



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	938 419 531
Organisasjonsform:	Gjensidig forsikringselskap
Foretaksnavn:	Assuranceforeningen SKULD (Gjensidig)
Forretningsadresse:	Rådhusgata 27 0158 OSLO

Regnskapsår

Årsregnskapets periode:	21.02.2023 - 20.02.2024
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Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Martine Wang
Dato for fastsettelse av årsregnskapet:	15.05.2024

Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert
År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 24.10.2025



Resultatregnskap

Beløp i: USD	Note	2024	2023
TEKNISK REGNSKAP FOR SKADEFORSIKRING			
Opptjente bruttopremier	6	513 983 000	475 827 000
Gjenforsikringsandel av opptjente bruttopremier		272 374 000	165 430 000
Sum premieinntekter for egen regning	4	241 609 000	310 397 000
Erstatningskostnader			
Brutto erstatningskostnader		272 163 000	539 703 000
Gjenforsikringsandel av brutto erstatningskostnader		101 166 000	308 980 000
Sum erstatningskostnader for egen regning	4,5	170 997 000	230 723 000
Forsikringsrelaterte driftskostnader			
Salgskostnader	7	57 615 000	63 431 000
Forsikringsrelaterte administrasjonskostnader inkl. provisjoner for 7,10,1 mottatt gjenforsikring	3	22 746 000	20 211 000
Sum forsikringsrelaterte driftskostnader		80 361 000	83 642 000
Andre forsikringsrelaterte driftskostnader			
Resultat av teknisk regnskap		-9 749 000	-3 968 000
IKKE-TEKNISK REGNSKAP			
Netto Inntekter fra investeringer			
Renteinntekt og utbytte m.v. på finansielle eiendeler		14 953 000	14 813 000
Verdiendringer på investeringer		42 568 000	-81 359 000
Realisert gevinst og tap på investeringer		3 650 000	33 537 000
Administrasjonskostnader knyttet til investeringer, herunder rentekostnader		1 174 000	1 166 000
Sum netto inntekter fra investeringer		59 997 000	-34 175 000
Resultat av ikke-teknisk regnskap		59 997 000	-34 175 000
Resultat før skattekostnad		50 248 000	-38 143 000
Skattekostnad	11	6 537 000	-21 577 000
Resultat før andre inntekter og kostnader		43 711 000	-16 566 000



Resultatregnskap

Beløp i: USD	Note	2024	2023
Estimatendringer knyttet til ytelsesbaserte pensjonsordninger	10	-723 000	-931 000
Øvrige andre inntekter og kostnader		5 830 000	-1 263 000
Skatt på andre inntekter og kostnader som kan bli omklassifisert	11	1 276 000	-667 000
Totalresultat		47 542 000	-18 093 000



Balanse

Beløp i: USD	Note	2024	2023
BALANSE - EIENDELER			
Immaterielle eiendeler			
Andre immaterielle eiendeler	8	4 501 000	2 034 000
Sum immaterielle eiendeler		4 501 000	2 034 000
Investeringer			
Bygninger og andre faste eiendommer		0	0
Aksjer og andeler i datterforetak, tilknyttede foretak og felleskontrollerte foretak	9	18 708 000	19 362 000
Fordringer på og verdipapirer utstedt av datterforetak, tilknyttede foretak og felleskontr. foretak	15	472 000	5 911 000
Datterforetak, tilknyttede foretak og felleskontrollerte foretak		19 180 000	25 273 000
Finansielle eiendeler som måles til amortisert kost		0	0
Aksjer og andeler (inkl. aksjer og andeler målt til kost)	2,9	250 908 000	212 105 000
Rentebærende verdipapirer	2,9	587 712 000	516 122 000
Andre finansielle eiendeler	2,9	30 954 000	29 610 000
Finansielle eiendeler som måles til virkelig verdi		869 574 000	757 837 000
Sum investeringer		888 754 000	783 110 000
Gjenforsikringsandel av brutto forsikringsforpliktelser			
Gjenforsikringsandel av ikke opptjent bruttopremie			
Gjenforsikringsandel av brutto erstatningsavsetning		482 162 000	567 675 000
Sum gjenforsikringsandel av brutto forsikringsforpliktelser		482 162 000	567 675 000
Fordringer			
Forsikringstakere		82 980 000	80 190 000
Fordringer i forbindelse med direkte forretninger		82 980 000	80 190 000
Fordringer i forbindelse med gjenforsikring		16 681 000	31 272 000
Andre fordringer		4 423 000	4 059 000
Sum fordringer	3,6,9	104 084 000	115 521 000
Andre eiendeler			
Anlegg og utstyr	8	5 277 000	3 783 000
Kasse, bank	3,9,16	120 544 000	160 312 000
Sum andre eiendeler		125 821 000	164 095 000



Balanse

Beløp i: USD	Note	2024	2023
Forskuddsbetalte direkte salgskostnader		12 705 000	11 507 000
Andre forskuddsbetalte kostnader og opptjente ikke mottatte inntekter		19 789 000	13 310 000
Sum forskuddsbetalte kostnader og opptjente ikke mottatte inntekter		32 494 000	24 817 000
SUM EIENDELER		1 637 816 000	1 657 252 000
EGENKAPITAL OG FORPLIKTELSER			
Innskutt egenkapital			
Selskapskapital		0	0
Annen innskutt egenkapital		421 754 000	374 211 000
Sum innskutt egenkapital		421 754 000	374 211 000
Opptjent egenkapital			
Fond m.v.			
Sum opptjent egenkapital		0	0
Sum egenkapital		421 754 000	374 211 000
Sum ansvarlig lånekapital m.v.		0	0
Brutto forsikringsforpliktelser			
Avsetning for ikke opptjent bruttopremie		95 174 000	84 403 000
Brutto erstatningsavsetning		920 673 000	1 022 687 000
Sum brutto forsikringsforpliktelser	5	1 015 847 000	1 107 090 000
Avsetninger for forpliktelser			
Pensjonsforpliktelser o.l.	10	9 400 000	8 108 000
Forpliktelser ved skatt			
Forpliktelser ved periodeskatt	11	39 349 000	29 405 000
Forpliktelser ved utsatt skatt	11	50 591 000	52 982 000
Sum avsetninger for forpliktelser		99 340 000	90 495 000
Forpliktelser i forbindelse med direkte forsikring	6	19 221 000	14 974 000
Forpliktelser i forbindelse med gjenforsikring		50 284 000	46 731 000
Finansielle derivater	2,9	347 000	918 000



Balanse

Beløp i: USD	Note	2024	2023
Andre forpliktelser	15	18 804 000	16 543 000
Sum forpliktelser		88 656 000	79 166 000
Påløpte kostnader og mottatte ikke opptjente inntekter			
Mottatte, ikke opptjente leieinntekter		12 219 000	6 289 000
Sum påløpte kostnader og mottatte ikke opptjente inntekter		12 219 000	6 289 000
SUM EGENKAPITAL OG FORPLIKTELSER		1 637 816 000	1 657 251 000



Konsernets resultatregnskap

Beløp i: USD	Note	2024	2023
TEKNISK REGNSKAP FOR SKADEFORSIKRING			
Opptjente bruttopremier	6	516 596 000	478 125 000
Gjenforsikringsandel av opptjente bruttopremier		91 590 000	86 124 000
Sum premieinntekter for egen regning	4	425 006 000	392 001 000
Erstatningskostnader			
Brutto erstatningskostnader		279 832 000	564 421 000
Gjenforsikringsandel av brutto erstatningskostnader		1 573 000	277 181 000
Sum erstatningskostnader for egen regning	4,5	278 259 000	287 240 000
Forsikringsrelaterte driftskostnader			
Salgskostnader	7	74 054 000	69 540 000
Forsikringsrelaterte administrasjonskostnader inkl. provisjoner for 7,10,1 mottatt gjenforsikring	3	22 579 000	20 207 000
Sum forsikringsrelaterte driftskostnader		96 633 000	89 747 000
Andre forsikringsrelaterte driftskostnader			
Resultat av teknisk regnskap		50 114 000	15 014 000
IKKE-TEKNISK REGNSKAP			
Netto Inntekter fra investeringer			
Inntekter fra investeringer i datterforetak, tilknyttede foretak og felleskontrollerte foretak		0	30 456 000
Renteinntekt og utbytte m.v. på finansielle eiendeler		21 242 000	15 247 000
Verdiendringer på investeringer		45 297 000	-81 531 000
Realisert gevinst og tap på investeringer		3 715 000	34 163 000
Administrasjonskostnader knyttet til investeringer, herunder rentekostnader		1 167 000	1 158 000
Sum netto inntekter fra investeringer		69 087 000	-2 823 000
Resultat av ikke-teknisk regnskap		69 087 000	-2 823 000
Resultat før skattekostnad		119 201 000	12 191 000
Skattekostnad	11	6 859 000	-21 241 000



Konsernets resultatregnskap

Beløp i: USD	Note	2024	2023
Resultat før andre inntekter og kostnader		112 342 000	33 432 000
Estimatendringer knyttet til ytelsesbaserte pensjonsordninger	10	-694 000	567 000
Øvrige andre inntekter og kostnader		5 568 000	-2 352 000
Skatt på andre inntekter og kostnader som kan bli omklassifisert	11	1 276 000	-178 000
Totalresultat		115 940 000	31 825 000



Konsernets balanse

Beløp i: USD	Note	2024	2023
BALANSE - EIENDELER			
Immaterielle eiendeler			
Andre immaterielle eiendeler	8	4 501 000	2 034 000
Sum immaterielle eiendeler		4 501 000	2 034 000
Investeringer			
Bygninger og andre faste eiendommer		0	0
Aksjer og andeler i datterforetak, tilknyttede foretak og felleskontrollerte foretak	9	20 000	20 000
Datterforetak, tilknyttede foretak og felleskontrollerte foretak		20 000	20 000
Finansielle eiendeler som måles til amortisert kost		0	0
Aksjer og andeler (inkl. aksjer og andeler målt til kost)	2,9	250 908 000	212 105 000
Rentebærende verdipapirer	2,9	755 744 000	670 947 000
Andre finansielle eiendeler	2,9	30 954 000	29 610 000
Finansielle eiendeler som måles til virkelig verdi		1 037 606 000	912 662 000
Sum investeringer		1 037 626 000	912 682 000
Gjenforsikringsandel av brutto forsikringsforpliktelse			
Gjenforsikringsandel av ikke opptjent bruttopremie		399 300 000	499 184 000
Sum gjenforsikringsandel av brutto forsikringsforpliktelse		399 300 000	499 184 000
Fordringer			
Forsikringstakere		83 139 000	80 326 000
Fordringer i forbindelse med direkte forretninger		83 139 000	80 326 000
Fordringer i forbindelse med gjenforsikring		16 680 000	31 272 000
Andre fordringer		6 160 000	4 986 000
Sum fordringer	3,6,9	105 979 000	116 584 000
Andre eiendeler			
Anlegg og utstyr	8	5 688 000	4 174 000
Kasse, bank	3,9,16	166 713 000	176 822 000
Sum andre eiendeler		172 401 000	180 996 000
Forskuddsbetalte direkte salgskostnader		12 724 000	11 523 000
Andre forskuddsbetalte kostnader og opptjente ikke mottatte inntekter		10 866 000	13 973 000



Konsernets balanse

Beløp i: USD	Note	2024	2023
Sum forskuddsbetalte kostnader og opptjente ikke mottatte inntekter		23 590 000	25 496 000
SUM EIENDELER		1 743 397 000	1 736 976 000
EGENKAPITAL OG FORPLIKTELSER			
Innskutt egenkapital			
Selskapskapital		0	0
Sum innskutt egenkapital		0	0
Opptjent egenkapital			
Fond m.v.			
Annen opptjent egenkapital		517 418 000	401 205 000
Sum opptjent egenkapital		517 418 000	401 205 000
Sum egenkapital		517 418 000	401 205 000
Sum ansvarlig lånekapital m.v.		0	0
Brutto forsikringsforpliktelser			
Avsetning for ikke opptjent bruttopremie		95 331 000	84 539 000
Brutto erstatningsavsetning		986 650 000	1 107 176 000
Sum brutto forsikringsforpliktelser	5	1 081 981 000	1 191 715 000
Avsetninger for forpliktelser			
Pensjonsforpliktelser o.l.	10	9 999 000	8 712 000
Forpliktelser ved skatt			
Forpliktelser ved periodeskatt	11	39 358 000	29 503 000
Forpliktelser ved utsatt skatt	11	50 385 000	52 781 000
Sum avsetninger for forpliktelser		99 742 000	90 996 000
Forpliktelser i forbindelse med direkte forsikring	6	19 221 000	14 974 000
Forpliktelser i forbindelse med gjenforsikring		0	19 792 000
Finansielle derivater	2,9	347 000	918 000
Andre forpliktelser		11 920 000	10 460 000
Sum forpliktelser		31 488 000	46 144 000



Konsernets balanse

Beløp i: USD	Note	2024	2023
Påløpte kostnader og mottatte ikke opptjente inntekter			
Andre påløpte kostnader og mottatte ikke opptjente inntekter		12 768 000	6 916 000
Sum påløpte kostnader og mottatte ikke opptjente inntekter		12 768 000	6 916 000
SUM EGENKAPITAL OG FORPLIKTELSER		1 743 397 000	1 736 976 000
POSTER UTENOM BALANSEN			
Betingede forpliktelser	12	863 171 000	857 400 000



FINANSTILSYNET
THE FINANCIAL SUPERVISORY
AUTHORITY OF NORWAY

Assuranceforeningen Skuld (gjensidig)
Postboks 1376 Vika
0114 OSLO

26.01.2012

SAKSBEHANDLER:
Jan Erik Bakke

VÅR REFERANSE:
12/878

DERES REFERANSE:

DIR.TLF:
22 93 99 80

ARKIVKODE:
452.6

Dispensasjon - presentasjonsvaluta

Det vises til søknad av 17. januar 2012 om dispensasjon fra kravet om å presentere årsregnskapet i norske kroner iht. forskrift om årsregnskap m.m. for forsikringsselskaper § 2-7, jf. § 7-1.¹

Finanstilsynet kan dispensere fra kravet om at årsregnskapet skal presenteres i norske kroner i det enkelte tilfellet, jf. forskriften § 7-1.

Kravet om presentasjonsvaluta i NOK er begrunnet med at bruk av en annen valuta vil kunne svekke årsregnskapet som grunnlag for kontroll, analyse og statistikk for norske myndigheter. Det følger av dette at det kreves særlige grunner for å dispensere fra kravet.

Assuranceforeningen Skuld (Gjensidig) (heretter "Skuld" eller "foreningen") viser til at foreningen driver i en svært internasjonal bransje der amerikanske dollar er den valutaen som generelt benyttes. Alle regnskapstall for konkurrentene presenteres i USD noe som gjør det enklere for markedet å sammenligne finansiell status mellom foretakene. Det vises også til at den andre norske aktøren i bransjen, Assuranceforeningen Gard (Gjensidig), presenterer årsregnskapet i USD.

Skuld oppgir at 3 prosent av premieinntektene, 0,4 prosent av kravkostnadene og 0,6 prosent av forsikringstekniske avsetninger for 2011 er knyttet til NOK. Premieinntekter, kravkostnader og forsikringstekniske avsetninger i USD utgjør henholdsvis 86 prosent, 77 prosent og 78 prosent, hvilket innebærer at USD er den mest sentrale valutaen for foreningen.

Skuld viser videre til at ved omregning til NOK som presentasjonsvaluta vil verdiene i resultat og balanse i stor grad kunne variere med endringer i valutakursene. Bruk av hovedvalutaen USD som presentasjonsvaluta vil gi et mer rettviseende bilde av foreningens økonomiske stilling sammenlignet med norske kroner.

¹ FOR 1998-12-16 nr. 1241



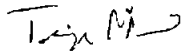
Finanstilsynet finner at det i dette konkrete tilfellet kan gjøres unntak fra kravet om presentasjonsvaluta i norske kroner. Anførslene viser at virksomheten er internasjonal, med hovedsakelig utenlandske kunder. Alle inntekter og kostnader er hovedsakelig knyttet til andre valutaer enn den norske. Det legges til grunn at presentasjonsvaluta i USD, etter foretakets vurdering, vil gi et mer rettviseende bilde av virksomheten.

