

Ontarget

The Activities Industry Mutual Newsletter

Autumn 2010



Mutuality in a changing climate

AIM has completed its third successful year and its forthcoming financial statements will show a third successive annual surplus. We continue to receive plenty of enquiries and welcome new members each month, most of which come by word of mouth recommendations from existing members.

In the insurance sector, mutuality replaces the competing interests of insurers, brokers, shareholders and policyholders with a clear alignment of ownership and interest in the member's favour. A mutual can focus on keeping the price of cover as close as possible to cost price, with surpluses or profits being retained in the mutual or distributed to the members.

AIM's members understand their own risks. They share a common industry and therefore have insight as to what constitutes a well managed risk in the sector. Drawing on this knowledge, the mutual can be selective, control who enters, and tailor its product accordingly.

There is "in house" industry expertise at board and member level, which can provide valuable insight into the investigation and management of claims. "Lessons learned" that are relevant to the sector, as well as other useful advice on risk, are shared. This approach of working together will, in the long run, realise benefits for the Mutual's membership and beyond.

Examples of the advantages of mutuality and co ownership in difficult market conditions are not hard to find. In Britain's retail sector, a strong trading performance from the John Lewis Partnership is testament to the strength of the Mutual structure. Most farmers and agricultural landowners prefer insuring with NFU Mutual than with conventional commercial insurers.

An important feature of mutuality is the sharing of experiences and information between members. With this in mind, this edition includes an article by Andrew Gardiner, AIM's Chairman, on his experience of organizing activities in India, as previewed at our National Seminar, and a profile of our member Taste for Adventure, led by the redoubtable Brummie Stokes. We also feature a piece by Brian Ogden, chair of AAIAC, on the latest thinking on the future of accreditation.

As we continue to grow, the attraction of mutuality as a way of working together for the benefit of the outdoors sector remains strong, offering protection in challenging times.



FEATURES

- The Benefits of Mutuality
- From Dyffryn to Delhi
- AIM Member Profile - Taste for Adventure
- AAIAC Accreditation Open Meeting - 14 September 2010
- Reflections on AIM National Seminar - March 2010



ACTIVITIES
INDUSTRY
MUTUAL

From Dyffryn to Delhi

Groups of young people in India

There have been two critical turning points in my career: the first was when in 1982 as a young English teacher I assisted on a school camp near Dyffryn in North Wales; the second was when in 2000 I paddled 350 km of the River Ganges in India from Farrukhabad near Delhi to Varanasi.

These two events were brought about by the inspiration and leadership of colleagues I had at the time and each experience was so profound and exciting that I was moved to take a completely different direction in my working life. In 1983 I left teaching to set up Midland School Camps (no idea of branding then!) which later became Acorn. In 2003 I handed over the management of Acorn to my nephew and became increasingly involved in developing another Acorn business, in India.

Acorn In India transports groups of young people to Asia and to a very different culture. But it's more than a crossing of continents: it's a journey of the soul, an expedition of the mind. India is a shock to the system: the myriad sights; the unfamiliar music of everyday life; exotic smells; vibrant colours; and of course the chaos and the poverty. It is all so loud and all so different, all so 'in your face'. You can protect yourself from this by staying in the Athletes Village or keep it at a safe distance as most tourists surely do. Or you can push gently at the open door and visit the Real India, where Acorn takes its groups.

The next day I was up before breakfast and wandering down backstreets, amazed by the gentleness of the people standing outside their humble shacks washing fastidiously, brushing teeth enthusiastically, dressing neatly for school or work, and smiling their welcome to me.

And this is what the students see when they travel into Old Delhi and visit Father Ravi's orphanage for street children, this is what they experience when they meet villagers high up in the Himalayan foothills on their subsistence farms, and this is what they learn when they realise that hugs and smiles mean more than iphones and ipads and that those with so little and without envy share what they have. As well as this they see a vibrant 21st century Indian New Delhi with its five star hotels, its Anglo



Indian history and its highly educated middle classes who are confidently leading the way in this, their century.

They see 'Real India' through trekking, & survival training, by visiting rural villages and joining community activities. They visit schools and play with excited and oh so welcoming pupils. They read to children and leave behind the books, and then go wildly splashing through rapids on the Holy Ganga, and then pray on her banks at Aarti as the sun slowly sets. India makes them focus on what is really important, appreciate what they have, and determine to make use of the opportunities they have been given. This is education.

