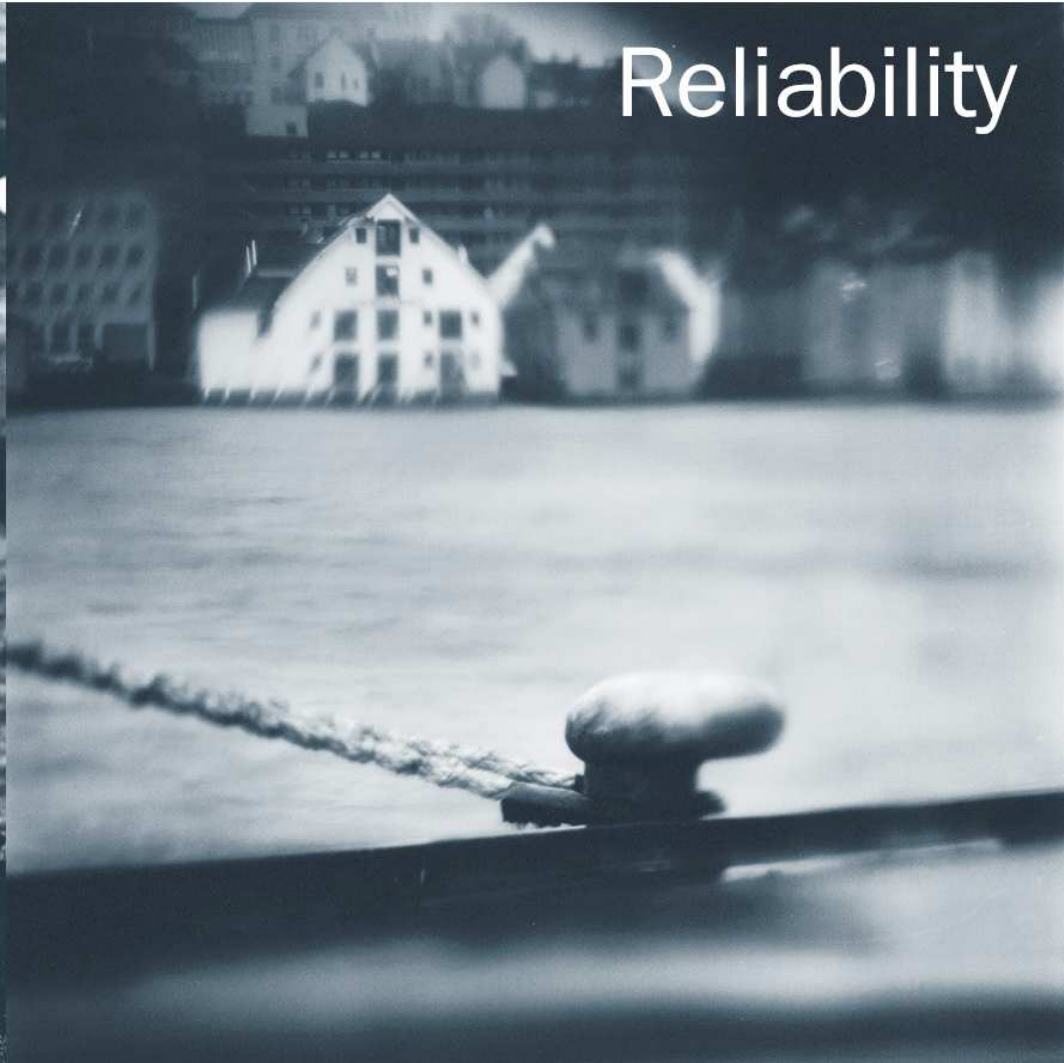


Stability

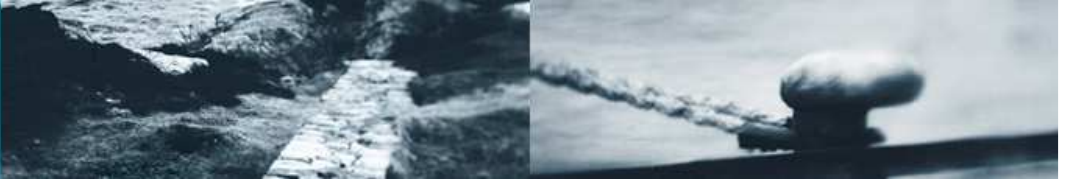


Reliability



NORWEGIAN HULL CLUB

Potential insurance covers



R
I
S
K

H&M

LOH

TLO

M
A
N
A
G
E
M
E
N
T

P&I



WAR

CARGO

CLH

MOR.



Background

- History dates back to 1837
- Offices in Bergen, Oslo and Kristiansand
- Leading international insurer of Marine Hull & Machinery, Loss of Hire and Total Loss Interests



World Ocean Hull Market 2008

	US\$ mill	Share
Cefor Market	993,2	16,3%
UK (Lloyd's)	613,7	10,0%
Japan	636,5	10,4%
France	431,7	7,1%
Italy	399,2	6,5%
USA	328,0	5,4%
UK (IUA)	293,7	4,8%
Korea	330,9	5,4%
Spain	309,1	5,1%
Rest of the World	1775,5	29,1%
	<hr/> 6111,5	<hr/> 100,0%

Source: Cefor



Cefor Hull Market 2009

	US\$m	Share
Gard	270,3	30,0%
Norwegian Hull Club	172,8	19,2%
Codan	101,2	11,2%
Tryg/Vesta	81,5	9,0%
Swedish Club	68,2	7,6%
Gerling	66,6	7,4%
If	40,0	4,4%
Alandia-Group	39,0	4,3%
Gjensidige *	38,7	4,3%
Møretrygd	9,6	1,1%
NEMI *	8,4	0,9%
Tromstrygd	4,4	0,5%
	900,7	100,0%

Source: Cefor

Includes: Hull, Hull Interest, Freight interest, Loss of hire, Builders risk, Mobile Offshore Units and Fishing (Catch & gear)

