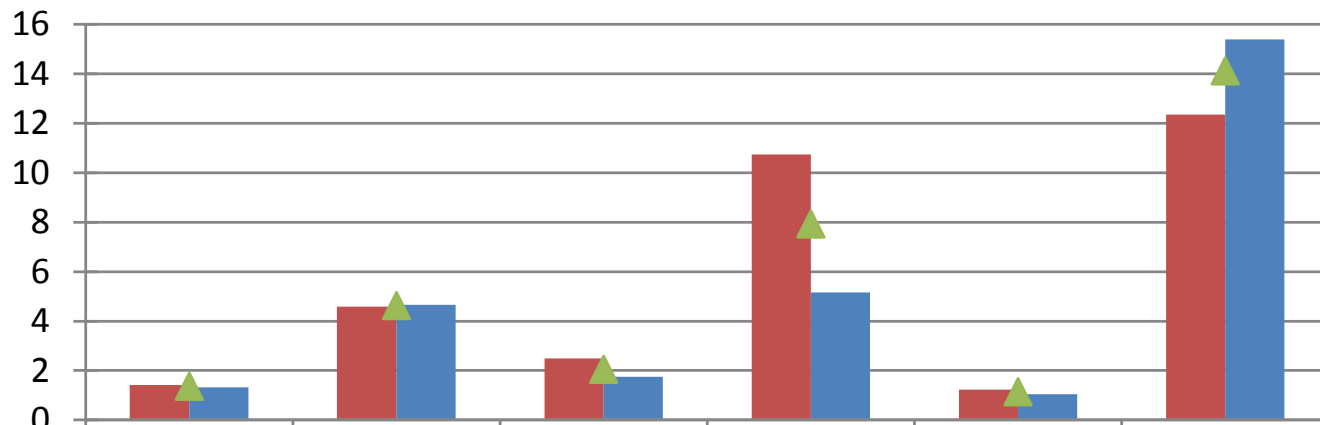


	Bulk	Cargo	Cont./Car /RoRo	Passenger	Tank	Supply/Of f
■ 2010-2012	0.200%	0.381%	0.250%	0.354%	0.147%	0.114%
■ 2013-2015	0.220%	0.400%	0.217%	0.182%	0.140%	0.154%
▲ 2010-2015	0.211%	0.391%	0.232%	0.270%	0.143%	0.136%

2015 NOMIS – OCEAN HULL – PART 5

AS OF 31 DECEMBER 2015 – PAID & OUTSTANDING AS REPORTED, NO IBNR RESERVE ADDED

Claim per gross ton per vessel type group

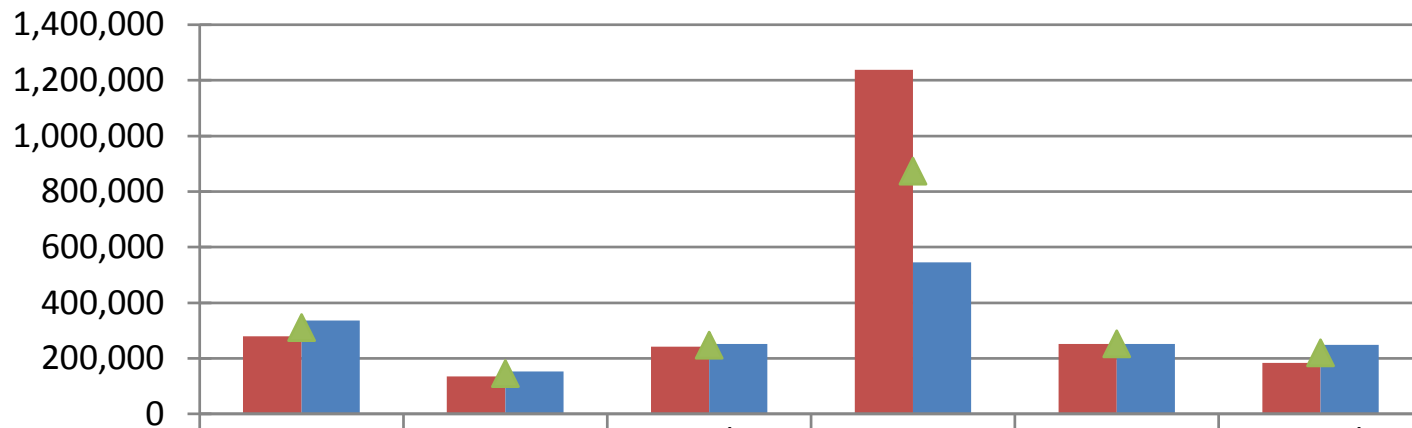


	Bulk	Cargo	Cont./Car /RoRo	Passenger	Tank	Supply/Of f
■ 2010-2012	1.4	4.6	2.5	10.7	1.2	12.3
■ 2013-2015	1.3	4.7	1.8	5.2	1.0	15.4
▲ 2010-2015	1.4	4.6	2.0	7.9	1.1	14.1

2015 NOMIS – OCEAN HULL – PART 5

AS OF 31 DECEMBER 2015 – PAID & OUTSTANDING AS REPORTED, NO IBNR RESERVE ADDED

Average claim cost per vessel type group

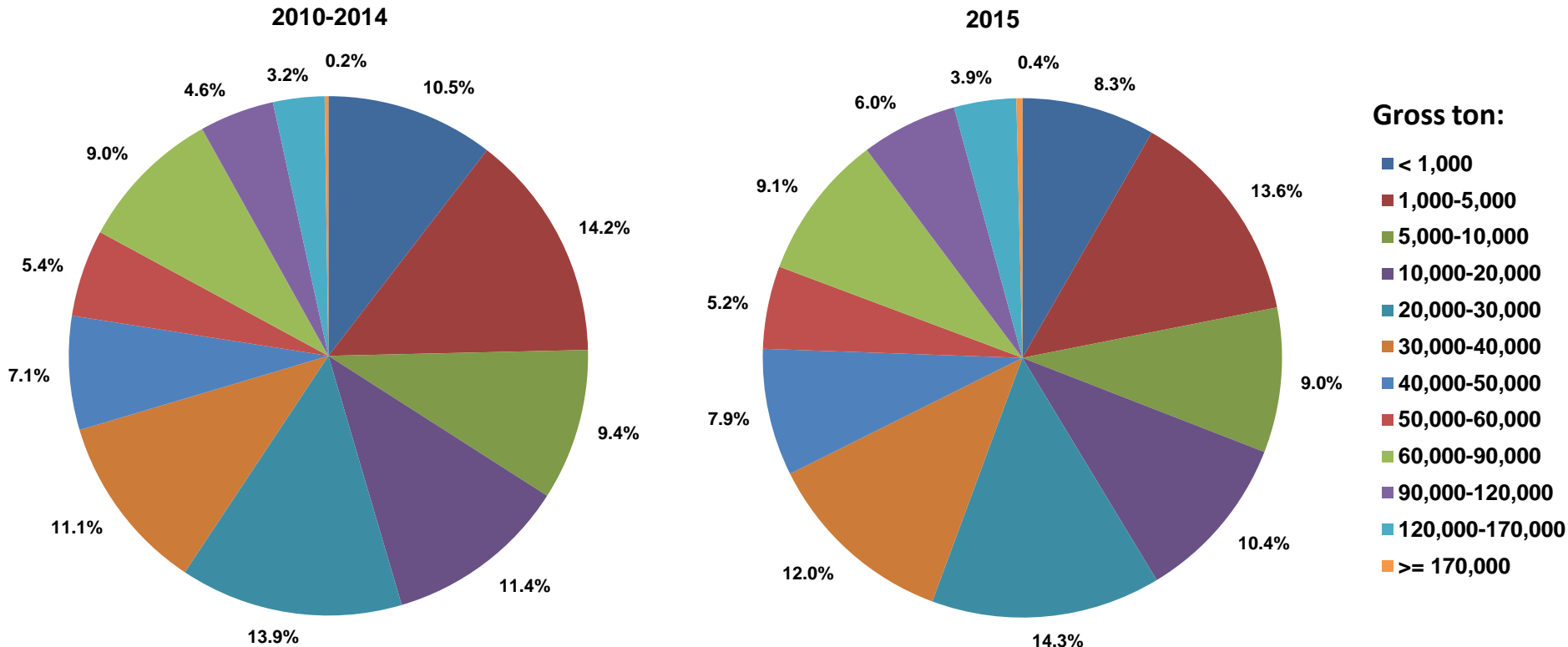


	Bulk	Cargo	Cont./Car /RoRo	Passenger	Tank	Supply/Of f
■ 2010-2012	280,209	136,030	242,257	1,238,147	251,682	184,477
■ 2013-2015	336,178	152,789	251,814	546,038	252,633	248,226
▲ 2010-2015	310,956	144,802	247,133	872,372	252,155	220,029

2015 NOMIS – OCEAN HULL – PART 6

AS OF 31 DECEMBER 2015

Distribution of vessels by GT size group, by year of exposure



Total number of vessels:

