

2025 Mid-year Hull Report

The Nordic Association of Marine Insurers



Highlights

- **A burning issue – Fires dominate 2025 major losses**
4 claims exceeding USD 20 million were reported by 30th June, far more than the ten-year average of 1.5 claims per 6 months. All 4 claims were fires. Since 2015, 16 out of 26 claims in all above USD 20 million were fires, thus representing the highest share of the costliest claims (62%). Other claims in that cost range typically are navigational-related (collisions, groundings, contact), and only occasionally another type. Another aspect is that 11 of in all 16 fires above USD 20 million reported since 2015 hit vessels older than 20 years – illustrating the risk of an ageing fleet.
- **Third consecutive year with elevated claims costs**
A combination of repair cost inflation and the return of major losses drove up claim costs from 2020 to 2023. While the increase seems to flatten out, 2024 and 2025 claims costs stay at a similar level as in 2023.
- **The silver tsunami rolls on**
The ageing of the world fleet continues, rolling wave-like through the NoMIS portfolio. While old vessels may be well maintained, from a statistical perspective old vessels are more prone to fires, machinery claims and consequential damages.
- **Engine-room fires: highest occurrence on the oldest vessels and in the passenger, container and car/RoRo segment**
While headline losses often are about fires caused by dangerous cargo, especially on container or car/RoRo vessels, engine room fires do not need less attention. An ageing fleet heightens the risk of machinery-related problems. Chapter 4 therefore dives into that issue.

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1. Claims costs

Claim cost per vessel, average claim cost, major losses, cost drivers and inflation impact

Highlights claim cost:

- Fires represent the four costliest losses by end of June 2025.
- 2025 costs continue at the same level as 2023 and 2024 with big major losses impact.

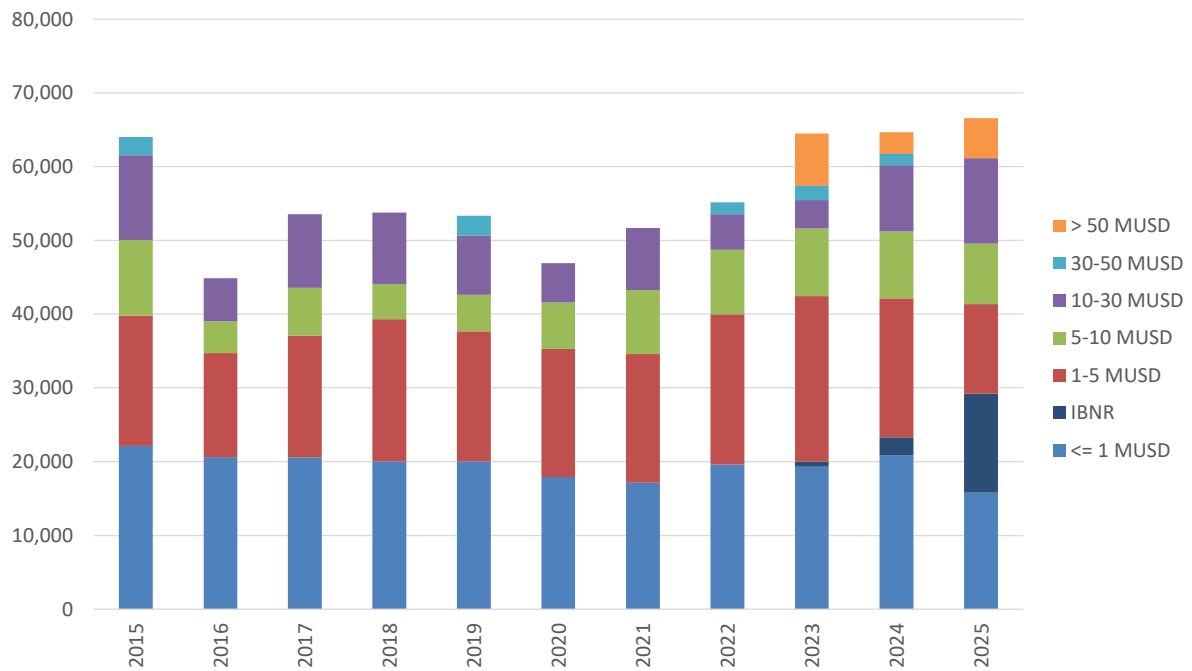
Major and total losses

2025 is the third consecutive year with claims above USD 50 million, after a benign period 2015-2022 with only an occasional claim exceeding USD 30 million. Fires had significant impact in the first half year of 2025. Four out of seven claims above USD 10 million were fires and the costliest claims. Fires not only mean an economic loss but represent a threat to the life of the seafarers as well as the environment. Therefore, it is crucial to identify and address the causes to prevent such losses.

In the first half year of 2024, there were also seven claims above USD 10 million, although the costliest was a collision. In the whole year of 2024, fifteen losses exceeded USD 10 million, of which seven were fires, two collisions, two groundings and four machinery damage.

It may be noted that out of the fifteen costliest losses in 2024 only nine were reported with costs exceeding USD 10 million as of 31st December 2024, meaning the estimated final cost of six of the fifteen losses was significantly adjusted upward during the first half year 2025. This illustrates that it is often not possible to assess the full cost of a claim already shortly after it has happened, and especially the recent years saw an extraordinary upward adjustment of claims reserves in the second year. There is thus a risk that the number of claims above USD 10 million in the first half of 2025 could almost double when the cost of all claims occurred in that period will be fully known.

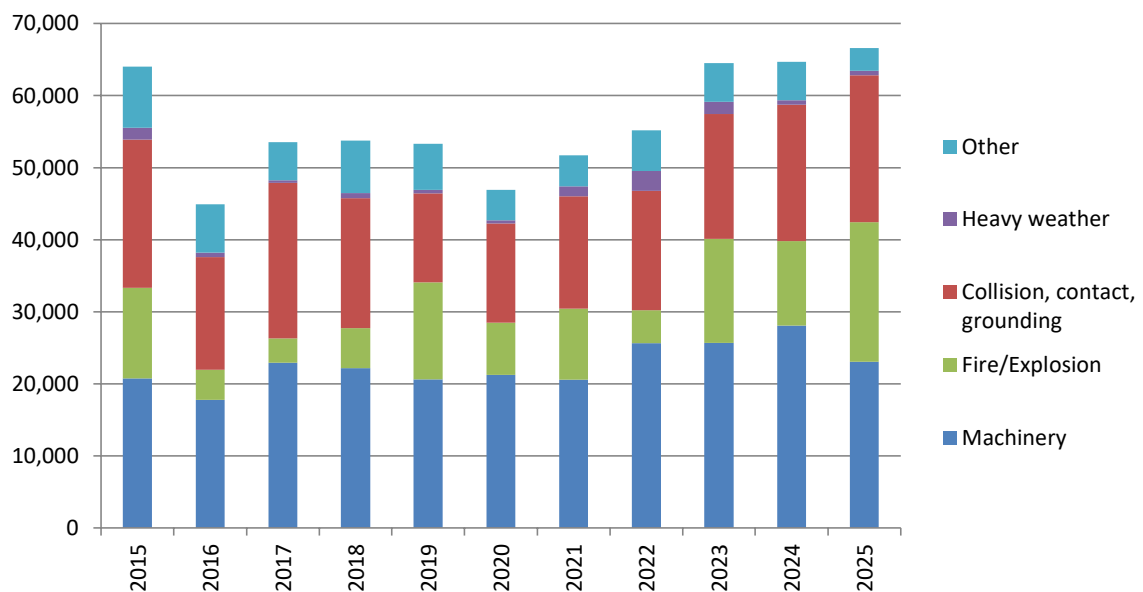
1.1: Claim cost per vessel (USD) by intervals of claim cost, by accident year



From 2020 to 2023, the claim cost per vessel rose steadily. In 2023, it started to exceed the cost of the years prior to the pandemic. In 2023 to 2025, the claim cost per vessel was 22% higher than the average of the period 2017-2019. The claims above USD 5 million contribute most to this increase.

In 2025, the claim cost per vessel stays at a similar elevated level as the previous two years as a combined effect of recent years' repair cost inflation and major loss impact.

