

## Status report as at 20 February 2022

For the first time, Gard is presenting an integrated annual report outlining its performance for the last financial year against a broad set of parameters, not only financial ones. By looking holistically at all its activities, Gard can measure the value it creates both for its Members and clients and for society at large.

The financial year ending February 2022 was very challenging for the maritime industries, due to a variety of financial and operational difficulties. Our role is to support our shipowners when times are tough, and this year's report highlights a number of areas where Gard has – through its size, reach and expertise, been able to deliver on that promise.

Highlights of the report include; its decision to co-found the Poseidon Principles for Marine Insurance, a strong commitment to Equality, Diversity and Inclusion, and the continued growth of Gard's renewable energy portfolio. Gard has also decided to start providing ESG assessments on all significant claims, adding tangible value that Members and clients can use in their own sustainability and reporting efforts going forward.

The value created is reflected by the group's strong financial results:

- Written premium exceeded USD 1 billion for the first time.
- A profit after tax of USD 34 million on an Estimated Total Call (ETC) basis.
- Combined ratio net of 94 per cent on ETC basis.
- A non-technical loss of USD 5 million.
- Equity reserves of USD 1,278 million, after reducing the ETC for P&I mutual Members by a five per cent Owners' General Discount and returning USD 19 million.

This year has demonstrated once again the strength of our diversified model. The breadth of our portfolio allows us to offer more stability for shipowners over time, providing Members and clients with the stability and consistency they need to take long-term planning decisions.

2021 was a challenging year for the P&I mutual book with Pool claims a significant part of that. However, strong results from fixed price P&I and our Marine and Energy book meant that overall, the group could return a robust profit. We have taken steps over the last several years to ensure that mutual P&I is priced correctly for the changing claims environment and, despite the losses incurred this year, we are confident we are now moving towards that balance without major corrections unless the claims environment deteriorates. This confidence is reinforced by Standard & Poor's recent A+ rating announcement and their revision of the group's Outlook from Negative to Stable.

### Release Calls

The Association's Board of Directors, and the Boards of its subsidiaries, have determined that the following procedures and factors shall be followed and taken into account when determining the Release Call percentages and the collection of Release Calls when an entry is terminated or ceases:

#### *Risk factors*

The following factors will be considered by the Board when determining the Release Call percentages:

- The risk that any previously published levels of estimated premiums may be exceeded, when assessed using the Association's methodology for calculating the capital required, which is determined by taking into account premium risk, reserve risk, market risk, and other significant risk categories.
- The wish to maintain a set structure for reducing the Release Call percentage for each policy year under normal circumstances.

#### *Release calls*

2019 policy year:	Nil
2020 policy year:	5 per cent
2021 policy year:	5 per cent
2022 policy year:	10 per cent

### Open policy years

The Board of Directors approved the following decisions regarding the estimated Release Calls for open policy years for the group's Members:

2019 policy year: The year is expected to be closed in November 2022 with no further calls.

2020 policy year: The year is expected to be closed in November 2023 with no further calls.

2021 policy year: The year is expected to be closed in November 2024 with no further calls.

If you have any questions, please contact [Bjørnar Andresen, Group Chief Underwriting Officer](#).

Yours faithfully,  
**GARD AS**



Rolf Thore Roppestad  
Chief Executive Officer