

18th March 2025

Confirmation of Agenda

UMAL's Annual (Virtual) Conference

Hosted by **John Pienaar**

Morning Session

9.15 – 9.45	Conference site opens
9.45 – 10.00	Opening Remarks John Pienaar
10.00 – 10.45	Review of 2024 and outlook for 2025 James Roberts
10.45 – 11.30	Balancing Budgets and Avoiding Claims Andy Peacock and Paul Francis
11.30 – 12.00	Break

Afternoon Session

12.00 – 12.30	Decarbonisation Retrofit Insurance Rob Best (Dual)
12.30 – 12.50	Risk Management Trends Andy Peacock
12.50 – 13.15	Ask UMAL All presenters
13.15	Close

Delivering **knowledge, value** and **service** to our Members



UMAL 2025 Spring Conference

James Roberts CEO

Presentation by
James Roberts CEO
18th March 2025





Agenda

- **Introduction**
- **2023/2024 Review**
- **2024 Renewal**
- **UMAL News**
- **Renewal 2025 Outlook**
- **Final Reflections**

Introduction & personal reflections on first 12 months

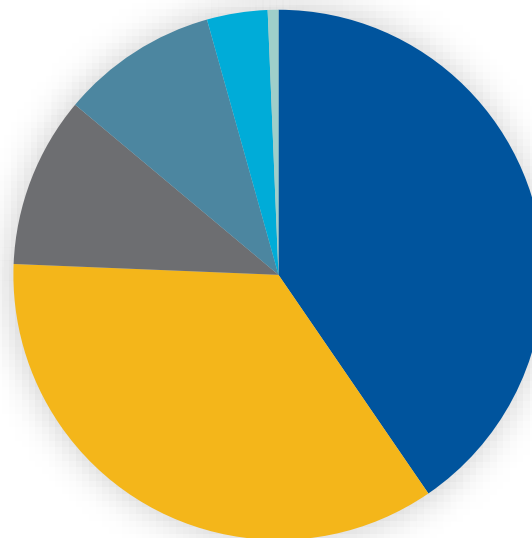


- The pillars to our success
- Increased visibility / knowledge share
 - On site visits
 - CII Training
 - Webinars – Risk Management / Underwriting / Claims
 - Marketing materials
 - Conferences
- An extended part of your team
- Board Changes and wider governance process
- Keeping abreast of wider market activities
- Team in one place
- Decision making across claims, underwriting and risk management



UMAL Contributions - £44.1m

- Insurance / Reinsurance £18.6M (42.2%)
- Claims £16.2M (36.7%)
- Expenses £4.8M (10.9%)
- MLB £4.4M (10.0%)
- Rebate £1.7M (3.9%)
- Member Services £0.3M (0.7%)



- Member funds £29.0m (Increase from £26.9m v prior year)
- Total cash £67.0m (Increase from £58.7m v prior year)
- UMSR Subsidy £1.5m
- Surplus - Rebate to Members of £1.7m & Reserves £2.0m
- HMSL - Returned commission of £518k from £7.0m GWP
- Investment Income £4.3m



- Welcome University of Aberdeen, TEDI & University for the Creative Arts as full Members
- 136 Members
- Revenue up by over 10%, driven by new business and increased exposures
- New UMAL Construction facility with up to £30m limit embedded
- Terrorism rate reduction
- Travel LE included in Full cover (rather than separate contract)
- UMAL protection
 - Property midway through LTA
 - Cross class LTA across EL/PL/PI/D&O/Clinical Trials and Med Mal (Loss ratio cap)
 - Terrorism allowed to run into final year
 - No change in (re)insurance partners – apart from Terrorism
 - Modest increase in premium overall



New Starters

- Noel Silverman– Risk Manager
- Craig Angus – Relationship Manager

Projects


- Risk Management Review
- Procurement of Broking Services

On the horizon

- Recruitment Plans
- New Directors for Board
- Potential New services
- Renewal process
- June Forum



