

Press Release



NORTH P&I CLUB AND SUNDERLAND MARINE MUTUAL INSURANCE FORM STRATEGIC ALLIANCE 9 FEBRUARY 2012

The 150 million GT 'A' rated North P&I club has formed a strategic alliance with Sunderland Marine Mutual Insurance (SMMI) Company Limited, one of the world's leading hull and machinery insurers of commercial fishing vessels. A series of collaborative ventures is planned between the two north-east England based mutuals, starting with North reinsuring SMMI's P&I liability policies from 1 January 2012.

SMMI is based in Durham, UK with other offices in Australia, Canada, the Netherlands, New Zealand, South Africa and the USA. It is Fitch and AM Best 'A' rated, with a BBB+ (stable) rating from Standard and Poors', and specialises in the insurance of commercial fishing vessels, small craft, liability insurance and aquaculture risks. P&I premiums account for around 20% of the mutual's £74 million annual income.

According to North's joint managing director Paul Jennings, 'One of North's strategic objectives is to diversify not only the product range we offer to members, but also to diversify and develop other sources of business income for the club. The new reinsurance arrangement with SMMI forms part of our diversification policy and initiates a strategic alliance for us to collaborate in exploring and developing new business opportunities worldwide.'

North's joint managing director Alan Wilson says the complementary nature of SMMI's operations make it an ideal partner. 'While we specialise in larger tonnage, which is not part of the SMMI portfolio, SMMI covers a wide spread of high-volume, small-tonnage risks. An alliance will provide an opportunity to broaden and expand a combined liability portfolio,' says Wilson. 'The geographic positioning of North's and SMMI's global office networks will also provide potential for further growth'.

SMMI chief executive Geoff Parkinson says, 'Our two companies through their bases in north-east England have enjoyed an open relationship for many years. Indeed, it is because of the diversity of SMMI and North that a competitive situation has never existed. There are clear cultural and service synergies between us, and these will provide a strong foundation for this strategic alliance. It is an exciting opportunity for us both.'

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