

**CIRCULAR REF: 2013/026**

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

**7 AUGUST 2013  
PAJ/AAW/KAH**

**MERGER DISCUSSIONS BETWEEN THE NORTH OF ENGLAND P&I ASSOCIATION LIMITED (NORTH) AND SUNDERLAND MARINE MUTUAL INSURANCE COMPANY LIMITED (SMMI)**

Members will be aware that on 1 January 2012 North and SMMI formed a strategic alliance by way of a reinsurance contract between the two companies.

As a result of the strong business relationship which has subsequently developed, and in recognition of the clear cultural and business synergies which have been identified, the Directors and senior management teams of both companies have agreed in principle to investigate the practicalities of a merger. This will be subject to agreement of legal documentation, satisfactory due diligence from both parties, as well as membership and regulatory approvals.

A key strategic objective for North is to diversify the Club's business for the benefit of the mutual membership; a merger with SMMI will provide greater diversification and a broader spread of business which will contribute positively to this objective. Combining the business interests into one group would create one of the largest global marine insurance operations. The combined group would provide enhanced financial stability for Members, as well as an augmented diversity of product lines, whilst maintaining service excellence and enhancing the competitive position.

We anticipate that further announcements will be made in October 2013 at which time we shall be in a position to provide further information to Members.

We attach for information copy of a joint press release which is being issued this week.

AA WILSON and PA JENNINGS  
JOINT MANAGING DIRECTORS - North Insurance Management Limited  
As Managers on behalf of the North of England P&I Association Limited

## CIRCULAR

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