

In Touch

connecting you and your Society



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Reminder:

Take our August Member Survey for the chance to win a **£100 Red Letter Day voucher!** To complete the survey follow the online link <http://ow.ly/PH7RE> or call us on 01234 358 344 if you wish to complete the survey over phone.

Contact Us



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CEO's Update



Christmas – just waiting to see my first decoration in the shops!

Time is passing very fast at British Friendly too, as things have been very busy and we are already at the half year. So how have things been going?

As I reported in the Annual Report the second half of 2014 and the early part of 2015 has seen a significant increase in activity in our core Income Protection Market and competition has been heightened by a number of new entrants with new products and innovations in technology. Given this background I am pleased that we have been able to maintain our position as a primary partner to many Financial Advisers. Nonetheless the competitive environment has toughened and against this background we have done well to maintain our membership numbers at around the 17,000 mark and after a brief hiatus have begun growing again in the

So we are past the summer solstice and the days now start to shorten as we tumble headlong to

second quarter of this year. We have additional plans which will come on stream over the summer including a redesign of our technology platform which will make it easier to deal with us and offer Financial Advisers an expanded range of options which will we believe increase the number of partners who want to work with us.

We have also been working on a range of pilots looking at different forms of marketing. While these are yet to prove successful we have been learning and are determined to continue to do so as we believe that learning and innovation are vital ingredients in securing the next phase of our development as an organisation. If we stand still and settle for where we are and what we have, we believe we will rapidly start going backwards and jeopardise the progress we have made over the last 5 years.

Because of the need to constantly “up our game”, we are continually looking to develop our people through training and experience and where necessary to recruit new skills both in the management team and on the Board and we anticipate making further significant

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CEO's Update (cont.)

appointments in the second half of the year which I look forward to sharing with you.

On other fronts our investment portfolio has been performing well and its conservative nature is producing good returns in a volatile market. This will see us on track for maintaining our stable return policy and hopefully give us the opportunity to continue the progress we have made in recent years in increasing

the final bonus available to maturing members.

So let's not rush too fast to Christmas – we still have the summer to enjoy- and there is a lot to look forward to at British Friendly for the remainder of 2015.



Mark Myers
Chief Executive

Financial Outlook from the FD



Half Year Financial Performance

I am pleased to report that the Society has had strong trading performance for the first 6 months of 2015. Premium income was almost £3M and with a stable cost base this has led to an increased trading surplus for the period.

We continue to attract new members at a good rate although once withdrawals are factored in overall membership levels have remained fairly constant throughout the period. At around 17,000 members we are in a healthy financial position and forecasts show our strength continuing to improve over the coming years.

You may have heard in the press that from next year a new regime to manage insurance firms across Europe is being introduced called Solvency II. It fundamentally changes how technical provisions (the money we set aside for future claims and expenses) are calculated and whilst some firms will see a material deterioration in their balance sheets, we have ensured our strategy has fully considered the implications of Solvency II and so we will see our overall solvency (or measure of financial strength) position improve.

Investment Performance & Market Outlook

Despite the recent turmoil in investment markets, the Society's investments outperformed our budget for the period. This was a combination of being realistic in our budgeting and running a conservative portfolio with the primary aim of security and stable income rather than maximising returns.

At the time of writing, Greece are once more trying to negotiate a bail-out package and whilst there will be broad implications for Europe if they fail, we have no direct exposure to Greece so we do not anticipate any major investment shock to our portfolio. In addition we have taken the prudent stance of holding very short dated bonds at present which means minimising the impact of any negative swings in the bond market.

Thoughts on July Budget

I thought I would comment on two of the less headline grabbing elements of the recent budget as they have an impact on our market.

Rise of 3.5% in Rate of Insurance Premium Tax (IPT)

I am pleased to say that this does not affect the vast majority of our policies including all Holloway, Century and Protect type policies as these are classed as 'Life' policies because the Society has no right to cancel them unilaterally and as such are outside the scope of IPT.

