

**Independent Order of Oddfellows Manchester Unity Friendly Society Limited
Loyal Guernsey District Lodge No. 10010**

The Insurance Business Rules, 2021 (Public Disclosure Part 4)

Public Disclosure Information for the year ended 31 December 2025

Profile of the Insurer

The Oddfellows Loyal Guernsey District Lodge (the Society) is a financially independent branch of The Independent Order of Oddfellows Manchester Unity Friendly Society Limited (Unity) which is registered under the Friendly Societies Act 1992 (Register No.223F). It is licensed for insurance business under The Insurance Business (Bailiwick of Guernsey) Law, 2002 as amended and is regulated by the Guernsey Financial Services Commission (GFSC).

The Society operates the Guernsey Oddfellows Health Care Plan (the Scheme) which offers insurance cover for primary medical care in the Bailiwick of Guernsey. Members of the Scheme may increase their cover to include varying degrees of optical, dental and physiotherapy by way of additional plans.

The Society is a not for profit organisation.

Corporate Governance

The Society is governed by a Committee of Management (the Committee) which is constituted in accordance with the Rules of the Society and consists of the District Lodge Officers, the Secretary, Trustees and at least two other qualified members, elected at the Annual Summoned Meeting. The Committee acts in the same way as a board of directors and follows the principles and guidance in the Finance Sector Code of Corporate Governance issued by the GFSC.

The Secretary is the designated Money Laundering Reporting Officer and also provides regular compliance and risk reports to the Committee for consideration.

A Branch Internal Auditor carries out occasional inspections under instruction from the Audit Risk and Compliance Committee of Unity.

Technical reserves

Technical reserves are the amounts insurance companies set aside from profits to cover claims and include the unearned premium reserve and the outstanding claims reserve. Since healthcare claims and premiums are settled monthly or earlier the calculation of a technical reserve is based on a view of the change in healthcare costs and the progression of claims from the previous year. As a not for profit organisation the aim every year is to set premiums at a level to cover claims as near as possible.

Claims for 2025 were £1,822,637 and total assets as at 31 December 2025 amounted to £3,269,702 as can be seen in the financial statements.

Insurance Risk

Insurance risk is the likelihood that an insured event will occur, requiring the insurer to pay a claim. With healthcare cover the claims from individual members can be random and variable but with a large volume of members the claims at a portfolio level are more stable and predictable – subject of course to exceptional events such as a flu epidemic.

The level of claims is considered by the Committee on a monthly basis and premiums reviewed yearly. It should also be noted that contributions to membership of the Scheme are variable under the terms and conditions and that in exceptional circumstances alterations to contribution rates may be made during the year subject to pre-notification in writing. It is therefore possible to close a premium deficiency quite quickly.

Financial Performance

The financial performance for the previous two years can be seen from the financial statements. The Society is a not for profit organisation. The excess of expenditure over income was £10,578 for 2025 and £117,871 for 2024. Total assets were £3,269,702 at the end of 2025 and £3,225,662 at the end of 2024.

Capital adequacy

Under The Insurance Business (Bailiwick of Guernsey) Law 2002 the GFSC sets out capital adequacy ratios – the Minimum Capital Requirement (MCR) and the Prescribed Capital Requirement (PCR).

These ratios show the percentage of regulatory capital resources in relation to the capital required.

The ratios for the last two years were:

MCR	2025:	1338.1%	2024:	1407.1%
PCR	2025:	290.1%	2024:	296.1%

These show that the Society is very well capitalised.

Financial Instruments

The investments held by the Society at each of the last two year ends can be seen in the financial statements. In addition to property and cash deposits the Society has holdings in three investment funds as follows:

Unity United (Fixed Interest) Investment Fund (Managed by Rathbones incorporating Investec Wealth and Investment (UK)) – the fund is comprised of UK gilts with a third of the portfolio dedicated to corporate bonds.

2025: £299,783 2024: £299,885

Unity United (Wider Range) Investment Fund (Managed by Trinity Bridge) – UK and Global equities with a maximum of 50% allocated to each region.

2025: £184,702 2024: £167,028

Unity United (Intl. Wider Range) Investment Fund (Managed by LGT Wealth Management) - Predominantly overseas equities with a mandate to focus on capital growth.

2025: £520,172 2024: £494,342

ERM (enterprise risk management) and ALM (asset-liability management)

As a not for profit organisation the Society has a very low risk appetite and profile.

The Society maintains a risk register where identified risks are recorded and assessed in terms of likelihood and magnitude of impact and a response determined to ensure they are appropriately managed. The register is formally reviewed at least annually by the Committee.

As part of the annual budgeting process the Society formulates a cash flow budget for the year which is then monitored on a monthly basis. This enables the Society to ensure that it has sufficient liquid assets to meet liabilities as they fall due and would allow pre-emptive action to be taken should liquidity needs deviate greatly from budget. The Society maintains cash and near cash assets to ensure that it has sufficient liquidity at all times.

Investments are made with a long term view. Performance is monitored regularly and a formal investment review of all assets is undertaken yearly by Unity and presented to the Committee. The economic outlook is considered and decisions taken regarding the amount of cash required, surpluses available for investment and the composition of the portfolio.

March 2026