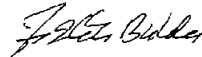
Finanstilsynet har i medhold av forskrift om årsregnskap m.m. for forsikringsselskaper § 7-1, jf. § 2-7, fattet følgende vedtak om dispensasjon:

Assuranceforeningen Skuld (Gjensidig) gis dispensasjon fra kravet om å presentere årsregnskapet i norsk valuta. Årsregnskapet skal presenteres i United States dollar (USD).

Det understrekes at dispensasjonen kun gjelder finansregnskapet og ikke myndighetsrapportering, f.eks. Forsikringsselskapenes offentlige regnskaps- og tilsynsrapportering (FORT).

For Finanstilsynet


Terje Nilsen
spesialrådgiver


Jan Erik Bakke
seniorrådgiver



Assuranseforeningen Skuld
ved Douglas Jacobsohn
Postboks 1376 Vika
0114 Oslo

Deres ref

Vår ref
06/2925 FM MHe

Dato
21.06.2007

Søknad om engelsk som regnskapsspråk

Finansdepartementet viser til Deres brev 1. juni 2006, epost 2. februar 2007 samt telefonsamtale 9. februar 2007 om søknad om dispensasjon fra regnskapslovens krav til å utarbeide årsregnskap og årsberetning på norsk språk, og om å utarbeide disse på engelsk. Det vises også til Skattedirektoratets tilråding i brev 28. august 2006.

Departementet legger til grunn at søknaden kun gjelder dispensasjon fra krav til norsk språk i årsregnskap og årsberetning, og ikke selskapets mulighet til å utarbeide regnskapet i funksjonell valuta, jf. regnskapsloven § 3-4 første og andre ledd.

1. SKATTEDIREKTORATETS TILRÅDING

I Skattedirektoratets brev 26. juni 2006 uttales blant annet følgende om de generelle hensyn som bør være relevant ved vurderingen av dispensasjonssøknader:

"Praksis fram til nå har etter vår erfaring vært restriktiv til å benytte annet språk enn norsk i årsregnskapet. Vedrørende årsberetningen, så er adgangen til å søke om dispensasjon av nyere dato.

Ved evalueringen av regnskapsloven ble regnskapsspråk vurdert, jf. NOU 2003:23 Evaluering av regnskapsloven punkt 5.2 og Ot. prp. nr. 39 2004 -2004 om endringer i regnskapsloven. Det ble gitt en forskriftadgang i § 3-4 tredje ledd som åpner for at det kan lages forskrift som tillater at et annet språk benyttes. Dette ble begrunnet med at EU-kommisjonen har foreslått et nytt "transparency" direktiv som dersom det blir vedtatt, vil begrense norske myndigheters muligheter til å stille krav om norsk språk.

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Kontoradresse
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Finansmarkedsavdelingen
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Telefaks 22 24 45 35

Saksbehandler
Markus Heistad
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Skattedirektoratet mener på generelt grunnlag at det fortsatt bør følges en restriktiv linje. Men andre momenter kan tale for en oppmykning av praksis. En eventuell vedtakelse av EU-kommisjonen sitt forslag til "transparency" direktiv, vil åpne for adgangen til å benytte annet språk enn norsk. Dessuten er engelsk også et språk som stadig flere av de aktuelle regnskapsbrukerne er fortrolig med.

Brukergruppen til det aktuelle regnskapet må vurderes ved en eventuell dispensasjon. Forhold som bør hensyntas kan være; norske eller utenlandske eiere, tilbys aksjene til en stor krets (børs) eller er det privateid, inngår selskapet i internasjonale forpliktende samarbeid, er virksomheten først og fremst rettet mot utlandet, hvor finansieres virksomheten mv.

Fra vårt ståsted som kontrollinstans og regnskapsbruker foretrekker vi norsk, men har ingen sterke innsigelser mot at det kan gis dispensasjon til bruk av svensk, dansk eller engelsk.

Etter Skattedirektoratets syn er det ingen sterke grunner for at dispensasjonspraksisen for årsberetningen ikke bør følge årsregnskapet.

For øvrig skal selvangivelse og ligningspapirer utarbeides på norsk språk."

Når det gjelder denne konkrete saken uttales det blant annet følgende:

"I den konkrete sak er det opplyst at 75 % av eierne er utenlandske. Søker er et gjensidig P & I forsikringselskap med profesjonelle eiere med engelsk som arbeidsspråk. Skattedirektoratet har ingen sterke innvendinger mot at søker gis dispensasjon til å benytte engelsk språk i årsregnskapet og årsberetningen."

2. DEPARTEMENTETS VURDERING

Etter regnskapsloven § 3-4 tredje ledd skal "[å]rsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot.prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig **prising** av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjult fordelt informasjon."



Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, kfr. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet. Offentlige myndigheter må også anses som en sentral regnskapsbruker, idet ulike myndigheter, som lignings- og tilsynsmyndigheter, benytter regnskapene som sentrale verktøy i sin kontrollvirksomhet.

Det er etter departementets vurdering derfor avgjørende at spørsmål om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, ikke på vesentlige områder fraviker fra hensynet til sentrale brukere av regnskapsinformasjon. Søkeren må dessuten som et utgangspunkt for vurderingen ha en særlig interesse i å kunne utarbeide årsregnskap og/eller årsberetning på et annet språk enn norsk. Departementet slutter seg i det vesentligste til Skattedirektoratets vurdering av hvilke momenter som vil være relevante i en slik vurdering.

Assuranseforeningen Skuld er et gjensidig forsikringsselskap som tilbyr sjøforsikring. Den største delen av selskapets virksomhet retter seg mot utlandet. Foretaket har engelsk som arbeidsspråk, og 75 % av eierne er utenlandske. Foretaket er ikke børsnotert og de særskilte reglene i gjeldende børsforskrift § 23-5 kommer ikke til anvendelse, jf. også tilsvarende regler i ny verdipapirhandellov § 5-13.

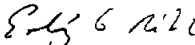
Skattedirektoratet har i brev 28. august 2006 gitt uttrykk for at det, som kontrollinstans og regnskapsbruker, ikke har vesentlige innvendinger mot at det kan gis dispensasjon til bruk av svensk, dansk eller engelsk i årsregnskap og årsberetning.

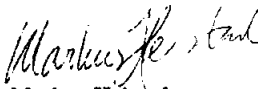
Finansdepartementets anser på denne bakgrunn ut fra en helhetsvurdering at Assuranseforeningen Skuld kan utarbeide årsregnskap og årsberetning på engelsk.

3. KONKLUSJON

Finansdepartementet gir Assuranseforeningen Skuld adgang til å utarbeide årsregnskap og årsberetning på engelsk, jf. regnskapsloven § 3-4 tredje ledd.

Med hilsen


Erling G. Rikheim e.f.
avdelingsdirektør


Markus Heistad
førstekonsulent

Gjenpart: Skattedirektoratet
Kredittilsynet



ASSURANCEFORENINGEN SKULD (GJENSIDIG)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 21 FEBRUARY 2023 - 20 FEBRUARY 2024

SKULD



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SKULD



DIRECTORS' REPORT

ASSURANCEFORENINGEN SKULD (GJENSIDIG)

2023/24

Assuranceforeningen Skuld (Gjensidig) ("the Association") was established in Oslo in 1897 as a Protection & Indemnity (P&I) insurance association for Scandinavian shipowners. Since then, the Association has grown into a diversified marine insurer and caters to the needs of shipowners, the offshore and energy sector, charterers and traders, and the superyacht community worldwide.

The Association offers bespoke P&I and physical damage covers. The P&I covers offered include mutual P&I insurance, commercial fixed P&I, yacht liability cover, charterers liability and more. Physical damage covers are hull and machinery, energy, war and loss of hire. P&I is the Association's largest line of business, protecting the members against third-party losses and liabilities.

CORPORATE STRUCTURE

The Association's head office is located in Oslo, Norway, with branches in Singapore, Hong Kong, London, Tokyo and Copenhagen. In addition, the Association has offices in Bergen, Hamburg, Piraeus and New York.

The consolidated statutory accounts include the Association's subsidiaries in addition to the Association's affiliated club in Bermuda, Skuld Mutual Protection and Indemnity Association (Bermuda) Ltd., Hamilton, and its subsidiaries. In accordance with these two associations' bylaws, their members enjoy joint membership in both associations, which act as co-insurers on a joint basis with equal insurance conditions and bylaws, whereas Bermuda Association retains 1% of the risk on most P&I policies.

The number of votes per member is determined on the basis of total gross tonnage entered with the Association and Estimated Total Call. No member currently holds more than a 10% vote in the General Meeting or exercises a significant influence over the management.

The two Associations participate jointly in the International Group of P&I Clubs' pooling arrangements and excess loss reinsurance contracts entered via the pooling reinsurance arrangement.

ENVIRONMENT

Sustainability is integral to our operations and is embedded in our strategic direction. Skuld is running a programme which includes development targets and activities within relevant Skuld areas. The programme is supported by Skuld's Board and management and is integrated into all core business processes. Skuld's purpose statement, 'Protecting ocean industries', underlines Skuld's role in society and commitment to members and clients and the global ocean industries.

Skuld is committed to the UN Global Compact and the Global Reporting Initiative and strives to be systematic and transparent in its sustainability efforts. Skuld also contributes to the UN sustainable development goals. Since 2019, our inaugural reporting year, we have embarked on a comprehensive journey to reduce our carbon footprint and incorporate sustainable practices. The adoption of stringent new standards highlights our dedication to this cause. This year, for the first time, we are reporting on the Poseidon Principles for Marine Insurance (PPMI), in addition to our first disclosure of Scope 3 emissions, offering a comprehensive view of our portfolio's carbon footprint.

SKULD



Achieving net-zero emissions stands as a principal challenge for the maritime industry, and Skuld is committed to supporting our members and clients as they face the many challenges of this transition. As an insurance provider, Skuld must remain at the forefront of the developments and build the necessary knowledge and insight required to comprehensively understand the risks and opportunities that come with new regulations, fuels, and technologies.

To further strengthen the focus in this area, a decarbonisation competence hub has been established within Skuld in the autumn of 2023, with a mandate to map, build and share competence internally and externally as we continue to support our members and clients in the transition. Skuld contributes to sustainable solutions by assessing and surveying shipping risks, conducting comprehensive casualty response services, and delivering extensive loss prevention programmes to safeguard casualties and prevent injury to people, the environment and property.

GOVERNANCE

Corporate governance

Skuld's Board and Executive Management are committed to maintaining high ethical standards and contributing to good corporate governance that aligns with regulatory requirements in all jurisdictions where Skuld operates. Skuld has developed a comprehensive system of internal governance documents regulating its activities and ensuring compliance with applicable legislation. The system is anchored with the Board of Directors that approves the relevant policies. The documents are subject to regular review and updates to ensure Skuld remains on top of any material developments.

Skuld aims for open and transparent communication with internal and external stakeholders and regularly publishes relevant information to members, clients, brokers, staff members or other stakeholders.

Anti-corruption, anti-money-laundering and counter-terrorism financing

Skuld is firmly opposed to bribery and corruption in all its manifestations and is committed to conducting business in a way that is sustainable and beneficial to the community. To intensify efforts against corruption, Skuld has assessed all operations and reviewed and updated the key policies which establish our global framework for combating bribery and corruption. Additionally, the procedures for gifts and hospitality have been revised to ensure increased awareness amongst employees.

Skuld has also committed to contribute to the collective action to tackle corruption in the maritime industry by partnering with the Maritime Anti-Corruption Network ("MACN"). MACN is comprised of like-minded companies dedicated to promoting compliance with anti-corruption laws and eliminating corrupt practices. This commitment is echoed in Skuld's new Supplier Code of Conduct, which requires all suppliers to conduct their business with the highest ethical standards, integrity and transparency.

Skuld's Customer Due Diligence system is designed to detect and evaluate potential risks associated with money laundering, terrorism financing, and sanctions in our underwriting portfolio. Skuld's dedicated Anti-Financial Crime Officer oversees our ongoing efforts to enhance our due diligence measures and controls. This includes a continuous initiative to fortify our anti-money laundering and counter-terrorism measures by reassessing all of Skuld's operations. Further activities involve ensuring relevant training for employees and revising related written procedures.

SKULD



Human rights and employment conditions

Skuld is committed to respecting and promoting human rights, decent working conditions and transparency. As a global business, this includes a focus on respecting human rights in our own business, as well as in our supply chain and with our business partners. Skuld also has a zero-tolerance approach to modern slavery, and we are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains. Employees can report censurable conditions without fear of retaliation. To ensure this, Skuld has established internal and external channels to ensure confidentiality and protect employees. Further information about what Skuld has done to comply with the Norwegian Transparency Act is published in Annual Review 2023/24 on Skuld's website.

Regulatory supervision

The Association and the consolidated group are subject to the Norwegian Financial Supervisory Authority (Finanstilsynet) supervision. Skuld Mutual Protection and Indemnity Association (Bermuda) Ltd is subject to Bermuda Monetary Authority's supervision and reporting. Further, each of Skuld's branches is subject to separate supervision by local supervisory authorities.

Directors and Officers' liability insurance

Skuld has worldwide Directors and Officers liability insurance covering all directors and officers. The insurance includes cover for management liability, certain legal fees, and costs, as well as pre-claim inquiry costs with a limit of NOK 75 million in the aggregate.

PEOPLE AND WORK ENVIRONMENT

In 2023, Skuld continued to focus on developing an inclusive and diverse culture. Marking the next stage of this journey, Skuld reviewed its strategic plan with an updated strategic objective "To foster a diverse, competent and innovative culture and attract top talents". This was approved by the Board and implemented by the Executive Management. Skuld aims to be an inclusive and diverse workplace with equal opportunities regardless of gender, age, nationality, race, or other factors. Throughout 2023, Skuld has continued to work on ensuring diversity, equality, and non-discrimination through clearly defined recruitment and compensation processes, promotions and opportunities for development, adjustments to accommodate individual needs, and by fostering a positive working environment that supports non-discrimination, health and safety, work-life balance for all, and parental leave.

Skuld also continues to focus on gender equality by committing to the UN Women Empowerment Principles and reporting to the SHE Index. The results from the SHE Index 2024 were recently published, and Skuld has improved further this year, since the starting point in 2019. As at 20 February 2024, Skuld has 50% women and 50% men employed, and the gender equality rate in managerial and key positions as at 20 February 2024 is 38%, up from 35% in 2020. The goal for 2025 is 40 % gender equality and 100% salary equality.

Further detailed information about Skuld's work with the activity and reporting obligation in compliance with the Gender Equality and Discrimination Act §26, is published in Annual Review 2023/24 on Skuld's website.

In 2022, the 3+2 flexible working solution was formally implemented in Skuld on a permanent basis. Throughout 2023, Skuld has focused on developing an effective and sustainable way of work for all employees, focusing on culture and knowledge sharing within a flexible work regime. Strengthening the Skuld culture in a remote work context is critical key to developing an inclusive and diverse culture. To facilitate and develop the future way of work in Skuld, a Future Way of Work project group has been established with representatives from various departments. In 2023, the Oslo office was reconstructed to utilise the office space more effectively through free seating, a mix of open plan and single offices, and facilities that better match a modern way of work.

SKULD



At the end of the financial year 2023/24, Skuld had 320 permanent full-time employees. The global sickness absence rate was 2.5 % in 2023/24, and no work-related incidents leading to significant personal injury or damage to property were reported during the year.

RESULTS AND STATEMENT OF FINANCIAL POSITION

The consolidated contribution to Members' funds for 2023/24 ended at USD 116 million (USD 31.8 million for 2022/23). The technical result ended at USD 50 million (USD 15 million for 2022/23) with a combined ratio of 88% (97% for 2022/23). The Association's contribution to Members' funds ended at USD 48 million (USD -18.1 million for 2022/23).

The gradual improvement of the technical result in the mutual book of business during 2022/23 continued in 2023/24. Based on the strong result for the financial year 2023/24 a Members' Credit of 5% (USD 10 million) is proposed to Skuld's mutual members.

Skuld has a strong capital adequacy that is well above the capital requirements set by the Solvency II regulation. Skuld has a clean A rating by Standard & Poor's.