Employment and Support Allowance (ESA)

Currently those who claim the Work Related Activity Group (WRAG) element of ESA get £30 more than Job Seekers Allowance (JSA). But from April 2017, new claimants judged fit for work-related activity will get the same as JSA. That is currently £73.10 for someone over the age of 25, or £57.90 for 18-24 year-olds. The WRAG element of ESA currently pays £103 a week.

With these benefits being cut it will be increasingly important for people to have their own Income Protection insurance which should lead to more applications for our policies in the future.

Importance of Completing Nomination Forms

I would like to remind all members who have capital balances with the Society to ensure we have up to date nomination forms. These allow us to pay up to £5,000 on the members' death to a nominated beneficiary without the need to wait for probate. If you are not sure whether you have completed a form or whether it is up to date (it would need updating if the beneficiary has had a name change through marriage) then please contact our Membership Services Team on 01234 358344.

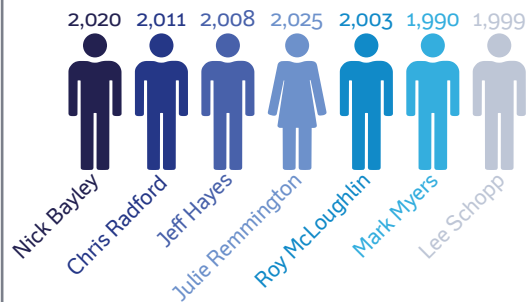
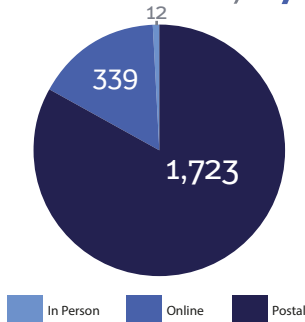
If you would like any further information on our financial performance or any of the other above matters please feel free to contact me at the Bedford Head Office or directly on l.schopp@britishfriendly.com.

Lee Schopp
Financial Director

Summary of Voting Results

2015 Members' AGM

Total votes: **2,074** To elect Members of the Board



Other Agenda Items

Adopt the Report of the Committee of Management & Financial Statements for the year ended 31 December 2014: **2,027**

Board Remuneration Report: **1,960**

To re-appoint Moore Stephens as Auditors: **2,018**

Century Tables applicable to Members who joined the Society prior to 1 January 2013: **415**

Holloway Tables: **2,785**

Century Tables applicable to Members who joined the Society from 1 January 2013: **9**

'Claims' Friendly Charter

If you want to talk to a caring and friendly person like Samantha when making a claim...**the feeling's mutual**



If you've called in to make a claim within the last 9 months you may have noticed that one voice at British Friendly has a less than subtle American 'twang'. Accent aside, our newest claims assessor, Samantha, is a great advocate of our British Friendly values and works tirelessly to ensure that we consistently pay our members claims.

Originally from Michigan, USA, Samantha moved to the UK in July last year after recently marrying her British hubby.

Moving to a different country and a new job is normally quite a stressful endeavour, but Samantha is transitioning effortlessly with the same positivity and determination she brings to her role at British Friendly.

Samantha has a wealth of claims experience, which makes her a valuable asset to our team. In her previous role, Samantha was one of 45 medical claims assessors for a large US auto insurance company paying peoples' claims after they've been injured in car accidents.

Today, Samantha is one of two claims assessors working for British Friendly. Commenting on the small size of the team Samantha remarks, "I honestly couldn't have asked for a better company to transition into life in the UK – we work so closely and it always surprises me how we all get along so well." She adds that when she worked for a larger organisation, even for a mutual, you "become just a number and get lost in the shuffle" which also makes it very difficult to connect with members and build relationships with claimants.

Before joining British Friendly, Samantha was "familiar with the concept of a mutual" because she had worked for one previously, but she was unaware of the value or benefits of Income Protection insurance. Samantha's introduction to this type of cover was a real eye-opener. She recalls her first reaction to Income Protection, "this is fantastic – why doesn't everyone have it?" Very quickly, Samantha realised the real impact she would have on peoples' lives by paying their Income Protection claims through British Friendly.