* includes coastal marine clubs

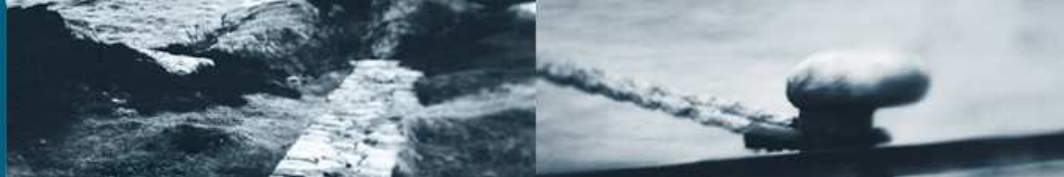


Portfolio Risk Profile

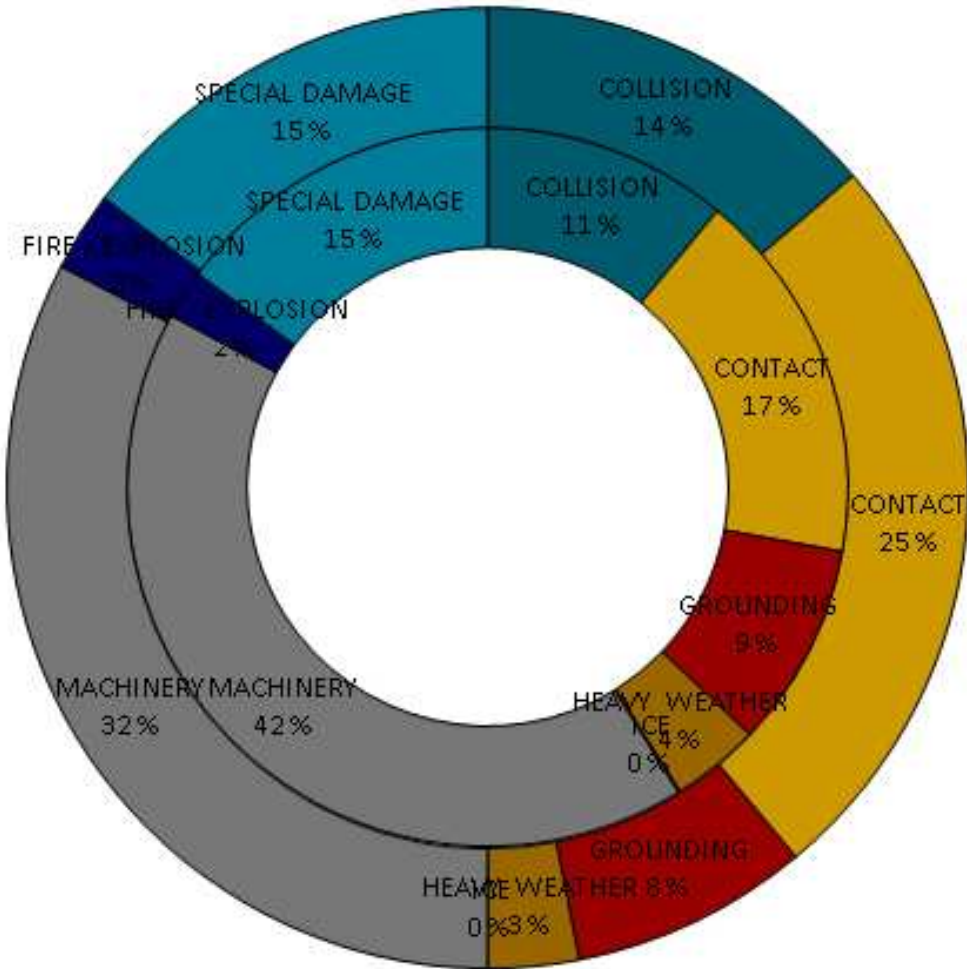
Portfolio Key Figures 30.06.2010

	H&M	LOH	TLO	Total
# Vessels	2452	3574	3067	6609
# Claims Lead	1522	2681	1863	4400
Average Age	9	8	9	9
Average GRT	38 165	27 554	35 551	33 754
Average Dwt	52 672	38 791	47 219	46 779
Average Share	9	59	24	14

Open Info,
Client Info,
Club Internal,
Confidential



Hull & Machinery Claim Type by Number (Inner Circle: 2005-2008 Outer Circle: 2009)





Vessel sank
15th April 2007

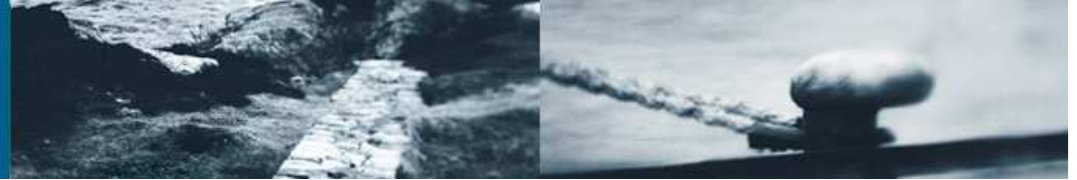


7 rescued
3 confirmed deceased
5 missing





”Tanker” June 200X
Explosion / fire in cargo tank



Sikkerhetsklima



- "Organization safety climate is like a snapshot of selected aspects of organization safety culture at that particular point in time" (Mearns, Whitaker & Flin, 2003).



Lederens rolle



- Klimaet skapes gjennom en interaksjon mellom organisasjonen, gruppene og individet.
- *Lederen* blir ansett som den enkeltfaktoren som har størst påvirkningskraft på en organisasjons sikkerhetsklime.