Renewal 2025 Outlook

- Data Collection commenced!
- LTA on key lines of business 
 - Property ✓
 - Liability / PI ?
- No mandated property indexation – 5%
- Sports Clubs and Student Unions
- HMSL placements e.g. Cyber, Motor, Legal Expenses
- No major cover changes
- Scheme 3 for UMSR subsidy, Year 2
- Additional Top up layers for Terrorism Cover



- Competitive in challenging times
 - No IPT, no commission / fees
 - MLB & flat rating
 - 10% expense ratio
- Not for Profit
- £3.9m of Rebates over last 2 years
- Discretionary Mutual – positive approach to cover
- Differentiators beyond Financial
 - Service, Expertise and Breadth of Cover



Thank you



Balancing budgets and risk whilst avoiding claims

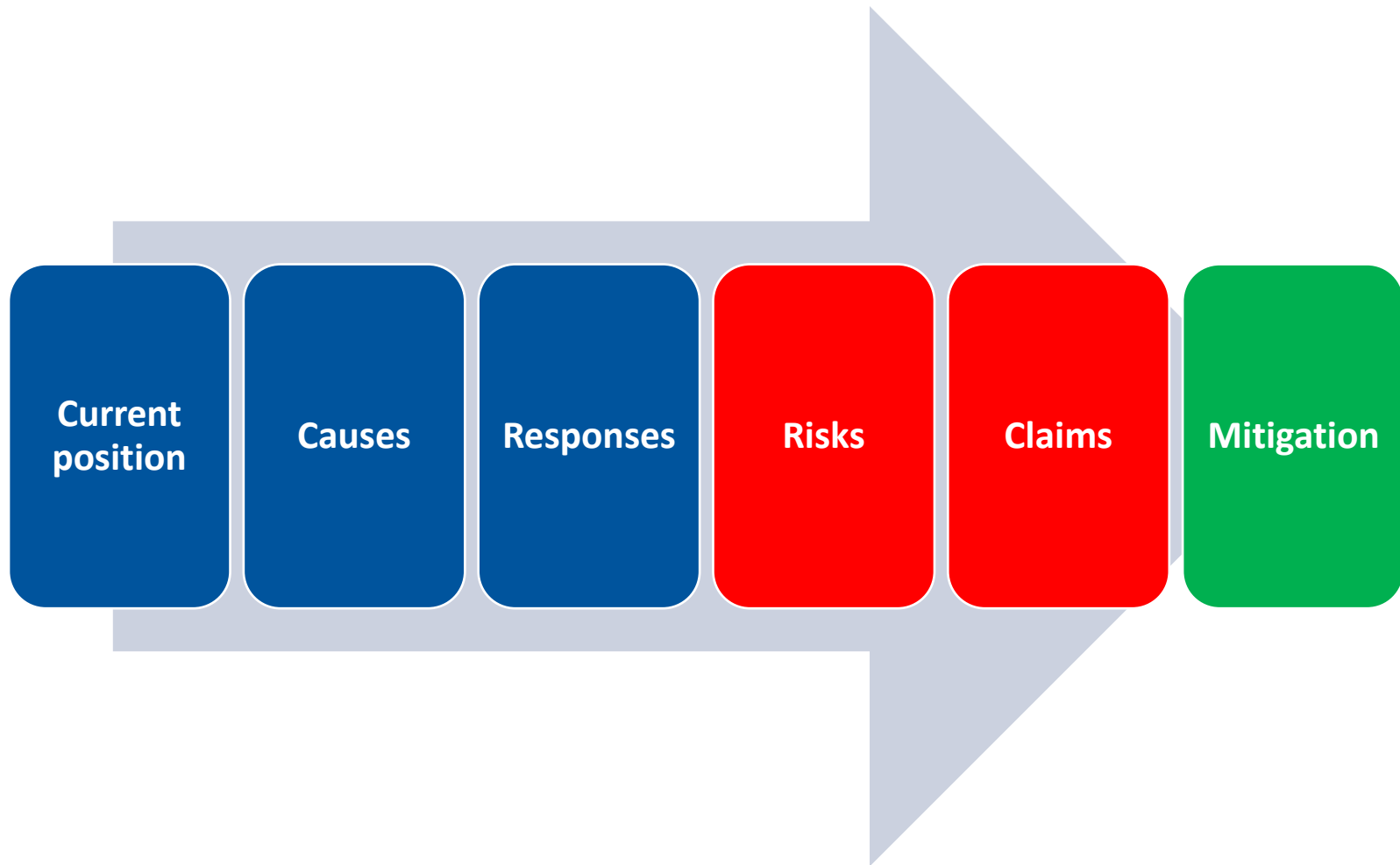
