



Circular

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DECEMBER 2010

TO THE MEMBERS

Dear Sirs

EUROPEAN COMMISSION INVESTIGATION OF THE INTERNATIONAL GROUP OF P&I CLUBS

On 26th August 2010, the European Commission announced that it had opened an investigation under the EU competition rules into aspects of the arrangements between P&I clubs that are members of the International Group.

The Commission has told the International Group that it wishes to assess whether the quotation procedures and the rules relating to release calls restrain competition between the clubs and harm shipowners. The Commission also wishes to assess whether commercial insurers are foreclosed from the P&I market. These are all matters that have been considered by the Commission during two previous investigations into the International Group's arrangements in the 1980s and again in the 1990s. Those two investigations resulted in the Commission granting formal exemption decisions to aspects of the International Group's arrangements.

The International Group and Group clubs have been working closely with the Commission case team in addressing the issues being considered by the Commission in this investigation. A short note summarising the International Group's initial views on the Commission's concerns is attached, which may assist you in understanding the current status of the Commission's investigation.

As part of the investigation, each Group club has recently received a questionnaire from the Commission asking for information relevant to the investigation. The questionnaire requests information about each club's individual members, including their contact details. The Commission routinely issues such questionnaires requesting confidential information and operates under strict confidentiality obligations.

The Group has been informed that some shipowners have also recently received questionnaires from the Commission asking for information relevant to the investigation. The Commission may well approach other shipowners for their views in due course. Shipowners may wish to seek independent legal advice in preparing responses to any such questionnaires.

If any shipowner would like more information, please let us know.

Yours faithfully

THOMAS MILLER (BERMUDA) LTD.**CONTACT**

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