

139th

Annual General Meeting minutes

The Original Holloway Friendly Society Limited

Minutes of the One hundred and Thirty-ninth Annual General Meeting via Video conference on Tuesday 23rd June 2020 commencing at 1.00pm

Martin Day*# – Chair

Paul Harwood*# – Company Secretary

Stuart Tragheim*# – Chief Executive

Andy Rowson*#

Anna East*#

Andrew Haughton – CMS

John Holland*#

Alison Poyner#

Derek Wright*#

Georgia d’Esterre#

Adrian Humphreys*#

Martin Collins*

Graham Newitt*#

Alanya O’Loughlin#

David Cheeseman*#

Emma Moon#

*A Member of the Society

#A member of the Society’s Board of Management and/or a Society employee

The Company Secretary noted that the meeting was quorate in terms of members present and represented.

Chair’s Address

The Chair welcomed the members to the 139th AGM and thanked them for their attendance and interest in the affairs of the Society. He welcomed Andrew Haughton from CMS who would be noting the proxy votes that had been received. This was the Society’s first virtual Annual General Meeting, the format having been established because of the coronavirus pandemic.

The Chair asked if there were any questions from the floor before starting the business of the meeting. There were none.

Notice

The notice of the meeting was taken as read.

Resolutions

Resolution 1: To confirm the minutes of the meeting of 12 June 2019 are correct

The minutes of the Annual General Meeting held on Wednesday 12th June 2019, available on the website, were taken as read.

The resolution was proposed by Martin Day and seconded

by John Holland. **The Resolution was carried** on a show of hands, there were ten votes in favour of the resolution, no votes against and no abstentions. The Chair was directed to sign the minutes as an accurate record of the meeting.

The proxy vote was 451 for the Resolution, 4 against and 19 withheld.

Resolution 2: To receive and approve the Society’s 2019 financial statements including the report of the Society’s Board

Prior to proposing the Resolution the Chair called upon the Chief Executive to present his strategic overview, reproduced verbatim below:

“Before setting out my Strategic Report, I would like to extend my sympathies to all our Members and colleagues whose lives have been touched by coronavirus. We never forget at the Society that we exist because of real people doing real work, and the scale and suddenness of this pandemic has affected us all.

“Turning to 2019, it has been a difficult, frustrating, but ultimately successful and rewarding, year for the Society. I am delighted to be able to share our progress in this, my fourth report to Members.

“We are a purpose-led organisation. Our purpose is to be there when Members need us. To do this reliably, we need knowledge and we need to grow. We need knowledge about the market, Members’ needs and the risks that we can afford to run. We will grow if we have better systems, a wider product range and are better known. My job is to make sure that we gather the knowledge, put it to good use and therefore become a larger Society, more valuable to its Members.

“Turning to what we have actually achieved, in 2019 we have achieved our purpose. The Society has more Members and we have helped more of them. Paying more benefits to more Members is our most important success.

“Being better known by intermediaries is important, because it is these intermediaries who introduce new Members, and this underpins our growth. We will only be recommended if intermediaries know who we are, what we do and how well we do it. We have to continually show that we look after our Members, so an intermediary can recommend us with confidence. I am delighted to report that we are being recognised more and more by intermediaries. This is a massive factor in our current and future success.

“Intermediaries need to be confident that we will provide efficient service, will treat claiming Members sensibly and compassionately and that we run our business to high standards. Winning 6 industry awards in a year is remarkable: winning an FT Adviser 5 Star Service Award, which is voted for by intermediaries on the basis of service received, and being the only friendly society with such an award, is an independent assessment of how well thought of we are. Success in the eyes of others is important for our future.

“Market recognition has turned into new business. Sales grew by 82% during 2019, with around 10,000 new policies sold in the market, producing just over £3.4m APE. We believe that this made us the 6th largest writer of Individual Income Protection in the UK protection market, according to the latest Swiss Re Term and Health Watch report. We are delighted to be ‘snapping at the heels’ of the larger insurers.

“Total Earned Premiums received (net of reinsurance) increased over the year by 29% to £8.656m in the year.

“The number of intermediaries who choose to recommend us time and time again has also grown. Repeat business has always been at the heart of our strategy. Membership at the end of 2019 stood at over 25,000, an increase of more than 40% over last year. Financially, our success is reflected by the growth in the funds that support Member claims. In 2019, we added more than £17m to the Fund for Future Appropriations, increasing the amount available to support our wider Membership to around £76m.

“Ultimately, as a mutual, our success is measured by the number of Members that we help through their time of need, ideally helping them return to work. I am pleased that we have paid benefits to more people in 2019. That said, the increases in new business and in claims have created capacity concerns. Training new underwriters and claims handlers is a time-consuming process, and we are mindful of the need to ensure we have sufficient capacity. Thus, we know what we have to improve on in 2020 and beyond.

“We have used our knowledge to improve the market. Late in 2019, we announced a change to how we consider new applications from people who have suffered mild and temporary mental illness when, for example, someone close has died. Typically, income protection was not available in these circumstances. We have researched this subject using expert advice and are proud to have been able to present a new approach to the market which opens up the possibility of providing cover. This move has been widely welcomed. We made a change because it seemed to be the right thing to do. We will monitor experience carefully.

