

# INTRODUCTION TO GARD - HISTORY AND PLACE IN THE MARITIME VALUE CHAIN



- Oslo Vest Rotary Klubb, 28 September 2022
- Ivar Brynildsen
- Vice President, Marine Claims, Gard Oslo

- **Who we are..**
- History
- Mission, core purpose and values
- Client segments and products
- Claims and some case examples

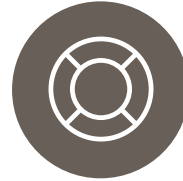
# WE ARE ...

WORLD'S LARGEST SPECIALISED MARINE INSURANCE GROUP



**1907**

founded in  
Arendal



**Broad product range**

for ship and offshore  
operators



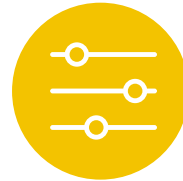
**Mutual ownership**

owned by shipowner  
members



**Global network**

13 offices, 550+ staff  
and 400+  
correspondents



**Marine & Energy**

offers hull, loss of hire, IV  
and various energy  
insurances



**A+**

All insurance  
carriers

# MANAGING RISK AND ITS CONSEQUENCES

FOR THE MARITIME INDUSTRIES



P&I

Third party liability (P&I) and FD&D insurance to owners, operators and charterers of ships and mobile offshore units, and various insurance covers related hereto.



Marine

Hull and machinery insurance, loss of hire, disbursements, marine war and other specialist covers for owners and operators of ships.



Energy

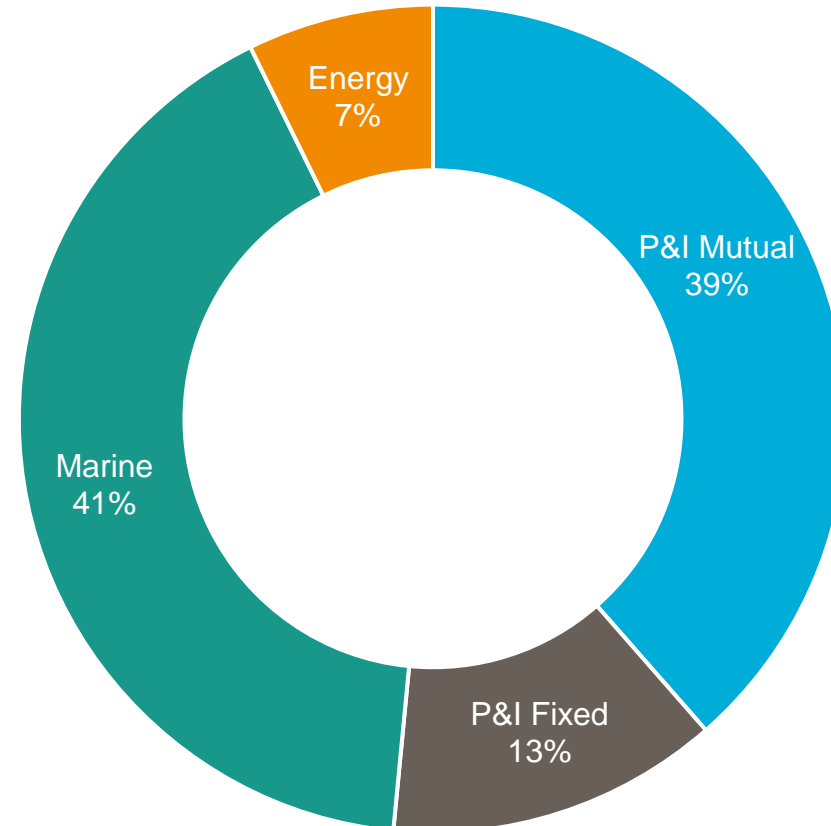
Cover for the oil and gas industry's insurable interests in connection with Mobile Offshore Units (MOUs), plants and installations offshore and onshore.

# SPECIALISED MARINE AND ENERGY INSURER

GROSS WRITTEN PREMIUM AS AT 20.02.2022



**1,036m**  
USD, gross written  
premium



# A LEADING P&I CLUB

P&I



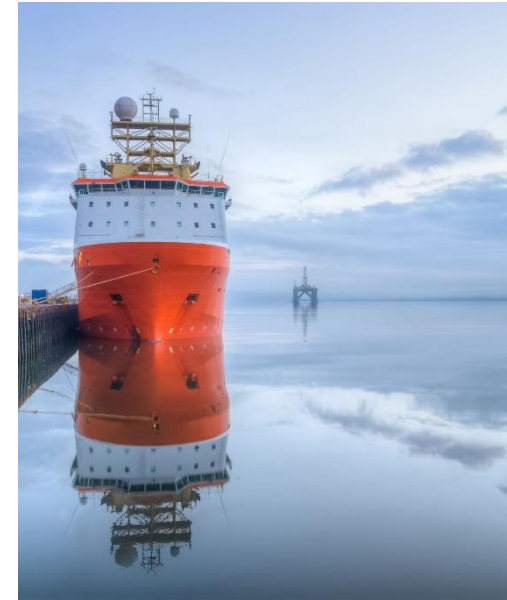
270+m gt  
owners and MOU operators



Committed to  
high quality service



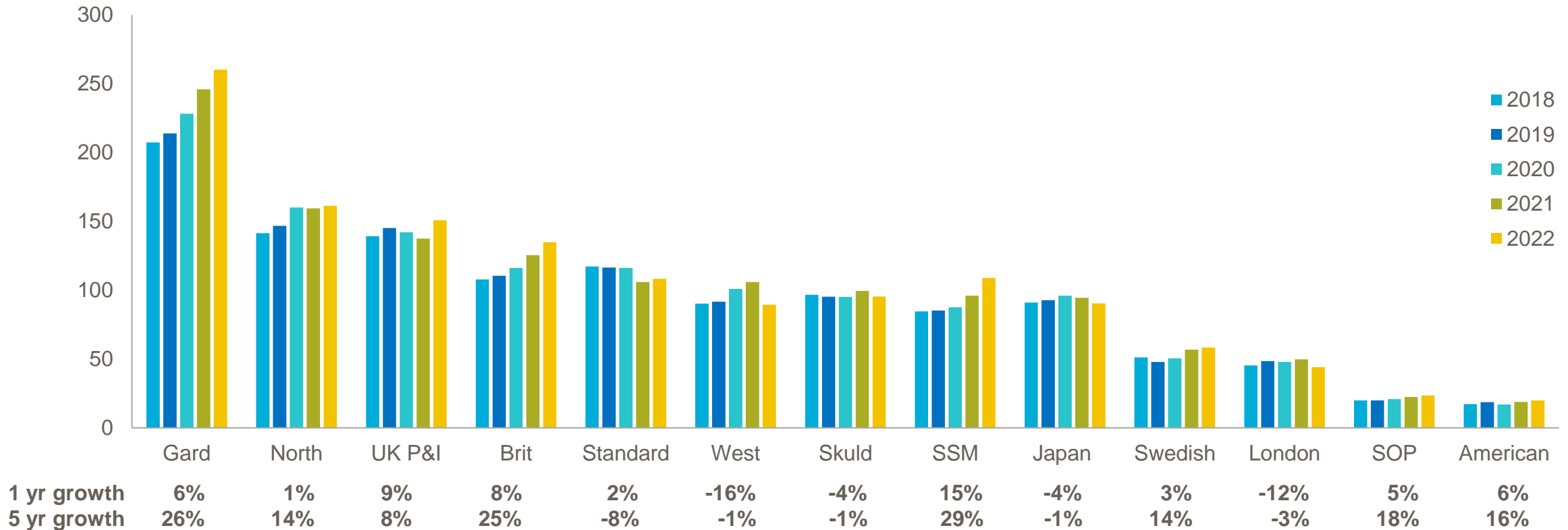
19.3%  
global market share



A+  
Standard & Poor's rating

# INTERNATIONAL GROUP CLUBS

OWNERS' MUTUAL GT MILLION (2018 - 2022)