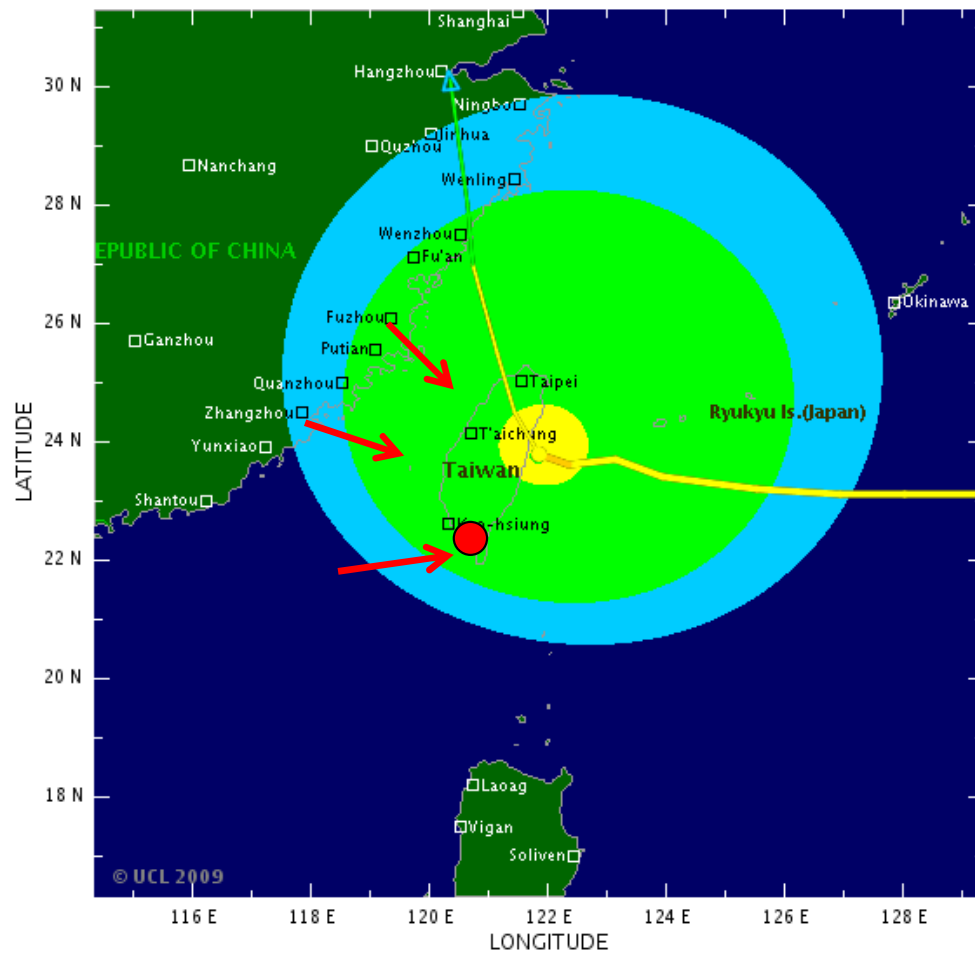


2009/08/09 12:20

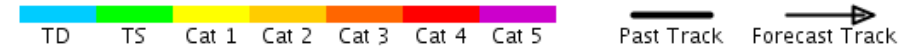
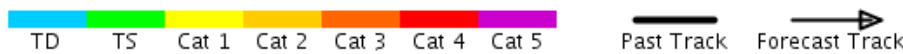
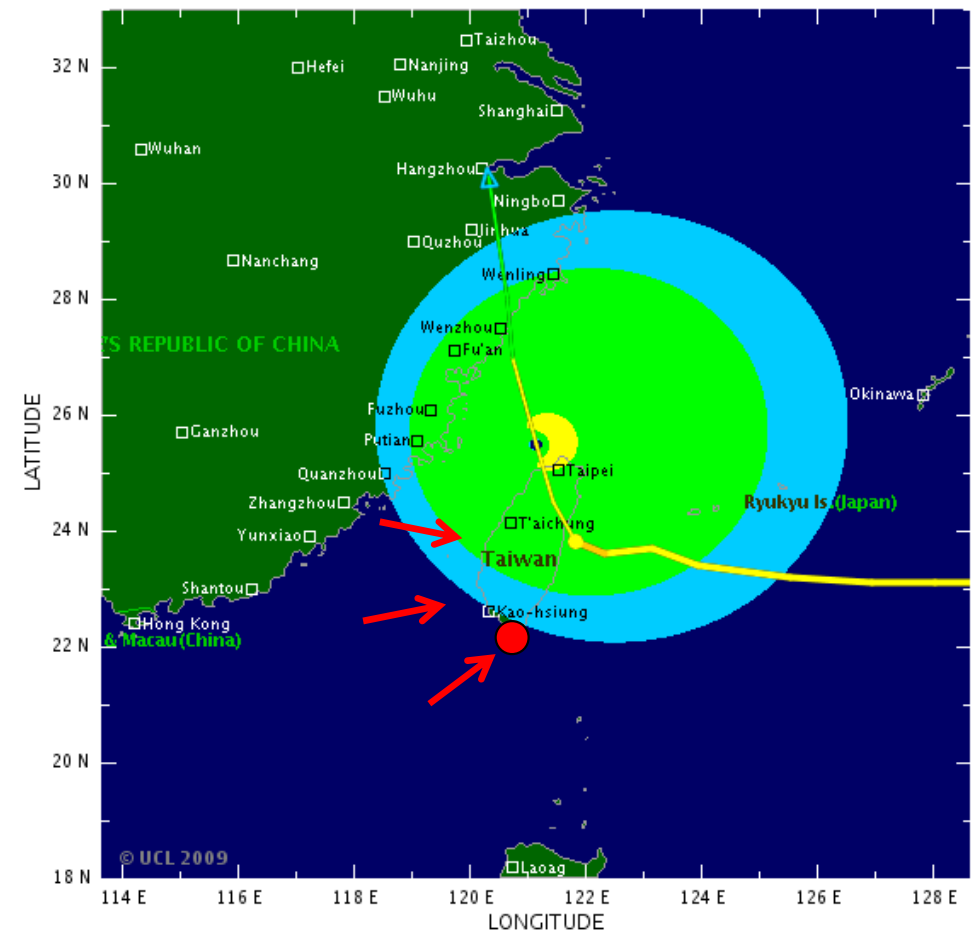


