



*There when
you need us*

The Medical Defence Union Ltd



*The MDU...
your company
working for you*

1998 Report & Accounts



For the year ended 31 December 1998

Board of Management

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J C Smith *OBE* MS FRCS

VICE-CHAIRMAN

D E Markham MB ChB FRCS

Hedley E Berry MB BS FRCS

Sir John Caines KCB

E M Cooke *OBE* BSc MD FRCPath FRCP

R D Corley *CBE* FIA FRSA

C C Evans MD FRCP FRCPI

M M Gullivan BA(Hons) FCMA MBA

M J Gifford DipM MCIM

R W Hiles MB ChB FRCS FRCSEd

Baroness Hooper BA

R D C Hubbard *OBE* FCA

J G Kennedy BSc MDS MPhil PhD FDS FFD

W S L La Frenais MB ChB DOBSTRCOG

M R Rendle MA

M T Saunders MB BS MRCS LRCP DOBSTRCOG

C M Tomkins MB ChB(Hons) FRCS MBA

P R Williams MA MB BChirCamb MRCP

Council

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VICE-PRESIDENT

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Prof A R Aitkenhead BSc MD FRCA

M Anderson *CBE* FRCOG

Prof P Armstrong FRCP

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Hedley E Berry MB BS FRCS

Prof M M Brown MD FRCP

E M Cooke *OBE* BSc MD FRCPath FRCP

J Cunningham MDS FDSRCS (Ed)

C C Evans MD FRCP FRCPI

A Fitzgerald O'Connor MB ChB FRCS

J C Frankland BSc(Hons) MB ChB FRCP DRCOG

J S Garfield MChir FRCP FRCS

R L Hargrove MB BS FRCA

R W Hiles MB ChB FRCS FRCSEd

Prof Sir David Hull MB ChB FRCP

J G Kennedy BSc MDS MPhil PhD FDS FFD

W S L La Frenais MB ChB DOBSTRCOG

I Z MacKenzie MA MD FRCOG DSc

Prof H G Morgan MD FRCP FRCPsych DPM

P J Mulligan MB ChB FRCS FRCSGlas

Prof C O'Herlihy MD FRCPI FRCOG FRACOG

R K Prasad MB MS FRCSGlas MRCP

P D Robinson PhD MB BS BDS FDSRCS (Eng)

R C G Russell MS FRCS

Sir Patrick Holmes Sellors KCVO MA BM BCh FRCS

Prof J P Shepherd BDS MSc PhD FDSRCS

G Strube MB BS MRCS LRCP DCH

Prof E M Symonds MD FRCOG FRCM FACOG (Hon)

R E Turner LDS MGDS

R H Vickers MA BM BCh FRCS

Prof T J Walley MD FRCP FRCPI

Prof R M Watson MDS FDSRCS

P R Williams MA MB BChirCamb MRCP

Prof J S Wyatt FRCP FRCPC

Irish Affairs Committee

J C Smith *OBE* MS FRCS

P F Corkery MB MRCP

K P Cotter MB BCh BAO MD FFPATH FRCPI FRCP FRCPath

Prof N M Duignan MD MAO FRCOG

K McGarry MB BCh BAO DCH FRCPI

Prof T O' Dowd MA MB FRCP

Consultants

J W Brooke Barnett MB BS

J A Wall MB BS DOBSTRCOG

New Zealand Medical Advisers

Prof P D Gluckman MB ChB MMedSc DSc FRACP FRSNZ

J J Reid MB ChB DipObst FRNZCGP MPS(NZ) FCCP

Prof I J Simpson MB ChB MD FRCP FRAC

DENTAL DEFENCE UNION

A specialist dental division of The MDU

Dental Advisory Committee

J Cunningham MDS FDSRCS(Ed)

J G Kennedy BSc MDS MPhil PhD FDS FFD

P D Robinson PhD MB BS BDS FDSRCS(Eng)

Prof J P Shepherd BDS MSc PhD FDSRCS

R E Turner LDS MGDS

Prof R M Watson MDS FDSRCS

Honorary Clinical Advisers

Prof A H Brook MDS FDSRCS

J Cunningham MDS FDSRCS (Ed)

J M Heath FDSRCS

J C G Jones BDS LDS FDSRCS PhD

J G Kennedy BSc MDS MPhil PhD FDS FFD

Prof R J McConnell BDS PhD FFD

J R Radford PhD BDS FDSRCS (Eng) FDSRCS (Edin)

P D Robinson PhD MB BS BDS FDSRCS (Eng)

Prof J P Shepherd BDS MSc PhD FDSRCS

M Slater MEd EDH FETC DipDHE

Prof C D Stephens MDS FDS MOrth RCS

R E Turner LDS MGDS

Prof R M Watson MDS FDSRCS

Report of the Chairman

In introducing my second report as Chairman of your company I am pleased to be able to tell you of much positive progress in the last 12 months.

Although the litigation climate world-wide continues to deteriorate, and the frequency of claims and the size of awards have been steadily rising, thanks to efforts by our claims handlers and lawyers we have been able to significantly reduce the legal costs associated with these actions.



I am particularly proud that this year we were the first medical defence organisation to introduce a Good Samaritan benefit for all members, worldwide. I wonder if you have ever been called to an emergency on a plane, or abroad in countries like the USA? The natural urge to help is sometimes tempered by concerns about possible medico-legal problems. I am pleased to say that you can now do your ethical duty knowing that you can approach us for assistance if something goes wrong.

The full effects of Lord Woolf's reforms in the UK have yet to be felt and while there may be more positive aspects in terms of faster, more efficient procedures, it remains to be seen whether litigation against doctors and dentists will increase or decrease. A lessened availability of legal aid may reduce the number of claims without foundation but the introduction of conditional fees could increase the number of cases overall. It is extremely difficult to predict what the eventual balance will be.

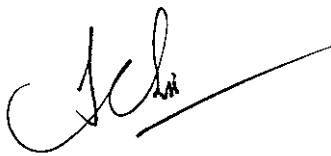
The judgement in the *Thomas v Brighton* case (see the Chief Executive's *Operating and Financial Review*) means that we need to provide more resources to pay the huge damages now being awarded in cases such as those with brain damage. On behalf of our members we are often paying for events that occurred many years ago. While we have methods of predicting future trends, on an actuarial basis, we are aware that circumstances beyond our control may well upset our most careful predictions.

The whole medico-legal climate in the UK is changing rapidly, stirred up by high profile cases in the media. The Bristol inquiry at the GMC has given a foretaste of things to come and we have yet to experience the full effects of clinical governance, CHI, NICE and the new arrangements for primary health care. The MDU is actively co-operating with the government and the GMC to ensure that MDU members get as fair a deal as possible out of the new arrangements. However, I predict that these new developments will pose problems for many of you in the future and that your need for assistance from The MDU will increase. For our part we are well prepared to meet these challenges.