Source: Miller Insurance Services Ltd. Cut-off as at 20 April 2018 -2022

# ONE OF THE LARGEST BLUE WATER INSURERS

MARINE & ENERGY



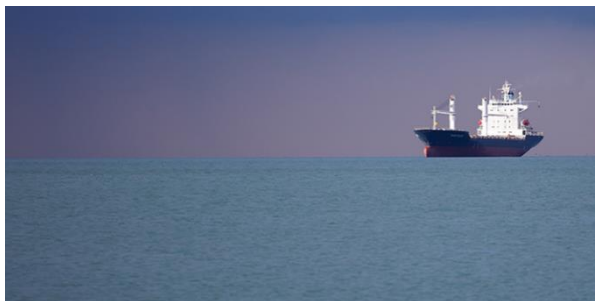
15,000+ vessels in our  
marine portfolio



Claims lead on some 44% of  
vessels insured



World's longest continuous  
underwriter of offshore insurance



A+  
Standad & Poor's rating



USD 100m  
Working capacity - marine

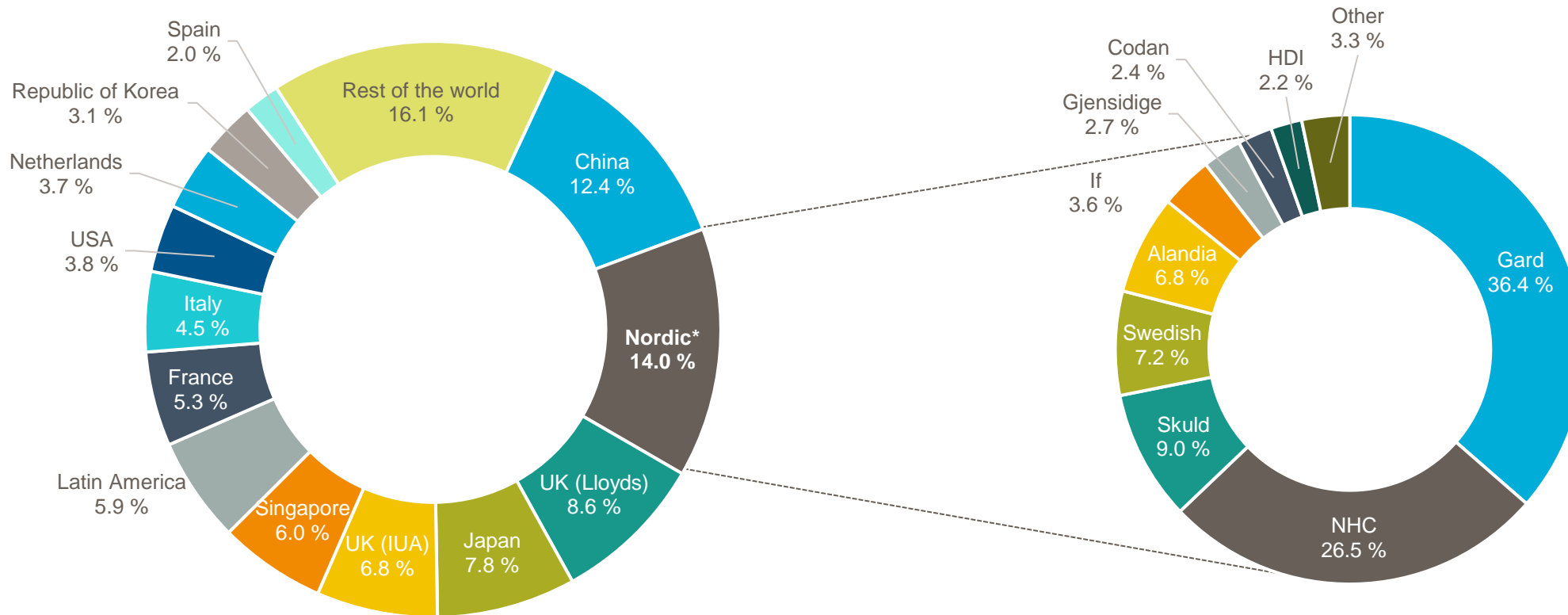


USD 250m  
Working capacity - Energy



# GLOBAL MARINE HULL MARKET

GROSS PREMIUM 2020 IUMI AND 2021 CEFOR
















\* Volume of premium for all Cefor members in the Nordic countries (Norway, Denmark, Finland, Sweden)

\* Figures include all Marine Hull products

# FINANCIAL STRENGTH RATING

STANDARD & POOR'S

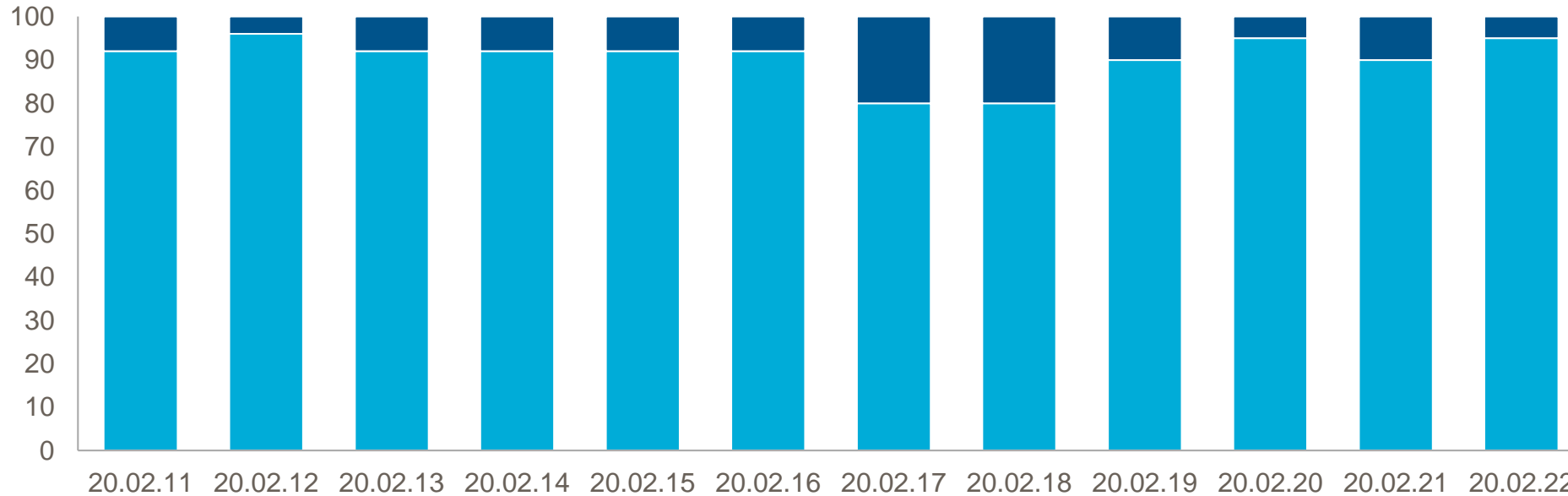


A+	A	A-	BBB	BBB-
	     	  	 	

A – strong financial security  
 BBB – good financial security

# GARD PREMIUM POLICY

STABILITY AND LOW COST



**OGD and reduction in ETC after end of policy year**

**Represent USD 464 million in 12 years**

Note: Changes in last instalment up to 20.02.2021, Owners' General Discount (OGD) from 20.02.2022

