



OXFORD
MUTUAL
LIMITED



Annual Report 2023/24

Visit our website for further details: <https://finance.admin.ox.ac.uk/insurance>

Front Cover Photograph Acknowledgements

IDRM Building

Insurance Team

Sunken truck, Boundary Brook House Car Park

Insurance Team

BMW Driver Crashed into Oxford University Landmark, Clarendon Building

Insurance Team

Pinnacle, The Stephen A Schwarzman Centre for the Humanities

Insurance Team

Chris Thorogood with the world's largest flower, Rafflesia arnoldii, in the rainforests of Sumatra, Indonesia

Botanic Garden



UNIVERSITY OF
OXFORD

OXFORD MUTUAL LIMITED

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Chairman's Introduction

It is with great pleasure that I present my first annual report for Oxford Mutual Limited (the "Company" or "OML") for the financial year 2023/24 (the "Report").

The Report outlines the Company's activity during the year and begins by restating the aims of the Company, which include providing long term stability of pricing and cover to its members and the promotion of risk management across the University.

The insurance market has hardened considerably over the last few years, offering limited capacity and high pricing, and Insurers' risk appetite is much reduced. However, OML has established a strong reputation within the insurance market, and its approach to insurance and risk management is well recognised and highly regarded. This has a direct and beneficial impact on market pricing and cover availability for the University as a whole, even with the hardening market and despite the continued growth of the University's Estate.

You will find within the report a summary of the risk profiling exercise which demonstrates how the Company ensures it operates an integrated risk management and insurance strategy. Through this mechanism OML is able to improve risk governance by aligning the insurance programme with the University's current and emerging risks.

Details of the claims experience are within the report; management and analysis of claims is key in directing risk management activity to ensure it is well targeted.

OML continues to provide a focal point for risk management and the risk management initiatives and projects undertaken during the year are detailed in the report. As a result of successful claims performance OML has received a premium rebate from its main insurer. This rebate will be put towards further risk management activity and will ensure OML is able to continue to support risk management activity throughout the organisation.

Finally, on behalf of the OML Board, I wanted to thank Professor Ewan McKendrick, my predecessor as Board Chair. Ewan was Chair for 4 years until he retired from the Board in March 2024 and we are all very grateful for his commitment, guidance and careful stewardship during this time.

Paul Goffin
Chairman

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About Oxford Mutual Limited

The Company is the vehicle through which the University's insurance programme is arranged and managed.

Aims

OML arranges protection for its members' needs and provides cover that is both stable and consistent.

OML enables the University to:

- ❖ reduce fluctuations in insurance premiums;
- ❖ manage its claims more efficiently and effectively;
- ❖ gradually build up a 'fighting fund' to provide additional flexibility during a 'hard' insurance market cycle; and
- ❖ deliver long term stability of cover and pricing with the benefits of return premiums if experience is favourable.

OML provides the University with:

- ❖ a greater understanding and ownership of its risks;
- ❖ expertise and advice specific to its members' needs;
- ❖ the potential to offer participation beyond University departments; and
- ❖ a vehicle for effective risk management.

OML manages the following insurance policies:

- ❖ property;
- ❖ motor;
- ❖ liabilities; and
- ❖ travel

The Company is funded by contributions from its members and provides discretionary cover for the first £100,000 of each and every claim occurring within the property, motor and liability policies.

Oxford Mutual Limited Board (“The Board”)

The Board meets regularly to discuss all activities relating to insurance and risk management concerning the University and the Company. OML also has a direct reporting line to the University’s General Purposes Committee.

During the reporting period, the Board consisted of the following Directors:

- ❖ Paul Goffin *Independent Chairman and Former University Director of Estates Services (appointed on 28 May 2024)*
- ❖ Simon Boddie *University Chief Finance Officer*
- ❖ Sean Anderson *University Group Treasurer*
- ❖ Lyndie Hayes *University Head of Insurance*
- ❖ Ewan McKendrick *Chairman (retired on 28 March 2024), and former Registrar of the University*
- ❖ Stephen Conway *University Executive Director of Research Services (appointed on 18 November 2024)*

The Board is assisted by:

- ❖ *Aon (Broker and Advisor)*
- ❖ Sophia Pryor *Company Secretary of OML*
- ❖ Rosie Redshaw *Company Accountant*
- ❖ Lukasz Bohdan *University Executive Director of Assurance*
- ❖ Les Wright *University Director of Occupational Health and Safety (succeeded by Brian Jenkins for the year 2024/25)*

Support in the operating of the Company is also provided by:

- ❖ Jack Frowde *University Senior Insurance Officer*
- ❖ Kim Monaghan *University Insurance Officer*
- ❖ Laura Ansty *University Insurance Assistant*
- ❖ Jason Gurney *University Assistant Financial Accountant*

Meet the Team

Insurance Office

The University of Oxford has a fully dedicated Insurance Office to support the Mutual in its operation and activities. The Insurance Office is a professional, experienced and knowledgeable team with high standards of specialist technical knowledge and expertise on insurance, risk management, and the University. The team has an outstanding reputation both internally and externally.

Lyndie Hayes ACII, SIRM, *Head of Insurance*

Lyndie has over thirty years' experience of in-house insurance, self-insurance and risk management and has been employed as the University's Head of Insurance since June 2007. Her role covers the management of the University's general insurance and risk management portfolio. Lyndie is also a Director of Oxford Mutual Ltd.

Jack Frowde, Cert CII, *Senior Insurance Officer*

Jack has been employed within the University Insurance Office since 2016. Jack has a high level of expertise in property insurance. Particular expertise has been developed around property protection measures for the University's existing portfolio of buildings and major capital projects. Jack is working towards the CII Diploma.

Kim Monaghan, LLB (Hons), *Insurance Officer (Property and Projects)*

Kim joined the University's Insurance Office in December 2023, and has recently taken over a new specialist role in property insurance, and will also apply her knowledge and expertise in developing key projects for the team. Kim is working towards the CII Certificate.

Laura Ansty, Cert CII, *Insurance Assistant*

Laura joined the University's Insurance Office in April 2024 and has responsibility for travel and motor insurance and provides administrative support to the Team. Laura has several years' experience within the insurance industry and is working towards the CII Diploma.

