

THE UNIVERSITIES' MUTUAL

The Tailored Solution for Insurance Services

NEWSLETTER AUTUMN 2016

PRICE - THE COMPETITIVE ADVANTAGE

2016: UMAL MEMBERS BENEFIT FROM ANOTHER GREAT YEAR

“The cost of everything often overshadows the value of a particular essential service”, writes Susan Wilkinson. “For UMAL and our Members, it is the need for protection against those mishaps which routinely occur in large establishments, and those less frequent but potentially catastrophic events which threaten to disrupt business continuity.

The mutual has ever been mindful of the need for best cover at best cost, across its range of indemnities, for our constantly expanding membership. Our rates have both been reduced and supported with refunds annually for over a decade.



UMAL's offices, Hasilwood House, in the City of London

UMAL members do not pay IPT on their Contributions – a saving of 9.5% up from 6% in 2015. Individual advisers and brokers are not required, which reduces outgoings further.

2016 marked our introduction of a ground breaking inter-mutual price support scheme. This has seen the cost of cover reduced by returns of unused contributions for the 2015-2016 indemnity year, and the start of a 5 year subsidy scheme targeted at reducing the cost of the UMAL property terrorism class cover.

Whilst maintaining high indemnity levels, our cost reduction measures have been achieved with no loss of coverage, demonstrably benefiting members directly and understandably attracting wide interest across the Higher Education sector.

UMAL's stability is reinforced by strong Member support, and this year is no exception with 100% of major institutions choosing to remain with the mutual. We have welcomed both new members and existing single class buyers moving to 'all classes' indemnity, so meeting the mutual's aims of targeted expansion. New Member Ulster University completes our presence in N Ireland, as does the Glyndwr University for Wales. Our Scottish reach continues to grow with Queen Margaret University now on board.

The engagement of the insurance market, which itself currently faces many challenges, is paramount to the success of the mutual

model. UMAL has developed panels of exceptionally strong and supportive insurers, enabling us to grow and maintain resilience.

Our 25 year success story is an important showcase for keeping the tangible benefits of practical risk management within the coffers of the Higher Education sector.”



Susan Wilkinson, Director and CEO, UMAL

ONLINE HOLIDAY TRAVEL INSURANCE

There has been a 'link' on the UMAL website for many years which directs enquirers to an external supplier that provides an option for non-business travel insurance.

From September 2016 this has changed to World Nomads. This company provides travel insurance for travellers from over 140 countries, and is backed by reputable insurers and 24 hour assistance providers.

Travellers can obtain a quote directly from them via the website link at www.umal.co.uk/travel-holidays



AUTUMN CONFERENCE

9TH NOVEMBER
2016

BMA HOUSE,
TAVISTOCK SQUARE,
LONDON,
WC1H 9JP

TIME: 10.15 – 15.15

See back page for details

NEW MEMBER PROFILE

JOINING UMAL REDUCES COSTS AND IMPROVES SERVICE FOR ULSTER UNIVERSITY



A computer-generated graphic showing part of the new campus facility in Belfast.

Ulster University, which became a UMAL member in August 2016, has a national and international reputation for excellence, innovation and regional engagement, and makes a major contribution to the economic, social and cultural development of Northern Ireland. Its core business activities are teaching and learning, widening access to education, research and innovation, together with technology and knowledge transfer.

With a progressive approach to teaching and a dedication to pushing research boundaries, Ulster University is a responsive, dynamic and vibrant centre of learning. As a regional university, it is uniquely placed to engage with communities, local leaders and imaginative partners who share its ambitions for Northern Ireland and its young people.

In addition to four campuses in Northern Ireland, at Belfast, Coleraine, Jordanstown and Magee, Ulster University also has branch campuses in Birmingham and London, providing students from all over the world with a broad range of career-focused courses across a wide range of disciplines, from advertising to veterinary and public health.

The latest stage in its long history is the development of the Belfast campus in the Cathedral Quarter, the artistic and cultural centre of the city. One of Northern Ireland's largest-ever urban developments, the project is part of the University's drive to transform higher education by creating dynamic teaching and learning



Mark Harvey,
Financial Accountant,
Ulster University

environments, with state-of-the-art facilities in line with Belfast's vision of becoming a 'Smart City'. The ongoing £250 million investment will create a world-class centre for research and innovation, while extending the already vibrant Cathedral Quarter to include a 75,000 m² campus with up to 15,000 students and staff.