# WHERE- AND WHENEVER YOU NEED US

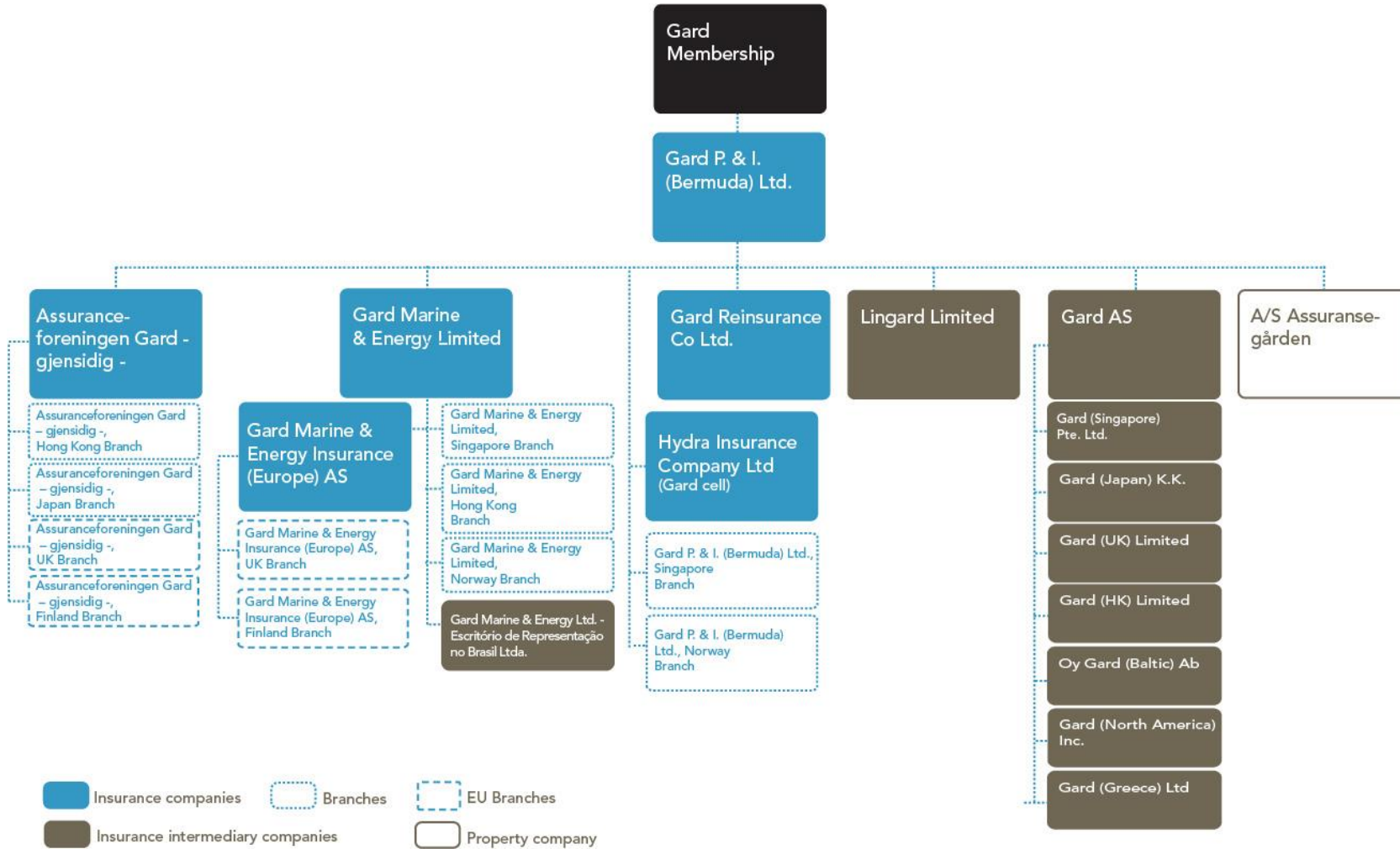


- 13 office locations
- 550 + employees
- Broad range of expertise
- 30 + nationalities
- 2100 + clients
- Clients in 85 countries



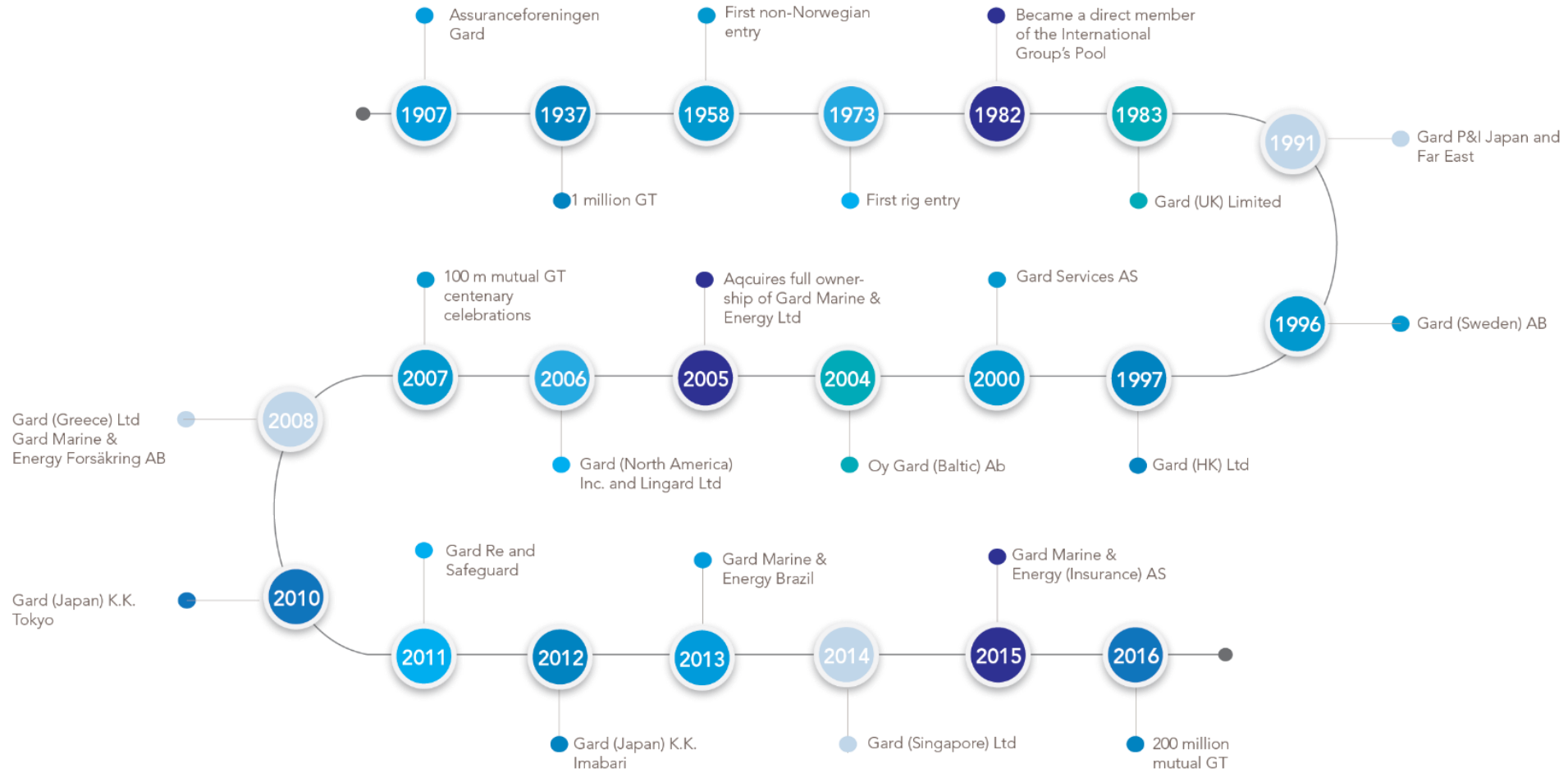
# OWNED BY THE INDUSTRY FOR THE INDUSTRY

## COMPANY STRUCTURE



- Who we are..
- **History**
- Mission, core purpose and values
- Client segments and products
- Claims and some case examples

# OUR HISTORY



# OUR HISTORY

OVER 100 YEARS OF MANAGING RISK



"The undersigned sailing shipowners believe that one should, like the steamship owners, through co-operation protect ourselves against the same risks and liabilities...."

