

**CIRCULAR REF: 2010/040**

**CIRCULATED TO ALL MEMBERS, BROKERS AND DIRECTORS  
ATTENTION INSURANCE DEPARTMENT**

**21 DECEMBER 2010  
PAJ/JI**

**EUROPEAN COMMISSION INVESTIGATION OF THE INTERNATIONAL GROUP OF P&I CLUBS**

Members were advised in the Club's industry news article dated 27 August, 2010, that the European Commission had announced that following the expiry of the 10 year exemption for the International Group Agreement, they intended to carry out an investigation under EU Competition Rules into certain aspects of the claims sharing and joint reinsurance arrangements between Clubs that are Members of the International Group.

The Commission has specifically informed the International Group that it wishes to assess whether the quotation procedures and the rules relating to release calls, restrain competition between the Clubs and potentially harm shipowners. The Commission also wishes to assess whether commercial insurers are excluded from the P&I market. These are of course all matters that have been considered by the Commission during two previous investigations into the International Group's arrangements in the 1980's and again in the 1990's. Those two investigations resulted in the Commission granting formal exemption decisions to aspects of the International Group's arrangements.

International Group Clubs continue to work closely with the Commission and as part of this investigation each Group Club has recently received a questionnaire from the Commission asking for information they consider to be relevant to their investigation. The questionnaire requests information about each Club's individual Members including their contact details. The Commission routinely issues such questionnaires requesting confidential information and operates under strict confidentiality obligations.

We understand that some Club Members, including Members of North, have also recently been sent questionnaires by the Commission asking for information relevant to the investigation. It is possible that the Commission may well approach their Members for their views in due course, and in preparing responses to any such questionnaires Members may wish to seek independent legal advice.

To assist in understanding the current status of the investigation, a short note summarising the International Group's initial views on the Commission's concerns is attached.

If any Members require any further information please do not hesitate to contact the Club.

**PAUL JENNINGS**  
**JOINT MANAGING DIRECTOR - North Insurance Management Limited**  
**As Managers on behalf of the North of England P&I Association Limited**

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