



Company News

CEO Update – when the wind blows

Rolf Thore Roppestad, CEO of Gard, provides an update on recent events in Gard and our business going forward.

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In the month that the government of the USA announced that it would withdraw from the Paris climate change accord, it seems particularly appropriate to be talking about the subject of sustainability. At our recent Summer Seminar, our speakers covered a range of topics including: learning lessons from the past, looking at the challenges of today in terms of technology and innovation, preventing and preparing for handling maritime accidents, peering into the future of the P&I market and the role of the International Group. All themes which are underpinned by the idea that we can meet the needs of the present without compromising the future.

Business sustainability is all about resiliency over time – organisations surviving because they are intimately connected to healthy economic, social and environmental systems, with their operations founded on strong business ethics. These businesses create long term financial value and contribute to healthy ecosystems and strong communities.

Sustainability is at the very heart of marine insurance – and particularly P&I. Its very essence is to care for the environment, people and property. By doing a good job of preventing and handling accidents, we reduce the consequences for the society at large and, at the same time, decreasing the costs and impact on our Members and clients. The fact that we have been doing this for 110 years gives us a strong track record in sustainability, so for this half year update I would like to look at what Gard is doing under three categories of sustainability;

- creating long-term financial value,
- understanding and reducing the environmental impact of our actions,
- caring about our customers, people and communities and working to make positive social change.

Creating long term financial value

We believe that maintaining our financial strength delivers the stability and consistency that protects the assets, incomes, and reputations of our Members and clients. This allows them to make longer term decisions and helps them to manage their costs and bottom line. By creating long term financial value, we are helping our Members to do the same.

A core part of this is transparency – absolute clarity around our financial targets and how much capital we feel it is prudent to hold to achieve long term stability in a volatile industry. When we achieve the targets set by our shipowner Board, we return excess funds to our Members. I am delighted that our results for the last policy year were strong enough to allow us to return capital for the ninth successive year. This year we waived the entire 25% deferred call, amounting to USD 90 million. In total, we have returned over USD 300 million to Members over the last decade. These results are made possible by the high quality of our Members – mutuality is based on sharing your risks with the right partners.

Reducing environmental impact

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The environmental impact of maritime casualties can be catastrophic. Preventing them from happening is central to everything we do, as is responding swiftly and effectively to mitigate the damage should they occur. Every day we share knowledge and expertise on loss prevention, as well as partnering with third party organisations. Last year we became the first insurer to provide a Green Award Incentive and we are working with them to share our loss prevention expertise and benchmark for the performance of Green Award vessels.

In terms of responding to major casualties, robust partnerships are critical. Strong links between shipowners, insurers, authorities and international maritime organisations, including the IMO, helps to build both a better response to accidents and compensation regimes that benefit the 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. During a wind of nationalism and protectionism, the marine industries have to work even harder to promote and develop fair, reliable and well-functioning international liability regimes.

Caring for customers and communities

Our commitment to the ethos of mutuality means that we put the interests of our Members and clients at the centre of everything we do. Whether that is finding the right product solution for your business, better systems or more effective claims handling – our aim is to protect our Members and clients and get them back in business as swiftly as possible after a casualty.

The P&I Clubs are also helping the seafaring communities by putting in place the certificates to establish that the financial security to protect seafarers and their families in the event of abandonment, death or long-term disability due to an occupational injury, illness or hazard. The industry have to expect to see claims from mariners under the Maritime Labour Convention in 2017.

We are also living up to our reputation for being a ‘hands on’ organisation by tackling marine pollution with our global beach clean-up campaign. Employees from across the Gard group have been taking to the shoreline to pick up plastics and other litter. Even the Board Directors joined in after their recent meeting in Bermuda. Our campaign is part of a marine litter awareness month, inspired in part by the The Ocean Cleanup which Gard nominated for the Thor Heyerdahl International Maritime Environmental Award 2017. I am delighted to say they won!

There is an old Chinese saying - “when the wind blows, some build walls while others build windmills”. I hope that our robust and broad commitment to all aspects of sustainability shows that we do both.

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