Mark Harvey, Financial Accountant at Ulster University, has a wide portfolio of responsibilities, from managing payments, payroll and VAT, to dealing with endowments and insurance. Outlining the relationship with UMAL he states:

"We first learned about UMAL in 2012 having been invited to a meeting with them by our colleagues at Queen's University Belfast. At the time they had no representation in Northern Ireland and our requirements were handled by a local broker. We were very impressed by UMAL's presentation and knowledge of the insurance needs of the higher-education sector, but because we had recently renewed our contract with a local broker

we were not in a position to initiate any immediate changes. However, when that came up for renewal we contacted UMAL.

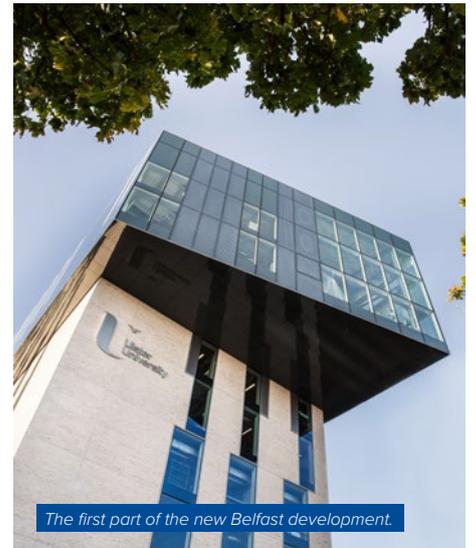
"One of our main concerns was changing to a provider not based in Northern Ireland, simply because we felt that it might be easier to resolve any issues with a local supplier. We were reassured by what UMAL told us and have subsequently found that initial concern to be unfounded, as the level of service and support have been exemplary. When we joined, they provided a list of key contacts who are always available.

MANAGING THE CHANGE

"We have also been very impressed by the way in which UMAL have helped us to manage the change from our existing provider. Their attention to detail has been first-class and having access to their staff, resources and contacts has been invaluable, for example in helping us to fulfil our Health & Safety obligations and keep abreast of forthcoming legislation.

"My Department is responsible for providing cover for all University functions and facilities. These range from ensuring that the correct insurances are in place to cover students on placement to protecting the fabric of buildings.

"Managing these takes, on average, one and a half days of my time per week, and I have been greatly helped by having access



The first part of the new Belfast development.

to UMAL's knowledge and resources. Their input will be particularly valuable in managing the insurance requirements of our new campus in Belfast. For the project, rather than rely on various contractors to provide their own insurance, the University decided to put in place both a Constructors All Risks policy and additional public liability cover itself to ensure more efficient management of any claims that arise.

"We are always looking to secure the best value for money in all areas of our activities. Although it is difficult to predict exactly how much we will save by switching to UMAL, we believe that our insurance costs will be reduced by an average of 15 per cent.

"We are still in the early stages of our relationship with UMAL, but to date we have been very impressed by our dealings with them and look forward to a mutually beneficial long-term involvement."

NEW MEMBER PROFILE

UMAL'S THOROUGH APPROACH BENEFITS QUEEN MARGARET UNIVERSITY, EDINBURGH

From the time it was founded in 1875 Queen Margaret University has focused on practical ways to contribute to the quality of human life and serve the community. Granted full university status in January 2007, it opened a new campus that autumn, providing an opportunity to implement a more ambitious sustainability strategy which went beyond physical buildings by placing sustainability at the very core of its vision.

Now in an exciting stage in its evolution, Queen Margaret University has 6,294 students, split equally between 'Health Sciences' and 'Arts, Social Sciences and Management'. It has widely recognised expertise in the areas of health and rehabilitation, sustainable business, together with creativity and culture.

University funding is now a key issue for the higher education sector and there are significant challenges for Scotland with regard to maintaining free education for Scottish students. Reductions in Government grants are putting pressure on the sector to become increasingly commercially focused and creative in attracting new income streams. This means investing in staff, systems and facilities, such as the Scottish Centre for Food Development and Innovation that was established recently to strengthen the University's existing academic expertise in food and drink, which dates back to 1875.

