



STANDARD BULLETIN

SETTING THE STANDARD FOR SERVICE AND SECURITY

January 2012

STANDARD CLUB REORGANISATION SPECIAL EDITION



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As of 30 December 2011 the Standard Club has been reorganised. We ask you all to read this *Standard Bulletin* carefully to ensure that you are aware of the changes that have taken place.

STANDARD CLUBS' TRANSFERS OF INSURANCE BUSINESS TO STANDARD EUROPE

We refer members to previous *Standard Bulletins* and circulars on the Standard Clubs' reorganisation and the transfer of insurance business to Standard Europe.

We are pleased to announce that the Court Sanction Hearing was held in the High Court of England and Wales (the 'Court'), on 19 December 2011, when an Order (the 'Order') was made by the Court that approved the transfer of the insurance businesses of:

1. The Standard Steamship Owners' Protection & Indemnity Association (Bermuda) Limited ("**Standard Bermuda**") written through its UK Branch;
2. The Standard Steamship Owners' Protection & Indemnity Association (London) Limited ("**Standard London**"); and
3. The Standard Steamship Owners' Mutual War Risks Association Limited ("**Standard War Risks**") (together the 'Transferors');

TO

4. The Standard Steamship Owners' Protection & Indemnity Association (Europe) Limited ("**Standard Europe**") (together the 'Scheme'), (the 'Transferee')

under Part VII of the Financial Services and Markets Act 2000, with an effective date of 12 midnight on 30 December 2011 (the 'Effective Date').

This means that members currently insured by Standard Bermuda, Standard London and Standard War Risks will all have their insurance provided by Standard Europe from the Effective Date.

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In addition to the membership rights created in Standard Europe, the members of all classes will have membership rights in Standard Bermuda.

Standard Europe's address is Standard House, 12–13 Essex Street, London WC2R 3AA, website www.standard-club.com, email p&i.london@ctcplc.com, telephone +44 20 3320 8888, fax +44 20 3320 8800.

As previously reported, Standard Asia is not affected by these changes and will continue to provide P&I and Defence cover to the Standard's Asia-Pacific members.

COMMERCIAL RATIONALE FOR THE SCHEME

As previously notified to members, the Scheme is an internal reorganisation of the Standard Group of companies.

The rationale for the Scheme is that it will achieve considerable savings in relation to auditing, compliance, management and other costs which will no longer be required to be incurred in respect of the transferring businesses now that the transfers have been approved. It is also expected that the combined business will be more capital efficient compared with the overall capital requirements of the individual businesses.

A chart showing the structure of the reorganised group is set out below.

TRANSFER PROVISIONS AND DOCUMENTATION

From the Effective Date all liabilities and benefits under policies and documentation will transfer to Standard Europe.

The Scheme contains a provision requiring that from its Effective Date any references to the Transferors in any contract between any of the

Transferors and any third party relating to the Transferring Policies, shall, to the extent necessary to give full effect to the Scheme, be read, construed and treated as references to the Transferee so that such contract shall operate as if the Transferee was the original party to the contract in place of the Transferor.

The Order of the Court approving the Scheme has the effect of novating all obligations under letters of undertakings and under contractual terms to Standard Europe without any further action being required and further provides that the provision of the Order shall be sufficient evidence of the vesting of all rights and liabilities in Standard Europe. A copy of the Order has been posted on the club's website and will be made available upon request.

We request that you communicate these changes to your employees to ensure that they understand the effect of the Scheme and are aware that a copy of the Order may need to be provided, to evidence the vesting of all rights and liabilities in Standard Europe.