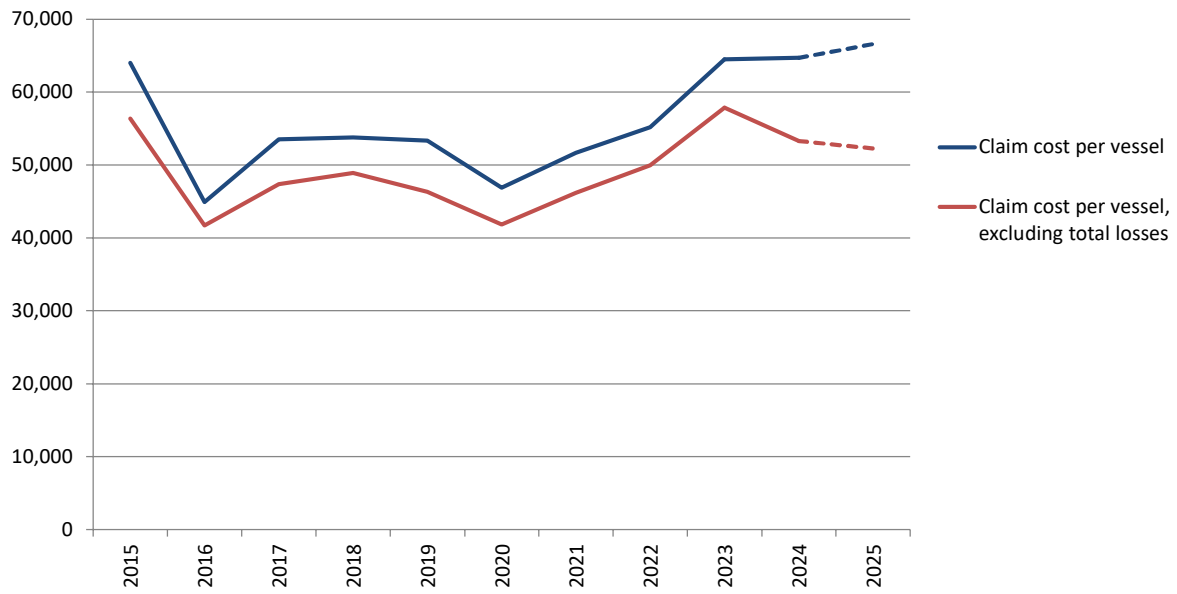
1.2: Claim cost per vessel (USD) by type of casualty, by accident year



The 16% jump from 2022 to 2023-2025 was caused by machinery claims and fires. From 2015 to 2021, the cost of machinery claims was stable at USD 20,000 per vessel per year but has since increased.

In the first half year 2025, fires account for an above average share of the cost per vessel.

1.3: Ultimate partial and total claim cost per vessel (USD), by accident year¹



The estimated ultimate claim cost per vessel is based on claims reported as of 30th June 2025. The claim cost per vessel includes an IBNR² reserve. No IBNR is added to known total losses, as these reflect 100% of the ultimate claim cost and are linked to the insured values of the vessel.

Both the partial and the total claim cost per vessel increased from 2020 to 2023 by nearly 40%. In 2024 and the first half year of 2025 the situation differs somewhat. While the partial claim cost per vessel has shown no further increase, the overall claim cost per vessel keeps high and even shows a slight further increase in the first half year 2025, due to the impact of costly total losses.

Steel prices, the cost of spare parts, labour cost and exchange rate fluctuations all influence repair costs. Exchange rates may influence repair cost in the sense that hull coverages often are written in USD, while vessel repairs more often are carried out in areas with other currencies than USD. A weaker USD is thus likely to increase claim cost measured in USD. Deductibles and particularly changes in deductible levels also play a role when interpreting the statistics, as only claims exceeding the agreed deductibles are registered by insurers.

The cost of total losses is linked to the insured values of the vessel which in turn may vary over time, depending on the supply and demand situation for different vessel segments.

¹ Accident year, or 'date of loss' perspective = Claims are grouped by the year in which the accident occurred (as opposed to grouping claims by the underwriting year, i.e. the inception year of the insurance coverage).

² IBNR = Incurred But Not Reported = reserve for expected claims adjustment and registration backlog.

Unusual upward adjustment of claim cost estimates continues

Graph 1.4 reflects the development of the accumulated cost of claims occurred in a certain year by quarter. Thus, one can compare the claims development pattern between years.

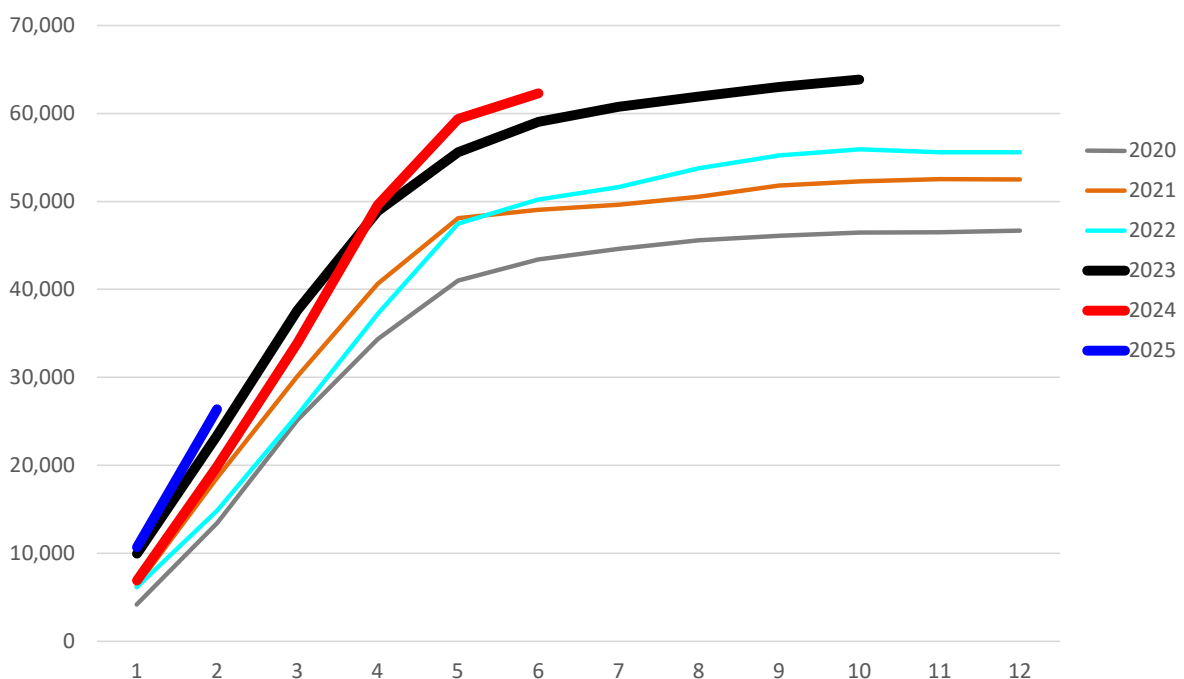
Under stable conditions, the cost of hull claims can be estimated rather exact by the second year. This is reflected by the curves as shown in graph 1.4 flattening out from the second year. Hull claims typically follow a certain development pattern from the first cost estimates until the final claim costs are fully known.

As the graph also shows, the deviation from the typical pattern started with year 2022, which showed an unusual upward adjustment of claims costs during the 5th to 8th quarter. Cost estimates for 2023 claims already started higher and in addition showed a steeper upward adjustment. 2024 started somewhat lower than 2023 but showed a much steeper increase and surpassed 2023 from the fourth quarter.

The 2025 claim cost per vessel started higher than the preceding years and in addition also has a steeper increase in the first two quarters, partly due to major loss impact in the first half year.

As we showed in previous reports³, an unusual upward adjustment, deviating from the average curve pattern, may to some degree be attributable to repair cost inflation.