In Australia, previously a patchwork of small medical defence organisations, sensible rationalisation has led to our joining our Australian members to United Medical Protection - a Sydney based organisation, in a move which I believe will be of benefit to all our members.

Three new 'outside' directors, Sir John Caines, Mr David Hubbard and Mr Michael Rendle have joined our Board and their wide and diverse experience has already been of great benefit. We were sad to lose, through retirement, Professor Sir Roland Smith and Dr Robert Maxwell, both of whom had served the Board with distinction. On a sadder note, two distinguished members of The MDU died last year. Dr Derek Wylie served The MDU for many years and he was president from 1982-88. Professor David Marsden, FRS, who had only just joined the Board, died in September suddenly and tragically and at an early age.

We face many challenges but, thanks to our dedicated staff, you may be reassured that the excellent service you have received in the past will continue into the next millennium.



Mr J C Smith
Chairman of the Board of Management
President of The MDU

Operating and financial review

The MDU is a not-for-profit discretionary mutual and you, our members, own this company. It is my duty to report to you our activities on your behalf. Our work is divided between advisory services for members, including assistance with disciplinary matters and complaints from patients, and dealing with compensation claims for alleged clinical negligence. The advisory work is increasingly important but most of your subscription is spent on dealing with claims. I shall deal with this first by explaining the Board's policy.



Your Board believes that it is essential to ensure that when a claim or an occurrence likely to give rise to a claim is reported to The MDU, we make proper financial provision to deal with it whenever it has to be paid. This is the basic assumption on which we set your subscriptions and which we refer to as 'occurrence reported'. Proper provision includes buying extensive reinsurance using our Guernsey insurance company, so that we can minimise the impact on our funds of individual high value cases, or the situation where a number of cases turn out to be more expensive than expected.

We provide for members' retirement, but if members leave before they retire, any occurrences reported after they have left have to be met from the accumulated surplus of The MDU's funds, topped up if necessary from current subscriptions. To sum up, we strive to ensure that MDU members pay the lowest possible subscription for occurrences reported.

But how do we provide for something so unexpected that even with our considerable experience we could not have predicted it? The chairman has already drawn attention to the judgement in the *Thomas v Brighton* case which has increased the value of our higher value cases by between 10 and 15 per cent, by adjusting the discount rate used in the Ogden tables (for a detailed explanation see page 2, the *Journal of the MDU*, February 1999).

Please spend a moment or two considering the impact of this kind of case on the art of predicting the sums of money needed now, to fund fully all the cases that might arise from a given year. Remember it may be many years until a case is reported, three to five years on average, and often much longer for an expensive brain damage case. It may then take another three to five years to resolve. Claims inflation is much higher than retail price inflation, and judges are prone to awarding money for innovative categories of damage.

While the *Thomas v Brighton* 'hit' can be dealt with using The MDU's fund and reinsurance, it shows just how extraordinarily difficult if not impossible it can be to predict the number and value of claims in the future. For this reason there is a lot of debate, in the UK and overseas, over the best way to fund members' future needs. A majority believes it is increasingly difficult to estimate accurately the sums needed, given the inexorable rise in the value of claims, and the tendency of the courts to change the rules after the event.

The MDU is fully involved in this debate.

In the last year we have done much to try and reduce the cost and risk of litigation. The MDU responded to the health secretary's initiative in the UK 'to keep lawyers out of hospital and doctors out of court' with written evidence pointing out the value of risk management and possible ways of predicting claims trends by pooling all UK data. We have also suggested that the cost of litigation might be reduced by amending the clause in the *Law Reform Act 1948* which allows plaintiffs to recover the cost of future private care even in situations where care could and might well be provided by the NHS. We await developments.

On the advisory side of our business, clinical governance is the new buzzword and will soon become mandatory throughout the UK health service. Continuing education and risk management will play a key part and we will maintain our investment in these vital areas. We have produced an extremely successful series of training packs for general practitioners and we have extended our range of advisory publications for members in several countries. The MDU's journals continue to carry articles pointing out potential pitfalls for members. These are important ways of helping members to reduce risks, improve patient care and enhance professional reputations. Not least, they will help to keep subscription increases to the minimum.

Australia

Previous annual reports have referred to the challenging medico-legal climate in Australia, particularly New South Wales. We have had discussions with other defence organisations over a number of years about the best and most cost effective way to meet members' needs. We reached an arrangement with United Medical Protection, Australia's oldest and largest medical defence organisation, joining our operations and members in Australia together from 1 January 1999. On 4 January

1999 The MDU group sold its wholly owned subsidiary MDU Australia Insurance Co Pty Ltd to Australian Medical Insurance Ltd which is a subsidiary of UMP.

Financial review

The reported results for The MDU group in 1998 show reserves of £281m (1997 - £278m) compared with the estimated cost of settlement for indemnity cases notified of £276m (1997- £262m). See note 13. These cases are likely to be paid over a number of years.

The results for the year show a deficit of £15.7m after tax which is mainly due to the purchase of a reinsurance programme to protect against an increase in The MDU's total exposure on indemnity cases reported before 1 January 1998, for payments which will be made before 1 January 2023.

This reinsurance programme will enable The MDU group to move forward confidently, knowing that claims notified before 1 January 1998 are protected from an escalation in claims settlements. The effects of the judgement in the *Thomas v Brighton* case will to some extent be mitigated by this reinsurance programme. Other items of expenditure which are non-recurring are exceptional ones relating to the joining of our Australian members to UMP, and the sale of our Spanish property during the year.

Income

Subscription income for the year ended 31 December 1998 was £90.8m (1997 - £95.4m). The reduction in subscription income needs to be seen in the context of the increase in insurance premiums (note 2b) from our Australian business. The accounting treatment for insurance premiums is different from that of subscriptions.

The continued strength of sterling in 1998 has reduced the value of some overseas income, particularly in Australia, Malaysia, Singapore and South Africa amounting to approximately £1.1m. This reduction in subscription income is due to the relative weakness of these currencies when converted to sterling.