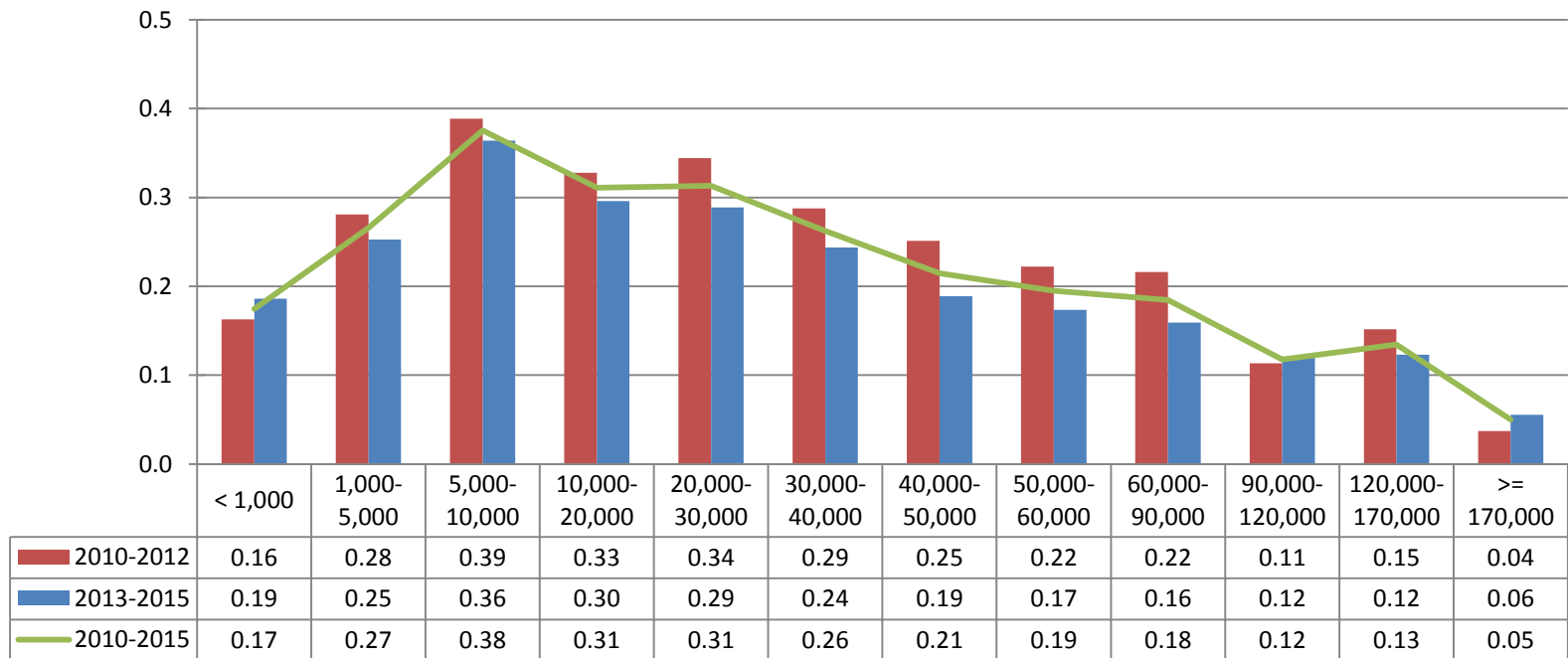
2010-2014: 57,214

2015: 13,130

2015 NOMIS – OCEAN HULL – PART 6

AS OF 31 DECEMBER 2015 – PAID & OUTSTANDING AS REPORTED, NO IBNR RESERVE ADDED

Claims frequency per GT size group

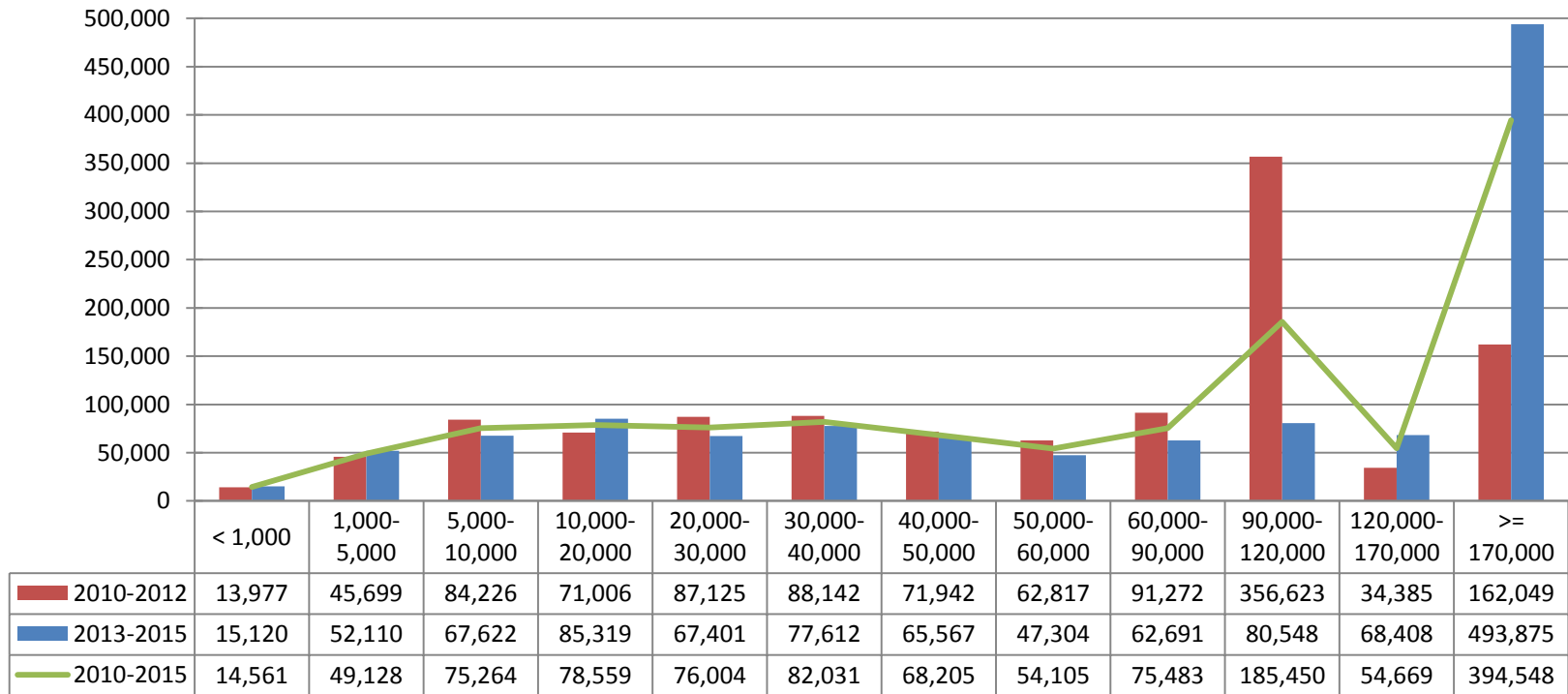


Comment: Claims < 10.000 USD account for about half of all claims. Registration of these may vary over time and by company and will thus influence the registered frequency. In addition any increase/decrease of insurance deductibles will have impact on the registered frequency