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Financial Results

Extract from Audited Accounts

Policy Year	2023/24 £k	2022/23 £k
Net Income (note 1)	1,294	1,157
Claims (note 2)	(677)	(655)
Overheads (note 3)	(493)	(510)
Surplus/(Deficit) before tax (note 4)	124	(8)

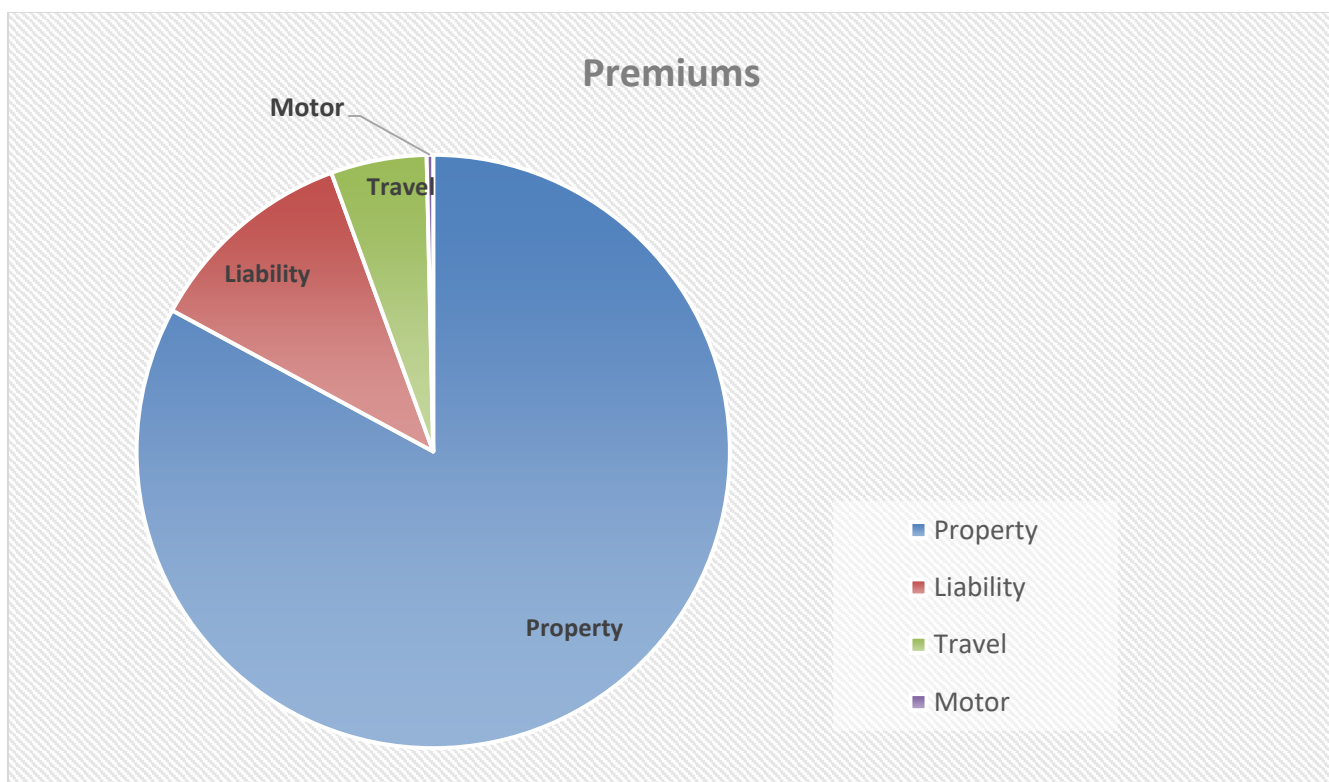
(1) Includes University contribution (less premiums paid), investment income, risk management bonus

(2) Includes claims paid, claims outstanding and an adjustment for claims incurred but not yet reported

(3) Includes management and professional fees

(4) Balance of income less claims and overheads

External Premiums Paid Excl. IPT 2023/24: £4,768,000



Key Performance Indicators

Key Performance Indicators have been set to enable the Company to measure its performance against its objectives.

Management accounts and KPIs for the year to 31 July 2024

	Objective Area	Suggested Measurement Base	Suggested Target	Actual Result 2023-24
1	Claims to income ratio	Net incurred claims to net contributions	<70%	67%
2	Stable contributions	Movement year on year	Max of +/- 10%	5%
3	Operating expenses to income ratio	Ratio of operating expenses to net contributions	<70%	33%
4	Risk management support to income ratio	Payments form risk management fund to net contributions	>5%	16%
5	Overall profitability	Surplus/ (deficit) for the year to net contributions	n/a	4% surplus
6	Profitability to reserves brought forward ratio	Surplus/ (deficit) for the year to reserves brought forward	n/a	1%

Claims to income ratio

This measures the portion of net contributions which has been used to fund claims. This is within the suggested target.

Stable contributions

This shows the variance in the contribution to the fund from the University. Last year, the contribution was £950k, and this year it has been increased to £1m. This is well within the target, at 5%.

Operating expenses to income ratio

This measures the portion of net contributions which has been used to fund operating expenses. This stands at 33% this year, which is well within the suggested target.

Risk management support to income ratio

This measures the portion of net contributions which has been used to fund risk management funding for members. This is well within the target and above budget.

Overall profitability

Before tax, the Company is showing a surplus of £124k. After the corporation tax charge, the surplus is £43k (4%).

Profitability to reserves brought forward ratio

Given the surplus for the year, reserves are showing a slight increase at the end of the year.

Actuarial Review

OML carries out an actuarial review every 3 years in order to obtain:

- an updated estimate of Incurred But Not Reported (IBNR) claims for inclusion within the accounts; this is a provision for those claims which have occurred, but which have not yet been reported to OML (including during the period of Legal Limitation)
- projected claims figures for future years.

This enables OML to assess the adequacy of the level of reserves, and the contribution to be obtained from its Members.

The last actuarial review was carried out for year ending 31 July 2022 and showed continued positive results in terms of reserves. The results of the actuarial valuation showed an increase in both the IBNR level and the ultimate projected claims for future years, compared with the previous triennial review. This is not unexpected given the size of the estate has grown and inflation in claims costs is high.

The retained reserves of OML have been increasing following a series of strong financial results in recent years, arising from good underwriting performance, and successful risk management activity. However, the maximum potential loss that OML could be exposed to, is higher and less certain than in previous years, due to the loss of some of the aggregate limits or stop losses and higher deductibles.

The next actuarial review will take place for year ending 31 July 2025, at which point the OML Board will consider future applications of any surplus in reserves.

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Claims

Claims management is a key area of importance in the successful operation of OML. OML has procedures in place to handle, manage and report on claims in an effective and efficient manner.

Cover is provided on a discretionary basis whereby members do not have a contractual right to indemnification but a right to have a claim properly considered by the Board. In addition, claims are subject to an excess at member level in order to encourage accountability and risk management awareness at that level.

Significant claims are considered in detail by the Board and thought is always given to lessons that can be learnt from these.

Any areas of claim increase and hot spots are closely monitored and addressed through OML's risk management programme. OML also monitors new and emerging trends across the Higher Education ("HE") sector and within the insurance industry generally to ensure such risks are incorporated within the risk management programme.

