



ANNUAL
REVIEW 2020-21

SERVICE
AND COMPETENCE
YOU CAN RELY ON



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ANNUAL GENERAL MEETING The Annual General Meeting will be held on 2 September 2021.

FIGURES AT A GLANCE

Our 2020/21 result leaves us in a robust financial position and well positioned for further growth.

The following key figures sum up the year.

CONTINGENCY RESERVE

459
MUSD

Skuld's **contingency reserve** stands at USD 459 million, making us robust and well placed for future challenges.

BOTTOM LINE RESULT

25
MUSD

Bottom-line income of USD 25 million was supported by a strong investment performance.

PREMIUM INCOME

MUTUAL
199 MUSD
COMMERCIAL
192 MUSD

Our total **premium income** of USD 391 million includes both mutual and commercial premium and shows that Skuld today is much more than a traditional mutual P&I club.

STANDARD & POOR'S

A

Skuld is 'A' rated by **Standard & Poor's** and has a strong financial position.

COMBINED RATIO

108%

A **combined ratio** below 100% indicates a positive underwriting result and is measured by calculating the sum of claims and operation expenses as a percentage of premium income. The combined ratio by contribution is as follows:

INVESTMENT RETURN

9.8%

Skuld's long-term conservative investment strategy and market volatility favoured Skuld's investments, with a net investment income of USD 63 million.

Skuld maintains a strong customer focus and longstanding relationships with members and clients.

Mutual: 121%
Commercial: 94%

PURPOSE, VISION AND STRATEGY



OUR VISION:

Skuld will be a world leading marine insurance provider through innovation, financial strength and the talents of our people.



OUR PURPOSE:

PROTECTING OCEAN INDUSTRIES

'Protecting ocean industries' emphasises our role in society, our commitment towards global ocean industries and our inherent role of protecting people, the environment and property.

OUR STRATEGY:

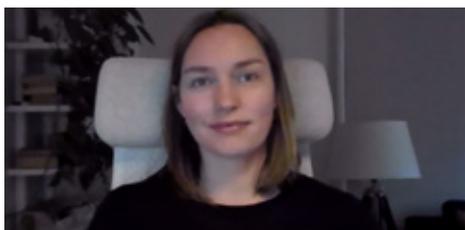
Skuld has a long-term strategy based on diversification and growth, offering unmatched service to our members and clients. To remain a strong marine insurance provider, we maintain a firm underwriting discipline and innovatively develop our commercial platform for the benefit of our mutual members.

SERVICE DURING THE PANDEMIC

We asked a few colleagues how the pandemic has affected their daily work and the service to Skuld members and clients. What is the experience from working from home and running a people business in a more digital world?

THEA THORSTENSEN

Senior Executive, Underwriting, Oslo



P&I business is heavily reliant on relationships and trust and the personal interaction of live meetings cannot quite be matched. Still, when we could not travel to see our customers, video meetings helped us keep our service level high. One great advantage is that underwriters can now easily involve colleagues from claims or technical management at meetings with members or clients. This provides very valuable input which pre-covid most likely would have been missed as these colleagues would not always travel to join in at such meetings.

The pandemic has created various new issues in our clients' daily operations, and as underwriters we have accommodated this with additional covers, flexible service, and a solution-oriented underwriting approach. I am also very impressed by the pro-activity of our Loss Prevention and Claim departments in distributing information, cover advices (FAQs), practical recommendations and guidance on CP issues to ensure our members and clients were well prepared to tackle the various aspects of the pandemic.

WEI FAN

Vice President, Underwriting and Marketing, Hong Kong



We found it more difficult during the pandemic to attract new members as we could not meet in person. However,

we were successfully introduced to some new ones through members who helped to share what it is like to be with Skuld. We also launched our Skuld WeChat account, an important information platform in Asia, where we have shared loss prevention and legal advices as well as invitations to our popular webinars.

Personally, I travelled to China and spent September-October stationed in Shanghai visiting members. Though requiring 14-days quarantine in a tiny economic hotel room in Shanghai and another 14 days home quarantine after returning to Hong Kong, I still treasured every minute I spent with members, clients and brokers. I felt fortunate to listen to their recent life stories as a friend, to have a Qingdao beer, to have a laugh together, and to accept their thankfulness for the work done by their Skuld handlers.

VISHAL KHOSLA

Vice President, Head of P&I Claims, London



After getting used to video conference calls, I believe we have seen our customers more often than we would usually do. They are now getting used to quick responses any time of day, something which I fear will have to change when we go back to the office and are no longer in front of our screens 24/7. Without commuting or having other day-to-day distractions and despite an increase in queries, I believe the general speed and quality of work has improved, for instance by having more time for research.

New colleagues have joined and to some extent been integrated into the Skuld family, though unfortunately missing the informative claims and underwriting discussions they would otherwise have been exposed to in the office. Concentrating on work without distractions and still having time for exercise or personal interests has been great, and applying flexibility has helped families with small children. All through, people have kept on working diligently, which speaks volumes of my colleagues' attitude.

HILDE TORP

Senior Executive, Human Resources, Oslo



All Skuld employees, at least for a period, have been working from home and thereby losing many important aspects of the physical interaction that is so important for creativity and cooperation in teams as well as for mental health. For Skuld HR the focus has been on following up on the situation with leaders and employees and providing encouragement and support where needed.

Skuld employees adapted quickly to the new workstyle. They learnt how to efficiently utilise our digital tools and found new ways for interaction across teams and offices, both professionally and socially.

Internal communication has been vital and regular information has been posted on our intranet, including letters from CEO and monthly broadcast information meetings. In addition, leaders have kept their teams well informed and involved.

STEIN-ERIK CARLSEN

Senior Vice President, Head of IT, Oslo



During the pandemic, IT has delivered complex projects and continued supporting our colleagues as we always do. The aim has been to facilitate Skuld effectively running all aspects of the business with the help of our digital tools. The challenge of ensuring delivery of equipment to employees working from home was solved by arranging home-delivery of pre-installed equipment ready to use.

For me, the big advantage has been the ability to deliver and pick up my 2- and 5-year-old kids without any stress and still work full days. This is an experience I share with many in my team who have small kids or long commutes.

V. RAMA CHANDRAN

Technical Manager, Singapore



I am proud that we did not stop from listening to and serving our members and clients during the pandemic. There was no disruption to our services and in many ways, it was just business as usual. However, travel restrictions and quarantine measures have limited our own in-house loss prevention surveys

so we had to engage and work closely with our local surveyors and correspondents. Some surveys were postponed to a safer and convenient port for our members, and in some cases we requested relevant ship's documentations to perform desk top risk assessment. Casualties and emergency assistance have, as always, required creative out of the box thinking to be managed successfully.

On a personal level, the main challenge when working from home is that over time the dividing line between family and work gets blurred, so managing time effectively is very important. Crucially, my team has always been very supportive during these challenging times.

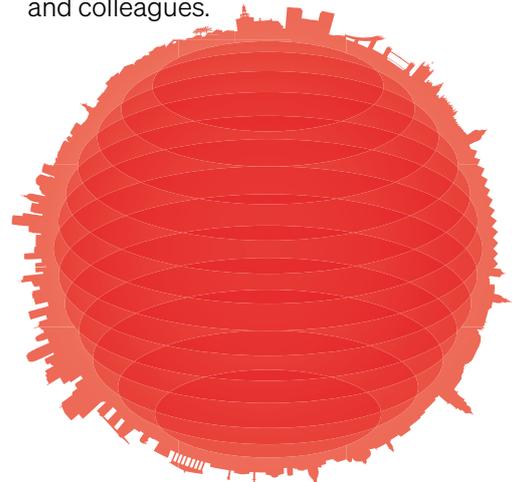
BETSY BUNDY

Vice President, Claims, New York



In some ways the pandemic has brought us closer to members as video claims review meetings have allowed for more frequent communication. For casualty response, coordination has been fantastic and probably better than pre-pandemic with easy collaboration across multiple time zones, both internally as well as externally. With the home office always up and ready to go it has been easy to respond to emergencies outside of normal working hours.

I have been impressed with how well we have been able to continue working from home despite work hours and workloads for some having increased. Still, the overall stress of the pandemic and uncertainty of the future has taken a toll on everyone, members, clients, and colleagues.





