



**MINUTES OF THE HYBRID ANNUAL GENERAL MEETING  
OF THE CHARTERED INSURANCE INSTITUTE  
HELD AT 15:00 (GMT) ON THURSDAY 30 NOVEMBER 2023**

**1 WELCOME**

The meeting being quorate, THE CHAIR, Dr Helen Phillips, welcomed members to the 2023 Annual General Meeting (AGM) of the Chartered Insurance Institute (CII) and declared the meeting open.

The CHAIR in particular welcomed four members who were attending the meeting in person: Andy Gibb, Naren Lathigra and John Tuhey, all of whom had more than 40 years' membership of the Institute; and Chris Hillyard, who had 55 years of membership and this year was celebrating the 50<sup>th</sup> anniversary of receiving the ACII qualification.

**HM KING CHARLES III**

THE CHAIR was delighted to report that the CII had received correspondence from Buckingham Palace offering His Majesty's warmest good wishes for a successful AGM.

THE CHAIR outlined the order of proceedings and explained the process for voting or submitting questions. The AGM followed a hybrid format, with both in-person attendance in the Insurance Hall and members participating virtually from around the world. It had been possible to pre-submit votes or questions via the independent scrutineer's platform since 30 October 2023, the date at which AGM notifications had been circulated.

**2 MINUTES OF THE CII AGM HELD ON 4 OCTOBER 2022**

No comments having been received, the minutes of the 2022 AGM were approved as a true and accurate record of proceedings.

**3 SPECIAL BUSINESS (BYE-LAW 45)**

**a) To receive a report from the President**

THE PRESIDENT's report provided a retrospective look over the past year setting out his belief that, for the CII it had been a year that had called for exactly what the presidential theme had been - resilience. This should not be taken as a negative but a positive - life always hands out challenges, as an individual, employee, senior manager, or Board member, and it is how these are handled that sets individuals out. In this sense, the President felt that the CII Group had shown tremendous resilience in 2023 and come to the end of the year in much better shape, both financially and as an organisation, than it had started the year.

The launch of a new 5-year strategy in the first quarter of the year, based on a member consultation, had been very well received and represented a strong focus on the core values of the CII, around learning, professionalism, and continuous development, all supported by an increasingly modern organisation. It was a 5-year plan and so the organisation was less than 20% of the way through it, but he believed that very good progress had already been made.

Resilience as a theme had served the President and hopefully the Institute well, allowing the President to leverage its breadth to speak around many different topics in the insurance world. The President had very much enjoyed writing pieces for The Journal and travelling around the country to various events. Dinners in the likes of Leeds,

Bournemouth and Preston had shown the President the different set-ups across the local institutes; speaking at the GI conference had offered a reminder of the breadth and depth of our great industry. Hosting the Apprenticeship awards evening reinforced the great talent being brought into the insurance sector and indeed how attractive it was as a place to work and build one's career. The return of the CII President's dinner had shown the great range of age, diversity and geographical backgrounds of the CII membership and the industry.

The President acknowledged and thanked the Chair Helen Philips, CEO Alan Vallance, Deputy President Ian Callaghan and other board and executive colleagues for sharing the load of dinners and other events that formed part of the CII annual programme. He thanked the 800+ volunteers who were the lifeblood of the CII around the country and throughout the world; likewise, the 200 CII staff who had done a magnificent job in 2023. Without the hard work that so many people put into the day-to-day running of the CII, it would not be where it was today.

The President had represented the CII at events in Singapore, Hong Kong, and mainland China. 10% of membership was overseas and the CII had a tremendous opportunity to expand this growing sector and bring the assets and attributes of the Institute to overseas markets as they developed. The President looked forward to continuing his work in overseas markets, helping the CII do what it did best in more places, for more people.

The President concluded his remarks by thanking the wider membership for their supportive e-mails and other messages, which had been greatly appreciated. He was confident that Ian Callaghan would do a tremendous job as 2024 CII President and wished him good luck and a lot of energy and appetite for the year ahead.

THE CHAIR, on behalf of the CII Board and the membership, thanked the President both for his report and for serving with such distinction, keeping up a gruelling schedule as an ambassador for the Institute in all the places he had described. She was pleased to note that he had been persuaded to continue to support the Institute's international endeavours in the coming year.