Premiums and calls

The consolidated gross earned premiums and calls have increased compared to 2022/23 and ended at USD 517 million (USD 478 million for 2022/23). The Members' Credit of USD 10 million is reflected as a reduction of gross earned premiums and calls, leaving gross earned premiums and calls before Members' Credit to 527 million. Driven by a strong renewal with increased rates and new vessels entering the Association during the year, significant premium growth is seen in both mutual and commercial lines of business.

Claims incurred and reinsurance

The consolidated net claims incurred ended at USD 278 million, a reduction from USD 287 million in 2022/23. This is driven by a significant reduction in gross claims incurred of USD 285 million compared to the previous year. As the higher claims cost in 2022/23 was primarily driven by larger claims covered by the reinsurance program, a decrease in reinsurance recoveries year-on-year of USD 275 million outweighs a substantial part of the gross claim's reduction. In general, the financial year was characterised by a benign claim environment within P&I, in particular the mutual line of business, while the physical damage line of business was affected negatively by increased competition and a heavier claims environment. The international group (IG) pool cost affected the total claims cost with USD 24 million, a reduction of USD 5 million from 2022/23. Skuld reported no new pool claims this year.

Operating expenses

Net operating expenses increased by USD 7 million to USD 97 million, compared to last year (USD 90 million). Acquisition costs made up USD 4 million of the increase in operating expenses, mainly explained by increased commission driven by premium increase. The remaining increase is related to increased administrative expenses, mainly personnel costs.

Investment income

Total investment income was USD 75.5 million for 2023/24, with an investment portfolio return of 7.2% (USD -4.8 million and -1.2% for 2022/23). This includes fair value changes through other comprehensive income (OCI). Equities and fixed income contributed positively to investment income, while the currency effect was somewhat negative. Skuld's investments are allocated across several asset classes, regions, and currencies. The investment portfolio's performance has been in line with the main indices it follows. A substantial part of the portfolio uses sovereign debt to match liabilities in terms of duration and currency.

SKULD



Disinflation and the end of interest rate hikes translated into a higher contribution from fixed income than in recent years, particularly from short tenors. The US Secured Overnight Financing Rate (SOFR) averaged 5.13% during the year. Yield volatility was however high as various concerns played out. US regional banks were vulnerable in the beginning of the period, and US interest rates went rapidly down amid fear of this turning systemic. The US 2-year rate reached fell to 3.8% during this period. Later, as the labour market showed resilience and inflation expectations increased, the same rate peaked at 5.2%. Further economic figures brought the yield curve down towards the end of the financial year.

Strong underlying economics kept the Fed from initiating a reduction in their target rate as recession risk in the US receded. Higher rates for longer and soft landing eventually became consensus as credit spreads shrank and implied equity volatility remained low. Slow economic recovery from Covid in China and the risk of contagious real estate defaults did not affect a relatively strong growth outlook in the USA. Despite higher funding rates, the valuation of large US tech companies reached new heights. Nvidia and other companies benefitting from corporate spending on AI caused an increase in concentration risk towards US growth companies. The so-called magnificent seven's weight in global and US equities rose to 17.2% and 24.9%, respectively. The corresponding weights in the same indices for these companies at the start of the year were 12.5% and 19.0%.

Geopolitical risk related to Russia and the expanding conflict in the Middle East did not have a broad impact on financial markets, although stressing certain sectors like shipping.

Taxes

Skuld had a tax expense of USD 8 million in 2023/24, of which USD 1 million related to OCI. The tax expense is driven by positive results in the statutory accounts of the Association.

Total deferred tax is USD 50 million (USD 53 million for 2022/23), mainly consisting of deferred tax on historical contingency reserve that will be payable over a 10-year period. Refer to the section "Change in tax regulations" below for further information.

Equity

As at 20 February 2024 Members' funds stand at USD 517 million compared to USD 401.2 million as at 20 February 2023.

Cash flow

The cash flow statement shows a net cash flow in the group from operational activities of USD 54 million in 2023/24 compared to USD 16 million in 2022/23. The net cash flow from investment activities is negative USD 64 million in 2023/24. Net change in cash and cash equivalents is negative USD 10 million in 2023/24 compared to USD 14 million in 2022/23. The group's liquidity is considered very strong. The investment portfolio contains an overweight of liquid assets in order to enable large claims payments on short notice.

Statutory accounts

The description of results and statement of financial position as explained above is also applicable for the statutory accounts of the Association. In addition, quota share reinsurance agreements between the Norwegian Association and the Bermuda Association affects the statutory accounts. For 2023/24 a new quota share reinsurance agreement which, together with increase in gross premium, explains the increase in reinsurance premium of USD 107 million in the statutory accounts.

SKULD



CHANGE IN TAX REGULATIONS

The term Contingency Reserve has been the measurement of the Association's risk-carrying ability in previous years. As part of the implementation of Solvency II, Contingency Reserve was discontinued in the Norwegian regulatory framework and accounting standards in 2016 and reclassified to equity in the financial statement and to eligible capital in Solvency II. In parallel with the changes in Solvency II and the accounting standards, the Norwegian Ministry of Finance has worked on harmonising the tax regulations with the new standards. In 2018, new tax regulations for Norwegian insurance companies were approved. Skuld and the marine insurance industry have challenged these new regulations, and Skuld has disputed the taxation of historical contingency reserve in tax papers since 2018. In 2022, a notice of adjustment of tax assessment was received, which has been challenged by Skuld to the Norwegian Tax Appeals Committee.

The Financial Statements of the Association for 2023/24 are presented in accordance with the general tax regulations for insurance companies.

For comparison purposes, the Contingency Reserve for the Group is estimated to USD 551 million as at 20 February 2024, compared to USD 445 million as at 20 February 2023.

RISK MANAGEMENT

Financial risk

Market risk

Skuld's functional currency is USD. However, the Association has projected obligations in many currencies and thus is exposed to considerable currency risk. The Association aims to neutralise this risk by keeping assets in the same currencies as the assumed liabilities. The Association has large operating costs in NOK which occasionally are partly hedged with forward rate currency contracts. The Association runs a considerable interest rate risk due to the time delay from the loss date until the settlement date, which is an average of about 2.5 years, which affects the solvency calculation. When there are changes in the general interest rate (and thus the discount rate), the present value of the claims and thereby the Association's financial situation is altered. This risk is to a large extent neutralised by the Association's assets being matched so that they fluctuate in opposite directions (duration matching). Therefore, the Association is well hedged against interest rate changes in real economic terms. However, interest rate changes will quickly have a major effect on financial accounts since the claims provisions are booked at their nominal value and not adjusted to take account of their present value. This means inter alia that a rise in interest rates may result in a fall in the value of the Association's assets, while the liabilities appear to remain the same. In real economic terms, however, the present value of the outstanding claims will also fall so that the overall effect on the Association will be modest.

Through its investments, the Association runs considerable risk relating to various financial markets. At the end of financial year 2023/24, 65,7% of the investment portfolio was in global fixed income. The vast majority of these were government bonds and investment-grade corporate bonds. 21.8% were in global equity funds, 9.8% in cash, 2.7% in thematic investments.

The diversified portfolio leads to less volatility in the investment portfolio over time, but the Association has a notable part of the portfolio invested in asset classes of high volatility, which may lead to considerable future losses if the markets fall dramatically.

Credit risk

In addition to the investment portfolio, the Association carries credit risk relating to its members and reinsurers. The organisation has a high focus on collecting premiums and protecting itself against bad debt losses, thereby avoiding any significant increase.

SKULD



The Association has awarded its reinsurance contracts to companies with a minimum A- rating with Standard & Poor's. Apart from this, the Association has outstanding claims on the other P&I clubs in the International Group. The credit risk here is considered limited due to the fact that all the clubs provide a bank guarantee for their obligations.

Liquidity risk

Skuld considers its liquidity to be very good and has not considered introducing measures to change the liquidity risk apart from the minimum requirements regarding a constant liquidity reserve.

Other risks

Sustainability risk

Sustainability risks are factors with potential consequences for the climate and environment or socio-economic consequences. Climate change, environmental degradation, and social risk issues have an increasing impact on Skuld, creating both opportunities and risks. The physical impact of climate change – physical risk – increases the potential for claims. The ongoing transition to a carbon-neutral economy requires shipowners to make strategic decisions under significant uncertainty and entails increasing costs. Sudden and unanticipated future policy responses could disrupt the industry, entailing transition risk. To fall behind or to be perceived as insufficiently active to become more sustainable increases reputational, regulatory, and financial risks.

In response, Skuld has established the Skuld Sustainability Working Group (SWG), a cross-functional team representing all business areas, to ensure sustainability principles permeate every aspect of our operations. A special Climate Risk Working Group reporting to SWG is set up to address the risks arising from climate change and to examine and embrace the opportunities.

Current risk landscape

Global instability is increasing with a potential escalation of Russian aggression in Europe. The war between Israel and Hamas has heightened tensions in the Middle East, leading to attacks on Red Sea shipping which reshape global trade routes and push up costs. This again has led to a number of war exclusions, all of which are mirrored in P&I terms and conditions and additional clauses.

After a period with uncommon scarcity of large claims, recent development may indicate a return to a more normalised claims environment.

Rapid technological development in a world with escalating global tensions increases cybersecurity risk. Threat actors are often state-sponsored, and their use of technology will likely develop faster than the ability of open democracies to protect themselves.

The sanctions regime following the Russian invasion of Ukraine is extensive, and restrictions have been escalating rapidly. However, it has not proven to be very effective in damaging the Russian economy and military output, but it represents a considerable regulatory burden.

GOING CONCERN

In accordance with section 3-3a of the Norwegian Accounting Act, the Board of Directors confirms that prerequisites for the going concern assumption exist and that the annual accounts have been prepared on the assumption that the Association is a going concern. The assumption is based on the income projections for 2024, 2025, and 2026 and the Association's long-term strategic projections. The Association is in a healthy economic and financial position. The Board concludes that all factors for a going concern are in place.

SKULD



FUTURE OUTLOOK

Skuld is well-positioned for future growth. The strategy remains to further diversify and grow revenues across products, segments and regions, and across traditional and new revenue streams.

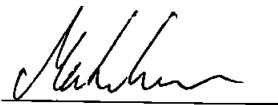
The successful 2024 P&I renewal re-affirms Skuld's strong brand and recognition in the marine sphere. The service Skuld provides to members and clients around the world is bespoke and second to none. The fully diversified portfolio of products and covers Skuld offers, with offshore liability, charterers liability, fixed P&I, Skuld Yachts and physical damage, is expected to contribute positively to both growth and bottom line.

Looking ahead, the claims environment is expected to return to long-term average after two years of abnormally few large losses. The global unrest with the war in Europe and in Gaza presents a challenging backdrop, and it remains to be seen how the situation will play out and how it will impact the global economy. Skuld is in a strong financial position and a continued focus on capital strength will remain a priority to cater for future volatility in claims Skuld is exposed to and the financial markets Skuld is invested in.


Paris, 15 May 2024




Klaus Kjærulff
Chair of the Board



Martin Larsen
Vice Chair of the Board



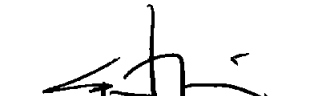
Terje Hj Michelsen
Vice Chair of the Board



Catherine Cheung
Board member



Ann-Marie Åström
Board member



Gerard Patronis
Board member



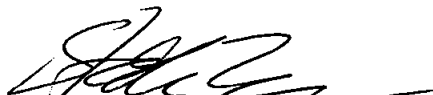
Uta Urbaniak-Sage
Board member



Morten Bjerregaard
Employee Representative



Daria Avdeeva
Employee Representative



Ståle Hansen
President and CEO

SKULD



STATEMENT OF TOTAL COMPREHENSIVE INCOME

All figures in USD 1,000

CONSOLIDATED				ASSOCIATION	
2023/24	2022/23		Note	2023/24	2022/23
TECHNICAL ACCOUNT					
Premiums and calls					
516,596	478,125	Gross earned premiums and calls	6	513,983	475,827
-91,590	-86,124	Reinsurance premiums		-272,374	-165,430
425,006	392,001	Premiums and calls for own account	4	241,609	310,397
Claims incurred					
279,832	564,421	Gross claims incurred		272,163	539,703
-1,574	-277,181	Reinsurance recoveries		-101,166	-308,980
278,259	287,240	Claims incurred for own account	4, 5	170,997	230,723
Operating expenses					
74,055	69,540	Acquisition costs	7	57,615	63,431
22,579	20,207	Administrative expenses	7, 10, 13	22,746	20,211
96,634	89,747	Net operating expenses		80,361	83,642
50,114	15,014	Technical result		-9,749	-3,968



CONSOLIDATED			ASSOCIATION	
2023/24	2022/23	Note	2023/24	2022/23
NON-TECHNICAL ACCOUNT				
Investment income				
0	30,456		0	0
21,242	15,247		14,953	14,813
45,297	-81,531		42,568	-81,359
3,715	34,163		3,650	33,537
-1,167	-1,158		-1,174	-1,166
69,087	-2,823		59,997	-34,175
69,087	-2,823		59,997	-34,175
119,201	12,191		50,248	-38,143
6,859	-21,241	11	6,538	-21,577
112,342	33,432		43,711	-16,566
Other comprehensive income				
5,830	-1,263		5,830	-1,263
-263	-1,088		0	0
-694	567	10	-723	-931
-1,276	178	11	-1,276	667
3,598	-1,607		3,831	-1,528
115,940	31,825		47,542	-18,094
115,940	31,825		47,542	-18,094
115,940	31,825		47,542	-18,094



STATEMENT OF FINANCIAL POSITION

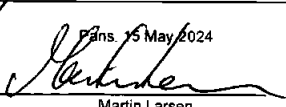
All figures in USD 1,000

CONSOLIDATED			ASSOCIATION	
20.02.24	20.02.23	Note	20.02.24	20.02.23
ASSETS				
Intangible assets				
4,501	2,034	8	4,501	2,034
4,501	2,034		4,501	2,034
Financial assets				
Subsidiaries and associated companies				
0	0	9	3,707	4,362
20	20	9	0	0
0	0	9	15,000	15,000
0	0	15	472	5,911
Financial assets at fair value				
250,908	212,105	2, 9	250,908	212,105
755,744	670,947	2, 9	587,712	516,122
30,954	29,610	2, 9	30,954	29,610
1,037,626	912,682		888,754	783,109
Reinsurers' share				
399,300	499,184		482,162	567,675
399,300	499,184		482,162	567,675
Debtors				
Assets arising from insurance operations				
83,139	80,326		82,980	80,190
16,681	31,272		16,681	31,272
6,160	4,986		4,423	4,059
105,979	116,584	3, 6, 9	104,084	115,521
Other assets				
5,688	4,174	8	5,277	3,783
166,713	176,822	3, 9, 16	120,544	160,312
172,401	180,996		125,821	164,096
Prepayments and accrued income				
12,724	11,523		12,705	11,507
10,866	13,973		19,788	13,310
23,590	25,495		32,493	24,817
1,743,397	1,736,976	Total assets	1,637,816	1,657,251

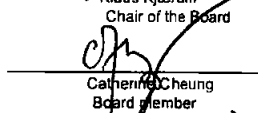


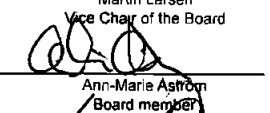
CONSOLIDATED			ASSOCIATION	
20.02.24	20.02.23	Note	20.02.24	20.02.23
EQUITY AND LIABILITIES				
Equity				
517,418	401,205		421,754	374,211
517,418	401,205		421,754	374,211
Technical provisions				
95,332	84,539		95,174	84,403
986,650	1,107,176		920,673	1,022,687
1,081,981	1,191,715	5	1,015,847	1,107,089
Provisions for liabilities				
9,999	8,712	10	9,400	8,108
Tax				
50,385	52,781	11	50,591	52,982
39,358	29,503	11	39,350	29,405
99,742	90,996		99,340	90,495
Other liabilities				
19,221	14,974	6	19,221	14,974
0	19,792		50,284	46,731
0	0	15	8,046	7,401
347	918	2,9	347	918
11,920	10,460		10,758	9,142
31,488	46,144		88,656	79,166
Accruals and deferred income				
12,768	6,916		12,218	6,289
12,768	6,916		12,218	6,289
1,743,397	1,736,976		1,637,816	1,657,251
Off-balance sheet items				
863,171	857,400	12	863,171	857,400