-- the invitation to join Gard in 1907



"Accidents will happen, but the identification of risks, and the possible ways to reduce and prevent them, are key priorities for everyone at Gard."

Lai Herlofson, CEO of Gard (1970-1995).

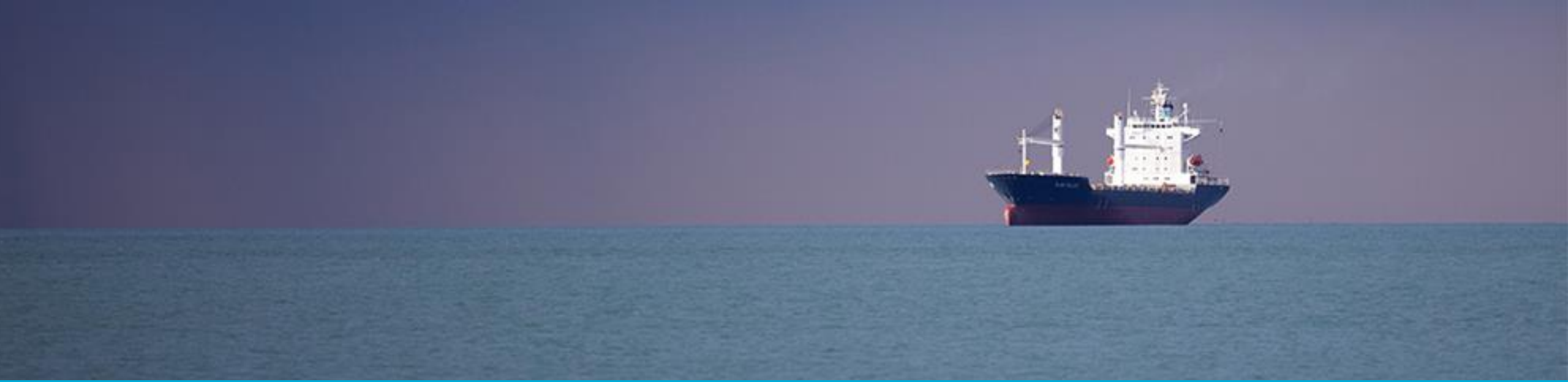


# HEAD OFFICE IN ARENDAL



- Who we are..
- History
- **Core purpose, mission and values**
- Client segments and products
- Claims and some case examples

# OUR CORE PURPOSE



To help our members and clients in the marine industries to manage risk and its consequences



# OUR MISSION



Together, we enable sustainable  
maritime development



# OUR CORE VALUES



## Friendliness

We are friendly and courteous towards colleagues and clients. We look for the positive in people. We aim to create an atmosphere where people feel at home

## Adaptability

We embrace change as a way of life, we are curious, seek opportunities and accept challenges

## Integrity

We do the right thing. We bring integrity to everything we say and do. We strive for honesty, trust, transparency and respect both as individuals and as an organisation

## Result-oriented

To be successful, we must meet our goals on time, set new ones and seek better ways of achieving them



# SUSTAINABLE MARITIME DEVELOPMENT

WHY A HEALTHY OCEAN IS IMPORTANT TO OUR INDUSTRY



## Our common resource

70% of the planet is ocean – a source to create growth and jobs



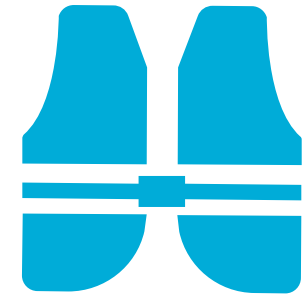
## Long term ocean health

a key component in the well-being of society at large



## Crucial to world trade

90% is carried by sea



## Managing the risks

Gard insuring more than 40% of the global merchant fleet (GT)



*Through risk prevention, risk reduction and risk sharing  
insurers help respect society and underpin economic growth.*

# GARD'S KEY FOCUS AREAS

FOR SUSTAINABLE BUSINESS



- Long term financial value creation
- Mitigation of maritime risks
- Responsibility for the marine environment
- Business integrity and high ethical standards





# REDUCING MEMBERS' COSTS

BY FOCUSING ON OPERATING SUSTAINABLY



## 1 Our expertise

- Competence
- Experience
- Procedures
- Cooperation
- Financial security

## 2 Our commitment

- Risk solutions for our Members
- Preventing accidents
- Managing consequences

## 3 Our mission

- Minimising consequences for society
- Reducing costs for the maritime industries

# FURTHER INITIATIVES

## GIVING BACK TO SOCIETY



### Gard Corporate Donations

- In Gard, we believe in sharing knowledge and expertise to continuously raise standards and improve learning. Twice a year, Gard makes donations to charitable causes that share this view.
- The donations are made according to pre-defined criteria to organisations or initiatives whose purpose(s) is loosely linked with one or more of Gard's pillars of excellence.



HUMAN RIGHTS AT SEA

### The Gard – Red Cross partnership

- Gard is an official partner of the Norwegian Red Cross.
- The aim is to strengthen the Red Cross's humanitarian work while increasing the knowledge and engagement among our employees of the humanitarian situation in those countries and regions where we operate.



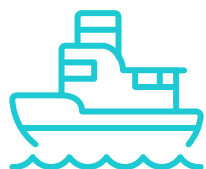
- Who we are..
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OWNERS



CHARTERERS



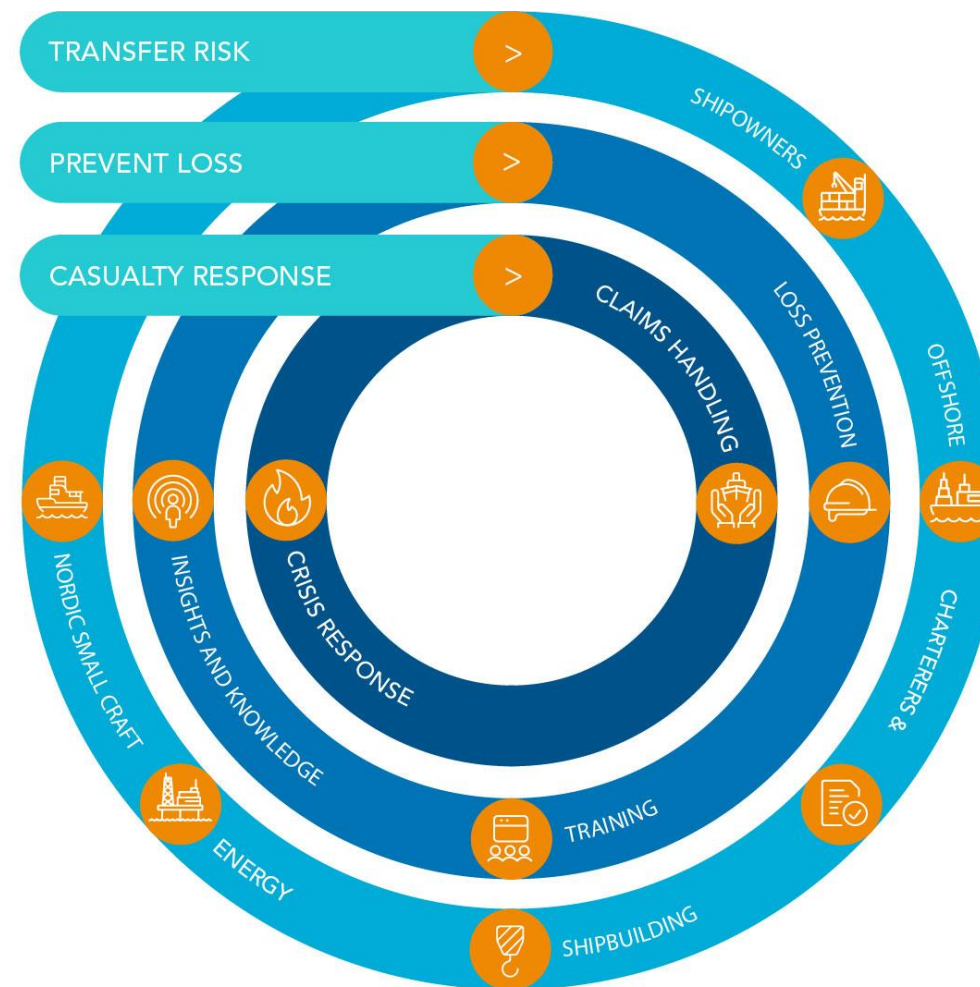
MANAGERS



MORTGAGEES



YARDS



# WHY IS INSURANCE IMPORTANT

## TICKET TO TRADE AND KEEP TRADE AFLOAT



- Requirement from;
  - Authorities
  - Investors and creditors
  - Business contract partners
  - International Conventions
- Risk management, buffer against;
  - Unforeseen large asset losses
  - Business interruption
  - 2rd. Party liabilities

..and not least, professional experienced assistance when accidents occur.



