

GARD



WILSON EUROPE LIMITED
MASTERS OF P&I

Overview

- The Gard behemoth motors on with their second best results in the Club's history and a surplus of US\$ 95m, pushing the free reserves over US\$ 1.5bn and the cash and investments to nearly US\$ 3bn.
- The underwriting reported a small deficit of US\$ 6m after a further Owners General Discount of US\$ 49m and a 9% jump in incurred claims, mostly on the P&I class. The investment income was a modest 5.2% on the large funds, boosted by a strong performance on equities to produce US\$ 100m of income.

A+
S&P
Rating

10%
Owners
General
Discount

\$95M
Surplus

209%
Solvency

Key Performance Indicators

		2025	2024	2023
S&P Rating		A+	A+	A+
Gross Owned Tonnage	Mil	293	279	266
Combined Ratio	%	101	95	83
Investment Return	%	5.2	6.6	-6.3
General Increase	%	4	5	0
Solvency	%	209	207	199
Movement in Net Premiums	%	1.7	19.8	-1.3
Movement in Free Reserves	%	6.4	16.7	-1.4
Movement in Incurred Claims	%	9	39.9	-16.2
AER (Average Expense Ratio)	%	12.2	12.6	14.8
Increase in GT	%	5	4.9	2.3
Average net PR per GT	\$	3.13	3.23	2.83
Free Reserves per GT	\$	5.34	5.27	4.74
Surplus / (Deficit) (Mil)	\$	95	211	(18)

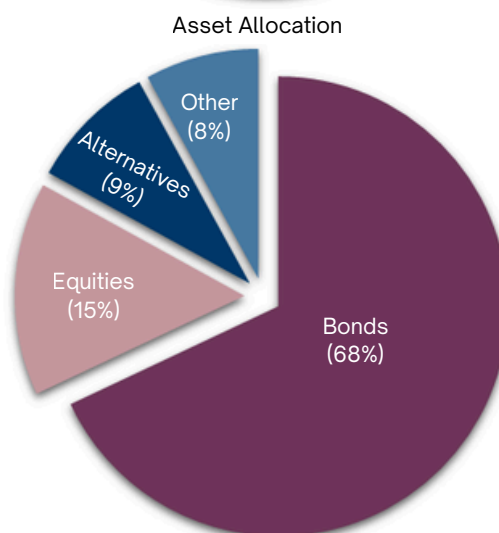
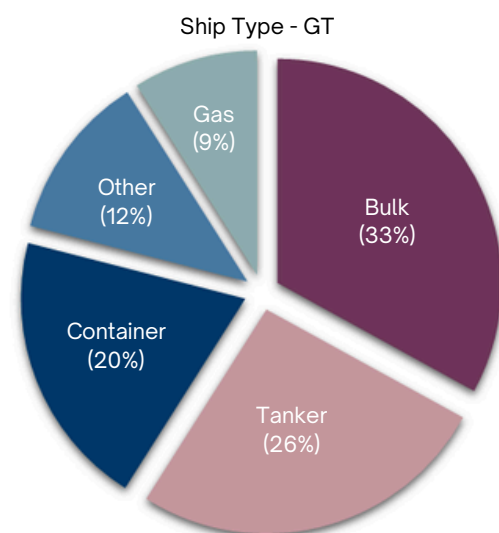
Underwriting

- The P&I business grew by 14m GT, predominantly in Asia, with strong gains in Japan where the Club obtained a license. The rates remained soft and there was little improvement in the level of income, which was subsequently reduced by US\$ 49m Owners General Discount, compared with a discount of US\$ 25m last year.
- The P&I claims rose from US\$ 426m last year to US\$ 490m, despite recording no IG pool claims of their own in the year, principally due to an increase in other Clubs' IG pool claims and worse than expected claims from fixed premium P&I and charterers and a deteriorating large claim concerning a mobile offshore unit.
- There was a small increase in Marine and Energy net premium income from US\$ 387m last year to US\$ 398m. The Marine and Energy claims remained little changed at US\$ 314m, with fewer large claims, but there were more incidents from the Offshore sector and one large builders' risk claim at a yard causing the total loss of a yacht under construction.
- In addition to obtaining a license in Japan to boost their Asia business, where the Club had been arguably under-represented in the past, the Club decided to increase their renewable energy business with the acquisition of Codan's Marine and Energy portfolio which has a strong footprint in Denmark and Northern Europe.

Investments

- With nearly US\$ 3bn in cash and investments, the investment managers produced a 5.2% return of US\$ 100m after tax and various deductions.
- The financial year got off to an optimistic start with the possibility of rate cuts and rising bond and equity prices. The optimism slowed as the inflation remained persistent and geopolitical tensions came to the surface. The year ended with some confusion over Trump's economic plans and pronouncements.
- Overall the equities and alternatives had a good year, with a steady performance from the bonds and cash. The global equities returned 12% and the alternatives 9% with the bonds and cash returning 4% each and only the property returned a loss.

Balance Sheet	US\$000's	2025	2024	2023
Investments		2,535,866	2,501,479	2,263,344
Cash		418,138	295,884	234,978
Debtors		416,647	455,084	407,756
Other Assets		90,196	51,119	43,966
Total Assets		3,460,847	3,303,566	2,950,044
Outstanding Claims		1,437,157	1,373,464	1,276,166
Creditors		457,762	458,811	413,427
Total Liabilities		1,894,919	1,832,275	1,689,593
Free Reserves		1,565,928	1,471,291	1,260,451
Revenue Statement	US\$000's	2025	2024	2023
Net Premiums		917,979	902,241	753,240
Net Claims Incurred		803,515	737,496	527,000
Management Costs		120,234	122,706	95,942
		923,749	860,202	622,942
Underwriting Surplus / (Deficit)		(5,770)	42,039	130,298
Investment Income / (Loss) Less Tax		100,408	168,800	(148,129)
Surplus / (Deficit)		94,638	210,839	(17,831)



Outlook

- Gard have constructed a very strong business model by accumulating large capital reserves and a massive investment portfolio. The cash and investment portfolio currently stands at just under US\$ 3bn, which enables the Club to generate a large investment income stream which can cope with most eventualities and support the underwriting, coupled with US\$ 1.5bn capital, which enables the Club to diversify into other more profitable marine insurance sectors.
- The Marine and Energy business produces regular surpluses which may be used to supplement the free reserves and allow the P&I business to make regular Owners General Discounts, which helps Member retention. The Marine and Energy business also compliments the P&I business and the diversity is seemingly appreciated by the rating agencies.
- This year the Club has further extended their diversity by purchasing the Codan's Marine and Energy portfolio, which will expand their renewable sector.
- The Club remains by far the strongest in the IG with approximately 20% market share and some of the best solvency and capital ratios... and will doubtless continue to go from strength to strength.