



## Quality membership drives strong performance

The first half of the 2017 financial year has seen strong performance across the group, with the following result for the period ending 20 August:

- Result after tax of USD 150 million on an Estimated Total Call (ETC) basis
- Combined ratio net (CRN) of 77 per cent
- Investment return of USD 88 million
- Equity of USD 1,285 million

Rolf Thore Roppestad, CEO of Gard, said: “Gard’s insurance performance has been better than forecast over the last three years due to a benign claims environment both in terms of frequency and severity. The other critical factor, however, has been the quality of our membership. Owners in Gard reflect the trends to improve processes and reduce accidents – part of an overall societal change to focus on risk mitigation. Most directly this delivers a better claims picture, and allows us to reflect that by offering lower premiums in identified areas. It also challenges us to improve our operations in response.

“Our goal as a mutual is to provide good security and service at a low cost. In looking at the premium policy for the next year, there will therefore be no general increase in the Advance Call for owners’ mutual P&I or for mutual FD&D. To ensure fairness over time, individual performance, in combination with existing premium level, will determine the renewal result. The target of a small negative insurance result remains, with a forecasted combined ratio net of 102.5%.

While our premium policy allows us to adjust pricing annually, our mechanism for capital management is designed to take a longer-term view. When we achieve the capital targets set by our shipowner Board, we return excess funds to our Members. We have done this consistently over the last decade and, in spring 2017, we reduced the premium for the 2016 policy year with USD 90 million. If the full year result at 20 February 2018 is in line with the half year result, a reduction in the deferred call can be expected for the 2017 policy year.

**ENDS**



### Notes to Editors

1. Gard is a shipowner-controlled provider of P&I, marine and energy insurance products, with gross written premium of USD 824 million, 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) Limited are rated 'A+' by Standard & Poor's.

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