

TO THE MEMBERS AND THEIR BROKERS

Your ref
Our ref 2019/01
3 April 2019

Preparations in anticipation of the United Kingdom leaving the European Union (Update 7)

In December 2018 we issued Circular 2018/04 providing an update of the TT Club's plans to retain access to the European Union ("EU") single market after the United Kingdom ("UK") withdraws from the Union.

As TT Club, in common with many international insurers, is established in the UK (as well as Bermuda) it has been necessary to make arrangements for trading following the UK's exit from the EU 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 purpose of this message is to reassure Members and their brokers that business will continue with as minimal disruption as is practical.

As notified in previous circulars, your Board has decided that the most effective way to do this, particularly if there is no deal or transitional period, is for the Club to be fronted by a subsidiary of another insurance business managed by Thomas Miller, established for this purpose in the Netherlands. I confirm that in March the company, UK P&I Club N.V. (UKNV), was approved by the Netherlands' financial regulator and is now appropriately licenced as an insurer. The UKNV office is located in the World Port Center in Rotterdam.

Under these plans EU based business would be renewed into UKNV. However the Club will not incur unnecessary cost on your behalf by using this option until absolutely necessary. So if a transitional period does come into effect, UKNV will not be used until after the end of that period. At the point that it is necessary to use the fronting arrangement described above, TT Club underwriting and claims staff would continue to handle Members' affairs. Your current underwriting and claims contacts will not change. We will work closely with UKNV to ensure that claims, underwriting and servicing matters are handled effectively.

Should there be a Brexit deal, extension or reversal that allows us to continue to provide our service and product as we do today, then we will continue to do so without change, whilst closely monitoring developments. Should it be clear that the UK will leave the EU on some future date, the Board's plan is to consider establishing a subsidiary of TT Club itself in an EEA state through which to write EEA business and administer all policies. The strategy continues to be to avoid unnecessary cost to our membership when not required to make changes by law or regulation.

In summary, 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. This remains the case during any potential transitional period to the post-Brexit arrangements and thereafter. I will write to you again with a further update as this matter develops.

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, appearing to read "Charles Fenton".

Charles Fenton
Chief Executive Officer