

Ontarget

The Activities Industry Mutual Newsletter

September 2006



Mutuals Mean Savings

As well as helping our members to make substantial savings in insurance costs, the establishment of the Activities Industry Mutual (AIM) is already producing significant benefits for the outdoor sector. What benefits, you ask?

Activities centres are opting for the Activities Industry Mutual scheme due to its ability to focus solely on the needs of the outdoor education and activities community and to provide them with greater control over all aspects of protection. By tailoring AIM's cover to meet specific needs, the cost to members will be kept as close to cost price as possible.

The project has been designed to start as a scheme, with AIM's insurance partner initially issuing policies direct to members. When the premium level is sufficient to allow the mutual to commence accepting risk in its own right, forecast to be achieved at the end of this year, policy holders will be invited to exercise their option to transfer into and become members of AIM.

One of the best parts about AIM is that it will be member-owned, which means any surpluses belong to and will be used for the benefit of you – the member.

AIM is also structured in such a way that there is no chance of the company's assets being exhausted in the event of an adverse claims experience, due to the arrangements in place with an insurance partner of excellent financial strength.

So, if the idea of stable, low cost cover, through a mutual that understands its

members' needs (because it is owned by its members) sounds good to you, feel free to contact one of the team at AIM.



ACTIVITIES
INDUSTRY
MUTUAL



A message from the Chairman

Since the establishment of the Activity Industry Mutual (AIM) in 2005, over 200 activity centres have signified their support for the Mutual by enlisting as Associate Members, and increasing numbers are placing their insurances with the AIM scheme.

These members of AIM stand to gain the benefits of having a greater control over all aspects of their protection, and being able to tailor their cover to meet their needs — all at the lowest cost possible.

We take great pride in the fact that AIM's insurance programmes have not only been placed with insurers of excellent financial strength, but are also structured in such a way that, once the Mutual commences operation, its assets can not be exhausted in the event of an adverse claims experience. The Mutual is on track to assume risk in its own right at the end of the year. When this happens policy holders of the scheme will have the option to transfer into the Mutual.

With your continued support, we look forward to generating significant benefits to the activity centre community, not only by providing low cost cover, but also giving you the control and stability you value.

Warm regards,

Andrew Gardiner

Andrew Gardiner, Chairman

Watch out for our new Website

There's a lot of work going on behind the scenes at Activities Industry Mutual. You may have already noticed that we have a new logo, and of course the newsletter has been updated since last year. But the updates don't finish there ...

We are currently working on upgrading the Activities Industry Mutual website to bring you more information and new features that are important to you and the activities industry.



Did You Know?

Prior to establishing the Activities Industry Mutual, CTBS commissioned a survey of AALA Licensed Activity Providers to gain some further insights into the activity industry and to gauge the need for an alternative to traditional insurance.

The survey took place between August 2003 and April 2004 and the results played a big part in challenging the widely held opinion that providers of organised adventure activities represent a high risk business category for insurers.

As well as claims related statistics we were able to compile the top twenty most popular activities offered by the surveyed centres and providers.

1. Canoeing / Kayaking
2. Climbing
3. Abseiling
4. Hill Walking
5. Improvised Rafting
6. Gorge Walking
7. Sailing
8. Caving / Mine exploration
9. Windsurfing
10. Sea Level Traversing
11. Biking
12. Team / Initiative
13. Rope Courses / Zip Wires
14. Archery
15. Orienteering
16. White Water Rafting
17. Skiing / Boarding
18. Waterskiing / Powerboats
19. Riding / Pony trekking
20. Air Rifles / Clays & Quad bikes

In the next newsletter we will feature the top twenty most incident prone activities.



Member Profile

Many members have joined the Activities Industry Mutual scheme and are already experiencing the exclusive benefits. AIM Director, Chris Bayliss, was a positive catalyst in encouraging the Field Studies Council to become a member.

