



CIRCULAR REF: MSMI 2011/012

**CIRCULATED TO ALL MEMBERS, BROKERS AND DIRECTORS
ATTENTION INSURANCE DEPARTMENT**

**2 September 2011
MSMI/AAW/PAJ/CWN**

**ACQUISITION OF MSMI (IN RUN OFF) BY NORTH OF ENGLAND PROTECTING & INDEMNITY
ASSOCIATION LIMITED (“North”)**

With reference to circular 2011/11 of 27 June 2011, MSMI & North have now entered into a legally binding Framework Agreement which, subject to the fulfilment of various conditions, will result in North acquiring MSMI (in run off).

There are a number of outstanding matters that remain to be finalised before the transaction can be completed, in particular the determination of MSMI’s net asset value and the subsequent distribution of reserves in accordance with the Board’s approved distribution formula. We anticipate that the parties will be in a position to complete the transaction in November. Until completion takes place, MSMI will continue to be governed by its existing Board of Directors and all existing Members will remain in place.

At this stage we are not able to confirm the actual amounts of distributions ultimately payable as this will depend upon finalisation of the Company’s financial statements, determination of the NAV and also establishment of Members’ contributions and incurred claims as at 30 September 2011. We appreciate that Members will nevertheless wish to obtain further information regarding the distribution and we have therefore prepared the attached FAQ document, which we trust provides Members with sufficient information pending confirmation of the actual amounts payable.

Further announcements will be made to Members in the next few weeks.

**AA WILSON & PA JENNINGS
JOINT MANAGING DIRECTORS - North Insurance Management Limited
As Managers on behalf of Marine Shipping Mutual Insurance Company Limited**

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