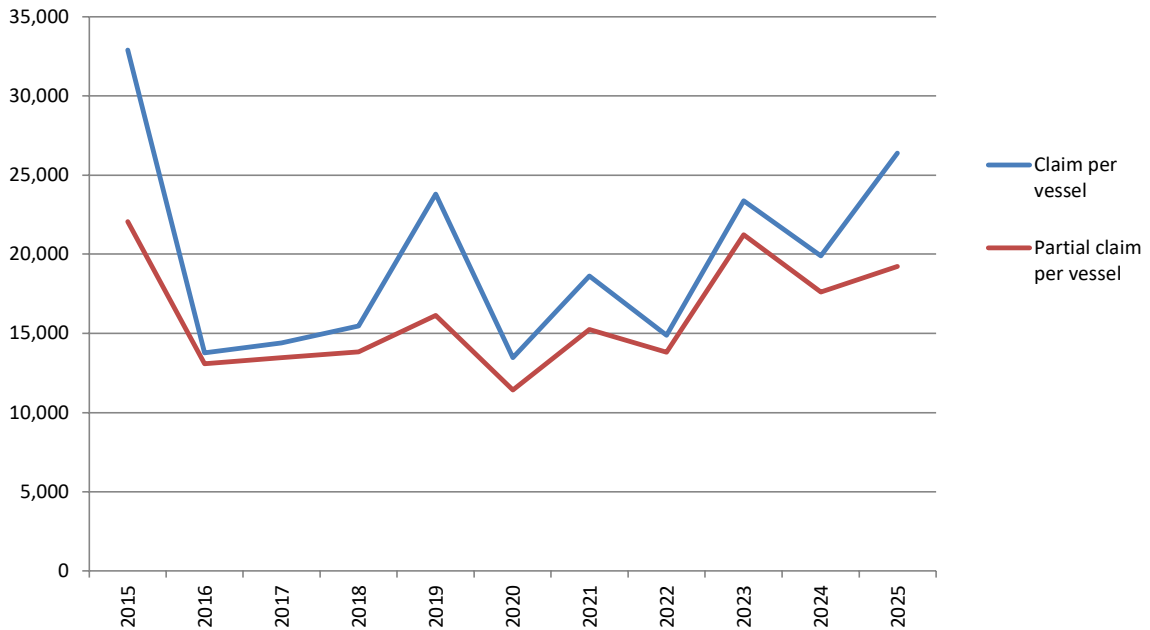
1.4: Claim per vessel (USD), accumulated quarterly development⁴, by accident year



³ See e.g. the annual hull reports 2024: <https://cefor.no/statistics/nomis/2024/2024-year-end-hull-trends/>

⁴ In this graph, claims costs are related to the total annual exposure (number of vessels) per year. Thus, the claim cost per vessel by end of quarter 1 to 3 is less than in graphs that show the ultimate results per year.

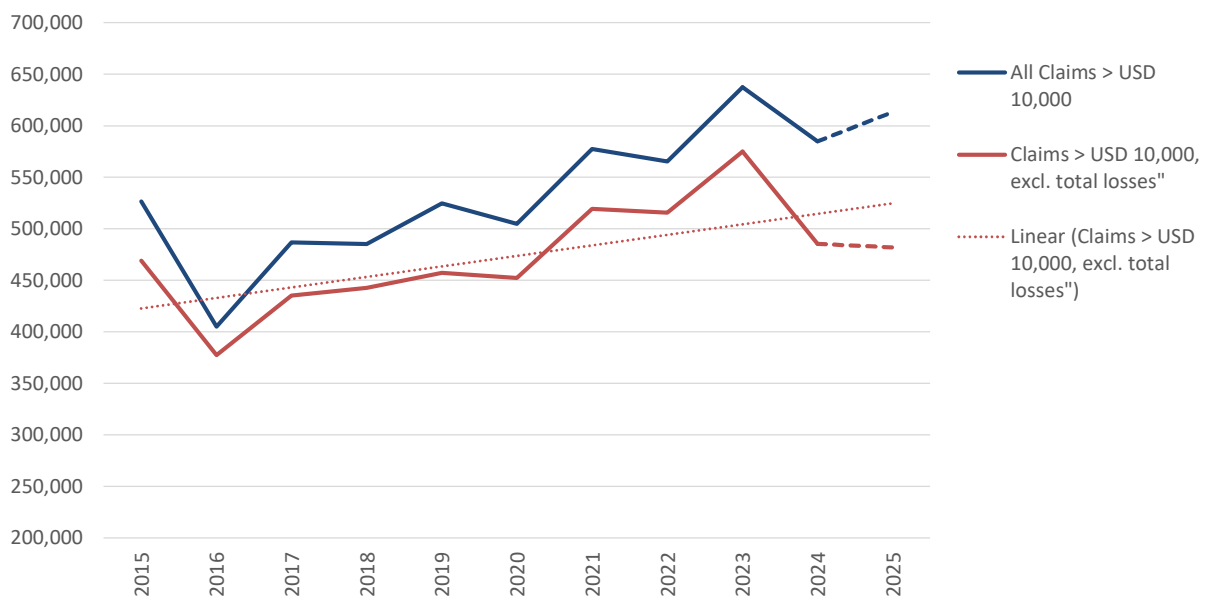
1.5: Claim per vessel (USD) as reported by 2nd quarter of each accident year



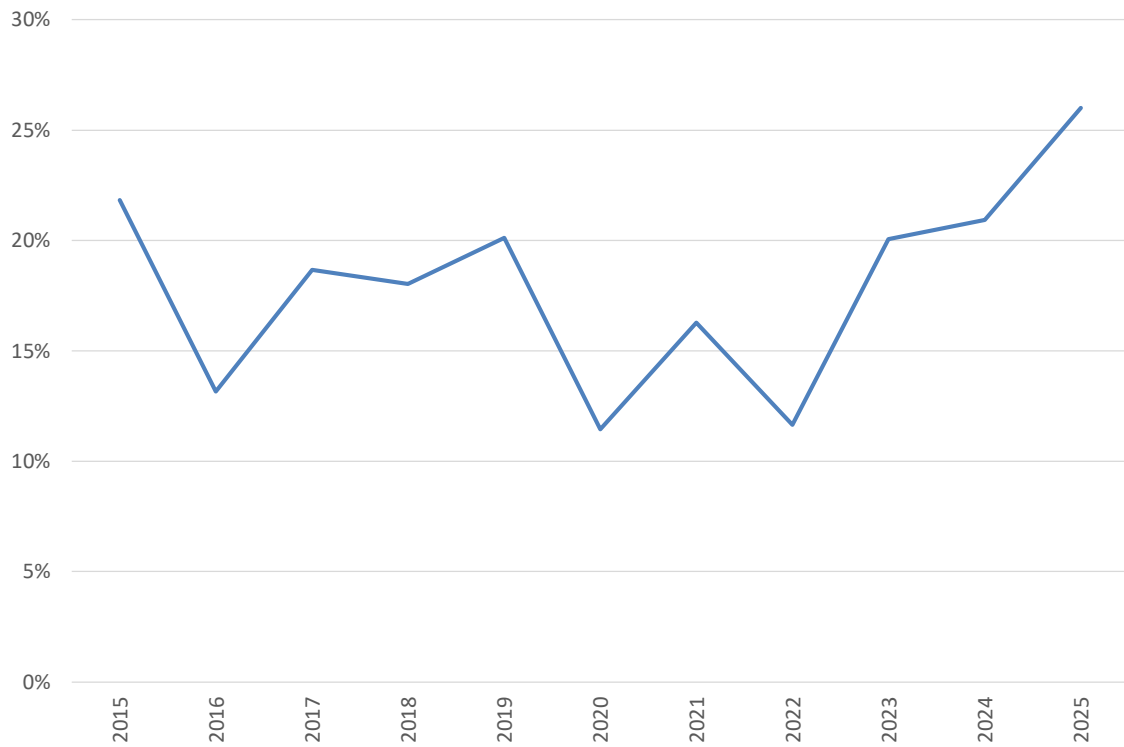
The next graph shows the average cost of reported claims above USD 10,000, including/excluding total losses. The average claim cost showed an upward trend from 2020 to 2023 which may indicate inflation effects during that period. In the first half year of 2025, costly total losses had a big impact.

Claims below USD 10,000 are excluded as these showed a declining frequency in the NoMIS portfolio and may thus deter the average cost. When interpreting a trend of the average claim cost, one should be aware that this is impacted by both the reported number of claims and their cost. This means a presence or absence of very large claims as well as the frequency of very small claims influence the average cost.

1.5: Average partial and total claim cost (USD), claims > USD 10,000, incl. IBNR



1.6: Claims exceeding USD 10 million as % of the total cost, by accident year



Over the ten years 2015 to 2024, claims exceeding USD 10 million represented 17% of the total claim cost, with an annual variation between 11% and 22%.

In the first half year 2025, major claims influenced the overall cost more than over the past ten years, accounting for more than 25% of the total cost.