India 'does' something to you but this isn't to everyone's liking. I found the shock to my system just what I needed.

Andrew Gardiner

Andrew Gardiner

Chairman Acorn Venture Ltd

Chairman Activities Industry Mutual



AIM member profile - Taste for Adventure

Scaling the Summit for a Clear View Ahead

Taste for Adventure Centre (TFAC) is a registered charity focussed on empowering the less able, the impoverished, the abused and the elderly, helping them to fulfil their potential through the medium of outdoor challenge and adventure activities.

Founded in 1991 by adventurer J H “Brummie” Stokes and wife Lynne, who was awarded her MBE for her services to the elderly, the premise for the TFAC service is that individuals can overcome their personal obstacles, gaining self confidence and trust in others by completing challenging outdoor activities they never felt they could accomplish, such as high ropes scaling, climbing, canoeing, kayaking, abseiling, mountaineering and survival expeditions.

Brummie Stokes MBE, BEM is uniquely qualified to set up an organisation of this kind. A 20 year SAS veteran and the third Briton to attain the summit of Everest, Brummie decided that after a life of adrenaline and “living on the edge” he wanted to use his adventuring skills to help less privileged individuals and show them how a ‘can-do’ attitude and positive outlook can improve daily life.

The catalyst for setting up the Taste for Adventure charity came after Brummie was himself wheelchair bound and he realised there are people worse off, that he could help.

Brummie and Lynne self-funded the purchase of five acres of land at Credenhill, near Hereford, to establish a residential centre which acts as the homebase for the charity. From these small beginnings, and through Lottery funding, grants from other funding organisations, and TFAC’s own fund-raising and revenue earning courses, TFAC has grown. Since 1991, over 4,000 individuals from 34 need organisations in the Herefordshire region have completed a Taste for Adventure programme and the Charity now has a team of six full-time trainers and an instructor pool of 30 other qualified individuals who volunteer to oversee outreach programmes.

Better together

Brummie is the first to admit that to attain the summit of Everest, you need a good sherpa. When he was asked how Activities Industry Mutual (AIM) assisted TFAC, his message was clear. Without AIM’s trusted service and provision of public liability, professional indemnity and cover for the buildings, not to mention a 44 ft futuristic

abseiling tower, the Charity could not have continued to offer programmes.

According to Brummie, before meeting James Willis in 2005 his experience with other insurers was far from satisfactory. Other insurers didn’t appear to understand the programmes being offered by Taste for Adventure; or the difference between actual and perceived risks. Insurance premiums had jumped over fourfold making the cost of cover prohibitive on the charity’s tight budget and without adequate cover TFAC would have had to close its doors.

With AIM as their insurance partner, Brummie feels like he’s found his “sherpa”. AIM understands the sector and programmes TFAC operates, and as a result have been able to keep cover prices at an affordable level. In addition, AIM works with TFAC and informs them of common problems or accidents in the sector so they can make adjustments and build an extra risk assessment into policies. As Brummie says, forewarned is forearmed – sound advice to a client from their “insurance sherpas”.





“It is not the mountain we conquer but ourselves”.

Sir Edmund Hillary



Notes on AAIAC Accreditation Open Meeting - 14th September 2010

At its January meeting, AAIAC set out with the intent to lead in getting the industry to reach a position statement regarding the future of accreditation and this was progressed with a group of key stakeholders in an AAIAC Accreditation Exploratory Discussion Group. Following the general election in May, AAIAC and the Group submitted a response to the Lord Young H&S Review submission invitation and, working with the EOC, have taken matters up with the H&SE about its postponement of the AALA Review and the Barcaple Judgement.

AAIAC set out its thinking stall, recommending a single system of accreditation across the industry, which incorporates statutory licensing, should it remain, or advocating a unified structure under the Adventuremark label [modified if needed].

A common approach is sought, working with partners including the LOTC, H&SE, AALA and AALS to develop a single, unified system of accreditation which works for the added benefit of providers, users and young people that will stand up to scrutiny with "proper" governance and finance. The additional requirements of LOTC can be incorporated with whichever H & S regime emerges.