Liability



Assets



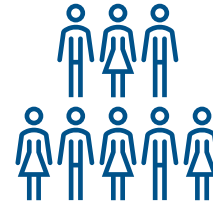
Loss of Income

# SOLUTIONS FOR A WIDE VARIETY OF ASSUREDS

COVERING DIFFERENT CAPACITIES OF YOUR BUSINESS OPERATIONS



Owners



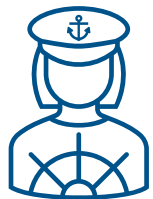
Contractors & Operators



Charterers



Builders



Managers



Mortgagees

# INSURANCE SOLUTIONS FOR SHIPOWNERS

COMPREHENSIVE INSURANCE SOLUTIONS FOR SHIPOWNERS IN THEIR BUSINESS OPERATIONS



## Shipowners P&I

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- Comprehensive Carriers' cover
- Comprehensive General Liability
- Defence cover
- Container & Equipment cover
- Crew/ Extended Crew cover
- Liability for Divers
- Ship Manager's Liability
- Tour Operator's Liability

## Hull & Machinery

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- Loss of Hire/ Extended Loss of Hire
- Hull Interest
- Freight Interest
- War Risks

# INSURANCE SOLUTIONS FOR SHIP MANAGERS

LIABILITY INSURANCE RESPONDS TO LIABILITY ARISING FROM NEGLIGENCE IN PERFORMING THE DUTIES



Ship Manager's Liability



Liability for Divers



Crew Manager's Crew Liability



# INSURANCE SOLUTIONS - CHARTERER'S & TRADERS

COVERING LIABILITIES INHERENT IN DAY-TO-DAY OPERATIONS



Charterer's P&I  
Damage to Hull Liability



Cargo Owners' Legal Liability



Extended Liability



Defence/  
Extended Defence



Charterers'  
Loss of Use



Bunkers' cover

# INSURANCE SOLUTIONS FOR SHIP BUILDERS

EXPERIENCE IN HELPING SHIPBUILDERS AND SHIPOWNERS COVERING COMPLEX LIABILITIES



Builder's Risks/ Conversion Risks



Towage Risks



Delay in Delivery/ Non-delivery



War Risks

# INSURANCE SOLUTIONS FOR OFFSHORE ENERGY

UNDERSTAND THE RISKS AND PROVIDE TAILOR-MADE INSURANCE SOLUTIONS



- P&I for Mobile Offshore Units (MOUs)
- Comprehensive General Liability
- Crew and Extended Crew
- Liability for Divers
- H&M, Hull Interest and Freight Interest for MOUs
- Loss of Hire for MOUs
- Physical Damage to Offshore Installations
- Loss of Production Income
- Operators' Extra Expenses  
Cost of Well Control
- War & Terrorism
- Defence cover
- Third Party Liabilities

# INSURANCE SOLUTIONS FOR OFFSHORE WIND FARMS

OFFERING INSURANCE SOLUTIONS FOR RISKS ASSOCIATED WITH THE CONSTRUCTION AND OPERATION OF OFFSHORE WIND FARMS AND TRANSMISSION INFRASTRUCTURE



Construction All Risk package



Delay in Start-up



Physical Loss/Damage to Offshore Wind Farm



Business Interruption



Third Party Liabilities



Transmission Infrastructure Insurance

# INSURANCE SOLUTIONS FOR MORTGAGEES

INDEPENDENT OF ANY FAULT OR OTHER CIRCUMSTANCES THAT COULD LEAD TO A LOSS OF COVER UNDER THE HULL POLICY



Mortgagee Interest



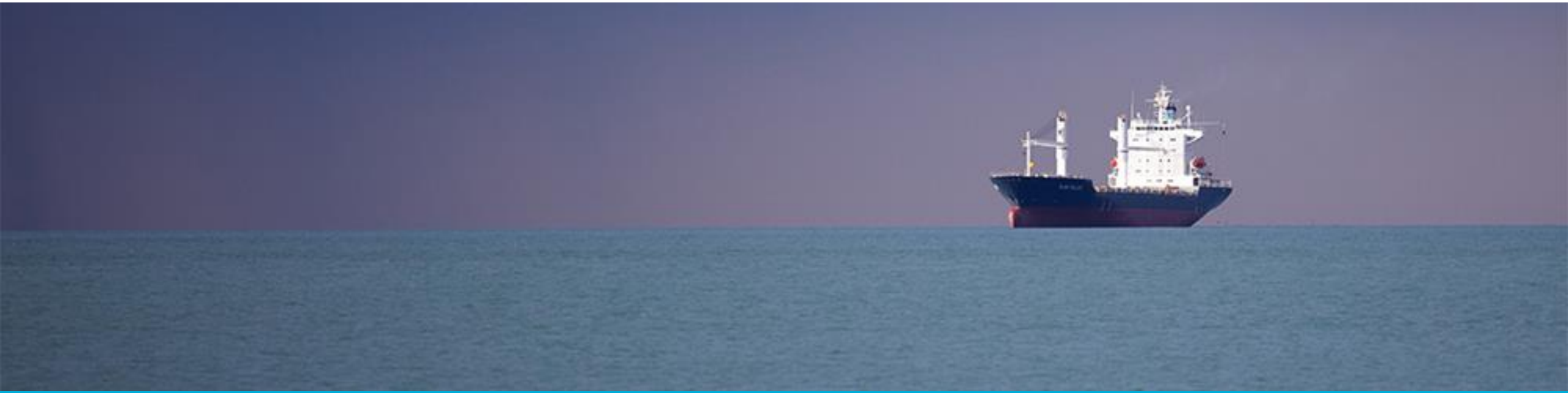
Innocent Owners



Mortgagees' Additional Perils

- Who we are..
- History
- Core purpose, mission and values
- Client segments and products
- **Claims and some case examples**

# OUR CORE PURPOSE



To help our Members and clients in the marine industries to manage risk and its consequences

# OUR CLAIMS ORGANISATION

CLAIMS SERVICE THAT GIVES YOU PEACE OF MIND



## Experienced claims handlers where and when you need them:

- **Scale:** 200+ claims staff in 11 offices covering all main times zones
- **Depth:** expertise for the largest and most difficult crises and claims
- **Breadth:** competence and experience for all types of maritime claims
- **Support:** personalised service based on efficient processes and tools
- **Global reach:** service providers on call in all main ports and terminals