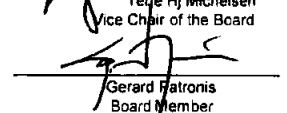

Klaus Kjærulff
Chair of the Board


Mars. 15 May 2024
Martin Larsen
Vice Chair of the Board

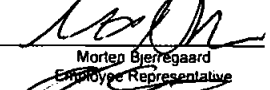

Torje H. Michelsen
Vice Chair of the Board


Catherine Cheung
Board member

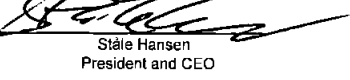

Ann-Marie Aström
Board member


Gerard Patronis
Board member


Uta Urbaniak-Sage
Board member


Morten Bjerregaard
Employee Representative


Daria Avdeeva
Employee Representative


Ståle Hansen
President and CEO



CASH FLOW STATEMENT

All figures in USD 1,000

CONSOLIDATED			ASSOCIATION	
2023/24	2022/23		2023/24	2022/23
		Cash flow from operational activities		
513,784	471,770	Premiums received	511,192	469,609
-382,734	-348,330	Paid claims	-428,129	-385,556
600	-5,027	Paid tax	1,016	-5,902
-77,884	-101,957	Operational expenses/change in accruals	-64,249	-30,871
53,766	16,456	Net cash flow from operational activities	19,830	47,279
		Cash flow from investment activities		
21,242	15,247	Interests and dividends received	14,953	14,813
-8,018	-3,733	Investments in fixed and intangible assets	-7,857	-3,613
0	34,543	Proceeds from sale of associated companies	0	0
-77,099	-76,087	Net financial investments	-66,694	-32,407
-63,876	-30,031	Net cash flow from investment activities	-59,598	-21,207
-10,110	-13,575	Net change in cash and cash equivalents	-39,768	26,072
176,822	190,397	Cash and cash equivalents at the beginning of the period	160,312	134,240
166,713	176,822	Cash and cash equivalents at the end of the period	120,544	160,312



STATEMENT OF CHANGES IN EQUITY

All figures in USD 1,000

CONSOLIDATED

	Members' funds	Total Equity
Equity as of 20.02.22	370,701	370,701
Result before other comprehensive income	33,432	33 432
Net gain/(loss) on financial assets measured at fair value through OCI	-1,263	-1,263
Exchange differences on subsidiaries	-1,088	-1,088
Remeasurement of defined benefit pension plan	567	567
Taxes on other comprehensive income	178	178
Total other comprehensive income	-1,607	-1,607
Total comprehensive income	31,825	31,825
Change in earlier years	-1,321	-1,321
Equity as of 20.02.23	401,205	401,205
Result before other comprehensive income	112,342	112,342
Net gain/(loss) on financial assets measured at fair value through OCI	5,830	5,830
Exchange differences on subsidiaries	-263	-263
Remeasurement of defined benefit pension plan	-694	-694
Taxes on other comprehensive income	-1,276	-1,276
Total other comprehensive income	3,598	3,598
Total comprehensive income	115,940	115,940
Other change in equity	272	272
Equity as of 20.02.24	517,418	517,418



ASSOCIATION

	Members' funds	Total Equity
Equity as of 20.02.22	394,232	394,232
Result before other comprehensive income	-16,566	-16,566
Net gain/(loss) on financial assets measured at fair value through OCI	-1,263	-1,263
Remeasurement of defined benefit pension plan	-931	-931
Taxes on other comprehensive income	667	667
Total other comprehensive income	-1,528	-1,528
Total comprehensive income	-18,094	-18,094
Merger Skuld Marine Agency (SMA) AS	-1,926	-1,926
Equity as of 20.02.23	374,211	374,211
Result before other comprehensive income	43,711	43,711
Net gain/(loss) on financial assets measured at fair value through OCI	5,830	5,830
Remeasurement of defined benefit pension plan	-723	-723
Taxes on other comprehensive income	-1,276	-1,276
Total other comprehensive income	3,832	3,832
Total comprehensive income	47,542	47,542
Equity as of 20.02.24	421,754	421,754



NOTE 1

ACCOUNTING PRINCIPLES

1.1 Basis for preparation

The financial statements are prepared according to the Norwegian Accounting Act and the regulation for preparing annual accounts for insurance companies ("Forskrift om årsregnskap for skadeforsikringselskaper").

The accounts consist of the consolidated accounts for Skuld group (Skuld) and separate accounts for Assuranceforeningen Skuld (Gjensidig) (the Association). In accordance with the regulation, the applied principles for recognition and measurements are based on IFRS® Accounting Standards as adopted by the EU with the exceptions for medium-sized entities.

The accounting year covers the period from 21 February to 20 February.

The Financial Supervisory Authority of Norway has approved the use of USD as functional currency for the Association, hence the financial statements are presented in USD.

1.1.1 Changes in accounting principles

Effective from fiscal year 2023 IFRS 17 replaces IFRS 4 for insurance contracts. Skuld have applied the eligibility not to implement IFRS 17 insurance contracts.

IFRS9

Effective from the fiscal year 2023 IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments for recognition and measurement of financial instruments. IFRS 9 is implemented with retrospective application from 21. February 2022, comparative information for financial period 2022/2023 is restated. For Skuld there is no implementation effects, only reclassifications between the categories Fair value through profit or loss (FVTPL) and Fair value through other comprehensive income (FVOCI). Refer to table below and further information in section 1.9.

All figures in USD 1,000

CONSOLIDATED

	IAS 39 classification	IFRS 9 classification	Carrying amount after IAS 39 as at 20.02.2023	Carrying amount after IFRS 9 as at 21.02.2023
Financial assets				
<i>Financial assets measured at amortised cost</i>				
Fixed income instruments				
Loans and receivables				
<i>Financial assets measured at fair value</i>				
Equities	FVTPL	FVTPL	212,105	212,105
Fixed income instruments	FVTPL	FVTPL	461,992	461,992
Fixed income instruments	FVTPL	FVOCI	208,955	208,955
Other financial assets	FVTPL	FVTPL	12,922	12,922
Other financial assets	FVOCI	FVTPL	16,689	16,689

ASSOCIATION

	IAS 39 classification	IFRS 9 classification	Carrying amount after IAS 39 as at 20.02.2023	Carrying amount after IFRS 9 as at 21.02.2023
Financial assets				
<i>Financial assets measured at amortised cost</i>				
Fixed income instruments				
Loans and receivables				
<i>Financial assets measured at fair value</i>				
Equities	FVTPL	FVTPL	212,105	212,105
Fixed income instruments	FVTPL	FVTPL	307,167	307,167
Fixed income instruments	FVTPL	FVOCI	208,955	208,955
Other financial assets	FVTPL	FVTPL	12,922	12,922
Other financial assets	FVOCI	FVTPL	16,689	16,689



1.2 Basis of consolidation

The consolidated financial statement includes the financial statements of Assuranceforeningen Skuld (Gjensidig) and affiliated Skuld Mutual P&I Association (Bermuda) Ltd, and entities controlled by Assuranceforeningen Skuld (Gjensidig) and Skuld Mutual P&I Association (Bermuda) Ltd. Skuld Mutual P&I Association (Bermuda) Ltd is owned and controlled by the same owners as Assuranceforeningen Skuld (Gjensidig).

An entity is considered to be controlled by Skuld when Skuld is exposed or has rights, to variable returns from its involvement in that undertaking, and have the opportunity to influence these returns. It is presumed that Skuld has control when the ownership interests in another company represent more than 50%. Assessments are made for each investment. Entities are consolidated when control is transferred to the group until control is ceased.

All entities in Skuld applies uniform accounting policies and principles. For those entities that have a different financial closure date, the latest available monthly financial statements prior to the reporting period for Skuld is used for consolidation. When preparing the consolidated accounts, intra-group transactions and balances, along with profit and losses on transactions between group entities, are eliminated.

1.2.1 Merger

Merger is carried out in accordance with rules on group continuity. All assets and liabilities are continued by Skuld at the values used in the consolidated accounts.

1.3 Shares in subsidiaries

Shares in subsidiaries are carried at historical cost less any impairment losses in the financial statement of the Association.

1.4 Investments in associated companies

An associate is an entity in which Skuld has a significant influence but does not control the management of its finances and operations. The consolidated financial statement includes Skuld's share of the profit/loss from associates, accounted for using the equity method from significant influence is achieved and until such influence ceases. Accounting principles in associated companies are adjusted for when there are differences from Skuld's accounting principles. When an investment is classified as held for sale it is measured at carrying amount.

1.5 Transactions in foreign currencies

Income and expenses in foreign currencies are initially recorded at the functional currency rate at the date of the transaction. Monetary assets and liabilities in foreign currencies and those assets and liabilities carried at fair value, 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 transaction date and the date of the balance sheet, are recognised in the income statement.

When consolidating, the assets and liabilities of foreign operations are converted to USD with the exchange rate at the date of reporting. Income statement transactions are converted using exchange rates at the transaction date. The exchange differences arising, are recognised as other result components.

1.6 Income and cost recognition principles

The premium income is recognised pro-rata over the period that risk is obtained. The premium is calculated and recognised according to the number of days that Skuld has obtained risk. Unearned premiums are presented as deferred income. Claims are recognised in the income statement the period they incur. Gross claims include an allocated portion of direct and indirect claims handling costs. Insurance related receivables and payables, not in scope of IFRS 9, are assessed for impairment at individual level based on historical experience and other relevant information.

1.7 Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The most significant estimates are case estimates, IBNR and pensions. Refer to note 2, 5 and 10 for further information on such estimates.

1.8 Technical provisions

Technical provisions are valued in accordance with relevant accounting regulations. The provisions also include a reserve for Unallocated Loss Adjustment Expenses (ULAE). The technical provisions have not been discounted.

1.8.1 Provision for unearned premiums

The provision for unearned premiums is an accrual for premiums written. Premiums written are distributed over the risk period at a linear basis. The provision relates to the unearned part of the premiums written.

1.8.2 Provisions for outstanding claims

Provisions for outstanding claims are expected compensation for damages that are reported but not settled and incurred damages that has not yet been reported at the end of the accounting period. The provision as of 20 February therefore consists of both reported (RBNS) and not reported claims (IBNR). Both IBNR and RBNS are provided for using the Association's own assessment. The provision for IBNR is calculated using experience data. Provisions for RBNS 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.



Computation of IBNR uses statistical methods on historical claims data, and expert judgements from actuaries. Skuld applies the Chain Ladder method, the Bornhuetter-Ferguson method, and the Generalised Cape Cod model. The methods are validated periodically by computing ultimate claims costs for historical periods and measuring their ability to project the claims development.

1.8.3 Reinsurers' share

Reinsurers' share of technical gross provision is presented as an asset in the balance sheet and represents the settlements that Skuld expects to receive from the reinsurer according to signed contracts.

1.8.4 Pool

Skuld's participation in the International Group of P&I clubs' (IG) pooling arrangement is treated as coinsurance.

1.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1.9.1 Financial assets

Financial assets are classified as being subsequently measured in one of the following categories: Amortised cost, Fair value through other comprehensive income (FVOCI), Fair value through profit or loss (FVTPL). The group and the Association determine the classification of financial assets at initial recognition.

Financial assets are initially recognised at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way purchases) are recognised on the trade date, i.e. the date that the group or Association commits to purchase or sell the asset. Derecognition of a financial asset when the contractual rights to the cash flow from the financial asset expire or it transfers the financial asset and that transfer qualify for derecognition.

According to IFRS 9, the general principle is that financial assets are classified and measured at FVTPL. However, based on the business model under which the financial assets are managed, and the characteristics of the contractual cash flows of the asset, the financial assets can fall under the other measurement categories. The following factors are considered:

- i) The business model for the portfolio of the corresponding financial asset, and
- ii) whether the characteristics of the contractual cash flow to the financial asset is solely payment of principal and interest (the "SPPI- criteria").

In determining the business model Skuld have considered portfolios of financial assets and how the entity manages that portfolio to meet the business objectives. Skuld's primary business objective is met in a business model where financial assets are held to collect and for sale.

The cash flow characteristics of the financial assets are evaluated in order to evaluate the SPPI criteria. The SPPI criteria is met if the contractual cash flows from a financial asset is solely payment of principal and interest on that principal. The characteristics of such assets are similar to those in a basic lending agreement. For assets that satisfy the SPPI criteria is measured at fair value with changes in fair value of those investment are recognised in other comprehensive income.

Impairment of financial assets (Expected credit loss)

According to IFRS 9.5.5 it is required to recognise a loss allowance for expected credit losses (ECL) on a financial asset that is classified and measured at amortised cost or fair value through other comprehensive income. Other financial assets are, based on SPPI criteria and business model, measured and classified at fair value through profit or loss and no ECL assessment is performed.

For instruments that are determined to have low credit risk at the reporting date it can be assumed that the credit risk on the financial instrument has not increased significantly since initial recognition. The credit risk is considered low if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

All financial assets measured and classified at fair value through other comprehensive income are considered to be low credit risk financial assets, and simplified method is applied. Thus, on each reporting date, Skuld measure the 12-month credit loss using a probability-weighted estimate of credit losses over the expected life of the financial instrument, using reasonable and supportable information available. Since the relevant investments have high credit quality the calculations show no material ECL, hence no such loss allowance is recognised. Financial assets measured at amortised cost, such as cash at bank and other debtors, are considered to have insignificant credit risk and no ECL is recognised.

1.9.2 Financial liabilities

Skuld determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value. The group and Association's financial liabilities include trade and other payables, together with financial guarantee contracts. After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gain and loss are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process. Derecognition of a financial liability is when the contractual liability has been expired, cancelled, or fulfilled.



Financial guarantee contracts issued by the group and Association are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the balance sheet date and the amount recognised less cumulative amortisation.

1.10 Fixed assets

Fixed assets are measured on initial recognition at cost. Following initial recognition, the assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. An item of fixed assets is derecognised upon disposal, and any gain or loss arising on derecognition of the asset is included in the income statement.

1.11 Intangible assets

Intangible assets are measured on initial recognition at cost, being the fair value at the date of acquisition. After initial recognition, intangible assets are measured at cost less accumulated amortisation. Intangible assets are amortised over the useful economic life, and the amortisation expense on intangible assets is recognised in the income statement in the expense category that is consistent with the function of the intangible assets. Software is classified and presented as fixed asset.

1.12 Pensions

The group operate various pension schemes, which all comply with local laws and regulations in each country in which Skuld operates. All pension schemes are recognised in accordance with the IFRS (IAS 19). Changes in the pension obligations for the defined benefit pension scheme as a result of changes in the actuary assumptions and variations between actual and anticipated return on pension funds, are recognised in the balance sheet immediately, through other income and expense. These schemes are: defined benefit scheme, defined contribution scheme and hybrid pension scheme.

1.12.1 Defined benefit scheme

The liability recognised in the statement of financial position is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The change in the net defined obligation is recognised within administrative expenses. Remeasurements, comprising of actuarial gains and losses and the return on plan assets are recognised in other comprehensive income in the period in which they occur.

1.12.2 Defined contribution scheme

The group has a commitment to pay a yearly contribution for each employee to privately administered pension insurance plans. The cost is recognised within administrative expenses.

1.12.3 Hybrid pension scheme

The employees in Norway are members of a hybrid pension scheme. In the member's accumulation period the Association has a commitment to pay a yearly contribution for each employee, in addition to a cost for future administration. The Association hence has no obligation when the employee becomes a pensioner or choose to leave Skuld. This cost is recognised within administrative expenses. In the member's payment period, the life insurance company obtains the obligation to pay the members their yearly pension, in addition to guarantee the member a minimum return of 0 per cent.

1.13 Tax

Following the implementation of Solvency II, a new accounting regulation came into force in 2016, regulating amongst others the technical presentation of contingency reserve in the financial statements. For accounting purposes, the contingency reserve should no longer be treated as an element of technical provisions. In December 2018, new tax regulations for Norwegian insurance companies were approved with impact from financial year 2018. Skuld and the marine insurance industry have challenged these new regulations. In the meantime the tax regulations for other non-life insurers will also apply for the mutual marine associations. The treatment is consistent with the treatment applied from 2017 where 75% of the contingency reserve was reclassified as equity, and 25% was recognised as deferred cessation tax. This deferred tax will be payable with 1/10 each year over a 10 years period.

