

CIRCULAR REF: 2016/021

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

**16 AUGUST 2016
JMDs/KAH**

2016 MANAGEMENT REPORT & COMBINED FINANCIAL STATEMENTS

Following on from Circular 2016/014 [North Group Financial Position and Release Calls](#) in May 2016, we are pleased to publish our Management Report and Combined Financial Statements for the financial year ending 20 February 2016:

2016 Management Report and Combined Financial Statements

The Management Report and Combined Financial Statements show that North Group's free reserve has increased significantly by US\$90 million to US\$428.4 million, producing a P&I combined ratio of 73.3%, with the following factors contributing to the overall result:

- Benign claims experience in 2015/16 policy year with only 19 claims in excess of US\$1 million.
- An improvement in prior years claims development.
- Low number of Pool claims.
- Reduction in value of the Group's pension scheme liabilities of US\$18.2 million.
- Investment loss of US\$12.8 million reflecting volatile global market environment.
- Successful integration of Sunderland Marine.
- Investment in people leading to more effective claims handling.

This is a positive financial performance for the North Group and reflects a policy of careful Member selection, decreased vessel trading activities, a rigorous loss prevention programme and a robust approach to claims handling.

The Directors' Report and Bermuda Financial Statements have also been published on our website – please [click here](#) to view or download.

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

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The North of England P&I Association Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the UK.