2015 NOMIS – OCEAN HULL – PART 6

AS OF 31 DECEMBER 2015 – PAID & OUTSTANDING AS REPORTED, NO IBNR RESERVE ADDED

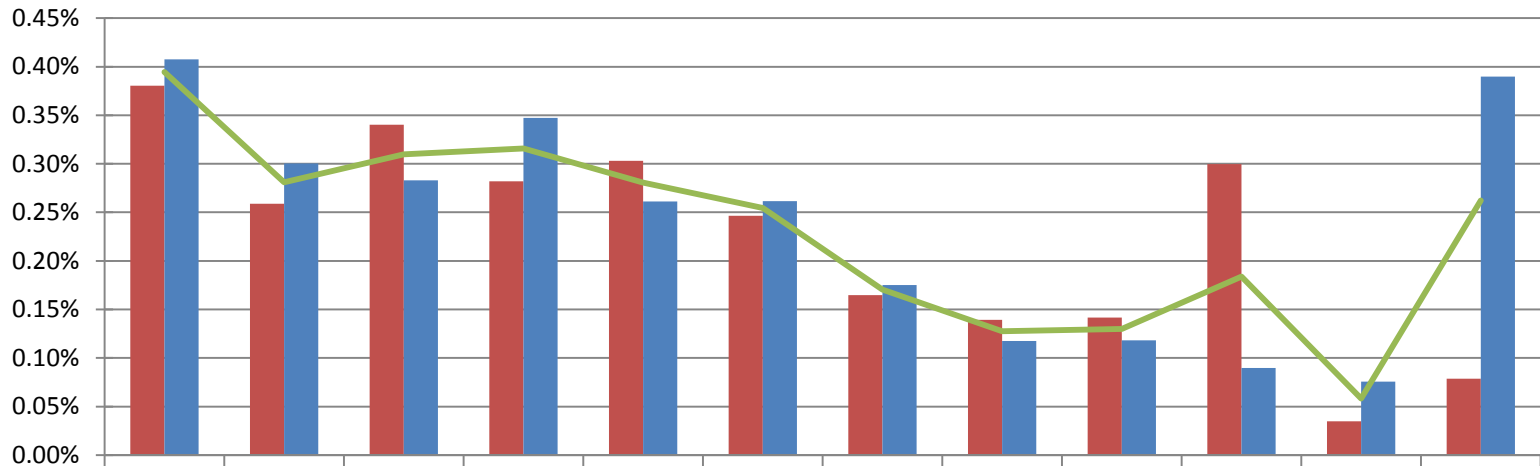
Claim per vessel per GT size group



2015 NOMIS – OCEAN HULL – PART 6

AS OF 31 DECEMBER 2015 – PAID & OUTSTANDING AS REPORTED, NO IBNR RESERVE ADDED

Claim per Sum Insured per GT size group

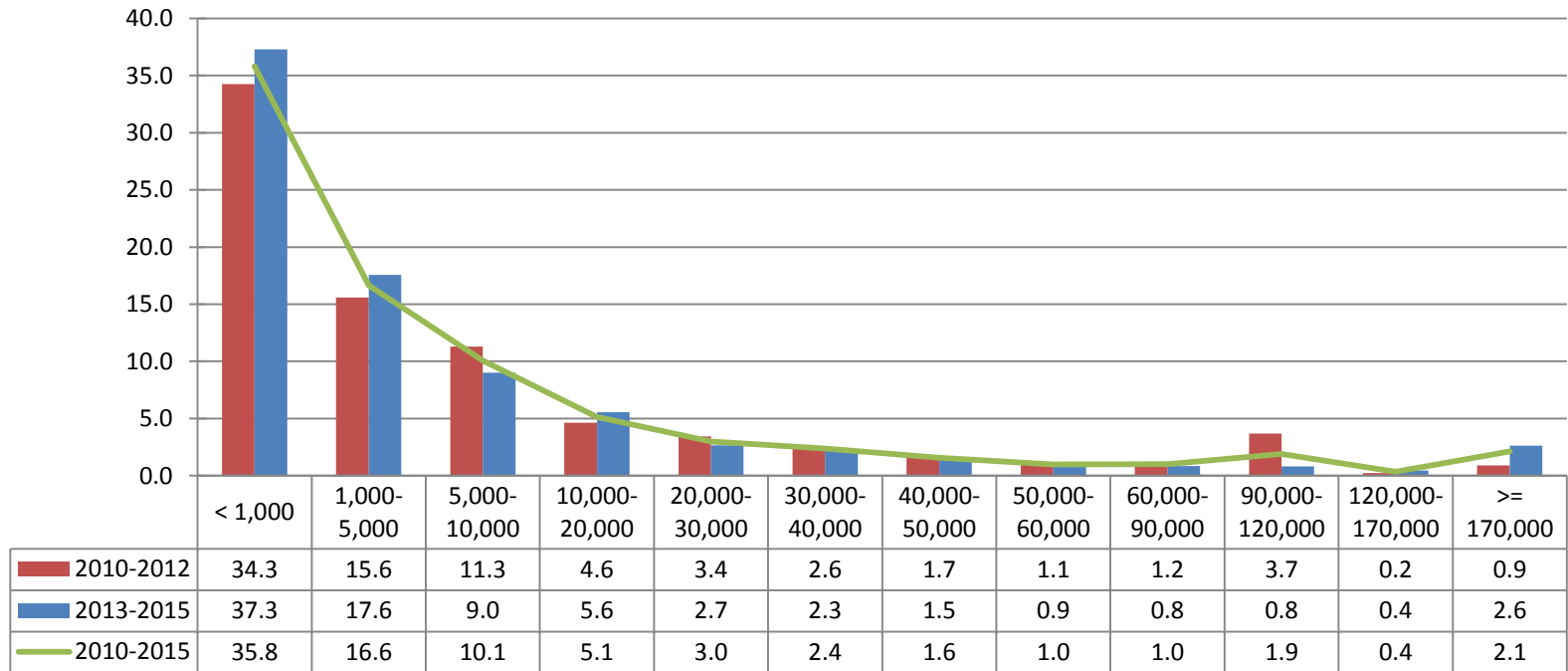


	< 1,000	1,000-5,000	5,000-10,000	10,000-20,000	20,000-30,000	30,000-40,000	40,000-50,000	50,000-60,000	60,000-90,000	90,000-120,000	120,000-170,000	>= 170,000
2010-2012	0.380%	0.259%	0.340%	0.282%	0.303%	0.247%	0.165%	0.139%	0.142%	0.300%	0.035%	0.079%
2013-2015	0.408%	0.300%	0.283%	0.347%	0.261%	0.261%	0.175%	0.117%	0.118%	0.090%	0.076%	0.390%
2010-2015	0.394%	0.281%	0.310%	0.316%	0.281%	0.254%	0.171%	0.128%	0.130%	0.184%	0.058%	0.262%