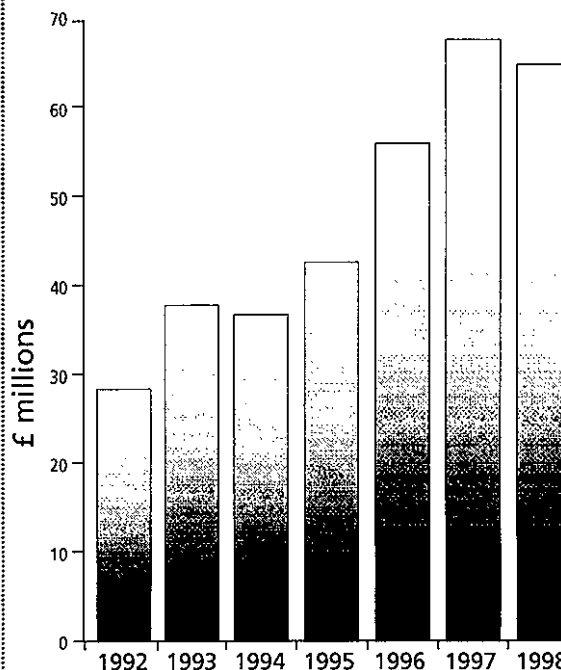
In the income and expenditure account, investment income and gains from disposal of investments have amounted to £14.9m bringing the total mutual income for The MDU group to £106m for 1998 (1997 - £111m).

Expenditure

In 1998, The MDU paid out on behalf of its members, £65m in costs of indemnity claims (1997 - £67m). See

note 3. The reduction from 1997 is partly due to The MDU's decision to stop operating in some of its overseas countries in the early 1990s. As reported last year, payments of claims in these countries will diminish in time.

Indemnity and legal payments 1992-1998



The costs of providing medical and dental advisory services are £12m in 1998 (1997 - £12m).

As always, the future is uncertain, but there will be changes, some predictable and some not. However your Board is confident that the current strategy, supported by strong management, will enable The MDU to continue to meet your needs. Financial security and the highest level of service to members remain the Board's first priority.

Dr Michael Saunders
Chief Executive of The MDU

Report of the Board of Management

The directors present their report and the financial statements for the year ended 31 December 1998.

Activities

The MDU's activities include the discretionary provision, in accordance with the *Memorandum and Articles of Association*, of indemnity and advisory services for its members and the provision of insurance by a wholly-owned and regulated Australian insurance company, MDU Australia Insurance Co Pty Limited (MDUAIL). Since the year end The MDU has sold MDUAIL to Australian Medical Insurance Limited and joined its members in Australia to United Medical Protection.

The MDU provides advice and assistance to governments and other bodies on risk management and the handling of indemnity claims.

The MDU uses the services of subscriptions agents in other jurisdictions.

Review of business

Members' attention is drawn to the Report of the Chairman, and the Operating and Financial Review, in which the salient features of the year are highlighted. The financial statements, on pages 6 to 17, set out the financial results of the year's activities.

The group's total reserves have increased from £278m at 31 December 1997 to £281m at 31 December 1998.

The MDU continues to set subscriptions which the directors, on the advice of the consulting actuaries, consider will suffice to meet overheads and foreseeable discretionary indemnity payments and legal costs.

Year 2000

The MDU has completed a comprehensive review of all issues associated with Year 2000 compliance, including an examination of all aspects of business operations and relationships with members, suppliers and other relevant parties.

We have instigated a plan to ensure that the company's systems will be fully compliant by the year 2000 and do not anticipate significant expenditure in its implementation.

Disabled employees

The MDU gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled it is The MDU's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion where possible.

Events since the balance sheet date

On 4 January 1999 the company disposed of its interest in MDU Australia Insurance Co Pty Limited under a share sale agreement referred to in note 16 to the accounts. As a result of that sale the group has ceased to issue insurance policies and insurance activities of the group are consequently disclosed as discontinued activities in the financial statements for the year ended 31 December 1998.

Directors

The following served as directors in 1998:

J C Smith**	(Chairman)
Hedley E Berry	
Sir John Caines**†	(appointed 25.8.98)
E M Cooke	
R D Corley**†	
C C Evans*	
M M Gallivan	
M J Gifford	
Baroness Hooper**†	
R D C Hubbard**†	(appointed 25.8.98)
J G Kennedy	(appointed 16.6.98)
W S L La Frenais	
D E Markham**†	
M R Rendle**†	(appointed 25.8.98)
M T Saunders*	
C M Tomkins	
P R Williams	
C D Marsden	(died on 29.9.98)
P C Ball	(retired 16.6.98)
R J Maxwell	(retired 16.6.98)
Sir Roland Smith	(retired 30.6.98)

* members of the Remuneration Committee

† members of the Audit Committee

The following directors, having been appointed since the last Annual General Meeting, stand for election at the 1999 Annual General Meeting:

Dr J G Kennedy, BSc MDS MPhil PhD FDS FFD was appointed to The MDU Board of Management on 16 June 1998. Dr Kennedy is a senior lecturer and honorary consultant in restorative dentistry at Queen's University of Belfast dental school. He has been a member of The MDU's Dental Committee since 1989 and is the current chairman of the Dental Advisory Committee.

Sir John Caines, Mr R D C Hubbard and Mr M R Rendle were appointed to The MDU Board of Management on 25 August 1998.

Sir John Caines KCB is a former senior civil servant most of whose career was spent at the DTI. He holds a number of directorships and is a member of the Financial Services Commission of Gibraltar.

Mr R D C Hubbard, OBE FCA has had considerable industrial and commercial experience, initially as a finance director and subsequently as chairman of a number of public companies, including Powell Duffryn, London and Manchester Group and Exco.

Mr M R Rendle was until recently a director of Willis Corroon, who are brokers in the insurance industry. He has a background in the international oil and energy business, and is a former managing director of BP.

Mr R W Hiles, MB ChB FRCS FRCSed was appointed to The MDU Board of Management on 26 January 1999. Mr Hiles is a Registered Specialist in Plastic Surgery based in Bristol. He is also chairman of the Skin Cancer Research Fund (SCARF), a registered charity and is a past president of the British Association of Plastic Surgeons. Mr Hiles joined the Council of The MDU in March 1972.

In accordance with the Articles of Association the following directors are due to retire by rotation and, being eligible, offer themselves for re-election at the next Annual General Meeting:

D E Markham
M T Saunders
J C Smith
R D Corley

Corporate governance

The Board of The MDU supports the principles expressed in the Combined Code. The Board complies with the bulk of the provisions of the code where they are appropriate to The MDU's structure as a company limited by guarantee, there being no shareholders and no payment of dividends.

The Board has a schedule of matters reserved to itself and has a procedure for directors to obtain independent advice.

The Board has an Audit Committee (chaired by Mr R D Corley, a non-executive director) which consists of the Chairman of the Board, the Vice-Chairman of the Board and all the non-executive members of the Board who are not also members of The MDU. The committee meets not less than twice a year. The Board also has Nomination and Remuneration committees.