2. Claims frequency

Number of claims in relation to the underlying portfolio

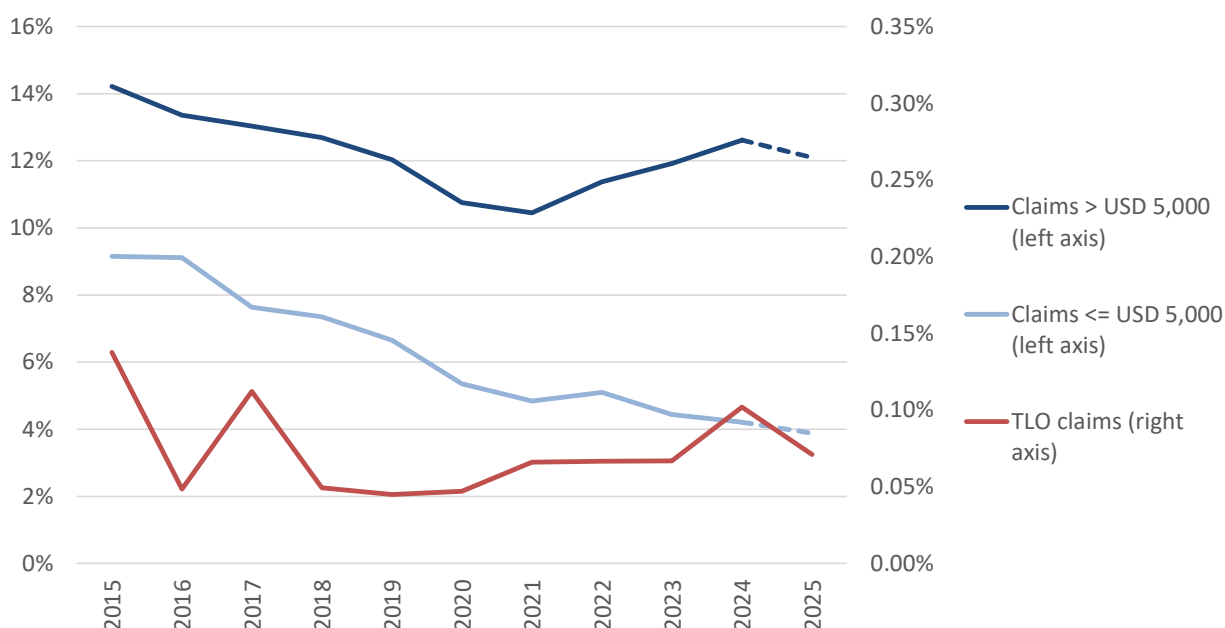
Claims frequency stabilising after post-pandemic increase

After the extraordinary drop in 2020, the claims frequency has been steadily rising in the following years but still at moderate level compared to pre-pandemic years.

The total loss frequency has shown a long-term downward trend and stayed in recent years close to a low level of 0.05%. It shows some increase in the years 2024 and 2025 but still at a low level.

Several factors influence the claims frequency in an insurance portfolio such as deductibles, insurance conditions and the portfolio composition. Claims below the deductible are not reported to insurers, insurance conditions may differ in the scope of coverage, and the claims frequency varies by vessel type related to trade characteristics. As the average standard deductible has been stable in recent years, some inflation driven increase in the frequency was expected.

2.1: Claims frequency, by accident year



Other factors influencing the claims frequency originate from the vessel, including its technical equipment, economic trading conditions or weather conditions in certain geographic areas, to name a few. To mitigate existing and new risks, accident analysis and loss prevention measures are key.

Large losses by type of casualty

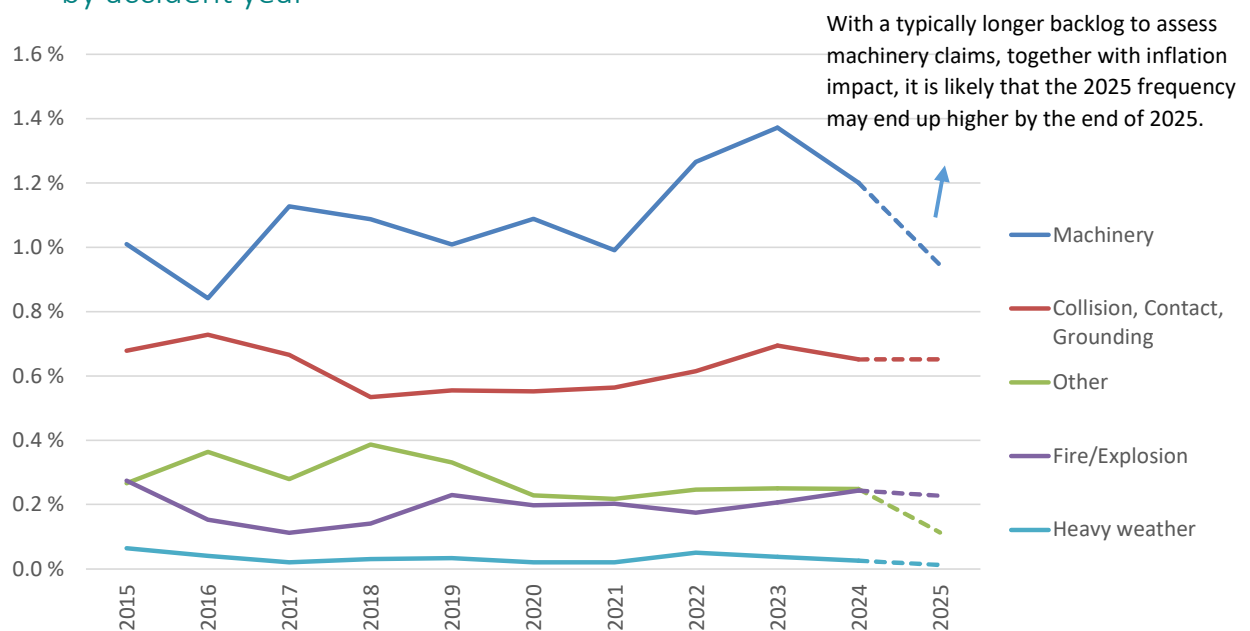
Graph 2.3 illustrates the occurrence of claims over USD 500,000 by type of casualty, with an IBNR reserve added for the backlog in either reporting or the upward cost adjustment of already reported claims.

The backlog for large claims has a higher variance than for high-frequency low-cost claims. Especially in combination with increased cost inflation over the recent years – which may drive more claims than usual over the USD 500,000 cost level – it is more demanding to predict exactly how many claims will finally end up in that range. 2025 figures, based on a projection of claims number as reported by end of June 2025, may still change until full year figures will be known.

Machinery claims typically have a longer backlog in reporting than other types. The frequency of more costly machinery claims showed a 40% increase from 2021 to 2023, while there is more uncertainty about the final outcome for 2024 and 2025 because of the mentioned reasons.

To a lesser degree also navigational-related claims and heavy weather claims showed some increase in the frequency of claims above USD 500,000 since 2021.

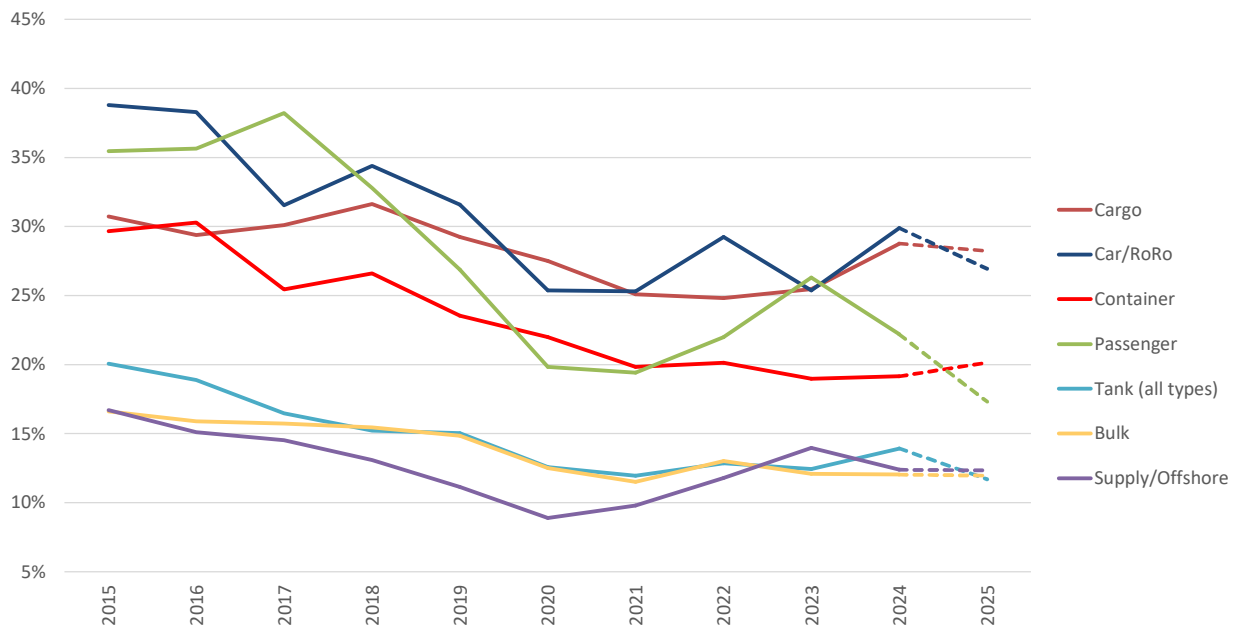
2.2: Frequency of claims > USD 500,000 by type of casualty, incl. IBNR, by accident year



Claims frequency by vessel type

Different vessel segments showed different casualty trends since 2020.

