

In Touch

connecting you and your Society




In this issue:

CEO's Update	1
Financial Outlook	2
AGM Call to Vote	3
Survey Prize Draw	3
7 Families Charity	4
Holloway & Century: 16-21?	4

Reminders:


Our AGM is on 22nd May!
Make sure you vote by the 19th May and you'll get the chance to win an overnight stay for two in Cambridge! Send us your ballot or vote online at:
<https://agmvote.britishfriendly.com>

Contact Us

 **01234 358344**

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CEO's Update



I am very pleased to announce that we paid 96.7% of all our claims last year and over 96% of all claims in the last 5 years. The wish to pay as many claims as possible is a natural consequence of being a mutual Society. That is why we strive to pay every claim we possibly can and don't quibble on the small print.

Compared to other Income Protection providers, we're a top claims payer. Some of our competitors have also released their 2014 claims stats, but only paid 86%-94% of their claims in the last few years. Some of our competitors also took an average of 6-8 weeks to pay a claim whereas we paid our claims, on average, in less than a week.

Looking at the bigger picture, it's quite reassuring to see that as an industry, Income Protection

insurers pay around 90% of claims each year and it's important that this message gets out to people who really need cover.

Over the last few months, our industry has come together to support a charity called 7 Families that's led by Disability Rights UK. The Charity seeks to provide financial assistance to 7 people for one year who have suffered from a serious illness, injury or accident and highlights the importance of having an Income Protection policy in place. What's so great about this initiative is that more and more people will begin to understand the importance of having insurance cover to protect themselves and their families from the real risk of being unable to work and earn an income.

To better understand the public's perception of Income Protection insurance, we conducted an online YouGov survey of 502 self-employed people in April which revealed 90% of respondents do

Continued on page 2

CEO's Update (cont.)

“15% of adults surveyed have been unable to work for 3 months or more due to health reasons”

not have any kind of insurance policy in place that would help replace their income in the event of being unable to work due to ill health. Additionally, 15% of adults surveyed have been unable to work for 3 months or more due to health reasons. Finally, only 2% of people polled thought that top Income Protection insurers paid out more than 90% of their claims in 2013. These surprising results remind us as a Society of the importance of sharing our achievements and improving general awareness about Income Protection insurance.

Mark Myers
Chief Executive



Financial Outlook from the FD

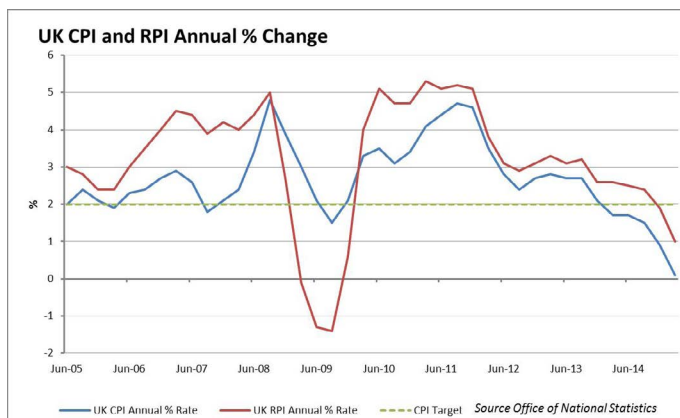


I am pleased to report that the Society had a strong financial performance in 2014 – the highlights were as follows:

- Premium income is up over 10% to £5.6M
- Membership numbers up for the 4th year in a row to over 17,000
- A net surplus for 2014 (after distributions to members) of £2.5M

This has resulted in our solvency position improving markedly and I can report that the Society is in the strongest financial position it has been in for many years hence we were able to increase the terminal bonus rate to 7.5%.

Market View



Over recent months the recovery in the UK economy has firmly re-established itself and for the first time in a number of years real household disposable income is finally on the increase having risen above 2010

levels for the first time in 4 years.

The main reason for this increase in disposable income is not due to wage growth or GDP growth, but low inflation. As can be seen in the graph (left) inflation as measured by the Consumer Prices Index (CPI) is at its lowest level in 10 years at around 0%.

This has been largely driven by low oil prices and whilst these will undoubtedly rise again in the future there is no imminent sign of this happening.

So what does this mean for investments?

With inflation low and the economy growing the Bank of England is indicating that low interest rates are likely to remain for longer than expected. Most commentators believe there will be no interest rate rise until well into 2016.

As the majority of the Society's investments are held in bonds and cash this means the rate we can expect to earn from those investments will remain low.

However due to the strong results we posted for 2014 we now have a little more flexibility in where we can invest. As such whilst maintaining our strategic approach to prudently managing members funds and aiming for long term and stable returns, it is likely we will invest a little more in equities and property this year where we see better growth opportunities.

If you would like any further information on our financial performance or investment strategy please feel free to contact me at the Bedford Head Office on 01234 358 344 or e-mail me directly on Lschopp@britishfrineldy.com.