# RESOURCES

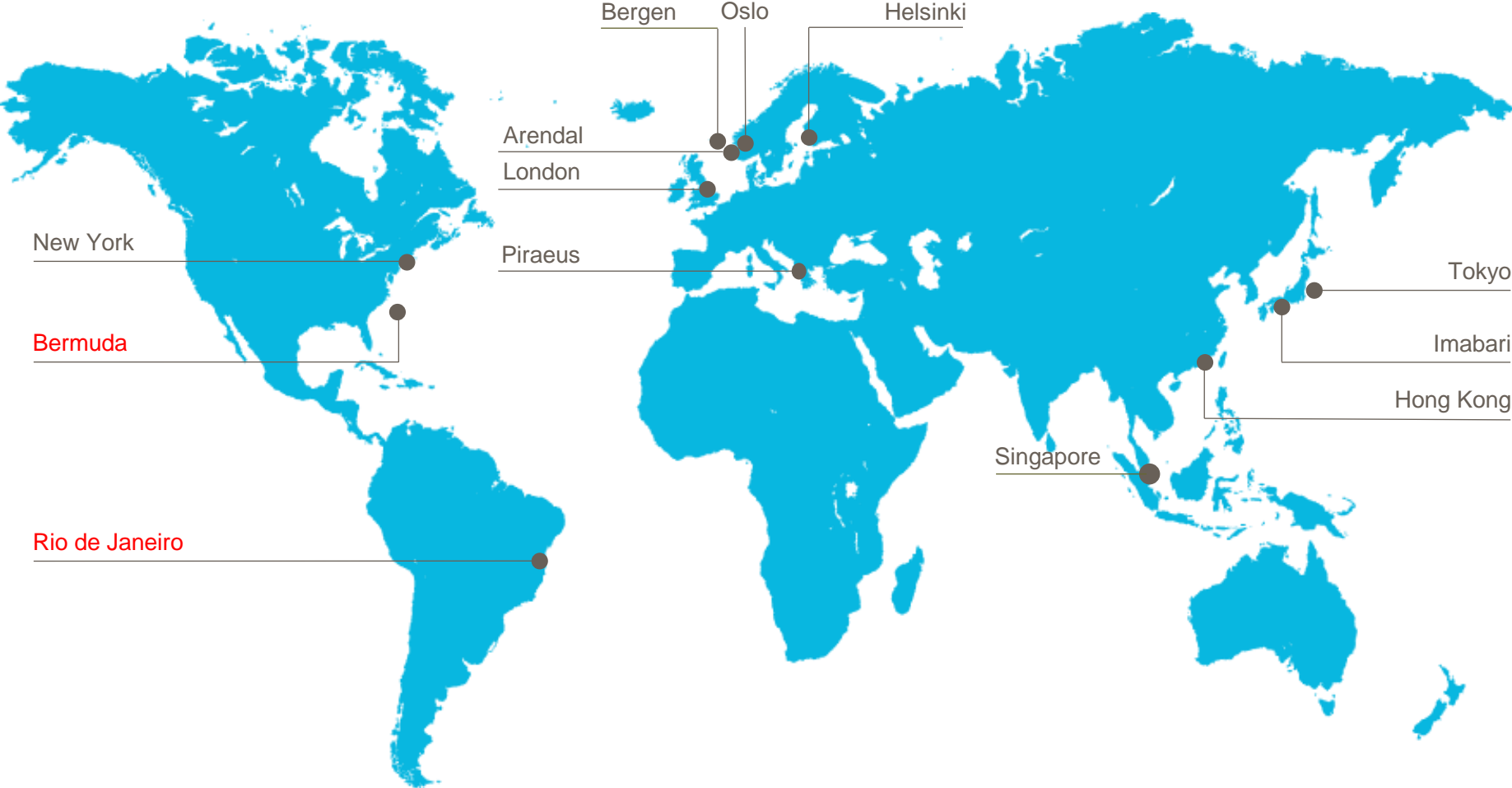


- Top quality claims service where and when you need it:
  - Eleven offices handling claims
  - ~200 dedicated claims staff
- Personalised service:
  - Teams dedicated to each Member/client
- Extensive network of third party service providers worldwide
  - Correspondents
  - Lawyers
  - Experts





# RESOURCES – GARD'S GLOBAL CLAIMS NETWORK



# SOLUTIONS WHEN THEY ARE NEEDED MOST



- 24/7 contingency and claims support
- Dedicated response team
- Prudent over-reaction
- Mobilisation time <30 minutes
- “Been there”: casualty experience
- Priority: **People, Environment and Property**
- Co-operation with authorities
- Media response assistance
- On-site attendance



*Minimise disruption to your operation*  
*Maintain your company's image and reputation*  
*Minimise the financial consequences of claims*

- Timely and accurate advice
- Solution focused, not problem focused
- Swift provision of Club LOU's and guarantees
- In-house claims handling, limiting the use of external resources
- Drawing upon in-house specialists as necessary, irrespective of business area or geographic location
- Nonbureaucratic
- Prompt payments
- Strong cost-control mechanism

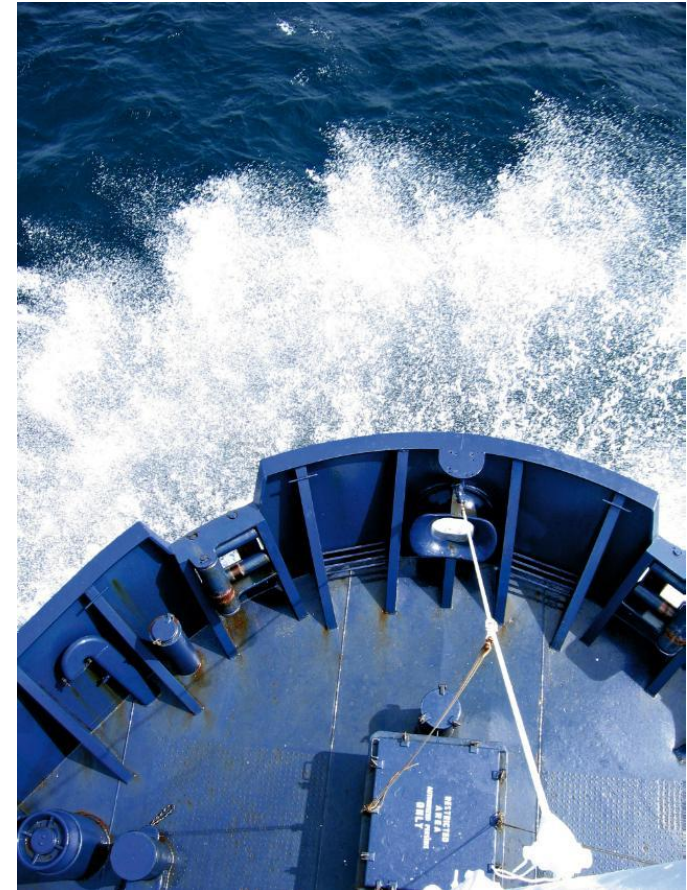
# THE BENEFITS OF ONE INSURANCE PROVIDER

