

THE UNIVERSITIES' MUTUAL

Tailored Solution for Insurance Services



UMAL: THE UNIVERSITIES' MUTUAL Summary

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U M ASSOCIATION LTD (UMAL)

The mutual offers a combined cover and broker solution. Traditional insurance brokers are not able to access UMAL and institutions can therefore consider the mutual option for its general covers via a direct approach. Our structure does not require a separate annual fee for broker services and any retained commissions on insurance products are minimal, our operating costs being nominal as we are owned by our Members and have no external shareholders to satisfy.

MUTUAL OWNERSHIP AND HOLDINGS

UMAL is a mutual organisation **owned and controlled** by its Member institutions - all of which have an equal vote in the affairs of the company. It is a discretionary mutual which allows the Board, drawn from the Membership, to consider losses including those which traditional insurers would not pay. UMAL is part of the collaborative purchasing agenda and Membership means that Member Universities and Colleges are effectively part of a powerful buying consortium.

The basis of UMAL is that it provides cover for claims for its individual members. It then places insurance against large losses into the traditional insurance and reinsurance market accessing **over 25 insurers and reinsurers**. All insurers supporting the mutual are no less than 'A' rated and exposure to insurer failure is diluted by the numbers participating. Reliance on one insurer is also eradicated.

The mutual has been able to sustain its **competitive pricing** for all Members, and Member retention is extremely high year on year. All reserves and capital are held on behalf of Members and for their benefit. There is no exposure to an additional call of funds, indeed the constitution does not allow for such; the mutual's capacity to pay claims is based on reserves (cash) and insurance. Reserves held are considerably in excess of exposure.

Contracting Authorities (HE and FE) can join UMAL **without going out to competitive tender** via OJEU, or a framework agreement, under the Teckal Exemption. This is due to the fact that UMAL is owned and

controlled by its Members all of which are Contracting Authorities, is managed by a Board of its Members, and can demonstrate that it meets the 'control test' which is fundamental to the exemption.

Operating **solely in the best interests** of its Members, designed to be both a time and cost efficient facility where all funds are utilised for the benefit of Members, the accumulated surpluses are either returned to Members or retained as Members' funds. All classes of cover are offered in a managed packaged solution, ranging from material damage and business interruption (including terrorism) to liability covers, including professional indemnity and medical malpractice. Other classes include personal accident and travel with employers' liability insurance arranged in partnership with insurers. Comprehensive claims handling and risk survey services are included.

Many of the services that would entail additional costs for Universities in a traditional insurance placement are **included as standard** in the UMAL package. All of our risk support services are designed to assist Members in terms of containing/reducing cost by understanding and improving risk.

Over 150 HE and FE institutions participate in UMAL for 2015-2016. We invite institutions considering the mutual to approach any of these for a reference.

UMAL expects Members to take the longer-term view and does not offer long term discounts as such. However, the Mutual presently guarantees to return a minimum of **5%** of the annual Contribution, **irrespective of claims**, to Members annually on renewal.

WHY CHOOSE UMAL?

The benefits of using UMAL to procure cover and insurance services include:

- Timescales are **reduced** to the absolute minimum as there is no need to run an OJEU or Framework process.
- Direct **access** to underwriters and claims personnel without the need to access insurers via a broker.
- Best value is obtained in speed and **efficiency** of service delivery, consistent provision of the broadest coverage at the most advantageous pricing and transparency with no hidden charges.
- UMAL is **owned by the Sector** and self-manages the pool of Members' funds retained for possible claims, ensuring Members retain control of cover provision, underwriting and claims data, costs and pricing.
- All classes of cover are available in a **packaged solution**, ranging from material damage and business interruption including terrorism, to liability covers, including professional indemnity and medical malpractice.
- Surplus **profits** generated in indemnity years are held for the benefit of Members and may be returned to Members, rather than being paid to shareholders in the commercial insurance market.
- UMAL's philosophy is one of retaining the **benefits** of robust risk management practices within institutions by collective self funding and administering claims within the group pool.
- UMAL obtain **preferential rates** and unmatched cover improvements from the insurance market through their purchasing power.
- HMSL arrange special category insurances with the added benefit of group **purchase discounts**.
- A comprehensive range of **added value** services without additional administration charges for:
 - full claims service
 - electronic payment of claims
 - technical risk surveys
 - business continuity planning
 - travellers' advice lines
 - access to the insurance market for unusual risks

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