Lee Schopp
Financial Director

Your Society, Your Vote – AGM 2015



As summer approaches, it is that time of the year for you to have a say in how your society is run. I cannot emphasise enough the importance of voting; it's one of the many benefits of being part of a mutual society; after all we don't have any shareholders and the society is run solely for you- the owners.

The Society's AGM will be held at 2pm on the 22nd May 2015 at the Society's offices in Bedford. The AGM gives the Directors of the Society an opportunity to present their account of stewardship for the past 12 months and you the owners of the Society, to hold them to account. It also presents an opportunity for you to influence the

future of your Society.

The Annotated Corporate Governance Code for mutual insurers now requires Directors to provide members with more detailed strategic information about how they plan to continue to deliver value for members. I hope you will find the refreshed format and content of the Report and Summary Financial Statements useful in understanding how your society is being run and the plans for the future. As usual, the full report will be available on the homepage of the Society's website at www.britishfriendly.com or by post on request.

In addition to the usual agenda matters, votes will be sought on some important changes to the Holloway and Century Tables. I hope you will agree with me that

these changes are in members' interest and if ratified at the AGM will make the benefits of these plans more accessible to members.

Members can also ask questions at the AGM either during the meeting in person or if you can't attend, you can e-mail your questions to me on a.salam@britishfriendly.com or by calling 01234 358 344. There is also a feedback option on the voting site.

Members who are 18 years old (and over) at the date of the AGM will be eligible to vote. Votes must be received by Tuesday 19th May to count. All members who vote will be entered into a prize draw to win an overnight stay for two in the historic city of Cambridge.

Ayo Salam
Company Secretary



Based on your feedback, we have decided to provide a short survey with each quarterly newsletter. We hope you will take the time to complete this survey and provide us with valuable feedback that helps us continually improve your Society.

Enter to win a
£100 John Lewis/Waitrose Voucher
when you complete our Member Survey by 31st May 2015!

To enter, follow the link: <http://ow.ly/LHyij>
We have also posted the link on our member website homepage and Facebook page.
Alternatively, call us on 01234 358 344 to complete the survey with us on the phone.

Prize Draw Terms & Conditions:

- Non-transferable voucher with no expiration date
- Voucher can be used at John Lewis & Waitrose both online & in-store
- 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 May 2015 at 11:59 pm

7 Families Charity Highlights Need for Income Protection



If you follow us on Facebook, you've probably read a bit about the 7 Families Charity we're sponsoring - a campaign led by Disability Rights UK that seeks to raise awareness about the importance of protecting your income against unexpected sickness, injury or accident.

The campaign launched in September 2014 and has gradually grown reaching 11 million people through media coverage at the end of March. The campaign is increasing its exposure in national press with the announcement of each new family.

As a mutual Society, we felt compelled to take part in sponsoring the 7 Families Charity because we believe Income Protection is the most valuable yet undervalued insurance and more people should understand why it's so important. The campaign highlights the serious danger any family

or individual faces when taking long periods off from work because they've fallen ill or had an accident.

The campaign has most recently announced its 5th beneficiary, Graeme Snell, an advanced health and wellbeing practitioner who suffered a double stroke preventing him from returning to work. The support provided by the 7 Families Charity will help Graeme during his rehabilitation and allow him to get back to work as soon as possible. Graeme's story is just one example of how Income Protection can help people cope with financial difficulties while they're recovering from sudden illness or injury.

If you're interested in learning more about the 7 Families, why not check out their website at www.7families.co.uk or follow 7 Families on Facebook. We also provide regular updates on our British Friendly Facebook page.

16-21? Need some funds?

If you're a Holloway or Century Member, you could use your account for books, laptops and more...



Being a student can be tough on your wallet with so many added costs for school related expenses. And, with exams coming up the last thing you want to think about

is where you're going to get some extra cash to cover all your costs. So why not put your Holloway or Century Membership to good use?

There are a number of ways you can use your Holloway or Century account such as claiming money back for school related expenses and taking out loans.

1. If you are between ages 16-21 you can claim money back for school related expenses on items like books, laptops and school uniforms by sending us your receipts.
2. If you're over 18 you can send us receipts for up to £1200 for reimbursement from your Capital Account without penalty to help repay your school related expenses. That way you won't have to worry about your student debts building up over time and becoming more difficult to pay off in the future.
3. If you're over 18 there's also the option to take out a loan with your Holloway or Century account. It's easy to do and you can take out up to 85% of your Capital Account for 1-5 years on a competitive fixed interest rate of 5.15%.

Here at British Friendly, we strive to help our members find better ways to make good use of their accounts and membership to our Society. As some of our younger members, we want to make sure you know the benefits of using your account.

Claiming expenses and applying for loans are all subject to terms and conditions. If you're interested in finding out more please give our Membership Services Team a call on 01234 358 344 and ask to speak with Charlotte or Brenda who will give you more information and send you the relevant application forms.



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