Queen Margaret University has established nine new key research and knowledge exchange centres to strengthen its reputation for

excellence in research and to bolster its commercial opportunities. These include, for example, the Centre for Person-centred Practice, Institute for Global Health and Development, and the Scottish Centre for Food Development and Innovation.

For Karen Sinclair, Head of Finance, operating within an ambitious university environment is both exciting and challenging, as every day is different. A key part of the role is to ensure that her department secures high quality services and value from suppliers, which now include UMAL. Explaining the benefits of dealing with a mutual provider, Karen states:

"When I came to Queen Margaret University two years ago one of my first challenges was to identify what insurance was in place and whether it provided sufficient cover for all our activities, such as clinical trials and potential clinical malpractice.

"The driver for change was poor service from our previous suppliers. We had great difficulty in obtaining cover for some aspects of our work, as their knowledge of these areas was limited.

"I knew about UMAL from my previous roles at other universities, and had seen it become more popular with academic establishments throughout Scotland. I was particularly keen to work with UMAL because its specialist knowledge of insurance for the higher education sector would be beneficial in ensuring that we had

the correct type and level of cover in place. It was also clear that with its particular focus on risk management UMAL would be an excellent fit for Queen Margaret University.

"With existing policies due for renewal on 31 July 2016, in February we asked UMAL to outline what they could do for us and assess our requirements. We were very impressed by what they had to say and their helpful approach in detailing the process of changing provider.

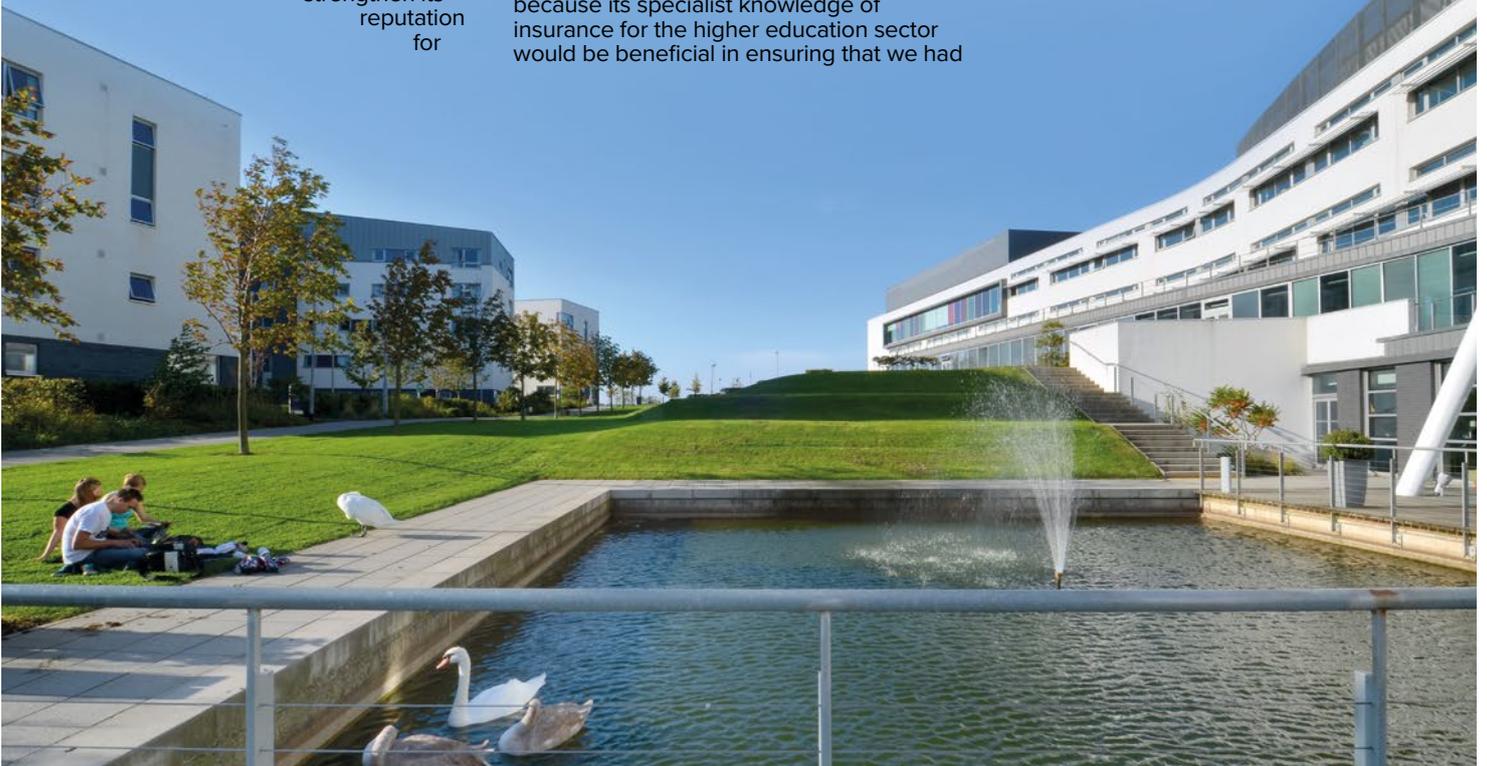
"They were very quick to present a comprehensive quote, which represented a saving of approximately £50,000, or 15 per cent. Because of the complexity of our situation we had a number of questions to ask before we joined, but were impressed by how quickly they responded, which was very reassuring.

