

THE CHARTERED INSURANCE INSTITUTE

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MINUTES OF THE ANNUAL GENERAL MEETING OF THE CHARTERED INSURANCE INSTITUTE, HELD IN THE GREAT HALL, 20 ALDERMANBURY, LONDON, EC2V 7HY ON THURSDAY 21 JULY 2016 AT 1.45 PM.

Chairman: Robert Fletcher, President, The Chartered Insurance Institute

Present: Refer to attendance sheets.

CONVENING OF MEETING

The President welcomed all members to the Annual General Meeting and announced the housekeeping arrangements.

Apologies for absence had been duly noted.

LOYAL GREETING

The President read the message received from the Institute's Patron, Her Majesty The Queen, in response to loyal greetings sent to her by the Institute, Her Majesty conveyed her warm thanks to the Officers, Council, Board and Members of the Institute for their loyal greetings sent on the occasion of the Institute's Annual General Meeting, and in return sent her best wishes to all those present for most memorable and successful meeting.

A. THE ANNUAL REPORT AND ACCOUNTS FOR 2015

It was noted that the Annual Report and Accounts for the year ended 31 December 2015 had been included in the AGM packs. An abstract of the Accounts had been circulated with the April / May Journal issue and the full accounts had been published on the CII website.

A member stated that he had been asking the CII for two years to adopt full disclosure of executive salaries / emoluments and financial transactions; the implementation of the revised financial reporting standards had been noted although this had not remedied the situation. He queried why the CII had not adopted a more open and transparent policy of salary / emolument / financial transaction disclosure.

The Secretary confirmed that the answer previously given was that the question would be addressed in the 2014/15 Governance Review. The review had been deferred following the CEO's resignation and it had not been considered appropriate to continue with it pending the arrival of the new CEO. The review was now underway and would dovetail with the Strategic Review being undertaken by PwC. The normal accounting standards for a non regulatory "not for profit" organisation had been followed and updated for compliance with FRS102. The governance review would consider format of member communications including the annual report and accounts. That said, there was no resistance at all to the concept of executive remuneration disclosure and this would be addressed specifically.

It was mentioned that, in publishing the Annual Review, other professional bodies, such as the Law Society, Royal Institute of British Architects (RIBA), etc, had introduced a much more open and user friendly approach with the use of graphics producing booklets for the 21st century, and it seemed an opportune time for the CII to do likewise. It was queried whether the Board would confirm that there would be a review of the layout and content to bring it into the 21st century for the AGM in 2017.

The CEO confirmed that this would be the case.

The motion:

“THAT the Annual Report and Accounts for the year ended 31 December 2015 be received and considered.”

was AGREED nem con.

B. RESULTS OF ELECTION OF MEMBERS TO THE REPRESENTATIVE COUNCIL

The President invited the Chief Executive Officer (CEO), Sian Fisher, to announce the results of the elections of members to the Council. It was noted that, the elections had been undertaken in accordance with the Bye-Laws, and that the 2016/2017 appointees came from the Local Institute Group Rotation 1. On behalf of the Institute, the CEO gave a warm welcome to the following new members:

Debbie Mitchell – Scotland A
David Ross – North East A
Chris Morter – South West & South Wales A
Dominic Murphy – North West A
Phil Bristow – South Coast & Channel Islands A

The CEO also welcomed those members re-elected for a further 3 year term:

James Peace – London B
Paul Tunnell – South Central A
Leslie Gillanders – Northern Ireland

She thanked the following members, retiring at the end of the AGM, for their service and contribution to the Institute:

Bernard Aldous – Anglia A
Stuart Robertshaw – North East A
Lorraine Clarke – South West & South Wales A
Andrew Parkhurst – North West A
Christopher Digby – South Coast & Channel Islands A
Ronnie Morgan – Scotland A, who had also stood down from the CII Board following end of his term.

In addition, the CEO also mentioned two other members who had stood down:

Mike Cranny - North West B from Group 2 having completed his term of office; and Julie Hart – South Central B having resigned from Council.

The CEO welcomed Karen Rose, as an Alternate until South Central B's group rotation election in 2017.

On behalf of the Institute, the CEO expressed her gratitude for the valuable time and expertise contributed by those mentioned.

C. **REPORT ON THE ELECTION OF FELLOWS AND ASSOCIATES**

The CEO announced that 405 members had been elected to Fellowship and 1,673 elected to Associateship in 2015 compared to 403 Fellows and 1,606 Associates elected in 2014.

The President congratulated those newly elected.

D. **ELECTION OF THE PRESIDENT AND DEPUTY PRESIDENT FOR THE 2016/17**

President

The motion:

“THAT John Moore MBE, ACII, Chartered Insurance Broker, be elected President of the Institute for the Institute year 2016/2017.”

was AGREED nem con.

The President congratulated John Moore on his appointment.

Deputy President

The President proposed:

“THAT Inga Beale, ACII, Chartered Insurer, be elected as the Deputy President of the Institute for year 2016/2017.”

This was AGREED nem con. The President congratulated Inga Beale on her appointment.

