



Company News

CEO Update – embedded in the maritime ecosystem

As we finish another busy year, I would like to start by stepping back to look at what Gard is here to do. Over the last 18 months we have been working with our entire organisation – including our colleagues, Members and the various boards, to think about our strategy towards 2025. This might seem a way off but if each year goes as fast as this one, it will soon be here!

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The result is an agreement that our mission is “Together, we enable sustainable maritime development” – a set of words that reflects the fact that we are firmly embedded in the maritime ecosystem for the long term, a position which drives what we do today and, more importantly, tomorrow.

Each word is chosen carefully. The word ‘together’ reflects on our mutuality, the fact that co-operation with our Members is part of what we do every day and a vital part of how we think about future development. The word “we” explains that we deliver the greatest value when sharing our knowledge and experience with Members, clients and the wider world. ‘Enable’ and ‘develop’ describe our ambition to be market leading in our sector, making a positive contribution to the marine insurance industry. And finally, ‘sustainable’ encompasses the creation of long-term financial value for our Members, the mitigation of maritime risks, our responsibility for the marine environment and for conducting our business with integrity and high ethical standards.

Being there for the future

Sustainability is above all about resiliency over time – something that is at the heart of marine insurance and Gard. A core part of our recipe for this is creating long-term financial value, and as such we were pleased to announce a surplus after tax, on an Estimated Call basis, of USD 27 million for the first half of the 2018 policy year. As of 20 August 2018, the consolidated equity which provides security and stability for the membership stood at USD 1,276 million, compared to USD 1,249 million on 20 February 2018. Our investment return was minus 1.1 per cent.

With investment results demonstrating considerable volatility, ensuring that we have a balanced book of underwriting becomes increasingly important. Being excellent at the fundamentals, assessing and handling maritime risk, is our first priority to deliver on our Members’ and clients’ needs. There is no doubt that the quality of our membership, our continued focus on loss prevention and our strong claims handling capabilities have contributed positively to this outcome.

We have also seen positive market developments in the first half of the year, especially in marine where we have increased our market share and line size in a competitive market. New owners have chosen to put significant tonnage with Gard, with the strength of our claims handling, and ability to lead claims effectively, being a strong proposition in the current market environment.

Being part of the ecosystem

It is a fundamental part of our philosophy that prevention is better than cure, especially given that the environmental impact of maritime casualties can be catastrophic. So, we work to prevent them from happening, while standing ready to respond swiftly and effectively to mitigate the damage should they occur. By sharing risk with the right partners, this becomes a virtuous circle improving fairness for everyone.

Having the right partners is also critical in responding to major casualties. Strong links between shipowners, insurers, authorities and international maritime organisations helps to build both a better response to accidents and compensation practice that benefit both the shipping industry and society as a whole. We fully support the work of the International Group to work with government authorities and other casualty stakeholders in key jurisdictions to create mutual understanding and communication to deliver a more effective and co-ordinated response should serious incidents occur.

We continue to work close with our partners in the United Nations' *Action Platform for the Ocean*, a working group to take a comprehensive review of the role of the ocean industries in achieving UN's 17 Sustainable Development Goals (SDGs). Currently, we are part of the editorial committee in a report with the working title "an Ocean of Opportunities". In this ocean industries are, for the first time, mapping their contribution towards the SDGs and what their role might be in securing the health of our oceans. This report will be launched at the Nor-Shipping Conference in Oslo in June next year.

Being prepared

This is only a snapshot of our year. Underneath the headlines, is a huge amount of work – every day, to support our Members and clients – particularly when things go wrong. Activities that may seem less glamorous but whose importance cannot be underestimated.

We know there can be no room for complacency – experience tells us that circumstances can change rapidly. Nevertheless, our strategy of stability and predictability means that we believe we are well-positioned to handle new challenges: we have products to protect the assets, income and liabilities of our Members and clients, a well-balanced insurance portfolio, a capital base that helps our Members and clients manage their risks but most of all a mindset where we are always scanning the horizon for sun or storms.

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