A DIFFERENT YEAR

Looking back, 2020/21 was a very different year. Whilst weathering the pandemic, we, as always, continued keeping service levels high and assisting members and clients in the best ways possible.



We remain financially robust, and our solvency ratio has improved considerably. The positive 2020/21 bottom line is due in parts to strong investment results and positive contributions from Skuld's commercial product lines, which continue to prove their essential value to our members and clients.

With the pandemic came a significant increase in personal illness and injury claims, which reflects the Covid-19 challenges faced by crews on the ocean going fleet and the cruise sector in particular. P&I clubs suffered a significant increase in reported pooling costs during 2020/21, due more to the severity of cases reported than their number. Skuld has made no pool claims since 2018, reducing Skuld's pool share for previous and current years.

Skuld crossed the mutual gross tonnage mark of 100 million during a successful 2021 P&I renewal that was handled almost entirely digitally. We also increased our market share across all other lines of business. That said, mutual premium levels are still unsustainable, and do not currently yield a positive technical result. We will continue our strategic avoidance of imposing a general increase, but will retain our individual approach and seek selective, performance-based increases to bring our mutual business back into balance during 2020/21.

GROWTH AND DEVELOPMENT

Size is an important driver of stability in insurance, so we kept growing and diversifying our risks in 2020/21. Skuld today is a leading marine insurer and has become very much more than a traditional mutual P&I club. The combination of commercial underwriting and our wide variety of initiatives to protect ocean industries already contribute notably to our continuity and financial strength.

We seek organic growth within traditional shipping, but to stay relevant for the wider ocean industries we constantly develop new products and services and explore new segments. Renewable energy and offshore aquaculture are promising



“We owe our greatest thanks and appreciation to everyone who has contributed positively during the pandemic.”

sector examples explored during the previous year. Japan is a new geographical location for Skuld, with issue of our pending licence there expected by the end of 2021.

GEOPOLITICS

Today’s increasingly complex geopolitical environment cannot be ignored. In our world of constant regulatory revision, repeatedly changing sanctions regimes, and shifting political alliances our members and clients need to be aware of what they can and cannot do, and of regulations to follow. As a result, Skuld’s know-how is in high demand. Our Freight, Demurrage & Defence (FDD) service plays an important part in helping our members comply with ever-changing rules.

INTERNATIONAL COOPERATION

The strapline of the International Group of P&I clubs – Collectively Stronger – says everything about the importance of this alliance which together covers more than 90% of global shipping. The IG plays a vital part in P&I clubs’ strengthened focus on sustainability, our navigation of the geopolitical landscape, and of course our cooperation to meet very large claims. With a fit and healthy IG, we all stand stronger together.

SUSTAINABILITY

Sustainability is becoming an essential part of Skuld’s culture and identity. In June 2020, Skuld launched the first sustainability report of all the International Group clubs. Beyond the internal work on sustainability, Skuld expands and intensifies collaboration with external industry organisations on issues that must be solved collectively. Skuld is represented on working groups in IG, CEFOR and on the Joint Hull Committee contributing and influencing the sustainability matters that have mutual interests to the marine insurance industry.

The marine insurance sector must recognise and act on its levels of social, economic, and environmental responsibilities to ensure the ocean industries are sustainable and healthy. Every club must address this and other social responsibilities through its own operations, but also through its members.

In our yearly Skuld Sustainability report, we communicate our defined goals and declare our new ambitions and priorities for the coming year, and onwards. This ensures a systematic, transparent, and accountable approach to Skuld’s sustainability work, over time.

ADJUSTING TO THE PANDEMIC

A year ago, when Covid-19 began to spread, Skuld offices closed one by one. Our staff brought their laptops home, and seamlessly adjusted, from one day to the next, to working remotely. Important documentation continued to be issued swiftly from home offices, which helped keep our members and clients moving. Digital meetings, other electronic communications and focused efforts on staying safe and healthy allowed us to maintain our strong team culture, and to continue sharing knowledge across our global network.

Our infrastructure was well prepared, allowing everyone remote and safe access to all business systems. Skuld continued serving members and clients around the clock without interruption throughout the lockdowns. Members and clients in turn have coped extremely well. We owe our greatest thanks and appreciation to everyone who has contributed positively during the pandemic.

125 YEARS YOUNG

Skuld’s strategic focus on growth through diversification, alongside our careful selection of quality tonnage, efficient processes, and outstanding service continue to lay the foundations for positive development. 2020/21 was a different but positive year for Skuld, despite the global challenge. It even helped us reduce costs and improve our carbon footprint by travelling less, a benefit which will continue after the pandemic, to some degree. We all are eager to meet face-to-face again, but I have said it before: my foreign day trips are over!

Skuld will be 125 years young in 2022. I very much look forward to celebrating the anniversary with members, clients, colleagues, and friends of Skuld, in Oslo and around the world.

Take care and stay safe.



STÅLE HANSEN
President and CEO

COVID IMPACT, BUT THE OUTLOOK IS GOOD

Covid-19 had a serious impact on shipping in 2020/21, but I am impressed with the ways that shipowners, managers, and insurance providers like Skuld adjusted to the situation with flexibility.



S

Shipping had to meet crew-change challenges, difficult logistics when needing technical assistance, and many other obstacles. The cruise trade was no doubt the hardest hit, as to a large extent it was forced to shut down. We saw positive developments for container vessels in the form of a boom in pandemic-related and other export trade. Dry bulk enjoyed a steady increase into 2021, while the tanker market faces a weaker outlook due to decreased oil consumption and high stocks during the pandemic.

Overall, it's fair to say that at the time of writing the combined shipping market is waiting for an improvement. That said, with Covid-19 currently coming under control, I see definite justification for optimism. In the interim, as a global trade our sector has always been prepared to adjust, act, and handle any evolving scene. That capacity to react is probably one of our industry's greatest strengths. Skuld showed in 2020/21 that its ability to handle a dramatic challenge is robust.

SAFETY AND SUSTAINABILITY

Skuld is a selective insurer that targets high-quality members and clients. Safety on board – for crew, for the environment and properties – will always be a focus of quality vessels. Skuld contributes through active loss prevention efforts that genuinely assist members and clients. It is a key reason why Skuld is a valued and increasingly popular partner of shipowners and charterers around the world.

Sustainability is very much on the agenda of Skuld's board, and firmly in place in our strategic plans. As an insurance provider, we are uniquely positioned to help advance this critical global effort. We must and will use our abilities and influence in every way possible to support our members and clients in their sustainability endeavours.

SATISFACTORY RESULT

Skuld's 2020/21 result reflects a mix of complex factors, but all in all, the outcome is satisfactory. The strong financial result is largely due to positive investment income, and strong contribution from Skuld's commercial operations. Higher-than-expected P&I claims costs had a negative impact. Losses were not balanced by premium income, so our technical result on mutual P&I for the year is negative. That must change.

Covid-19 brought many challenging cases which have kept Skuld's claims handlers very busy. I am proud that, though claims were mostly handled from home, our members and clients experienced the professional and service-minded attitude they always expect from Skuld.

OUTSTANDING SERVICE

I am grateful for the loyalty, support, and professional teamwork of all Skuld staff and management during what can be described only as an unexpected, unprecedented time. Skuld's strong team culture

“Skuld showed in 2020/21 that its ability to handle a dramatic challenge is robust.”



and highly motivated people ensured that the efficient, and high-level service for clients and brokers never missed a step. The co-operation between Skuld’s management and board has been excellent throughout the pandemic, characterised by close, frequent, and entirely constructive communication. Vaccines bring renewed hope for the opening of society, and we look forward to meeting in person again.

LOOKING AHEAD

Skuld is a world-leading marine insurer and one of the larger members of the International Group measured by premium income. Skuld enjoys healthy financial strength, and the good position both in the P&I sector and in commercial marine insurance caters well for continued stability. We will use this position to develop dynamically, and to encourage the continued modernisation and environmental responsibility of our industry.

I am optimistic for 2021/22; our outlook is good. I can confidently predict that we will celebrate Skuld’s upcoming 125th anniversary as a strong global marine insurance leader which each and every Skuld member can be exceptionally proud of. I am!

