

Members approve \$750m merger of maritime insurers North P&I and Standard Club

The merger of shipping and marine insurers North P&I and Standard Club has moved a step forward after members of both mutuals voted in favour of the plans.

It paves the way for the creation of NorthStandard, which will have a combined workforce of 700, joint premium income of around \$750m (£595.8m), assets of \$2bn (£1.58bn) and will insure ships equivalent to 270m gross tonnes.

The move is still subject to regulatory approval though North P&I CEO Paul Jennings told Business Live in March that he was optimistic the merger would happen.

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Mr Jennings said: “This is a real merger of equals and is terrific news for our businesses, our people and our members.

“North members expressed overwhelming support for the merger based on the tangible benefits for shipowners that the consolidation will bring.

“Members welcomed the proposal on the grounds that it would reinforce stability and strengthen competition in the marine insurance sector and encourage innovation and drive further product diversification.

“A larger organisation will also attract and retain even more of the best talent to ensure that NorthStandard delivers the highest levels of service and support for members.”

Mr Jennings and Standard Club chief executive Jeremy Grose will jointly lead NorthStandard in a shared executive structure. North will retain its headquarters on Newcastle's Quayside, with Standard Club to remain in its London premises.

Jeremy Grose, Standard Club CEO, said: "This is an excellent outcome and a huge moment for our industry.

"NorthStandard will be a major new force in marine insurance, delivering the resilience members need from their P&I partners to meet the challenges and competitive landscape of a changing shipping world. We are delighted that our proposal has received the backing of members."

The vote on the merger plans comes as North P&I saw its annual premium income rise by \$23m (£18.2m) to \$429m (£340.6m) in the year to February 20, 2022. The Club's free reserves – cash reserves available to cover claims – fell \$16.6m (£13.1m) to \$433.7m (£344.3m).

North's owned and chartered tonnage – the measures of ocean-going vessels insured – increased to 160m gross tonnes and 90m gross tonnes respectively.

Mr Jennings added: "This is a robust set of results which shows North in excellent health ahead of the merger with Standard Club.

"Our team have done amazing work supporting members as they grapple with the many challenges in the shipping industry, from Covid and conflict to supply chain issues and the sustainability agenda.

"We can look forward with confidence to the coming year and a bright future ahead as NorthStandard."

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