“Great progress has been made on the development of our new administration system, PRISM, during 2019. It is frustrating that the launch of PRISM has not yet begun. That said, I am confident that allowing extra time for more testing is the right decision. Deferral is frustrating

because the launch of new products is deferred. On balance, I am satisfied that the current plan, to continue to test and to launch when ready, is the best way to preserve Member value. A sensible launch of PRISM is the major success driver for the Society.

“A business like ours relies on its people. I am proud to work with lively, caring and professional colleagues who see our Members at the heart of everything that they do. We treat claiming Members as we would like to be treated, we spend money as if it were our own and we behave as if our parents were watching all the time. The result is a pressured work environment with high standards, but one in which colleagues help and support one another. I want the Society to be the best place that each of my colleagues has ever worked, and with this in mind, we actively listen to input about changes that are needed to achieve that goal.

“I would like to thank all of my colleagues for their work during 2019, often during difficult circumstances, but always carried out with good humour, professionalism and pride.

“2020 has already provided new challenges. I am confident that all at the Society will rise to respond to these new challenges, with good spirit, empathy and concern for our Membership.”

The Resolution was proposed by Martin Day and seconded by John Holland. **The Resolution was carried** on a show of hands, there were ten votes in favour of the resolution, no votes against and no abstentions.

The proxy vote was 460 for the Resolution, 5 against and 10 withheld.

Resolution 3: To approve the 2019 Director’s Remuneration Report

The Chair noted that this is an advisory vote. The report is on page 47 of the 2019 Report and Accounts.

The Resolution was proposed by Anna East and seconded by John Holland. **The Resolution was carried** by a vote of hands, there were ten votes in favour of the resolution, no votes against and no abstentions.

The results of the proxy vote was 437 for the Resolution, 17 against and 20 withheld.

Resolution 4: To agree that PricewaterhouseCoopers LLP, 2 Glass Wharf, Bristol, BS2 0FR should continue to be the Independent Auditor

The Board were recommending that PricewaterhouseCoopers LLP be re-appointed for a further year.

The Resolution was proposed by Martin Day and seconded by John Holland. **The Resolution was carried** on a show of hands, there were ten votes in favour of the resolution, no votes against and no abstentions.

The results of the proxy vote was 449 for the Resolution, 15 against and 11 withheld.

Resolution 5: To re-elect Mr J. Holland

The Chair explained that the elections were in line with the Society's rules as agreed with and approved by the Members in 2017.

The Chair explained that Mr J. Holland is retiring by rotation and, being eligible, offers himself for re-election for a term of one year as a Non-Executive Director of the Society.

Having served more than six years on the Board, this election has been carefully considered by the Board, which supports the proposal.

The Resolution was proposed by Martin Day and seconded by Adrian Humphreys. **The Resolution was carried** on a show of hands with nine voting in favour of the resolution, no votes against and one abstention (the afore-mentioned Mr Holland).

The results of the proxy vote was 456 for the Resolution, 13 against and 7 withheld.

Resolution 6: To re-elect Mr D. Wright

The Chair explained that Mr D. Wright is retiring by rotation and, being eligible, offers himself for re-election for a term of two years as a Non-Executive Director of the Society.

The Resolution was proposed by Martin Day and seconded by Adrian Humphreys. **The Resolution was carried** on a show of hands with nine voting in favour of the resolution, no votes against and one abstention (the afore-mentioned Mr Wright).

The results of the proxy vote was 451 for the Resolution, 15 against and 5 withheld.

Resolution 7: To re-elect Mr S. Tragheim

The Chair explained that Mr S. Tragheim is retiring by rotation and, being eligible, offers himself for re-election for a term of three years as an Executive Director of the Society.

The Resolution was proposed by Martin Day and seconded by John Holland. **The Resolution was carried** on a show of hands with nine voting in favour of the resolution, no votes against and one abstention (the afore-mentioned Mr Tragheim).

The results of the proxy vote was 451 for the Resolution, 17 against and 7 withheld.

Resolution 8: To elect Mr D. Cheeseman

The Chair explained that there was one new Board member, Mr D. Cheeseman, who, being eligible, offers himself for election for a period of three years as a Non-Executive Director of the Society.

The Resolution was proposed by Martin Day and seconded by John Holland. **The Resolution was carried** on a show of hands with nine voting in favour of the resolution, no votes against and one abstention (the afore-mentioned Mr Cheeseman).

The results of the proxy vote was 453 for the Resolution, 13 against and 6 withheld.

Any other business

John Holland noted that Martin Day was stepping down as Chair of the Society at this meeting. Mr Holland expressed his thanks on behalf of the Board, colleagues and Members for his service to the Society. Martin joined the Society in 2010 and became Chair in 2013. He had led a transformation in the Society with there now being around 25,000 members and sales that reached £3.4m in 2019. As a result of this work, the Board had the right skills to take the Society forward, including through the coronavirus pandemic. Martin is always engaging and considerate and will be missed by all.

Martin thanked John for his kind words stating it had been a pleasure to be the Society's Chair and to serve on the Board. He was pleased to see how the Society had grown and developed. He wished the new Chair, Derek, the Board, Members and colleagues all the best for the future.

Chair's Closing Remarks

Closure of the meeting

The Chair thanked those present for their attendance and expressed his hope that they would attend the next Meeting.

There being no further business the Chair closed the meeting at 1.15pm.

Contact us.

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Monday - Friday 9.00am to 5.00pm