

## PRESS RELEASE

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### **NORTH P&I CLUB AND SUNDERLAND MARINE MUTUAL INSURANCE TO ENTER INTO MERGER FRAMEWORK AGREEMENT**

The North of England P&I Association (North) and Sunderland Marine Mutual Insurance Company Limited (SMMI) are entering into a framework agreement which, if accepted by members, will result in the creation of one of the world's largest marine insurance operations in early 2014.

The two north-east England based mutuals formed a strategic alliance in January 2012 and decided to enter into formal merger discussions earlier this year, since when they have both been conducting due diligence exercises.

North chairman Pratap Shirke says, 'We are now pleased to confirm that, following completion of both financial and legal due diligence, we will be entering into a framework agreement with SMMI which, subject to members' approval and the satisfaction of various conditions, will form the basis of our proposed merger.'

According to SMMI's chairman, Trevor Hart, 'This is a very exciting opportunity for both clubs, combining North's international portfolio of high quality, larger tonnage with SMMI's wide spread of high-volume, small-tonnage risks and aquaculture expertise. Together we can offer a more diverse product range, identify and develop new sources of business income and provide greater levels of service and security to all members and policyholders of the combined operation.'

The merger will take place once approved by the North and SMMI members and once all other merger conditions are satisfied. Following North and SMMI member approval at their respective general meetings in January 2014, the principal merger condition is regulatory approval by UK and various other overseas regulators. The target completion date is 20 February 2014 or as soon as possible afterwards.

North and SMMI are two of the longest established and most successful marine insurance companies and have long standing mutual respect for each other, culminating in a strategic alliance in January 2012. A combined group will be a major force in the global marine insurance markets by virtue of its diversification and capacity. The combined premium income of the two organisations is currently around US\$511 million. No immediate changes to either clubs' existing operations are anticipated in the short term. SMMI's chief executive, Geoff Parkinson, and directors Trevor Hart and Peter Johnson will join North's board.

#### **Ends**

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#### **Notes to editors**

**North** ([www.nepia.com](http://www.nepia.com)) – founded in 1860, North is the world's second largest marine mutual liability insurer providing liability insurance to 5,000 ships entered by 330 members worldwide. It is based in Newcastle upon Tyne with regional offices in Greece, Hong Kong, Japan and Singapore, and employs over 230 people. The club has an 'A' financial strength rating with stable outlook from Standard & Poor's.

**SMMI** ([www.smmi.co.uk](http://www.smmi.co.uk)) – founded in 1882, Sunderland Marine Mutual Insurance Company Limited is a world-leading insurer of fishing vessels, small craft and aquaculture risks, with over 29,000 policies in 50 countries. SMMI is based in Durham with 13 other offices in Australia, Canada, the Netherlands, New Zealand, South Africa and North America, and employs around 120 people. SMMI has a 'BBB+' financial strength rating and stable outlook from Standard & Poor's and 'A-' ratings from Fitch and AM Best.