POLICYHOLDERS IN AUSTRIA, CZECH REPUBLIC, ESTONIA, HUNGARY, LIECHTENSTEIN, POLAND AND SPAIN

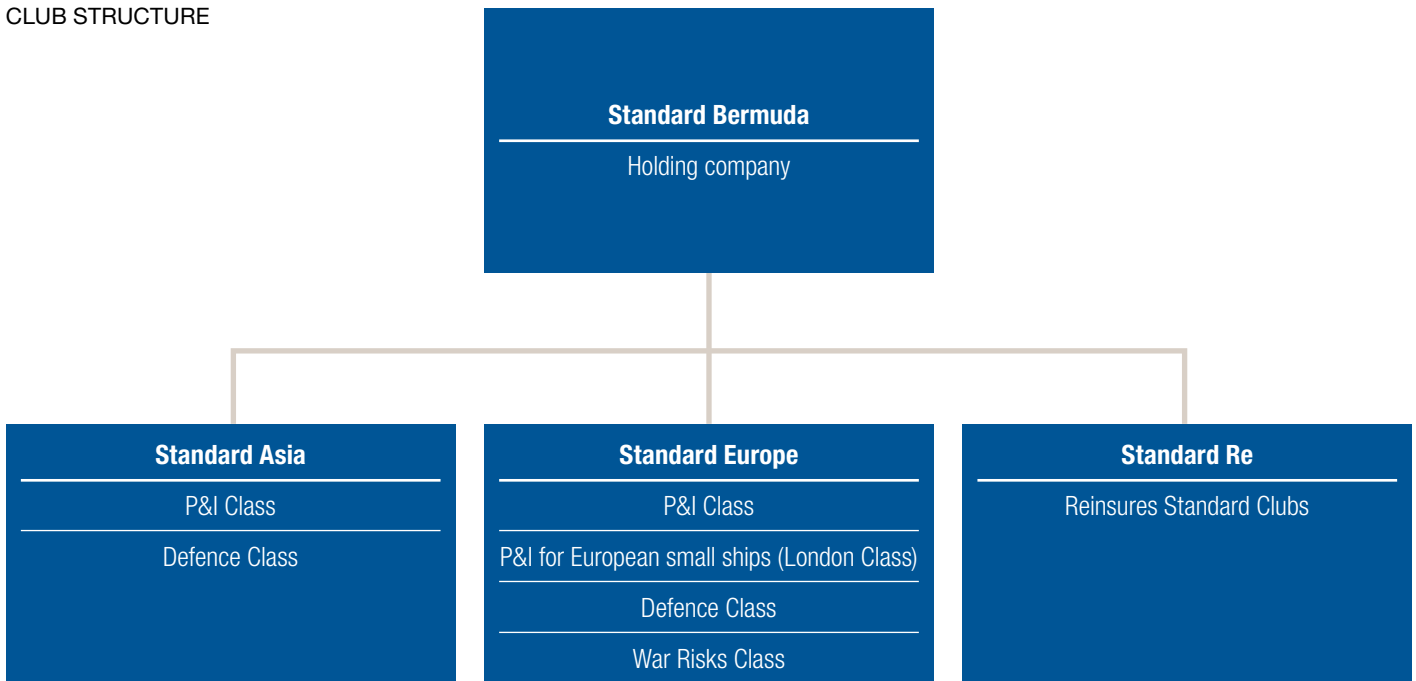
Members who have a transferring policy, where the EEA State of commitment or State where the risk is situated is in Austria, Czech Republic, Estonia, Hungary, Liechtenstein, Poland and Spain may under the local law of such State have a right to cancel the policy as a result of the Scheme. The position, as indicated by the Regulators in each of these EEA States, is set out in Appendix 1 to this *Standard Bulletin*.

ANY QUESTIONS?

Some possible questions that members may have are set out as Frequently Asked Questions in Appendix 2.

If you have any further questions about the reorganisation please do not hesitate to contact your usual contact at the club or Michelle Hill by email michelle.hill@ctcplc.com or by telephone +44 20 3320 8964, who will be happy to assist.

CLUB STRUCTURE



APPENDIX 1: SPECIFIC EEA STATES

Country	Legal rights
Austria	Following the making of an Order approving the Scheme, according to Austrian law, policyholders have a right to cancel their policies at the end of the period of insurance current at the time that notice is given.
Czech Republic	Following the making of an Order approving the Scheme, according to the law of the Czech Republic, policyholders with risks situated in the Czech Republic, under private insurance policies may terminate their policies within one month of receipt of notice.
Estonia	Following the making of the Order approving the Scheme, according to Estonian law, the policyholders with risks situated in Estonia may give notice of cancellation of their policies within one month from the date of publication of the notice should they wish to do so.
Hungary	Following the making of the Order approving the Scheme, under the law of Hungary, policyholders have 30 days from the date of receiving notification to cancel their policy should they wish to do so.
Liechtenstein	Following the making of an Order approving the Scheme, according to the law of Liechtenstein, policyholders may cancel their policies within three months of the Effective Date of the Scheme.
Poland	Following the making of the Order approving the Scheme, according to Polish law, policyholders with risks situated in Poland have a right to cancel their policies within three months of the date of publication of the notice.
Spain	Following the making of the Order approving the Scheme, according to the law of Spain, policyholders with risks situated in Spain have rights to terminate their contracts and to obtain a refund of the unexpired portion of the premium.

