

## **NORTH P&I CLUB POSTPONES HULL AND MACHINERY PRODUCT UNTIL MARKET IMPROVES**

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Directors of the 'A' rated 150 million GT North P&I Club have decided to postpone the launch of a proposed fixed-premium product for hull and machinery cover until market conditions improve. The launch was originally scheduled for 1 July 2011 to coincide with the run-off of UK-based Marine Shipping Mutual Insurance (MSMI).

According to North chairman Albert Engelsman of Dutch shipping group Wagenborg, 'Having undertaken a detailed investigation into current market conditions, North has reluctantly decided to postpone the launch of its hull and machinery product until such time as conditions improve. We have also withdrawn our offer to acquire the run-off liabilities of MSMI as the launch of the hull and machinery product was an integral part of this offer. We will be considering whether to make a revised offer to MSMI and, should matters progress on this front, a further announcement will be made in due course.'

North joint managing director Alan Wilson says there were a number of factors influencing the Club's decision, including the current instability in the insurance markets and in the economy generally. It also became apparent that the MSMI premium volume transferring would be less than originally anticipated and that insufficient new business could be written at a suitable level to make the product financially viable in the short to medium term.'

According to joint managing director Paul Jennings 'While it is of course disappointing that we are not proceeding with the hull facility at this time, we are satisfied it is the right decision. We remain firmly committed to our long-standing strategic aim of expanding North's product range beyond its core protection and indemnity service, and will continue to consider the possibility of launching a hull and machinery product in the future.'

North currently provides P&I insurance to 105 million GT owned tonnage and 45 million GT chartered tonnage, with 4270 ships entered by 375 members. The Club also provides freight demurrage and defence, war and other non-poolable covers. It is based in Newcastle upon Tyne with regional offices in Hong Kong, Piraeus and Singapore.

MSMI has 8 million GT of entered tonnage, with 400 ships and 50 members. Directors of the 39-year-old Club announced in January this year that it would cease underwriting on 30 June 2011. The Club is also based in Newcastle upon Tyne and shares its management company with North.