Paul Francis – Head of Claims

Andy Peacock – Risk Manager

18 March 2025



Agenda





“Vice-chancellors fear UK sector is hurtling into financial crisis” (The Times Higher Education 18.01.24)

“Three in four England universities expected to be in the red next year” (The Guardian 15.11.24)

“A decline in foreign students and higher costs create a perfect storm for Scottish universities” (Institute for Fiscal Studies 19.11.24)

“Battle to save courses at Wales’s oldest university fails” (the Telegraph 23.01.25)

“University plans to cut 400 jobs and axe courses” (BBC News 28.01.25)

Causes



Balancing the books

Staffing:

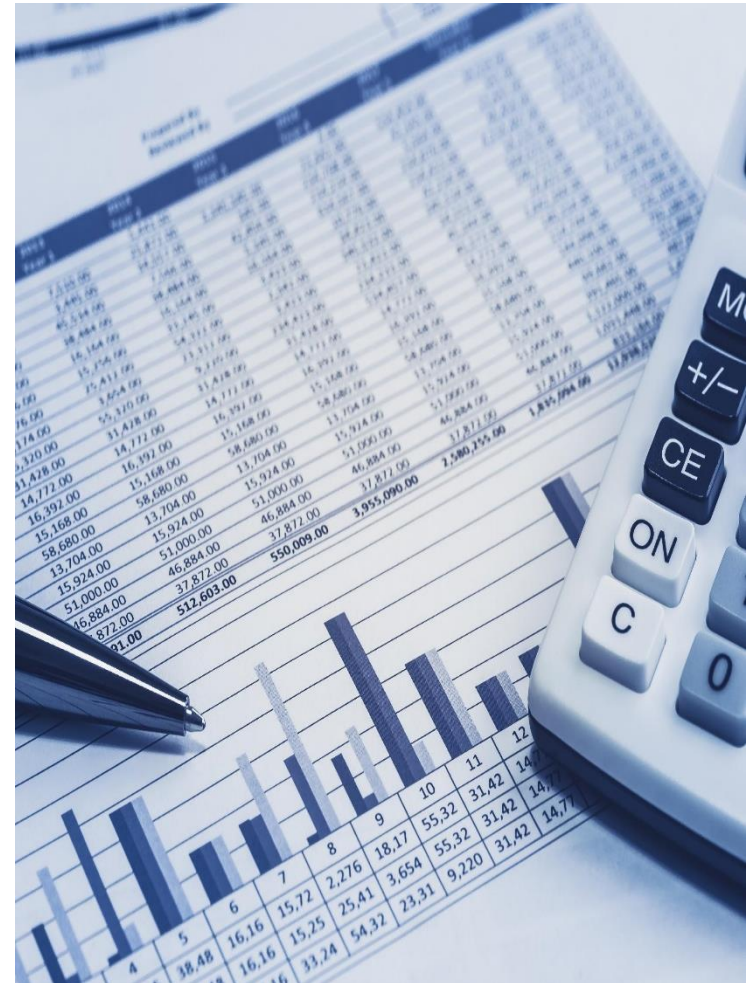
- Freezing of recruitment
- Voluntary redundancy
- Restructuring of departments

Estates:

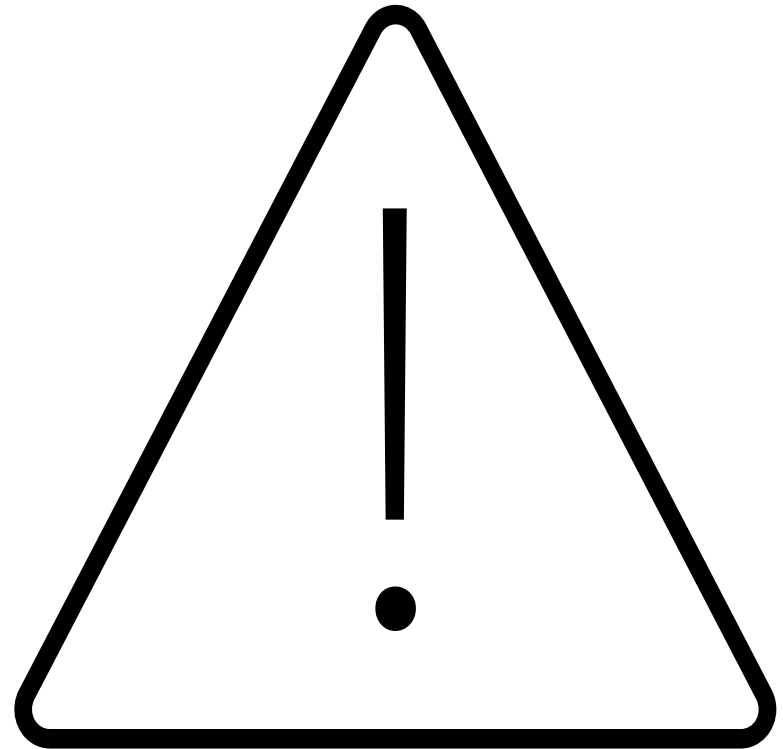
- Postponement/cancellation of capital projects
- Less infrastructure investment
- Reduced premises estate maintenance
- Disposal of underutilised buildings/campuses

Students:

- Recruitment of international students
- Course rationalisation
- Expansion of online learning
- Reduced student welfare support services



- Estate and infrastructure deterioration
- Talent drain
- Deterioration of teaching quality
- Reduced diversity of course availability
- Threat to research
- Inadequate support services
- Impact on student/staff mental health
- Negative effect on student experience
- Reputational damage
- Decline in rankings
- Claims





- Increased frequency of damage to property
- More interruption of, and disruption to, operations
- Increased frequency of third-party claims from:
 - Staff
 - Students
 - Visitors
 - Others
- Exacerbated by a complex and evolving claim environment:
 - Easier access to legal representation
 - Some revenue streams closed or restricted
 - Technological advancements
 - New legislation and adverse case law
 - Changing social attitudes
 - Consumer awareness
 - Seen as having deep pockets?

Course discontinuation - legal

- **Potential impact to:**
 - Students - existing and applicants
 - Staff
- **Legal challenges on grounds of:**
 - The decision itself
 - Subsequent actions
- **Basis of challenge:**
 - Employment law
 - Judicial Review
 - Breach of contract
 - Misrepresentation
 - Consumer rights legislation
 - Negligence
 - Human Rights Act
 - Discrimination

Protected characteristics:

- Age
- Gender reassignment
- Marriage or civil partnership
- Pregnancy or maternity leave
- Disability
- Race
- Sex
- Sexual orientation

Course discontinuation - considerations



- **Whether to discontinue:**
 - More than evaluation of economic viability
 - Can existing students complete
 - Discrimination:
 - Is course subject-matter linked to a protected characteristic
 - Disproportionate representation of students with a protected characteristic
 - Impact assessment
 - Public/media perception
- **Subsequent actions:**
 - Communication – early provision of information
 - Teach-out plans
 - Transfer opportunities
 - Ongoing availability of academic staff
 - Support services
- **Document decisions with assessments and rationales**