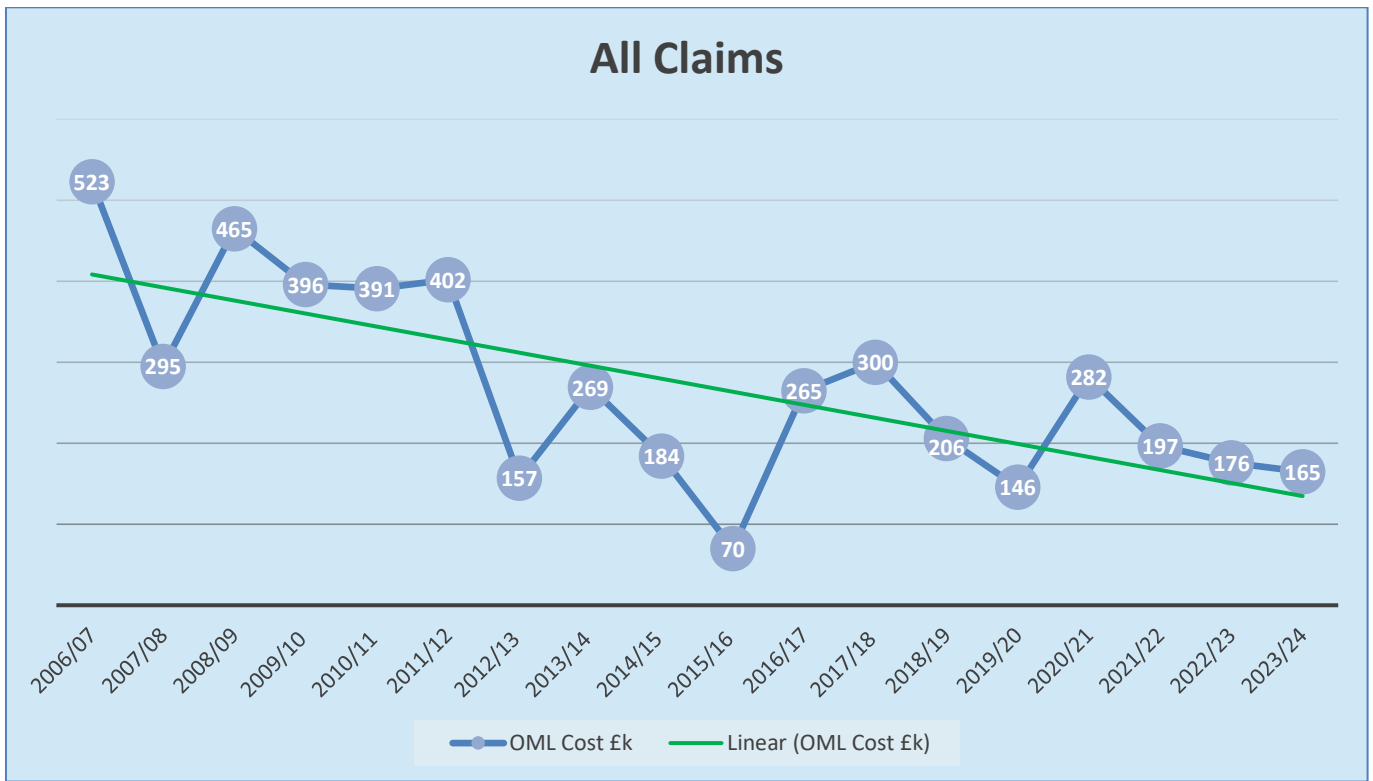
Claims Statistics

Cost of all claims incurred

The following table shows the cost of properties, liability and motor claims processed since 1st August 2019. The total claim costs are subdivided between cost to the department by way of a claim excess, cost to OML, and cost to the Insurer.

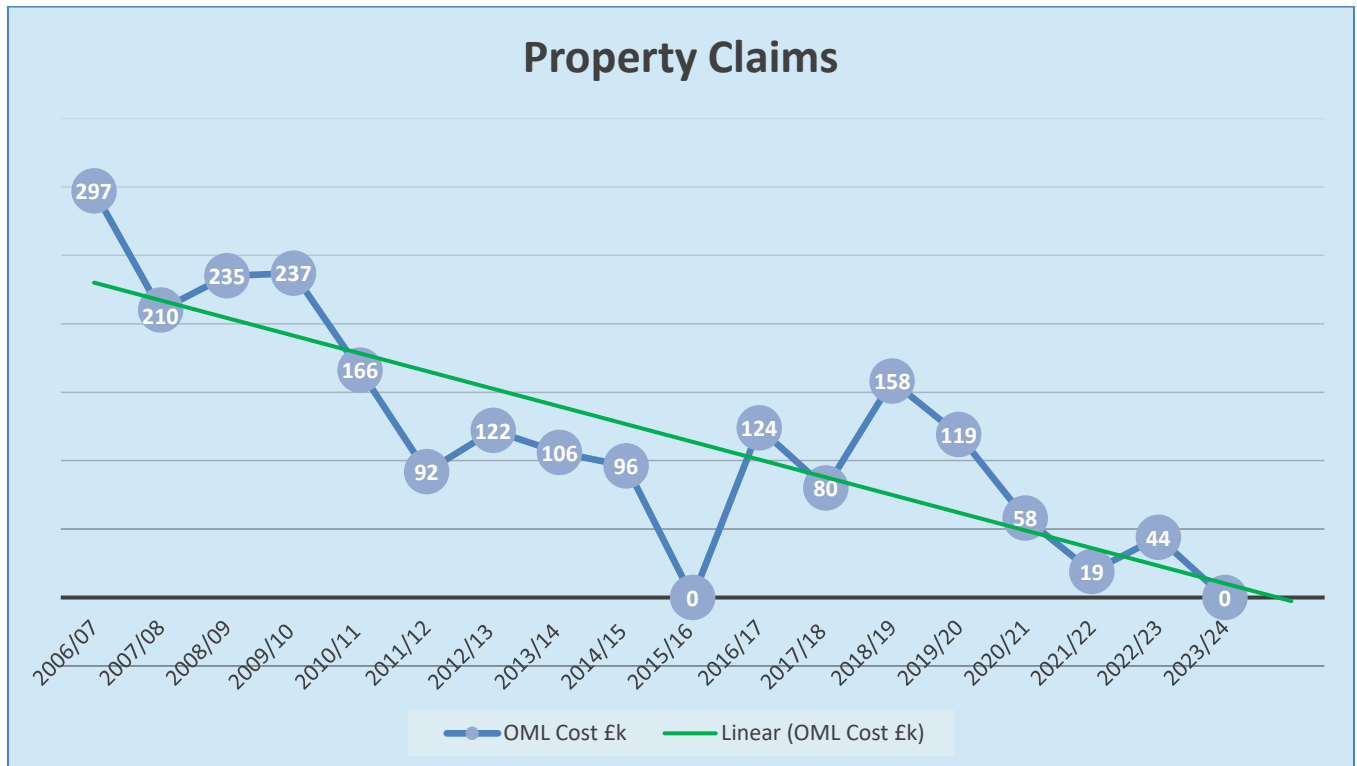
Policy Year	Department Cost £k	OML Cost £k	Insurer Cost £k	Total Claim Cost £k
2019/20	21	146	-	167
2020/21	22	282	-	304
2021/22	22	197	-	219
2022/23	31	176	-	207
2023/24	9	165	395	569

The chart below shows the development of claim costs specifically to OML since its inception in 2006.



