

31 May 2023

Outline

This circular informs Members of the review of open policy years.

To the members

Review of open policy years

2020 Policy year

At their meeting in May 2023, the Directors closed the 2020 policy year. The deficit was transferred to the reserves.

2021 Policy year

The 2021 policy year has deteriorated due to adverse movements, predominantly on large claims shared through the International Group (“IG”) Pooling mechanism. The year is expected to close with a deficit. No supplementary premium is expected for this year.

2022 Policy year

After twelve months, there have been few claims falling into the IG Pooling mechanism. Consequently, the cost of notified claims for the 2022 policy year is unusually low. The Club’s own large claims experience has been broadly in line with expectations. No supplementary premium is expected for this year.

Financial Statements

The Directors approved the Report and Financial Statements for the year ended 20th February 2023.

The Club saw an improved operating performance with a combined ratio of 104% for the financial year (115% in 2021/22). The Club had a respectable investment performance in a difficult year for investment markets, losing 3.8%.

The Club maintains its strong financial position with free reserves of \$430 million which corresponds to AAA on S&P’s capital model and a 200% regulatory capital adequacy ratio.

Transfer of occupational disease liabilities

In March 2020, a transfer of the Club’s Occupational Disease liabilities to subsidiaries of Randall & Quilter Investment Holdings Ltd. was reported to the Membership. Non-EEA liabilities were transferred in 2021. Final regulatory approval for the transfer of EEA liabilities was received effective 20th February 2023 and the transfer has now been completed.

Yours faithfully

THE MANAGERS

For more information

Members requiring further information should contact their usual contact at the Club.