



 **SKULD**

**NINE-MONTH  
REPORT**

**2020/21**

21.02.20 - 20.11.20

**SERVICE  
AND COMPETENCE  
YOU CAN RELY ON**

# NINE-MONTH RESULT 2020/21



## HIGHLIGHTS

- USD -10 million in first nine months (2019/20 nine-month USD -12 million)
- Positive investment return at 5.4%
- Strong positive contributions from Skuld's commercial operations
- Negative impact from unusually high volume of IG pool claims

**T**hrough what has been an extremely challenging time for so many reasons, Skuld has delivered a negative result of USD 10 million for the first nine months of the financial year 2020/21, representing a slight improvement compared with the negative result of USD 12.1 million for the same period in 2019/20.

The nine-month technical result ended at USD -46.2 million with a combined ratio of 118%, compared with 116% for the same period last year. The technical result has been significantly influenced by increased and new pool claims from other members of the International Group (IG), alongside some of our own large claims within the club retention. The volume of IG pool claims is at its highest in recent years, and our share of these claims affected the result negatively by USD 36.5 million.

Mutual rates have not been sustainable for some time and Skuld is working to bring the portfolio back into balance through improved rates. Skuld's P&I renewals for the policy year starting 20 February 2021 will again proceed this year with no general increase, as we perform individual assessments of our members' own statistical records, ensuring fair and balanced calculations for the 2021/22 policy year.

The good news is that our strategy of diversification is standing firm. Notably, in times like these our mutual P&I members benefit

from additional profitability coming from our commercial operations. Skuld's commercial lines of business continue to deliver positive results with a combined ratio of 93% which partly offsets the challenging state of the mutual market.

Also, net investment income contributed positively by USD 38 million, primarily driven by the contribution from global equity markets in the past month. Although the Covid-19 pandemic had an unfortunate development after the summer, promising news regarding vaccinations and some reduced uncertainty around the US political scene set the stage for a more promising shipping environment, especially into those sectors hit hardest by the pandemic.

Skuld enters renewals in a robust position; we are well-capitalised and the combination of our strong commercial operations with our financial discipline on the mutual book leave us well-placed to continue to weather the storm. With that in mind, we look forward to working with our members and continuing to provide the competence and service that they rely on.

**STÅLE HANSEN**  
President and CEO

# KEY FIGURES

All figures in USD million

CONSOLIDATED INCOME STATEMENT AS AT 20.11.2020	2020 (9 months)	2019 (9 months)
<b>TECHNICAL ACCOUNT</b>		
Premiums and calls	289.6	283.2
Reinsurance premiums	-32.8	-37.4
<b>Premiums for own account</b>	<b>256.8</b>	<b>245.8</b>
Pool claims	-36.5	-20.2
Own claims for own account	-214.0	-206.6
<b>Claims incurred for own account</b>	<b>-250.5</b>	<b>-226.8</b>
Acquisition costs	-41.0	-51.5
Administrative expenses	-11.5	-14.1
<b>Net operating expenses</b>	<b>-52.5</b>	<b>-65.6</b>
<b>Balance carried to non-technical account</b>	<b>-46.2</b>	<b>-46.5</b>
<b>NON-TECHNICAL ACCOUNT</b>		
Balance from technical account	-46.2	-46.5
Net investment income	38.0	36.1
Taxes	-1.9	-1.7
<b>Balance carried to members' funds</b>	<b>-10.0</b>	<b>-12.1</b>

BALANCE SHEET AS AT 20.11.2020	20.11.20	20.02.20
<b>ASSETS</b>		
Financial investments	823.7	817.5
Debtors	15.4	11.7
Other assets	185.6	216.6
Prepayment and accrued income	20.2	21.2
<b>Total assets</b>	<b>1 044.9</b>	<b>1 067.1</b>
<b>LIABILITIES</b>		
Provision for outstanding claims for own account	543.6	546.9
Contingency reserve	457.4	465.8
<i>Members' funds</i>	353.7	363.8
<i>Deferred cessation tax</i>	103.7	102.1
Minority interest	-3.4	-3.4
<b>Technical provisions for own account</b>	<b>997.6</b>	<b>1 009.4</b>
Provisions for other liabilities	14.1	11.7
Creditors	31.2	27.1
Accruals and deferred income	2.1	19.0
<b>Total liabilities</b>	<b>1 044.9</b>	<b>1 067.1</b>

## CONTINGENCY RESERVE

USD million

