

Strategic Report

Directors Statement of Compliance with duty to promote the success of the Company (S172 Statement)

The Directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way they would consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of its decisions in the long-term;
- the interests of the Company’s employees;
- the need to foster the Company’s business relationships with suppliers, customers and others;
- the impact of the Company’s operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

Corporate Governance

The Company maintain a corporate governance framework of Board and Committees to operate strategic and management decision making. Terms of reference and levels of authority and escalation are clearly defined and a calendar of regular Board and Committee meetings are held. Information is provided to the Board in advance of the meeting and decisions and minutes are recorded. During the year, Board meetings have been held monthly to monitor the Covid situation and take swift decisive action where necessary.

The Board are committed to a robust culture of governance, conduct and ethics reflecting the values of the Company and the Collinson Group. Decisions are made considering the impact on the long term business strategy and considering the impact to multiple stakeholders.

Our Stakeholders

(i) Employees

The Company does not employ any employees directly, rather employees are employed by Collinson to perform activities across the Group.

Employee engagement and wellbeing is paramount to the success of the business. Collinson undertake a continuous employment engagement programme including performance, training and skills development. All employees are required to undergo fit and proper assessments to complete annual mandatory training programmes. We positively promote diversity in all areas of the business and support the health and wellbeing of all staff.

As with most firms this year, our people have been working from home during lockdown. Previous investments made in infrastructure, digital communications tools and hardware have made the transition to home working as seamless as possible. We will continue to operate hybrid home and office working when the restrictions are eased to enable flexibility and collaboration in equal measures.

We have been supporting the wellbeing of our people during this time with their mental and physical health, family and emotional support.

(ii) Suppliers and Outsourced arrangements

We outsource many functions including distribution, claims handling and actuarial function to external partners and suppliers. We have a programme of due diligence and ongoing oversight of all outsourced arrangements. Developing key strategic partnerships with our outsource partners has given us the ability to continue to grow and expand our portfolio of activity.

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We also outsource insurance administration, medical assistance and back office functions to other entities within the Collinson Group. Further due diligence activities were undertaken on all material outsource arrangements as a result of Covid-19 to assess their operational and financial resilience.

Outsourced activity is closely monitored and overseen by regular management information and reviews of relevant operations. Commercial terms are negotiated and reviewed to ensure fair and market value.

(iii) Clients

The Company has worked closely with its key clients with a particular focus on any impacts Covid-19 may have had on their business activities. This has helped AIL to inform the recovery profile and associated business planning where it has exposure to travel insurance and travel related lines of business. AIL also has sufficient resilience within its insurance portfolio to mitigate the impact of volume and associated revenue reduction as a result of Covid-19.

(iv) Customers

AIL's digital claims service and overall multi channel service proposition for customers was established well ahead of Covid-19. This capability, together with the investment in broader technology to support home working which was undertaken in the prior financial year has supported the operational resilience of the business and made the adoption to a home working model seamless from an end customer experience perspective.

(v) Regulators

The Company is regulated by the Financial Conduct Authority and the Prudential Regulation Authority, small insurers team. We have open and transparent relationships with the regulators and notify any relevant events through the proper channels. We have meetings with the PRA as required to discuss changes or developments to strategy and business plans. This helps to ensure that there are no surprises and we are adequately prepared to deliver against regulatory requirements.

(vi) Shareholders

The Company is owned by The Collinson Group Limited. Representation from The Collinson Group Limited on the Board is provided by David Evans (Joint Group CEO) and Mark Hampton (Group CFO). The Company operate Collinson values and operate business operations within group objectives. The Company report to the Group on performance, business strategy and return on investment.