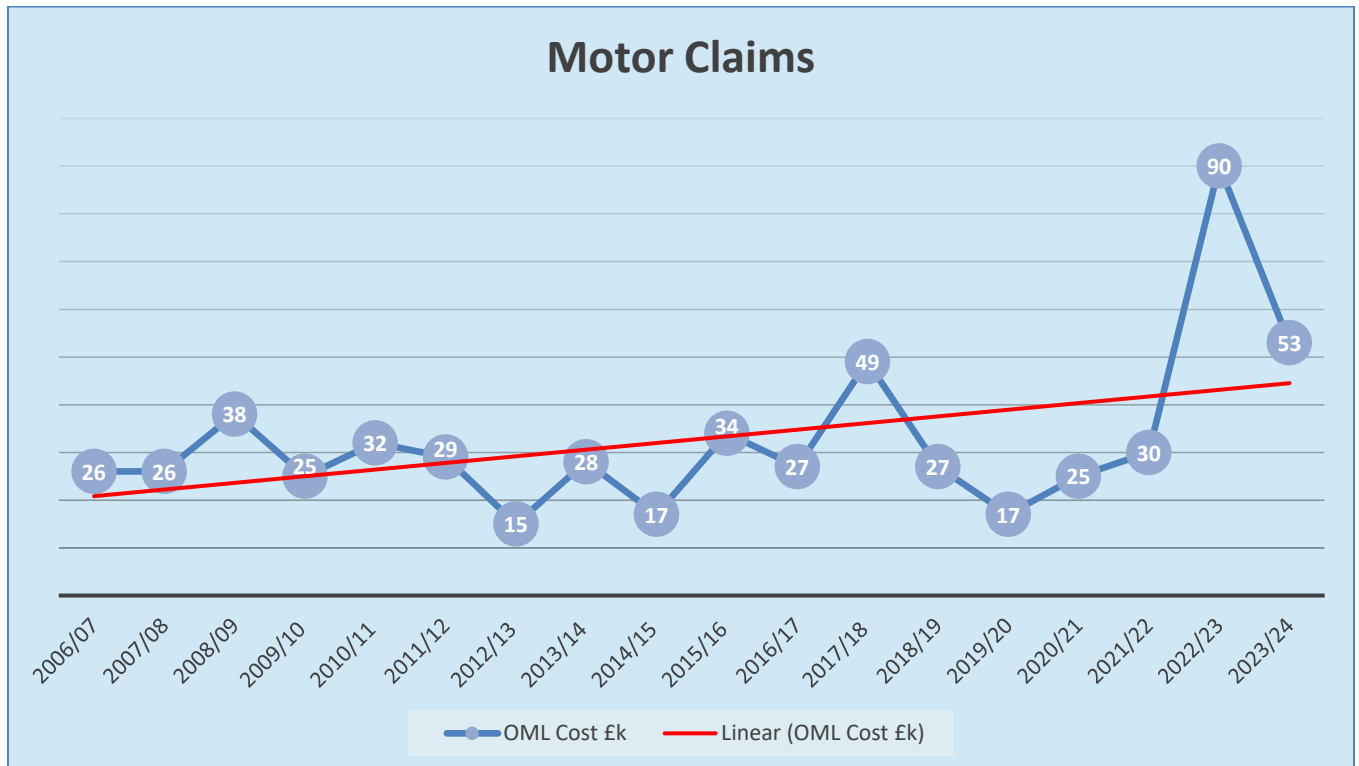
There is a clear and continuing reduction in claims incidence and their value which reflects a downward trend in the overall claims experience. As a result of this positive claims performance the property insurer of the OML account provided a premium rebate for 2023/24 and this has been allocated towards risk management initiatives.

Cost of Property Claims incurred by OML



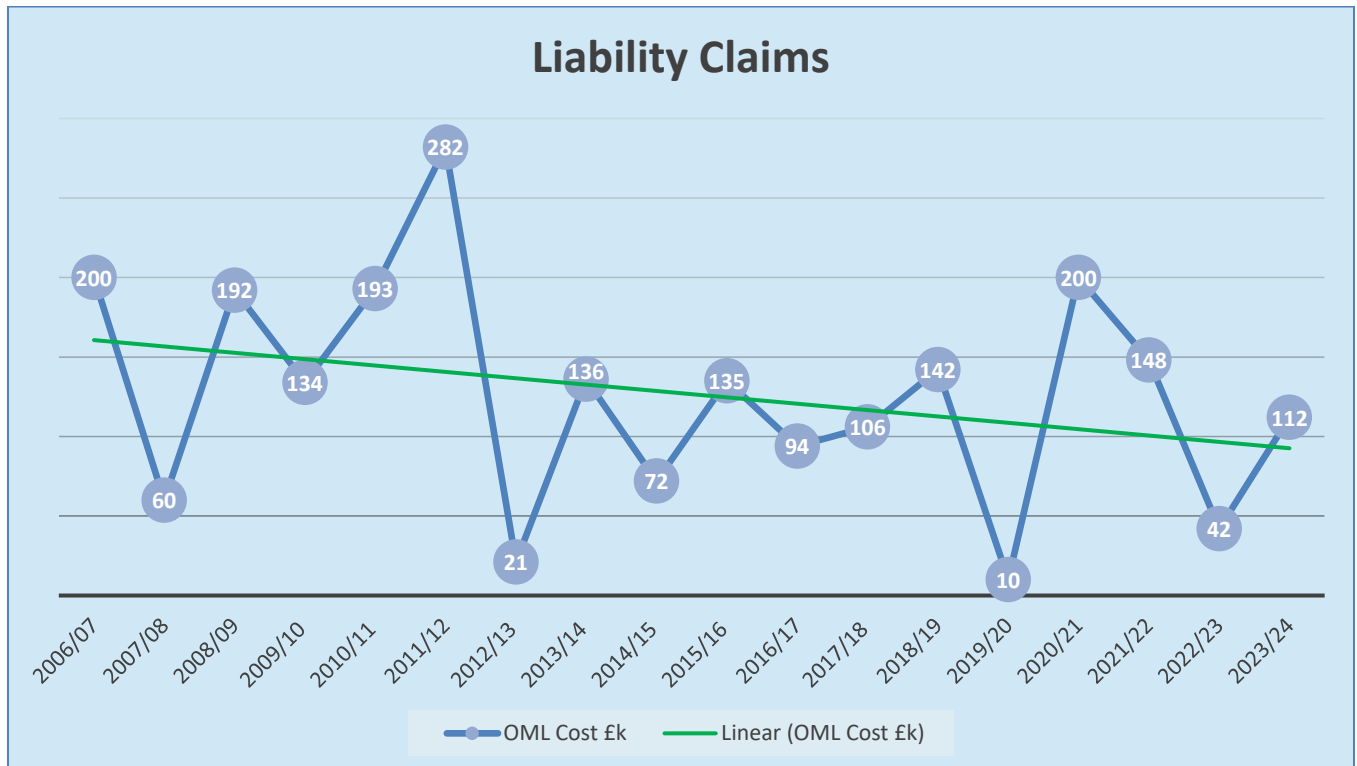
Property claims are generally on a downward trend. Claim spikes are experienced due to one off incidents but claims have not reached the level of claims seen in the early years of the Mutual's operation. Risk management activities and claims management continue to keep the cost of claims contained at an acceptable level.

