

## TO ALL EEA MEMBERS

21 December 2020

Dear Sirs

### **Brexit update - The Standard Club UK Limited**

We refer to our circular to members on [24 January 2019](#).

As noted in that update, following the UK's decision to exit the European Union, we established a new Standard Club subsidiary based in Dublin, The Standard Club Ireland DAC (Standard Ireland), which ensured that the club can continue to access European Economic Area (EEA) markets. From 20 February 2019 all renewing EEA members previously entered in The Standard Club UK Ltd (Standard UK) were underwritten by Standard Ireland.

Since our last update, a Withdrawal Agreement was entered into between the UK and the EU under which the UK left the EU on 31 January 2020 and a transition period came into operation until 31 December 2020. During this transition period, EU law has continued to apply in the UK under transitional measures and Standard UK has been able to benefit from such measures to continue to conduct business within EEA states; in particular, Standard UK has continued to be able to perform its obligations (principally, the handling and settlement of claims) under insurance underwritten by it before 20 February 2019 for EEA members (legacy EEA business).

From 1 January 2021, the transitional measures end and Standard UK may no longer be able to conduct business in EEA states in relation to its legacy EEA business without being licensed in each EEA State. Although the policy periods for the legacy EEA business have now expired and the level of activity remaining continues to reduce over time, some EEA States may require Standard UK to have a local licence in order to effectively service this business. Although there is no new business being underwritten by Standard UK in the EEA, certain servicing obligations remain (for example, if a new claim is validly notified or it needs to settle payment under an existing open claim). To ensure it can continue to provide such services without inadvertently contravening local regulations, the club is taking steps to utilise Part VII of the UK Financial Services and Markets Act 2000 (Part VII Transfer) to transfer Standard UK's legacy EEA business to Standard Ireland, with a view to such transfer being effective by 31 December 2021.

In the interim period from 1 January 2021 until the proposed Part VII Transfer is complete, Standard UK will continue to service its legacy EEA business in the ordinary course and members should continue to interact with their usual club contact as they have done to date.

The Standard Club UK Ltd  
[www.standard-club.com](http://www.standard-club.com)

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Standard UK has informed EEA regulators of its plans. Where applicable, Standard UK is taking steps to register for any contingency run off regimes in EEA states so it can continue to perform its obligations in respect of legacy EEA business without disruption to members and in compliance with local requirements. In the event that any EEA state determines that Standard UK cannot meet its obligations to members during this interim period, without being in breach of local regulations, Standard UK will work closely with EEA regulators and members to ensure that there is minimal disruption to members and that members do not suffer any detriment.

Further updates will be provided to members as the Part VII Transfer process progresses.

If you have any questions regarding the above, please do not hesitate to contact your usual club contact.

Yours faithfully

A handwritten signature in black ink, which appears to read 'Jeremy Grose', located below the 'Yours faithfully' text.

**Jeremy Grose**  
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Standard Club

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