The policy of The MDU's Remuneration Committee is to provide the packages needed to attract, retain and, motivate Board members of the quality required.

The financial statements are prepared on a going concern

basis. In deciding to adopt the going concern basis the directors have reviewed the group's business plans and budgets.

The directors acknowledge that they are responsible for the group's system of internal financial control. Control is exercised through an organisational structure with clearly defined levels of responsibility and authority and appropriate reporting procedures. Information is regularly provided at all levels and compared with budgeted targets which are reviewed on a quarterly basis.

The Board, through the Audit Committee, has reviewed the effectiveness of the internal financial control environment of the group. The internal and external auditors attend meetings of the Audit Committee.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the surplus or deficit of the group for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the *Companies Act 1985*. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, Pannell Kerr Forster, chartered accountants, have signified their willingness to continue in office. A resolution to reappoint them will be proposed at the Annual General Meeting.

By order of the Board of Management.



N J BOWMAN Company Secretary
23 March 1999

Consolidated Income and Expenditure Account

for the year ended 31 December 1998

		1998	1997
	Notes	£'000	£'000
Members' subscriptions		90,827	95,416
Investment income	2(a)	9,360	10,878
Realised gains and losses from disposal of investments		5,581	4,807
Total mutual income		105,768	111,101
Less:			
Medical and dental advisory services		12,059	11,995
Indemnity, reinsurance and legal costs	3	92,176	87,702
Administrative costs		10,477	9,116
Total mutual expenditure		114,712	108,813
(Deficit)/surplus from mutual activities		(8,944)	2,288
Discontinued operations:			
Net result of insurance business	2(b)	196	(65)
Exceptional items before taxation	4(a)	1,425	-
(Deficit)/surplus before taxation	4(b)	(10,173)	2,223
Taxation	5	5,558	4,650
(Deficit) after taxation transferred to accumulated fund	11	(15,731)	(2,427)

Except as identified above all activities relate to continuing operations.

Consolidated Statement of Total Recognised Gains and Losses

for the year ended 31 December 1998

	1998	1997
	£'000	£'000
(Deficit) after taxation	(15,731)	(2,427)
Unrealised surplus on revaluation of investments	19,238	13,254
Total recognised gains and losses for the year	3,507	10,827

Note of Historical Cost Gains and Losses

for the year ended 31 December 1998

	1998	1997
	£'000	£'000
Reported (deficit)/surplus before taxation	(10,173)	2,223
Realisation of investment gains of previous years	15,188	5,899
Difference between an historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	37	35
Historical cost surplus before taxation	5,052	8,157
Historical cost (deficit)/surplus after taxation	(506)	3,507

Consolidated and Company Balance Sheets

at 31 December 1998

	Notes	1998		1997	
		Group £'000	Company £'000	Group £'000	Company £'000
Fixed assets					
Tangible assets	6	8,092	7,887	9,295	9,295
Investments	7	267,855	124,348	272,845	121,641
		275,947	132,235	282,140	130,936
Current assets					
Debtors	8	4,445	70,702	2,788	99,747
Deposits at banks		11,955	6,491	6,633	3,314
		16,400	77,193	9,421	103,061
Creditors - amounts falling due within one year	9	7,277	4,151	11,562	11,268
Net current assets/(liabilities)		9,123	73,042	(2,141)	91,793
Provisions					
Insurance technical provisions	10(a)	3,407	-	2,295	-
Other provisions	10(b)	452	-	-	-
		3,859	-	2,295	-
Net assets		281,211	205,277	277,704	222,729
Reserves	11				
Property revaluation reserve		2,507	2,507	2,507	2,507
Investment revaluation reserve		29,573	15,056	25,523	14,890
Accumulated fund		249,131	187,714	249,674	205,332
Total reserves		281,211	205,277	277,704	222,729

Approved by the Board of Management on 23 March 1999

M T Saunders
M T Saunders CHIEF EXECUTIVE

J C Smith
J C Smith CHAIRMAN

Consolidated Cash Flow Statement

for the year ended 31 December 1998

	Notes	1998		1997	
		£'000	£'000	£'000	£'000
Net cash (outflow)/inflow from operating activities	14(a)				
- Continuing			(30,884)		(7,568)
- Discontinued			1,578		2,232
Returns on investments					
Interest received		1,219		1,508	
Investment income					
- Continuing		6,754		7,712	
- Discontinued		107		55	
Net cash inflow from returns on investments			8,080		9,275
Corporation tax paid			(3,100)		(3,200)
Capital expenditure and financial investment					
Purchases of fixed assets		(1,282)		(1,004)	
Sales of fixed assets		730		112	
Purchases of investments		(283,876)		(190,273)	
Sales of investments		308,000		201,648	
Net cash inflow from capital expenditure and financial investment			23,572		10,483
(Decrease)/increase in cash	14(b)		(754)		11,222

Notes to the Financial Statements for the year ended 31 December 1998

1. Accounting Policies

(a) Basis of accounting and format of accounts

The Group accounts have been prepared under the historical cost convention, as modified by the revaluation of investments and certain leasehold properties, and in accordance with the Companies Act 1985 and applicable accounting standards. As permitted by the Companies Act 1985, the accounts formats have been adapted, as necessary, to give a true and fair view of the state of affairs of the Group.

The accounts formats have been developed to reflect most appropriately the differing operations of the Group, namely the provision of discretionary indemnity conducted through the mutual business and the provision of insurance by a wholly-owned regulated Australian insurance company.

In accordance with the discretionary nature of the mutual activities no provision is included within the financial statements for outstanding reported indemnity cases, though the amount of such cases has been estimated and is referred to in Note 13 to the financial statements.

Where appropriate, information relating to insurance activities has been prepared in a manner consistent with the provisions of the Companies Act 1985 and guidance on accounting for insurance business issued by the Association of British Insurers.

(b) Basis of consolidation

The consolidated income and expenditure account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December. No income and expenditure account is presented for The Medical Defence Union Limited as permitted by section 230 of the Companies Act 1985.

(c) Members' subscriptions

Subscription income comprises subscriptions due and received before 31 December without apportionment. No geographical analysis of subscriptions is provided as in the opinion of the Board it is not in the interests of the Group to disclose this information.

(d) Indemnity, reinsurance and legal costs

Expenditure on indemnity payments and legal charges covers the aggregate of all indemnity settlements, and legal services provided for members, together with

insurance premiums. These costs include plaintiffs' costs incurred under indemnity, payments on account, legal costs, representation at service committee appeals, at hospital enquiries and at the General Medical and Dental Councils, and legal assistance to members.