## COST EFFECTIVE SOLUTION FOR OWNERS



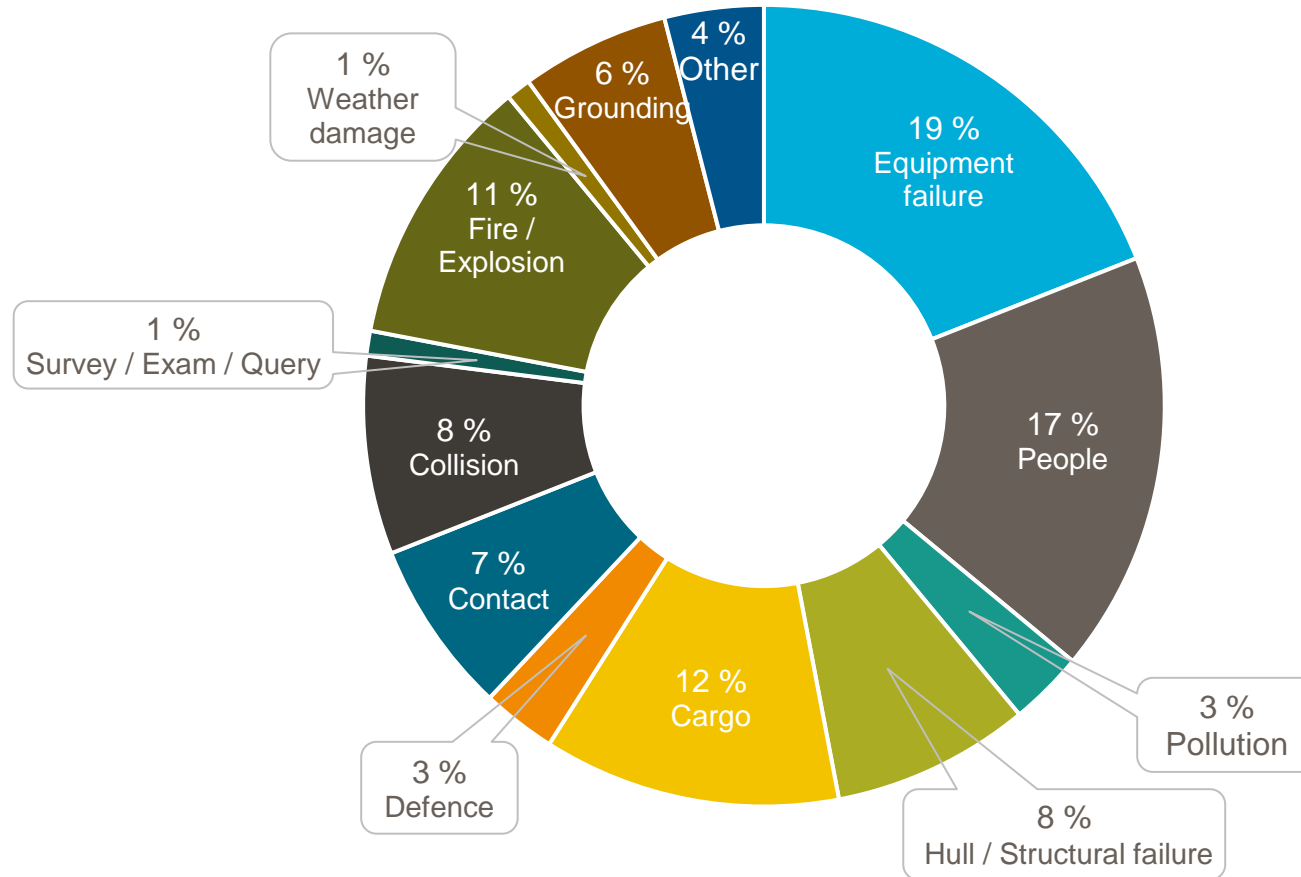
- Hands-on holistic approach to casualty handling: minimising Member/client's overall exposure
- Cost sharing between covers easily agreed, avoiding increased costs due to differences in opinion between insurers
- Access to both P&I and H&M network, with cost savings on shared external service provider instructions
- Claims staff experienced in both P&I and H&M, with case experience and broad competence
- Better information sharing
- Any issues between covers resolved internally