At an Open Meeting on the 14th September in London, hosted by AAIAC and attended by 65 delegates, these issues were discussed, following four presentations and the notes below summarise the meeting's outcomes:

1. The principle, endorsed by the signatories to the AAIAC letter sent to Lord Young, of seeking a single system of accreditation for the industry was accepted.
2. AALA is highly regarded - as is Adventuremark.
3. If licensing remains, then Adventuremark/AALA/AALS/ LOTC need to work together more closely to provide a continuum of accreditation with the potential for assimilation.
4. If licensing is sunsetted, then the transition to an industry led system should evolve over time with partners working in collaboration.
5. There will be issues of detail to deal with, following on from the principle of a single, unified, system.

6. The principle of moving towards a single system, with or without licensing - which is not within our province to determine - was seen as a positive way forward by representatives of AALA and AALS, though neither are in a position as yet to endorse.

7. The outcome of Lord Young's review will colour what happens.

**Brian Ogden,
Chair, AAIAC.**

Reflections on AIM National Seminar - March 2010.

The AIM National Seminar took place in March at the historic Watermen's Hall in the City Of London.

The Seminar attended by members, prospective members and interested parties enjoyed a wide ranging programme followed by a lively forum session and buffet lunch. Key issues for outdoor education and activities providers and providers of liability insurance for the sector were examined and discussed together with practical and legal guidance relating to compensation claims and guidance on how to avoid them or defend them.

AIM Chairman Andrew Gardiner of Acorn Venture lead the day giving a talk on leading school trips expeditions in India. Andrew's description of the group members' experiences and reactions provided entertainment and inspiration in equal measure.

Jeremy Cole, risk manager at AIM's excess insurers Mitsui Sumitomo lead a discussion on our "compensation culture" with his talk on the Impact of compensation claims on insurance. and was followed by Matthew Davies an outdoor person and a

partner in Liverpool solicitors Hill Dickinson who continued the topic giving valuable practical guidance on essential procedures should an accident happen.

Other contributors to the day included Andy Robinson, the incoming Managing Director at the Institute for Outdoor Learning and Paul Koronka CEO at mutual managers Regis who spoke on the increasing relevance of mutuality in the insurance sector.

A synopsis of the talks can be found on the AIM website:

www.activitiesindustry mutual.co.uk



News and Events

Lord Young's Review of Health and Safety Laws

Lord Young's comments in July that many H&S rules were "absolute nonsense" and that emergency services were "paid for doing a job that involves risk" and that "legislation should not only be an excuse for inaction" drew an immediate reaction from the Association of Personal Injury Lawyers (APIL) the Fire Brigades Union and the Labour Party. "People can't claim compensation unless they have been injured because someone else is at fault", said Muiris Lyons, president of APIL. Union representatives warned against attacks on rules that protect staff and the Labour Party said that Lord Young's comments were a "caricature" based on "myth and exaggeration".

The Review is expected to recommend the immediate implementation in full of Lord Justice Jackson's Review of Civil Litigation Costs (commissioned by the previous government and commented on in our last Newsletter) which includes the banning of referral fees, when claims are sold from one solicitor to another, and the introduction of a Fast Track Fixed Cost Regime for accident claims up to £25,000.

It is expected to crack down on the way personal injury solicitors advertise their "no win no fee" services and to recommend

exemptions for emergency services from lawsuits or prosecutions for breaching H&S laws.

Recommendations for red tape reduction for schools are also expected, replacing the huge number of risk assessment forms teachers have to fill in with parental consent forms. Schools and youth sports teams should no longer be liable for accidents on such trips, nor for injuries suffered by children playing organized games.

In endeavouring to break the mould of the past, Lord Young is following a well trodden path, hopefully with new vigour. The previous government's Better Regulations Executive published several reports which aimed to reduce the cost of H&S regulation. The Cabinet Office quango, the Better Regulation Commission, also reported on the rise of the "compensation culture" and the control of regulation burdens and Lord Justice Jackson's Review reported earlier this year just a month or two before the election.

The need for improvements to the UK H&S legislations that deliver a common sense approach, lower litigation costs and speedier claims processing has been long recognized and a solution would greatly benefit all sections of society including the adventure activities sector.



Dates for your calendar

15th/16th November 2010

BAHA Annual Conference, Grosvenor Hall Activity Centre, Kensington, Ashford Kent, TN25 4AJ

13th-16th January 2011

The Outdoors Show, ExCel London, Western Gateway, London E16 1BD

28th January 2011

IOL Northern Region Annual Conference, Borwick Hall OEC, Carnforth Lancashire LA6 1JU

10th February 2011

IOL Southern Region Annual Conference, High Ashurst OEC Mickleham, Dorking, Surrey RH5 6DQ

Further information

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