

### **What is a Mutual Facts Sheet**

Mutuality may be a concept that you are not familiar with. In fact, it is a growing sector in the financial services world and there are an increasing number of groups choosing to manage their risk in this way, including doctors, newsagents, oil and gas companies and universities.

AIM is a mutual managed by Regis Mutual Management Limited, whose team has a proven track record and reputation for innovation and success in the creation and management of mutuals both in the UK and in Australia. Other mutuals managed by Regis in the UK are Fire & Rescue Indemnity Company, The Livery Companies' Mutual, The NFRN Mutual, The Military Mutual and The Masonic Mutual.

### **What is a mutual?**

A mutual is owned by and operated for the benefit of its members. It does not have shareholders expecting a return on their investment.

In many cases, a mutual is established to serve the requirements of a particular industry or a group where there is a high degree of commonality.

A mutual is run by a Board of Directors elected by the membership, some or all of whom will be drawn from the membership of the mutual.

### **What does AIM offer?**

AIM was formed to serve the adventure activities and outdoor learning industry sector. It was established for the industry by members of the industry and provides an alternative to conventional insurance for an industry where risk cover can be difficult to obtain or only obtained at a high cost.

### **Why do groups establish mutuals?**

- **Control** — a mutual provides its members with greater control over its covers and can tailor its covers to meet members' specific needs
- **Cover** — as a mutual has control over the covers offered, it can provide the widest cover prudent for its members
- **Cost** — a mutual is designed to generate financial savings for its members and smooth the insurance cycle during turbulent times whereas traditional insurance companies are owned by shareholders with any profits being distributed to investors without necessarily benefitting the policyholders
- **Compatibility** — most successful mutuals are selective, accepting only those entities that display good risk management control

- **Continuity** — a mutual provides a long term, viable solution and will provide cover to its members for as long as the members feel that it is performing a useful role
- **Trading surpluses** — surpluses are used for the benefit of the membership. There is no loss of funds through undisclosed commission payments and there are no shareholders expecting dividend payments

### **What type of mutual is AIM?**

AIM is a hybrid discretionary mutual. The Mutual takes the first part of each risk on a discretionary basis (as described below). Above this level, the Mutual arranges an insurance policy with each Member as a named insured.

### **What does “discretionary” cover mean?**

The Board has discretion in accepting someone for membership and the payment of claims, although all Members can expect that valid claims will be paid.

The Board also has power to pay claims that are not included in or specifically excluded under the cover if they feel that circumstances merit it.

### **How does AIM ensure its financial solvency?**

AIM purchases high level insurance with insurers of excellent financial strength. The arrangements are structured in such a way that the Mutual’s assets cannot be exhausted by an adverse claims experience.

### **Are there any documents explaining the rights and obligations of Members?**

The rights and obligations of Members are set out in the Memorandum and Articles of Association and the Rules of the Mutual.

Each Member also receives a Certificate of Entry, Schedule and Cover Wording setting out the terms of the cover, the excesses, cover limits and claims conditions.

### **Where can more information be found?**

Email us at [info@activitiesindustrymutual.co.uk](mailto:info@activitiesindustrymutual.co.uk)

Or call 01892 888 423

You can also visit the Regis website [www.rmml.com](http://www.rmml.com)

AIM MFS V01.00 20/10/2016