



PRESS RELEASE

Oslo, Norway, 6 April 2017: Cefor releases 2016 marine hull claims trends from the Nordic Marine Insurance Statistics (NoMIS) database, elects new Chair and members of the Board.

Claims in hibernation

'2016 has seen a continued drop in insured values and reported premium due to challenging market conditions. On the positive side, it was an exceptionally good claims year. Frequency continued a decade long downward trend, and there was an absence of both major claims and total losses', says Helle Hammer, Cefor's Managing Director, in a comment to the Association's new marine hull claims statistics that were published today.

Size matters

'The question is how long this situation will continue, and which role lay-ups play for the low claims impact in 2016. A non-operating offshore vessel has a claims frequency that is about half - or less - of that of an active vessel', Hammer informs.

Summing up the year, 2016 enters history as the year with a complete absence of claims above USD 30 million for the first time in ten years and a record low number of claims above USD 5 million.

'The impact of large claims on the overall claims cost has increased over the past years, and their volatility makes annual results more unpredictable. We cannot expect an absence of total losses and large claims year-on-year, and must be prepared for their return from hibernation', warns Helle Hammer.

Depressed shipping markets

The depressed shipping markets are evident even in insurance statistics. Following the financial crisis, there has been a decrease in the average sum insured for seven consecutive years (8 per cent average decrease year-on-year on renewed vessels, which is higher than what can be expected due to the aging factor). The influx of newbuildings into the NoMIS portfolio has slowed down, and the percentage of the youngest vessels in the 0-5 year range is now 24 per cent; down from an average of 31 per cent for the period 2011-2015.

'The slow trade environment, oversupply and lay-ups explain much of the drop in values. The largest drop in the sum insured can be found within the bulk and supply/offshore segments with a reduction of 14 and 11 per cent respectively on hull insurance renewals in 2016', informs Helle Hammer.

The 2016 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 400,000 vessel years and 90,000 claims by the end of 2016.



Elections to the Cefor Board of Directors

The Association's Annual General Meeting elected today Anne Systad, Area Manager of Codan Marine Norway, as Chair of the Cefor Board of Director's. She succeeds Christen Guddal of Gard who steps down from the Board. Svein Buvik, Chief External Affairs Officer of Gard, was elected new member of the Board and Deputy Chair. Senior VP Anna Erlandsen (Norwegian Hull Club), and Insurance Director Anders Hovelsrud (DNK) were elected new members of the Board, while Director Tord Nilsson (The Swedish Club) and Head of Commercial Marine Norway Jonny Gangstad (If) were re-elected.

Following these elections, the Board comprises the following members as per 6 April 2017:

Anne Systad, Codan, Chair

Svein Buvik, Gard, Deputy Chair

Arne Gangdal, Gjensidige

Jonny Gangstad, If

Jan Linnell, Alandia Insurance

Claes Lindh, Skuld

Tord Nilsson, The Swedish Club

Anna Erlandsen, Norwegian Hull Club

Anders Hovelsrud, DNK

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