With the exception of the changes in the accounting and tax regulations described above, there are no changes to the principles of presenting taxes: 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. The Association or group recognise previously unrecognised deferred tax assets to the extent it has become probable that the Association or group can utilise the deferred tax asset. Similarly, the company will reduce a deferred tax asset to the extent that the Association or group no longer regard 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.

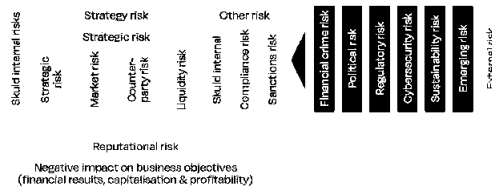
NOTE 2

RISK MANAGEMENT

All figures in USD 1,000

2.1 Introduction

Skuld's core business is marine insurance, and underwriting (UW) risk is Skuld's main risk. Skuld is further exposed to financial risk, i.e. market risk and liquidity risk, due to investment activities. Internal risks, of which sanctions risk is currently the most significant, originate from within the organisation, while Skuld at the same time operates in a risk landscape, being affected by a number of external risks. Skuld's business operations and the way risks are being dealt with may give rise to reputational and human rights risk.

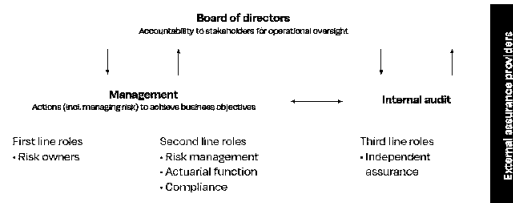


In this note, the risk management system is described first. A description of the main risks and their management follows. Details on technical provisions and the calculation of regulatory capital requirement are shown in separate notes. Skuld's approach to climate risk is described in section 2.11.

2.2 Risk management system

The Board is responsible for ensuring that Skuld has an effective risk management system. The Board oversees that the total risk exposure is in line with Skuld's risk bearing capacity. It states the Association's Risk Appetite and sets Risk Limits that are consistent with available capital. The Board's Risk Committee prepares the Board's management of the Association's aggregated risk and assesses if the Association's governance and control measures are adapted to the Association's risk levels and scope of activities.

The distribution of responsibilities with regard to risk management follows a three lines model as illustrated in the diagram below.



First line roles are made up of the risk owners and their organisations. The risk owners are responsible for identifying and managing risks within their business units or department, and for executing risk assessments. Further, risk owners are responsible for setting up appropriate risk controls.

Second line roles are made up of independent control functions for risk management, compliance and the actuarial process. The Chief Risk Officer (CRO) heads the department responsible for the risk management and actuarial function, while the compliance function is headed by the Chief Compliance Officer. The CRO is responsible for establishing an integrated risk management framework for all aspects of risk across the organisation. The CRO monitors the risk management system and the general risk profile, and reports independently to the Board, giving his assessment of the Association's risk picture. The actuarial function is responsible for ensuring the requirements given in Solvency II regulations governing this function are met. The Chief Compliance Officer is responsible for developing and maintaining a robust and effective framework for complying with internal and external regulations.

The third line consists of an independent internal audit function. The internal audit function is outsourced and reports directly to the Board's Audit Committee. The Internal audit function is responsible for reviewing the efficiency of the Association's risk management framework.

Skuld has also established an advisory internal risk committee. The committee is responsible for reviewing Skuld's risk management framework and the ORSA.

The risk management department submits a monthly report to CEO and the Board, describing the development in calculated risk capital for the main risk types, as well as the development in overall risk profile and in risk limits. The CRO submits a report to each meeting of the Board's Risk Committee, giving an overview of Skuld's risk picture and an assessment of the risk level.



2.3 Underwriting risk

Underwriting risk is the risk of loss or of adverse change in the value of insurance liabilities due to a deviation of the actual claims payments from the expected amount of claims payments (including expenses), and consists of reserve risk, premium risk and catastrophe risk.

2.3.1 Reserve risk

Reserve risk is the risk that the current claims provisions are not sufficient to cover the development of already incurred claims and related expenses. Reserve risk reflects principally the emergence of uncertainty related to actual claims' size (for reported, but not yet settled claims, i.e. RBNS) being higher than expected, and claims incurred but not reported (IBNR) being greater than expected.

The cost of RBNS is estimated by a claims handler for each individual claim and is based on relevant information available from claims reports, loss adjusters, medical certificates and information about the costs of settling claims with similar characteristics in previous periods.

Statistical methods are used for calculating IBNR provisions. IBNR provisions and provisions for outstanding claims are initially estimated at a gross level, and a separate calculation is carried out to estimate the size of reinsurance recoveries. The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified, where information about the claim is available.

2.3.2 Premium risk

Premium risk relates to future exposures, future claims and their related expenses. Exposure arises on unexpired risk from contracts already underwritten (i.e. the "unearned" exposure) and from future underwritten contracts.

2.3.3 Catastrophe risk

Catastrophe risk refers to the risk of financial losses related to unlikely events with high severity (natural, economic and man-made disasters with immediate impact).

2.4 Risk mitigation

In order to mitigate underwriting risk, Skuld participates alongside the 11 other P&I clubs in the International Group of P&I clubs' (IG) pooling arrangement, where currently, claims above a certain retention level are pooled. The pooling agreement provides a solid market reinsurance program, and sets out how the losses in the pooling layers are distributed between the participating clubs. This enables solvency after events with extreme losses, but also in years with a high frequency of low severity claims. Thus, reinsurance is applied to ensure that underwriting risk is kept within the accepted risk appetite. The clubs in the pooling arrangement retain part of the exposure, but purchase reinsurance in the market to reduce the total exposure. The P&I clubs have through IG established Hydra, a segregated account company, where each of the clubs have their own segregated cell, reinsuring part of the exposure in the pool. Skuld also writes other covers with very high vertical limits of cover. These covers are reinsured in the market based on a risk assessment of the desired risk level.

2.5 Managing underwriting risk

Underwriting policy describes management of underwriting risk which is regulated more detailed through underwriting instructions, underwriting product instructions and guidelines. Each policy written shall have a reinsurance program attached. Limits in excess of current reinsurance limits may not be offered. Skuld's reinsurance policy describes the management of the reinsurance process.

Underwriting is the process of classifying, selecting and pricing the insured risks to be accepted. The underwriter analyses the specific risk and related risk category, and determines the pricing per risk, cost and market conditions. Pricing is based on pricing models and acceptable deviation from the models are given in underwriting instructions.

All new/renewal risks and policy amendments are subject to Skuld's Underwriting Control Framework, where consideration must be given to each part of the framework.

Skuld's Underwriting Committee meets on a quarterly basis to monitor all underwriting activities in Skuld. The committee's terms of reference specify its responsibilities.

On a monthly basis, development in underwriting risk is followed through calculating SCR according to the standard formula. Should it become necessary to reduce underwriting risk, Skuld has the option to terminate underwritten covers. Currently, Skuld has an exposure to a number of lines of business which are written on fixed basis. In case risk reduction is needed, reducing or eliminating the exposure to one or several of the lines of business on fixed basis would be a possible way to reduce total risk without affecting Skuld's core business of mutual P&I.

2.6 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. The primary purpose of the investments is to support the insurance business by securing the value of insurance liabilities against fluctuations in market variables. Funds beyond this will be invested to help achieve Skuld's overall financial goals, with a controlled downside risk.

2.6.1 Market risk

Market risk refers to the risk of loss or of adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments. Within market risk, Skuld's main exposure is towards equity risk, interest rate risk and currency risk. Skuld is to a lesser degree exposed to spread risk, property risk and concentration risk.

Equity risk

Equity risk refers to the risk that the value of an asset or liability will change due to fluctuations in the level or volatility of the market prices for equities. 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 several private equity funds as well as hedge funds. Please refer to note 9 for an overview of equity investments.



Interest rate risk and currency risk

Interest rate risk refers to the risk that the value of an asset or liability will change due to a change in term structure of interest rates or interest rate volatility. Currency risk refers to the risk that arises from changes in the level or volatility of currency exchange rates. In real economic terms, Skuld is well secured against shifts in interest rates, but shifts 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.

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.

The following table shows the group's interest rate sensitivity to assets as the rate increases and decreases by 0.5 % and 1.0 %:

	Adjustments in interest rate level	Effect on profit before tax
2023/24	0.50 %	-7,596
	1.00 %	-15,192
	-0.50 %	7,596
	-1.00 %	15,192
2022/23	0.50 %	-6,200
	1.00 %	-12,401
	-0.50 %	6,200
	-1.00 %	12,401

Spread risk

Spread risk arises from the sensitivity of the value of assets and liabilities to changes in the level or in the volatility of credit spreads over the risk-free interest rate term structure. Increased spreads will result in a loss in fixed income instruments. An increase in the spread 100 basis points (bps) would have the following effect on the market value of fixed income securities:

	20.02.24	20.02.23
Sensitivity at +100 bps	-2,786	-2,477

2.6.2 Counterparty default risk

Counterparty default risk is the risk that a counterparty fails to meet its obligations. Bond issuers, account receivables, bank deposits and reinsurers represent important counterparty risks. The majority of bond holdings consist of highly rated issues. 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 investment grade.

20.02.24	AAA	AA	A	BBB/BB/B	Not rated	Total
Fixed Income valued at fair value*	350,250	224,624	92,674	38,091	50,105	755,744
Total financial assets valued at fair value	350,250	224,624	92,674	38,091	50,105	755,744
Members and clients					83,139	83,139
Reinsurers			16,681			16,681
Other debtors					6,160	6,160
Total debtors	0	0	16,681	0	89,298	105,979
Cash at bank			166,713			166,713
Total cash at bank	0	0	166,713	0	0	166,713

*Fixed income valued at fair value in Skuld Mutual P&I Association (Bermuda) Ltd and Hydra Skuld CeI amounts to USD 168.0 million as of 20.02.24 with following rating: USD 49.5 million with rating AAA, USD 71.5 million with AA rating, USD 36.6 million with A rating and USD 10.4 million not rated. Look-through approach used for Funds.

20.02.23	AAA	AA	A	BBB/BB/B	Not rated	Total
Fixed Income valued at fair value*	427,050	86,643	84,390	31,741	41,123	670,947
Total financial assets valued at fair value	427,050	86,643	84,390	31,741	41,123	670,947
Members and clients					80,326	80,326
Reinsurers			31,272			31,272
Other debtors					4,986	4,986
Total debtors	0	0	31,272	0	85,312	116,584
Cash at bank			176,822			176,822
Total cash at bank	0	0	176,822	0	0	176,822

*Fixed income valued at fair value in Skuld Mutual P&I Association (Bermuda) Ltd and Hydra Skuld CeI amounts to USD 154.8 million as of 20.02.23 with following rating: USD 118.8 million with rating AAA, USD 7.7 million with AA rating, USD 23.7 million with A rating and USD 4.5 million not rated. Look-through approach used for Funds.



Solvency capital requirements for counterparty risk are given in note 3. Refer to note 6 for bad debt accruals for members and clients. According to the Association's statutes, Skuld may terminate the entry of any vessels entered on three day's notice, where the member is in breach of his obligations in respect of the payments of premiums of other sums due to the Association.

2.6.3 Liquidity risk

Liquidity risk is the risk that Skuld is unable to meet payment obligations, with financing only possible at an excessive cost. This risk 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.

The table below shows the realisation time that applies to investment assets.

20.02.24			
Assets	Market value	%	Realisation time
Cash and Equivalents	166,713	13.8%	Daily
Equities	250,908	20.8%	Maximum 20 days
Fixed Income*	755,744	62.8%	1 to 6 days
Hedge funds	13,767	1.1%	Monthly
Private Equity	3,551	0.3%	Uncertain
Infrastructure	13,636	1.1%	Quarterly
Strategic Investments in associated companies	20	0.0%	Uncertain
Total	1,204,339	100.0 %	

*Skuld Mutual P&I Association (Bermuda) Ltd and Hydra Skuld Cell's share of this investment is USD 168.0 million.

20.02.23			
Assets	Market value	%	Realisation time
Cash and Equivalents	176,822	16.2%	Daily
Equities	212,105	19.5%	Maximum 20 days
Fixed Income*	670,947	61.6%	1 to 6 days
Hedge funds	12,922	1.2%	Monthly
Private Equity	4,341	0.4%	Uncertain
Infrastructure	12,348	1.1%	Quarterly
Strategic Investments in associated companies	20	0.0%	Uncertain
Total	1,089,504	100.0 %	

*Skuld Mutual P&I Association (Bermuda) Ltd and Hydra Skuld Cell's share of this investment is USD 154.8 million.

Equities and fixed income investments make up the major part of the investment portfolio. Passively managed bonds can be realised within 6 business days, and passively managed equities and commodities at mid-month and month end. Hedge funds are less liquid and have monthly openings. Private Equity funds are investments where capital is committed for a longer period of time, normally around ten years. Realisation of the invested capital before the end of the agreed life cycle implies that the invested capital must be sold in a secondary market.

The below table divides fixed income instruments, debtors and bank deposits by duration.

20.02.24							
	0-1 month	1-3 months*	3-12 months	1-3 years**	3-5 years	5 years <	Total
Fixed Income valued at fair value*	128,009	64,429	196,260	179,992	91,991	95,063	755,744
Total financial assets valued at fair value	128,009	64,429	196,260	179,992	91,991	95,063	755,744
Members and clients		83,139					83,139
Reinsurers			16,681				16,681
Other debtors		6,160					6,160
Total debtors	0	89,298	16,681	0	0	0	105,979
Cash at bank	166,713						166,713
Total cash at bank	166,713	0	0	0	0	0	166,713

*Fixed income valued at fair value in Skuld Mutual P&I Association (Bermuda) Ltd and Hydra Skuld Cell amounts to USD 103.8 million as of 20.02.24 with duration interval 0-3 months. Look-through approach used for Funds.

**Fixed income valued at fair value in Hydra Skuld Cell amounts to USD 64.2 million as of 20.02.24 with duration interval 1-3 years.

20.02.23							
	0-1 month	1-3 months	3-12 months	1-3 years	3-5 years	5 years <	Total
Fixed Income valued at fair value*	117,695	41,115	120,364	210,168	78,363	103,242	670,947
Total financial assets valued at fair value	117,695	41,115	120,364	210,168	78,363	103,242	670,947
Members and clients		80,326					80,326
Reinsurers			31,272				31,272
Other debtors		4,986					4,986
Total debtors	0	85,312	31,272	0	0	0	116,584
Cash at bank	176,822						176,822
Total cash at bank	176,822	0	0	0	0	0	176,822

*Fixed income valued at fair value in Skuld Mutual P&I Association (Bermuda) Ltd and Hydra Skuld Cell amounts to USD 93.1 million as of 20.02.23 with duration interval 0-3 months. Look-through approach used for Funds.

**Fixed income valued at fair value in Hydra Skuld Cell amounts to USD 61.7 million as of 20.02.23 with duration interval 1-3 years.



2.7 Managing financial risk

The main risk mitigation objective concerning financial risk is to reduce the likelihood of risk materialising, and to reduce the impact, should the risk materialise.

Total risk tolerance for market risk is described in Skuld's risk appetite statement. Investment mandates are established to respect these high-level risk limits. The investment and liquidity policy assign clear responsibilities and ensures the investment process is carried out in accordance with regulatory requirements. The investment strategy details the operationalisation of investment beliefs, policy and mandates.

The Investment department, supported by the Risk management function, is responsible for carrying out this strategy. The composition of financial assets follows the criteria and guidelines given by the market risk limits and investment strategy. Financial assets are used both for risk mitigating purposes and for maximising expected return given the specified restrictions.

To improve the risk/return relationship funds are invested across a large number of asset classes. Fund of fund vehicles are used to reduce manager risk in private equity.