A handwritten signature in black ink, appearing to read 'Klaus Kjærulff'.

KLAUS KJÆRULFF
Chairman of the Board

KEY FIGURES 2020/21

Skuld delivers a positive financial result of USD 25 million, with a strong investment performance. The contingency reserve stands at USD 459 million.

The technical result ended at negative USD 30 million, with a combined ratio at 108%. The negative technical result has been significantly influenced by the performance of the pool, with new claims occurring in 2020/21 in addition to prior year deteriorations. No pool claims were reported by Skuld. The Covid-19 pandemic has also contributed negatively to Skuld's claims performance with significant increases in claims activity noted for people claims, as well as an increased level of FDD claims activity.

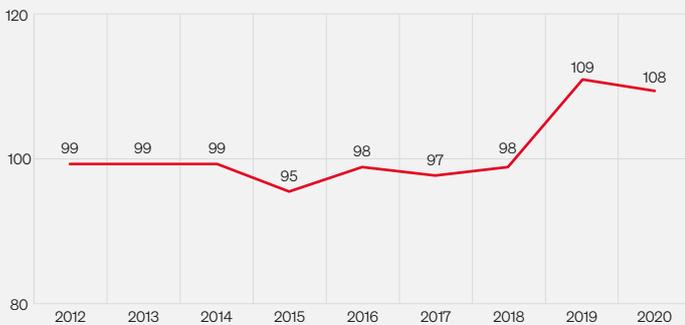
Skuld's commercial lines of business continue to deliver positive results, which partly offset the challenging state of the mutual market. Net investment income amounts to USD 63 million with an investment return of 9.8%. The strong investment income was mainly driven by positive equity markets and declining yields.

Taxes amounted to negative USD 6 million in 2020/21. Skuld's tax liabilities are in NOK and the strengthened NOK has increased the tax liability which resulted in a tax expense, but this has been partly offset by a currency hedge. Deferred cessation tax is presented as a part of the contingency reserve. As the deferred cessation tax will be payable over a 10-year period, the deferred cessation tax will be reduced year by year. Skuld has disputed the taxation of historical contingency reserve (the deferred cessation tax) and the payment is put on hold.

The positive result contributes to a strong capital adequacy for Skuld well above the capital requirements set by the Solvency II regulators.

COMBINED RATIO

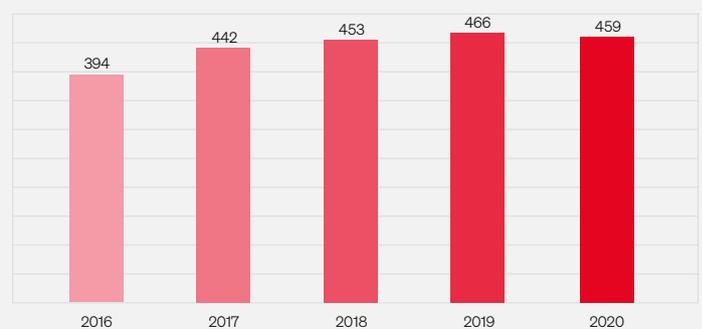
In percent



The combined ratio is a measure of underwriting performance calculated by the sum of claims and operating expenses as a percentage of premium income. A ratio below 100% indicates a positive underwriting result, while a ratio above 100% means that more money is paid out in claims than what is received in premiums.

CONTINGENCY RESERVE

USD mill.

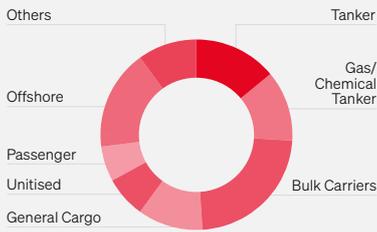


TRANSPARENCY POLICY

Skuld was the first member of the International Group of P&I clubs to publish six-month and nine-month reports in addition to the annual review and has done so since 2003. Transparent, clear and precise communication with members and clients, brokers, the general public and the media is a priority for Skuld. Our objective is to ensure that all information made available by Skuld is accurate and relevant, and we continuously develop our communication with stakeholders.

PREMIUM DISTRIBUTION*

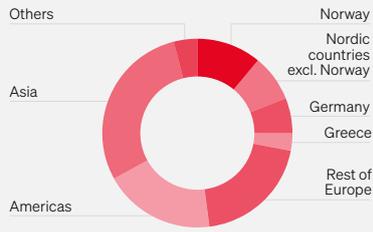
By vessel type



* Total gross premium all products: USD 391 million

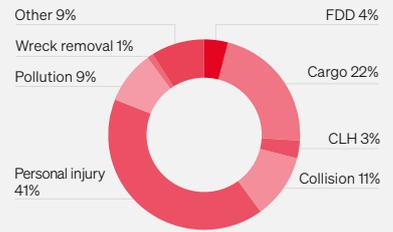
PREMIUM DISTRIBUTION

By region



DISTRIBUTION OF CLAIMS COSTS

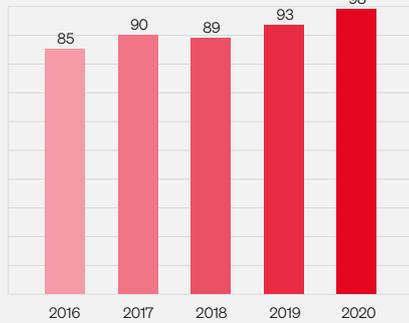
In percent



Only claims relating to the Association included in the above chart.

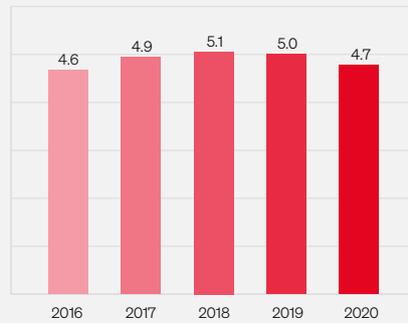
P&I OWNERS' GT

Mill. GT



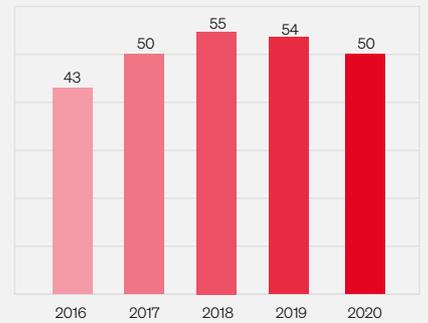
CONTINGENCY RESERVE PER GT

USD



CHARTERERS' LIABILITY GROSS PREMIUM

USD mill.



NET PREMIUMS AND CALLS FOR OWN ACCOUNT

USD mill.



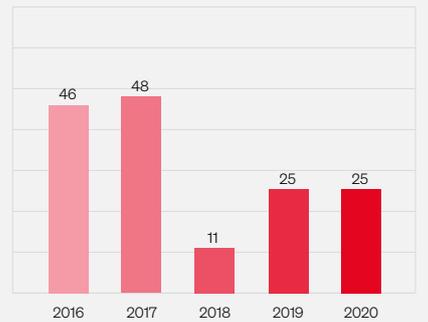
NET CLAIMS INCURRED FOR OWN ACCOUNT

USD mill.



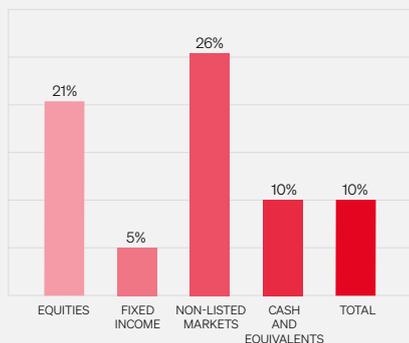
BALANCE CARRIED TO CONTINGENCY RESERVE

USD mill.



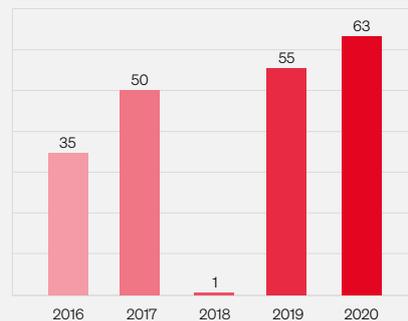
INVESTMENT PERFORMANCE

In percent



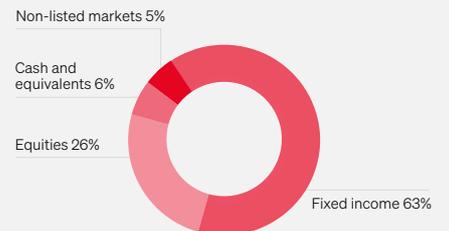
NET INVESTMENT INCOME

USD mill.