Cost of Motor Claims incurred by OML



There has been a gradual increase in motor claims costs over recent years, which is in part due to the increase in repair costs. The last two years have also seen several significant claims including a number of vehicle write offs including a vehicle fire. OML recognises this as an area of concern and has concentrated a part of its risk management activity in this area.

Cost of Liability Claims incurred by OML



Due to the long tail nature of liability claims, trends are difficult to identify. In general the University has a low liability claims experience given its high volume of staff and students, and given the size of the estate, but increases are being seen in particular areas which can impact on the overall experience. OML considers the nature of each liability claim in order to consider areas of improvement.

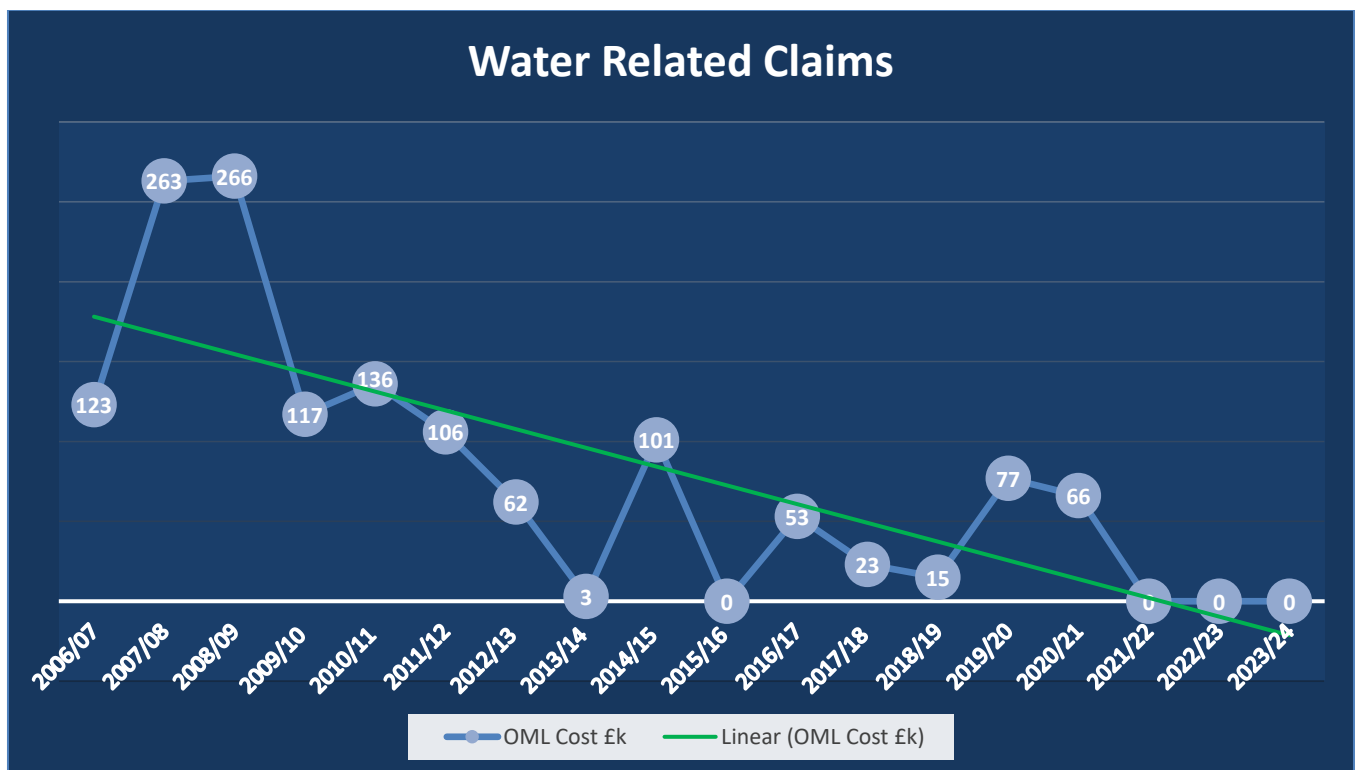
Cost of Water Related Claims incurred by OML

OML is very focused on reducing risk across the University and believes that a significant contributor to the improvement in claims experience has been this risk management focus from the team and from OML.

An example of this is in relation to water damage losses. The University suffered a number of such losses some years ago and as a result of this a detailed risk management exercise was carried out in order to assess the risk exposure and bring in measures to reduce the incidents. This included identification and assessment of high value and business critical assets, considering business continuity plans, introducing winter protection measures, flood defences and water detection. Procedures were also introduced to encourage the assessment of new assets in terms of water risks.

In addition to the practical improvements to reduce these types of losses, the Insurance Office has formal processes in place for supporting members when dealing with incidents of this nature, in order to ensure the losses are mitigated at the time of occurrence.

These measures have proved sustainable over a period of time and the following graph depicts the development in these types of claims.



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Insurance Renewal 2024/25

Each insurance policy within the insurance programme is renewed annually on 1st August.

Property Insurance

Property cover is renewed with the same insurers on the existing scheduled basis. This renewal exercise is a major undertaking and benefits from the significant ongoing work of OML, engaging with the insurers on the property insurance programme, in particular with the lead insurer, AXA XL. The growth in the insured value of the estate resulted in a premium cost increase.

A Long-Term Agreement was successfully negotiated with the property insurers, who in consideration of this and in recognition of historic claims performance have provided a retrospective premium rebate. An annual risk management bursary has also been negotiated with the property insurers, who are keen to offer support to OML's strategy of incentivising risk management, whilst encouraging ownership of risk. These negotiations were made possible as a result of the strong and sustainable risk management approach demonstrated by the Mutual.

Financial Lines Insurance

These policies continue to prove challenging to place due to market hardening and the breadth of activity within the University.

Liability and Motor

These policies are currently held under Long-Term agreement with the existing insurer Zurich Municipal and policies were renewed on existing terms.