2.3: Claims frequency by vessel type, all claims, including IBNR



The segments with the highest claims frequency in general are cargo, car/RoRo, container, and passenger vessels. The rather sharp increase in the claims frequency for passenger vessels from 2021 to 2023 reflects the return to normal operation in the wake of the pandemic but has come down again recently.

The increase in the claims frequency of supply/offshore segment results from increased activity following the increase in the oil price.

The change in activity of the NoMIS fleet, measured by the distance sailed per year, reflects the market situation of different vessel segments. The share of cruise vessels in the NoMIS passenger vessels is higher than in the world fleet in general and thus its impact on the passenger segment statistics.

Car/RoRo vessels also showed a constant post-pandemic increase, although not to the same extent.

3. Claims by type of casualty

Fires/explosions continue to have big impact

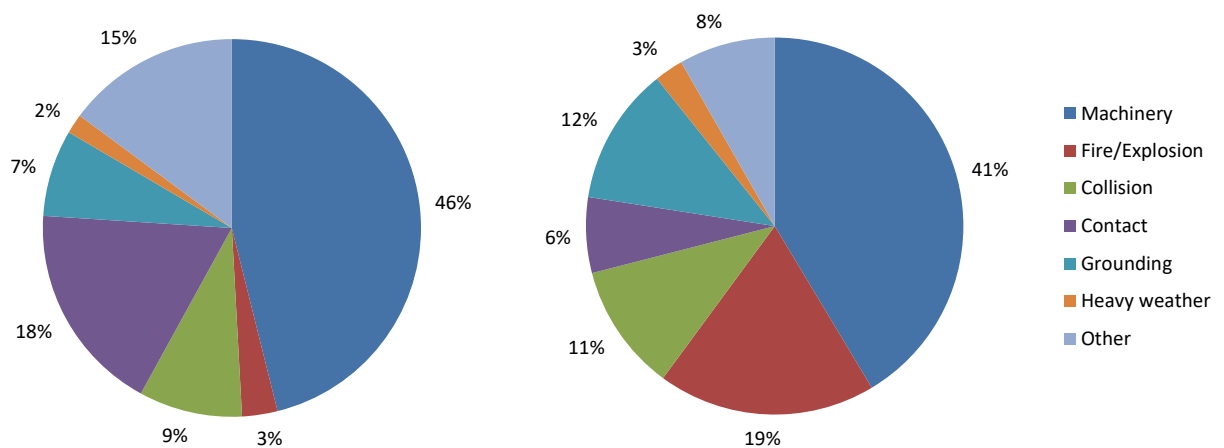
In the first half year of 2025 alone, four fires were the costliest reported losses, each exceeding USD 20 million.

Over the past years, Cefor issued various dedicated analyses of fire losses, including an analysis of fires broken down into accommodation, cargo and engine-related fires. In this report, in chapter 4 we put the spotlight on engine-related fires.

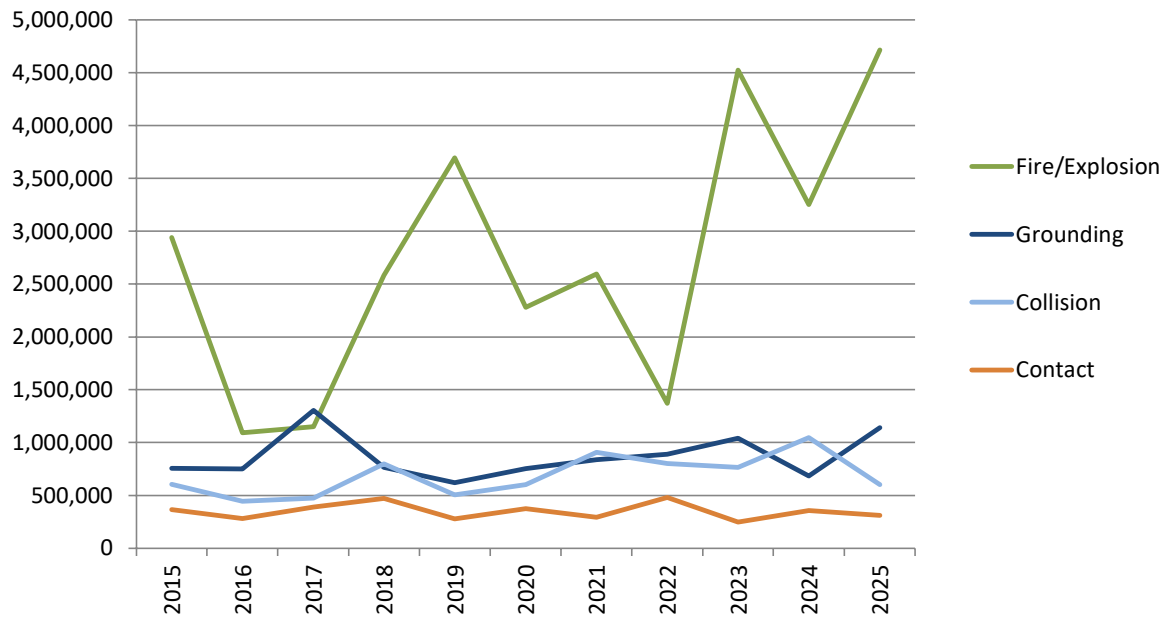
Recent years saw a number of serious cargo fires, especially on container and car/RoRo vessels. Typically, these are related to the transport of dangerous cargo, including lithium-ion batteries. Issues which need to be addressed and improved in order to prevent such figures are the declaration and stowage of dangerous cargo as well as fire-detection and -fighting methods. From a pure statistical perspective, the increasing size of such vessels increases the probability that these vessels have dangerous cargo onboard.

The cost of nautical-related claims, in particular collision and groundings, have shown some recent increase. In 2024, the two largest losses above USD 30 million were both collisions. In 2025, out of seven losses above USD 10 million reported by end of June, four were fires, one a collision and two groundings.

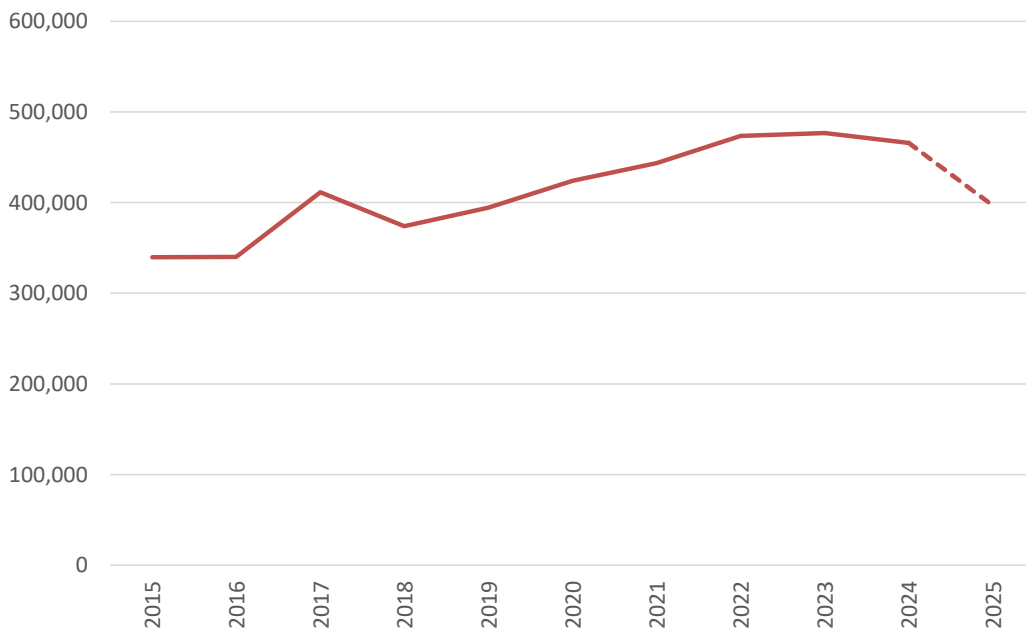
3.1: Breakdown of claims numbers (left) and cost (right) by type of casualty, 2021-2025



3.2: Average cost, fires & navigational-related claims > USD 10,000



3.3: Average cost, machinery claims > USD 10,000 incl. IBNR



The average cost of machinery claims has shown an upward trend until 2023/2024. For 2025, it may be a bit too early to conclude from the claims reported for the first half year 2025, with a typically longer backlog and recent years' above average adjustments for such claims.