#### **b) To receive a report from the Chief Executive Officer**

THE CEO provided a financial report and spoke about the CII's performance in 2022, current position and plans for the future. Key points were:

##### ***Finance***

- The Group's consolidated financial statements for 2022, alongside the Annual Report for that year, were published on 6 November. The accounts were signed off by independent auditors, who once again issued an unqualified audit report.
- To provide further clarity to members, the 2022 financial statements included the main entities which comprise the Group's results and summarised the income statement for each.
- At 31 December 2022, the Group's total number of professional members was 122,117, a net decrease of 1,762 on the previous year, with the reduction coming from the general insurance sector. That said, total revenue from membership subscriptions and services for the year, including income from sponsorship events, rose to £19.0m, a rise of 8% on 2021. The Group was committed to delivering a renewed membership proposition over coming years that delivered relevance and value to members in their professional lives.
- The Group's consolidated operating income in 2022 was just over £40.5m – a 4% increase on the previous year. The increase was driven by sponsorships, reflecting the return of networking and in-person events curtailed during the Covid-19 pandemic. This increase was partly offset by a decline in examination entries, leading to a decrease in examination operating income; however, there was an

increase in students purchasing study texts, which was feeding through to greater numbers of assessments being undertaken in 2023. The CEO was confident that there would be an improved picture in this regard in next year's accounts.

- The Group's operating expenditure for the year was £38.1m, £2.3m higher than the year before. This change reflected a £0.7m increase in grants paid to Local Institutes, higher event costs and an increase in legal and professional consultancy expenditure to support internal Group matters. The Group did not anticipate incurring similar consultancy costs in 2023. Staff costs fell by £1.2m but this was picking up as roles had been filled in the current year which would be reflected in next year's accounts. Higher revenue and fewer staff had meant that revenue per full-time employee had risen from £174k in 2021 to £196k in 2022.
- In 2022 the Group delivered a second consecutive annual operating surplus of £2.38m, compared to an operating deficit of £4m in 2020. The CII entity's operating result was a deficit of £0.76m, which was half what it had been in 2021. This improvement, an ambition stated at the 2022 AGM, was pleasing to note and it was expected that the improvement would flow through into the 2023 results.
- Total CII Group funds increased in 2022 to £30.6m, reflecting a substantially lower tax charge in 2022 and a sharp rebound in the Institute's non-operating items following the pension 'buy-in' of £6.6m in 2021. The buy-in was the first stage in bringing the Group's pension strategy to conclusion – at last year's AGM it had been anticipated that the 'buy-out' of the defined benefit pension plan would take place in 2023. This was now expected to occur in 2024 and once completed it would be reflected when the associated accounts were published. The potential liability to complete the buy-out was within the range of £0.5-£1.5m.
- The Group had continued to invest in its IT infrastructure for the benefit of members, with overall capital expenditure of just under £2m. This investment ensured the delivery of the new Customer Relations Management system in March 2023, which had allowed better member engagement and resulted in a concurrent, significant reduction in the number of customer IT service complaints. The significant IT investment over the past five years meant that IT operating costs would increase but the Group was focused on minimising these costs.
- The Group's total net assets increased to £30.6 by the end of 2022. Within that, the Institute's net assets stood at £9.6m, up from £9.3m in 2021, reflecting a prudent approach to managing the Institute's reserves. Included within the net assets were £28.2m of cash and cash equivalents, of which the Institute held £14.3m, down from £22.5m in 2021, due mainly to a £10m intra-group credit transfer made to the Personal Finance Society (PFS) during the year. Net assets of the PFS rose to £17.3m, and the net assets of the charitable entities of the Group totalled £3.37m. These funds were segregated from the Group's operations and were used to fulfil the objectives of the charities, as determined by the Trustees of those charities.
- The PFS paid an annual recharge for broad range of services provided by the Group, including operational services such as governance, marketing, communications, HR and IT, as well as providing all PFS qualifications, training events and its statement of professional standing. The 2022 central overhead recharge, at £3.8m, was the same as in 2021 – the PFS Board was reviewing arrangements with the CII Group Board to ensure that the recharge appropriately reflected the work undertaken on behalf of the PFS and its members.