2015 NOMIS – OCEAN HULL – PART 6

AS OF 31 DECEMBER 2015 – PAID & OUTSTANDING AS REPORTED, NO IBNR RESERVE ADDED

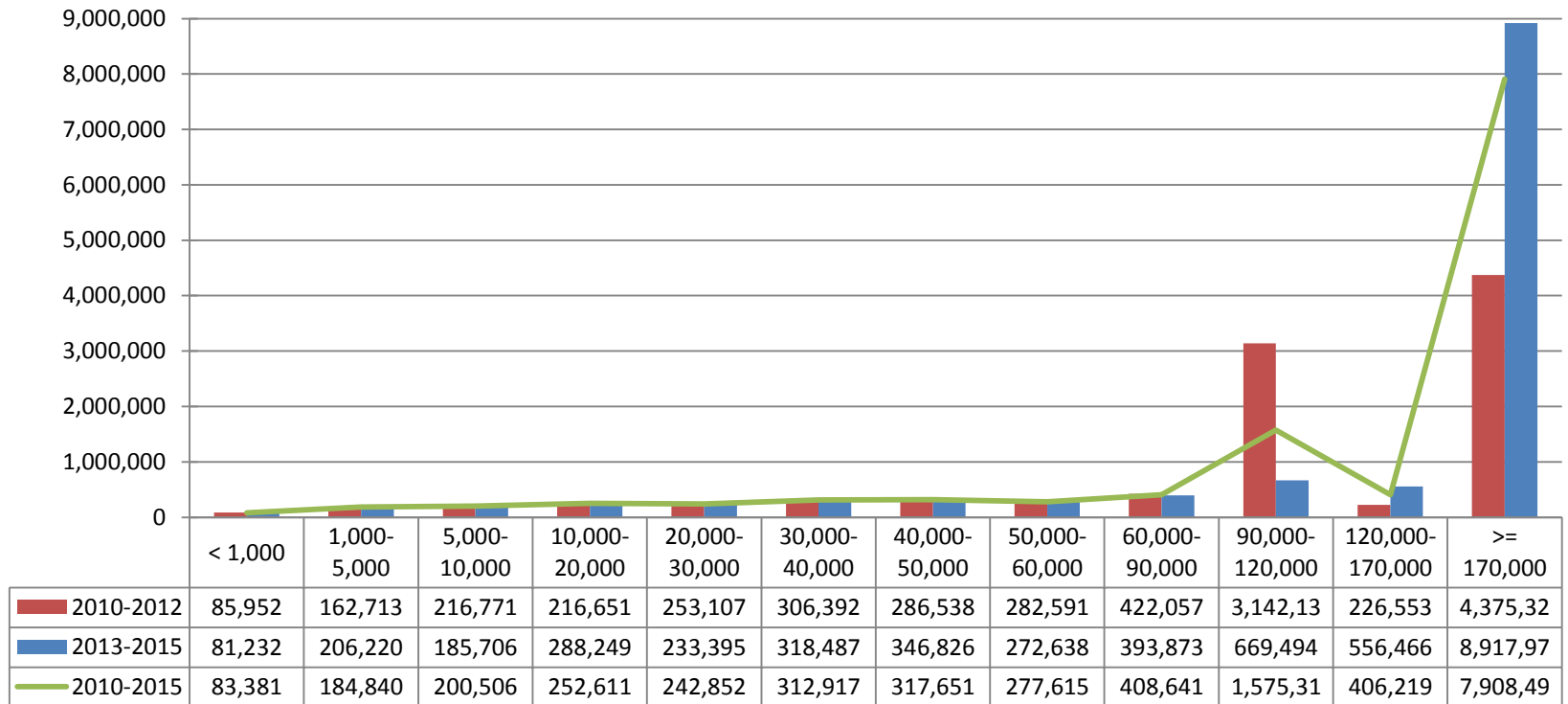
Claim per GT per GT size group



2015 NOMIS – OCEAN HULL – PART 6

AS OF 31 DECEMBER 2015 – PAID & OUTSTANDING AS REPORTED, NO IBNR RESERVE ADDED

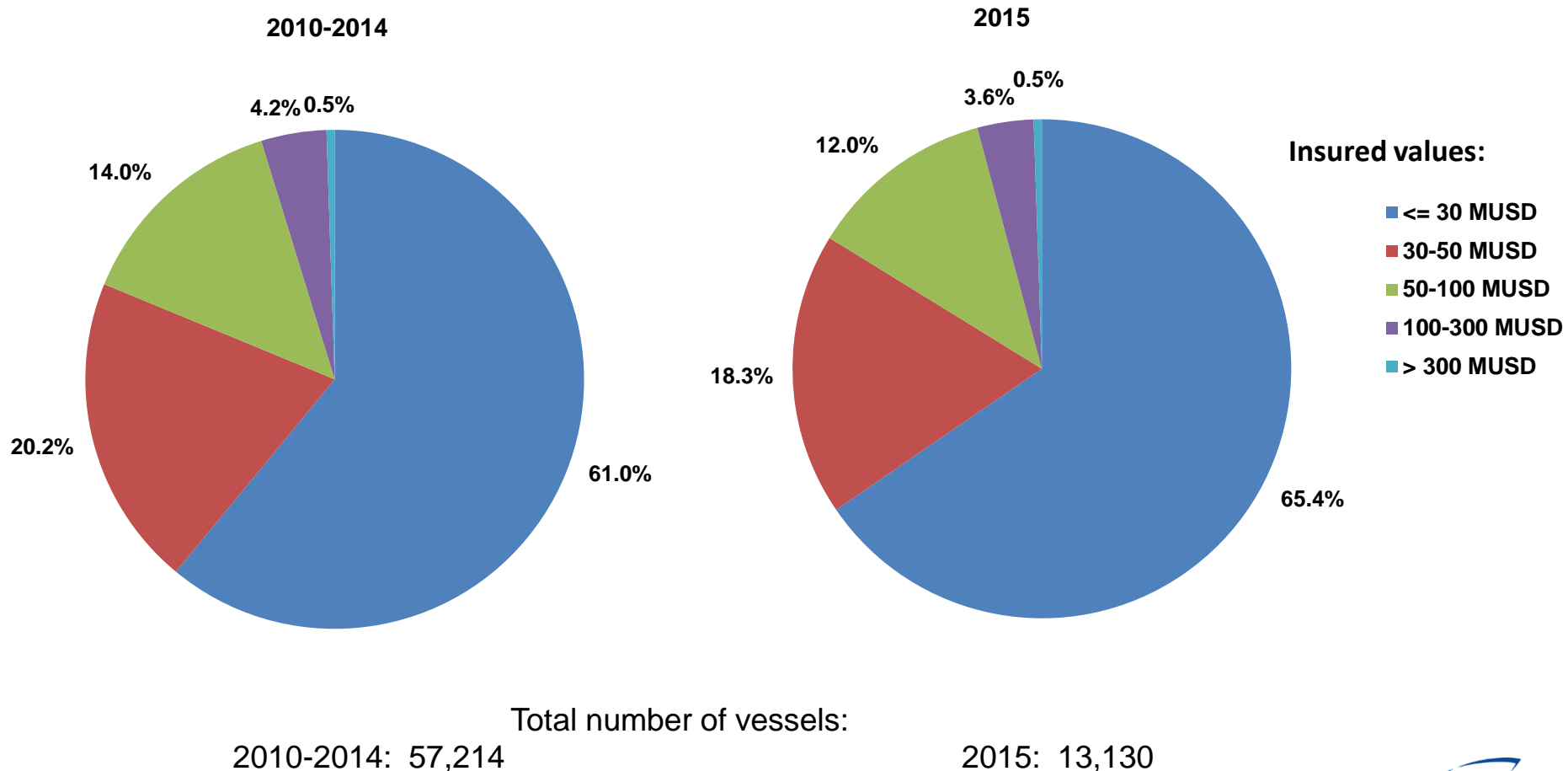
Average Claim cost per GT size group



2015 NOMIS – OCEAN HULL – PART 7

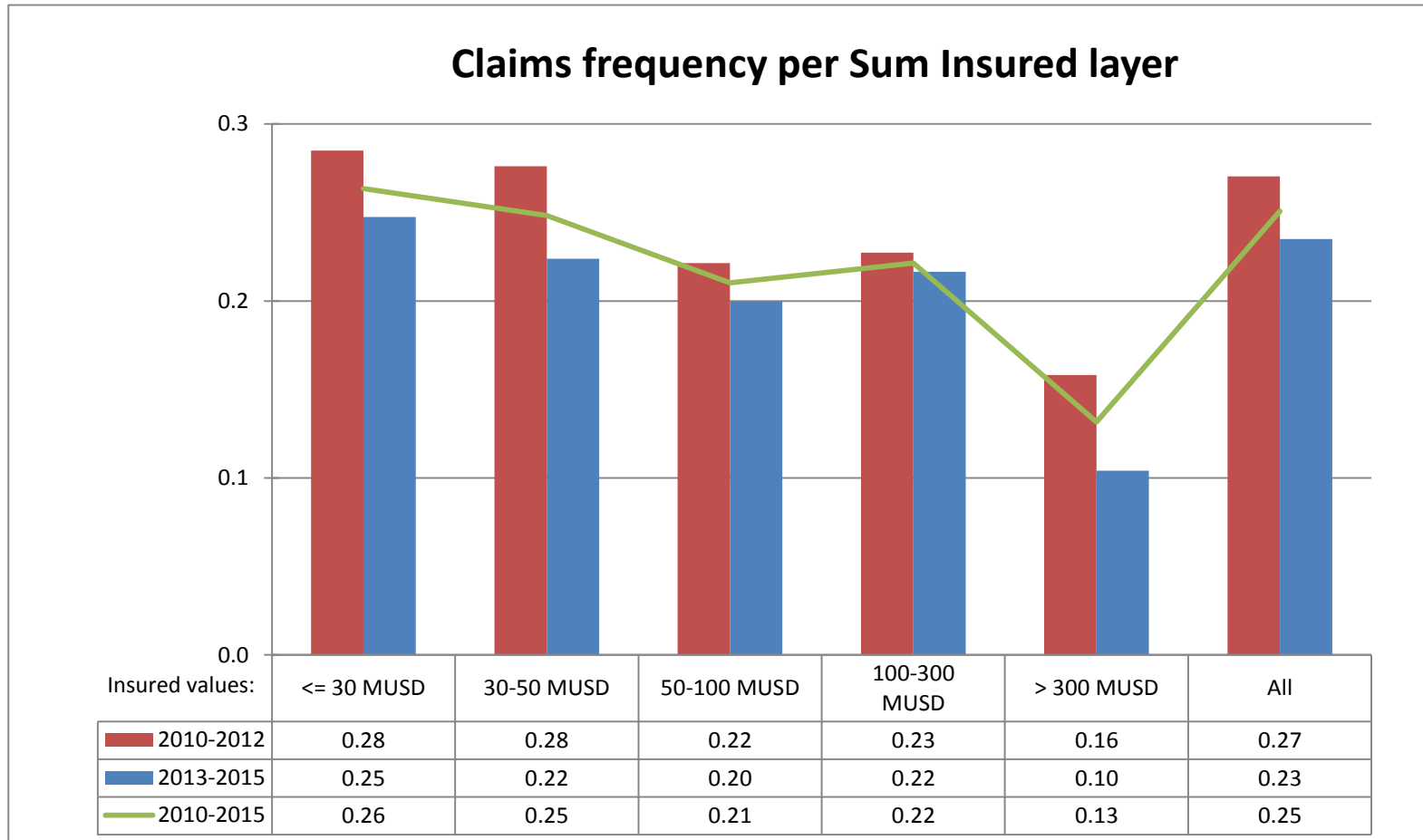
AS OF 31 DECEMBER 2015