INVESTMENTS BY ASSET CLASS

In percent



CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AS AT 20 FEBRUARY

USD mill.	2020/21	2019/20	2018/19	2017/18	2016/17
TECHNICAL ACCOUNT					
Premiums and calls	390.8	390.8	401.6	412.7	389.7
Reinsurance premiums	-44.7	-47.4	-56.1	-57.4	-58.1
Premiums for own account	346.1	343.4	345.6	355.4	331.6
Pool claims	-41.1	-24.5	-32.1	-28.2	-7.1
Own claims for own account	-260.0	-264.3	-212.4	-223.4	-222.0
Claims incurred for own account	-301.2	-288.8	-244.6	-251.6	-229.1
Acquisition costs	-57.7	-70.5	-74.5	-78.6	-69.9
Administrative expenses	-17.4	-19.3	-18.5	-19.6	-18.6
Discontinuation defined benefit scheme	0.0	0.0	0.0	6.0	0.0
Net operating expenses	-75.1	-89.8	-92.9	-92.2	-88.5
Balance carried to non-technical account	-30.1	-35.2	8.0	11.6	13.9
NON-TECHNICAL ACCOUNT					
Balance from technical account	-30.1	-35.2	8.0	11.6	13.9
Net investment income	62.9	55.1	0.9	50.1	35.5
Taxes	-6.3	5.0	-0.5	-0.2	-1.7
Other result components	-1.9	0.6	2.2	-3.9	2.9
Distribution to members	0.0	0.0	0.0	-9.6	-4.7
Balance carried to members' funds	24.6	25.5	10.7	48.0	45.8

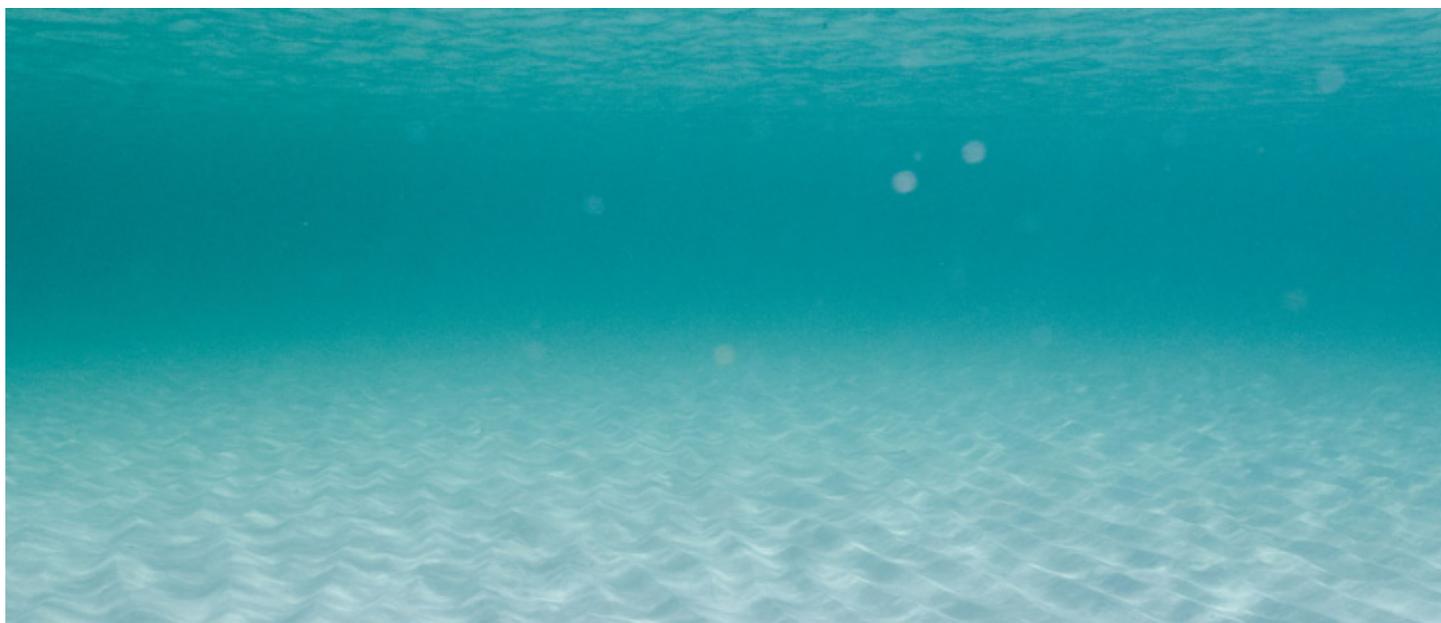
In the consolidated income and expenditure account, a relevant portion of overhead expenses are allocated to claims-, acquisition- and investment expenses respectively.

BALANCE SHEET AS AT 20 FEBRUARY

USD mill.	2020/21	2019/20	2018/19	2017/18	2016/17
ASSETS					
Financial investments	863.5	817.5	845.1	850.7	694.0
Debtors	7.6	11.7	6.4	26.2	2.2
Other assets	192.8	216.6	158.9	146.4	265.1
Prepayment and accrued income	17.1	21.2	18.4	46.9	39.2
Total assets	1 081.0	1 067.1	1 028.8	1 070.1	1 000.5
LIABILITIES					
Provision for outstanding claims for own account	529.9	546.9	529.0	527.7	507.2
Contingency reserve	459.1	465.8	452.7	442.0	394.1
Members' funds	385.4	363.8	452.7	442.0	394.1
Deferred cessation tax	73.7	102.1	0.0	0.0	0.0
Minority interest	0.0	-3.4	-3.4	-3.4	-2.6
Technical provisions for own account	989.0	1 009.4	978.3	966.4	898.7
Provisions for other liabilities	61.1	11.7	8.2	8.2	16.6
Creditors	24.3	27.1	33.0	58.7	46.4
Accruals and deferred income	6.5	19.0	9.4	36.8	38.7
Total liabilities	1 081.0	1 067.1	1 028.8	1 070.1	1 000.5

SERVICE AND TEAMWORK

People is our most important asset. Our service is personal and hands-on. Strong teamwork across Skuld offices and time zones underpins our close cooperation with members to protect their interests.



CASUALTY AND MAJOR CLAIMS

HANDS-ON CASUALTY RESPONSE

24/7/365

Legal, technical and operational support.

Worldwide collaborative network.

NOTIFIED CASUALTIES

34

Including:
1 major pollution incident
1 significant allision
0 reported pool claims

CLAIMS

Proactively serving members and clients with competence, experience and in-house legal and technical specialists.

CLAIMS CASES OPENED

11 306

LAWYERS AND CLAIMS EXECUTIVES

110

LEGAL JURISDICTIONS

20

LOSS PREVENTION

CONDITION SURVEYS

79

Sharing knowledge, preventing loss, protecting members and clients.

WEBINARS, SEMINARS AND WORKSHOPS

107

WEB ARTICLES

30

UNDER-WRITING

SYNERGIES – ONE TEAM

MUTUAL

COMMERCIAL

Quality selection of members and vessels.

We cover all marine insurance needs for shipowners, charterers, the superyacht community, offshore aquaculture and more.

MUTUAL TONNAGE GROWTH

8.2%

COMMERCIAL TONNAGE GROWTH

7.1%*

* for Fixed and MOU, not including H&M

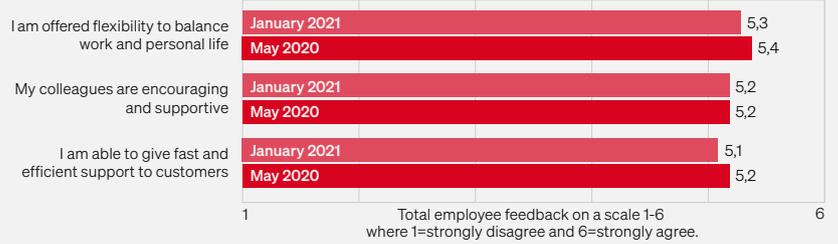
PANDEMIC WORK ENVIRONMENT SURVEYS

The surveys gathered information on how employees worked from home and identified measures to help support them in the current environment.

