

# Status report as at 20 August 2022

**Member Circular No. 10/2022**

**November 2022**

In spite of financial and economic uncertainty, we are pleased to report that as at 20 August 2022, on a consolidated basis,<sup>1</sup> Gard P. & I. (Bermuda) Ltd. (the “Association”) and its subsidiaries (together, “Gard” or the “group”), has improved its insurance performance significantly for the current year, while the investment losses reflect the challenging macro-economic situation. The financial rating remains strong with an A+ (stable outlook) rating by Standard and Poor’s.

## Highlights

Key accounting and performance figures, and decisions taken by the Association’s Board of Directors can be summarised as follows:

- A loss after tax of USD 49 million on an Estimated Total Call (ETC) basis
- A technical profit of USD 68 million on an ETC basis
- A Combined Ratio Net (CRN) of 85 per cent on an ETC basis, including a CRN for M&E of 68 per cent
- A non-technical result of USD -117 million
- Equity of USD 1,218 million on an Actual Call basis
- For the 2023 policy year, the Board has agreed a 5% Owners’ General Discount.

## 2023 P&I renewal

The group’s capital situation remains strong and stable despite the turbulence in the financial markets and the Board has decided to give an Owners’ General Discount of 5% on the agreed ETC for the 2023 policy year. The discount can be given due to the group’s strong capital position, good underwriting performance in total and an expectation of improved earnings on the fixed income side of the investment portfolio.

The Board has also decided that premiums will have to be increased for P&I for the 2023 policy year to achieve a balanced underwriting result for owners P&I going forward. Individual Members’ rates will be adjusted to reflect their risk profile and claims record and most Members should expect an increase of between 5-7% with an acceptable record.

Although Gard has a high-quality membership, premium adjustments will have to be applied to maintain predictability and relative stability in the portfolio due to expected inflation. It is important to maintain balance in the insurance result on the mutual product, with a small expected loss. Any future excess capital for Gard as a group will continue to be deducted from the agreed ETC premium through an Owners’ General Discount.

Any adjustments on the International Group’s reinsurance rates will be passed on to Members in accordance with usual practice.

<sup>1</sup> The term “consolidated” means the consolidated accounts of Gard P. & I. (Bermuda) Ltd., Assuranceforeningen Gard – gjensidig, and their subsidiaries.

**Gard P&I Member Circular No. 10/2022, November 2022**

**Review of policy years**

At its recent meeting, the Board of Directors approved the following decisions regarding the Estimated Total Call and Release Calls for open policy years for the group's Members:

*Open policy years*

- 2020 policy year: The year is expected to be closed in November 2023 with no further calls, which is 10% below original Estimated Total Call (ETC).
- 2021 policy year: The year is expected to be closed in November 2024 with not further calls. The year was underwritten with a 5% Owners' General Discount (OGD) on the ETC.
- 2022 policy year: The year was underwritten with a 5% Owners' General Discount (OGD) on the ETC. The ETC less the OGD should be maintained.

*Release calls*

- 2020 policy year: 5 per cent
- 2021 policy year: 5 per cent
- 2022 policy year: 10 per cent
- 2023 policy year: 10 per cent

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

Yours faithfully,

**GARD AS**



Rolf Thore Roppestad  
Chief Executive Officer