

**IN THE HIGH COURT OF JUSTICE**

**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**

**COMPANIES COURT (ChD)**

**IN THE MATTER OF STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION  
LIMITED**

**AND IN THE MATTER OF STEAMSHIP MUTUAL UNDERWRITING  
ASSOCIATION (EUROPE) LIMITED**

**AND IN THE MATTER OF PART VII OF THE FINANCIAL SERVICES AND  
MARKETS ACT 2000**

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**SUMMARY STATEMENT OF THE  
TERMS OF THE SCHEME AND  
SUMMARY OF THE SCHEME REPORT**

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## **SUMMARY OF THE TERMS OF THE SCHEME**

### **Definitions**

<b>Act</b>	the Financial Services and Markets Act 2000
<b>Court</b>	the High Court of Justice in England
<b>Effective Time</b>	noon London time on 20 December 2020
<b>Scheme</b>	a scheme for the transfer of certain of the insurance and reinsurance business written by or on behalf of SMUAL from SMUAL to SMUAE under Part VII of the Act
<b>SMUAE</b>	Steamship Mutual Underwriting Association (Europe) Limited which is a mutual insurance company incorporated under the laws of Cyprus with number HE401650
<b>SMUAL</b>	Steamship Mutual Underwriting Association Limited which is a mutual insurance company incorporated under the laws of England with number 00105461
<b>Transferred Business</b>	that part of the (re)insurance business of SMUAL which relates to policies of (re)insurance in the name of purchasing policyholders situated in <ol style="list-style-type: none"><li>i) an EEA state (other than the U.K.); or</li><li>ii) Monaco or Switzerland.</li></ol>

## **Legal effect of the Scheme**

1. SMUAL and SMUAE have entered into the Scheme which requires the approval of the Court.
2. The Scheme will result in the transfer from SMUAL to SMUAE of the Transferred Business. SMUAE will assume all rights and obligations under any policies of (re)insurance which remain unsatisfied or outstanding in respect of policies of (re)insurance which are transferring under the Scheme and under any contracts of reinsurance under which (and to the extent to which) SMUAL is covered in respect of such policies.
3. The Scheme will also result in the transfer of certain of the assets of SMUAL to SMUAE and of all other liabilities attributable to the Transferred Business, save where those liabilities have otherwise been excluded from the terms of the Scheme. Such excluded liabilities include any obligation of SMUAL to indemnify any party under the pooling agreements entered into by SMUAL from time to time with certain other P&I clubs for the pooling of certain risks.
4. To the extent that a contract of reinsurance which is transferring under the Scheme contains an unexhausted annual aggregate deductible or annual aggregate limit at the Effective Time, SMUAL and SMUAE will allocate between themselves any amounts received from relevant reinsurers after the Effective Time in the agreed proportions pursuant to the Scheme.

## **Proceedings and complaints**

5. Any proceedings or any complaint or claim to any ombudsman or similar or other proceedings for the resolution of a dispute or claim (whether current or future (including those not yet in contemplation)) relating to the Transferred Business which are pending at, or are commenced after, the Effective Time will be deemed to be continued or commenced by or against SMUAE, and SMUAE will be entitled to the same defences, claims, counterclaims and rights of set-off that would have been available to SMUAL and SMUAL will have no liability under those proceedings.

### **Impact on premiums and calls**

6. All premiums and calls under a contract of insurance transferring under the Scheme will become payable to SMUAE and any bank mandate or other instruction in force at the Effective Time and providing for the payment of such premiums and calls will take effect after the Effective Time as if it had provided for and authorised such payment to SMUAE.

### **Effective Time**

7. Subject to the approval of the Court at a hearing due to be held on 2 December 2020, the Scheme is expected to come into effect at the Effective Time.

### **Cost and Expenses**

8. All costs and expenses of and incidental to the preparation and carrying into effect of this Scheme shall be borne by SMUAL.

## **SUMMARY OF THE SCHEME REPORT**

1. Ruth Nelmes of Ernst & Young LLP (the '**Independent Expert**') has been appointed to act as an independent expert to prepare a report (the '**Scheme Report**') in respect of the Scheme. Her appointment has been approved by the Prudential Regulation Authority in accordance with section 109 of the Act.
2. Appended hereto is a brief summary of the Scheme Report which has been prepared by the Independent Expert. This summary does not cover all matters dealt with in the Scheme Report, which should be read in full by anyone wishing to have a detailed understanding of its content.

CLAIM NO CR-2020-000072  
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And in the matter of  
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And in the matter of  
Part VII of the Financial Services and Markets Act  
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Reed Smith LLP  
The Broadgate Tower  
20 Primrose Street  
London  
EC2A 2RS

Ref: PMT/JH/755121.02689  
Tel: +44 (0) 203 116 3000