

**CIRCULAR REF: 2015/020**

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

**16 JULY 2015  
JMDs/KAH**

**MANAGEMENT REPORT AND COMBINED FINANCIAL STATEMENTS 2015**

Following on from Circular 2015/016 North's Financial Position and Release Calls published last month, we are pleased to publish our Management Report and Combined Financial Statements for the year ending 20 February 2015:

**[Management Report 2015 and Combined Financial Statements 2015](#)**

As the Club's Chairman Pratap Shirke explains in the Report, it has been an interesting year for North. We experienced an unexpected number of large claims, leading to an underwriting loss of US\$28.3 million, and we also had to absorb a further US\$23.9 million technical pension accounting impairment due to extraordinarily low corporate bond yields. On the positive side we achieved a healthy 4.3% investment return (US\$25 million), a US\$7 million property gain and, most importantly, a US\$41 million contribution from acquiring Sunderland Marine last year. The net result is our free reserves are up 8% to their highest ever level of US\$338.1 million, providing a resilient and stable base from which to continue providing the highest levels of service to our Members and policyholders.

We are also particularly pleased to report that during the first few months of the 2015 policy year, we have seen positive developments. Claims activity has reduced both in terms of attritional and larger claims, and there has also been an increase in the yields of AA corporate bonds, which has led to a substantial reduction in the amount of the pension impairment, and further enhanced the financial position of North.

Looking forward we will continue to focus on maintaining the financial stability of North and we would like to take this opportunity to thank our Members, policyholders, brokers and business partners for their loyalty and support.

**AA WILSON and PA JENNINGS  
JOINT MANAGING DIRECTORS  
The North of England P&I Association Limited**

**CIRCULAR**

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