



Gard reports 2016 results and reduces deferred call

10 May 2016

Following the meeting of the Board of Directors on 9 May 2016, Gard today announced its results for the year ending 20 February 2016 and a reduction in the deferred call for the 2015 policy year.

Reporting at a group level, the key financial results are:

- A surplus after tax of USD 85 million on an Estimated Total Call (ETC) basis
- Combined ratio net of 83 per cent
- Gross written premium USD 911 million
- Contingency reserves of USD 1,017 million

The insurance cost for mutual Members will be reduced by USD 37 million. The deferred call for the 2015 policy year will be 15 per cent of the advance call – 10 percentage points lower than the original estimate of 25 per cent.

Rolf Thore Roppestad, CEO of Gard, said “A combination of a benign claims development for small and medium-sized claims combined with good risk selection and disciplined underwriting has contributed to a strong result, despite a non-technical loss of USD 53 million and losses on some larger claims.

“We believe that delivering the right risk transfer solutions, correctly priced, alongside a claims service focussed on minimising potential financial losses and safeguarding reputations continues to be a strong value proposition for quality shipowners and clients. Our track record of increased market share in recent years is a vote of confidence by our Members and clients in that value proposition, demonstrated by the fact our shipowners’ mutual P&I tonnage passed the 200 million GT mark in April.”

“In what is undoubtedly a very difficult trading period for the marine industries, there is considerable industry debate around the levels of premium required and the reserves held by Clubs. The mutual model provides a cost efficient and robust platform for a long-term business, albeit with potentially high earnings volatility. Healthy contingency reserves are there to absorb periodic shocks to the system. At Gard, the Directors who represent our shipowners set clear financial targets as to how much capital to hold. Having achieved these targets, we will return money to our Members when the capital



position of the group allows. Based on this strategy, Gard has reduced its deferred call in 8 out of the last 10 years.”

ENDS

Notes to Editors

1. Gard is a shipowner-controlled provider of P&I, marine and energy insurance products, with over 450 staff in 13 offices around the world.
2. The direct insurance entities within the Gard group; Gard P. & I. (Bermuda) Ltd, Assuranceforeningen Gard, Gard Marine & Energy Limited and Gard Marine & Energy Insurance (Europe) AS are rated 'A+' by Standard & Poor's.

Contacts

Caroline Wagstaff

Tel: +44 207 618 9158

Luther Pendragon

Mobile +44 7767 794208