APPENDIX 2: FREQUENTLY ASKED QUESTIONS

HOW WILL MY INSURANCE CHANGE?

Your insurance remains on exactly the same terms as before, except that if you were insured by Standard Bermuda, Standard London or Standard War Risks before, you are now insured by Standard Europe. When you are next issued with any documentation or receive any correspondence, it will be in the name of Standard Europe.

WILL THERE BE ANY DIFFERENCE IN HOW I DEAL WITH THE CLUB?

No, you will deal with the club in exactly the same way as you did before, with the same people.

WHAT ABOUT 'CLASSES'?

All those previously insured by Standard Bermuda are now insured in the P&I Class of Standard Europe. The distinct insurance characteristics of the old Standard London and Standard War Risks Clubs have been preserved, so that those previously insured by Standard London are now insured in the London Class of Standard Europe; and the insurance previously provided by Standard War Risks is now provided by the War Risks Class of Standard Europe.

IF I AM NOW INSURED BY STANDARD EUROPE, WHAT IS MY CONNECTION WITH STANDARD BERMUDA?

Standard Europe is (and was already before the reorganisation) controlled by Standard Bermuda. Every member of Standard Europe (and every shipowner insured in Standard Asia) is also a member of Standard Bermuda and has voting rights in Standard Bermuda. In this way, through your voting rights, you share in control of the parent company of the group, as you did before. You are insured by Standard Europe, but you are also a member of, and have voting rights in, the parent company, Standard Bermuda.

WHAT ABOUT RENEWALS?

Renewals will all be conducted in the name of Standard Europe. All renewals will be conducted exactly as before, but your renewal documentation and debit notes will show the insurer as Standard Europe.

WHAT ABOUT STANDARD ASIA?

Standard Asia is not affected by these changes. If you were insured by Standard Asia then you still are. You still have voting rights in Standard Asia's parent, Standard Bermuda.

IS THERE ANY CHANGE TO THE WEBSITE?

Until the reorganisation, the Standard club group had two websites, standard-club.com, which was the primary website, and also standard-london.com. There is now just the one website, standard-club.com, which serves also the needs of those previously insured by Standard London, and who are now in the London Class of Standard Europe.

DO I NEED TO DO ANYTHING?

No. The transfer has taken place by virtue of the Court Order and there is nothing that you need to do. However, it would be a good idea to ensure that those in your company who deal with insurance know about the transfer and are aware that if they need to show that your insurance has transferred to Standard Europe, they can refer to or show a copy of the Court Order, which is available from the club's website.

WHAT IF I WAS ALREADY IN STANDARD EUROPE?

There is no change.

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Board Meeting & AGM
December 2011**

- 2011 Member and broker survey
- Oil major vetting and approvals



**Standard Safety
November 2011**

- Managing contractors
- Safety alerts
- Surveyors notes
- Regulation update



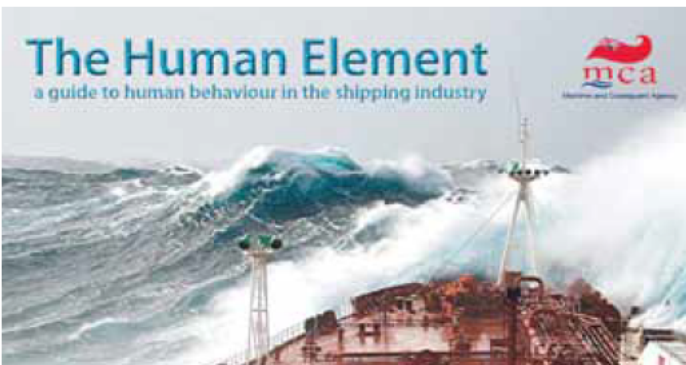
**Standard Bulletin
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October 2011**

- Cross-border pollution
- Offshore surveying experience
- Lessons learnt
- Legislature updates



**Standard Bulletin
Piracy Special Edition
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- Pirate activity update
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- Armament
- Impact of piracy



The Human Element:

This book makes it clear that the human element is neither peripheral nor optional in the pursuit of a profitable and safe shipping industry. On the contrary, the capabilities and vulnerabilities of human beings are – and always will be – at the centre of the enterprise.

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