Distribution of vessels by sum insured layer, by year of exposure



2015 NOMIS – OCEAN HULL – PART 7

AS OF 31 DECEMBER 2015 – PAID & OUTSTANDING AS REPORTED, NO IBNR RESERVE ADDED

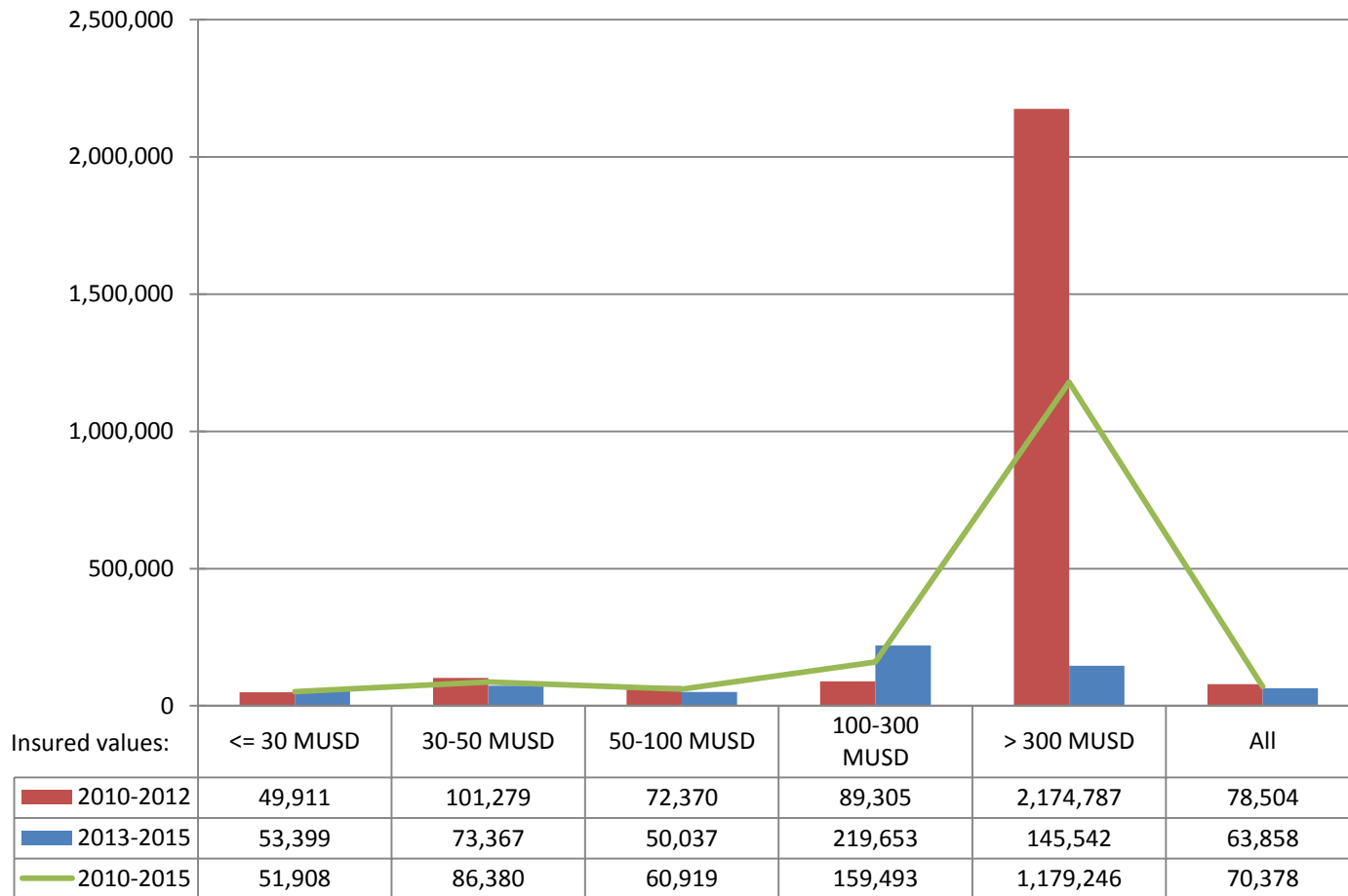


Comment: Claims < 10.000 USD account for about half of all claims. Registration of these may vary over time and by company and will thus influence the registered frequency. In addition any increase/decrease of insurance deductibles will have impact on the registered frequency

