

Assuranceforeningen Gard - gjensidig -

Statement of comprehensive income

	Q1		YTD 31.03	
	Current year 01.01.24 to 31.03.24	Previous year 01.01.23 to 31.03.23	Current year 01.01.24 to 31.03.24	Previous year 01.01.23 to 31.03.23
Amounts in USD 000's				
Technical account				
Gross written premium on ETC basis *	252,915	231,284	252,915	231,284
Gross earned premium **	59,526	53,564	59,526	53,564
Ceded reinsurance	(30,175)	(27,173)	(30,175)	(27,173)
Earned premium for own account	29,351	26,390	29,351	26,390
Other insurance related income	199	175	199	175
Gross incurred claims	59,836	36,000	59,836	36,000
Reinsurers' share of gross incurred claims	(33,617)	(15,111)	(33,617)	(15,111)
Claims incurred for own account	26,219	20,889	26,219	20,889
Acquisition costs	2,076	2,736	2,076	2,736
Agents' commission	2,744	2,567	2,744	2,567
Commission received	(2,803)	(2,570)	(2,803)	(2,570)
Insurance related expenses for own account	2,016	2,733	2,016	2,733
Other insurance related expenses	831	808	831	808
Technical result	484	2,135	484	2,135
Non-technical account				
Interest and similar income	975	769	975	769
Change in unrealised gain on investments	1,496	6,227	1,496	6,227
Gain on realisation of investments	0	317	0	317
Other expenses	(155)	(161)	(155)	(161)
Non-technical result	2,316	7,152	2,316	7,152
Profit/(loss) before tax	2,800	9,287	2,800	9,287
Corporate income tax	1,943	4,112	1,943	4,112
Net result	857	5,175	857	5,175
* Owners' General Discount not included in Gross written premium	18,085	8,459	18,085	8,459
** Owners' General Discount included in Gross earned premium	3,157	1,917	3,157	1,917

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Balance sheet

Amounts in USD 000's	As at 31.03.24	As at 31.12.23
Assets		
Investments		
<i>Financial investments at fair value through profit or loss</i>		
Equities and investment funds	38,434	36,357
Interest-bearing securities and funds	211,828	221,294
Other financial investments	8,003	2
Total investments	258,265	257,654
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Reinsurers' share of technical provisions		
Reinsurers' share of gross premium reserve	104,836	16,552
Reinsurers' share of gross claims reserve	153,908	128,564
Total reinsurers' share of technical provisions	258,744	145,116
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Receivables		
<i>Receivables from direct insurance operations</i>		
Policyholders	181,918	19,592
<i>Receivables from reinsurance operations</i>		
Receivables from group companies	2,808	523
<i>Other receivables</i>		
Other receivables	1	1
Other receivables - group companies	122	611
Total receivables	184,849	20,727
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Other assets		
Equipment	3,624	3,624
Cash and cash equivalents	96,875	73,501
Other financial assets	8,029	8,074
Total other assets	108,528	85,199
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Prepayments and accrued income		
Accrued income and other prepayments	11,188	4,888
Total prepayments and accrued income	11,188	4,888
Total assets	821,574	513,584

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Balance sheet

Amounts in USD 000's	As at 31.03.24	As at 31.12.23
Equity and liabilities		
Equity		
<i>Retained earnings</i>		
Guarantee scheme	2	2
Other equity	119,490	118,633
Total equity	119,491	118,634
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Technical provisions		
Gross premium reserve	209,519	34,214
Gross claims reserve	348,682	323,717
Total technical provisions	558,201	357,932
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Provisions for other liabilities		
Pension obligations	1,315	1,379
Income tax payable	5,456	3,866
Deferred tax	9,489	11,790
Total provisions for other liabilities	16,260	17,035
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Payables		
Payables arising out of direct insurance operations	11,421	6,688
Payables arising out of reinsurance operations	48,085	2,627
Payables arising out of reinsurance operations - group companies	56,414	7,618
Payables group companies	408	930
Other payables	1,004	118
Total payables	117,332	17,981
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Accruals and deferred income		
Accruals and deferred income	10,290	2,002
Total accruals and deferred income	10,290	2,002
Total liabilities	702,083	394,950
Total equity and liabilities	821,574	513,584

