

## Fishing Vessel Insurance in Norway

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A modern fishing vessel represents a large investment; it is therefore of primary importance to the fisherman that he gets satisfactory insurance to cover the risks involved in operating the vessel. If not, it would be extremely difficult to obtain reasonable long term credit for building and operating costs.

In Norway there are today around 100 companies where one can obtain insurance for fishing vessels. Many of them are small mutual associations working locally, but in recent years joint stock companies too have been doing this type of business. The mutual associations working within a limited area have the advantage of intimate knowledge of the local fish industry and the participants are all interested in keeping the association working with smallest possible costs.

Operating as mutual associations and limited to local business, most of the associations have not had opportunity to build up funds. As larger motor vessels started to be more common, it was felt that some sort of cooperation between mutuals would be of benefit, since it now seemed that the risks involved in insuring one hull was too great for the smaller associations. Through a system of re-insurance the participants could spread larger liabilities so that the financial position of associations involved would not be jeopardized in event of a catastrophe. After discussion between the Government and the fishing industry, the Norwegian Government in 1933 decided to organize the Norwegian Reinsurance Institute with a grant of \$150,000 as initial capital. It has been in operation since then, without any additional grants from the Government; charging the premiums have been sufficient to pay all the costs and building up additional funds.

In 1950, 42 mutual associations were working with the institute insuring 8139 vessels valued at 30 million U.S. dollars. The joint stock companies giving insurance to fishing vessels are mostly Marine insurance companies which were started to cover the need for insurance of the merchant marine. As they have experience in this field it has become natural for these companies to extend their services to the fishermen. Official approval through the medium of the Insurance Board is required for both types of companies. An act of 1930 clearly defines the relationship between the two parties to an insurance contract.

Both mutual associations and joint stock companies are issuing their insurance policies according to the rules laid down in the general statutes of Norwegian Marine insurance plan of 1930. This plan is very detailed. Some of the provisions are as follows:

### Compensation for damage of the hull:

#### Iron and steel ships:

Age up to 15 years .....	no deduction
Age up 15 - 23 years .....	1/6th deduction
Age over 23 years .....	1/3rd deduction

Wooden and composite ships:

Age up to 4 years .....	no deduction
Age 4 - 8 years .....	1/6th deduction
Age over 8 years .....	1/3rd deduction

Compensation for damage to machinery:

If the damage is due to sinking of the ship or if it has been caused by collision, earthquake, explosion outside the machinery, or fire:

Age up to 7 years .....	no deduction
Age 7 - 15 years .....	1/6th deduction
Age over 15 years .....	1/3rd deduction

If the damage is attributable to causes other than those stated above:

Age up to 5 years .....	1/4th deduction
Age 5 - 10 years .....	1/3rd deduction
Age over 10 years .....	1/2 deduction

The amount of insurance is as a rule fixed after the underwriter has made a survey of the vessel. Most of the underwriters issue insurance for the total value of the vessel.

It is also possible for the fishermen to get insurance covering their gear and expected catches. The fishing gear as a rule is only covered by the insurance as long as it is stored on the vessel and not while in operation.

However, some mutual associations have recently started to underwrite damage and loss to fishing gear during operation. With this type of insurance the owner usually must be responsible for 20 --30 per cent of the actual loss or damage.

Marine insurance does not customarily cover war risks. However, during the last world war, the Norwegian Government set up a special insurance system covering war risks for the country's fishing fleet.

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## Seguro de Barcos Pesqueros en Noruega

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### *Abstracto*

En Noruega hay más o menos 100 compañías que aseguran barcos pesqueros. Muchas de éstas son pequeñas de seguro mutuo. Los riesgos mayores son esparcidos por un sistema de reaseguro del Norwegian Reinsurance Institute, organizado en 1933 con una concesión de \$150,000 del Gobierno. También es posible que el pescador obtenga seguro para su equipo. En la mayoría de los casos el dueño tiene que ser responsable de 20-30 por ciento del daño actual si el seguro incluye pérdidas cuando el equipo está en uso.