2015 NOMIS – OCEAN HULL – PART 7

AS OF 31 DECEMBER 2015 – PAID & OUTSTANDING AS REPORTED, NO IBNR RESERVE ADDED

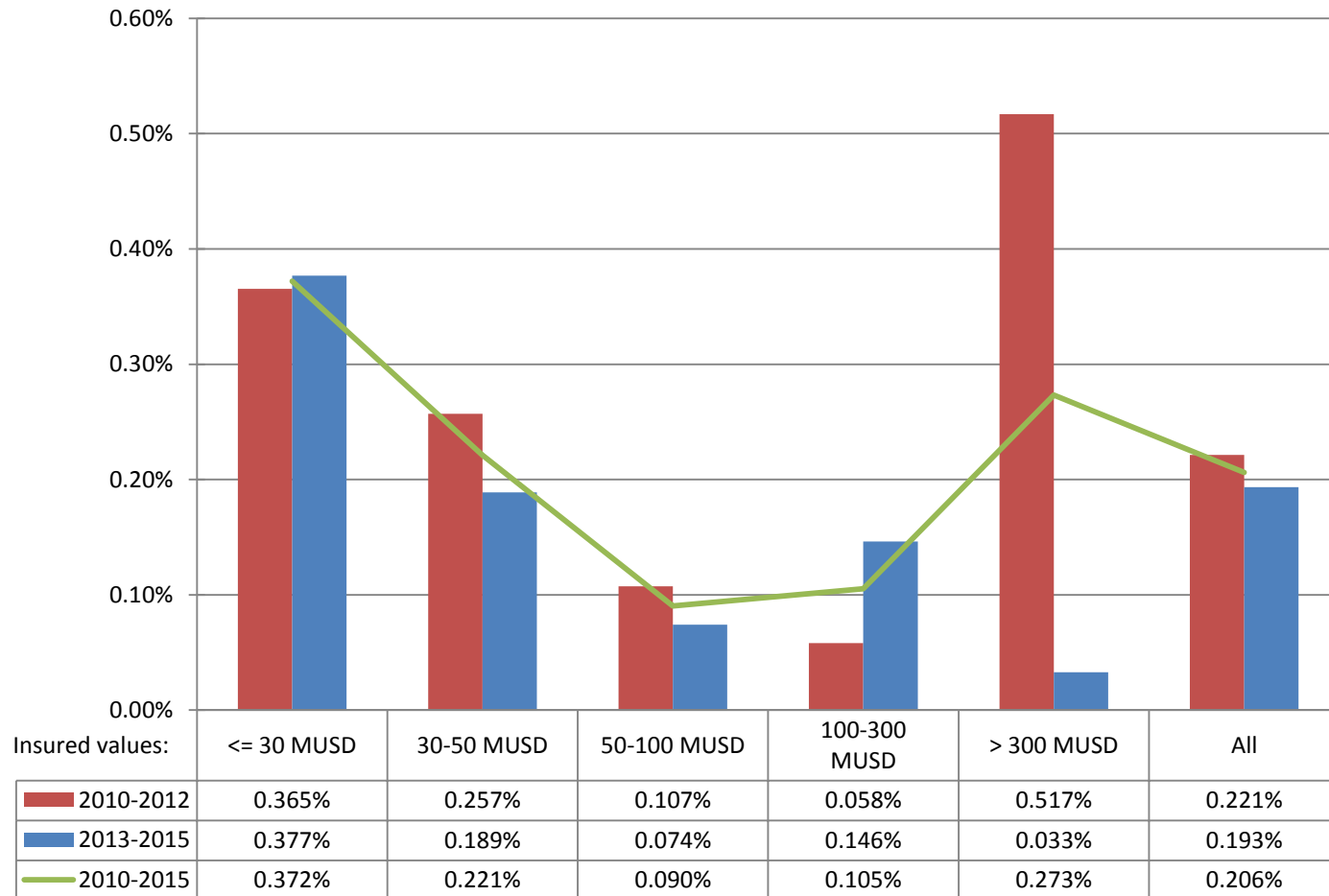
Claim per vessel per Sum Insured layer



2015 NOMIS – OCEAN HULL – PART 7

AS OF 31 DECEMBER 2015 – PAID & OUTSTANDING AS REPORTED, NO IBNR RESERVE ADDED

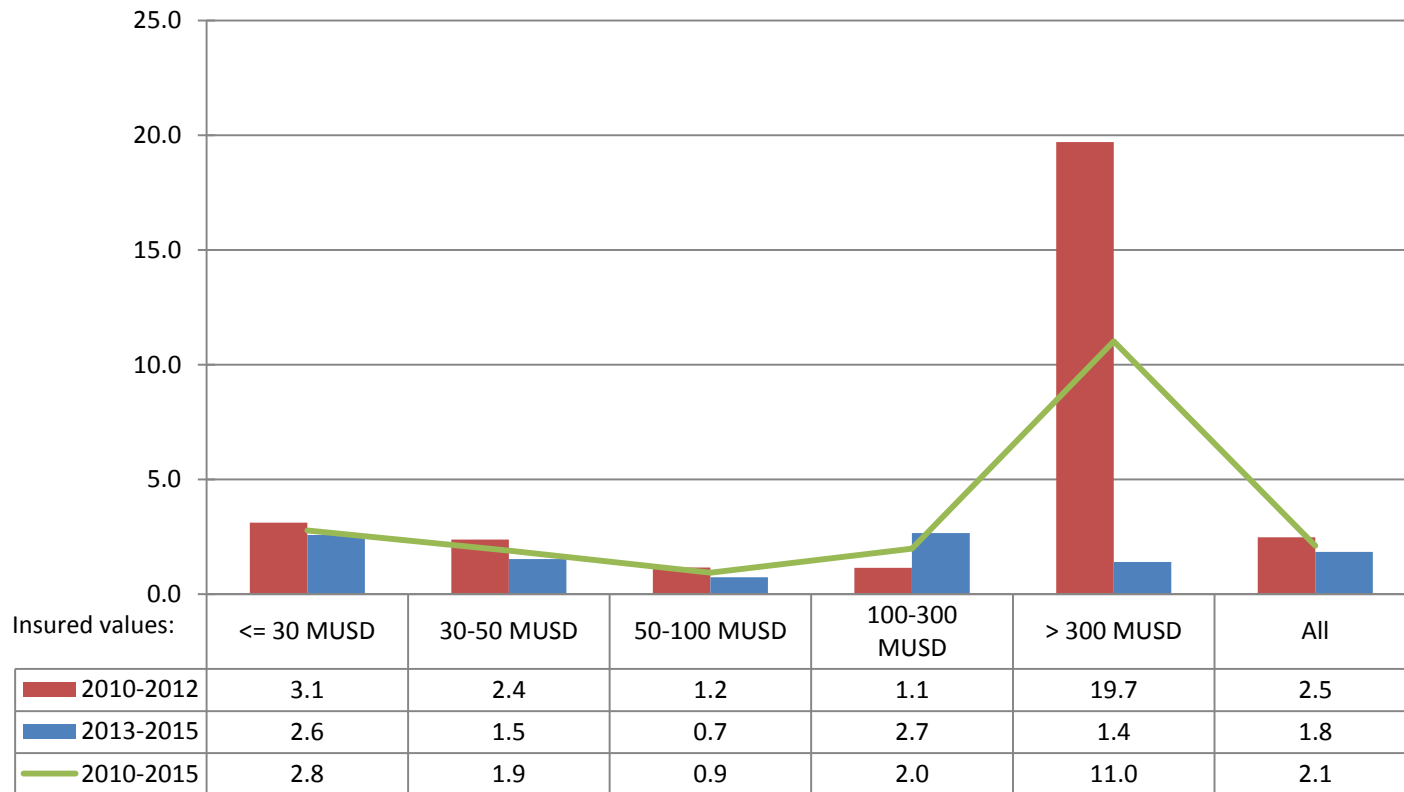
Claim per Sum Insured per Sum Insured layer



2015 NOMIS – OCEAN HULL – PART 7

AS OF 31 DECEMBER 2015 – PAID & OUTSTANDING AS REPORTED, NO IBNR RESERVE ADDED

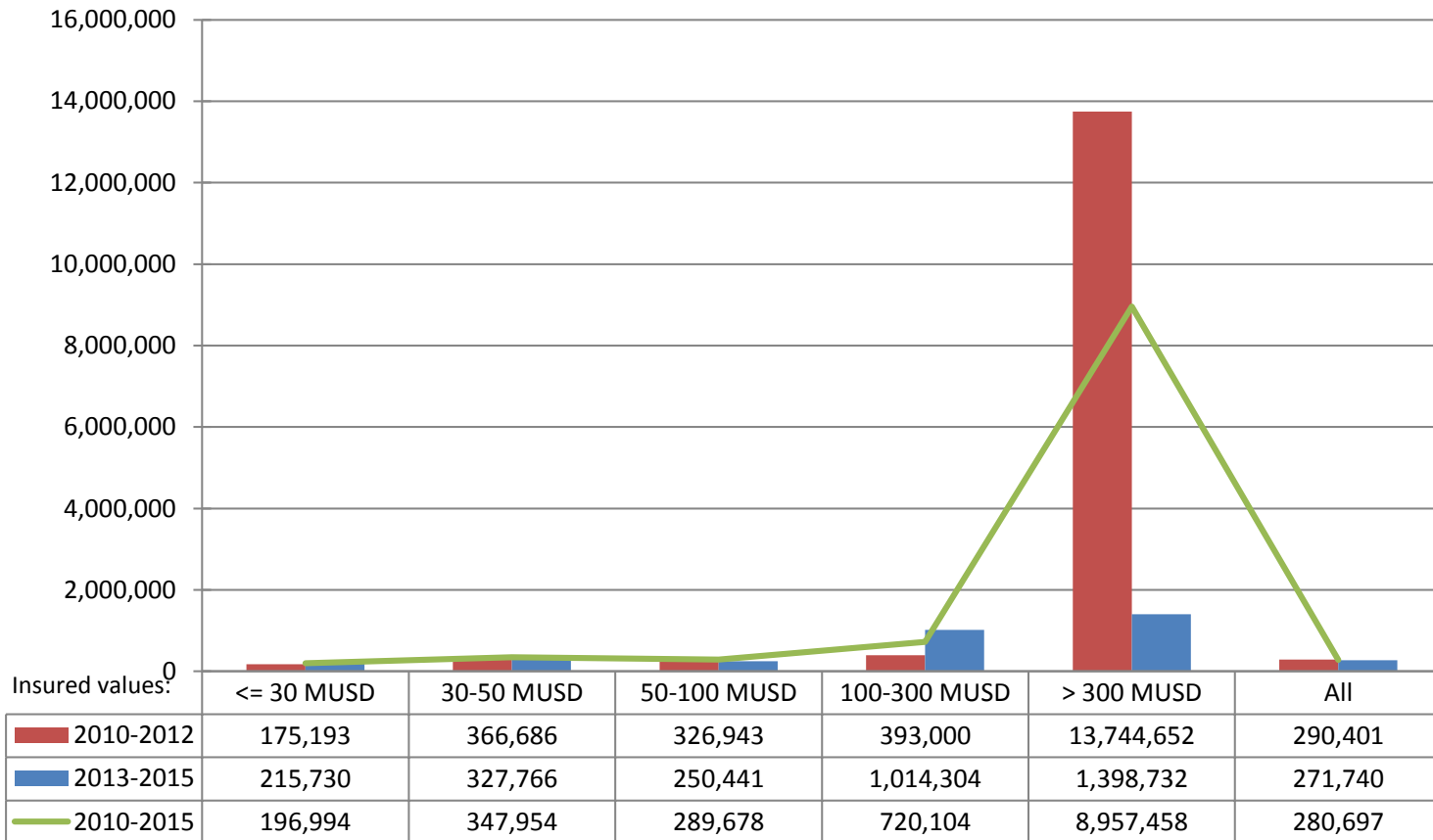
Claim per GT per Sum Insured layer



2015 NOMIS – OCEAN HULL – PART 7

AS OF 31 DECEMBER 2015 – PAID & OUTSTANDING AS REPORTED, NO IBNR RESERVE ADDED

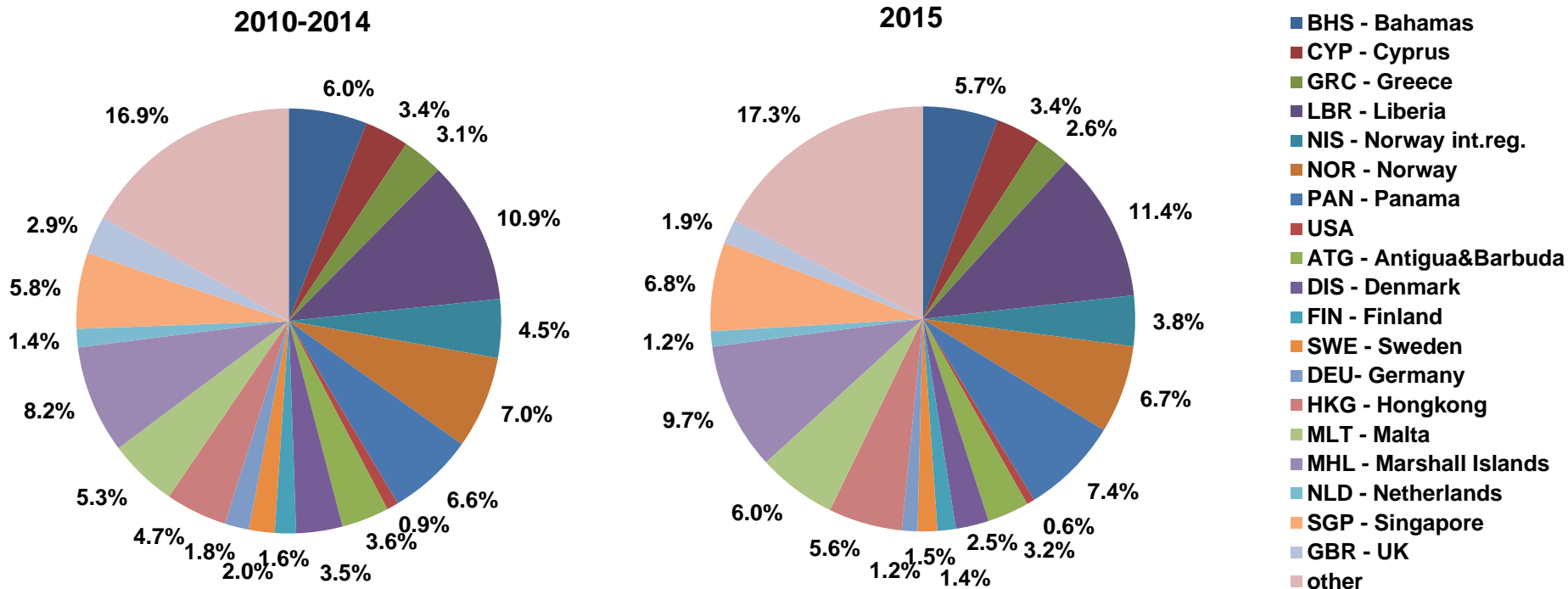
Average Claim cost per Sum Insured layer



