

PRESS RELEASE

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Assuranceforeningen Gard, gjensidig and If P&C Insurance Ltd.

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In October 1999, Assuranceforeningen Gard, gjensidig, ("Gard") and If P&C Insurance Ltd. ("If") announced that they had agreed to examine together the possible benefits of forming a jointly-owned management company through which to manage the operations of Gard and If's Marine and Energy Division. Following extended negotiations between the parties, Gard's Executive Committee has decided to recommend to Gard's Committee that such a joint venture should be formed.

Gard is the second largest P&I Club with approximately 12 per cent of the world ocean-going tonnage. The Marine and Energy activity of If consists of the Hull & Machinery, Loss of Hire and Energy businesses of Vesta and Storebrand. They underwrite some 6 per cent of Hull and Machinery business worldwide and 8 per cent of global energy business.

The Board of If has agreed the terms of the joint venture subject to the approval of the Gard Committee and of the Gard Membership and to certain regulatory consents. An Extraordinary General Meeting of the Club's Members will be called for 31 March if the Committee endorses the decision of the Executive Committee.

John Bernander, Managing Director of the Gard P&I Club, and CEO designate of the joint Management Company, said: "Gard and If will retain their own identities with full control of underwriting and claims handling and there will be no mingling of the liabilities or funds. However, the joint operations, which represent a unique management approach in Scandinavia, should enable both Gard and If to realise significant cost savings and provide improved services to shipowners."

The joint Management Company will be owned 60 per cent by Gard and 40 per cent by If, but with equal voting rights. The implementation of the agreements is scheduled to take effect from 1 July 2000, if approved by Gard's Committee and Gard Membership.

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