Typhoon MORAKOT

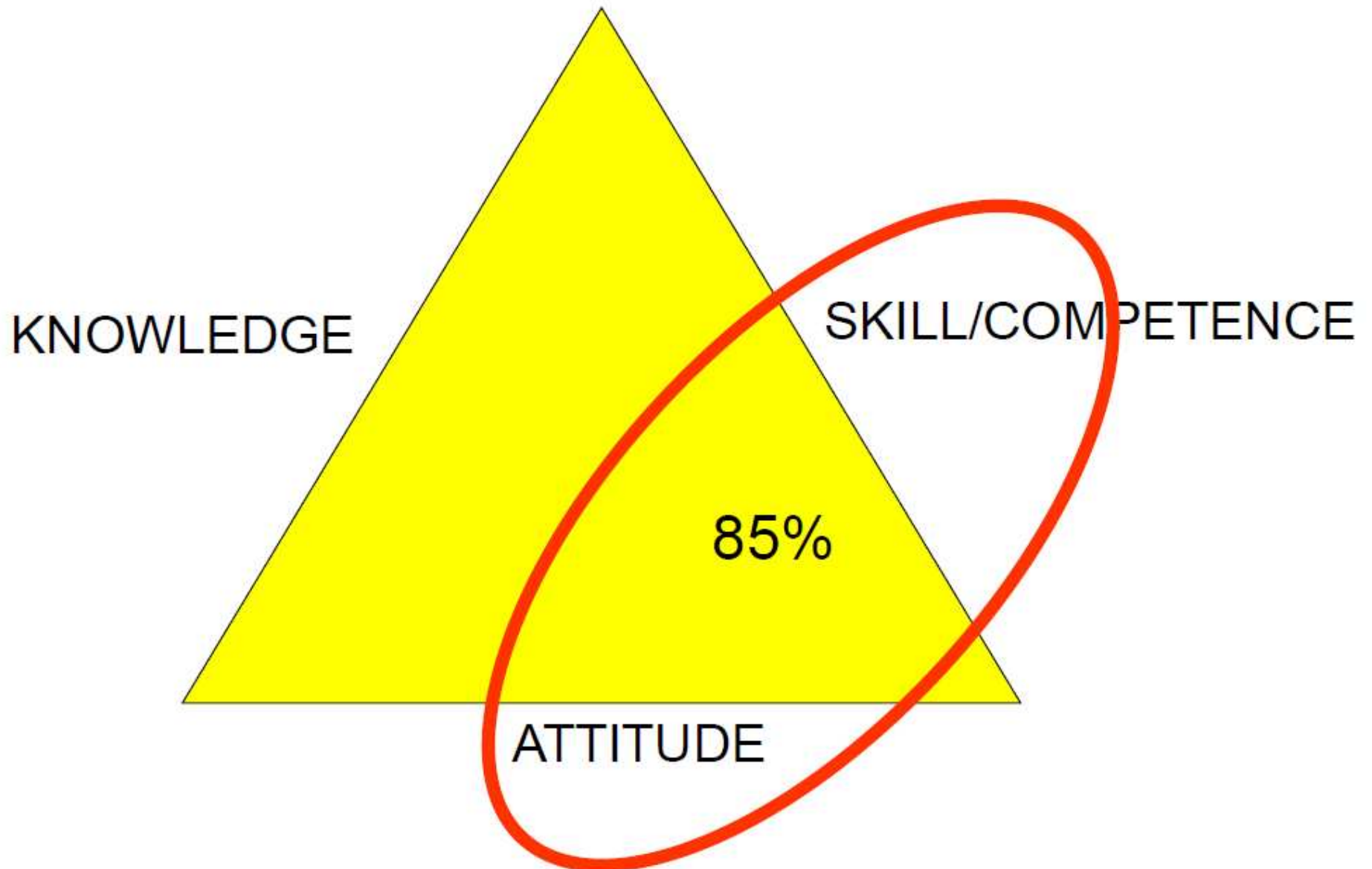
Current Wind and directions



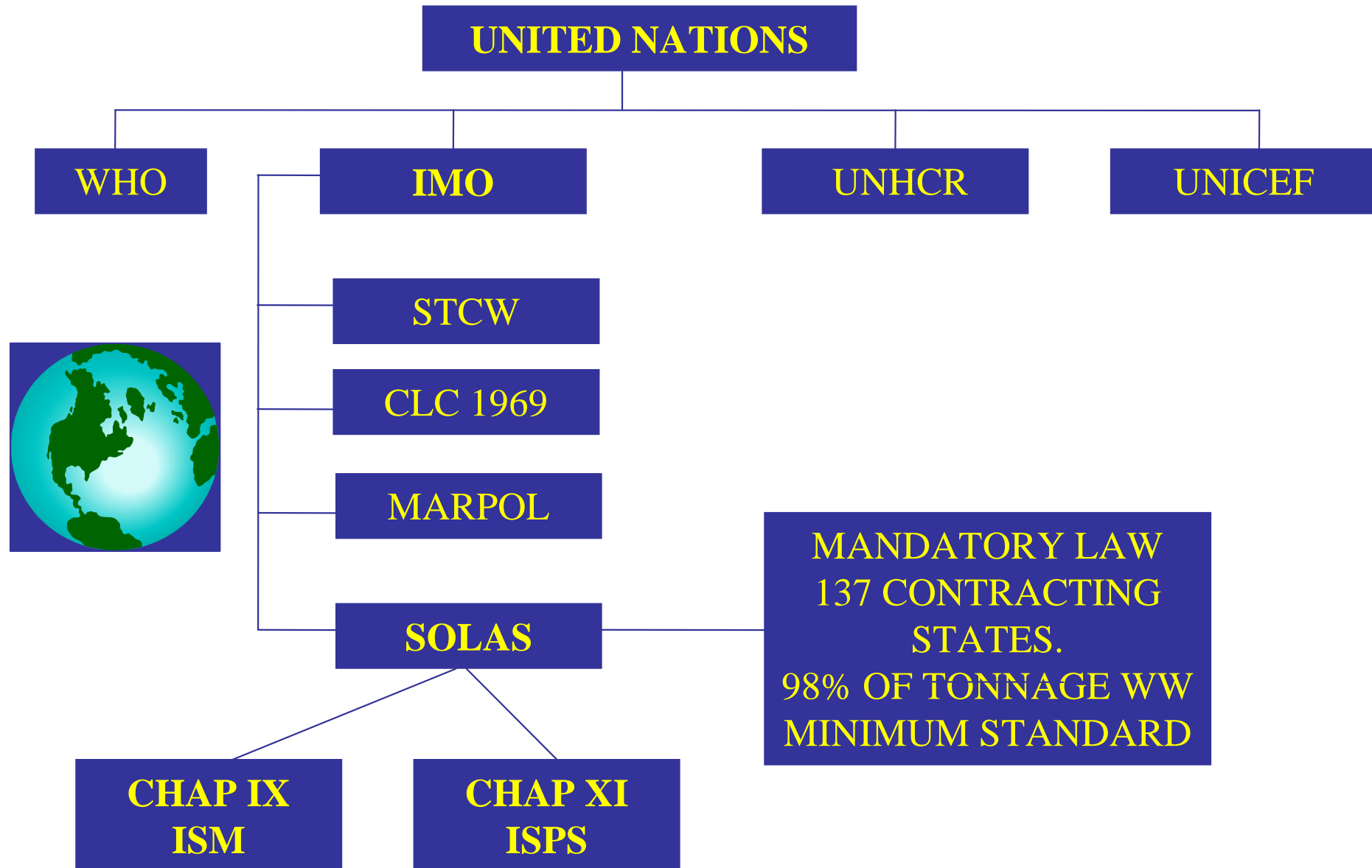
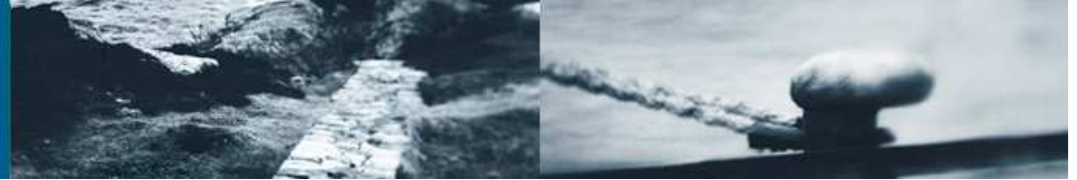
+ 24 hours Wind and directions