(e) Insurance business - general insurance business technical account

Underwriting results are determined on an annual basis whereby the incurred cost of claims and related expenses are charged against the earned proportion of premiums, net of reinsurance as follows:

Gross written premiums

Gross written premiums relate to premiums received during the year and exclude taxes and duties levied on premiums.

Claims paid

Claims paid represent all payments made during the year whether arising from events during that or earlier years.

(f) Insurance business - technical provisions

Provision for unearned premiums

The provision for unearned premiums represents the proportion of premiums written relating to periods of insurance subsequent to the balance sheet date, calculated on a time apportionment basis.

Outstanding claims

The provision for reported claims outstanding comprises the estimated cost of claims incurred but not settled at the balance sheet date. It includes related expenses and a deduction for the expected value of reinsurance and other recoveries. The provision is determined using the best information available of claims settlement patterns, forecast inflation trends and after recognition of the potential time elapsed in the notification, development and settlement of claims.

Differences between the estimated cost and subsequent settlement are dealt with in the appropriate technical account for the year in which claims are settled or re-estimated.

Provision for unexpired risks

Provision is made, based on information available at the balance sheet date, for any estimated future underwriting losses relating to unexpired risks after taking into account future investment income on relevant technical provisions.

Notes to the Financial Statements for the year ended 31 December 1998

(g) Tangible fixed assets and depreciation

The cost/revalued amounts of tangible fixed assets are written off evenly over their estimated useful economic lives. Reviews are made periodically of the estimated remaining lives of individual assets, taking account of commercial and technological obsolescence as well as normal wear and tear.

- **Freehold property:**

The cost of freehold office property is written off over 50 years.

- **Short leasehold properties:**

Redevelopment costs on short leasehold properties are written off over the period of the leases.

- **Long leasehold properties:**

The cost/revalued amounts of long leasehold properties are written off over 50 years.

Refurbishment costs on long leasehold properties are written off over 10 years.

- **Office equipment:**

20–100 per cent per annum on cost.

- **Motor vehicles:**

25 per cent per annum on cost.

(h) Investments

Listed and unlisted investments held at 31 December are stated at closing valuation on that date. Movements on revaluation are accounted for through the investment revaluation reserve.

On disposal the proceeds are compared with the

carrying value and the resulting profit or loss credited or charged to the income and expenditure account.

Investment income is accounted for on the basis of cash received including any attributable tax credit. In the company financial statements investments in subsidiary undertakings are carried at cost.

(i) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or the appropriate forward contract rate. All differences are taken to the income and expenditure account.

(j) Deferred taxation

No provision is made for potential tax liabilities on unrealised gains arising from the revaluation of investments and certain leasehold properties.

(k) Pension costs

The pension costs are charged in the income and expenditure account so as to spread the regular cost of pensions over the working lives of employees who are scheme members. Variations from the regular cost are allocated over the average remaining service lives of employees.

Notes to the Financial Statements for the year ended 31 December 1998

	1998	1997
	£'000	£'000
2. (a) Investment Income		
Franked investment income	3,024	2,716
Unfranked investment income	5,117	6,730
	8,141	9,446
Loan and bank interest	1,219	1,432
	9,360	10,878
	£'000	£'000
(b) Net Result of Insurance Business		
Gross written premiums	8,449	3,107
Unearned premium transferred to technical provisions	(1,155)	(2,274)
Net written premiums	7,294	833
Outward reinsurance premiums	(6,746)	(784)
Earned premiums, net of reinsurance	548	49
Gross provision for claims	(3,934)	(713)
Reinsurers' share	3,821	692
Claims incurred, net of reinsurance	(113)	(21)
Investment income	107	55
Direct overheads	(346)	(148)
Net result from insurance business	196	(65)
	£'000	£'000
3. Indemnity, Legal and Reinsurance Costs		
Indemnity payments	48,233	48,380
Legal costs	16,299	18,262
Reinsurance costs	27,644	21,060
	92,176	87,702
	£'000	£'000
4. (a) Exceptional Items Before Taxation		
Loss on disposal of fixed assets		
i) Continuing operations	480	-
ii) Discontinued operations	205	-
Loss on sale of operations		
iii) Discontinued operations	247	-
Reorganisation costs		
iv) Discontinued operations	493	-
	1,425	-

The exceptional items before taxation include:

- i) Loss on disposal of property in Spain.
- ii) Loss on disposal of fixed assets in Australia.
- iii) Provision for loss on disposal of MDU Australia Insurance co Pty Limited.
- iv) Costs of a fundamental reorganisation on withdrawal from the Australian market.

Notes to the Financial Statements for the year ended 31 December 1998

4. (b)(Deficit)/Surplus Before Taxation	1998	1997
	£'000	£'000
(Deficit)/surplus before taxation has been arrived at after charging/(crediting) the following:		
Depreciation (Note 6)	1,308	1,338
Loss/(profit) on disposal of fixed assets (including exceptional items)	652	(52)
Auditors' remuneration – as auditors	65	65
– for non-audit work	225	155
	£'000	£'000
(c) Directors' Remuneration:		
Fees	211	206
Other emoluments (including pension contributions)	599	514
	810	720
Emoluments (excluding pension contributions) of the highest paid director	178	144
At 31 December 1998 the accrued pension rights of the highest paid director were £48,333 (1997: £44,038). Retirement benefits are accruing to four directors under a defined benefit scheme.		
(d) Staff costs		
Staff costs charged in arriving at the (deficit)/surplus for the year before taxation are:		
	£'000	£'000
Salaries	8,490	7,788
Social security costs	589	527
Other pension and related costs	1,117	1,040
	10,196	9,355
	Number	Number
Average number of employees in the year	263	241
5. Taxation	£'000	£'000
Corporation tax for the year at 31 per cent (1997: 31 per cent) on income and capital gains from investments	5,506	4,188
Tax credits on franked investment income	455	462
Adjustment in respect of previous years	(403)	-
	5,558	4,650

The potential tax liability on unrealised gains arising on the revaluation of investments is estimated to be £8,297,000 (1997: £5,628,000) for the Group and £4,506,000 (1997: £3,463,000) for the Company. The potential tax liability on the revaluation of certain leasehold properties is estimated to be £600,000 (1997: £600,000) for both the Group and Company. The tax charge has been reduced by £92,000 (1997: £876,000) which arises from a change in the basis of taxation for exchange gains/losses on foreign investments.