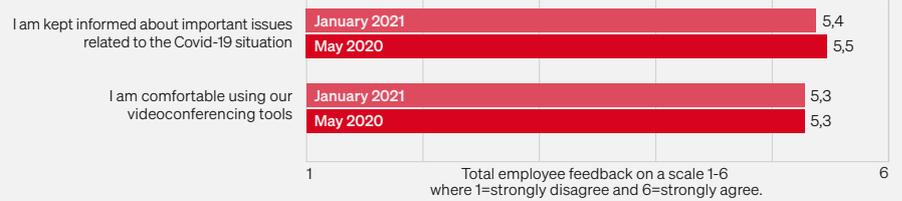
The surveys both had a response rate of 96%. Despite a challenging working from home situation, scores remained high.

Surveys performed in May 2020 and January 2021.

WORK-LIFE BALANCE



INFORMATION AND TOOLS



EMPLOYEE ENGAGEMENT SURVEY 2020

The overall feedback was very positive with an average score of 5.1. The survey had a response rate of 93% and showed a continued positive trend.

Skuld's values, Accurate, Bold, Caring and Dedicated, are well understood and lived by.

Employees are proud to work for Skuld and very satisfied with Skuld as their employer. The average score on loyalty is 5.4.

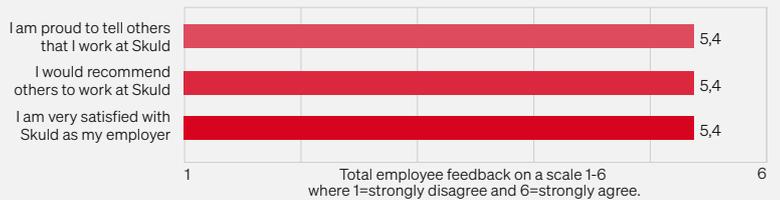
Survey performed in September 2020.

LIVING OUR VALUES

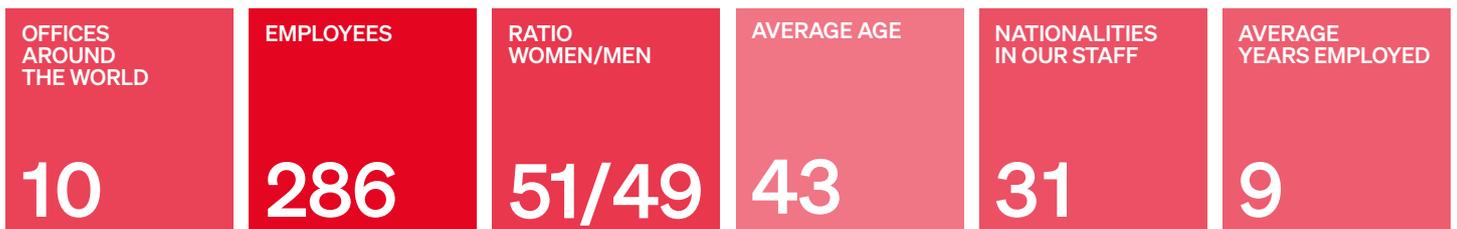
Historical development
Employee feedback on a scale 1-6



HIGH LOYALTY AMONG SKULD EMPLOYEES



GLOBAL NETWORK – ONE TEAM



SUSTAINABILITY – WE ARE COMMITTED

Skuld's sustainability platform supports our purpose statement 'Protecting ocean industries' and our firm commitment to future sustainable global ocean industries.

Skuld committed to the UN Global Compact (UNGC) in 2019 and we report annually using the Global Reporting Initiative (GRI) system, ensuring full transparency by complying with all mandatory ESG risk assessment and reporting.

Skuld cooperates proactively with external stakeholders through sustainability working groups in both the International Group of P&I clubs (IG), CEFOR and on the Joint Hull Committee. All our sustainability projects and initiatives are executed through our internal sustainability working group.



GOOD HEALTH AND WELLBEING DURING THE PANDEMIC

In a year of global pandemic, it has become increasingly evident that good health and well-being must have the highest priority, both for seafarers and for employees. Throughout 2020/21, we handled several complicated Covid-19 related cases regarding illness, injury or stranded crew and passengers. Supporting crew, Skuld signed the Neptune Declaration on Seafarer Wellbeing and Crew Change in January 2021.

To assist our employees, we offered flexibility and actively communicated how to handle the working from home situation as well as provided financial support for appropriate equipment. Skuld has had zero redundancies due to the pandemic.

Employees' well-being was monitored through close dialogue with leaders, follow up and internal work environment surveys. Skuld employees have expressed satisfaction with how Skuld has handled the situation.

SELECTED ACHIEVEMENTS 2020/21

We continue to deliver specific achievements on our five selected UN Sustainable development goals.

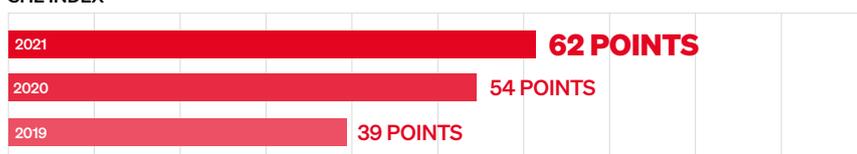
- Skuld launched the first sustainability report among all IG clubs in June 2020.
- All employees attended internal training on sustainability and anti-money laundering.
- Our internal climate risk working group was established to analyse long- and short-term effects from physical and transitional climate risks.
- Internal Covid-19 crisis response was launched, enabling continuation of excellent service levels to members and clients.
- Know Your Customer (KYC) process was implemented for all accounts.
- Improved data collection was established for more transparent sustainability reporting.



GENDER EQUALITY IN SKULD

Skuld is committed to gender equality and our overall goal is to achieve at least 40 % of each gender in all managerial and key positions by 2025. To measure additional progress, we adhere to the UN's Women Empowerment Principles and report to the SHE Index. In 2021 Skuld achieved 62 points on the SHE Index, up from 54 points in 2020.

SHE INDEX



LEADERS (per 20.02.2021)	% FEMALE (20/21)
% female at Norwegian Board level	43%
% female at global Board level	18%
% female leaders at level 1-2	25%
% female leaders in all managerial and key positions	35%

SALARY – Employees globally, Women's salary as % of Men's	2019	2020/21
Executives	100%	100%
Senior Executives	91%	92%
AVP/VP	97%	93%
SVP	95%	100%
CXO (excluding CEO)	87%	79%

GOVERNANCE

HIGH GOVERNING STANDARDS

Skuld's Statutes set out the structure and roles of our governing bodies and more detailed instructions cover the responsibilities of the Board, its Chairman and the President and CEO. The purpose is independence and control in governing Skuld, while ensuring equal terms for equal members.

THE GENERAL MEETING

The General Meeting is Skuld's highest authority and all members have a right to attend. This year's Annual General Meeting (AGM) takes place in Oslo on 2 September 2021.

THE COMMITTEE

The Committee is composed of member representatives and supervises Skuld's business and elects the Board.

THE BOARD OF DIRECTORS

The Board of Directors, elected mainly among Skuld members, is responsible for administering the daily business of Skuld, and deals with Skuld's strategy, budget and premiums, International Group of P&I Clubs (IG) issues, reinsurance contracts and more.

The President and CEO is responsible for the day-to-day management of the association and communicates with the Board on matters of importance to Skuld. The President and CEO shall ensure Skuld's compliance with all applicable legislation.

Skuld aims at having open and transparent communication with members, employees and other stakeholders.



CODE OF CONDUCT

Code of Conduct describes our ethical commitments and requirements. It sets expectations for personal conduct and business practise. Areas covered include conflict of interest, fraud prevention, human rights and employment conditions.

Together with other global policies, guidelines and legal requirements, Code of Conduct applies to all leaders, employees and others who perform services on behalf of Skuld.