TRIANGLE OF SUCCESS



SOLAS CHAPT. 9





SUN VISTA
20th MAY 1999

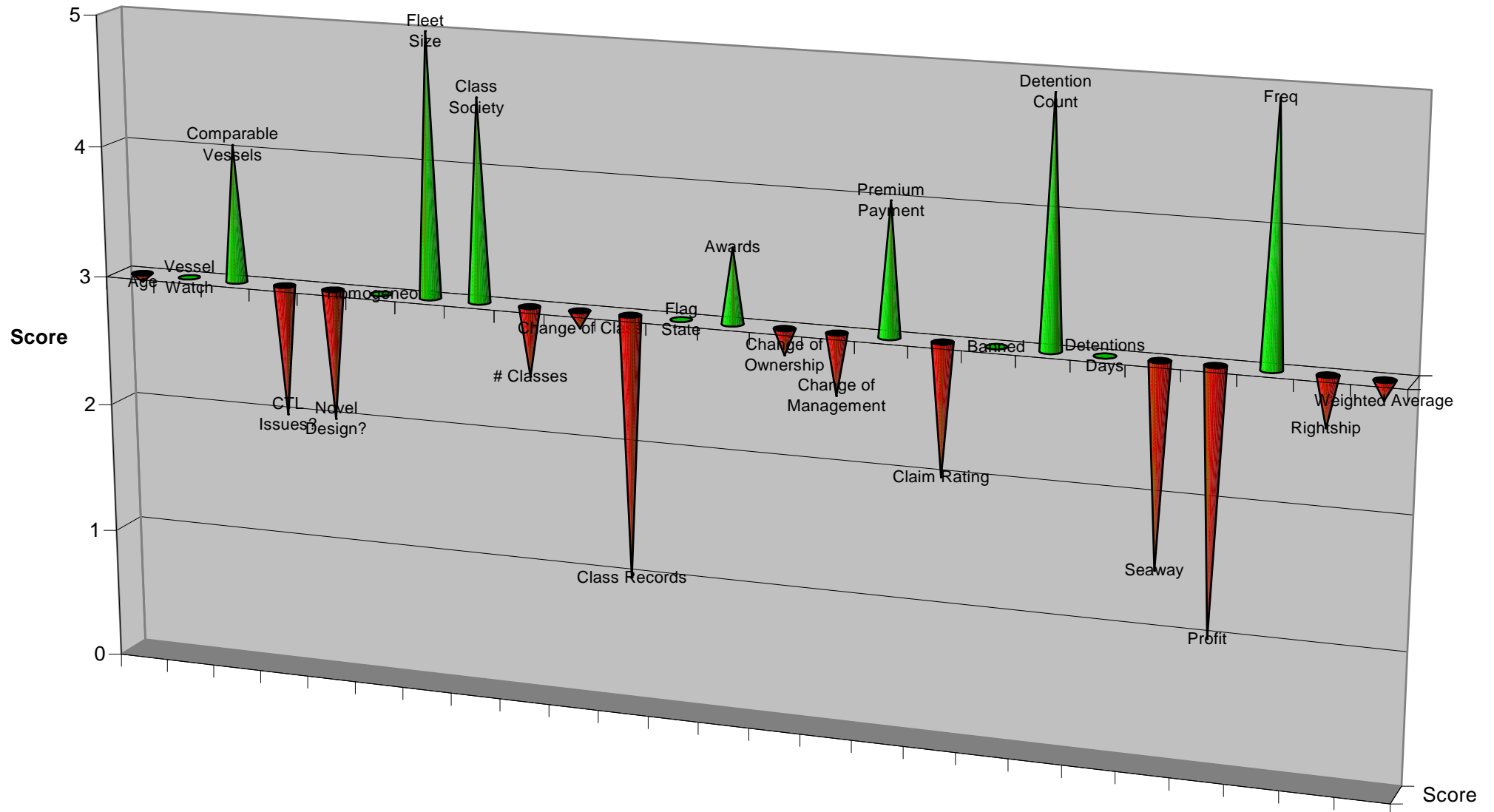
USD 48.000.000



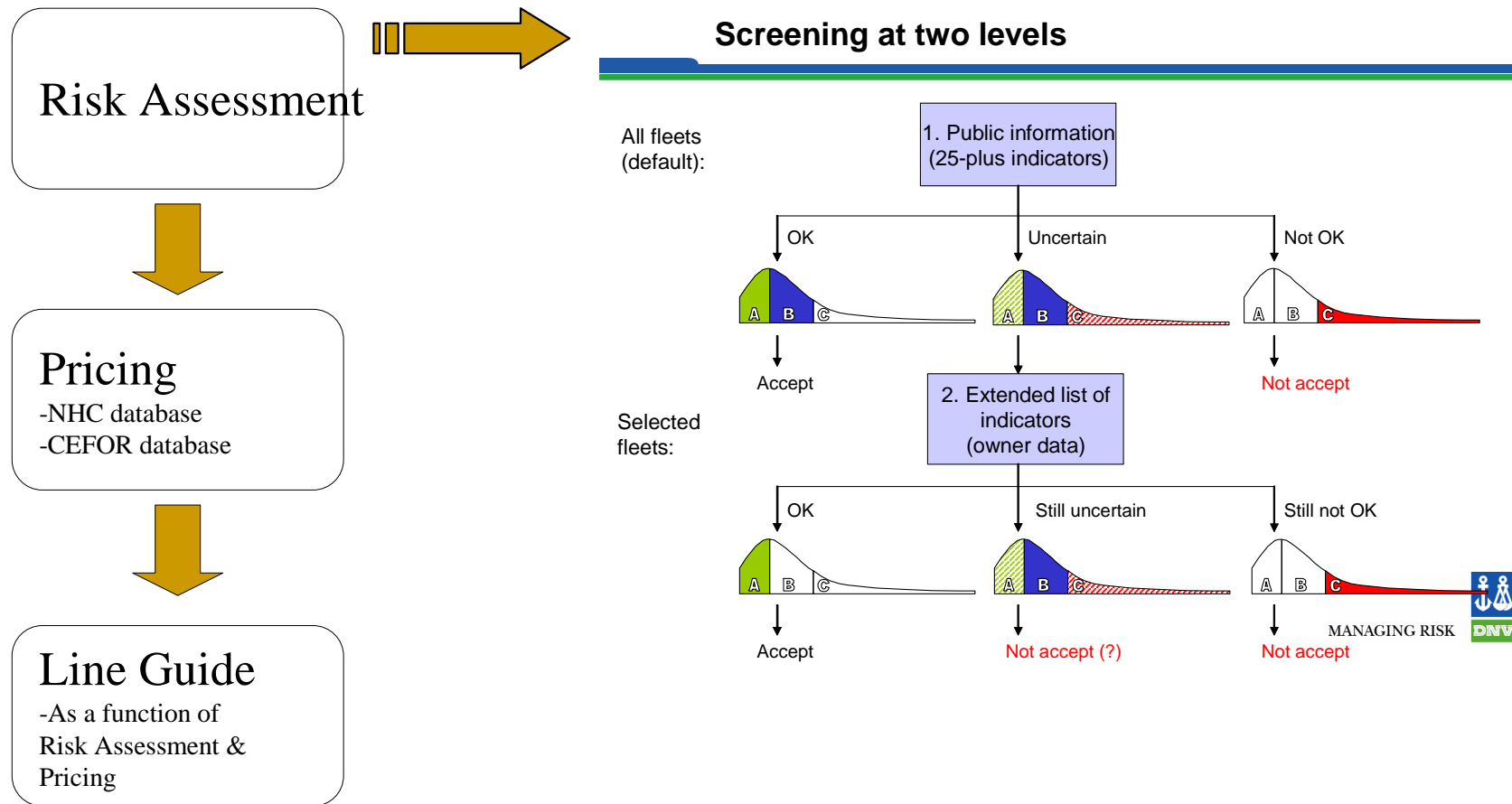
Important findings

- Electrical system including MSB
- Emergency generator and related services
- CO₂ system/fire dampers/sky lights
- Deck generator
- Fire Alarm
- The sinking
- Crew/management/ISM

Client Risk Assessment (CRA) Graphic



Norwegian Hull Club Underwriting Process



Do accidents create new law?

