

CIRCULAR

TO ALL MEMBERS

10 June 2022

BOARD AND MEMBERS' MEETINGS

The board of The Standard Club UK Ltd approved its financial statements at a meeting in Dublin on 18 May 2022. These will be published on the club's website shortly.

In addition, the board of The Standard Club Ltd met in Rome on 27 May 2022 to review the group's consolidated financial statements, and the members of The Standard Club Ltd, and its principal subsidiaries, including The Standard Club UK Ltd met to consider resolutions relating to the proposed merger with North. This circular provides an update to members and their brokers.

Consolidated financial statements for the year ended 20 February 2022

The Report and Consolidated Financial Statements for the year to 20 February 2022 were approved by the board and will be published on the club's website shortly.

Despite continued high levels of International Group Pool claims from other clubs, and ongoing Covid-related claims, the club recorded an improved combined ratio for the financial year of 105%.

A challenging investment market, particularly in the last two months of the financial year, resulted in an investment loss of 1.2%.

After allowing for one-off project costs relating to the transition to in-house management, the club's free reserves at 20 February 2022 stood at \$310m, comfortably above regulatory requirements.

Renewal 2022/23

The club delivered another strong renewal result and made further material progress towards its goal of breakeven underwriting in line with its business plan. Member retention was very high and the club successfully attracted a greater amount of new business than in recent years, whilst maintaining a disciplined focus upon the quality of operation and pricing adequacy. Total tonnage grew to 158m GT at 20 February 2022.

Class update

P&I Class

2019/20 policy year

The board closed the year, and there will be no further calls on members.



2020/21 policy year

This year has been heavily affected by both the club's own and its share of other clubs' pool claims, however no further calls are expected to be necessary. Release calls are maintained at 6%.

2021/22 policy year

As for 2020/21, the continued high levels of other clubs' pool claims has resulted in an underwriting loss forecast for this policy year. Apart from the final instalment of the estimated total premium, which is due on 1 November 2022, no further calls are expected to be necessary. Release calls are maintained at 12.5%.

2022/23 policy year

The estimated total premium has been debited with the final instalment due on 1 November 2023. Release calls have been set at 12.5%.

Defence Class

2019/20 policy year

The year was closed, and there will be no further calls on members.

2020/21 and 2021/22 policy years

Claims in these policy years have developed in line with expectations. No further premiums are expected to be necessary and release calls are maintained at 6% for 2020/21 and 12.5% for 2021/22.

2022/23 policy year

The estimated total premium has been debited. No further premiums are expected to be necessary with release calls set at 12.5%.

Coastal & Inland Class

2019/20 policy year

The year was closed, and there will be no further calls on members.

2020/21 and 2021/22 policy years

Claims have developed as expected on both policy years, with a small underwriting surplus forecast on the 2021/22 policy year. No further calls are anticipated and release calls have been maintained at 0%.

2022/23 policy year

The estimated total premium has been debited. No further premiums are expected to be necessary. Release calls are set at 0%.

War Risks Class

The 2019/20 policy year was closed with no further premiums expected to be necessary for any open policy year. The release calls have been maintained at 0% for all open policy years.



Strike & Delay Class

2021/22 policy year

Underlying claims are in line with expectations with an underwriting surplus being forecast. No further calls are expected to be necessary and release calls are maintained at 20%.

2022/23 policy year

Release calls have been set at 20%.

Merger with North

All the resolutions relating to the merger with North were approved by members on 27 May 2022 by a strong majority. Subject to regulatory approval, this means that the unified NorthStandard will be formed on 20 February 2023. Further information on this exciting new chapter in our history will be made available as we continue to develop the details.

Yours faithfully

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