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Statement of changes in equity

Amounts in USD 000's	Guarantee Scheme	Other equity	Total equity
Equity as at 01.01.23	3	104,468	104,471
Net result	0	14,090	14,090
Remeasurement due to change in pension assumptions	0	97	97
Income tax related to change in pension assumptions	0	(24)	(24)
Provision for Norwegian Non-life insurance Guarantee Scheme	(1)	1	0
Equity as at 31.12.23	2	118,633	118,634
Equity as at 01.01.24	2	118,633	118,634
Net result	0	857	857
Equity as at 31.03.24	2	119,490	119,491

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Cash flow analysis

Amounts in USD 000's	01.01.24 to 31.03.24	01.01.23 to 31.03.23
Cash flow from operating activities		
Profit/(loss) before tax	2,800	9,287
Tax paid	(1,709)	(249)
Change in unrealised (gain)/loss on investments	(1,496)	(6,227)
Change in pension obligations	(64)	(28)
Financial investments	886	(10,729)
Change in valuation due to change in exchange rates	(946)	(748)
Change in receivables and payables	(64,726)	(59,711)
Change in technical provisions and other accruals	88,628	76,127
Net cash flow from operating activities	23,374	7,722
Cash flow from investment activities		
Purchase of equipment net of sales	0	(12)
Net cash flow from investment activities	0	(12)
Net change in cash and cash equivalents	23,374	7,710
Cash and cash equivalents at beginning of period	73,501	78,253
Cash and cash equivalents at end of period	96,875	85,964

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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 Kittelsbukveien 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 2024 to 31 March 2024.

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 31 March 2024 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 31.03.24	As at 31.12.23
Own funds		
Share premium account	119,491	119,951
Reconciliation reserve	14,752	(3,378)
Excess of assets over liabilities	134,243	116,573
Tier 1 - Unrestricted	134,243	116,573
Total basic own funds / (equal to Excess of assets over liabilities)	134,243	116,573
Tier 2 - Supplementary calls - Available	263,550	241,543
Tier 2 - Supplementary calls - Eligible	50,224	48,183
Total ancillary own funds	263,550	241,543
Total available own funds to meet the SCR	397,793	358,116
Total available own funds to meet the MCR	134,243	116,573
Total eligible own funds to meet the SCR	184,468	164,756
Total eligible own funds to meet the MCR	134,243	116,573
SCR	100,449	96,365
MCR	45,202	37,200
Ratio of eligible own funds to SCR	184 %	171 %
Ratio of eligible own funds to MCR	297 %	313 %
Minimum Capital Requirement (MCR)		
Linear MCR	45,642	37,200
SCR	100,449	96,365
MCR cap (45% of SCR)	45,202	43,364
MCR floor (25% of SCR)	25,112	24,091
Combined MCR	45,202	37,200
Absolute floor of the MCR	4,248	4,248
MCR	45,202	37,200
Solvency Capital Requirement (SCR)		
Market risk	9,120	9,179
Counterparty default risk	21,187	18,018
Non-life underwriting risk	111,546	108,331
Diversification	(38,079)	(35,250)
Basic SCR	103,774	100,278
Calculation of SCR		
Adj - Loss Absorbing Capacity of Deferred Tax	(17,524)	(13,771)
Operational risk	14,199	9,859
SCR	100,449	96,365

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 -

26 April 2024

Trond Eilertsen
Chairman

Ian Beveridge
Deputy Chairman

Sandra Gluck

Nils Aden

Rolf-Thore Roppestad
Managing Director