- TITANIC 1912
 - SOLAS
- TORREY CANYON 1967
 - MARPOL / STCW
- AMOCO CADIZ 1978
 - SALVAGE CONVENTION 1989
- HERALD OF FREE ENTERPRISE 1987
 - IMO A647 (GUIDELINES ON SAFETY MANAGEMENT 19/10/89)



Do accidents create new law?

- EXXON VALDEZ 1989
 - OPA 90
- SCANDINAVIAN STAR 1990
 - ISM CODE
- ESTONIA 1994
 - SOLAS 1995 AMENDMENTS
STABILITY
- SEA EMPRESS 1997
 - NEW U.K. PILOT ACT?





DnV and Mutual Hull Clubs

- 1859 Needed rules for co-operation between clubs, Class A – D (1 & 2)
- June 15 1864 – DnV established - Objective – evaluate price and quality. (Independent from Clubs). NB! Total Loss approx 7 % pr year!!
- 1871 – first insurance plan issued by DnV
- 1907 DnV lost its monopoly in Norway and became Class as we know today



Norwegian Marine Insurance Plan

- § 3 – 7 Right of the insurer to obtain particulars from ship's classification society, etc
- § 3 – 14 Loss of class or change of classification society
- § 3 – 22 Safety regulations, definitions
- § 3 – 23 Right of the insurer to demand survey
- § 3 – 24 and 25 Safety regulation
- § 12 – 4 Error in design



The Norwegian Marine Insurance Plan (NMIP)

- § 3-14 contains the Norwegian classification clause which provides:
- Condition for the insurance that the vessel is classed with a classification society *approved by the insurer*



Chapter 3 of NMIP Duty of Disclosure

- The information held by the classification society is of crucial importance
- The insurer has to request the information.
- Refusal by the shipowner is fundamental breach of contract
- The insurer has a right to receive all class information following a claim
- The insurer may approach class directly



Breach of safety regulations

- § 3-25 of NMIP provides in effect that there is no cover for casualties or damage or loss if:
 - The assured knew or ought to have known that there was a breach of safety regulations, and
 - The casualty or damage or loss was *caused* by the breach of safety regulations

