**Cornish Mutual Assurance**

**Annual General Meeting for Year Ending 30 September 2023**

**Minutes**

**16:30 PM 28 March 2024**

**CMA House, Truro or**

**Via Zoom**

Ms Schwarz, Company Secretary, opened the meeting at 16:30 by welcoming people attending and reading the Notice. She also asked that participants on Zoom keep their microphones muted and Members raise any questions using the chat function. She reminded those attending that if they had already voted on line or by post not to vote again at the meeting. She then handed over to Mr Oatey, Chair, to conduct the business of the meeting.

Mr Oatey welcomed Members to the 121st Annual General Meeting.

1. The first order of business was to approve the Minutes of the Annual General Meeting held on 30 March 2023 at 5.00pm via Teams and at CMA House, Truro. Ms Schwarz read out the minutes and the following votes on the motion were noted.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **For** | **Against** | **Abstain** | **Total** |
| **On-line/Postal** | 721 | 2 | 11 | 734 |
| **At Meeting[[1]](#footnote-1)** | 9 | 0 | 0 | 8 |
| **Total** | 730 | 2 | 11 | 743 |

The motion was carried, and the minutes approved.

1. Mr Oatey invited Mr Beaumont, Managing Director to give an update on business performance.

Mr Beaumont said he would give a brief update and would take questions relating to his update or any items on the agenda after his talk, but would members wait until the end of the business meeting to raise any questions, so we had ample time to answer those.

He made the following points:

* Inflation was the key issue for the entire economy during 2022/2023 with Consumer Price Index peaking at 11.1% in October 2022, the first month of opur performance year.
* With insurance, inflation is aggravated by a separation between the time a premium is collected and any claim settlement, along with the costs of managing that claim. Once we have sold a policy, we cannot change the price of that service for a whole year while claims costs continue to rise.
* Our price increase across the book was ≈9%, although this varied by product but was lower than for the market at large. An early focus on inflation and managing costs allowed us to offer this better price experience.
* We did experience an insurance loss due to an unusual number of large claims rather than the effects of inflation.
* Our investments performance, like that of the market, is volatile. We had similar holdings between 2022 and 2023 but we made a profit of 31.2M in 2023 on investments while we experienced a loss in 2022.
* The outlook for 2024 is favourable. We are trying to price as sensitively as we can. The increase in our personal lines premiums (home and motor) are below reported market averages.
* Pricing for our commercial lines of business is leas easy to compare to the market but we are seeing increased uptake of our commercial policies and anecdotally people joining us are reporting large price increases with previous insurers.
* For a period, Members will see price rises above the now falling headline inflation. This is a trade off against us having avoided the spikes put through by other insurers. We still have some increases in claims costs to work through the system.
* We see smoothing of premium changes as a part of our fair, consistent pricing policy and a key benefit of being a Member with Cornish Mutual.
* We intentionally work to slim margins so ultimately we do have to pass on claim cost increases to protect Members’ Funds.

Despite the distractions, Cornish Mutual continued to develop our proposition and work on the ongoing development of the organisation through 2023 and now into 2024. Technology marches forward inexorably. We have an ongoing project to increase our capacity to identify and implement changes which will benefit the Membership. This covers the effective delivery of current and future products and services which protect the Membership and support a resilient farming community

Mr Oatey thanked Mr Beaumont for the update. There were no questions raised.

1. The Meeting was asked to receive the Statement of Accounts for the year ended 30 September 2023 and the Report of the Directors and Auditors thereon. The following votes were noted.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **For** | **Against** | **Abstain** | **Total** |
| **On-line/Postal** | 715 | 2 | 17 | 734 |
| **At Meeting** | 9 | 0 | 0 | 9 |
| **Total** | 724 | 2 | 17 | 743 |

The motion carried.