2015 NOMIS – OCEAN HULL – PART 8

AS OF 31 DECEMBER 2015

Distribution of vessels by largest flags, by year of exposure



Total number of vessels:

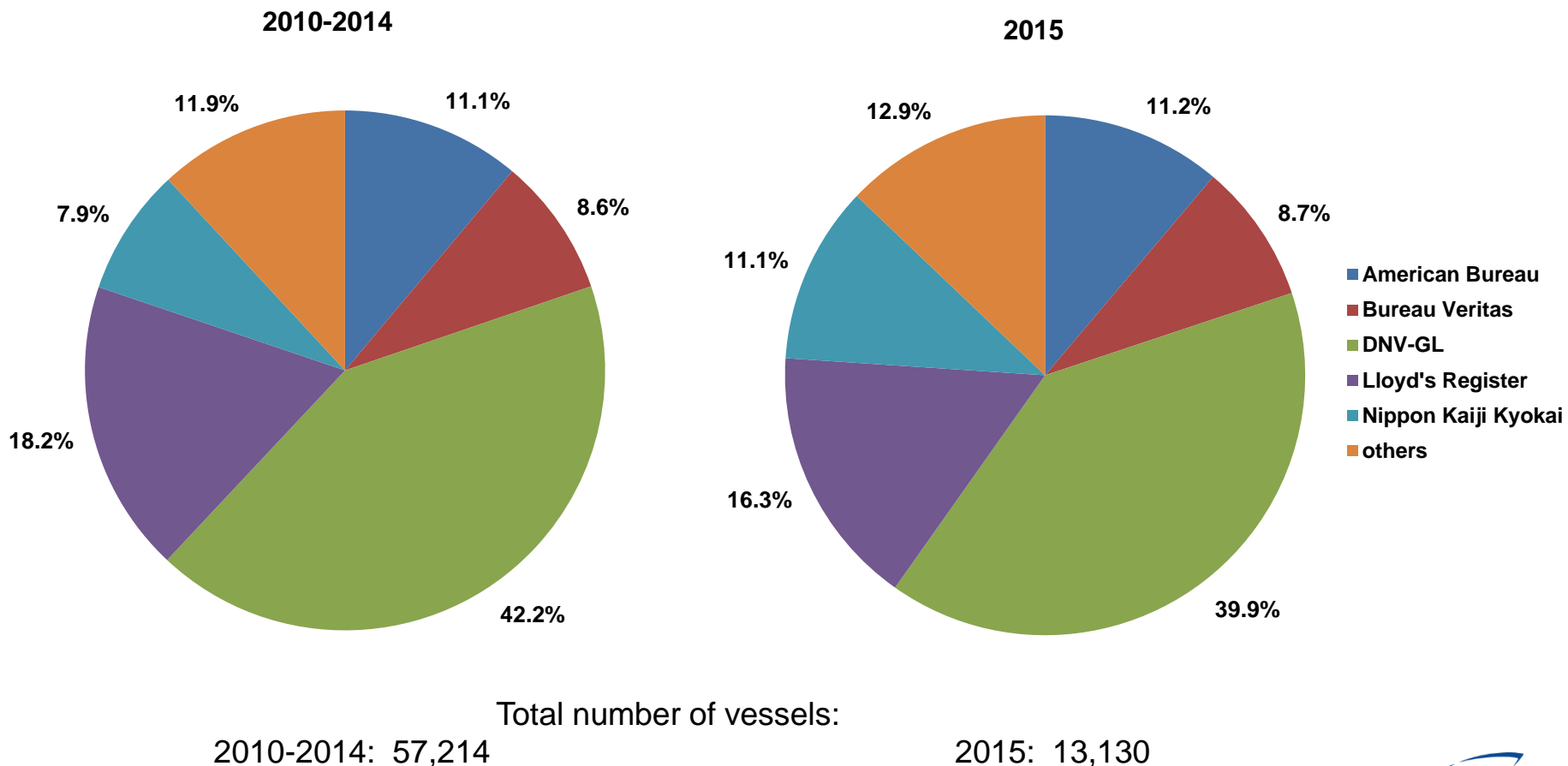
2010-2014: 57,214

2015: 13,130

2015 NOMIS – OCEAN HULL – PART 8

AS OF 31 DECEMBER 2015

Distribution of vessels by classification society, by year of exposure

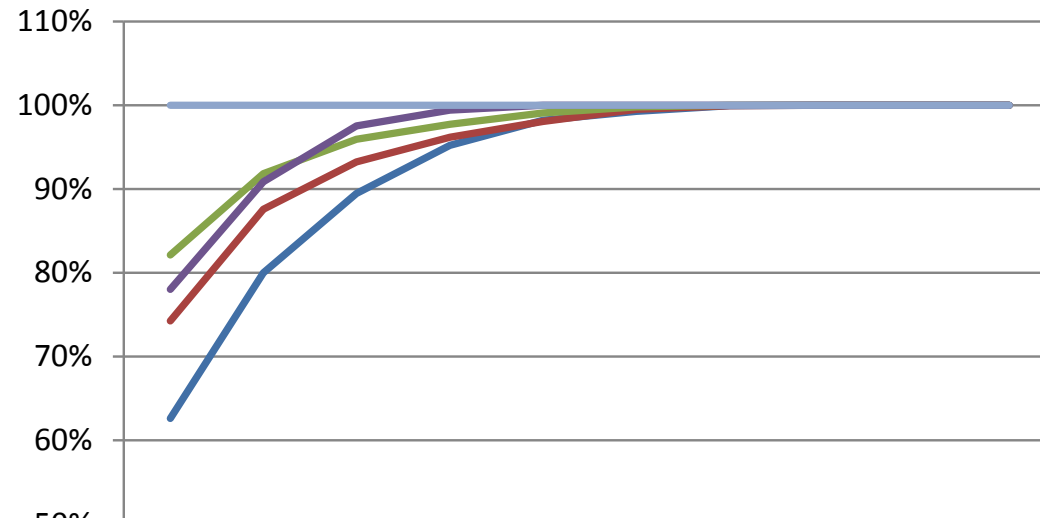


2015 NOMIS – OCEAN HULL – PART 9

AS OF 31 DECEMBER 2015, PAID & OUTSTANDING AS REPORTED

Exposure curves by Sum Insured Partial Claims only ($\leq 75\%SI$)

Ceding company's retention of claims
(in % of total claims)



	Sum Insured:	10%	20%	30%	40%	50%	60%	70%	80%	90%	100 %
— 0-5 Mio USD		0.626	0.800	0.894	0.952	0.982	0.993	0.999	1.000	1.000	1.000
— 5-20 Mio USD		0.742	0.875	0.932	0.962	0.981	0.995	0.999	1.000	1.000	1.000
— 20-75 Mio USD		0.821	0.918	0.959	0.977	0.990	0.998	1.000	1.000	1.000	1.000
— > 75 Mio USD		0.780	0.909	0.975	0.994	1.000	1.000	1.000	1.000	1.000	1.000
— 100%		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Ceding company's retention as % of SI

PA claims in % of all claims* :
 0-5 MUSD: 79%
 5-20 MUSD: 84%
 20-75 MUSD: 81%
 > 75 MUSD: 68%*

