



Company News

CEO Update: Seeking stability in an increasingly unpredictable world

Rolf Thore Roppestad, Chief Executive Officer of Gard, provides some thoughts on the year that is now nearly at an end as well as looking at the months ahead.

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There can be little doubt that 2016 has been a year of global unpredictability - politically and economically; the UK's vote to leave the European Union, a military coup in Turkey, increased political tensions in the South China Sea and the election of a new US president are all examples of a shifting geo-political outlook. All of these events – and many others, will have a long-term impact both on the global economy generally and on the maritime industries we serve specifically.

Whatever your views on Brexit or the election of the new US president, there can be little doubt that both events will create a whole new landscape for global trade. The UK's trading relationships will be re-drawn once they leave the European Union and Donald Trump has announced his intention to withdraw from the Trans-Pacific Partnership. I spoke in the summer about a prevailing trend to retreat behind national borders – a rising tide of protectionism. It is hard to see that this tide is abating.

Because we live in an increasingly interlinked world, almost no part of the globe can escape these unstable market conditions. Here at Gard, while we can't reduce those challenges for our Members and clients, we can put stability at the heart of our business – ensuring that, as far as possible, your risk transfer process with us is as predictable as possible.

This means that core to our offering is a philosophy that, with Gard, you should know where you stand – whether that is in terms of our premium policy, product offering and claims promise. For 2017, there will be no general increase in the Advance Call for owners' mutual P&I or for mutual FD&D for the 2017 policy year. We know that, as a mutual business, keeping overall premiums down is a good thing – as long as it is accompanied by a positive claims environment. We are pleased to say so that so far in the 2016 policy year, the claims environment has been broadly benign with few large claims. With winter in the northern hemisphere upon us, we do know that this can change quite rapidly.

The same difficult trading conditions are also driving the industry debate around the reserves held by clubs. We constantly review these levels, and we work closely with our Members to make sure that together we achieve the best outcome for them in both the long and short-term. The volatility of our business, means that Gard needs to be, and is, well capitalised. However, we also have a well-established procedure that allows excess capital to be channelled back to the membership by reduction of the last instalment of premium which is deferred to the year after the policy year in question.

There is no doubt that we are operating in a 'new normal' – consolidation is prevailing trend in every industry and technology is changing our lives and the way we work faster than ever before. We absolutely know that the world we live and work in is better when we are sharing our competence and experiences and when we are doing the basic things well – being able to assess and price risk, doing it in a way that is fair and delivering a strong claims service.

We are a long term business and we take a long term view on how we do business.

Whether it is risk assessment, relationship building or developing our people, we look beyond the here and now and invest for the future. Long-term relationships, built on trust, transparency and integrity, has served our Members and clients well for over a century.

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As this extraordinary year draws to a close, I would like to take this opportunity to wish you a very happy holiday and offer best wishes for the New Year.

Rolf Thore Roppestad Chief Executive Officer

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