While low-cost machinery claims have seen a downward trend over the past ten years, this was contrary for the frequency of more costly machinery claims. Whether the upward trend for costly machinery claims may continue into 2025 is difficult to deduce from the half-year figures alone. Machinery claims tend to have a longer backlog than other types when it comes to assessing the full final cost of such a claim. In addition, with the extraordinary upward adjustment of claims in the past few years, more machinery claims may end up in the range above USD 500,000.

In 2024, per 30 June 2025 thirteen machinery claims above USD 5 million were reported, which are two more than known by the end of 2024. This compares to seven such claims in 2023 and nine in 2022. Most machinery claims represent damage to the main engine, followed by auxiliary engine and propeller shaft.

Another aspect is though that some of the costliest claims in the portfolio such as collisions, contact or groundings, may be caused by machinery or steering gear failure. In some cases, these claims are coded as machinery claims, in other cases they are not.

Similarly, many fires start in the engine room (see also chapter 4.) and some heavy weather claims are triggered by machinery black out. The cost of all claims that are fully or partly triggered by machinery and equipment malfunction is thus higher than 'machinery claims' bucket alone.

Investigating deeper the details of machinery claims, two issues were addressed by the Cefor Technical Forum in recent Memos: [Leakage from low pressure fuel pipes](#) and [stern tube damage](#). In addition, the Cefor Technical Forum published in March 2025 a [memo with recommendations relating to blackout incidents](#).

4. Spot on: Engine room fires⁵

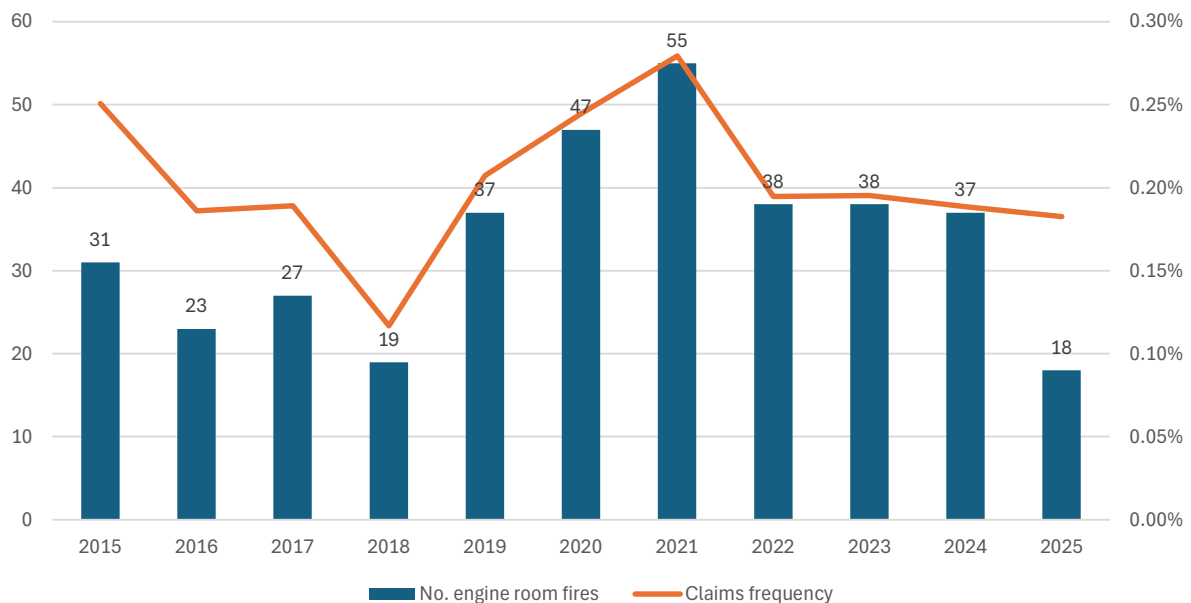
Highlights

- In most vessel segments, the oldest vessels are most prone to engine room fires.
- The frequency of engine room fires differs substantially by type of vessel. Passenger vessels show the highest frequency, followed by the container and car/RoRo segment.

Overall frequency of engine room fires stable but differs substantially by vessel segment

Over the whole portfolio, the frequency of fires related to the engine room and machinery stabilised since 2022 after a substantial increase between 2018 and 2021, but the picture looks quite different when analysing engine room fires by vessel segment and age groups (graphs 4.2 and 4.3).

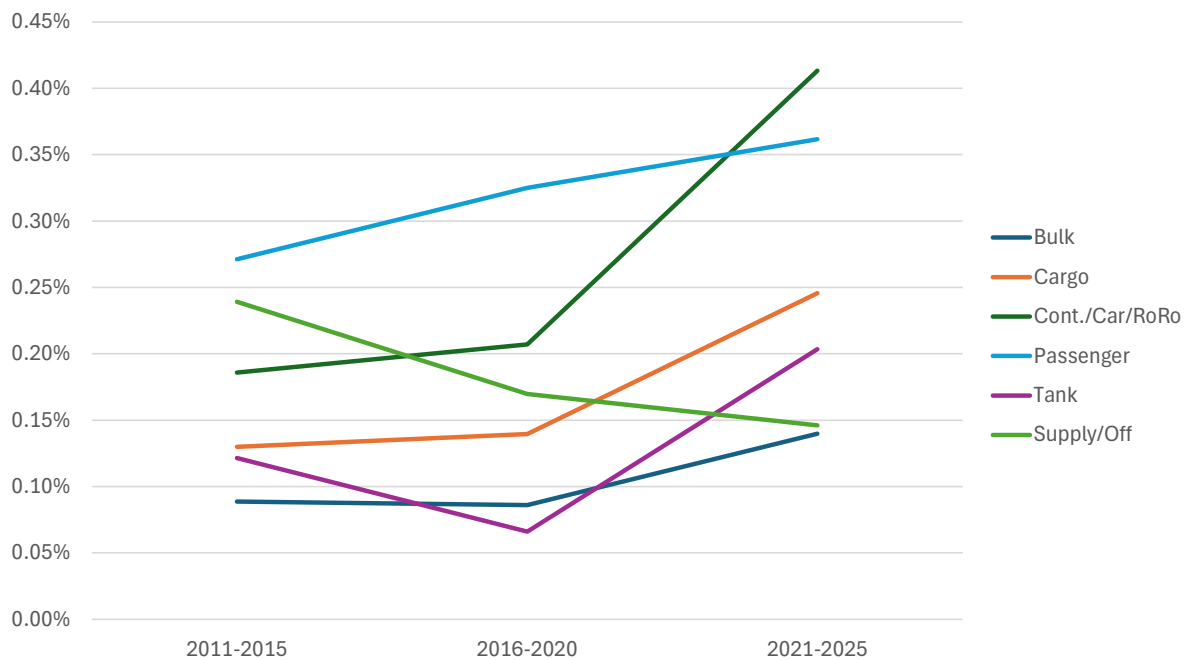
4.1: Frequency of engine room fires, by accident year



As graph 4.2 shows, except for tank and supply/offshore vessels, most vessel segments showed some increase in the frequency of engine room fires in the five-year period 2020-2024 as compared to the preceding period. The highest frequency of engine room fires in general is on passenger vessels, followed by the container and car/RoRo segment. As container and car/RoRo vessels in addition are prone to severe fires in the cargo area in connection with dangerous cargo, the prevention of both types of fires is equally relevant.

