

NORTH P&I AND SUNDERLAND MARINE MUTUAL MEMBERS AGREE TO MERGE

29 JANUARY 2014

The Members of North of England P&I Association (North) and Sunderland Marine Mutual Insurance Company Limited (SMMI) have voted in favour of the Clubs' recent proposals to merge. A target date of 21 February 2014 has been set for the merger, which will create one of the largest marine insurance operations.

At their general meeting on 16 January 2014, North's Members approved the terms of the merger framework agreement signed by the two north-east England based mutuals last month. This was followed by SMMI's Members, who voted for the proposed merger at their general meeting yesterday (28 January).

The Clubs formed a strategic alliance in January 2012 and, following completion of due diligence, entered into a merger framework agreement in December 2013. Regulatory approval by UK and various other overseas regulators is now being sought with a view to completing the merger by 21 February 2014, or as soon as possible after that.

North Chairman Pratap Shirke says, 'I am delighted our Members have voted in favour of the merger. Combining our business interests into one group will create one of the largest global marine insurance operations, providing enhanced financial stability for Members, a greater diversity of product lines, ensured service excellence and a stronger competitive position.'

SMMI's Chairman Trevor Hart says, 'The merger combines 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 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 Members and policyholders of the combined operation.'

The combined premium income of the two organisations is currently around US\$511 million. On completion of the merger, SMMI will operate as a subsidiary company of North and 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) - founded in 1860, North 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.

SMMI (www.smmi.co.uk) - founded in 1882, Sunderland Marine Mutual Insurance Company Limited is a 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.