

# CIRCULAR

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## OUTLINE

- Members are reminded of Club Circular 5/19 – Brexit update
- From 20 September 2019 the UK Club's subsidiary, UK P&I Club N.V. will be writing P&I risks located in the European Economic Area

TO THE MEMBERS

## START OF OPERATIONS FOR THE UK CLUB'S EUROPEAN SUBSIDIARY, UK P&I CLUB N.V.

### Background

Following the decision in 2016 of the United Kingdom to leave the European Union ("Brexit"), the UK P&I Club announced its intention to establish a new European subsidiary in the Netherlands, UK P&I Club N.V., ("UKNV"), to ensure that cover could be provided to Club Members with risks located in the European Economic Area (EEA).

In Circular 5/19 the Club notified Members that in the event that Brexit is substantially delayed, UKNV may decide to commence underwriting EEA risks before the date of Brexit. Given the continuing uncertainty, it has been decided that UKNV should commence underwriting new EEA risks from the 20 September 2019.

### Risks located in the EEA

Location of P&I risks is determined under EU regulations on the following basis:

- Owned entries – by flag state of vessel
- Chartered entries – by flag state of vessel if the vessel is identifiable at time of entry; otherwise by the country in which the charterer is incorporated.

### Who is affected?

Club Members who have no EEA risks will be unaffected by this change and will continue to be insured by and to receive certificates of entry from the Club's London based holding company – The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited ("UK P&I Club (Europe)").

Members who insure EEA risks under contracts with the Club entered into after 20 September will be insured by and receive certificates of entry from UKNV. However, ships comprising EEA risks that are already entered in the UK Club before 20 September will remain insured by the UK P&I Club (Europe) until renewal.

### Service

Members can expect the same high levels of support and service from their Club regardless of whether the cover is provided by UK P&I Club (Europe) or UKNV. Claims and underwriting contacts for Members will remain unchanged.

All policyholders of UKNV will continue to be Members of the UK P&I Club and benefit from existing Pooling and reinsurance arrangements. There is one set of Rules to cover all assureds within the UK P&I Club group. UKNV will have the same Standard and Poor's A (Stable) rating as UK P&I Club (Europe).

### **Payment of Premiums for Members with risks insured by UKNV**

Members are asked to note that there will be a change of banking details for payment of premium in respect of ships insured by UKNV. These changes will be communicated separately to all Members affected. However, where Members receive notification of a change in bank accounts purporting to be from the Club, it is recommended that Members seek verbal confirmation from their usual Club contact of the changes before making any payment.

Yours faithfully

**THE MANAGERS**

### **For more information**

Members requiring further information should contact their usual contact at the Club.