Day to day, Samantha is responsible for assessing claims, checking in on how claimants are recovering and building relationships with them. She comments that, "we can really focus on building relationships with our members – it's not always

sunshine and roses because we do have some difficult conversations; but, we honestly care about helping people."

When asked about the two most important aspects of her role as a claims assessor, Samantha quickly responded, "the most important thing is that we can pay all those claims that land on our desks and secondly, that we build strong relationships and make it a really personal experience for our claiming members." She adds that paying claims is "supported by our stats (96.7% in 2014 and over 96% in the last 5 years) and all of us have our members' interests at the forefront of what we do." It's no coincidence that these points form the basis of our new 'Customer Friendly Charter' (see photo) which lays out our main values as a Society and truly reflect the way we run our organisation.

Away from the office, Samantha spends a lot of time with her husband's family; having FaceTime video calls with her family back home in the States; she also loves travelling, hiking and going to music festivals. Samantha knows she can rest easy because all her hard work paying claims and providing support is allowing thousands of others just like her to get back to a normal life as quickly and with as little stress as possible too.

So you're self-employed and think you're on your own?

We say, think again...



Being self-employed can feel like a lonely and risky business especially when you're facing sickness, injury or accident. But knowing you've got

the right cover in place can make your situation a lot less desperate. And, sometimes it's also nice to know you're not alone.

Because we're a mutual, there's power in numbers - together as paying members of the Society you help each other through the most difficult points in your lives. So in a broader sense, being self-employed isn't so lonely at all with British Friendly.

Did you know that you're one of thousands of self-employed people that rely on British Friendly to be there in their moment of need? It's no coincidence that so many self-employed people turn to British Friendly for Income Protection - many of our products are tailored for independent traders. In fact, our top 10 most common occupations are small business owners, sole traders or self-employed workers:

1. Builder/Tradesman
2. HGV Driver
3. Carpenter/Joiner
4. Mechanic/Mechanical Engineer
5. Care Worker/Assistant
6. Electrician
7. Engineer/Technician
8. Nurse
9. Plumber
10. Teacher/Lecturer



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Our high volume of members in independent trades prompted us to find out a bit more about what the self-employed consumer thinks about Income Protection. In April this year, we conducted an online survey of 502 self-employed people in the UK through YouGov Plc. We asked them questions about their perception of Income Protection, whether they have cover and how they'd survive if they were unable to work due to health reasons. The results were surprising...

Only 2% of people surveyed knew that Income Protection providers pay out over 90% of claims (the industry average), 58% said their business would stop trading immediately if they were unable to work and 1 out of 2 said they would only be able to cope on their savings for less than 12 months. Perhaps most disturbing is 90% of the self-employed people surveyed do not have any cover in place to protect themselves in case the worst should happen.

Have you ever thought about how many of your friends, family or people you know are self-employed and haven't yet realised the importance of covering their income in the event that they are unable to work due to sickness or accident? Would you be able to help them if they faced devastating financial loss? Perhaps there's a way you can by sharing why you decided to get cover. In 1902, a group of travelling salesmen came together to form the British Friendly Society. Their vision was to create a member Society - friends helping friends - get through tough financial times when they were sick or injured. That vision still exists today, 113 years later and continues to support people in their moment of need.

Enter to win a
£100 Red Letter Day Voucher
when you **complete our survey** online at
<http://ow.ly/PH7RE> or over the phone
by calling 01234 358 344 by 31st August 2015!

- Non-transferable voucher with 12 month expiry (see date on voucher)
- Voucher can be used towards any Red Letter Day experience & must be booked by calling 0345 640 8000 or online at <https://www.redletterdays.co.uk/redeem>
- Entry is free of charge & the winner will be selected at random
- One automatic entry per member on receipt of your name & contact details
- No cash alternative
- Competition is not open to family members of, or employees of British Friendly
- The winner's details may be used for publicity purposes
- The Society reserves the right to withdraw this prize without any notice at any time
- The Society's decision is final
- Surveys must be completed by the 31st August 2015 at 11:59 pm