### ***Year in Review and Future Plans***

- The decision of the CII Group Board to appoint a majority of directors to the PFS Board at the end of 2022 and the early part of 2023 had understandably been of significant interest to many members. The CII and PFS Boards had been moving forwards together for many months now and, while both continued to listen to members' concerns, all their time, energy and resources were now fully invested in building a stronger future and delivering exceptional services for PFS and CII members. An example of this was the investment made into the PFS Consumer Duty resource toolkit that had been made available.

- The total number of individual members holding one of the CII's Chartered titles rose to 22,931, up from 22,693 the previous year. A marketing executive had been appointed to drive awareness of the benefits of holding this designation and to spotlight firms who had achieved the chartered title on social media, in the press and on the CII website. Independent monitoring of public perception continued through the Institute of Customer Service: in the second half of the year, it showed that 77% of businesses and consumers would prefer to choose a Chartered firm – the highest ever result. The Institute was reviewing rules for these designations and would have more to say during 2024.
- Perhaps the most significant output in 2022 was the Professional Map, the “golden thread” which set the standard for building capability and competency across sectors and roles, in the UK and internationally. Two frameworks had been developed, for personal finance and general insurance, so that members could identify their capability and experience and plan their development accordingly. During 2023 the Map had been embedded within learning, qualification, and membership solutions to ensure greater relevance of the proposition to professionals at every stage in their career. The Institute was piloting a scheme to help firms embed the Map within their employee lifecycle – aligning job roles, recruitment and skills development around the core competencies the sector needed to succeed and achieving consistency of language around capability and benchmarking.
- In 2023 FutureMe was launched – a career development platform for insurance and financial planning professionals – following feedback from members who requested more support on how to progress their professional development and achieve their career ambitions. All CII members could access the platform at no additional cost, at every stage of their career.
- In April 2023 the new five year Strategic Plan was published, which laid out the vision that would see the Institute's position as a global professional membership body cemented, financial reserves restored following the challenges of the pandemic, and with the latest IT systems in place, services delivered to support members wherever they work and whenever they need them. The Plan drew heavily on the outputs of the 2021 'Shaping The Future Together' consultation with CII and PFS members and placed a renewed emphasis on professional standards and the value of membership, supported by world-class learning and qualifications. The six themes of the Strategic Plan were:
  - Excellent Member Experience
  - Highest Professional Standards
  - Sector Thought Leadership
  - World-Class Learning
  - Digital First
  - Sustainable Institute
- The Plan set out the actions to be taken against each of the themes, the high-level outcomes to be delivered and the performance measures that would evidence that delivery. The first year of the Plan – 2023 – focussed on addressing legacy systems issues, returning the CII to a surplus position following the pandemic and building strong future foundations. The second phase over the subsequent four years would focus on delivering new capabilities and rebuilding reserves for the long term.
- One goal in 2023 was progressing discussions to 'Realign the Partnership' with Local Institutes, with a comprehensive consultation exercise during the summer and recommendations presented to the Local Institute National Forum meeting in September, identifying how volunteers felt the network could be better supported. The CII Group Board confirmed the priorities, including supporting networking events and activities; exam training and revision; CPD and career support; and Chartered engagement. THE CEO concluded by personally thanking those who took volunteer roles for their continued contributions to the CII and PFS.

THE CHAIR, noting that this would be the CEO's last AGM, thanked him for his hard work and very significant contribution to the success of the CII during his time in post.

#### 4 ORDINARY BUSINESS (BYE-LAW 44)

THE CHAIR noted that voting had closed. Each vote required a simple majority to pass and she would confirm whether each resolution had carried.

**a) To receive and consider the Annual Report and Accounts for the year ended 31 December 2022.**

THE CHAIR reported that the motion that the Report and Accounts for the year ended 31 December 2022 be received and considered had been carried.

**b) To report on the admission of Fellows and Associates.**

In 2022, 328 Members had been elected to Fellowship and 868 Members elected to Associateship.

**c) To elect the President and Deputy President for the year 2023/2024.**

THE CHAIR reported that:

- (i) The motion that Ian Callaghan be elected as President for the forthcoming year had been carried.
- (ii) The motion that Nicola Stacey be elected as Deputy President for the forthcoming year had been carried.

**d) (i) To approve the proposed appointments of Vice Presidents:**

THE CHAIR confirmed that the motions for the following reappointments had been carried:

- (1). Brian Caruth as Vice President, Local Institutes.
- (2). Enas Asiri as Vice President, International.
- (3). Suresh Nair as Vice President, International.