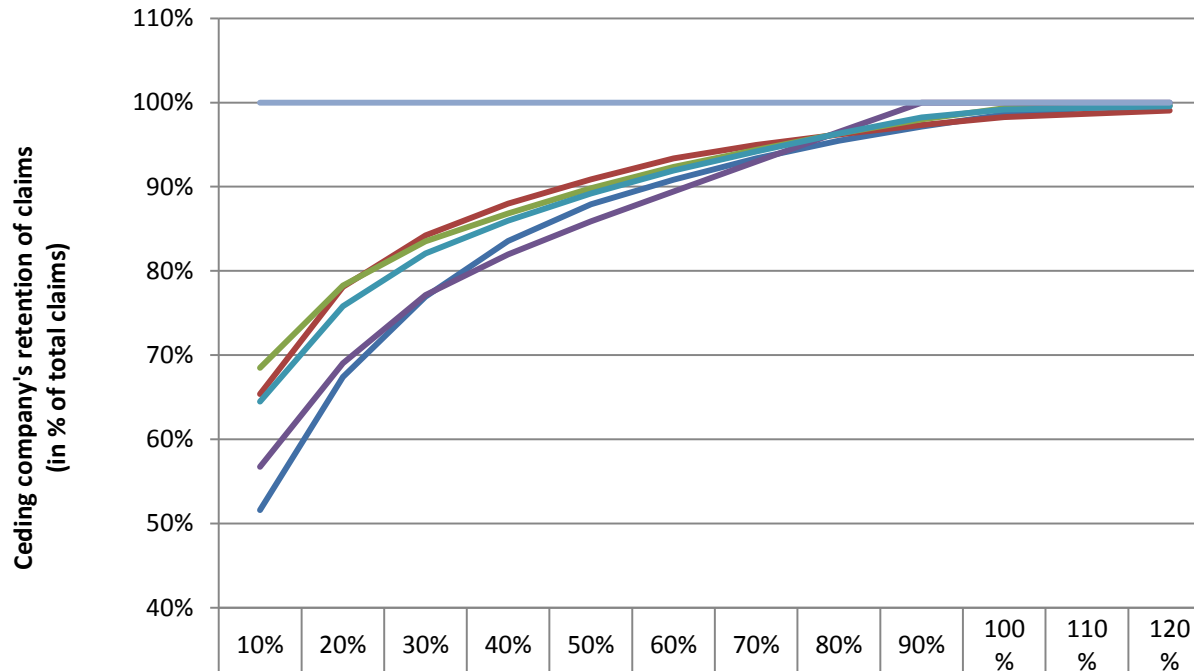
* «all claims» includes Costa Concordia cost; PA% for claims >75 MUSD is therefore relative low

The curves are based on 100% shares. For a ceding company writing 10% shares, the exposed values in the given bands are “<0.5 MUSD”, “0.5-2 MUSD”, “2-7.5 MUSD”, “>7.5 MUSD”.

2015 NOMIS – OCEAN HULL – PART 9

AS OF 31 DECEMBER 2015, PAID & OUTSTANDING AS REPORTED

Exposure curves by Sum Insured
All claims including total losses



The curves are based on 100% shares. For a ceding company writing 10% shares, the exposed values in the given bands are “<0.5 MUSD”, “0.5-2 MUSD”, “2-7.5 MUSD”, “>7.5 MUSD”.

Ceding company's retention as % of SI

2015 NOMIS – OCEAN HULL – PART 9

AS OF 31 DECEMBER 2015, PAID & OUTSTANDING AS REPORTED

Exposure Curves

- Exposure curves are used by reinsurers to price excess of loss reinsurance.
- The curves indicate the ceding company's retained share of PA claims after ceding claims in excess of a given percentage of a vessel's sum insured.
- The curves should be applied on individual vessels or groups of vessels with similar values and written shares.
- The curves are calculated for 100% values. In applications the choice of curve should thus also be based on 100% values.
- The curves are based on USD claims amounts. Due to exchange rate fluctuations, the ratio between claim cost and insured value may deviate in the original currency.

Exposure Curves technicalities

- The curves are based on H&M covers only for vessels with valid IMO-No.
- The curves are based on claims incurred in the **years 2010-2015**
(14,017 partial claims; 14,066 claims in all; only claims with cost > 1USD included)

- The curves are calculated as follows:

x = percentage retained

C = Individual claims ¹⁾

V = Vessel value

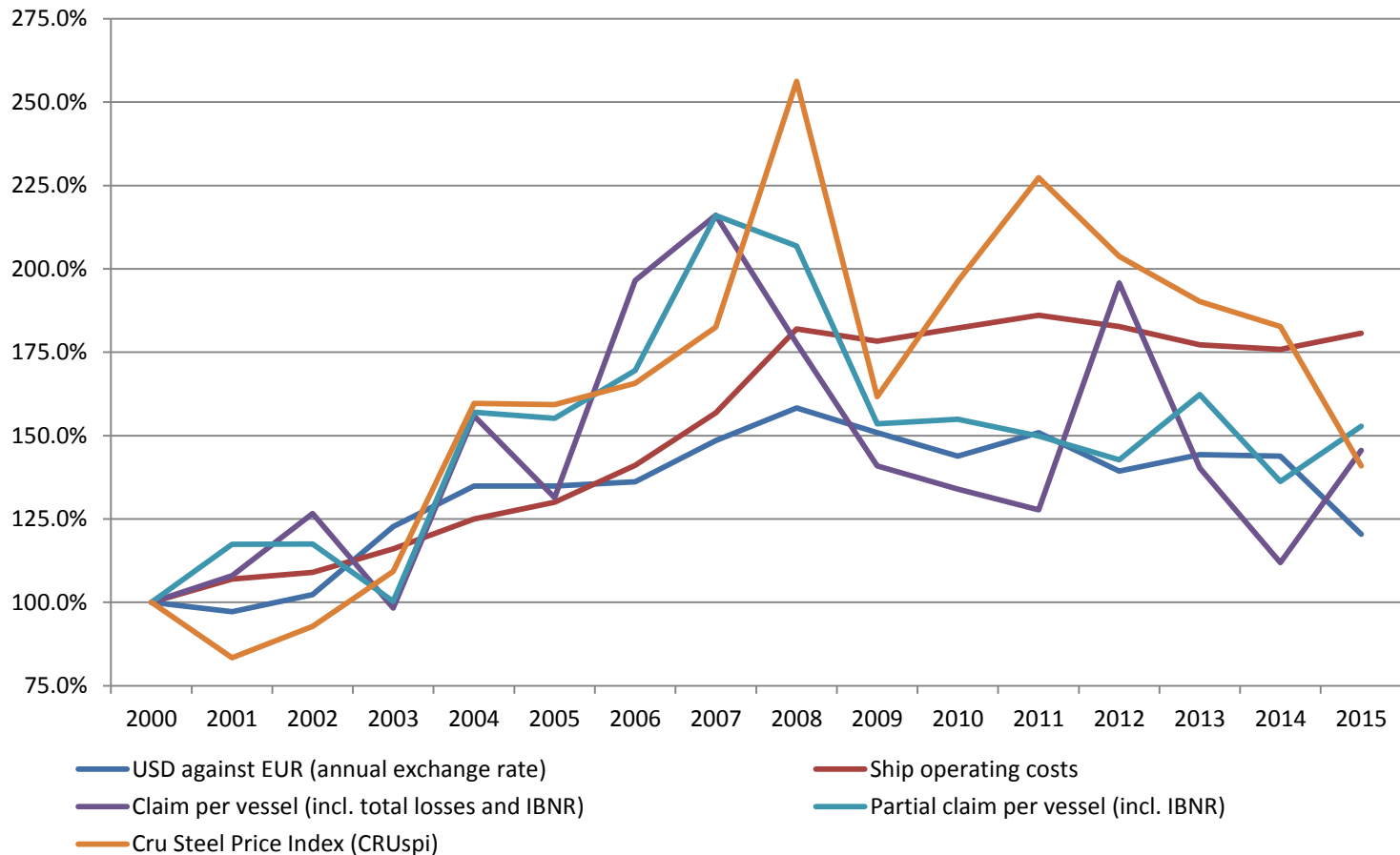
$$f(x) = \frac{\sum \min[C, V \cdot x]}{\sum C}$$

¹⁾ First set of exposure curves: based on partial claims only; Second set of exposure curves: based on all claims, including total losses / claims exceeding the Sum Insured

2015 NOMIS – OCEAN HULL – PART 10

AS OF 31 DECEMBER 20145

Cost driving factors inflation index, 2000 = 100%



Sources: Claim index: Cefor NoMIS data as of 31.12.2015; Exchange rates: Norges Bank, Ship operation costs: Moore Stephen's, Steel: CRU Steel Price Index

NOMIS REPORTS 2015:

Cefor marine insurance statistics publications at www.cefor.no/statistics :

- Cefor Annual Report 2015
- The 2015 Cefor NoMIS OCEAN Hull Report
- The 2015 Cefor NoMIS COASTAL Hull Report

- Half-yearly Claims Update Fact Sheet

- All Cefor statistics are available for download from the statistics section of the Cefor website: www.cefor.no/statistics
(check the “NoMIS” section – Nordic Marine Insurance Statistics)

Other marine insurance statistics:

- IUMI (International Union of Marine Insurance) – Statistics issued by IUMI’s Facts & Figures Committee:
<http://www.iumi.com/index.php/committees/facts-a-figures-committee/statistics>