ANNUAL
REVIEW
2020-21

ACCOUNTS
21.02.2020-20.02.2021



CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

All figures in USD 1,000	Note	2020/21	2019/20
TECHNICAL ACCOUNT			
Premiums and calls			
Gross premiums and calls	2, 12, 13	390 839	390 760
- Reinsurance premiums	12, 13	-44 736	-47 361
Earned premiums and calls for own account		346 103	343 399
Claims incurred			
Gross claims paid	3, 12, 13	282 643	274 153
- Reinsurance recoveries	3, 12, 13	-65 990	-12 890
Gross change in estimated outstanding claims	3, 12, 13	9 945	-53 519
- Reinsurers' share	3, 12, 13	74 570	81 098
Claims incurred for own account		301 168	288 842
Operating expenses			
Acquisition costs	4	57 656	70 464
Administrative expenses	4	17 409	19 311
Net operating expenses		75 065	89 775
Balance carried to non-technical account		-30 130	-35 219
NON-TECHNICAL ACCOUNT			
Balance from technical account		-30 130	-35 219
Investment income			
Investment income		10 378	9 709
Unrealised gains / losses on investments		48 734	41 290
Realised gains / losses on investments		-1 931	-523
Total investment income / expenses		57 180	50 476
Investment management expenses			
Investment management expenses		1 480	1 589
Foreign exchange adjustments			
Foreign exchange adjustments		7 169	6 179
Balance before tax on ordinary activities		32 740	19 847
Taxes			
Taxes		6 266	-5 045
Other income and expenses			
Other income and expenses	1	-1 907	600
Profit and loss		24 567	25 492
Balance carried to members' funds		24 567	25 492

BALANCE SHEET

All figures in USD 1,000	Note	20.02.2021	20.02.2020
ASSETS			
Financial assets			
Strategic investments		9 765	8 130
Shares	6	240 751	199 470
Bonds	6	573 644	585 727
Other investments	6	34 628	24 200
Financial derivatives		4 723	4
Total financial assets		863 511	817 532
Debtors			
Members and brokers		1 321	6 365
Reinsurers		3 716	0
Other debtors		2 516	5 374
Total debtors		7 553	11 739
Other assets			
Fixed assets	5	5 870	6 995
Cash at bank		186 933	209 652
Total other assets		192 803	216 648
Prepayments and accrued income			
Prepayments and accrued income		17 112	21 212
Total assets		1 080 979	1 067 131
LIABILITIES			
Technical provisions			
Gross provision for outstanding claims	9	690 573	801 897
Reinsurers' share	9	-160 636	-254 984
Provisions for outstanding claims for own account	8	529 937	546 913
Contingency reserve		459 079	465 845
- Members' funds	7	385 367	363 751
- Deferred cessation tax	1, 7	73 712	102 094
Minority interest		0	-3 396
Technical provisions for own account	8, 9	989 017	1 009 362
Provisions for other liabilities			
Pension liabilities		8 872	7 426
Deferred tax		38 942	0
Tax payable	7	13 288	4 268
Total provisions for other liabilities		61 102	11 694
Creditors			
Members and brokers		10 954	12 464
Reinsurers		2 833	1 599
Other creditors		10 529	13 030
Total creditors		24 315	27 092
Accruals and deferred income			
Accruals and deferred income		6 546	18 982
Total liabilities		1 080 979	1 067 131

Oslo, 6 May 2021

sign. Klaus Kjærulff Chairman of the Board	sign. Martin Larsen Board member	sign. Alexey Ostapenko Board member	sign. Bernt O. Bodal Board member	sign. John P. Tavlaris Board member
sign. Manfredi Lefebvre D'Ovidio Board member	sign. Catherine Cheung Board member	sign. Terje Hj Michelsen Board member	sign. Erik Hånell Board member	sign. Ann-Marie Åström Board member
sign. Trygve Seglem Board member	sign. Daria Avdeeva Employees representative	sign. Peter Bløcher Employees representative	sign. Ståle Hansen President & CEO	

The accounts have been prepared according to regulations for Norwegian Insurance Companies and are prepared in USD. These sets of USD accounts are based on the official Norwegian accounts, but some reclassifications and modifications have been made in order to make the accounts comparable to the accounts of the other P&I clubs in the International Group.

- Provisions for bad and doubtful debts are included in calls and premiums.
- Interest on overdue payments is included in calls and premiums
- Claims management expenses are included in claims incurred.

The notes have been prepared in accordance with International Group of P&I Clubs' agreed accounting standards, hence they are a simplified version of the official accounts.

BASIS OF ACCOUNTING

The accounts are prepared on an annual accounting basis and include the following:

- All premiums for policies commencing during the year.
- The cost of claims incurred and reinsurance for the current year.
- Any adjustments relating to earlier years.
- Operating expenses and investment income.

CONSOLIDATION

The consolidated accounts include the accounts for Assuranceforeningen Skuld (Gjensidig), Skuld Mutual Protection and Indemnity Association (Bermuda) Limited, Assuranceforeningen Skuld (Gjensidig)'s subsidiaries: Vika Management AS, Skuld Germany GmbH, Skuld Far East Ltd, Skuld Hellas Ltd, Skuld North America Inc, Skuld Services Ltd, Skuld Marine Agency (SMA) AS, Skuld Marine Claims Office (SMCO) AS, Skuld Prosjekt AS, Skuld Investments Ltd and Hydra Insurance Company Ltd, Skuld Holding Ltd and Skuld Re Ltd which are fully-owned and controlled by Skuld Mutual Protection and Indemnity Association (Bermuda) Ltd.

In the accounts, shares in subsidiaries, receivables from and payables to subsidiaries, and transactions between the companies within the group, have been eliminated.

CALLS AND PREMIUMS

Calls and premiums include gross calls and supplementary calls, less return premiums and provisions for bad and doubtful debts. These calls and premiums are the total receivable for the whole period of cover provided by the contracts commencing during the accounting period, together with any premium adjustments relating to prior accounting years and unearned premium for future accounting years. The calls and premiums include provisions for estimated future supplementary calls in respect of open policy years. The calls and premiums, reinsurance premiums, claims and commission to brokers are allocated to the policy year to which they relate.

CLAIMS

The claims expenses include all claims incurred during the year together with claims administration expenses. The technical provision for claims outstanding includes an element of claims incurred but not reported (IBNR). Provisions for claims are assessed individually by the claims handlers, and IBNR provision is based on empirical data for estimating the extent of subsequent claims based on statistical models. In addition, unallocated loss adjustment expenses are included in the technical provision for claims.

REINSURANCE PREMIUMS

These include premiums payable to market underwriters, charged to the consolidated income and expenditure account on an accruals basis.

REINSURANCE RECOVERIES

Reinsurance recoveries are accrued to match relevant claims, and include estimated recoveries on estimated outstanding claims.

OPERATING EXPENSES

Operating expenses consists of acquisition cost and administrative expenses, and prepayments that are accrued for.

FOREIGN CURRENCY

Income and expenses in foreign currencies are initially recorded at the functional currency rate at the date of the transaction. Assets and liabilities in foreign currencies are converted to the functional currency at the exchange rate at the date of the balance sheet. Changes in valuations due to changes in exchange rates between the date of the transaction and the date of the balance sheet are recognised in the income statement.

INVESTMENTS

Financial assets are measured at transaction value at initial recognition. After initial recognition, financial assets are measured at fair value with profit and loss recognised in the income statement. Divested financial assets are measured at transaction value at derecognition.

TAXES

The Norwegian Ministry of Finance have for a number of years been working on new tax regulations for insurance companies. In 2018 the new tax regulations were approved with impact for the current financial year. Skuld and the marine insurance industry have challenged these new regulations and together with Ministry of Finance we are working on separate tax regulations for mutual associations, but until these are approved the tax regulations for other non-life insurers will also apply for the mutual marine associations. In the transition to the new regulations, 75% of contingency reserve was reclassified to members' funds, while the remaining balance of 25% was recognised as deferred cessation tax and will be payable over a 10-year period. Under the current tax regulations, Skuld can offset incurred claims against the provision for deferred cessation tax.

Except for the changes described above, there are no changes to accounting tax principles: the tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax assets are recognised when it is probable that the association or group will have a sufficient profit for tax purposes in subsequent periods to utilise the tax asset. Similarly, the company will reduce a deferred tax asset to the extent that the association or group no longer regards it as probable that it can utilise the deferred tax asset.