"Since changing provider we have found UMAL to be very supportive and have been delighted with the level of service, which reflects what existing clients had told me.

"Being a mutual organisation UMAL is quite unlike a private insurer, in that it is not there to maximise profits for shareholders but is entirely focused on delivering excellent service, at lower cost. Even more important is the fact that we can now be sure that the cover we have is tailored to our specific requirements and complete in terms of its scope and the level of insurance it provides."



Karen Sinclair,
Head of Finance, QMU



UPDATE ON THE NEW INSURANCE ACT

The biggest legal news in insurance for many years has been the new Insurance Act which recognises that British insurance law has developed significantly over the last century. In that time the UK insurance market has become a leading global centre for specialist insurance.

The Insurance Act 2015 (the Act) comes into force on 12 August 2016 and applies to all commercial insurance and reinsurance policies made, renewed or amended thereafter, that are subject to the law of England, Wales, Scotland or Northern Ireland.

Whilst this is not applicable to UMAL, as a discretionary mutual, it does impact the policies that are placed through HMSL.

1. DUTY OF FAIR PRESENTATION

The duty on the insured is to make a fair presentation of the risk and is at the core of the reforms introduced by the Act. The aim is to provide greater structure and transparency at the time of placement and to encourage a proactive, rather than a passive approach by all parties. This represents good practice and embraces the concepts of fairness, materiality and reasonableness.

2. KNOWLEDGE

In terms of what needs to be disclosed, the Act clarifies whose knowledge is important, drawing a balance between what it is reasonable to expect an insured to disclose and what the insurer is taken to know and therefore doesn't need to be disclosed. Insureds are required to disclose actual knowledge of their senior management, and those responsible for placing the insurance. An Insurer will be taken to know information known or readily available to those persons involved in the decision to write the risk (e.g. the underwriter), and are presumed to know things which are common knowledge or which an insurer writing this class of insurance business would reasonably be expected to know.

3. REMEDIES FOR BREACH

A fairer response has been introduced when the insured fails to make a fair presentation. Where there has been a deliberate or reckless breach, the insurer can still avoid the policy and keep the premium. However, in all other cases,

the intention is to put the insurer into the position it would have been, had there been a fair presentation.

4. WARRANTIES AND OTHER TERMS

Historically breach of a warranty is strict, meaning that it entitled the Insurer to avoid the policy from the date of breach. This was the case even if the breach was subsequently remedied before any loss occurred. The Act radically changes the position, so that breach of a warranty will now have the effect of simply

suspending cover until the breach is remedied, if it can be.

As well as modernising insurance contract law, there is a more proactive approach to disclosure at the pre-contract stage which will provide greater certainty and deliver positive outcomes for policy holders. It is acknowledged that the principles-based changes introduced by the Act present challenges, but also an opportunity for insurers to work more closely with insureds.

It is believed that this will frame insurance law for many years to come, after all this replaces the Marine Insurance Act (1906).

AUTUMN CONFERENCE

9 NOVEMBER 2016

BMA House, Tavistock Square, London, WC1H 9JP

Time 10.15 – 15.15



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Nick Haddock, Operations
Manager, Crisis Response
Division at Control Risks



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To book please email: pa@umal.co.uk

Closing date 10th October

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