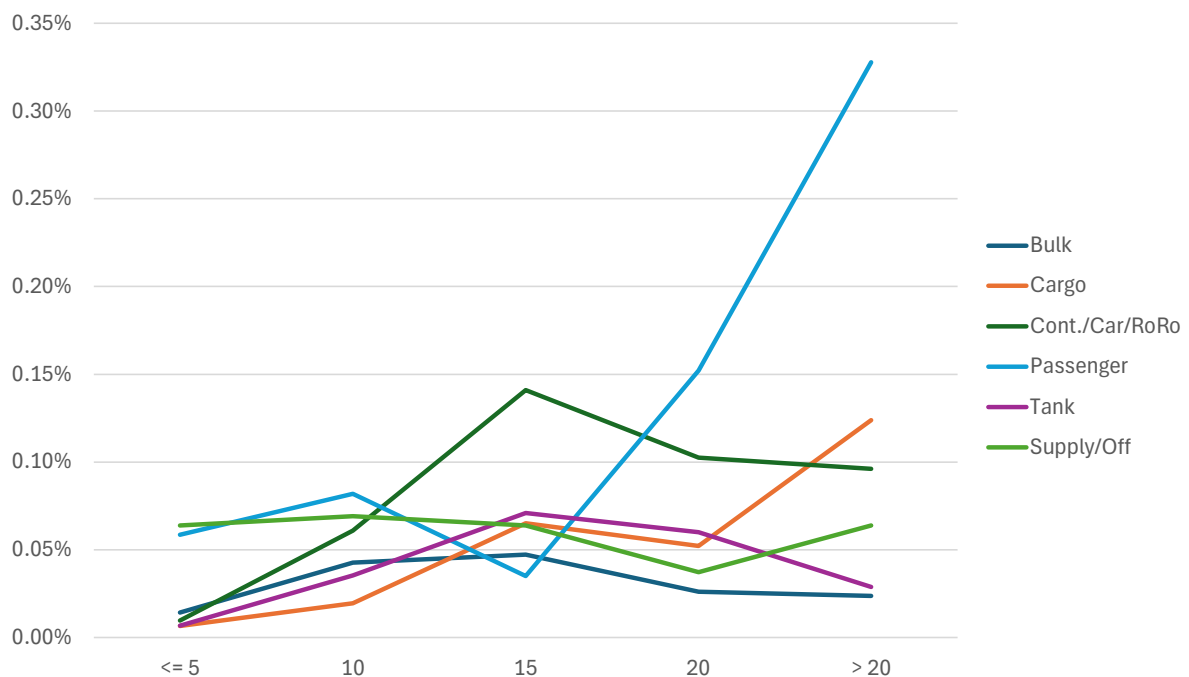
⁵ In this chapter, 'engine room' is used as synonym for machinery-related fires. The statistics include fires in the main or auxiliary engine, boiler, generator, other machinery as well as any fire in the engine room.

4.2: Frequency of engine room fires by vessel segment



Graphs 4.3 shows the relation between vessel age and engine room fires by vessel segment. It illustrates that for most vessel types but especially the cargo and passenger segment, the oldest vessels are more prone to engine room fires, while such fires only rarely occur on the youngest vessels.

4.3: Frequency of engine room fires by vessel segment and age groups (accident years 2011-2025 included)



Investigating deeper the details of machinery claims, two issues were addressed by the Cefor Technical Forum in recent Memos: [Leakage from low pressure fuel pipes](#) and [stern tube damage](#). and in March 2025 a [memo was issued with recommendations relating to blackout incidents](#).

5. Fleet characteristics – Vessel value, size and age trends

Highlights

- Less volatility in vessel value adjustments on 2025 renewals as in previous years.
- The ‘silver tsunami’ continues – Vessels aged 15-20 years soon to become the largest age group in the portfolio.

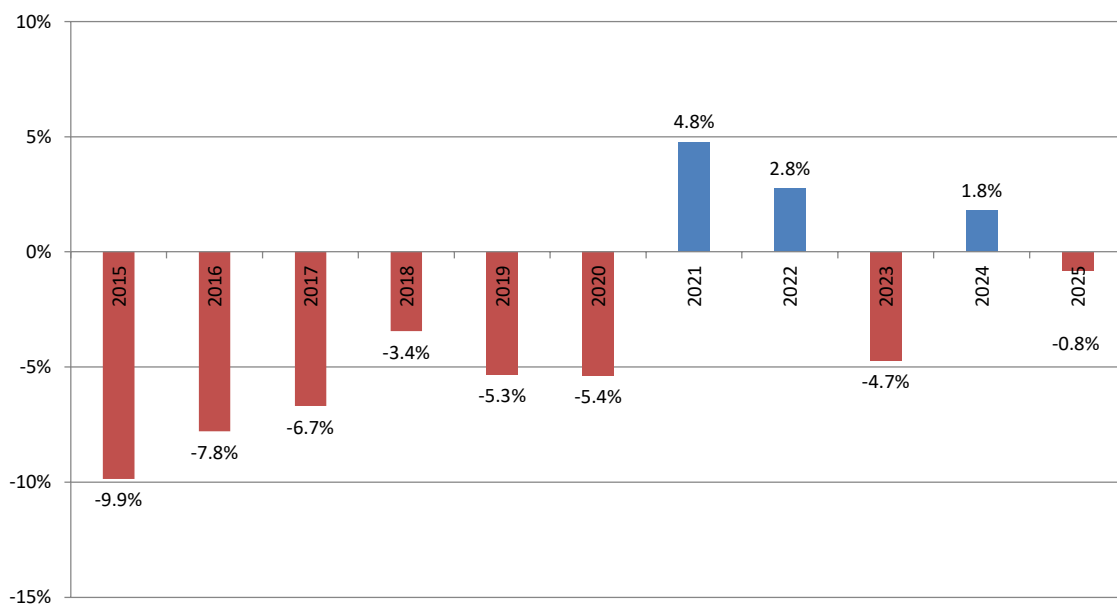
Change of values on renewal

For vessels renewed between January and June 2025, the change in the average value compared to the previous insured period was -0.8%, meaning insured values stayed stable.

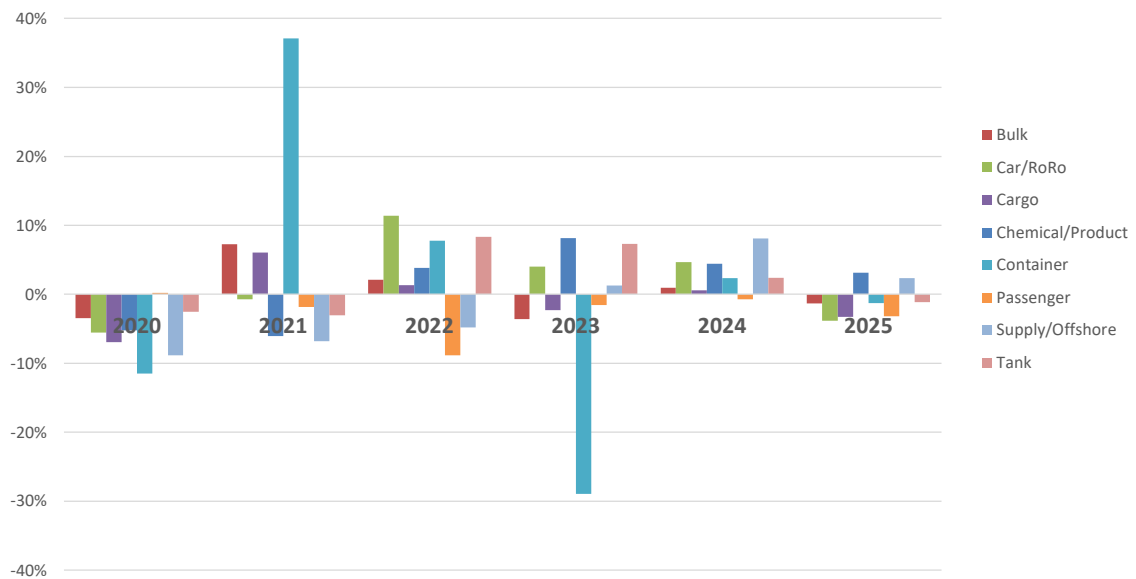
Value changes can differ substantially between vessel types, depending on the supply and demand situation and other conditions in different trades. The pandemic and subsequent recovery affected trade and shipping and thus insured values, as well as geopolitical disturbances. The most volatile vessel segment from 2021 to 2023 were container vessels, while the recent increase in the oil price increased demand for the supply/offshore segment in 2024.

The outlook for the future contains several uncertainties, as the final effect of tariff agreements, ongoing geopolitical tensions, sanctions on global trade and trade remains yet to be seen.