Deferred tax and deferred tax assets are measured on the basis of the expected future tax rates applicable to the companies in the group where temporary differences have arisen.

Deferred tax and deferred tax assets are recognised at their nominal value and classified as non-current asset (long-term liabilities) in the balance sheet.

OTHER INCOME AND EXPENSES

Other income and expenses consist of exchange differences on subsidiaries.

NOTE 2

PREMIUMS DISTRIBUTED BY COUNTRY

All figures in USD 1,000

Country	Premiums	%
Norway	39 625	10,1%
Nordic countries excl. Norway	24 993	6,4%
Germany	24 912	6,4%
Greece	26 333	6,7%
United Kingdom	11 721	3,0%
Rest of Europe	74 653	19,1%
USA	40 076	10,3%
Far East	82 264	21,0%
Other	66 263	17,0%
Total gross premiums and calls	390 839	100,0%

NOTE 3

NET CLAIMS INCURRED

All figures in USD 1,000

	2020/21	2019/20
Gross claims paid		
Own claims	258 171	250 621
Group Pooling arrangements	24 472	23 532
Gross claims paid	282 643	274 153
Reinsurance recoveries		
Group Pooling arrangements	-22 954	-10 834
Market underwriters	-43 035	-2 056
Reinsurance recoveries	-65 990	-12 890
Net claims paid	216 653	261 264
Change in provision for gross claims		
Provision opening balance*	688 008	875 663
Provision closing balance	690 573	801 897
Change in currency valuation at year end	7 380	20 247
Gross change in estimated outstanding claims	9 945	-53 519
Less movements in provision for reinsurers' share		
Provision opening balance*	-231 690	-346 692
Provision closing balance	-160 636	-254 984
Change in currency valuation at year end	3 516	-10 610
Reinsurers' share	74 570	81 098
Change in provision for future claims		
Net change in claims provision	84 515	27 579
Claims incurred for own account	301 168	288 842

* Adjusted for Lloyd's syndicate 1897

NOTE 4

NET OPERATING EXPENSES

All figures in USD 1,000

	GROUP		ASSOCIATION	
	2020/21	2019/20	2020/21	2019/20
Administrative expenses	17 409	19 311	17 379	10 233
Commissions	35 433	40 058	31 320	26 542
Allocated underwriting expenses	20 838	23 116	20 803	22 943
Marketing	905	3 757	562	2 063
Surveys	480	746	476	739
Depreciation intangible asset	0	2 788	0	1 916
Acquisition costs	57 656	70 464	53 161	54 203
Net operating expenses	75 065	89 775	70 540	64 436

In the P&L, direct claims cost and a relevant portion of overhead expenses are allocated to claims-, acquisition- and investment expenses respectively.

In accordance with Schedule 3 of the international Group Agreement, the Association is required to disclose the Average Expense Ratio ("AER") for the Association's P&I business. The AER is calculated as operating expenses divided by premium and investment income. The operating expenses include all expenditure incurred in operating the Association's P&I business, excluding expenditure dealing with claims and a reasonable allocation of general overhead expenses. The premium includes all earned premium allocated to the policy year of origin.

For the five-year period ended 20 February 2021, a ratio of 12.6% (13% at 20 February 2020) has been calculated in accordance with the Schedule and the guidelines issued by the International Group and is consistent with the relevant Financial Statements.

The increase in administrative expenses for the Association is due to transition of Lloyd's syndicate 1897 operation to Assuranceforeningen Skuld (Gjensidig) UK Branch.

NOTE 5

FIXED ASSETS

All figures in USD 1,000

	Fixed assets
Cost	
As at 20 February 2020	18 380
Purchases in the year	510
Sales / Scrapping in the year	67
As at 20 February 2021	18 823
Depreciation	
As at 20 February 2020	11 236
Depreciation on sold / scrapped assets	0
Depreciation this year	1 717
As at 20 February 2021	12 953
Net book value	
As at 20 February 2020	6 995
As at 20 February 2021	5 870

NOTE 6

FINANCIAL INVESTMENTS

All figures in USD 1,000

	20.02.2021 Market value	20.02.2020 Market value
Shares		
Listed shares and funds	240 751	199 470
Total shares	240 751	199 470
Bonds		
Treasuries	439 749	495 515
Corporate Securities	86 869	63 273
Cash and Money Market	5 296	12 162
Other	41 730	14 778
Total bonds	573 644	585 727
Other investments		
Hedge Funds	15 587	5 410
Infrastructure	11 174	10 400
Private Equity	7 866	8 390
Total other investments	34 628	24 200

NOTE 7

MEMBERS' FUNDS AND CONTINGENCY RESERVE

All figures in USD 1,000

	2020/21	2019/20
Members' funds opening balance	363 751	338 259
Change in minority interest	-3 396	0
Change in earlier years	445	0
Balance carried forward to members' funds	24 567	25 492
Members' funds closing balance	385 367	363 751
Deferred cessation tax	73 712	102 094
Contingency reserve closing balance	459 079	465 845

The Norwegian Ministry of Finance have for a number of years been working on new tax regulations for insurance companies. In 2018 the new tax regulations were approved with impact from financial year 2018. Skuld and the marine insurance industry have challenged these new regulations and together with Ministry of Finance we are working on separate tax regulations for mutual associations, but until these are approved the tax regulations for other non-life insurers will also apply for the mutual marine associations.

Deferred cessation tax will be payable over a 10-year period starting from financial year 2018/19. The liability is in NOK and will fluctuate with currency.

Incurred claims can be offset against deferred cessation tax, hence presented as part of the contingency reserve. The proposed tax regulations have no impact on Skuld's solvency capital position.

NOTE 8

PROVISIONS FOR OUTSTANDING CLAIMS BY POLICY YEAR

All figures in USD 1,000

	2020	2019	2018	Closed years	Total
Gross estimated outstanding including IBNR	63 727	87 964	77 490	429 508	658 688
The Association's estimated share of other associations' pool-claims including IBNR	18 520	4 380	5 825	3 159	31 884
Gross provision for outstanding claims	82 247	92 344	83 315	432 666	690 573
Estimated outstanding recoveries including IBNR from:					
Pooling agreements	0	0	2 241	28 979	31 220
Group excess loss	0	0	0	71 984	71 984
Other reinsurers' share	-13 666	-26 131	767	96 462	57 431
Total estimated outstanding recoveries	-13 666	-26 131	3 008	197 424	160 636
Provisions for outstanding claims for own account	95 913	118 475	80 307	235 242	529 937
Members' funds	7 539	38 626	-25 024	364 226	385 367
Deferred cessation tax	0	0	0	73 712	73 712
Minority interest	3 396	-836	-1 738	-822	0
Technical provisions for own account	106 848	156 266	53 545	672 358	989 017

NOTE 9

TECHNICAL PROVISIONS FOR OWN ACCOUNT

All figures in USD 1,000	20.02.2021	20.02.2020
P&I		
Gross estimated outstanding including IBNR	572 484	611 993
The Association's estimated share of other Associations' pool-claims including IBNR	31 884	26 074
Gross provision for outstanding claims	604 369	638 067
Estimated outstanding recoveries from:		
Pooling agreements	-31 220	-40 499
Other reinsurers' share	-129 415	-190 669
Total estimated outstanding recoveries	-160 636	-231 169
Provision for outstanding claims for own account P&I	443 733	406 898
Physical damage, FD&D and other		
Gross estimated outstanding including IBNR	86 204	163 830
Gross provision for outstanding claims	86 204	163 830
Estimated outstanding recoveries from:		
Other reinsurers' share	0	-23 815
Total estimated outstanding recoveries	0	-23 815
Provision for outstanding claims for own account Other	86 204	140 015
Total P&I, Physical damage, FD&D and other		
Provision for outstanding claims for own account	529 937	546 913
Members' funds	385 367	363 751
Deferred cessation tax	73 712	102 094
Minority interest	0	-3 396
Technical provision for own account	989 017	1 009 362

NOTE 10

OFF-BALANCE SHEET ITEMS

GUARANTEES

Bank Guarantees and "Club Letter of Guarantees" amounting in total to USD 888.7 million have been issued in connection with claims, of which the latter makes up by far the greater part. The face value of these guarantees greatly exceeds the expected payments from the related claims. The expected payments from these claims are fully covered in the provisions made for outstanding claims.