**Quicker decisions – faster response –  
case experience – proven benefit**



# GROSS INCURRED CLAIMS – ALL BUSINESS AREAS

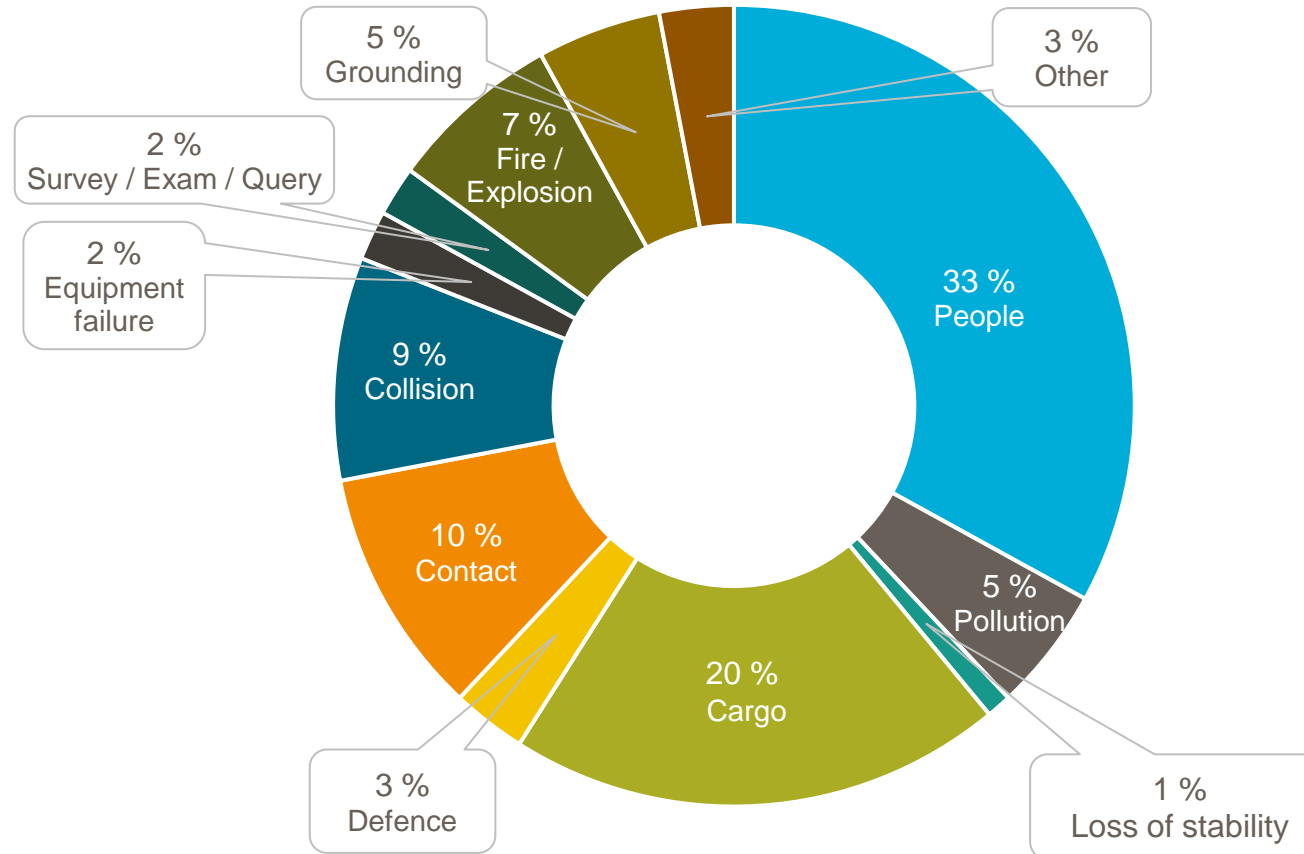
INCIDENT YEARS 2015 – 2020



Source: DWH, as at 14 May 2021

# GROSS INCURRED CLAIMS – P&I MUTUAL

INCIDENT YEARS 2015 – 2020

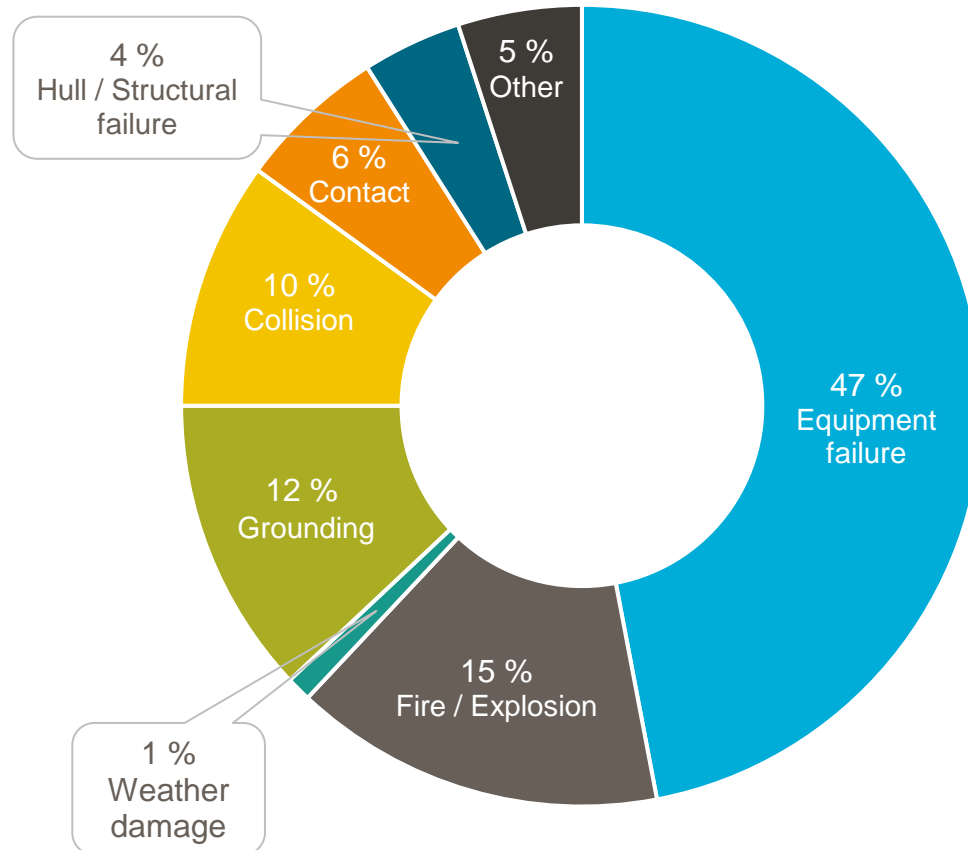


Source: DWH, as at 14 May 2021



# GROSS INCURRED CLAIMS – MARINE

INCIDENT YEARS 2015 – 2020



Source: DWH, as at 14 May 2021

# FULLY LADEN BULK CARRIER TOTAL LOSS

## OIL POLLUTION AND SOYBEAN SPILL CASUALTY RESPONSE



### Location

On 16 March 2011, bulk carrier ran aground at Nightingale (*Tristan da Cunha*), a remote and inaccessible location

### What happened

1,500 tons of heavy fuel oil and diesel onboard spread; widescale oiling of several seabird species, most notably, 4,000 rock-hopper penguins

Wreck removal and total loss of 65,263.875 MT of soybeans

### What we did

Gard represented on-site by a pollution and environmental PhD expert

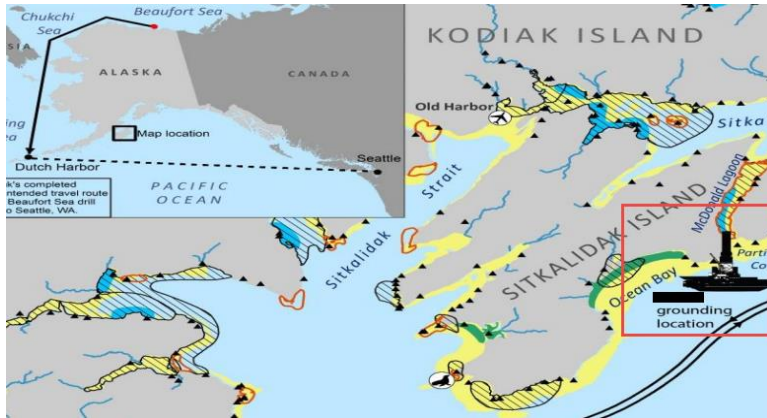
Gard personnel met cargo interests twice to dispose of a very large cargo claim at 14.4% of the original figure

### Outcome

Pollution response finalised in April 2011 with no significant amounts of oil remaining on the shorelines nor the local penguins which returned to similar numbers as those before the incident

# MOBILE OFFSHORE UNIT IN DISTRESS

## HANGING BY A THREAD



### Location

Mobile Offshore Unit running aground near Ocean Bay, Sitkalidak, Island, Alaska on 31 December 2012 while being towed for scheduled winter repairs

### What happened

Significant response covering all aspects including salvage, debris removal and pollution abatement, with post salvage work to prepare the rig for towage and later to be repaired

### What we did

Gard assisted Members through a robust decisive cover support

Internal casualty and US pollution expertise provided advice and guidance along the way

### Outcome

All 18 crew safely evacuated by USCG rescue helicopters before the grounding

Major pollution incident averted

Rig towed to Singapore for repairs

# GENERAL CARGO VESSEL OFF FRANCE

BREAKING UP AND SINKING WHILE ON BALLAST



## Location

General cargo vessel suffered engine blackout off Bayonne, France

Anchors dropped but did not prevent the vessel from drifting towards the northern breakwater, grounding and breaking into two pieces

## What happened

Vessel was proceeding on ballast to load cargo with 11 crewmembers and approx. 127 MT of light gasoil as bunkers on board

Crew and pilot safely rescued, no serious injuries, nor pollution caused

## What we did

Casualty specialist deployed to Member's office (same day) and on-site strong presence from Gard's pollution expert

Several meetings held with local authorities in relation to the breakwater repairs and possible pollution response

## Outcome

Letter from the President of the Aquitaine Region (extracts):

***"I am delighted for all the efforts and particularly want to thank you for the excellent quality of the work accomplished, and the dialogue maintained throughout the handling of this case with my team."***

# LEAD HULL & P&I - CAR CARRIER LISTS & GROUNDS

OFF SOUTHAMPTON, JANUARY 2015



## Knowledge



Ship & cargo (brand new cars): values over USD150m

Potential worst-case: pollution, wreck removal, total loss, port disruption

1,200 tweets within hours; news articles in over 75 countries

## Partnership



Gard crisis team: 10 Gard staff from 3 offices

Day 1: crew transferred to hotel & cared for by Gard staff

Day 2: Gard on site with UK SOSREP, salvors, pollution and media experts

## Solutions



Within 3 weeks: ship re-berthed, no pollution

Within 7 weeks: cargo discharged, ship repaired & back in service

Over USD 25m in claims settled within 5 years with minimal litigation

# LADEN VLCC IN TROUBLE

## STEERING GEAR DAMAGE



### Location

Laden VLCC experienced serious steering gear failure at sea

### What happened

Traditional thinking dictates that the vessel be discharged and dry-docked for repairs

### What we did

Local correspondents are highly experienced and together with the claims handler managed to persuade class to allow an in-water repair method

### Outcome

Rudder was secured to the hull through chains, blocks and wires in order to prevent any vertical movement

Steering gear was then removed and replaced

# CREW MATTER: P&I

## SERIOUS CREW INJURY AT BREMERHAVEN



### Knowledge



Serious crew injury during loading operations

Worst case: Amputation and permanent disability

### Partnership



Gard's listed Correspondent in Bremen quickly appointed medical experts who started treatment immediately

Most cost-effective and quick treatment was to amputate the foot and fit a prothesis

### Solutions



Gard fully supported the seafarer's wish to try and save his leg

After numerous surgeries, extensive follow-up treatment in both Germany and The Philippines, the seafarer saved his foot and, after 3 years, he returned to sea, sailing as a Master on board

# GROUNDING LEADS TO UNSAFE BERTH CLAIM

## COMPREHENSIVE CHARTERER'S LIABILITY COVER



LPG vessel breaks from moorings during bad weather and runs aground. Owners claim unsafe berth.



### What happened

Salvage – LOF terms  
Major repair costs  
Extensive loss of hire  
Total USD 23 million

### Claim against the charterer

Charter party warrants safe port and berth

Owners and H&M Insurer allege port and berth unsafe

- mooring point missing
- tugs unavailable

### What we did

Gard appoints lawyers and experts for full on-site investigation

We develop evidence to show the vessel could have avoided the grounding by good seamanship

### Outcome

Meeting arranged with claimants, Gard handlers, lawyers and clients and claim and defences fully vetted without litigation

**Ultimate result - claim abandoned**



THANK YOU FOR JOINING

More about Gard?  
Find us on



[www.gard.no](http://www.gard.no)