May be a warranty under ITC

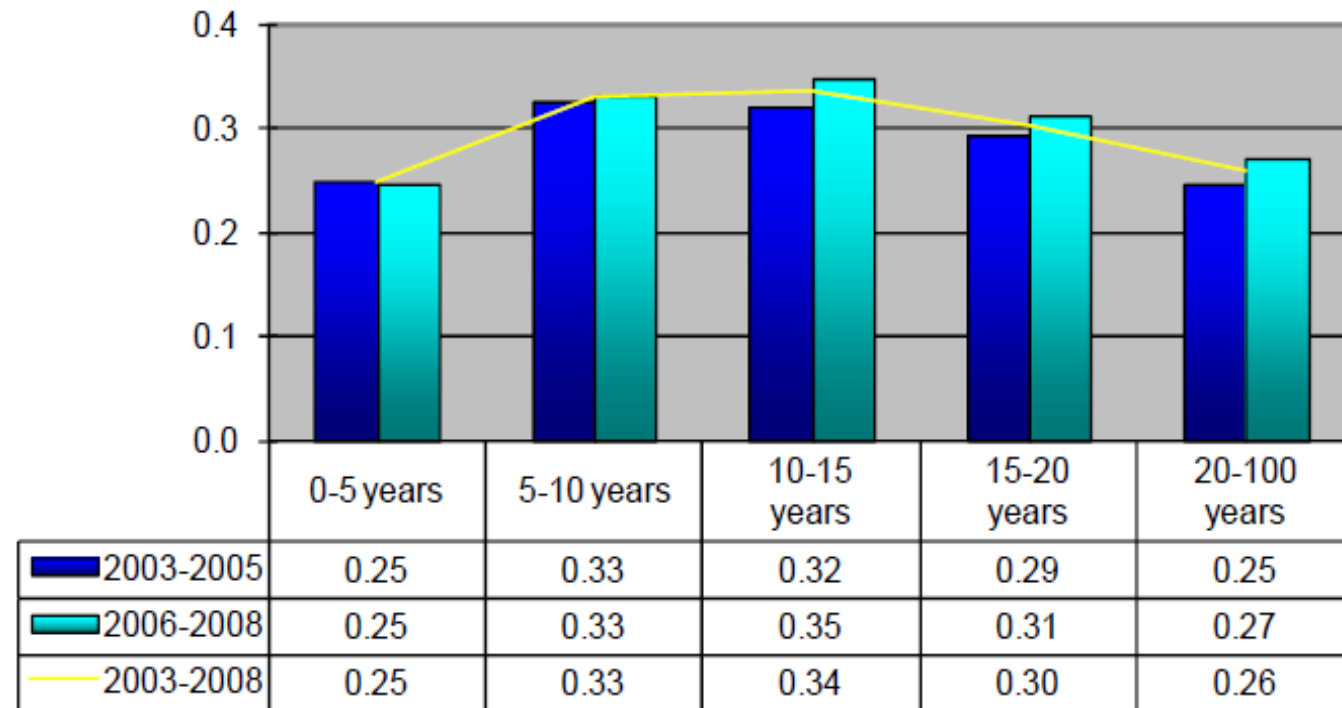


Cefor

2009 Nordic Marine Insurance Statistics – Part 4

As of 31 December 2009

Claim frequency per age group



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

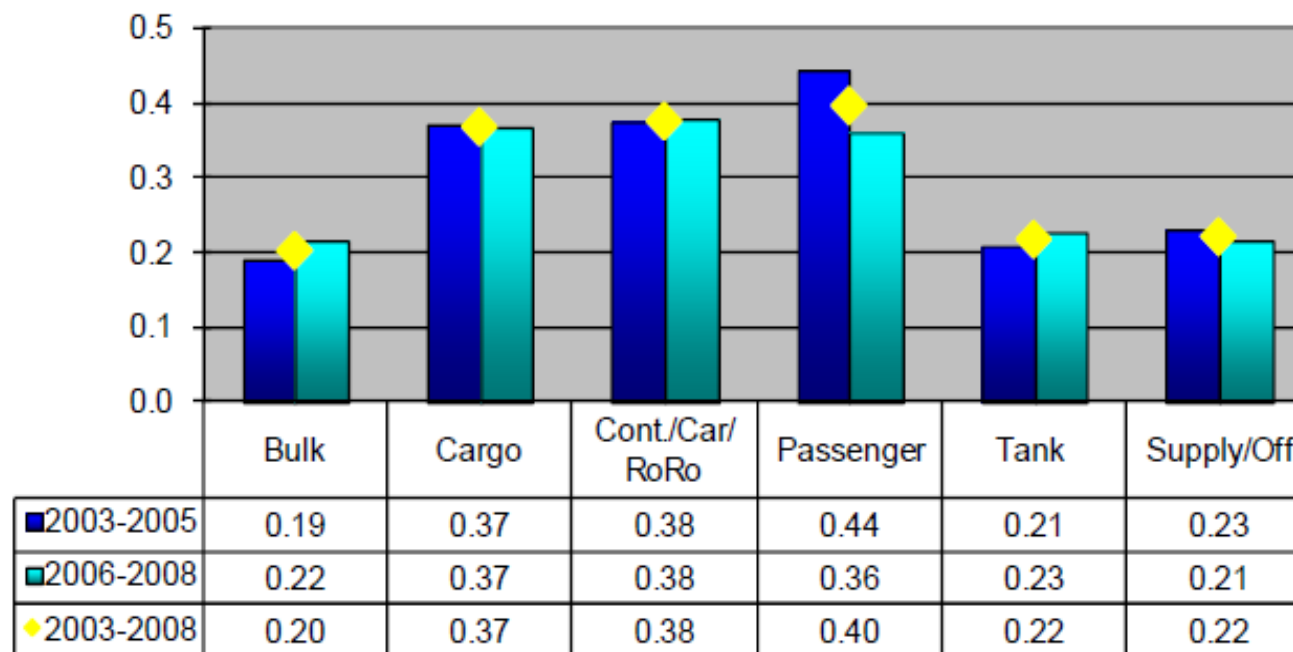


Cefor

2009 Nordic Marine Insurance Statistics – Part 5

As of 31 December 2009

Claim frequency per vessel type group



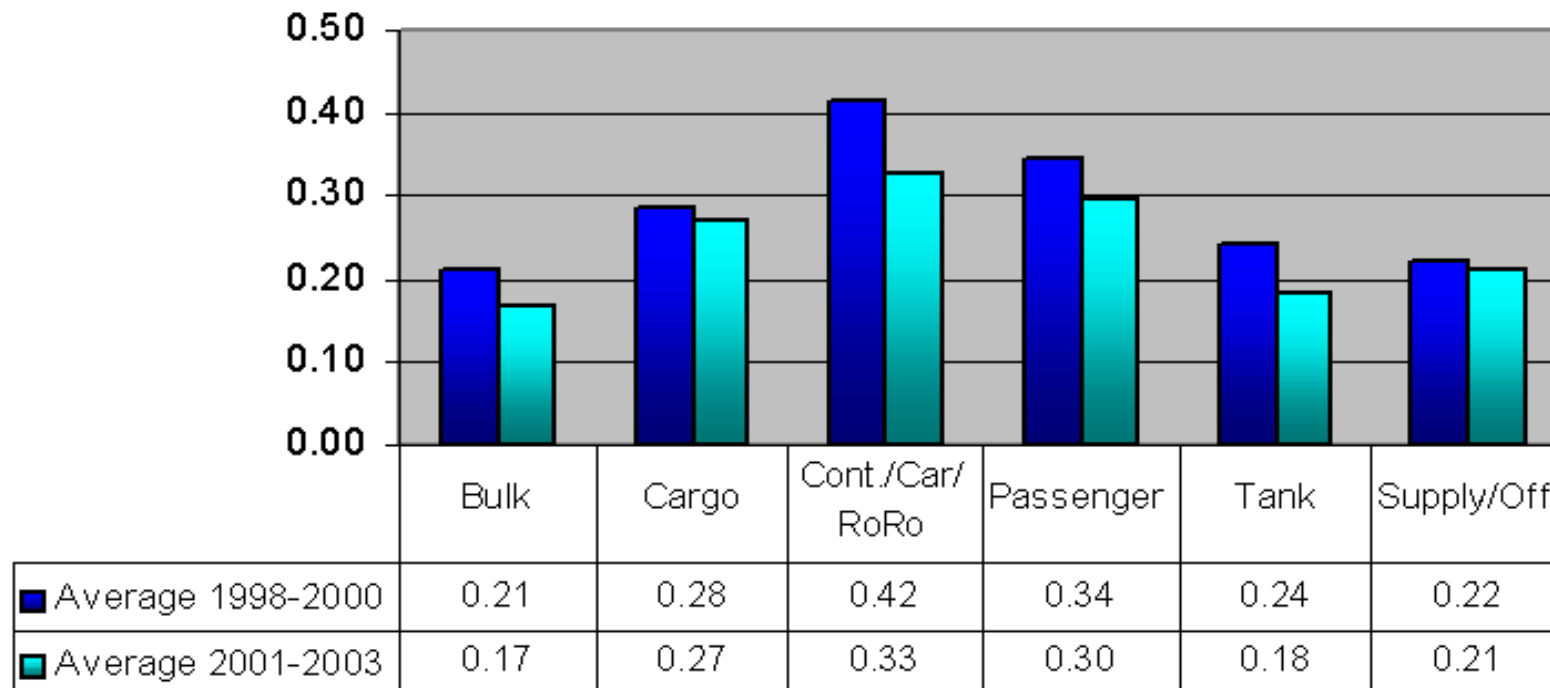
Notes:

- "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 in each company and will thus influence the registered frequency.
In addition any increase/decrease of insurance deductibles has impact on the registered frequency

