

# Cefor publishes marine hull claims trends



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The Nordic Association of Marine Insurers (Cefor) has released the 2016 marine hull claims trends from the Nordic Marine Insurance Statistics (NoMIS) database.

It noted that, due to challenging market conditions, 2016 had seen a continued drop in insured values and reported premium. On the positive side, Cefor Managing Director Helle Hammer noted that 2016 was an exceptionally good claims year, with frequency continuing a decade-long downward trend.

“There was an absence of both major claims and total losses”, she said, adding that “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”.



credit Cefor

For the first time in 10 years there were no claims above \$30m, while there were a record low number of claims above \$5m. Hammer said: “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”.

The depression in shipping is evident even in insurance statistics. Following the financial crisis of 2008/09, there had been a decrease in the average sum insured for seven consecutive years

The influx of newbuilds into the NoMIS portfolio slowed, and the percentage of the youngest vessels (aged 0-5 years) was now just 24%, down from an average of 31% 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% respectively on hull insurance renewals in 2016”, said Hammer.

[http://www.cefor.no/Documents/Statistics/NoMIS%20reports/2016/Cefor%20Annual%20Report%202016.](http://www.cefor.no/Documents/Statistics/NoMIS%20reports/2016/Cefor%20Annual%20Report%202016)

Reference to Article:

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