

NEWSLETTER 05-22

North P&I and Standard Club merger

31st May 2022

Following our Newsletter 03-22 we are now confirming that the respective members of the North of England and Standard P&I Clubs voted in favor of a merger on Friday 27 May 2022. This represents the major shift in the P&I world since the financial difficulties in the 1990's causing a widespread risk review.

The merger creates a Club not dissimilar in size to that of industry leader, Gard.

North P&I Club

- Premium : about USD 430m
- Free Reserves : USD 433m

Standard Club

- Premium : about USD 320m
- Free Reserves : USD 360m

The expected advantages to merging include the reduction of operational costs, increased economic leveraging when purchasing Reinsurance and improvement in the combined ratio. Overall, there will be a financial improvement and a larger capacity to face high value/pool claims.

It is relevant to note that the forecasted combined group premium income will exceed USD 750m and it is reported that the combined ratio of the newly merged Club will be below 110%, much stronger than those of the previous year.

The Club NorthStandard will be subject to regulatory approval in Autumn 2022 prior to formal completion of the merger in February 2023.

It will be jointly led by the two CEOs : Paul Jennings and Jeremy Grose.

This Newsletter, and our information archive, can also be accessed at www.plferrari.com

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