

PRESS RELEASE

NORTH P&I AND SUNDERLAND MARINE MERGE TO BECOME 'NORTH GROUP'

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North of England P&I Association (North) and Sunderland Marine Insurance Company Limited have merged to form the North Group on Friday 28 February 2014 following approval by the Bank of England's Prudential Regulatory Authority and other UK and overseas regulators.

The merger between two of the longest-established and most successful international marine insurance businesses – both of which are based in north-east England – has created one of the largest global marine insurance operations, with a premium income of over US\$500 million, free reserves of US\$350 million and total assets of US\$1,500 million.

North Group has been over two years in the making, starting with a strategic alliance between North and Sunderland Marine in January 2012. Following completion of due diligence the companies signed a merger framework agreement in December 2013, which both sets of Members approved in January 2014. Full integration of the two operations is now underway based on a strategy to enhance, diversify and improve all aspects of the combined business.

North Group is chaired by North's Chairman Pratap Shirke, who says, 'Combining our business interests has created one of the largest global marine insurance operations, providing enhanced financial stability for Members, a greater diversity of product lines, continued service excellence and a stronger competitive position. The North Group has the ability to service the needs of the entire marine spectrum, from small fishing vessels to the largest ships.'

Joint Managing Directors of North Group are North's Joint Managing Directors Alan Wilson and Paul Jennings. Sunderland Marine Directors Trevor Hart and Peter Johnson and Sunderland Marine Chief Executive Geoff Parkinson have joined the North Group board.

According to Shirke, 'The merger combines North's international portfolio of high quality, larger tonnage with Sunderland Marine's wide spread of high-volume, small-tonnage risks and aquaculture expertise. Together we will offer a more diverse product range, identify and develop new sources of business income and provide greater levels of service and security to all our shipowner Members and policyholders.'

Sunderland Marine will remain an independent regulated company within the group, working under a parental guarantee to provide enhanced capital support. 'Though no longer a mutual, we will retain our mutual ethos of providing the best possible service to policy holders,' says Sunderland Marine Company Chairman Hart.

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Notes to Editors

North – founded in 1860, North – now part of North Group – is the 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.

Sunderland Marine – founded in 1882, Sunderland Marine – now part of North Group – is a leading insurer of fishing vessels, small craft and aquaculture risks, with over 29,000 policies in 50 countries. It 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. The company has a ‘BBB+’ financial strength rating and stable outlook from Standard & Poor’s and ‘A-’ ratings from Fitch and AM Best.