

# Assuranceforeningen Gard - gjensidig -

## Statement of comprehensive income

	Q3		YTD 30.09	
	Current year 01.07.23 to 30.09.23	Previous year 01.07.22 to 30.09.22	Current year 01.01.23 to 30.09.23	Previous year 21.02.22 to 30.09.22
Amounts in USD 000's				
<b>Technical account</b>				
Gross written premium on ETC basis *	3,823	2,924	241,093	211,456
Gross earned premium **	60,253	86,129	171,868	161,537
Ceded reinsurance	(29,783)	(26,711)	(86,275)	(64,766)
<b>Earned premium for own account</b>	<b>30,470</b>	<b>59,418</b>	<b>85,593</b>	<b>96,771</b>
<b>Other insurance related income</b>	<b>201</b>	<b>82</b>	<b>614</b>	<b>105</b>
Gross incurred claims	54,749	29,071	117,924	86,793
Reinsurers' share of gross incurred claims	(22,076)	(6,341)	(39,148)	(26,789)
<b>Claims incurred for own account</b>	<b>32,673</b>	<b>22,730</b>	<b>78,776</b>	<b>60,003</b>
Acquisition costs	2,624	2,348	7,534	6,208
Agents' commission	2,879	11,546	8,313	15,244
Commission received	(2,890)	(2,540)	(8,224)	(6,314)
<b>Insurance related expenses for own account</b>	<b>2,613</b>	<b>11,354</b>	<b>7,623</b>	<b>15,139</b>
<b>Other insurance related expenses</b>	<b>846</b>	<b>807</b>	<b>2,285</b>	<b>2,124</b>
<b>Technical result</b>	<b>(5,461)</b>	<b>24,608</b>	<b>(2,477)</b>	<b>19,609</b>
<b>Non-technical account</b>				
Interest and similar income/(expenses)	(137)	556	1,357	403
Change in unrealised gain/(loss) on investments	(3,604)	(10,536)	2,215	(27,491)
Gain on realisation of investments	0	0	317	0
Other expenses	(137)	(156)	(474)	(363)
<b>Non-technical result</b>	<b>(3,878)</b>	<b>(10,136)</b>	<b>3,416</b>	<b>(27,451)</b>
<b>Profit/(loss) before tax</b>	<b>(9,339)</b>	<b>14,472</b>	<b>939</b>	<b>(7,842)</b>
Corporate income tax	(2,794)	68	2,013	101
<b>Net result</b>	<b>(6,545)</b>	<b>14,404</b>	<b>(1,074)</b>	<b>(7,943)</b>
* Owners' General Discount not included in Gross written premium	0	27	8,435	7,293
** Owners' General Discount included in Gross earned premium	2,137	1,842	6,141	4,479

# Assuranceforeningen Gard - gjensidig -

## Balance sheet

Amounts in USD 000's	As at 30.09.23	As at 31.12.22
<b>Assets</b>		
<b>Investments</b>		
<i>Financial investments at fair value through profit or loss</i>		
Equities and investment funds	32,835	30,994
Interest-bearing securities and funds	210,328	210,167
<b>Total investments</b>	<b>243,165</b>	<b>241,162</b>
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<b>Reinsurers' share of technical provisions</b>		
Reinsurers' share of gross premium reserve	45,385	15,027
Reinsurers' share of gross claims reserve	130,159	118,398
<b>Total reinsurers' share of technical provisions</b>	<b>175,544</b>	<b>133,425</b>
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<b>Receivables</b>		
<i>Receivables from direct insurance operations</i>		
Policyholders	78,358	16,373
<i>Receivables from reinsurance operations</i>		
Receivables from reinsurance operations	5	2,202
Receivables from group companies	1,370	948
<i>Other receivables</i>		
Other receivables	1	1
Other receivables - group companies	193	378
<b>Total receivables</b>	<b>79,927</b>	<b>19,901</b>
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<b>Other assets</b>		
Equipment	3,613	3,429
Cash and cash equivalents	92,877	78,253
Other financial assets	7,076	7,084
<b>Total other assets</b>	<b>103,566</b>	<b>88,766</b>
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<b>Prepayments and accrued income</b>		
Accrued income and other prepayments	5,085	4,641
<b>Total prepayments and accrued income</b>	<b>5,085</b>	<b>4,641</b>
<b>Total assets</b>	<b>607,287</b>	<b>487,895</b>