5.1: Average annual change (%) in insured values on renewed vessels



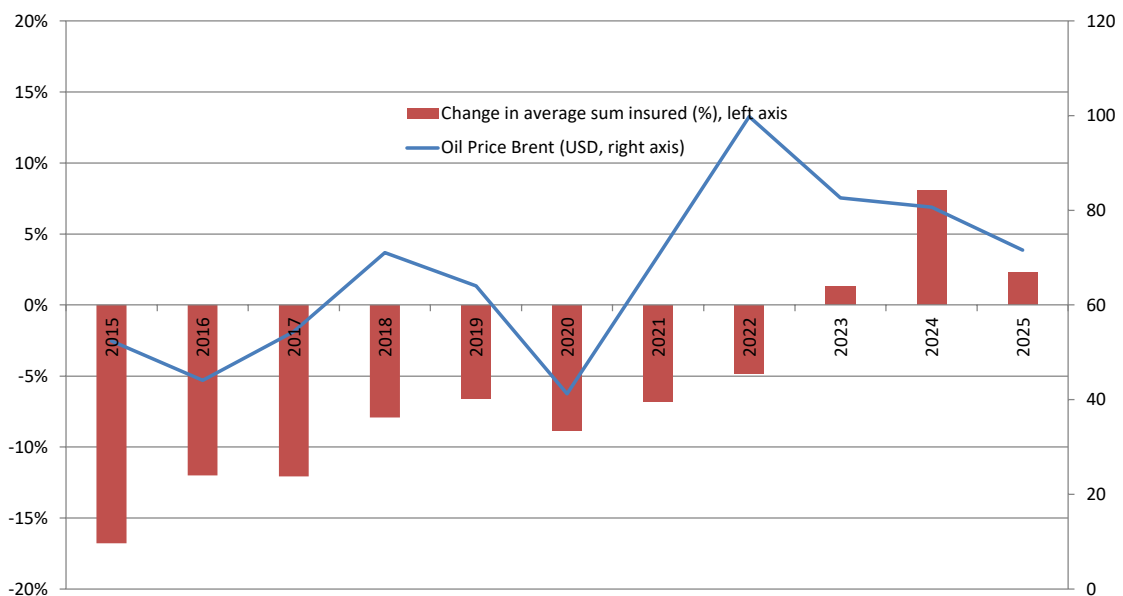
5.2: Change in average annual insured values on renewed vessels, by vessel type



Under unchanged market conditions, typically some reduction in the insured value of a vessel, compared to the previous insurance period, would be expected due to the aging factor.

The next graph illustrates that the oil price rally in 2021 and 2022 led to some recovery in the supply/offshore segment, reflected by an increase in values on renewal. The outlook for 2025 and beyond is less clear with projected OPEC+ production increases and geopolitical uncertainty.

5.3: Average annual change in insured value on renewed supply/offshore vessels versus annual average oil price



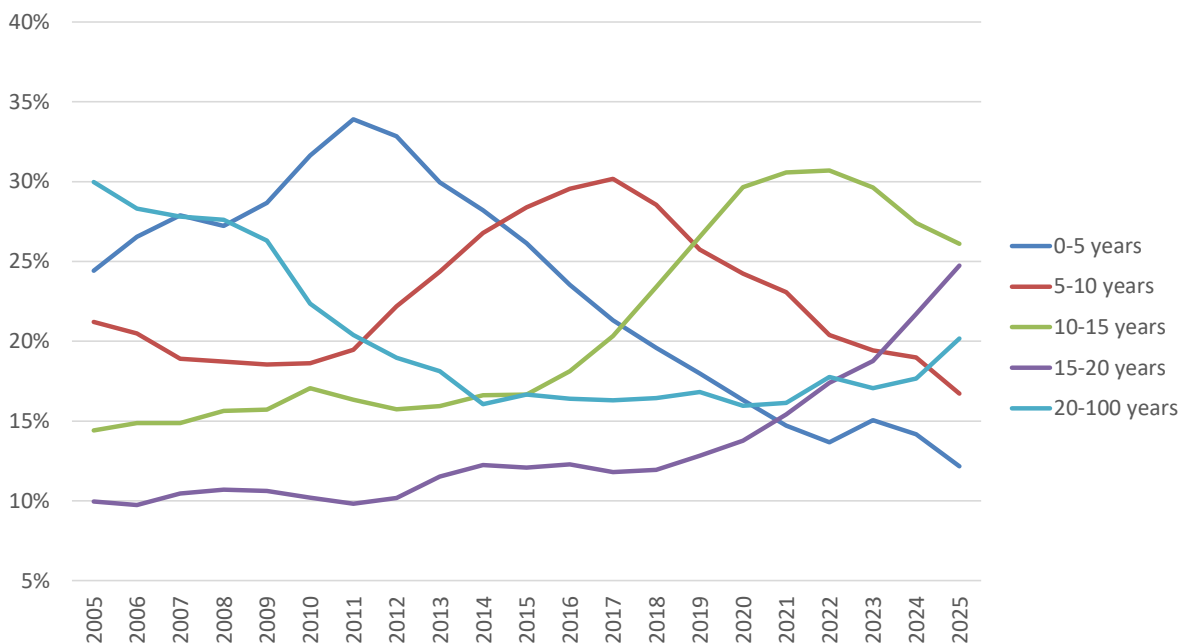
The average size of all vessels in the Cefor portfolio has been increasing over time in line with ever larger vessels entering the world fleet, although there were periods with a mismatch between the evolution of vessel sizes and insured values, such as between 2015 and 2020.

The big increase in 2021 and 2022 was mainly driven by container vessels, while other vessel types showed different trends. In 2024 the increase flattened out with less volatility in the portfolio.

Graph 5.4 shows how the age structure of the NoMIS fleet changed over time, mirroring the ageing of the world fleet. Many vessels were built between 2008 and 2012, causing the share of newbuilds as % of the total fleet to peak around 2012. With vessels getting older, this peak moves like a wave through the age groups, triggering peaks in the 5-10, 10-15 and 15-20-years age groups 5, 10 and 15 years later. Vessels in the 10–15-year range have represented about 30% of the NoMIS fleet since 2020. This is a much higher share of the fleet than in all preceding years but already by the end of 2025 the 15–20-year-old vessels may take over as the largest age group in the portfolio.

As older vessels are more prone to machinery problems, an increase in costly machinery damage and other issues related to the engine room and machinery may be linked to the ageing of the fleet. Good maintenance routines and loss prevention measures are as usual key to prevent more severe damage.

5.4: Age distribution of the NoMIS fleet, by underwriting year



Data explanations and further reports

Data: The statistics in this report reflect data reported by Cefor members into the Nordic Marine Insurance Statistics (NoMIS) database as of 30st June 2025. Ocean hull statistics as included in this report are based on the hull & machinery coverage for vessels with an IMO number.

100% perspective: Figures reflect 100% of each vessel and resulting claims originating from the vessel's hull & machinery insurance, regardless of the share underwritten by any of the Nordic insurers. This approach enables to give an as objective picture of vessel and casualty trends as possible.

Accident year / date of loss perspective: Unless otherwise indicated, all claims are grouped by the calendar year in which the loss occurred, as opposed to grouping claims by underwriting year. This enables to give a more up-to-date picture of recent casualty trends and a more exact estimation of the ultimate expected claims amount for the latest year.

IBNR: Claims (cost, numbers) reflect the status as reported per 30st June, including an estimate of incurred but not yet reported claims per calendar year as well as expected claims cost adjustments for already reported claims. IBNR adjustments represent only expected reporting backlog and adjustments for claims incurred by 30 June 2025 but not any additional reserves for claims that may happen later but relate to previous underwriting years.

“Quarterly development” graphs show the development of figures as actually reported per 1,2, 3 etc. quarters. Claims figures are related to the total annual exposure (vessel numbers, values). Therefore, the claim cost per vessel by 4th quarter of each year is less than in other graphs showing the expected ultimate results per year.

Exchange rates: All figures in this report have been converted to USD. Paid claims have been converted into USD at the exchange rate in the month of payment. Outstanding claims reserves have been converted at the June 2025 exchange rate.

NoMIS and the Cefor Statistics Forum

The NoMIS database comprises data from the majority of Cefor members writing hull insurance. NoMIS members report data for the entire commercial fleet underwritten from their Nordic and foreign offices.

Further statistics

More detailed hull statistics are available from the Cefor website, with breakdowns of claims trends by vessel type, age group, size group and many other characteristics: cefor.no/statistics/nomis/

In addition to standard trends, Cefor issues special analyses related to topics of current interest such as vessel fires, the role of detentions as an indicator of future casualties, or more recently on CO₂ emissions. All special analyses can be found here: cefor.no/statistics/analysis-with-special-focus/

Cefor Statistics Forum as of August 2025:

Christian Irgens, Norwegian Hull Club (Chair)
Jonas Svartström, Alandia
Günes Pedersen, Gjensidige
Jordan Ko, HDI Global Specialty SE
Anders Öhlund, If
Christian Yavneh Børve, S Insurance
Otto Rendedal, Skuld
Anders Hultman, The Swedish Club
Astrid Seltmann (Cefor Analyst & Forum Secretary)

Cefor annual stats reports, published April 2025:



Cefor publishes each year an Ocean and a Coastal Hull Report with in-depth fleet and casualty analyses. In addition key figures are issued for ocean and coastal hull, with breakdowns by age group, size group, vessel types, bands of insured value and other parameters.

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