

**TO THE MEMBERS AND THEIR BROKERS**

Our ref 2020/01

28 January 2020

**Preparations in anticipation of the United Kingdom leaving the European Union (Update 10)**

On October 30 last year, the Club issued Circular 2019/05 providing an update of the Club's plans to retain access to the European Union ("EU") single market after the United Kingdom ("UK") leaves the EU. In that Circular we undertook to contact you again before 31 January, the date the EU had extended the Article 50 notice period in anticipation of a general election in the UK in December 2019. Since the re-election of the government at that general election there has been no change to the plan to take the UK out of the EU on 31 January 2020. It also appears that the transitional period available to firms to put in place final exit arrangements will not be extended beyond the original date of 31 December 2020.

As notified in the previous Circulars the TT Club is establishing a licenced insurance subsidiary in the Netherlands through which it will write European Economic Area ("EEA") business and administer all Member policies. It is intended that this subsidiary will be in place and licensed in the latter half of this year and the application process continues to be on track to achieve this. It is anticipated that all non-UK EEA policies, including those written before the end of the transition period, will transfer to the new subsidiary at the end of the year, or shortly thereafter. This is required by EU regulators and will take place after the completion of a court approved process in the UK. The process will be transparent to EEA Members who will continue to benefit from the strength of the Club's solvency and client services provided from London. This is intended to be the permanent solution for the Club when the UK leaves the EU.

In what now appears to be a very unlikely scenario, the Club Board has decided that in the event of the UK leaving the EU with no deal and before the Club has its own subsidiary in place, the Club will be fronted by UK P&I Club N.V. ("UKNV"), a business also managed by Thomas Miller and established for this purpose in the Netherlands. Under these plans the Club's EEA based business would be renewed into UKNV and reinsured to TT Club. It is important to reiterate what has been said in earlier Circulars: this would be a temporary solution and the Club will not use this option unless it is absolutely necessary to avoid incurring unnecessary expenditure.

In summary, the Board of TT Club and its Managers, remain fully committed to ensuring that the Club's European Members continue to receive the high quality service to which they have become accustomed. I will write to you again in the next quarter with a further report.

If you have any questions or comments on this circular, please direct these to your usual TT Club contact.

A handwritten signature in cursive script that reads "Charles Fenton".

Charles Fenton  
Chief Executive Officer