2004 CEFOR Norwegian Marine Insurance Statistics – Part 5

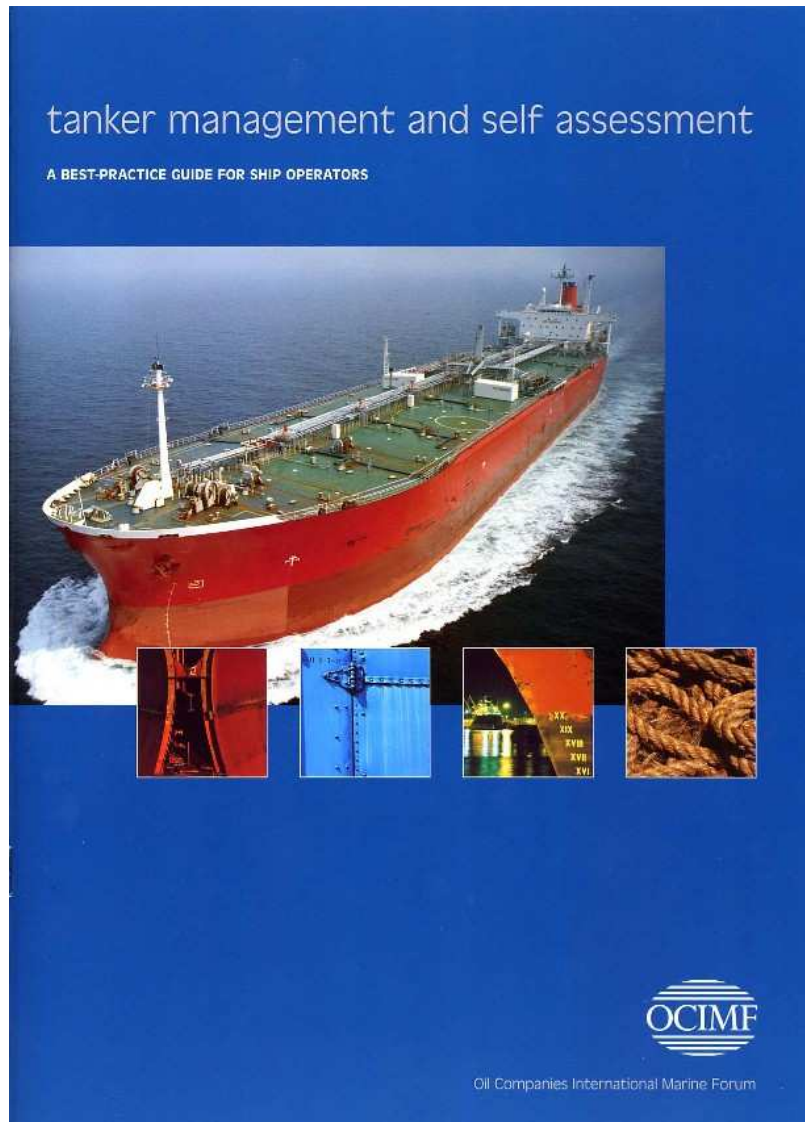
As of 31 December 2004

Claim frequency per vessel type group



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

OCIMF-TMSA



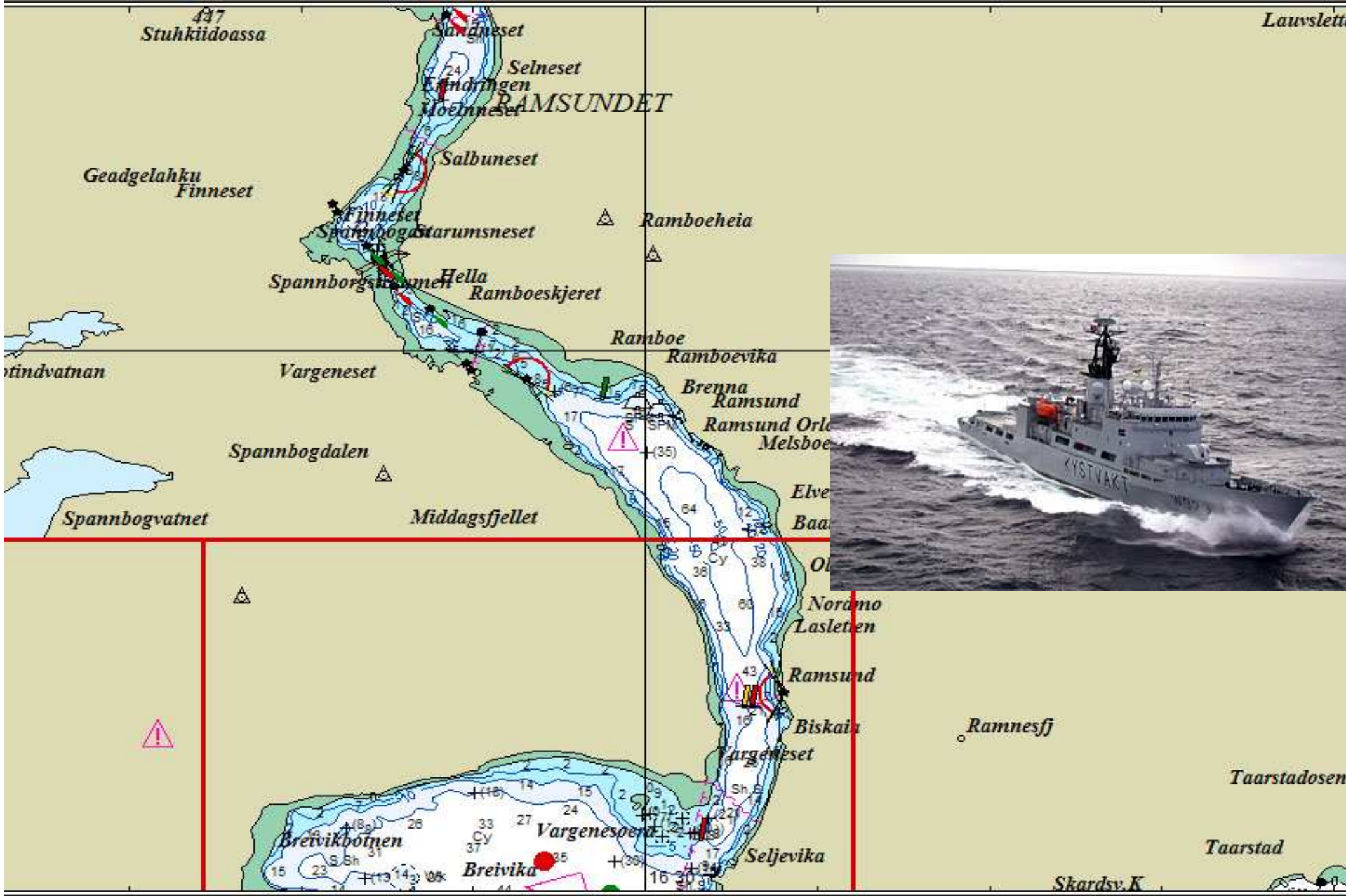
- A best practice guide to ship operations and provides the means by which the determination of a quality ship operator can be undertaken.
- The TMSA programme provides a comprehensive tool to help ship operators measure and improve their management systems. Further, the programme encourages ship operators to assess their safety-management systems against listed key performance indicators, thus providing a measure of best practice.

- CONTRIBUTOR
NHC has perused the guide, and we firmly believe that we through our Loss Prevention Program will be a contributor for the Ship Owner to aim for the top Level score on several of the elements in the guide.



TMSA Elements

1. Management, leadership and accountability
2. Recruitment and management of shore based personnel
3. **Recruitment and management of ship's personnel**
4. Reliability and maintenance standards
5. **Navigational safety**
6. Cargo, ballast and mooring operations
7. Management of change
8. **Incident investigation and analysis**
9. **Safety management**
10. Environmental management
11. **Emergency preparedness and contingency planning**
12. Measurement, analysis and improvement





Fleet Navigation Center CMA CGM

- Monitor the situations of all vessels and take all necessary preventive actions
- Be available permanently for counsel and assistance for all vessels
- Monitor routes of all vessels
- Manage day to day relationship with weather routing services and recommend policies
- Realize nautical studies upon request of vessels and group departments, to optimize efficiency and safety of operations
- Daily report to ISM department regarding vessels transiting G.O.A.
- Diffusion of nautical information
- Analysis of incident , giving professional advice to support legal Dpt , SSE Dpt
- Organize and maintain an up-to-date and controlled library of all necessary contact and communication numbers in case of emergency
- Daily check and reporting if any to ISM department of vessels in the risky area
- Maintain or have access to an up-to-date and controlled library of required navigation information



**LEET NAVIGATION CENTER TOOLS:
ON-BOARD WEATHER SOFTWARES BVS & BRIDGE TO MAKE ROUTE SIMULATIONS**



FLEET NAVIGATION CENTER IN FEW MONTH



Collision of the year