**(ii) To approve the appointment of any members of the Board appointed by the Board since the conclusion of the last Annual General Meeting:**

THE CHAIR confirmed that the motion ratifying the following appointments of Board members who had been appointed to the Board since the last AGM had been carried:

- (1). Claire Bassett (Chair of the Professional Standards Committee).

**e) To appoint Crowe U.K. LLP as Auditors for the year ending 31 December 2023 and authorise the Board to fix their remuneration as the Board thinks fit.**

THE CHAIR confirmed that the motion that Crowe U.K. LLP be appointed as the Institute's auditors for the year ending 31 December 2023, and that the Board be authorised to fix their remuneration as it thinks fit, had been carried.

**f) To decide the rate or rates of annual ordinary grant contributions to Local Institutes.**

THE CHAIR confirmed that the motion to decide the rate or rates of ordinary grant contributions to Local Institutes had been carried as follows:

*That the Ordinary Grants to Local Institutes will total up to 14% of the aggregate subscriptions for Local Institutes' membership and will be allotted to each institute through measurement against an agreed set of performance criteria. No Local Institute will receive a grant of less than £1,000.*

*At the Board's discretion, a Special Grant may be granted to Local Institutes, upon application, for special requirements, provided payment of a Special Grant is justified by a budget produced by the Local Institute and furthers the objects of the CII. Any grants paid are subject to such payments not increasing the reasonable working capital of that Institute.*

## 5 QUESTION AND ANSWER SESSION

The panel answered a mixture of questions, both pre-submitted and raised during the meeting. A summary of points is as follows:

- Discussions were ongoing with the FCA as regulator regarding consumer benefits and detriment that would arise from mandatory qualification standards being placed on general insurance advisers – how regulation could help to protect professional standards, at a time when greater accountability was being acknowledged within the profession. It seemed unlikely that there would be a mandatory qualifications or standards requirements for general insurance advisers in the near future.
- The CII saw opportunities to take its offering into international markets. It was the intention to increase the number of overseas events held, to help those markets develop. The majority of CII events took place in the UK, which in recent years as well as 'in person' were run digitally and so could be accessed internationally. More events would be held overseas as they were found to be cost-effective. The Institute would try to provide its materials in formats – such as local languages – to accommodate international markets, based on demand.
- It had been planned that the AGM should take place in October, but the timing of Board meetings meant that a decision was made to invest more time in identifying high quality nominees for Deputy President and Vice Presidents of the organisation. The Annual Report and Financial Statements would usually be published on 30 October, the date the AGM Notice was sent out to members, but the CEO resigned days before and it was considered appropriate that this change in circumstances should be reflected in the Annual Report through minor text changes. The Annual Report and Financial Statements were published seven days later, on 6 November.
- Behaviours by any member which called into question their professionalism affected the Institute as a whole. The CII's Code of Ethics required members of the CII and PFS to treat fellow members and CII employees in a civil and professional manner. Following a Board discussion on this issue, several instances of which had arisen during the year, a review of the implementation of the Code of Ethics was to be conducted by the Professional Standards Committee in early 2024.
- In response to a question on the open letter recently sent by a former PFS Member Director to the PFS Board, it was considered discourteous for the CII to comment, as the PFS Board had yet to respond.
- CII Board minutes were not published, and it would be a matter for the Board whether they should be made public going forward, but at the very least consideration could be given to a short summary of Board deliberations being made available in the Journal or on the CII's website.
- Consideration should be given to arranging future AGMs around an event such as a networking conference, in an attempt to secure greater member engagement.
- Circumstances change and so senior executives might choose to leave the Institute earlier than it had hoped would be the case; however employment contracts could include incentivisation schemes and were already designed to help ensure a smooth transition when events such as the recent resignation of the CEO occurred.
- Provisions in the CII's Royal Charter limited the rise of membership subscriptions in any given year to a maximum of 5%. Every attempt was made annually to keep subscriptions low but the associated costs of providing member services should be borne in mind. This pressure also applied to study and qualification fees.

**CLOSE**

There being no further business, the Chair thanked everyone for attending the CII's Annual General Meeting 2023 and closed the meeting at 16:00.

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Chair's Signature

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Date

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