In recent years there has been a marked reduction in the insurance markets' capacity and risk appetite particularly within the HE market, however OML's integrated insurance and risk management strategy and sustainable approach to risk management enabled a successful renewal even with the continued growth of the University's estate and the concentration of risk in certain geographic areas.

This outcome reflects not only the effectiveness of OML's approach to Liability and Motor policies but also its capability to tackle broader challenges within the insurance market. With risk appetite continuing to shift and insurers becoming more selective, having a comprehensive internal risk management strategy remains critical to achieving favourable terms across the entire insurance portfolio.

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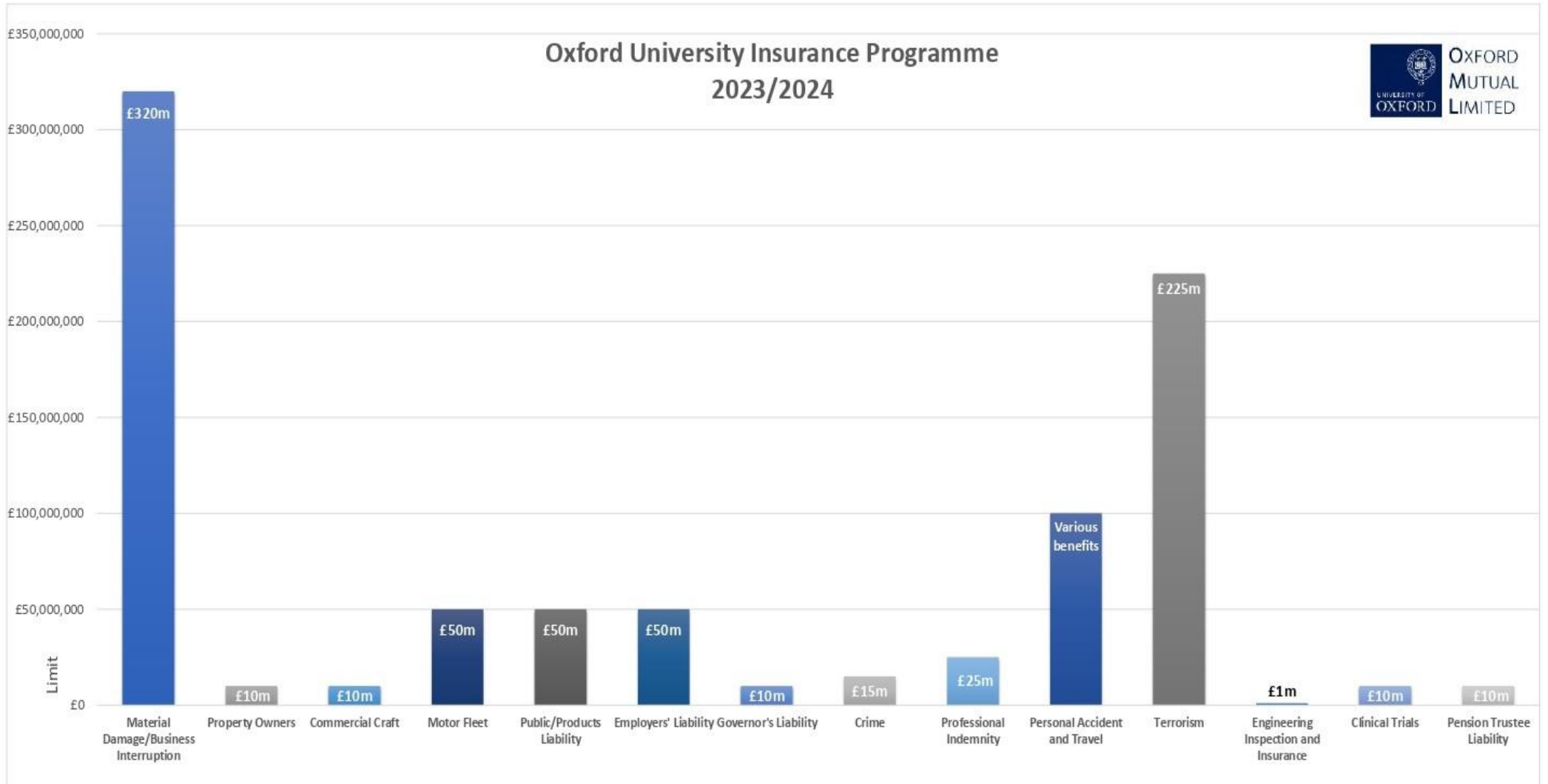
Insurance Programme

The following graph depicts the 2023/24 insurance programme, detailing the existing excess and aggregate stop loss arrangements. OML regularly considers the levels of self-insurance in order to ensure the most cost-effective programme is in place for the University as a whole. In addition to this a regular actuarial valuation of the Company reserves is carried out to ensure adequate funding is in place to manage the self-insured retention.

Through regular benchmarking, OML is able to satisfy itself that it continues to receive very competitive rates and, through self-insurance, is able to contain its overall insurance costs well below those of the rest of the sector, whilst maintaining an appropriate level of cover.

Sector benchmarking supports the competitive positioning that OML has achieved.

Oxford University Insurance Programme 2023/2024



Oxford Mutual Programme

Non-Oxford Mutual Programme

Deductible

Funded by Oxford Mutual Limited

Funded by Oxford University

£100k	NIL	NIL	£100k (£200k aggregate)	£100k (£350k aggregate)	£250k	£100k £50k + £10k (Student)	NIL	£100k	NIL	NIL	NIL
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Excess

Funded by Department

£2k	£250	£100	£500/£750	£2k PD NIL PI	NIL	£2.5k	£50	£2k	£1k	£10k	£40k
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Insurance Risk Summary

OML carries out a full risk profiling exercise to identify and present how risks are most suitably insured or alternatively managed through appropriate risk management. This regular exercise helps to ensure an integrated risk management and insurance strategy and improves risk governance by aligning the insurance programme with the University's current and future risks. The following is a summary of the insurance-related risks and how they are currently managed.