# Assuranceforeningen Gard - gjensidig -

## Balance sheet

Amounts in USD 000's	As at 30.09.23	As at 31.12.22
<b>Equity and liabilities</b>		
<b>Equity</b>		
<i>Retained earnings</i>		
Guarantee scheme	3	3
Other equity	103,394	104,468
<b>Total equity</b>	<b>103,397</b>	<b>104,471</b>
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<b>Technical provisions</b>		
Gross premium reserve	91,089	30,299
Gross claims reserve	329,217	320,074
<b>Total technical provisions</b>	<b>420,306</b>	<b>350,372</b>
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<b>Provisions for other liabilities</b>		
Pension obligations	1,431	1,559
Income tax payable	5,846	3,005
Deferred tax	8,342	10,854
<b>Total provisions for other liabilities</b>	<b>15,620</b>	<b>15,418</b>
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<b>Payables</b>		
Payables arising out of direct insurance operations	8,892	6,297
Payables arising out of reinsurance operations	23,538	3,674
Payables arising out of reinsurance operations - group companies	29,739	4,986
Payables group companies	628	647
Other payables	671	121
<b>Total payables</b>	<b>63,468</b>	<b>15,726</b>
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<b>Accruals and deferred income</b>		
Accruals and deferred income	4,497	1,907
<b>Total accruals and deferred income</b>	<b>4,497</b>	<b>1,907</b>
<b>Total liabilities</b>	<b>503,890</b>	<b>383,423</b>
<b>Total equity and liabilities</b>	<b>607,287</b>	<b>487,895</b>

## Assuranceforeningen Gard - gjensidig - Statement of changes in equity

Amounts in USD 000's	Guarantee Scheme	Other equity	Total equity
<b>Equity as at 21.02.22</b>	<b>4</b>	<b>108,104</b>	<b>108,108</b>
Net result	0	(3,503)	(3,503)
Remeasurement due to change in pension assumptions	0	(177)	(177)
Income tax related to change in pension assumptions	0	44	44
Provision for Norwegian Non-life insurance Guarantee Scheme	(1)	0	(1)
<b>Equity as at 31.12.22</b>	<b>3</b>	<b>104,468</b>	<b>104,471</b>
<b>Equity as at 01.01.23</b>	<b>3</b>	<b>104,468</b>	<b>104,471</b>
Net result	0	(1,074)	(1,074)
<b>Equity as at 30.09.23</b>	<b>3</b>	<b>103,394</b>	<b>103,397</b>

# Assuranceforeningen Gard - gjensidig -

## Cash flow analysis

Amounts in USD 000's	01.01.23 to 30.09.23	21.02.22 to 30.09.22
<b>Cash flow from operating activities</b>		
Profit/(loss) before tax	939	(7,842)
Tax paid	(733)	(118)
Change in unrealised (gain)/loss on investments	(2,215)	27,491
Change in pension obligations	(128)	(408)
Financial investments	212	(36,592)
Change in valuation due to change in exchange rates	(951)	(1,894)
Change in receivables and payables	(12,276)	(22,011)
Change in technical provisions and other accruals	29,960	48,663
<b>Net cash flow from operating activities</b>	<b>14,807</b>	<b>7,288</b>
<b>Cash flow from investment activities</b>		
Purchase of equipment net of sales	(184)	0
<b>Net cash flow from investment activities</b>	<b>(184)</b>	<b>0</b>
Net change in cash and cash equivalents	14,623	7,288
Cash and cash equivalents at beginning of period	78,253	69,277
<b>Cash and cash equivalents at end of period</b>	<b>92,877</b>	<b>76,565</b>

# Assuranceforeningen Gard - gjensidig -

## Notes to the accounts

### Note 1 - Accounting Policies

#### Corporate information

Assuranceforeningen Gard - gjensidig - is a mutual insurance association registered with the Norwegian Companies Register (organisation number 939 717 609). The registered office of the Association is Kittelsbuktveien 31, 4836 Arendal. The Association is licensed by the Norwegian Ministry of Finance to carry out marine liability and legal costs insurances. As a mutual insurance association, the Association is owned by its Members, being the owners and charterers of the ships from time to time insured by the Association for Protection and Indemnity (P&I) risks. There are no external capital owners.

The principal activities of the Association are: to insure its Members for marine P&I risks, including the reinsurance of a proportion of the P&I risk underwritten by Gard P. & I. (Bermuda) Ltd. as a direct insurer; and management of its assets which are used to cover the technical provisions. The Members of the Association are also Members of Gard P. & I. (Bermuda) Ltd. and vice versa.

The Association has established branches in the UK, Hong Kong, Finland and Japan.

Assuranceforeningen Gard - gjensidig - is consolidated into the accounts of Gard P. & I. (Bermuda) Ltd. and the consolidated accounts are available at the office of Gard P. & I. (Bermuda) Ltd's management company Lingard Ltd in Bermuda.

#### Basis of preparation of the Accounts

The quarterly accounts include the activity from 1 January 2023 to 30 September 2023.

The quarterly accounts have been prepared in accordance with Regulations for annual accounts for general insurance companies approved by the Norwegian Ministry of Finance.

The financial statements of insurance companies with operation in Norway are subject to regulations established by the Norwegian Ministry of Finance. According to a resolution from the Financial Supervisory Authority of Norway (FSA) the Association has been given dispensation to present the financial statements in the English language and in USD currency.

The accounts as at 30 September 2023 have not been audited.