E. **APPOINTMENT AND REAPPOINTMENT OF VICE PRESIDENTS 2016/17**

The President drew the meeting’s attention to the next item regarding the reappointment of Vice Presidents. In light of there being fifteen reappointments, the President proposed that a single vote be taken for all fifteen reappointments. No objections were raised.

The President proposed:

“THAT in accordance with the wishes of the meeting, I propose that all the Vice Presidents listed in the Notice of the meeting numbered E(i) to (xv) be reappointed. These include:

- | | |
|----------------------------|--------------------------|
| i) Helen Ahluwalia Dip CII | ix) Edward Grant FPFS |
| ii) Claire Brand ACII | x) Terry Hayday FCII |
| iii) Stephen Catlin ACII | xi) Brendan McManus |
| iv) Mark Cliff | xii) Stuart Reid Dip CII |
| v) Liz Coyle ACII, FPFS | xiii) Ian Ritchie ACII |
| vi) Paul Donaldson FCII | xiv) Grant Scott ACII |
| vii) Jon Dye FCII | xv) David Williams FCII |
| viii) Tony Emms ACII | |

The motion was AGREED nem con.

The President then proposed the following motion ratifying the appointment of a Board member made since the conclusion of the 2015 AGM.

“THAT the appointment of David Smith as Employer Member of the Board be ratified.”

The motion was AGREED nem con.

The President congratulated all the Vice Presidents and David Smith on their respective reappointments.

On behalf of the Board, the President thanked all for giving their time to the Institute so generously. He expressed special thanks to

Eric Galbraith
Robert Reid
Steve Wood

who had either stood down during the year or would do so following the close of the AGM.

F. **RE-APPOINTMENT OF THE AUDITORS**

The motion:

“THAT BDO LLP be reappointed as the Institute’s auditors until the end of the 2017 AGM at a fee agreed by the Board.”

was AGREED nem con.

G. **RATES OF ORDINARY GRANT CONTRIBUTION TO LOCAL INSTITUTES**

At the invitation of the President, Roger Hearn, the interim Finance Director, explained the background to the grant contributions to local institutes.

It was pointed out from the floor however that there was a discrepancy in the percentage of grant signalled in the notice of the meeting. The Secretary confirmed that in the event of any conflict between what was in the notice convening the meeting and other documentation or commentary, the notice took preference.

In accordance with the Notice convening the meeting, the President then proposed:

“THAT the annual rates of contributions to Local Institutes be adopted as set out in Appendix A of the Notice.”

The proposal was AGREED nem con.

H. **REPORT BY THE CHIEF EXECUTIVE**

The President invited the CEO, Sian Fisher (SF) to present her report.

SF apologised to the meeting with regards to the confusion over the rate of Ordinary Grant.

SF stated that prior to leaving, Sandy Scott (AWS), had spent considerable time handing over and leading her induction to the Institute and its operations. He had given his time generously to introduce her to her trade body and other Chartered Institute peers along with various political, regulatory and policy influencers.

SF thanked the Director of Communications, David Ross, and his team for preparing the Annual Report in a short space of time due to the changeover of CEOs.

In introducing her presentation (copy in minute book), SF paid tribute to AWS for his leadership and for leaving the CII in such a strong financial position. SF highlighted the following:

- In 2015, there had been a turnover of £40.5m with an operating surplus of £1.8m.
- Membership had increased to over 120K, with over 1 million learners
- A number of ambitious initiatives had been set, including “Choose Chartered”, “Made Simple”, “Ask CIIIndy” and apprenticeships
- With regards to the Financial Advice Market Review (FAMR), the CII had been playing an active role through responding to the consultation and maintaining regular contact with the HM Treasury and the FCA Team overseeing the review.
- A lot of work was also being undertaken around the Life & Pensions initiative and “Insuring Women’s Futures”.

SF stated that she was pleased that the new Deputy President, Inga Beale (IB), had joined the Board at the time of this initiative.

SF informed the meeting that PwC had been commissioned to undertake a Strategy Review. The project had commenced with a review of the organisations strengths and weaknesses and what that might mean for the future. There had been a good response to a stakeholder survey with approximately 5k replies. The responders were mostly CII Members (plus 150 non-Members). PwC had initiated an extensive interview programme involving staff, management and the Board, plus external stakeholders including regulators and corporate customers across GI and Life & Pensions.

Some of the issues highlighted by the PwC review and on which the CII needed to focus were:

- The insurance market sector was facing a number of changes that could adversely affect the CII if left unchecked. Amongst other things, the CII needed to increase its attractiveness / relevance in the under-served parts of the market and necessitate growth in technical compliance roles. Attracting the right talent was seen as a key issue for employers which provided an opportunity for the CII to win new members and deliver L&D to the incoming workforce. Work had been done on the Life and Pensions qualifications pathways with two new qualification pathways introduced in 2016. A Life & Pensions declaration was also being finalised.
- “Disruptive” technology – CII needed to become relevant to technology-based, new market entrants who were developing innovative solutions.
- Culture and ethics – diversity in the insurance profession was an increasing challenge and on which the CII needed to lead by making the profession more accessible.

