

Background information

Following the United Kingdom's departure from the European Union in 2020 and the conclusion of the transition period on 31st December 2020, ITIC put in place arrangements to provide service continuity to its policyholders for risks located in the EEA.

With effect from 1st November 2019 all of ITIC's EEA business has been written by UKNV, as a fronting insurer for ITIC. This business was then 100% reinsured back to ITIC.

ITIC considered this an interim solution for a so called "hard" Brexit that could be unwound easily in case the UK would remain in or rejoin the EU Single Market.

As this now appears to be unlikely ITIC has decided to establish its own EU based subsidiary, International Transport Intermediaries Insurance Company (Europe) Ltd (ITIICE), incorporated in Cyprus, to insure the risks located in the EEA currently fronted by UKNV.

ITIICE obtained regulatory approval from the Insurance Companies Control Service of the Cyprus Ministry of Finance in November 2023 and will begin underwriting on 14th February 2024.

Q: Why has ITIC established a European subsidiary, ITIICE?

A: In 2023, the ITIC board took the strategic decision to establish an EEA-based subsidiary. The board considered that this would enable ITIC to be less reliant on third-party fronting arrangements and that having its own EEA presence would better enable ITIC to build on its existing EEA footprint via a more simplified structure.

Q: Why was Cyprus chosen as the location for ITIICE?

A: Cyprus has a well-established shipping community in which ITIC has had members for almost 40 years. Additionally, Thomas Miller has an existing office in Limassol, which means that there will be the ability for ITIICE to share resources and benefit from associated cost efficiencies. Cyprus is also the EEA location for three International Group P&I Clubs as well as the UK Defence Club (which is managed by Thomas Miller) and, as such, the Cypriot insurance regulator has a good understanding of mutual insurers with similar structures to ITIICE.

Q: What does this mean for my relationship with ITIC?

A: In practice you will experience no difference. It will be business as usual - you will have the same point of contact in London and they will liaise with ITIICE on your behalf. You will be insured by ITIICE but remain a member of ITIC, enjoying the full benefits of membership.

Q: Will my premium increase as a result of this change?

A: No.

Q: My current policy is with ITIC through UKNV, but is due for renewal shortly what will happen?

A: If your renewal is due on or after 14th February 2024, you will be offered renewal terms with ITIICE.

Q: Are the Rules of ITIC the same as those of ITIICE?

A: There are slight differences. Both the Rules and the explanation of the difference can be found on ITIC's website at: <https://www.itic-insure.com/our-cover/rules-policy-wordings/#c85402>

Q: Who do I contact to make changes to my ITIICE policy?

A: You will continue to communicate with your insurance broker, or through your usual contacts with ITIC in London as you have done in the past and we will liaise with ITIICE on your behalf.

Q: I have a policy with ITIICE, how do I report a new claim and who will be handling it?

A: You can report your claim to ITIICE via Thomas Miller B.V. Cyprus Branch (the managers of ITIICE) by email to itic-europe@thomasmiller.com.

Your claim will be handled by ITIICE with support from ITIC in London.

Q: Are there any tax implications?

A: No, ITIICE will invoice for IPT or other taxes in the same way as UKNV does currently.

Q: Are there any changes to the bank account into which I should pay my premium?

A: Yes, ITIICE will have a new bank account and details will be provided on the debit note you will receive.

Q: Is ITIICE rated?

A: No. In line with ITIICE's parent company, ITIC, ITIICE does not have rating. ITIC and ITIICE are backed by a comprehensive 'A' rated reinsurance programme. The board of ITIC has made a strategic decision not to seek a market rating because the board views the cost of such a rating to be expensive and have minimal value. As a single mono-line professional indemnity insurer, it was felt that a rating would not reflect ITIC's strong solvency position.

Q: I have a two year policy issued by UKNV – what does this mean for me?

A: You do not need to do anything. Subject to the approval of the Dutch regulator a **portfolio transfer** will take place later in 2024 which will see your policy transferred from UKNV to ITIICE. More detail is provided below.

Q: What is a portfolio transfer?

A: A portfolio transfer is a mechanism by which an insurer - in this case UK P&I Club N.V. (UKNV) - transfers all or part of its insurance business to another insurer – in this case International Transport Intermediaries Insurance Company (Europe) Ltd (ITIICE).

A transfer application will be made under Section 3:114 of the Dutch Financial Supervision Act (Wet op het financieel toezicht, "DFSA") to the Dutch regulator, De Nederlandsche Bank N.V. ("the DNB") for UKNV to transfer to ITIICE all of its insurance business relating to International Transport Intermediaries Club Ltd (ITIC) risks for policies written before 14th February 2024.

Q: When will the portfolio transfer take place?

A: Subject to the Transfer being approved by the DNB the Transfer is expected to take effect at 00:01 hours Greenwich Mean Time on 1st July 2024. Impacted members will receive notification of the Transfer.

Q: Will I have to contribute towards the cost of the portfolio transfer?

A: No, you will not be asked to bear any of the costs of the portfolio transfer.

Q: I am a UKNV policyholder in relation to ITIC risks (Qualifying Policyholder). Who should I notify of a claim after the portfolio transfer?

A: Please notify the managers of ITIICE, Thomas Miller B.V. Cyprus Branch, 2nd Floor, Office 202, Gemini House, 37 Theklas Lysioti Street, Limassol C3030, Cyprus or by email itic-europe@thomasmiller.com.

Q: I am a Qualifying Policyholder and notified UKNV of a potential claim a while ago. Do I have to re-notify ITIICE after the transfer?

A: No, there is no need to re-notify a notification that was made before the portfolio transfer. Your claim will continue to be handled under the same claim reference.

Q: I am a Qualifying Policyholder and made a claim on my UKNV policy which has not been settled yet. What will happen to my claim after the portfolio transfer?

A: The portfolio transfer will have no impact on the way your claim is being handled. As above, your claim will continue to be handled under the same claim reference and any claim or costs settled by ITIICE.

Q: I am a Qualifying Policyholder and a member of ITIC, will I become a member of ITIICE after the portfolio transfer?

A: No, whilst you will become a direct policyholder of ITIICE you will remain a member of ITIC.

Q: How do I find more information on ITIICE?

A: Please address your request to Charlotte Kirk, ITIICE CEO, at itic@thomasmiller.com or to your usual ITIC contact.