The majority of equity holdings are invested in passively managed index tracking funds. These funds are benchmarked against an adjusted Bloomberg World Large & Mid Cap Total Return Index. This implies a risk profile consistent with the global equity market, without overweighting specific sectors, countries or regions. The index is widely diversified, including both developed and emerging countries, large- and mid-cap stocks.

Interest and currency risk of claims liabilities are immunised by Asset Liability management (ALM) in a separate portfolio. This portfolio consists of government bonds and bills issued by low-risk states. Changes to the value of the ALM portfolio are accompanied by a corresponding revaluation of the claims liabilities' present value. Interest risk is immunised by holding the duration of the portfolio equal to the duration of the claims liabilities, while currency risk is minimised by letting the currency composition mirror that of the claims liabilities. Derivative contracts (futures and forward contracts) may be used to improve the matching.

The main tool for managing and controlling market risk is calculating capital requirement through the standard formula. The development of capital requirement is followed at least monthly by the Risk management function. Should it become necessary to reduce market risk, Skuld has the option to change the asset allocation in the investment portfolio. Moving assets from asset classes with high risk to asset classes with low risk offers another tool to reduce total risk. An advantage with this option is that measures to reduce risk can be carried out on a very short notice in the financial markets.

Counterparty default risk is treated in the investment and liquidity process through investment and liquidity mandates, and investment and liquidity strategies. Risk limits and restrictions in these guiding documents are based on Skuld's risk appetite.

Skuld's liquidity strategy details framework and guidelines for ensuring adequate cash management to meet liabilities in due time. The liquidity risk tolerance is set in Skuld's risk appetite statement, to minimum 3% of the total investment portfolio. Compliance with risk tolerance is monitored by the risk management function.

In addition to the daily monitoring of the cash situation, a liquidity assessment describing monitoring activities and assessing the tolerance limit is prepared at least annually. A monthly mandate control covering the liquidity situation is also carried out.

2.8 Operational risk

Operational risk refers to the risk of loss arising from inadequate or failed internal processes, or from personnel and systems. The main risk mitigation objective concerning operational risk is to avoid or eliminate occurrence of risk events. Operational processes are monitored and people's behaviours and decisions are guided toward desired norms through Skuld's Code of Conduct. Operational risk is mainly controlled by active prevention. Risk owners in all business units are responsible for implementing adequate internal controls in operational processes. Executive Management ensures that the necessary instructions, guidelines, processes and procedures for managing operational risk in all material products, activities, processes and systems are in place.

An important part in managing operational risk is a risk assessment process, carried out at least bi-annually.

CRO supports risk owners and performs risk-based monitoring activities, in order to detect deficiencies in guidelines, processes and procedures, and propose corrective actions. 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. Incident reporting and the follow-up of incidents is on the other hand an important tool for controlling operational risk. CRO is responsible for the framework for incident reporting, and, together with Chief Compliance Officer, for keeping a record of all reported incidents and for monitoring actions taken to mitigate risk of recurrence.



2.9 Other risk types

Compliance risk is the risk of legal or regulatory sanctions resulting in a financial loss, or loss of reputation as a result of failure to comply with laws, regulations, rules, related self-regulatory organization standards, and codes of conduct. Reputational risk is the risk that adverse publicity regarding Skuld's business practices and associations, whether accurate or not, will cause a loss of confidence in the integrity of Skuld.

Sanctions risk is the risk of non-compliance with applicable sanctions regimes, which may result in monetary and civil penalties. Current risk landscape is described in 2.13 below.

The main mitigation objective for these risk types is to avoid or eliminate occurrence.

2.10 External risks

External risks are risks arising from events outside Skuld and that are beyond its influence and control.

External financial crime risk results from acts of a type intended to defraud, misappropriate property or circumvent the law, by a third party; includes money laundering.

Cybersecurity risk is the risk of financial loss, disruption or damage to reputation from pre-meditated attacks from outside parties.

Political risk is any political change that alters the expected outcome and value of a given economic action by changing the probability of achieving business objectives.

Regulatory risk are changes in current regulation (or imposition of new regulation) that will materially increase the cost of doing business.

Emerging risks are new or future risks whose hazard potential is not yet reliably known and whose implications are difficult to assess.

2.11 Sustainability risk

Sustainability risk are factors with potential consequences for the climate and environment or socio-economic consequences.

Skuld considers especially the following risks within this category:

- i. reputational, regulatory and financial risk of making insufficient progress in addressing sustainability issues,
- ii. physical impact of climate change and potential consequences for Skuld's portfolio,
- iii. risks connected with the transition to a lower carbon economy, and
- iv. liability risks.

The main mitigation objectives for external risks and sustainability risk is to reduce impact should risk event occur or avoid/eliminate occurrence.

2.12 Reputational risk

Reputational risk is the risk that adverse publicity regarding Skuld's business practices and associations, whether accurate or not, will cause a loss of confidence in the integrity of Skuld. The main mitigation objective for reputational risk is to avoid or eliminate occurrence.

2.13 Human rights risk

Human rights risk is the risk of actual or potential adverse impacts on human rights resulting from Skuld's business activities.

The main mitigation objective for human rights risk is to prevent or eliminate violations of human rights.

2.14 Current risk landscape

Global instability is increasing with potential escalation of Russian aggression in Europe. Further isolationism in American politics could increase risk of disputes around the globe escalating.

Attacks on Red Sea shipping have reshaped global trade routes, pushing up costs. War exclusions have been introduced by reinsurers. All inclusions are mirrored in P&I terms and conditions and additional clauses.

Claims environment is still characterised by an uncommon scarcity of large claims, however, there has been a slight increase in the second half of 2023.

Rapid technological development in a world with escalating global tensions gives rise to increased cybersecurity risk. Threat actors are often state-sponsored, and their use of technology will likely develop faster than the ability of open democracies to protect themselves.

The sanctions regime following the Russian invasion in Ukraine is extensive and restrictions have been escalating rapidly, however, it has not proven to be very effective in damaging the Russian economy and military output but represents a considerable regulatory burden.



NOTE 3

SOLVENCY REQUIREMENTS

All figures in USD 1,000

Skuld's level of capitalisation should at all times ensure reaching strategic targets within the adopted risk appetite, as well as fulfil regulatory requirements.

The Solvency Capital Requirement (SCR) is the amount of funds Skuld is required to hold in order to operate without regulatory intervention. The absolute minimum level of own funds that is required to protect policyholders is represented by the Minimum Capital Requirement (MCR).

Capital requirements are calculated based on the standard formula specified in the Solvency II regulation.

The current solvency ratio, i.e. the ratio of available own funds to SCR, calculated with the standard formula is 177 % for Skuld group. The Board expects the solvency ratio to lie within 140 % to 210 %, and with a target of 175 %.

Calculation of solvency ratio is based on requirements given in the regulations, which in some instances are open to interpretation. In addition, calculations per 20 February 2024 are based on the tax framework applicable to general non-life insurers.

Skuld has based the calculation of the Group's solvency ratio per 20 February 2024 on assumptions that represent the management's best judgement at the time the financial statement is prepared, and which are reviewed on an ongoing basis. Changes to interpretations of the regulations or the proposed tax framework may lead to changes in the solvency ratio.

Solvency Capital

Skuld's eligible solvency capital includes Basic Own Funds and Ancillary Own Funds. Basic Own Funds are assets in excess of liabilities, calculated according to Solvency II principles. The main difference between the Solvency II balance and the consolidated statement of financial position is the addition of risk margin, premium provision and discounting and the exclusion of intangible assets. Skuld's Ancillary Own Funds are calculated based on Skuld's ability to levy supplementary calls on its mutual members. Ancillary Own Funds may cover up to 50% of the solvency capital requirement.

CONSOLIDATED		Eligible own funds to cover SCR	ASSOCIATION	
20.02.24	20.02.23		20.02.24	20.02.23
524,534	421,704	Tier 1	422,420	389,831
166,819	165,470	Tier 2	126,101	142,314
691,353	587,174	Total eligible own funds to meet the SCR	548,522	532,145

CONSOLIDATED		Eligible own funds to cover MCR	ASSOCIATION	
20.02.24	20.02.23		20.02.24	20.02.23
524,534	421,704	Tier 1	422,420	389,831
0	0	Tier 2	0	0
524,534	421,704	Total eligible own funds to meet the MCR	422,420	389,831



The SCR is based on different sources of risks. The main risks for Skuld are underwriting risk and market risk. Counterparty default risk and operational risk also contribute to the capital requirement. These risks are described in note 2, "Risk Management". A diversification benefit is accounted for as all risks will not occur at the same time.

CONSOLIDATED			ASSOCIATION	
20.02.24	20.02.23		20.02.24	20.02.23
272,312	263,438	Underwriting risk	179,236	203,780
130,490	116,730	Market risk	133,935	127,526
56,741	82,770	Counterparty risk	55,136	85,070
-97,160	-99,775	Diversification	-87,804	-98,918
362,382	363,163	BSCR	280,502	317,458
0	0	Adjustment due to ring-fenced funds	0	0
24,913	28,238	Operational risk	23,413	26,205
-53,656	-60,461	Loss-absorbing capacity of deferred taxes	-51,712	-59,036
333,638	330,940	SCR	252,203	284,628
691,353	587,174	Total eligible own funds to meet the SCR	548,522	532,145
357,714	256,234	Capital surplus	296,319	247,518
207.2%	177.4%	SCR margin / Solvency Ratio	217.5%	187.0%

Regulatory Minimum Capital Requirement

MCR represents the minimum level of capital required to be able to continue business going forward. In practice, authorities would intervene long before this level is reached.

CONSOLIDATED			ASSOCIATION	
20.02.24	20.02.2023		20.02.24	20.02.23
524,534	421,704	Total eligible own funds to meet the MCR	422,420	389,831
113,187	109,492	MCR	75,521	88,769
411,347	312,212	Capital surplus	346,899	301,063
463.4%	385.1%	MCR margin	559.3%	439.2%

Contingency Reserve

The term Contingency Reserve has in previous years been the measurement for the Associations risk-carrying ability. As part of the implementation of Solvency II, Contingency Reserve, was discontinued in the Norwegian regulatory framework and accounting standards in 2016 and reclassified to equity in the financial statement and to eligible capital in Solvency II. Parallel with the changes in Solvency II and the accounting standards, the Norwegian Ministry of Finance has worked on harmonising the tax regulations with the new standards. In 2018, new tax regulations for Norwegian insurance companies were approved, resulting in 25 % contingency reserve recognised as deferred cessation tax and payable over a 10-year period. Skuld and the marine insurance industry have challenged these new regulations, but since the outcome is uncertain the financial statement is presented in accordance with the general tax regulations for insurance companies. At 20 February 2024 Contingency Reserve amounts to USD 551 million, while the corresponding figure per 20 February 2023 was USD 445 million.



NOTE 4

PREMIUMS AND CLAIMS

All figures in USD 1,000

CONSOLIDATED			ASSOCIATION	
2023/24	2022/23		2023/24	2022/23
		Total		
527,499	494,064	Written gross premiums*	524,741	491,666
-10,903	-15,940	Change in unearned premium provision	-10,759	-15,839
-91,590	-86,124	Reinsurance premiums	-272,374	-165,430
425,006	392,001	Premiums and calls for own account	241,609	310,397
267,759	313,358	Gross claims incurred, current policy year	284,239	303,918
12,073	251,063	Gross claims incurred, earlier policy years	-12,076	235,784
279,832	564,421	Gross claims incurred	272,163	539,703
1,574	277,181	Reinsurers' share of gross claims incurred	101,166	308,980
278,259	287,240	Claims incurred for own account	170,997	230,723

2023/24	2022/23		2023/24	2022/23
		P&I		
353,960	327,409	Written gross premiums*	351,471	324,955
-2,410	-8,966	Change in unearned premium provision	-2,389	-8,683
-75,530	-69,771	Reinsurance premiums	-173,052	-76,220
276,019	248,672	Premiums and calls for own account P&I	176,031	240,052
196,946	242,307	Gross claims incurred, current policy year	197,139	232,974
-35,227	220,222	Gross claims incurred, earlier policy years	-59,366	204,761
161,718	462,529	Gross claims incurred P&I	137,773	437,735
1,825	270,210	Reinsurers' share of gross claims incurred	31,851	295,938
159,893	192,319	Claims incurred for own account P&I	105,922	141,797

2023/24	2022/23		2023/24	2022/23
		Physical damage, FD&D and other		
173,539	166,656	Written gross premiums	173,270	166,711
-8,493	-6,974	Change in unearned premium provision	-8,370	-7,156
-16,060	-16,354	Reinsurance premiums	-99,322	-89,210
148,987	143,329	Premiums and calls for own account	65,579	70,345
70,814	71,050	Gross claims incurred, current policy year	87,100	70,945
47,300	30,841	Gross claims incurred, earlier policy years	47,290	31,023
118,114	101,892	Gross claims incurred	134,390	101,968
-252	6,971	Reinsurers' share of gross claims incurred	69,315	13,042
118,366	94,921	Claims incurred for own account	65,075	88,926

* after deduction of Members' Credit of 5% (USD 10 million) to Skuld's mutual members.



NOTE 5

TECHNICAL PROVISIONS

All figures in USD 1,000

CONSOLIDATED			ASSOCIATION	
2023/24	2022/23		2023/24	2022/23
1,107,176	917,595	Gross provision for outstanding claims at 21 February	1,022,687	841,519
-308,120	-282,076	Claims paid	-306,099	-280,126
203,443	259,064	Gross claims incurred, current policy year	219,296	248,231
-18,787	219,942	Gross claims incurred, earlier policy years	-18,611	218,651
2,938	-7,350	Exchange gains/losses	3,401	-5,588
986,650	1,107,176	Gross provision for outstanding claims as at 20 February	920,673	1,022,687
399,300	499,184	Reinsurers' share of provision for outstanding claims	482,162	567,675
587,349	607,991	Net provision for outstanding claims as at 20 February	438,511	455,012
95,332	84,539	Net provision for unearned premium income as at 20 February	95,174	84,403

CONSOLIDATED			ASSOCIATION	
2023/24	2022/23		2023/24	2022/23
180,732	199,458	Gross claims - International Group of P&I Clubs	179,400	197,985
113,469	123,441	Net claims - International Group of P&I Clubs	112,632	122,529

Actuarial methods

The contract with the pool and the pools reinsurers is renewed at balance date, so there is no provision for unearned premiums at the balance date.

The insurance provisions are related to claims incurred before the balance date, including provisions for both claims that are known but unsettled (RBNS) and claims incurred but not yet known (IBNR). The liabilities are undiscounted, and include both allocated and unallocated loss adjustment expenses.

Computation of IBNR uses statistical methods on historical claims data, and expert judgements from actuaries. For P&I, Skuld applies the Chain Ladder method and the Bornhuetter-Ferguson method. For some products with little historical data Skuld use a frequency-severity approach. The methods are validated periodically by computing ultimate claims costs for historical periods and measuring their ability to project the claims development. For Hull & Machinery, Skuld uses a Generalized Cape Cod model. The model is chosen because Skuld wants to calibrate against exposure and the model has flexibility in how to add expert judgements towards data observations or assumptions given. The IBNR is modelled on gross basis, disregarding the net perspective.

The booked premium provision is the difference between written and earned premium. Premium is earned linearly and is booked monthly. The average duration of the group's insurance liabilities are 3 years.

Reserve calculations for solvency purposes

The same basic principles for claims provisions are applied to the Solvency II claims provisions. These are discounted using the EIOPA risk free rates. The risk margin is added, being computed according to Solvency II regulations.

For Solvency II the premium provision is computed as the future cashflow between the Group and the member or customer, for contracts within the contract boundaries as described in Solvency II regulations. Future instalments of premiums are considered as an outgoing liability.



NOTE 6

GROSS EARNED PREMIUMS AND CALLS BY GEOGRAPHICAL AREAS

All figures in USD 1,000

CONSOLIDATED			ASSOCIATION	
2023/24	2022/23		2023/24	2022/23
55,256	49,879	Norway	54,833	49,141
159,974	141,608	European Economic Area (EEA)	159,024	141,222
301,366	286,638	Other areas	300,126	285,464
516,596	478,125	Total gross earned premiums and calls	513,983	475,827

BAD DEBT ACCRUALS MEMBERS AND CLIENTS

CONSOLIDATED			ASSOCIATION	
2023/24	2022/23		2023/24	2022/23
2,961	1,927	Accruals bad debt opening balance	2,961	1,927
-63	59	Realised loss during the year	-63	59
-102	975	Change accruals	-102	975
2,795	2,961	Accruals bad debt closing balance	2,795	2,961

Potential losses on reinsurers

The credit risk on reinsurers are closely monitored and all reinsurers are rated by a recognised agency. All reinsurers have a strong financial position with no ratings below A-. There has not been booked any provision for potential loss on reinsurers.