The Association entered into a 10-years lease period for the Oslo office building commencing 1 June 2012, prolonged with 5 years.

Skuld's core business is marine insurance, and underwriting risk is Skuld's main risk. Skuld is further exposed to financial risk, i.e. market risk and liquidity risk, due to investment activities. Operational risk is also relevant for Skuld.

UNDERWRITING RISK

The main documents for managing underwriting risk are Skuld's underwriting policy, describing management of underwriting risk, and more detailed underwriting instructions. Skuld's reinsurance policy describes the management of the reinsurance process. The main tool for managing and controlling underwriting risk is Skuld's partial internal model, calculating risk capital, the development of which is followed at least monthly by Enterprise Risk Management department.

In order to mitigate underwriting risk reinsurance is applied to ensure that underwriting risk is kept within risk appetite.

FINANCIAL RISK

Financial risk consists of market risk, counterparty default risk and liquidity risk. Skuld is exposed to these types of risk through investment activities and the reinsurance programme.

Total risk tolerance for market risk is described in Skuld's risk appetite statement. Investment mandates are established to respect these risk limits. The investment strategy details the operationalisation of investment beliefs, policy and mandates.

Skuld's liquidity strategy details a framework and guidelines for ensuring adequate cash management to meet liabilities in due time.

Market risk

Skuld's equity exposures are mainly investments in internationally diversified funds, with the majority focusing on the United States and other developed markets. There are also investments in private equity funds as well as hedge funds.

Shifts in interest rates will have an effect in the financial statement because outstanding claims are held at nominal value and are not adjusted to net present value. This implies that increased interest rates could cause a drop in Skuld's assets while the liabilities are unchanged. In real economic terms the net present value of the liabilities will have the same drop and the total effect will be limited. Surplus assets will be exposed to the same risks, as they include fixed income instruments and holdings in other currencies than USD.

Counterparty default risk

Bond issuers, account receivables, bank deposits and reinsurers represent important counterparty risks. The majority of bond holdings consist of high rated issuers. The average rating of bonds is AA (as defined by S&P). Minimum rating requirements are applied to reinsurers and banks, enabling efficient control of counterparty risk. Bank guarantees issued in favour of the group shall not be rated below A.

Liquidity risk

Liquidity is controlled by placing parts of financial assets in instruments that are highly liquid. A separate portfolio containing liquid bank deposits ensures sufficient cash resources to meet Skuld's daily obligations.

OPERATIONAL RISK

For operational risk, regulations require calculation of risk capital. Unlike for financial risks there is, however, no connection between risk capital and actual risk level, so that risk capital calculations have no real control function for operational risk. A risk assessment process, carried out at least bi-annually, as well as incident reporting and the follow-up of incidents are important tools to manage operational risk.

CLIMATE RISK

Skuld recognizes that climate change could pose significant risks for the shipping industry and the Association, and has established a climate risk working group with the goal to develop approaches to identify, measure and manage Skuld's exposure to climate risk and to support the development of sustainable strategies to make Skuld more resilient to changes to come. The working group has summarised its initial assessment of climate risk in a report considering the potential impact on Skuld of physical and transitional risks.

Continuous growth in CO2 emissions will increase global temperatures, leading to more extreme weather and manifestations of physical risk. Authorities' policy responses will, however, affect the development of emissions growth and enable the transition to a carbon neutral society. The impact of this transitional risk depends on the manner policy responses are implemented. Given that no effective policy responses are taken, it is expected that physical risk will crystallise and start significantly impacting Skuld's portfolio from 2050 and onwards. Transitional risk will affect Skuld directly and indirectly, with effects on the global economy and the shipping industry feeding through to Skuld as an insurance provider. The obvious direct effect of transitional risk on Skuld is the need for Skuld to allocate resources to satisfy steadily increasing reporting requirements. The assessment of the indirect effect of transitional risk takes into account policies currently considered, technological trends and digitisation. Supporting members and clients in this transitional phase might increase operational expenses. As ship owners adapt to new technologies, ships will likely become more complex and expensive to repair, potentially increasing claims costs per claim. Digitisation could have a similar effect, however, claims due to human error and a reduced number of costly personal injury claims might have a balancing effect. Digitisation is also exposing the shipping industry to increasing cyber vulnerabilities, cyberattacks and threats which may have severe financial and reputational repercussions.

POLICY YEAR STATEMENT BY CLASS AS AT 20.02.21

All figures in USD 1,000	2020	2019	2018
P&I			
Advance calls, releases and other gross premiums charged in:			
years to 20 February 2019	0	0	254 607
years to 20 February 2020	0	250 130	18 594
current accounting year	259 138	18 046	383
	259 138	268 176	273 584
Supplementary calls levied in:			
years to 20 February 2020	0	0	0
current accounting year	0	0	0
	0	0	0
Total calls and premiums	259 138	268 176	273 584
Reinsurance premiums	-38 171	-39 672	-46 087
	220 966	228 504	227 497
Claims incurred net of reinsurance recoveries	-222 293	-189 859	-185 648
Net underwriting profit	-1 327	38 646	41 850
Net operating expenses	-50 549	-59 475	-57 830
Net investment income	58 500	43 391	11 056
Taxes	-4 055	4 684	-332
Total P&I	2 570	27 246	-5 257

All figures in USD 1,000	2020	2019	2018
Physical damage, FD&D and other			
Advance calls, releases and other gross premiums charged in:			
years to 20 February 2019	0	0	61 450
years to 20 February 2020	0	78 356	39 939
current accounting year	64 075	43 013	987
	64 075	121 369	102 375
Supplementary calls levied in:			
years to 20 February 2020	0	0	0
current accounting year	0	0	0
	0	0	0
Total calls and premiums	64 075	121 369	102 375
Reinsurance premiums	-4 222	-4 135	-6 712
	59 853	117 234	95 663
Claims incurred net of reinsurance recoveries	-40 844	-89 595	-79 580
Net underwriting profit	19 009	27 639	16 083
Net operating expenses	-14 284	-28 870	-27 820
Net investment income	2 455	12 297	-7 955
Taxes	-2 211	314	-76
Total Physical damage, FD&D and other	4 970	11 380	-19 768
Total P&I, Physical damage, FD&D and other	7 539	38 626	-25 024

Calls and premiums, reinsurance premiums, claims and commission to brokers are allocated to the policy year to which they relate. A part of the fixed premiums for the policy year 2020 will be earned in 2021. Operating expenses and investment income have been allocated to the policy year corresponding to the accounting year.

NOTE 13

POLICY YEAR STATEMENT AS AT 20.02.21 - MUTUAL AND FIXED BUSINESS

All figures in USD 1,000

	2020	2019	2018
Mutual			
Total calls and premiums	192 034	181 006	183 758
Reinsurance premiums	-25 317	-25 272	-26 835
	166 717	155 734	156 923
Claims incurred net of reinsurance recoveries	-190 610	-159 382	-145 189
Net underwriting profit	-23 893	-3 649	11 733
Net operating expenses	-37 600	-43 702	-42 782
Net investment income	34 683	31 365	10 263
Taxes	1 262	3 134	-223
Total Mutual	-25 548	-12 852	-21 009

	2020	2019	2018
Fixed			
Total calls and premiums	131 178	208 539	192 201
Reinsurance premiums	-17 076	-18 534	-25 964
	114 102	190 004	166 238
Claims incurred net of reinsurance recoveries	-72 527	-120 072	-120 038
Net underwriting profit	41 575	69 933	46 200
Net operating expenses	-27 232	-44 643	-42 867
Net investment income	26 272	24 324	-7 163
Taxes	-7 528	1 864	-185
Total Fixed	33 087	51 478	-4 015
Total Mutual and Fixed business	7 539	38 626	-25 024

Calls and premiums, reinsurance premiums, claims and commission to brokers are allocated to the policy year to which they relate. A part of the fixed premiums for the policy year 2020 will be earned in 2021. Operating expenses and investment income have been allocated to the policy year corresponding to the accounting year.

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