#### Use of accounting estimates when preparing the accounts

The preparation of the accounts requires management to make estimates and assumptions that affect the valuation of assets, liabilities, revenues, expenses and contingent liabilities. Due to unforeseen circumstances, these estimates may change in the future. Estimates and their assumptions are considered continuously, and accounts adjusted accordingly.

Insurance contract liabilities are the main items in the balance sheet based upon judgments and estimates. Estimates are made both for the expected total cost of claims reported and for the expected total cost of claims incurred but not reported at the balance sheet date. Standard actuarial methods are used in estimating the total cost of outstanding claims. The actuarial method uses historical data as one of the elements in the model to estimate the future claims costs. It can take a significant period of time before the ultimate claims cost can be established with certainty.

### Note 2 - Related party transactions

#### Reinsurance agreements

Gard P. & I. (Bermuda) Ltd. and the Association have entered into mutual reinsurance agreements. The Association reinsures a proportion amounting to 2 per cent of Gard P. & I. (Bermuda) Ltd. risks that is not reinsured elsewhere. The Association cedes to Gard P. & I. (Bermuda) Ltd. by way of reinsurance 25 per cent of the Association's risks that are not reinsured elsewhere. Premiums are calculated on financial year basis, claims are calculated on a claim year basis.

The Association has entered into a stop loss reinsurance agreement protecting the former against and adverse claims development with Gard Reinsurance Co Ltd (a company owned by Gard P.& I. (Bermuda) Ltd).

The Association and Gard P. & I. (Bermuda) Ltd. have entered into a reinsurance agreement with Hydra, which is a segregated accounts company. The Association's segregated account (cell) in Hydra is covering the former companies' liability to a layer of the International Group (IG) Pool and retention in the first market excess layer.

#### Insurance agency agreements

The Association has entered into an insurance agency agreement with Gard AS, a company owned by Gard P. & I. (Bermuda) Ltd. being the general agent, whereby Gard AS is delegated authority as an agent and insurance intermediary to perform claims handling and underwriting functions on behalf of the Association. The Association has also entered into agreements with the subsidiaries of Gard AS for services rendered to the Association.

# Assuranceforeningen Gard - gjensidig -

## Notes to the accounts

### Note 3 - Capital requirements

Amounts in USD 000's	As at 30.09.23	As at 31.12.22
<b>Own funds</b>		
Share premium account	103,397	104,471
Reconciliation reserve	9,775	3,982
<b>Excess of assets over liabilities</b>	<b>113,172</b>	<b>108,453</b>
Tier 1 - Unrestricted	113,172	108,453
<b>Total basic own funds / (equal to Excess of assets over liabilities)</b>	<b>113,172</b>	<b>108,453</b>
Tier 2 - Supplementary calls - Available	241,408	241,558
Tier 2 - Supplementary calls - Eligible	47,262	47,283
<b>Total ancillary own funds</b>	<b>241,408</b>	<b>241,558</b>
Total available own funds to meet the SCR	354,730	346,259
Total available own funds to meet the MCR	113,172	108,453
Total eligible own funds to meet the SCR	160,455	151,771
Total eligible own funds to meet the MCR	113,172	108,453
SCR	94,566	86,636
MCR	40,316	38,986
<b>Ratio of eligible own funds to SCR</b>	<b>170 %</b>	<b>175 %</b>
<b>Ratio of eligible own funds to MCR</b>	<b>281 %</b>	<b>278 %</b>
<b>Minimum Capital Requirement (MCR)</b>		
Linear MCR	40,316	39,846
SCR	94,566	86,636
MCR cap (45% of SCR)	42,555	38,986
MCR floor (25% of SCR)	23,642	21,659
Combined MCR	40,316	38,986
Absolute floor of the MCR	3,966	3,966
<b>MCR</b>	<b>40,316</b>	<b>38,986</b>
<b>Solvency Capital Requirement (SCR)</b>		
Market risk	3,918	3,806
Counterparty default risk	17,680	16,028
Non-life underwriting risk	109,847	104,039
Diversification	(35,457)	(30,346)
<b>Basic SCR</b>	<b>95,988</b>	<b>93,528</b>
<b>Calculation of SCR</b>		
Adj - Loss Absorbing Capacity of Deferred Tax	(12,770)	(16,496)
Operational risk	11,349	9,604
<b>SCR</b>	<b>94,566</b>	<b>86,636</b>

The eligible own funds are calculated based on a partial internal model approved by the Financial Supervisory Authority of Norway (Finanstilsynet).

Board of Directors  
**Assuranceforeningen Gard - gjensidig -**

6 November 2023

\_\_\_\_\_  
Trond Eilertsen  
Chairman

\_\_\_\_\_  
Jane Sy  
Deputy Chairman

\_\_\_\_\_  
Sandra Gluck

\_\_\_\_\_  
Nils Aden

\_\_\_\_\_  
Ian Beveridge

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Rolf-Thore Roppestad  
Managing Director