NOTE 7

ACQUISITION COSTS

All figures in USD 1,000

CONSOLIDATED			ASSOCIATION	
2023/24	2022/23		2023/24	2022/23
45,303	43,006	Commission	30,200	37,785
24,385	21,823	Underwriting expenses	24,566	22,053
4,367	4,711	Other acquisition costs	2,849	3,593
74,055	69,540	Acquisition costs	57,615	63,431

ADMINISTRATIVE EXPENSES

All figures in USD 1,000

CONSOLIDATED			ASSOCIATION	
2023/24	2022/23		2023/24	2022/23
2,046	1,818	Facilities and services	1,478	1,167
1,809	1,398	IT	1,670	1,259
1,726	1,670	Operational expenses	7,464	6,816
16,604	15,039	Personnel costs	11,770	10,709
393	282	Other administrative expenses	364	259
22,579	20,207	Administrative expenses	22,746	20,211

The Association buys services from regional offices within Skuld group. These services are subject for a mark-up according to local transfer pricing legislations. In the consolidated figures the mark-up is eliminated.

Other administration expenses in the Association includes reallocation of expenses to the different activities within the group.



NOTE 8

FIXED- AND INTANGIBLE ASSETS

All figures in USD 1,000

CONSOLIDATED	Software	Fixtures, cars and equipment	Real estate	Other fixed assets	Total
Cost at 20.02.23	9,982	8,935	2,628	161	21,707
Purchased in the year	3,286	1,582	685	0	5,552
Sales / Scrapping in the year	2,742	1,622	0	0	4,364
Cost at 20.02.24	10,527	8,895	3,313	161	22,895
Accumulated depreciation	6,635	6,072	0	0	12,707
Net book value 20.02.24	3,892	2,823	3,313	161	10,189
Depreciation this year	687	652	0	0	1,340

Depreciation period	3 - 10 Years	7 - 15 Years
Depreciation method	Linear	Linear

Skuld has offices in 11 locations. The lease period for these offices range from 1 to 10 years.
Rental expenses 2023/24 for these offices are USD 5.2 million.

ASSOCIATION	Software	Fixtures, cars and equipment	Real estate	Other fixed assets	Total
Cost at 20.02.23	9,982	5,653	2,628	161	18,424
Purchased in the year	3,286	1,420	685	0	5,390
Sales / Scrapping in the year	2,745	1,177	0	0	3,922
Cost at 20.02.24	10,524	5,896	3,313	161	19,893
Accumulated depreciation	6,632	3,484	0	0	10,115
Net book value 20.02.24	3,892	2,412	3,313	161	9,778
Depreciation this year	658	521	0	0	1,178

Depreciation period	3 - 10 Years	7 - 15 Years
Depreciation method	Linear	Linear

Rental expenses 2023/24 for the Association amounts to USD 4.3 million including offices in Oslo, Bergen, Singapore, Hong Kong, Tokyo, London and Copenhagen.



NOTE 9

FINANCIAL ASSETS

CLASSIFICATION OF FINANCIAL INSTRUMENTS INTO CATEGORIES

All figures in USD 1,000

As of 20.02.24	CONSOLIDATED					
Main line	Classes of financial instruments	Financial assets at FVTPL	Financial liabilities at FVTPL held for trading	Financial assets at amortised cost	Financial liabilities at amortised cost	Financial assets at FVOCI
Equities, Fixed income instruments and Other investments	Equities	250,908				
	Hedge funds	13,767				
	Fixed income	513,303				242,442
	Private equity	3,551				
	Infrastructure	13,636				
Other debtors	Debtors			6,160		
Creditors	Other creditors				11,920	
	Derivatives		347			
Other assets	Cash at bank			166,713		

As of 20.02.23	CONSOLIDATED					
Main line	Classes of financial instruments	Financial assets at FVTPL	Financial liabilities at FVTPL held for trading	Financial assets at amortised cost	Financial liabilities at amortised cost	Financial assets at FVOCI
Equities, Fixed income instruments and Other investments	Equities	212,105				
	Hedge funds	12,922				
	Fixed income	461,992				208,955
	Private equity	4,341				
	Infrastructure	12,348				
Other debtors	Debtors			4,986		
Creditors	Other creditors				10,460	
	Derivatives		918			
Other assets	Cash at bank			176,822		



As of 20.02.24		ASSOCIATION				
Main line	Classes of financial instruments	Financial assets at FVTPL	Financial liabilities at FVTPL held for trading	Financial assets at amortised cost	Financial liabilities at amortised cost	Financial assets at FVOCI
Equities, Fixed income instruments and Other investments	Equities	250,908				
	Hedge funds	13,767				
	Fixed income	345,271				242,442
	Private equity	3,551				
	Infrastructure	13,636				
Other debtors	Debtors			4,423		
Creditors	Other creditors				10,758	
	Other liabilities				8,046	
	Derivatives		347			
Other assets	Cash at bank			120,544		

As of 20.02.23		ASSOCIATION				
Main line	Classes of financial instruments	Financial assets at FVTPL	Financial liabilities at FVTPL held for trading	Financial assets at amortised cost	Financial liabilities at amortised cost	Financial assets at FVOCI
Equities, Fixed income instruments and Other investments	Equities	212,105				
	Hedge funds	12,922				
	Fixed income	307,167				208,955
	Private equity	4,341				
	Infrastructure	12,348				
Other debtors	Debtors			4,059		
Creditors	Other creditors				9,142	
	Other liabilities				7,401	
	Derivatives		918			
Other assets	Cash at bank			160,312		



FINANCIAL INSTRUMENTS AT FAIR VALUE

All figures in USD 1,000

The following hierarchy is used for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Assets measured at fair value	20.02.24	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
Equities	250,908	250,908		
Fixed income	513,303	513,303		
Hedge funds	13,767		13,767	
Private equity	3,551			3,551
Infrastructure	13,636			13,636
Financial assets measured at fair value through other comprehensive income				
Bonds	242,442	242,442		
Total	1,037,606	1,006,652	13,767	17,187

Financial liability as of 20.02.24 comprise derivatives measured at level 1 fair value of USD 347 thousand.

Assets measured at fair value	20.02.23	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
Equities	212,105	212,105		
Fixed income	461,992	461,992		
Hedge funds	12,922		12,922	
Private equity	4,341			4,341
Infrastructure	12,348			12,348
Financial assets measured at fair value through other comprehensive income				
Fixed income	208,955	208,955		
Total	912,662	883,051	12,922	16,689

Financial liability as of 20.02.23 comprise derivatives measured at level 1 fair value of USD 918 thousand.

A description of valuation of the various levels is described in more detail in note 1. Shares and units classified as level 3 include private equity funds. Fair value for the funds are mainly based on reported values from the general partner. For private equity funds the general partner usually use cash-based models or multiples in estimating the fair value. The company does not have full access to information about all elements of these valuations and therefore has no basis for determining alternative values for alternative assumptions. Private equity funds have invested in a number of underlying companies and this significantly reduces the uncertainty associated with valuation of individual fund units. There is uncertainty associated with fixed values and in the realisation of underlying investments there can be both profit and loss.



Reconciliation of movements in Level 3 of fair value measurements:

20.02.24

Financial assets	Private equity	Infrastructure
Opening balance	4,341	12,348
Change in unrealised gains or losses	-610	1,288
Purchases in period	0	0
Disposals in period	-180	0
Closing balance	3,551	13,636



EQUITIES

All figures in USD 1,000

	Underlying Currency	Purchase Cost	Market / Book value
MSCI NOK Indx	NOK	148	166
MSCI ATS Indx	EUR	36	46
MSCI AUD Indx	AUD	1,218	1,978
MSCI BEF Indx	EUR	212	251
MSCI BRL Indx	BRL	608	652
MSCI CAD Indx	CAD	2,036	3,152
MSCI CAD Small Cap Indx	CAD	345	426
MSCI CHF Indx	CHF	1,316	2,605
MSCI CLP Indx	CLP	89	53
MSCI CNY Indx	CNY	4,118	2,928
MSCI COP Indx	COP	22	12
MSCI CZK Indx	CZK	13	16
MSCI DEM Indx	EUR	1,549	2,277
MSCI DKK Indx	DKK	258	985
MSCI EAFE Small Cap Indx	USD	2,462	4,214
MSCI EGP Indx	EGP	14	7
MSCI Emg Mkts Small Cap Indx	USD	1,228	1,920
MSCI ESP Indx	EUR	535	699
MSCI FIM Indx	EUR	198	277
MSCI FRF Indx	EUR	1,577	3,240
MSCI GRD Indx	EUR	62	58
MSCI HKD Indx	HKD	447	544
MSCI HUF Indx	HUF	19	32
MSCI IDR Indx	IDR	188	223
MSCI IEP Indx	EUR	93	152
MSCI INR Indx	INR	1,140	2,023
MSCI Israel Indx	ILS	184	191
MSCI ITL Indx	EUR	417	730
MSCI JPY Indx	JPY	3,341	6,318
MSCI KRW Indx	KRW	1,099	1,454
MSCI Kuwait Indx	KWD	64	93
MSCI MXN Indx	MXN	228	311
MSCI MYR Indx	MYR	202	160
MSCI NLG Indx	EUR	509	1,352
MSCI NZD Indx	NZD	35	51
MSCI PEN Indx	PEN	22	36
MSCI PHP Indx	PHP	69	75
MSCI PLN Indx	PLN	125	116
MSCI PTE Indx	EUR	51	52
MSCI Qatar Indx	QAR	96	100
MSCI RUR Indx	RUB	581	15
MSCI Saudi Arabia Indx	SAR	359	507
MSCI SEK Indx	SEK	512	841
MSCI SGD Indx	SGD	331	366
MSCI THB Indx	THB	190	191
MSCI TRL Indx	TRY	92	83
MSCI TWD Indx	TWD	709	1,934
MSCI UAE Indx	AED	131	147
MSCI UK Indx	GBP	2,659	3,899
MSCI ZAR Indx	ZAR	351	324
MSCI WORLD ex UNGC and CW Indx	USD	90,224	122,961
US Total Market Indx	USD	22,331	79,662
Total Equities		144,845	250,908



FIXED INCOME

All figures in USD 1,000

	Underlying Currency	Committed Capital	Committed Capital USD	Purchase Cost	Market / Book value
Foreign fixed income					
Money Market Fund*	USD			210,011	207,289
U.S. Treasury 1-3 Year Index CTF**	USD			67,018	73,321
U.S. Treasury 3-10 Year Index CTF	USD			70,386	80,236
Long U.S. Treasury Index CTF	USD			1,492	1,772
Treasury bonds and bills				226,246	230,211
SPDR BC Emerging Markets Local Bond ETF	EUR			5,529	3,306
SPDR BC Emerging Markets Local Bond ETF	USD			1,000	598
Emerging Markets Bond Fund	USD			4,991	7,501
SSgA Global Aggregate Bond Index Fund	USD			28,713	27,410
Vanguard Global Aggregate Bond ETF	USD			73,066	73,300
DNB Global Treasury Bond Fund	NOK			11,026	10,053
Pareto ESG Global Corporate Bonds	NOK			10,000	10,001
Pareto Nordic Cross Credit Fund	NOK			8,789	8,739
Alfred Berg Nordic Bond Fund	NOK			11,564	9,775
Total foreign fixed income				729,832	743,513
Norwegian fixed income					
Treasury bonds and bills				12,158	12,231
Total Norwegian fixed income				12,158	12,231
Total Fixed income				741,990	755,744

*Skuld Mutual P&I Association (Bermuda) Ltd and Hydra Skuld Cell part of this investment is USD 103.8 million

**Hydra Skuld Cell part of this investment is USD 64.2 million

OTHER INVESTMENTS

All figures in USD 1,000

	Underlying Currency	Committed Capital	Committed Capital USD	Purchase Cost	Market / Book value
Hedge funds					
Nordkinn fixed income macro fund (USD)	USD			4,527	5,934
Nordkinn fixed income macro fund (NOK)	NOK			8,853	7,833
Total Hedge funds				13,380	13,767
Infrastructure					
JP Morgan Infrastructure Fund	USD			10,000	13,636
Total infrastructure				10,000	13,636
Private equity*					
Pantheon Asia Fund V LP	USD	4,000	4,000	1,868	241
Pantheon Europe Fund V 'A' LP	EUR	4,500	4,871	995	412
Pantheon Europe Fund VI LP	EUR	3,000	3,247	1,124	662
Pantheon USA Fund VII LP	USD	9,000	9,000	1,996	1,146
Pantheon USA Fund VIII LP	USD	4,000	4,000	666	1,090
Total Private equity				6,650	3,551
Total other investments			25,118	30,029	30,954

*Totally USD 17.0 million and EUR 7.5 million has been committed to private equity. Of this USD 15.9 million and EUR 7.1 million has been called and paid.



FINANCIAL DERIVATIVES

All figures in USD 1,000

Contract description	Value date	NOK bought	USD sold	Market value
NOK/USD bought/sold with DnB	12.03.2024	47,000	4,540	(50)
"	10.04.2024	19,000	1,838	(22)
"	10.05.2024	40,000	3,877	(50)
"	11.06.2024	38,000	3,690	(53)
"	10.07.2024	43,000	4,181	(62)
"	12.08.2024	19,000	1,849	(29)
"	10.09.2024	47,000	4,579	(74)
"	10.10.2024	19,000	1,852	(30)
"	12.11.2024	40,000	3,901	(64)
"	03.12.2024	29,000	2,829	(47)
"	10.01.2025	40,000	3,904	(65)
"	11.02.2025	19,000	1,854	(30)
S+P 500 INDEX MAR24 4500 PUT	15.03.2024			229
Total financial derivatives				-347

SUBSIDIARIES

The tables below set forth the Association's ownership interest in subsidiaries.
The Association controls 100% of voting rights in all subsidiaries.

Shares in subsidiaries

		Currency	Share Cap.	Shares	Percent	Par value	Book value
Skuld Far East Ltd	Hong Kong	HKD	3,701,000	370,100	100 %	10	473
Skuld Services Ltd - A-shares	London	USD	1,225,000	625	100 %	1,960	1,020
Skuld Services Ltd - B-shares	London	USD	239	292	100 %	1	0
Vika Management AS	Oslo	NOK	35,000	100	100 %	350	0
Skuld Hellas Ltd	Piræus	USD	40,000	500	100 %	80	0
Skuld Germany GmbH	Hamburg	EUR	25,000	1	100 %	25,000	244
Skuld North America Inc	New York	USD	1,000	10	100 %	0	1,970
Skuld Prosjekt AS	Oslo	NOK	30,000	30	100 %	1,000	0
Book value as of 20.02.24							3,707

The shares in Skuld Hellas Ltd is written down with USD 0.2 million as of 20.02.2024.

Shares in subsidiaries owned by Skuld Mutual P&I Association (Bermuda) Ltd

	Office	Currency	Ownership interest	
			20.02.24	20.02.23
Hydra Insurance Company (Skuld Cell)	Hamilton	USD	100 %	100 %
Skuld Holding Ltd	Hamilton	USD	100 %	100 %
Skuld RE Ltd	Hamilton	USD	100 %	100 %
Skuld Investments Ltd - A-shares	London	GBP	100 %	100 %
Skuld Investments Ltd - B-shares	London	GBP	100 %	100 %

Other Investments

Assuranceforeningen Skuld (Gjensidig) is an Association Class Member of Skuld Mutual P&I Association (Bermuda) Ltd and has in accordance with the bylaws preference to receive distributions or other payments, but have no voting rights at the general meeting.



