

Global service
built around you

North

North and The Standard Club

Meeting the maritime
challenges of today and
tomorrow, together

The merger proposal explained

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MEMBER OF
IGP&I



Accelerating Through Change

Change. It's all around us...

Change that has brought unrivalled volatility to all maritime industries - increasing costs and creating uncertainty. Change has also brought potential - new thinking, new technology and new ways to solve old problems.

But to really benefit from change, we need to embrace it.

That's why North and the Standard Club are exploring the potential of combining. Both with innovation in our DNA, 300 years of combined P&I heritage, and both with an unwavering commitment to mutuality.



Together, we have the potential to achieve so much more for members and shipowners around the world. Uniting as one to be at the forefront of global marine insurance, acting as a powerful industry voice and upholding the values of the International Group system.

A combined club with the widest claims expertise to underpin a more extensive, more diversified product range delivering a broader portfolio of services, faster innovation, even stronger financial resilience and be a compelling advocate for shipowners and members.

With the endless potential of an even deeper pool of talent to maintain and strengthen the focus on service excellence and close member relationships for which both are renowned.

Paul Jennings
Chief Executive

**North and the Standard
Club - meeting the
maritime challenges of
today and tomorrow,
together**

North



**Standard
Club**





Why now?





P&I is changing

Larger, more complex claims are challenging performance across the entire sector, pushing up combined ratios and putting capital under pressure.

Scale is becoming increasingly important - to maintain mutuality and develop the broader commercial offerings needed.



The climate is changing

We've all witnessed an increase in the number and severity of natural disasters, and members of all clubs are looking for support in their decarbonisation journey to net zero.



Tech is changing

Better use of data and automation could revolutionise the P&I market - but the balance between the significant, long-term investment needed to modernise while still meeting shorter-term needs and means is difficult.



Regulation is changing

More regulation from more regulators worldwide has created a step-change in the time and cost needed to comply.



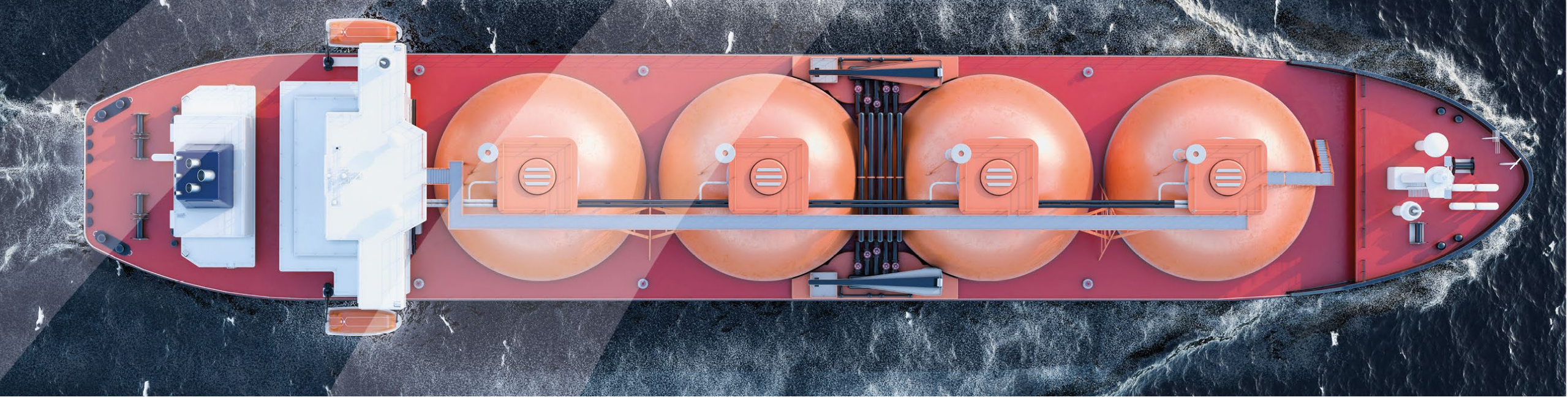
Recruitment is changing

Covid has changed recruitment. Restrictions, the shift to hybrid working and staff re-evaluating their personal priorities have all made it harder to recruit the experts that the industry needs now and in the future.



**What are the
benefits for
Members?**





North



**Standard
Club**

The combination of our two Clubs with shared perspectives on mutuality, service, heritage and diversification offers enormous potential for Members and partners; acting as a powerful industry voice for shipowners around the world.



○ **Exceptional Service & Innovation**

A combined club could offer a broader and deeper claims experience with more accessible services; an even greater pool of market-leading knowledge and insight, delivered across all key markets to support the changing needs of members.

And bringing all this expertise together will supercharge the combined club's appetite and ability to innovate – creating new ideas, providing more diverse data sources and a larger membership base that will improve the viability of new products and services. Deeper insights, more tailored solutions and investment in technology could help the new club navigate disruptive change and anticipate future market challenges to improve service levels in the most cost-effective ways.

○ **Global Reach & Influence**

This combination will deliver a global ecosystem of marine insurance solutions, relevant to the widest range of shipowners: including P&I, Hull, War, Offshore, FD&D, Strike & Delay and more.

It will be a powerful global voice, acting for shipowners and their best interests, with a broader local footprint.

○ **Financial & Operational Resilience**

Creating a stronger balance sheet is expected to result in a highly secured club, well-positioned to thrive in all conditions. Backed by a capital buffer over regulatory requirements, the combined club's capital strength will be rated 'AAA' by S&P, with free reserves large enough to allow for significant reinvestment into the value proposition.

Some increases in operational efficiency, achieved by deduplication and economies of scale, could also be available, but this is not the primary goal. There may be scope to lower some expense ratios and ensure more sustainable premiums without diluting the service-led approach.

○ **Talent & Succession**

Such a club could also be the mutual club of choice for talent – offering more choice, more opportunities and more flexibility for employees, whilst retaining the long established close family ethos and culture. Making it easier to attract, develop and keep the people that are the foundation of our service-led approach, consistently valued and sought by members.





**What is the
vision for the
combined
club?**



'Harnessing over 300 years of maritime heritage to create a global marine insurer for the future.'

Based on 4 pillars:

1

Exceptional Service & Innovation

Providing unequalled trading confidence to members and partners.

2

Global Reach & Influence

Relevant to the widest range of shipowners and a powerful global voice.

3

Financial & Operational Resilience

Meeting market changes and challenges.

4

Talent & Succession

Offering unparalleled career opportunities.





**What are the
next steps in
the process?**



11 March 2022

Boards of both Clubs met to give their approval to the merger discussions and the formal announcement is made.

11 MARCH

Mid-August

Assuming Member approval, both Clubs await receipt of antitrust and regulatory change in control approvals and tax clearances.

27 MAY -
MID
AUGUST

20 February 2023

The formal corporate merger of the two Clubs is completed. The first policy year of combined Club begins with a new corporate structure in place.

20
FEBRUARY
2023

27 May 2022

Member Extraordinary General Meetings are held to approve merger.

Mid-August (date TBC)

Following completion of all competition and regulatory approvals, the two Clubs can operate as single business and work together to prepare for 2023 policy year.



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