Course discontinuation – claim costs



Heads of Damage and Costs	Examples
Employment Tribunal awards	Up to £136k (no cap if discrimination)
Tuition fee refunds	Up to £9,250
Distress and inconvenience	Up to £5,000
Injury to feelings (discrimination)	£10,000 to £15,000
Pain suffering and loss of amenity	£10,000 (modest)
Alternative course arrangements	Up to £5,000
Delayed career/loss of earnings	£23,000 net
Legal costs – student claim	£17,000 (for a £15,000 damages claim) £44,000 (for a £30,000 damages claim)

International student recruitment - risks



- **Large potential claimant pool:**
 - 758,855 international students in UK in 2022/23:
 - 26% of all students
 - 52% of postgraduate students
- **Risk factors:**
 - Increased competition
 - Academic standards
 - English language proficiency
 - Overseas agents – recruitment fraud
 - Commission-based remuneration

International student recruitment - considerations



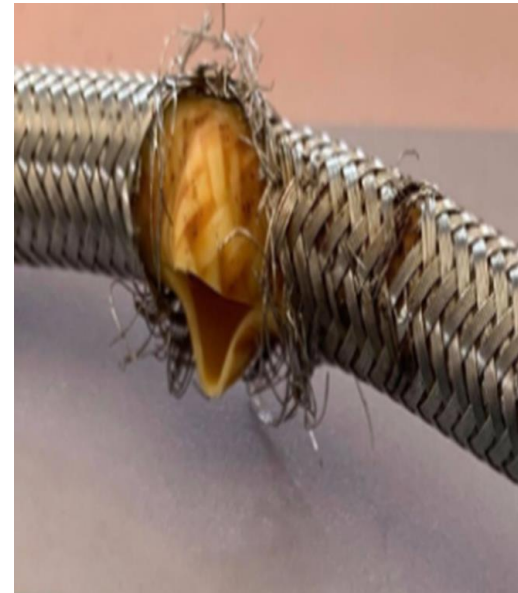
- Careful selection of overseas recruitment agents
- Due diligence and auditing
- Speak to other universities
- Additional care if commission- based remuneration in full or part
- Local regulatory regime
- Buck stops with the UK institution – UKVI sponsorship obligations
- F2F sampling of students by interviews
- Cross-checking of documentation

International student recruitment – claim costs

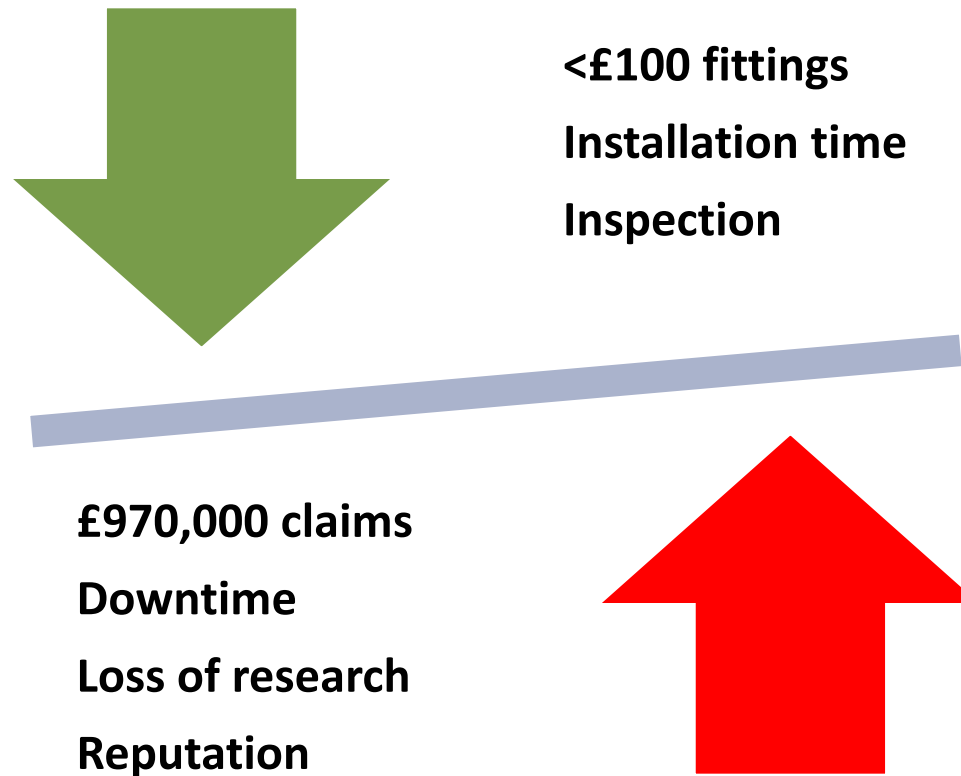
Heads of damage and costs	Examples
Tuition fee refunds	£11,400 to £32,081 (2021/22)
Flight costs	£2,500
Rent	£7,500
Other living expenses	£5,000
Distress and inconvenience	Up to £5,000
Pain suffering and loss of amenity	£10,000
Delayed career/loss of earnings	£10,000 - £15,000
Legal costs	£17,000 (for a £15,000 damages claim) £44,000 (for a £30,000 damages claim)