Chris heard about the prospective Mutual in July 2004, when he went to one of the first industry presentations, and was very impressed by what it potentially offered. From then on he attended meetings regularly, became a member of the steering group set up to help create the Mutual, and then decided to stand for election as a Director.

Member Name: Field Studies Council

Location: Shropshire, England

Number of Employees: 320

Business Background: Field Studies Council is a charity whose aim is “bringing environmental education to all”. This is achieved by running a wide range of environmental education courses for students of all ages. Most of the courses are residential, and take place at 17 Field Centres in some of the finest locations throughout Britain.

When did you become an Activities Industry Mutual Member?

As an organisation we actually joined officially at our insurance renewal on January 1 2006, but our Secretary and Treasurer, Chris Bayliss was involved much earlier.

Why did you choose to become a Member? As there anything specific that made you decide or influenced you?

In January 2004 we had trouble obtaining liability insurance cover (our insurer at the time decided, rather arbitrarily and at short notice, that they would drop all their customers who were offering a residential provision). Our brokers eventually found cover, but at over twice the previous premium cost.

How would you describe the experience of being a member of AIM?

So far the experience has been fine. Field Studies Council hasn't had to make a claim yet so I that is one aspect we haven't experienced.

What is the best part about being a member of the Mutual?

We probably rate two main positives about membership. Firstly, the knowledge that the Mutual specialises in and understands the sector we are working in can only bring benefits. Secondly, that membership should at least eliminate the huge premium increases that can result from dependence on commercial insurers, and could also eventually save us substantial sums of money.



Photographs courtesy of Field Studies Council.

FAQs

Frequently asked questions

What is a mutual?

A mutual is owned by and operates for the benefit of its members. Normally a mutual will be established to serve the requirements of a particular industry group or a group where there is a high degree of commonality. A mutual company will usually be established as a company limited by guarantee and owned by its members. The mutual's affairs will be run by a Board of Directors elected by the membership, some or all of whom will be drawn from the membership of the mutual.

Why has Activities Industry Mutual been created?

The Activities Industry Mutual (AIM) has been formed to protect the risks encountered by the outdoors industry sector. It has been established for the industry, by the industry following two years of industry wide research of AAL A licensed adventure activities providers.

Who makes up the board for Activities Industry Mutual?

AIM's board, currently co opted, consists of seven directors who are from both the commercial and charitable sectors of the outdoor world.

The chairman is **Andrew Gardiner**, chairman of Acorn Venture Ltd. **Chris Bayliss**, finance director of The Field Studies Council, **Bob Edwards**, manager of Stubbers Adventure Centre and **Val Khambatta**, manager of The Horstead Centre, are from charitable organisations. **Peter Churchus**, the finance director of PGL, and **Tricia Rawlingson Plant**, director of the family run Mill on the Brue Centre are, together with the chairman, from the commercial sector. **Glyn MacAulay** is an insurance specialist and former senior partner of a chartered accountant. He brings additional financial and insurance expertise to the board with his recent appointment.

What will happen to any surpluses AIM achieves?

In the event of a surplus at the end of a policy year, the Rules dictate that the Board is responsible for deciding how it should best be used. Either retaining the surplus in the mutual to increase its risk retention or increase its cover, or alternatively distribute some or all of the surplus back to its members.

Claims

Since its inception in summer 2005, Activities Industry Mutual has only been involved in nine incidents or notifications of a claim. Each newsletter we will profile a different one to give you an insight into some of the risks that your fellow members are encountering and the post event risk improvement measures that were adopted so you can consider them for your centre and situation.

Incident: An outdoor centre found themselves with an incident on their hands when a young boy poked himself in the eye with the tail end of an arrow. Whilst trying to pull an arrow out of the target, he poked himself in the eye with another arrow.

New measure: The centre now specifically refers to this risk and asks participants to be aware in the pre-session briefing for their archery sessions.

Further information

For more information or quotations please contact:

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