Insurance Risk Summary

Property / Assets	Business Continuity	Operational	Employees	Students	Information Services	Other
Buildings, Machinery & Contents	Loss of Specialised Equipment	Third Party Liabilities	Employers' Liability	Failure to Educate	Damage to Systems	Data Protection
Loss of Specialised Equipment	Business Interruption – loss of revenue	Clinical Trials	Stress	Complaints	Loss of Data	Commodity Pricing Volatility
Financial Crime	Increased cost of working following damage	Directors & Officers Liability	Asbestos	Special contingency	Breakdown	Political Risk
Terrorism & Activists	Terrorism & Activists	Professional Indemnity	Special contingency	Travel exposures	Cyber liability	Insurance Efficacy
Goods in Transit	Breakdown	Motor vehicle/road liabilities	Travel exposures	Asbestos	Cyber Attack	FM Excellence
Breakdown	Collections	Small craft operation	Terrorism & Activists	Terrorism & Activists	Data Confiscation	
Collections	Infectious Disease	Statutory Inspection of Plant	Employee Benefits	Offsite Duty of Care		
Embedded Space	Failure of Utilities	Pension Fund Trustee Liability	Employment Practices	Motor Duty of Care		
Treasury	Embedded Space	Liability for infringement of third party patents / copyright etc.	Offsite Duty of Care	Health & Safety Management		
Contractor Failure	Asbestos	Contingent Medical Malpractice	Absence			
Intellectual Property	Denial of Access	Libel, Slander and Defamation	Motor Duty of Care			
Latent Defects	Murder, Suicide	US Limits of Indemnity	Health & Safety Management			
Construction of New Builds	Pure Research	Environmental Impairment	Gap in Employers Liability history			
Failure of Risk Control Issues	Conferences/ Events	Corporate Manslaughter/ Homicide				
Asbestos	Contractor Failure	Currency Fluctuation				
	Crisis Management	Credit				
	Advanced Business Interruption	Pension Liability				
	Insolvency of Key Suppliers	Contractual				
	Multiple Losses	Security Standards				
	Pandemic	Contractual Penalties				
	Business Continuity Management	Estates management including maintenance and lease				
	Damage to IT Systems	Spin Off Companies				
	Keyman					

Key:

1. Insured – Those risks where insurance cover has been arranged
2. Partially Insured - **Those risks where insurance cover applies partially**
3. Insurable – **Those risks not currently insurance but where cover could be arranged**
4. Risk Managed – **Those risks that are not insured and require management**

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Risk Management

OML has identified the importance of risk management in ensuring the Company's success and provides a formal structure for the management of risk. OML actively encourages and supports the management of risk throughout the University.

OML's proactive risk management programme is well regarded by the Insurance Market and has had a direct impact on the University in terms of market pricing and the flexibility on insurance terms given. Both the principal Insurer and broker have confirmed their reliance on this programme.

Risk management bursaries are negotiated with the University's Insurers to help fund risk management projects.

Claims Management

Claims management is a key area of risk management on which OML focuses. Through improved reporting, risk 'hot spots' are identified and addressed with the relevant departments.

Claim trends are reported to the OML Board enabling them to ensure risk management activity is tailored towards the areas where claims are high. Large or specialist claims are discussed individually at Board level, thereby enabling claims to be dealt with appropriately and to identify lessons to be learnt in the future to prevent reoccurrence.

Risk Management Funding

OML provides a risk management fund which offers financial assistance to its members for risk reduction initiatives. The Board assesses the practicalities, costs and benefits of bids received.

Looking at the past five years of the fund, OML has supported 50 risk management initiatives from departments across the University to a value of £304k.

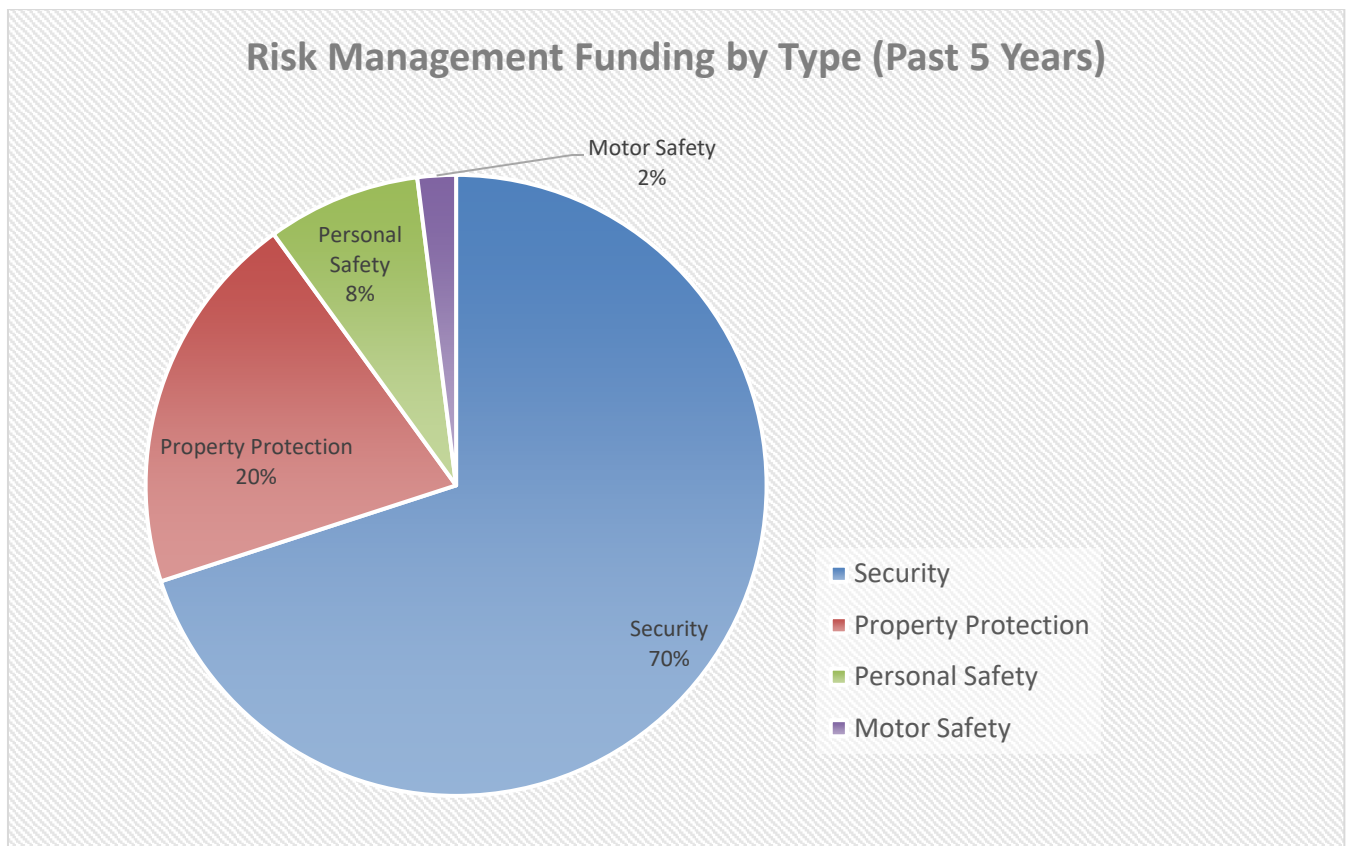
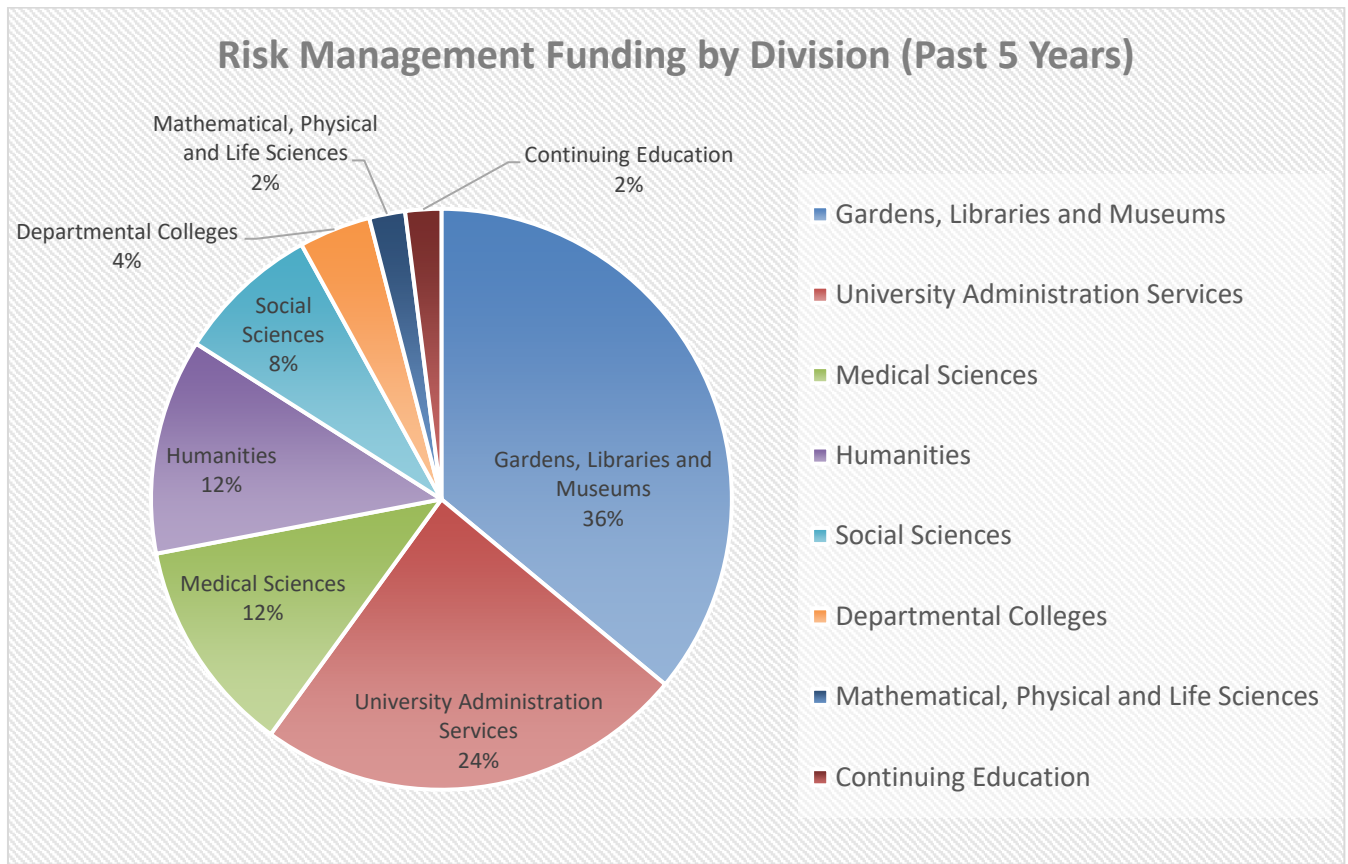
Initiatives supported include:

<ul style="list-style-type: none">• CCTV	<ul style="list-style-type: none">• Fencing	<ul style="list-style-type: none">• Intruder alarms
<ul style="list-style-type: none">• Access control	<ul style="list-style-type: none">• Road safety audit	<ul style="list-style-type: none">• Bollard installation
<ul style="list-style-type: none">• Security gates	<ul style="list-style-type: none">• Asbestos surveys	<ul style="list-style-type: none">• Improvements to cellulose nitrate storage
<ul style="list-style-type: none">• Upgrade to security radios	<ul style="list-style-type: none">• UPS protection	<ul style="list-style-type: none">• Driver training

In addition to the above, OML is now able to offer support at a University-wide level, and one such area is the provision of a significant financial contribution towards improvements to the University's fire risk assessment process.

Through communication with departments, the risk management funding raises general awareness of risk management and how it impacts on the University's insurance arrangements, as well as having a positive effect on the way departments consider risk.

The following charts show how the funds have been allocated:



Risk Management Projects

As well as supporting requests from departments, other areas of risk requiring attention are identified and prioritised by OML through the ongoing risk profiling exercise and projects are taken forward to review and improve risks.

Capital Projects

OML, and its Insurer, feel that it is important that the University gives appropriate consideration to the reduction of risk and the inclusion of appropriate property protection measures within its new and refurbished buildings. Ultimately OML and its Insurers are indemnifying financial losses as a result of a property related incident such as a fire, and both have a vested interest in ensuring that the University's buildings are properly protected and the risk is reduced.

The University's Insurer advises on specific ways in which property should be protected and measures that should be implemented to reduce the risk of loss, for example flood protection methods or the specification for sprinkler systems to ensure they are designed to appropriate standards. University Security Services offer advice on how better to protect buildings from security breaches. These measures not only protect property, but provide protection for the people within the premises and for the equipment, contents, research data and teaching material. They also help to reduce the risk of business interruption losses, research and funding losses and reputational damage, and provide comfort to insurers that the University manages risk well.

In order to ensure that these property protection measures are appropriately considered and incorporated into project designs, the Company works closely with Estates Services Project Teams from an early stage of the building development process, with continuing communication throughout the lifetime of the project.

Insurance Survey Programme

The insurance survey programme is carried out annually by the property insurer AXA XL in order to assess the property risk which the University's premises represent, and to identify property protection improvements that might be required.

AXA XL identifies the following key objective for the surveys programme:

- Review property loss control standards and management procedures in place;
- Assess any installed fire detection and fire protection systems;
- Evaluate fire loss scenarios and produce property damage and business interruption loss estimates;
- Produce risk improvement recommendations to address any identified deficiencies in property loss control standards.

The information and advice gained from the surveys form an integral part of OML's risk management approach. Positive engagement in a thorough survey programme as well as implementation of risk improvements, contributes to a robust, sustainable and structured risk management strategy in terms of property risk.

The recommendations vary between sites and include a mixture of site-specific improvements as well as enhancements that would apply across the Estate. These include:

- General housekeeping
- Flammable liquid handling
- Fire/intruder detection
- Hot work management at department level
- Building compartmentation and fire stopping
- Thermographic survey frequency
- Roof maintenance/PV maintenance and cleaning
- Sprinkler tank maintenance

OML works closely with University departments and Estates Services to assist in implementing these areas of improvement.

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