

New premium policy

The premium policy for Mutual P&I balances the need for capital for the Gard group against the burden of premiums Members pay as owners of the group. The group's strong results in recent years have been positive for our Members since Gard has been able to reduce the last instalment of the ETC, making the cost of insurance with Gard cheaper.

However, the practice of deferring any reduction in the ETC premium until several months after the end of the policy year in question has made budgeting harder for shipowners, and makes it even harder for Members to appreciate the fact that the group's superior performance has delivered lower prices.

At its November meeting, the Board of Gard P. & I. (Bermuda) Ltd. (the "Association") decided to change the Association's premium policy and introduce an Owners' General Discount. This will replace any reduction in the last instalment of the ETC for mutual Members.

Key aspects include:

- Each November the Board decides if Gard's capital position allows for a discount.
- The Discount will be deducted as a percentage of the ETC premium for the upcoming following policy year.
- The Discount applies to renewed entries and pro rata for ships entered (entries) during the policy year only, provided Gard is the "holding club" according to IGA.
- The entire ETC premium, less the Owners' General Discount, will be invoiced in three equal installments within the policy year.
- For the 2021 policy year, the Board has agreed a 5% Owners' General Discount.

This new discount is in addition to the 5% reduction in the last instalment of the ETC for the 2019 policy which was announced on November 6, 2020

By bringing the discount forward to the beginning of the policy year, our Members will gain greater transparency and predictability as to the real cost of buying mutual P&I products with Gard and rewarding them for being part of a strongly performing Club.

The Board also decided that the Owners' Defence cover (FDD) will be offered as a fixed premium product from 20 February 2021, along with a wide range of supplementary covers to Owners' Mutual P&I.

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

Yours faithfully,
GARD AS



Rolf Thore Roppestad
Chief Executive Officer