

TO THE MEMBERS AND THEIR BROKERSOur ref 2017/04
24 November 2017**Preparations in anticipation of the United Kingdom leaving the European Union (Update 3)**

In July we issued Circular 2017/03 providing an update of the TT Club's plans to retain access to the European Union (EU) single market after the United Kingdom withdraws from the Union.

The UK's decision to leave the EU has led to uncertainty as to the ability of UK insurers to trade within the single market following exit. The importance of the single market is that financial services firms authorised in one member state can provide goods and services across the EU without the need for further authorisations. As TT Club, in common with many international insurers, is established in the UK (as well as Bermuda) it is necessary to make arrangements for trading following the UK's exit from the European Union in the event that the final arrangements for exit or any transitional arrangements put in place, do not permit adequate access to the single market.

The Board of TT Club and its Managers, Thomas Miller, remain fully committed to ensuring that the Club's European Members continue to receive the high quality service to which they have become accustomed, both during the transition to the post Brexit arrangements and thereafter. Your Board has decided that the most effective way to do this is for the Club to be fronted by another insurer established for this purpose in the EU.

Another business managed by Thomas Miller is now in the process of setting up a subsidiary company with the aim of this new company being licensed and able to underwrite European business by early 2019 (well before the current deadline of the end of March 2019). It is intended that European business being written by TT Club would be fronted by that company and any EU based business would be renewed into the new EU established entity on or after the end of March 2019. The aim is to reinsure EU business into the TT Club in full. The TT Club brand will appear on all policy documentation and correspondence alongside the trading name of the new EU company, and TT Club underwriting and claims staff would continue to handle Members' affairs.

The Netherlands has been identified as the preferred jurisdiction for the new subsidiary and a pre-application proposal has been submitted to start the necessary regulatory process. A timescale is in place for completing the necessary application process and I plan to write to you with a further progress report following the next meeting of your Board in March. At that time I expect to be in a position to inform you which city in the Netherlands has been chosen as the operational base.

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



Charles Fenton
Chief Executive Officer