PwC had flagged that there were substantial opportunities for the CII with regards to the above. They had stated that the CII lacked a shared vision.

The purpose of the Institute was clear from the Charter and might be paraphrased as “to build public confidence in insurance and its practice”.

The vision (what the Institute wanted to achieve) was to develop the insurance profession and increase market integrity by raising and championing professional standards (technical knowledge, conduct and ethics) in the UK and internationally.

As part of PwC project the CII Board’s Strategy Steering Group had met several times throughout the period April to July. The Board’s Strategy Steering Group had been well supplied with input from both London and the Representative Council and the experience of working with PwC had been very positive.

The CII was a heavily examination oriented and reliant organisation. Membership in the UK was currently at around 105k and the outlook over the next 5 to 10 years was that the numbers employed in the CII’s addressable market whilst stable, would not be growing and the nature of the jobs undertaken would continue to change. The absolute numbers employed would trend down with firms continuing to consolidate. There was likely to be little if any growth in the pool of members within CII’s core GI markets of London and Commercial lines.

The position was more positive in financial planning although RDR had left a lot of customers with nowhere to go and many were now seeking “advice” from their providers including banks who were re-entering the market. This presented an opportunity to win new members and deliver L&D to the incoming workforce. Attracting the right talent was seen as a key issue.

Overall membership had grown as a result of RDR and the rise of Chartered firms. The numbers of members who were content to remain at qualification levels below ACII and APFS levels however was disappointing. Members needed to be actively encouraged to attain the higher levels of qualification. This led back to the membership proposition and a better articulation of the benefits.

It was also the case that the examination modules were getting old and that insufficient attention had been given to the CII’s “International” strategy.

In summary the Institute needed a shared vision of its purpose and the advent of a Strategic Manifesto.

SF then turned her attention to the future of the 20/21 Aldermanbury premises and noted the genuine attachment that many members had to the building as well as its operational limitations.

The downsides of continued occupation of 20 Aldermanbury included an “image” not commensurate with a modern and relevant organisation and inflexible working space, with c.30% of the square footage as “dead space”. The building was extremely expensive to run and maintain and was further restricted by its Grade 2 listing with little capacity for growth.

She noted that a number of options would be considered by the management team.

The CEO closed by thanking all the volunteer members, officers, staff and colleagues across the organisation and the Local Institutes for their hard work and dedication which had resulted in another outstanding performance by the CII.

A member from the floor posited that despite Fellowship being the Institute's "premier qualification", seemingly little progress had been made with its review and that no communication had been entered into with the members. He asked what the current position was with the General Insurance Fellowship, which Dr Scott, had advised the 2015 AGM, would be settled by the end of 2015.

The CEO advised that the delay had most likely arisen through her arrival and having to familiarise herself with the project and the qualification framework in general. She confirmed, however, that work had already been undertaken to update the Fellowship and that more news would follow in due course.

In a further query from the floor, it was asked what steps the CII were taking to ensure that data was protected against cyber risk. The CEO acknowledged that whilst instances of hacking etc could not be eradicated entirely, the staff received cyber awareness training and that penetration and other similar forms of covert 3rd party testing were undertaken on a regular basis. It was noted that the CII was applying for government accreditation of its approach to its cyber security

K. **WINNER OF THE RUTTER MEDAL**

The President explained that the Rutter Medal was awarded to the best qualifying new Fellow of the CII.

For 2016 the Rutter Medal had been awarded to Ms Anne Dalton FCII for her dissertation on "Credit Insurance in Ireland - Underutilised, Ignored or Misunderstood?", which impressed the panel.

Ms Dalton FCII was then presented with a silver gilt medal and cash prize of £1,000.

No entries had been received for the Morgan Owen Essay Competition this year.

L. **TRANSFER OF OFFICE**

The President, Robert Fletcher expressed his heartfelt thanks to all the Officers for their assistance during the past year and in particular the Immediate Past President Ashwin Mistry and Deputy President John Moore, for their advice and support in his presidential year. He gave his personal acknowledgement to the former Chief Executive, Sandy Scott for his immense support, and contribution to the Institute's development.

The President then formally presented the incoming President John Moore (JM) with the Presidential Jewel which formalised the transfer of office.

The new President, JM responded that he was honoured to be elected the next President of the CII and looked forward to upholding the traditions of the office and following its many distinguished past presidents.

The New President paid tribute to AM's "One Voice" campaign and confirmed that he looked forward to building on its foundations. He highlighted that his focus for his presidential year would be on the promotion of Chartered, under the "Choose Chartered" campaign.

The New President then presented Robert Fletcher (RF) with his Past President's collarette and a lapel badge. RF then returned to his seat.

The New President then invited AM to propose a vote of thanks to RF the outgoing President.

This was followed by the President inviting a formal vote of thanks to AM who stood down from the Board today.

Both votes were recorded by warm acclamation of those present.

There being no other business, the meeting was declared closed.

Chairman.....

Date.....