Facilities - changing profiles

- Reduced appetite for large capital projects, retention of older stock and aging assets
- Getting the balance right between best practice vs. break down vs. down time.....avoiding false economy
- Rate of change for environment and energy needs
- Backlog of repairs exacerbating the risk of accidents:
 - Slips, trips and falls
 - Vacant
 - Outsourcing
 - Escape of water We have already seen this



Lessons learned – breakdown vs best practice



Neurodiversity – background

- Umbrella term for conditions including dyslexia, autism, ADHD, PDA etc
- Student profile changing - UUK suggesting 14% of student population is neurodivergent, the highest level ever
- Equality Act 2010 (England/Wales/Scotland)
- Disability Discrimination Act 1995 (NI)
- Public Sector Equality Duty
- Autism Act 2009





- Case law - *Abraham v- University of Bristol* - Correct identification of 'competency standard'
- UMAL's experience emerging trends around avoiding discrimination and considering reasonable adjustments:
 - Trained teaching and front-line / support staff
 - Inclusive teaching methods and correct assessment methodology
 - Universal Design for learning and build environment
 - Better understanding of comorbidity and support needs
 - Individualised support functions – specifically mental health support....

Stress at work and mental health statistics

- Increased workloads and rate
- Unfamiliar duties
- Loss of support
- Job insecurity
- Managing change
- Low morale
- Legal duty to provide a safe place of work and avoid exposure to foreseeable risk of injury including psychiatric harm



**33.7 million working days
lost 2023/24**



**48% due to stress,
depression, anxiety**



**Increasing numbers post
Covid**



**Change in awareness and
attitudes**



Psychiatric injury claims



- **UMAL claims have increase eight-fold in 10 years – all members**
- **As an area of focus 2025 with the HSE business plan**
- **“The HSE has raises questions about Universities commitment to employee well-being and compliance”**
- **Steps forward**
 - **Identify stressors**
 - **Engagement and consultation**
 - **Evaluate risks**
 - **Implement control measures – management standards**
 - **Monitor and review**



- Risk registers are only effective when dynamic – managing change.
- Clear articulation of the risk statement that identifies the event or condition, the consequences and causes.
- Defining total cost of risk, avoid short-term gains over long-term pain
- Don't forget
 - Use UMAL's and our Members' experiences
 - Be open to challenge
 - Don't forget people and internal knowledge



- **Review risk appetite and how it influence University decisions**
- **Move for more conscious and consistent decision-making about taking (or avoiding) risks**
- **Risk tolerance may need to change (just because it worked previously)**
 - Lessons learned along the way
 - What has / has not worked
 - Identify strategic trade-offs
 - Challenges in implementing risk appetite

Extra eyes and ears



- **Role to play in supporting our Members managing risk and avoiding claims**
- **Extended part of our Members team**
- **Share what we see and best practice**
 - Industry Events
 - Webinars
 - Risk alerts
 - Annual Conference
 - Member Visits
- **More detailed dialogue welcome**



Thank you