NOTE 10

PENSION

All figures in USD 1,000

The current pension scheme is a hybrid pension scheme. A hybrid pension scheme has elements from defined contribution schemes as well as from defined benefit schemes. In the member's accumulation period, the hybrid pension scheme is similar to a defined contribution scheme, while in the member's payment period it's similar to a defined benefit scheme. The association has a commitment to pay a yearly contribution for each employee of 7% of salary up to 12 times the base amount (G), and 18,1% between 7,1G and 12G. The scheme also includes entitlement to disability and children's pensions. The retirement age is 70 years. The yearly contribution is recognised as cost within administrative expenses. Number of employees in the hybrid pension scheme per 20 February 2024 is 179.

The association in Norway also has an early retirement pension agreement with the employees (born before 1952), which will pay out 85% of the salary between 66-67 years of age (65 for directors). This is a non-funded obligation, and includes 1 employee. The association in Norway also has non-funded obligations for the President & CEO. This includes early retirement pension and pension for salaries exceeding 12G. In 2022 Skuld Marine Agency AS (SMA) merged with the association and the employees included in the hybrid pension scheme was transferred to the association with the same terms. During 2023 the transferred defined benefit scheme includes 1 pensioner.

The defined benefit pension scheme in Skuld North America Inc. only effects the net pension obligations for secured pensions, and per 28 February 2024 the scheme included 5 employees and 4 pensioners. Starting 31 December 2020 there was a plan freeze and no new employees will be added to this pension scheme.

The pension schemes for Skuld North America Inc. is included in the consolidated figures.

Investment profile of pension assets in Storebrand Livsforsikring AS:

	31.12.20	31.12.21	31.12.22	31.12.23
Shares	8.5 %	12.0 %	4.0 %	4.0 %
Bonds	9.7 %	9.3 %	6.0 %	7.0 %
HTM Bonds	34.9 %	39.4 %	41.0 %	45.0 %
Real Estate	15.1 %	13.3 %	14.0 %	14.0 %
Loan	22.4 %	16.5 %	18.0 %	15.0 %
Other	2.9 %	2.1 %	1.0 %	2.0 %

Value adjusted capital return in Storebrand Livsforsikring AS:

	31.12.20	31.12.21	31.12.22	31.12.23
	5.6 %	3.7 %	-3.1 %	1.8 %



	CONSOLIDATED		ASSOCIATION	
	20.02.24	20.02.23	20.02.24	20.02.23
Net pension costs				
Defined benefit pension plan:				
Current service cost	317	294	317	294
Net interest expense / (income)	223	205	184	103
Social Security Tax (SST)	96	76	96	76
Administration Cost	0	2	0	2
Past service cost	0	109	0	109
Remeasurements	0	0	0	0
Net benefit pension costs (income)	636	685	598	584
Contribution pension plan cost	3,809	4,638	2,824	3,819
Total pension costs charged to the income statement for the year	4,445	5,324	3,422	4,403
Changes in pension assumptions charged to other comprehensive income	-694	567	-723	-931
Secured Pensions	20.02.24	20.02.23	20.02.24	20.02.23
Estimated pension obligations	1,327	1,209	728	606
Pension plan assets (at market value)	-39	-47	-39	-47
Social Security Tax (SST)	0	0	0	0
Unrecognised past service cost	0	0	0	0
Unrecognised effects of actuarial gains/losses	0	0	0	0
Net pension obligations	-1,288	1,163	-689	559
Unsecured Pensions	20.02.24	20.02.23	20.02.24	20.02.23
Estimated pension obligations	7,314	6,338	7,314	6,338
Pension plan assets (at market value)	0	0	0	0
Social Security Tax (SST)	1,397	1,211	1,397	1,211
Unrecognised effects of actuarial gains/losses	0	0	0	0
Net pension obligations	8,711	7,549	8,711	7,549
Net pension assets	-39	-47	-39	-47
Net pension obligations	10,038	8,758	9,439	8,155
Net pension obligations	9,999	8,712	9,400	8,108
Assumptions used to determine benefit obligation	20.02.24	20.02.23	20.02.24	20.02.23
Discount rate	3.10 %	3.00 %	3.10 %	3.00 %
Wage growth	3.50 %	3.50 %	3.50 %	3.50 %
Yearly increase in pension payments	1.80 % / 3.25 %	1.50 % / 3.25 %	1.80 % / 3.25 %	1.50 % / 3.25 %
Yearly increase in G	3.25 %	3.25 %	3.25 %	3.25 %
Yield on pension assets	4.80 %	4.70 %	4.80 %	4.70 %
Average turnover members over/under 40 years old	0-8 %	0-8 %	0-8 %	0-8 %
Industry tariff basis of mortality prepared by Finansnæringens Fellesorganisasjon	K2013/KU	K2013/KU	K2013/KU	K2013/KU



NOTE 11

TAXES

All figures in USD 1,000

CONSOLIDATED

Tax expense	2023/24	2022/23
Tax payable	10,998	20,096
Change in deferred tax	-2,449	-28,558
Exchange rate differences	-1,690	-12,779
Tax expense/(income) on ordinary result	6,859	-21,241

Tax expense/(income) on other comprehensive income	-1,276	178
---	---------------	------------

Specification of tax effects resulting from temporary differences:	20.02.24		20.02.23	
	Asset	Liability	Asset	Liability
Non-current assets		375		127
Bad debt accruals	2,795		2,966	
Pensions	9,382		8,223	
Gains and losses		302		386
Other temporary differences	273		260	
Contingency reserve		135,878		173,683
Financial assets		77,218		48,108
Total	12,450	213,773	11,449	222,303
Deferred tax asset (liability)		-50,385		-52,781
Total deferred tax liability balance sheet		-50,385		-52,781

ASSOCIATION

Tax expense	2023/24	2022/23
Tax payable	10,689	20,530
Change in deferred tax	-2,459	-29,338
Exchange rate differences	-1,693	-12,768
Tax expense/(income) on ordinary result	6,538	-21,577

Tax expense/(income) on other comprehensive income	-1,276	667
---	---------------	------------

Tax base calculation	2023/24	2022/23
Profit before income tax	55,537	-40,335
Permanent differences	-47,263	83,356
Difference in estimated tax, previous years	-730	-168
Change in temporary differences	34,841	36,004
Exchange rate differences	-345	2,759
Tax base	42,039	81,616

Specification of tax effects resulting from temporary differences:	20.02.24		20.02.23	
	Asset	Liability	Asset	Liability
Non-current assets		466		258
Bad debt accruals	2,795		2,966	
Pensions	8,707		7,541	
Gains and losses		302		386
Other temporary differences		0		0
Contingency reserve		135,878		173,683
Financial assets		77,218		48,108
Total	11,502	213,864	10,507	222,435
Deferred tax asset (liability)		-50,591		-52,982
Total deferred tax liability balance sheet		-50,591		-52,982

Spesification of tax expense	2023/24	20.02.23
25 % tax on profit before tax	13,884	-10,084
Tax effect from permanent differences	-11,816	20,839
Changes in deferred tax	7,277	-23,832
Difference in estimated tax previous years	-183	-42
Currency effect	-2,626	-8,458
Tax expense for the period	6,538	-21,577

From 2018/19 The Association has disputed the taxation of historical contingency reserve in tax papers. In 2022 a notice of adjustment of tax assessment was received, which has been challenged by Skuld to the Norwegian Tax Appeals Committee. No further development or change in treatment in 2023. Refer to note 1 (1.13) for further information.



NOTE 12

OFF-BALANCE SHEET ITEMS

Guarantees

Bank Guarantees and "Club Letter of Guarantees" amounting in total to USD 863.2 million have been issued to claimants 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.



NOTE 13

SALARIES AND OTHER ADMINISTRATIVE EXPENSES

All figures in USD

	Board remuneration	Salary	Bonus	Benefits in kind	Pension cost	Total remuneration
Executive Management						
Ståle Hansen (President and CEO)		922,724	581,543	69,670	520,774	2,094,711
Kristian Dekke Løberg (Chief Financial Officer)		324,162	185,165	37,632	48,602	595,560
Lars Duølod (Chief Underwriting Officer)		317,148	85,429	35,858	93,977	532,412
Trude S. Husebo (Special Adviser to the Executive Management)*		82,007	120,733	7,582	15,125	225,448
Hilde Søbstad Løvskar (Chief Legal Officer)		213,009	48,298	34,270	37,293	332,870
Gregory Thomas (Chief Business Development Officer)		330,064	94,331	57,196	49,757	531,348
Alem Jasarevic (Chief Operating Officer)		203,521	45,165	30,324	33,824	312,833
Mattias Hedqvist (Chief Claims Officer)		253,416	67,606	33,826	43,879	398,727
Anna Erlandsen (Chief Strategy and Sustainability Officer)**		63,083	-	8,234	9,458	80,775
Erik Myrind (Chief People Officer)**		63,083	-	7,568	10,318	80,969
Members of the Board						
Klaus Kjørulff (Chair of the Board)	68,200					68,200
Martin Larsen (Vice Chair of the Board)	30,250					30,250
Terje HJ Michelsen (Vice Chair of the Board)	33,000					33,000
Ann-Marie Åström (Board member)	27,500					27,500
Catherine Cheung (Board member)	27,500					27,500
Gerard Patronis (Board member)	27,500					27,500
Uta Urbaniak (Board member)	27,500					27,500
Peter Blecher (Employee representative)***	16,500					16,500
Morten Bjerregaard (Employee representative)***	11,000					11,000
Dania Avdeeva (Employee representative)	27,500					27,500
Total remuneration	296,450	2,772,217	1,228,269	322,158	863,008	5,482,102

*On sick leave from 26.04.2023

**Executive Management from 01.09.2023.

*** Change of Employees representative 14.09.2023

Corporate guidelines for remunerations in Skuld apply to remunerations for all employees. The guidelines determine that total remunerations shall be given based on an overall assessment of the group's results as well as the unit's and each employee's contribution. Remuneration shall be designed in such a way that it does not contribute to cause Skuld unwanted risk. The remuneration shall be competitive, but at the same time cost-effective for Skuld. The guidelines also determine that monetary remuneration shall consist of a basic salary as well as a variable portion where appropriate. The basic salary shall be remuneration for the responsibility, demands and complexity associated with the position, while variable salary shall encourage additional performance and desired behaviour. The scheme is designed in accordance with Skuld's Reward and Recognition policy and general guidelines adopted by the Board's remuneration committee. The President and CEO has the overall responsibility for Skuld's scheme in accordance with the prevailing guidelines. The corporate guidelines for variable remuneration shall ensure that Skuld's schemes prevent excessive risk-taking as well as achieve and maintain an adequate and robust solvency ratio and long-term profitability. The scheme shall support Skuld's strategy and interest and ensure compliance with Skuld defined risk appetite.

For employees subject to regulations on remuneration, a minimum of 50 per cent of the accrued variable remuneration is divided into 3 parts with a holding period (deferred and conditional) with 1/3 each year over three years. The deferred and conditional payment will follow the provisions of the remuneration regulation. Total deferred bonus for employees subject to regulations on remuneration is USD 1,078,323.

Total remuneration for the Committee, Audit-, Election-, Risk- and Remuneration Committee is USD 207,818.

Number of employees in Skuld as of 20 February 2024 was 322.

Auditor's remuneration

	2023/24		2022/23	
	Consolidated	Association	Consolidated	Association
Audit fee	325,337	253,866	324,759	219,721
Further assurance services	22,339	22,339	2,076	2,076
Other services	129,092	129,092	94,844	94,844
Tax services	20,632	16,041	18,851	14,484

All amounts exclusive VAT.



NOTE 14

MORTGAGES AND OTHER LOANS TO EMPLOYEES, BOARD AND OTHER

All figures in USD 1,000

Loans to Executive Management:	20.02.24
Ståle Hansen (President and CEO)	276
Kristian Dekke Løberg (Chief Financial Officer)	94
Lars Dueled (Chief Underwriting Officer)	47
Gregory Thomas (Chief Business Development Officer)	76
Alem Jasarevic (Chief Operating Officer)	26
Mattias Hedqvist (Chief Claims Officer)	38
Hilde Søbstad Løvskar (Chief Legal Officer)	29
Total	585

There are no other loan or guarantee issued to member of the board, control committee or other bodies.

Conditions:

Interest rate:	Norwegian authorities minimum tax free interest rate
Term:	Max 3 years
Collateral:	Withheld granted bonus payment

NOTE 15

INTERCOMPANY ACCOUNTS AND TRANSACTIONS

All figures in USD 1,000

ASSOCIATION	Receivables		Payables	
	20.02.24	20.02.23	20.02.24	20.02.23
Intercompany accounts	472	5,911	8,046	7,401
	2023/24	2022/23	2023/24	2022/23
Skuld Hellas Ltd	2,394	1,704		
Skuld Far East Ltd	6,175	5,515		
Skuld Germany GmbH	3,626	3,092	0	-5
Skuld North America Inc	4,154	4,103	-101	-28
Skuld Services Ltd	8,558	7,022		
Skuld Investment Ltd			61	232
Intercompany transactions	24,907	21,436	-39	199

NOTE 16

CASH AND BANK HOLDINGS

All figures in USD 1,000

Part of Skuld's cash holdings are restricted funds to cover employers' tax and future claim payments.

	20.02.24
Association	62,879
Consolidated	62,879



NOTE 17

SUBSEQUENT EVENTS

After year end, a large container ship collided with a bridge in Baltimore, USA. The vessel was entered with another P&I Club within the International Group of P&I clubs. The total claims estimate is highly uncertain and the owners of the ship have filed a limitation of liability court petition, seeking to cap their liability for claims arising from the collision. As a member of the International Group (IG), Skuld has an exposure through the IG Pooling Agreement but, the impact on Skuld's financial position is not expected to be material.



To the General Meeting of Assuranceforeningen Skuld (Gjensidig)

Independent Auditor's Report

Opinion

We have audited the financial statements of Assuranceforeningen Skuld (Gjensidig), which comprise:

- the financial statements of the parent company Assuranceforeningen Skuld (Gjensidig) (the Association), which comprise the statement of financial position as at 20 February 2024, the statement of total comprehensive income, cash flow statement and statement of changes in equity for the year then ended, and notes to the financial statements, including material accounting policy information, and
- the consolidated financial statements of Assuranceforeningen Skuld (Gjensidig) and its subsidiaries (the Group), which comprise the statement of financial position as at 20 February 2024, the statement of total comprehensive income, cash flow statement and statement of changes in equity for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Association as at 20 February 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 20 February 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Association for 4 years from the election by the general meeting of the shareholders on 3 September 2020 for the accounting year 2020/21.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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The Group's business activities are largely unchanged compared to last year. We have not identified regulatory changes, transactions or other event that qualified as new Key Audit Matters for our audit of the 2023/2024 financial statements. Furthermore, *Valuation of gross provision for outstanding claims* has the same characteristics and risks as in the prior year, and therefore continues to be an area of focus this year.

Key Audit Matter

How our audit addressed the Key Audit Matter

Valuation of gross provision for outstanding claims

Estimation of gross provision for outstanding claim liabilities is complex and require application of management judgement. The liabilities are based on the estimated ultimate cost of all claims incurred but not settled at 20 February 2024, whether reported or not, together with the Unallocated Loss Adjustment Expenses (ULAE).

A range of methods, including statistical models, were used to determine these provisions. Underlying these methods are a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims.

We focused on this area because of management's use of judgement and the inherent complexities necessary to determine the provision for gross outstanding claims.

See note 1.8 and note 5 to the consolidated financial statements, where management explains their provisions.

To assess the calculated gross provision for outstanding claims, we performed the following procedures:

- Understood and tested both the governance process and internal controls related to the determined provisions for gross outstanding claims.
- Tested the underlying data to source documentation on a sample basis.
- Used our own actuarial specialist and applied our industry knowledge and experience to compare the methodology, models and applied assumptions to recognised actuarial practices.
- Used our own actuarial specialist to independently estimate the reserves on selected classes of business. For the selected classes, we compared our estimated reserves to those determined by management, and sought to understand any significant differences.
- For the remaining classes, we evaluated the methodology and assumptions applied, and compared the historical loss developments to reported provisions to discover any abnormality in the applied methodology.

No significant deviations were identified as a result of our audit procedures.

We also assessed and found the disclosures provided in the notes to the consolidated financial statements to be adequate and appropriate.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.



Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events



in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Oslo, 15 May 2024

PricewaterhouseCoopers AS

Erik Andersen

State Authorised Public Accountant