

# CIRCULAR

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## OUTLINE

- The Club is now licenced to operate in the Netherlands and will be able to write P&I risks throughout the EEA.

TO THE MEMBERS

## **BREXIT UPDATE – THE 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, to ensure that cover could be provided to Club Members with risks located in the European Economic Area (EEA).

The Club is pleased to advise that its Rotterdam incorporated subsidiary, UK P&I Club N.V., (“UKNV”), has received authorisation from the Dutch National Bank to operate in the Netherlands and is ready to underwrite EEA risks.

### **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.

### **Impact of Brexit on Members**

The date of Brexit (i.e. when the United Kingdom will leave the EU) is uncertain.

Club Members who have no EEA risks will be unaffected by Brexit 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 (Europe)”).

Members who insure EEA risks under contracts with UK (Europe) entered into prior to the date of Brexit will continue to be insured under those contracts after Brexit, with no changes to certificates of entry or claims handling arrangements. In the longer term, these risks may be transferred to UKNV or made subject to arrangements agreed with local EEA regulators if required. Such measures will not impact the service Members receive from the Club.

Members who insure EEA risks under contracts with the Club entered into after the date of Brexit will be insured by and receive certificates of entry from UKNV.

Members who have a UK (Europe) certificate of entry in respect of EEA risks, but require an endorsement to change the terms of entry after the date of Brexit, will be provided with certificates reissued by UKNV, followed by cancellation of the original UK (Europe) certificate.

In the event that Brexit is substantially delayed, UKNV may decide to commence underwriting EEA risks before the date of Brexit.

### **Split fleets**

Fleets that are split between EEA and non-EEA flagged vessels will be treated as one fleet for rating purposes.

### **Contacts**

The usual claims and underwriting contacts for Members at the Club will remain unchanged. Members whose underwriting and claims contacts are based in offices other than London will continue to deal with those contacts after Brexit.

It is expected that Standard and Poor's will extend the Club's existing credit rating to UKNV.

Yours faithfully

**THE MANAGERS**

### **For more information**

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