1. Next order of business was to confirm the Directors’ Remuneration. The following votes were made, and the motion carried.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **For** | **Against** | **Abstain** | **Total** |
| **On-line/Postal** | 683 | 26 | 25 | 734 |
| **At Meeting** | 8 | 0 | 1 | 9 |
| **Total** | 691 | 26 | 26 | 743 |

1. Elections
	1. The item to elect as a Director David Fursdon. The following votes were made, and the motion carried.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **For** | **Against** | **Abstain** | **Total** |
| **On-line/Postal** | 705 | 19 | 10 | 734 |
| **At Meeting** | 9 | 0 | 0 | 9 |
| **Total** | 714 | 19 | 10 | 743 |

* 1. The item to elect as a Director Jane Quicke. The following votes were made, and the motion carried.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **For** | **Against** | **Abstain** | **Total** |
| **On-line/Postal** | 712 | 7 | 15 | 734 |
| **At Meeting** | 8 | 0 | 1 | 9 |
| **Total** | 720 | 7 | 16 | 743 |

1. Re-elections
	1. The item to re-elect as a Director Paul Davies. The following votes were made, and the motion carried.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **For** | **Against** | **Abstain** | **Total** |
| **On-line/Postal** | 716 | 7 | 11 | 734 |
| **At Meeting** | 9 | 0 | 0 | 9 |
| **Total** | 725 | 7 | 11 | 743 |

* 1. The item to re-elect as a Director Jeremy Oatey. The following votes were made, and the motion carried.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **For** | **Against** | **Abstain** | **Total** |
| **On-line/Postal** | 705 | 13 | 16 | 734 |
| **At Meeting** | 9 | 0 | 0 | 9 |
| **Total** | 714 | 13 | 16 | 743 |

1. The final item was to appoint BDO and to authorise the Directors to fix the Auditors’ Remuneration. The Members voted as follows and the motion carried.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **For** | **Against** | **Abstain** | **Total** |
| **On-line/Postal** | 706 | 15 | 13 | 734 |
| **At Meeting** | 9 | 0 | 0 | 9 |
| **Total** | 715 | 15 | 13 | 743 |

Mr Oatey asked for questions from the floor.

Mr Hill had submitted a two-part question before the meeting asking, effectively, if Cornish Mutual was prepared to lead the way and amend our war exclusion. He also asked if we would consider favourably any requests for ex gratia payments arising from such an event His questions were prompted by two events. In Exeter property belonging to the University was damaged by a controlled explosion of a WWII bomb. Their insurer, Allianz did not pay a claim relying on the war exclusion. This was upheld by the high court. Another WWII bomb was discovered in and removed from Plymouth earlier in 2024. This did not cause damage.

Mr Mahon responded saying we work hard to ensure that any exclusions our reinsurers include in their wordings are mirrored in our policy wordings to minimise the risk of us having war related exposure without reinsurance cover. We are reviewing our reinsurance programme at present, and we are happy to raise this issue with our reinsurance brokers, Gallagher Re.

In addition, we have raised the issue with our trade body, the Association of British Insurers (ABI), to see whether the Court of Appeal ruling in the University of Exeter vs Allianz case or the recent events in Plymouth have led to any insurers reviewing their war exclusions or whether the ABI have had any discussions with Government as to whether compensation is more of a Government issue than an insurance/reinsurance industry one. Our Chief Underwriting Officer has a meeting soon with the ABI on this.

Ex gratia payments (payments despite no insurance cover in place) are very rare as we are mindful that this is our Members’ money. Typically, a key consideration as to whether we will make an ex-gratia payment is whether an action we have taken or not taken leads to loss for a Member – which is not the case with an unexploded bomb. However, we consider each ex gratia case on its merits.

Mr Mahon offered to speak to Mr Hill outside the meeting if he wanted to discuss this technical issue any further.

Mrs Cope before the meeting ask Cornish Mutual to consider distributing an article relating to farming difficulties and government policies. Mr Beaumont said that while Cornish Mutual recognised the challenges faced by the farming community, we did not recognise the characterisation of a coordinated attempt in the way described in the article. Indeed, the current government funding schemes support more traditional land management approaches including animal integration. We have some contact with government agencies alongside our regular contact with farmers and the agricultural supply chain and do not recognise the behaviour referenced in the article. Therefore, we will not circulate it to Members. Mr Beaumont hoped that gave Mrs Cope some comfort and offered to speak with her outside the meeting.

There being no other business or questions, Mr Oatey closed the meeting at 16:57

Date of next the Annual General Meeting is 27 March 2025 at 16:30.

1. “At Meeting” includes those physically present and on Zoom [↑](#footnote-ref-1)