Notes to the Financial Statements for the year ended 31 December 1998

6. Fixed Assets – Tangible

Group	Freehold Property	Leasehold Properties	Motor Vehicles	Office Equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost/valuation					
At 1 January 1998	1,707	9,746	836	6,403	18,692
Additions	-	154	294	834	1,282
Disposals	(1,707)	(9)	(274)	(12)	(2,002)
At 31 December 1998	-	9,891	856	7,225	17,972
Cost	-	6,619	856	7,225	14,700
Valuation in 1987	-	3,272	-	-	3,272
	-	9,891	856	7,225	17,972
Depreciation					
At 1 January 1998	583	3,468	368	4,978	9,397
Provided in year	25	391	249	643	1,308
Disposals	(608)	(3)	(208)	(6)	(825)
At 31 December 1998	-	3,856	409	5,615	9,880
Net book amount					
At 31 December 1998	-	6,035	447	1,610	8,092
At 31 December 1997	1,124	6,278	468	1,425	9,295

Company	Freehold Property	Leasehold Properties	Motor Vehicles	Office Equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost/valuation					
At 1 January 1998	1,707	9,746	836	6,403	18,692
Additions	-	154	294	834	1,282
Disposals	(1,707)	(176)	(274)	(321)	(2,478)
At 31 December 1998	-	9,724	856	6,916	17,496
Cost	-	6,452	856	6,916	14,224
Valuation in 1987	-	3,272	-	-	3,272
	-	9,724	856	6,916	17,496
Depreciation					
At 1 January 1998	583	3,468	368	4,978	9,397
Provided in year	25	391	249	643	1,308
Disposals	(608)	(77)	(208)	(203)	(1,096)
At 31 December 1998	-	3,782	409	5,418	9,609
Net book amount					
At 31 December 1998	-	5,942	447	1,498	7,887
At 31 December 1997	1,124	6,278	468	1,425	9,295

Notes to the Financial Statements for the year ended 31 December 1998

6. Fixed Assets – Tangible continued

Certain leasehold properties were professionally valued in 1987, on an existing use basis. The directors consider at regular intervals the applicability of leasehold valuations incorporated in the financial statements with the aforementioned properties being subsequently valued in 1997. No material difference existed between the two valuation dates and as such the financial statements incorporate results of the 1987 valuation. On an historic cost basis, leasehold properties at valuation would have been included as follows:

	1998		1997	
	Group £'000	Company £'000	Group £'000	Company £'000
Cost	2,994	2,994	2,900	2,900
Depreciation	419	419	381	381
	2,575	2,575	2,519	2,519
Leasehold properties at net book value comprise:				
Properties with over 50 years to run	5,942	5,942	6,172	6,172
Properties with under 50 years to run	93	-	106	106
	6,035	5,942	6,278	6,278

7. Fixed Assets – Investments

Group	Listed Investments	Unlisted Investments	Cash held for Investment	Total
At 1 January 1998:	£'000	£'000	£'000	£'000
At valuation	255,668	215	-	255,883
At cost	-	-	16,962	16,962
	255,668	215	16,962	272,845
Additions at cost	284,282	-	-	284,282
Disposals	(302,419)	(15)	(6,076)	(308,510)
Revaluation movement (Note 11)	19,323	(85)	-	19,238
At 31 December 1998	256,854	115	10,886	267,855

Company	Shares in subsidiary undertakings	Listed Investments	Unlisted Investments	Cash held for Investment	Total
At 1 January 1998:	£'000	£'000	£'000	£'000	£'000
At valuation	-	107,277	215	-	107,492
At cost	6,172	-	-	7,977	14,149
	6,172	107,277	215	7,977	121,641
Additions at cost	471	124,949	-	-	125,420
Provision for diminution	(722)	-	-	-	(722)
Disposals	-	(126,593)	(15)	(5,956)	(132,564)
Revaluation movement (Note 11)	-	10,658	(85)	-	10,573
At 31 December 1998	5,921	116,291	115	2,021	124,348

Notes to the Financial Statements for the year ended 31 December 1998

7. Fixed Assets – Investments continued

Listed and unlisted investments are stated at valuation. Cash held for investment and investments in subsidiary undertakings are stated at cost. The listed investments are all listed on recognised stock exchanges. On an historic cost basis, investments would have been included as follows:

	1998		1997	
	Group £'000	Company £'000	Group £'000	Company £'000
Listed investments	227,365	101,313	230,266	92,508
Unlisted investments	78	78	94	94
	227,443	101,391	230,360	92,602

The company holds the entire issued ordinary share capital of the following subsidiaries which principally affect the figures shown in the company's accounts: MDU Insurance Limited, an insurance company, incorporated in Guernsey; MDU Investments Limited, an investment company, incorporated in England; and MDU Australia Insurance Company Pty Limited, an insurance company, incorporated in Australia. Details of the disposal of subsidiary undertakings occurring after the balance sheet date appear in note 16.

The Directors of the company consider that disclosure of dormant subsidiary undertakings would result in a statement of excessive length and have therefore, as permitted under Schedule 5 of The Companies Act 1985, dispensed with the requirement.

	Group £'000	Company £'000	Group £'000	Company £'000
8. Debtors				
Subscriptions in transit	2,794	2,794	2,160	2,160
Amounts owed by subsidiary undertakings	-	66,453	-	96,968
Other debtors	377	377	271	271
Prepayments and accrued income	1,274	1,078	357	348
	4,445	70,702	2,788	99,747

9 Creditors- Falling due within one year:				
Administrative creditors	2,540	1,856	2,853	2,501
Taxation and social security	4,737	2,295	3,293	3,351
Other creditors	-	-	4,750	4,750
Deferred income	-	-	666	666
	7,277	4,151	11,562	11,268

10(a) Insurance Technical Provisions

All insurance technical provisions relate to the group	£'000
At 1 January 1998	2,295
Provision for unearned premium	1,155
Gross provision for claims	3,934
Reinsurers' share of provision of outstanding claims	(3,821)
Exchange adjustment	(156)
At 31 December 1998	3,407

Notes to the Financial Statements for the year ended 31 December 1998

	£'000
10.(b) Other Provisions	
At 1 January 1998	-
Provision for loss on disposal of fixed assets	205
Provision for loss on sale of investments	247
At 31 December 1998	452

11. Reserves				
Group	Property Revaluation Reserve	Investment Revaluation Reserve	Accumulated Fund	Total
	£'000	£'000	£'000	£'000
At 1 January 1998	2,507	25,523	249,674	277,704
Movement on revaluation of investments (Note 7)	-	19,238	-	19,238
Transfer of realised gains	-	(15,188)	15,188	-
Excess of expenditure over income for the year	-	-	(15,731)	(15,731)
At 31 December 1998	2,507	29,573	249,131	281,211

Company	Property Revaluation Reserve	Investment Revaluation Reserve	Accumulated Fund	Total
	£'000	£'000	£'000	£'000
At 1 January 1998	2,507	14,890	205,332	222,729
Movement on revaluation of investments (Note 7)	-	10,573	-	10,573
Transfer of realised gains	-	(10,407)	10,407	-
Excess of expenditure over income for the year	-	-	(28,025)	(28,025)
At 31 December 1998	2,507	15,056	187,714	205,277

12. Pension Costs

The MDU provides a defined benefit pension scheme for its employees in the UK, the assets of which are held under trust separately from those of The MDU. Pension costs are assessed on the advice of an independent qualified actuary using the projected unit method. The assumptions which have the most significant effect on the pension cost are that the rate of return on investments will average 8.5 per cent per annum, that salary increases will average 6 per cent per annum, that present and future pensions will increase at 4.5 per cent per annum, and that future dividend growth will average 4.0 per cent per annum. The funding of the UK scheme is based on regular triennial actuarial valuations. The most recent actuarial valuation was as at 1 April 1997 when the market value of the scheme's assets was £25.2m. This showed that the actuarial value of the assets represented 114 per cent of the value of the benefits which had accrued to members, after allowing for future increases in salaries. The UK pension cost for 1998 was £1,053,000 (1997 - £994,000). In Australia, where a defined contribution scheme is operated, contributions during the year were £64,000 (1997: £46,000).

Notes to the Financial Statements for the year ended 31 December 1998

13. Indemnity Cases - Mutual business - Group and Company

The outstanding cost of settlement and related plaintiff costs for reported indemnity cases notified as at 31 December 1998 is estimated on the advice of the consulting actuaries to be £276m (1997: £262m) for the Group which includes £225m (1997: £228m) for the Company. The actuaries have taken account of the fact that cases are settled over a number of years and the estimates have been discounted to allow for future investment returns and are stated net of estimated recoveries under insurance and reinsurance policies.

In 1998 a reinsurance programme was established to protect The MDU's total exposure on reported indemnity cases up to 31 December 1997 in relation to payments which occur before 1 January 2023. The premium for this programme is payable over three years.

	1998	1997	
	£'000	£'000	
14. Notes to the Cash Flow Statement			
(a)Reconciliation of (deficit)/surplus before taxation to net cash (outflow) from continuing operating activities			
(Deficit)/surplus before taxation	(10,369)	2,288	
Investment income	(9,360)	(10,878)	
Realised (gains) from disposal of investments	(5,581)	(4,807)	
Loss/(profit) on disposal of fixed assets	447	(52)	
Depreciation	1,308	1,338	
(Increase) in debtors	(1,506)	(608)	
(Decrease)/increase in creditors	(6,275)	5,151	
Increase in provisions	452	-	
Net cash (outflow) from continuing operating activities	(30,884)	(7,568)	
	£'000	£'000	
Reconciliation of surplus before taxation to net cash inflow from discontinued operating activities			
Surplus/(deficit) before taxation	196	(65)	
Investment income	(107)	(55)	
(Increase) in debtors	(151)	(9)	
Increase in creditors	528	66	
Increase in technical provisions	1,112	2,295	
Net cash inflow from discontinued operating activities	1,578	2,232	
(b)Analysis of net funds			
	At 1 January 1998 £'000	Cash Flows £'000	At 31 December 1998 £'000
Cash held for investment	16,962	(6,076)	10,886
Deposits at bank	6,633	5,322	11,955
	23,595	(754)	22,841

(c) Exceptional Items

Cash flows relating to non-operational exceptional items

Capital expenditure cash flows include £620,000 from the sale of tangible fixed assets (1997: Nil) and £227,000 for reorganisation costs in respect of discontinued operations (1997: Nil).

Notes to the Financial Statements for the year ended 31 December 1998

	1998	1997
15. Capital Commitments	£'000	£'000
Capital expenditure contracted for but not provided for in these accounts for Group and Company	36	179
16. Post Balance Sheet Events		
On 4 January 1999, the Group sold the issued share capital of its wholly owned subsidiary, MDU Australia Insurance Co Pty Limited, to Australian Medical Insurance Limited under a Share Sale Agreement for a purchase price of £922,000 which amounted to the net worth of that company after adjusting for certain non-cash items. The disposal represents the Group's withdrawal from both mutual and insurance activities in Australia and ceases the Group's activity in insurance business. On 4 January 1999 a payment of £3,318,000 was made on account of future discretionary claims and defence costs in Australia.		
17. Members' Liability		
The Medical Defence Union Ltd is a Company limited by guarantee not exceeding £1 per member.		
18. Related Party Transactions		
The Group has taken advantage of the exemptions available in respect of the disclosure of related party transactions within the group and balances eliminated on consolidation.		

Royal College of Physicians, 11 St Andrews Place Regents Park London NW1 4LE
on Tuesday 15 June 1999 at 2pm
for the following purposes:

* This meeting is being held at the Royal College of Physicians, by kind permission of the Treasurer

Notes

- (1) Every member is entitled to attend and vote or may appoint a proxy who must be a member of The MDU. The proxy form is enclosed with this *Annual Report*. To be effective it must be deposited at the registered office not later than 2pm on 13 June 1999.
- (2) Dr J G Kennedy BSc MDS MPhil PhD FDS FFD is a senior lecturer and honorary consultant in restorative dentistry at Queen's University of Belfast dental school. He has been a member of The MDU's dental committee since 1989 and is the current chairman of the Dental Advisory Committee.
- (3) Sir John Caines KCB is a former senior civil servant most of whose career was spent at the DTI. He holds a number of directorships and is a member of the Financial Services Commission of Gibraltar.
- (4) Mr R D C Hubbard OBE FCA has had considerable industrial and commercial experience, initially as a finance director and subsequently as chairman of a number of public companies, including Powell Duffryn, London and Manchester Group and Exco.
- (5) Mr M R Rendle was until recently a director of Willis Corroon, who are brokers in the insurance industry. He has a background in the international oil and energy business, and is a former managing director of BP.
- (6) Mr R W Hiles MB ChB FRCS FRCSEd is a Registered Specialist in Plastic Surgery based in Bristol. He is also Chairman of the Skin Cancer Research Fund (SCARF), a registered charity and was a past President of the British Association of Plastic Surgeons. Mr Hiles joined the Council of The MDU in March 1972.
- (7) Mr D E Markham MB ChB FRCS, a Consultant Orthopaedic Surgeon, Manchester has served on the Council since 1980 and became a founder member of the Board in July 1991. Mr Markham chaired the Cases Committee from 1992 to 1997 and has been Vice-Chairman of the Board and Vice-President of Council since 1997.
- (8) Dr M T Saunders MB BS MRCS LRCP DOBstRCOG, formerly a General Practitioner, was appointed to The MDU Staff in 1986. He became General Manager, Professional Services and a member of the Board in 1991, and was appointed Chief Executive in June 1995.
- (9) Mr J C Smith OBE MS FRCS, a Consultant Urologist, Oxford, has served on the Council since 1969. He was appointed Treasurer in 1988 and joined the Board as a founder member in July 1991. Mr Smith was Vice-Chairman of the Board from 1991 to 1993, Vice-Chairman of the Board and Vice-President of Council from 1996 to 1997 and has been Chairman of the Board and President of Council since 1997.
- (10) Mr R D Corley CBE FIA FRSA, was appointed to The MDU Board of Management on 18 June 1996. Mr Corley joined Clerical Medical in 1956 and was appointed as a director in 1975, becoming Chief Executive in 1982. He retired from that post in 1995 but remains a director. He has served as President of the Institute of Actuaries, and Master of the Worshipful Company of Actuaries and is a Vice-President of the International Actuaries Association. He is also a director of the British Heart Foundation. Mr Corley is the current Chairman of the Audit Committee of The MDU.

Auditors' Report to the Members

We have audited the financial statements on pages 6 - 17 which have been prepared under the accounting policies set out on pages 8 - 9.

Respective Responsibilities of Directors and Auditors

As described on page 5 the directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion based on our audit, on those statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company and Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group at 31 December 1998 and the Group deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Pannell Kerr Forster

PANNELL KERR FORSTER

CHARTERED ACCOUNTANTS, REGISTERED AUDITORS
(London - 23 March 1999)

Chief Executive

Michael Saunders MB BS MRCS LRCP DOBstRCOG MBA

Directors**FINANCE**

Maurice Gallivan BA(Hons) FCMA MBA

PROFESSIONAL SERVICES

Christine Tomkins MB ChB(Hons) FRCS MBA

COMMERCIAL

Michael Gifford DipM MCIM

Company Secretary

Nicholas Bowman BSc(Econ)(Hons) ACIS

Susan de Hallé - Facilities Manager

Professional services**MEDICAL ADVISORY**

Patrick Dando MB BS MRCP DA DOBstRCOG

Patrick Hoyte MA MRCS LRCP MRCP DCH DOBstRCOG

Peter Schütte MB ChB MRCP DMJ DA DRCOG

David Beresford MB BS DOBstRCOG

James Brown BSc MB BS DA

David Cowie MB ChB DRCOG MA

Angela Farquhar MB ChB DRCOG MRCP

John Gilberthorpe MA MB BChir MRCP DCH DOBstRCOG

Susan Gough MB ChB DRCOG MRCPsych MSc

David Morgan MB ChB DRCOG MRCP

Nicholas Norwell MB BS MRCP DA DCH

Gillian Strawford MB BS DA DRCOG MRCP

Claire Wilson BSc RGN RHV FAETC

NURSING

Susan Parker RGN RM RHV FWT DipN(Lond)

Gillian Birt RGN ObCert FPCert RCGPsthDipFAETC PN

CLAIMS HANDLING

Julia Neild MB BS(Hons) FRCP

Jill Harding

Catherine James MB ChB FRCOG

Glynis Parker MB ChB FFRCS DRCOG

Michael Byles

Janine Collins MB BS

Andrew Cook

Alison Cooper MBBS MRCP

Peter le Cren BA LLB

Angela Cullen RGN RM Dip Prac Man (AMSPAR) MANS

Karen Dalby MBBS MRCP

Martin Hurst BSc MBBS MRCP (UK)

Allan Hesketh

Pamela Hutchinson LLB ACII

Non Jones MA MB BChir MRCP

Thomas Leigh MAMB BS MRCPsych

Charlotte Mallon

Lynne McNamara

Susan O'Driscoll MB ChB(Hons) FRCP

Taiye Omo-Ikerodah ACII

David Franklin

Helen Pringle MD(Rome) MRCS LRCP FRCA DCH

Donal Quinn

Matthew Robson MBChB MRCP(UK) MRCPCH

Keith Rowe

Frances Szekely MBBS MRCP

Patricia Towe MA MB BS MRCP DCH

Clare Turk

Heather Willison RGN

RISK MANAGEMENT

Stephen Green BSc(Hons) MB BS MRCS LRCPMRCP MRCP

Helen Goodwin BA(Nursing) RGN ONC

Rupert Lee MB BS MRCP

Joan Moss SRN

Julie Price BA RGN Dip HE(Prac Nurs)

DENTAL DIVISION

Rupert Hoppenbrouwers BDS LDSRCS

Bryan Harvey BDS(Lond) DGDP

Iain Cuthbertson BDS LDS RCS

Mark Phillips BDS LDS RCS

Peter Swiss BDS LDS RCS

LEGAL

Charles Dewhurst LLB

Christine Freedman RGN BA

Fiona Brownsword LLB

Iain Gray LLB

Richard Hackett MA

John Kingston MSc

Michael Ryan LLB

Victoria Wilson LLB

MEDIA & EXTERNAL RELATIONS

Mary-Lou Nesbitt - Head of Media & External Relations

Finance

Gerard Cooper BSc(Econ) - Management Information & Statistics Manager

Matthew Gosling - Insurance Manager

Stephen Ramsden BSc MSc - Information Systems Manager

Robin Saunders FCMA MBA - Planning & Audit Manager

Joanne Snow BA(Hons) ACA - Finance Manager

Commercial

Paul Brennan BSc(Hons) MCIM MIMgt - Marketing Manager

Christine Hambleton - Sales Manager

Matthew Beard MA DipM DipMRS - Business Development Manager

Carole Mulligan - Membership Services Manager

Auditors

Pannell Kerr Forster

Freephone numbers

UK Medical Advisory : 0800 716646

UK Dental Advisory: 0800 374626

UK Membership: 0800 716376

Ireland: 1800 535935



*There when
you need us*



The MDU is a mutual organisation owned by our members and operating on a not for profit basis.

We provide advice to members 24-hours a day, 7 days a week, 365 days a year.

The benefits of membership are discretionary, so we can be more flexible than commercial insurers.

The MDU was founded on the principle of 'doctors for doctors' and we still believe you need to be able to discuss medico-legal and ethical matters with a fellow professional.

London

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Website

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Affiliates across Europe and North America

The MDU is not an insurance company. The benefits of membership of The MDU are discretionary and are all subject to the *Memorandum and Articles of Association*.

The Medical Defence Union Limited by Guarantee Registered in England 21708 REGISTERED OFFICE: 3 Devonshire Place London W1N 2EA