

Foresters Guide to Friendly Societies

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In today's financial climate, many people believe Friendly Societies, also known as Mutuals, offer a sensible option and UK mutuals are big business. They account for £90 billion in revenue every year and affect the lives of more than one in every three UK citizens. More than 25 million people are members of at least one mutual*.

Many people may be unaware of Friendly Societies and the different options they provide. Read our Friendly Societies quick guide to find out more.

(* Source: Association of Financial Mutual's website/The Mutual Manifesto 2010)



"The mutual core values of trust, mutual benefit and ownership ring true; in fact, Mutuals present a refreshing alternative to the perception of companies putting profit above everything else."

What is a Friendly Society?

Friendly Societies are a form of Mutual organisation which have been around for hundreds of years and grew from the notion that if a group of people contributed into a mutual fund they could receive benefits in times of need.

Friendly Societies were the precursor to the welfare state and the so-called Poor Laws and for the greater part of the 19th century, for many working people such funds were often the only way a working person could receive help in times of ill health or old age. Before the introduction of the welfare state and employer health insurance, Friendly Societies provided essential financial and social support to their members.

Many Friendly Societies still exist today and have developed into mutually run financial organisations, offering financial services often coupled with a benevolence package for their members which is made available at no extra cost.

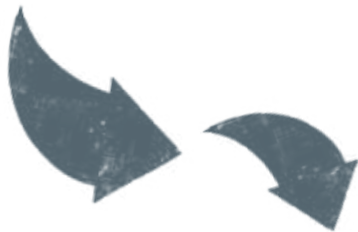
What are the benefits of a Friendly Society?

- 1 No shareholders to pay** ⇒ ✓ Friendly Societies have no external shareholders, they don't pay dividends to anyone or seek large profits or exceptional capital growth.
- 2 Membership benefits** ⇒ ✓ They use the revenues they generate for the benefit of their customers or members by investing in customer service and distributing any remaining profit to members in the form of financial bonuses or in the provision of a member benefits/benevolence package.
- 3 Tax free savings** ⇒ ✓ Because of their legal status, Friendly Societies offer unique tax-exempt savings products that are not available from other providers such as high street banks. Under current legislation, this means that each person (including children) can save up to a maximum of £25 a month in a Friendly Society tax free savings plan. Please be aware that tax rules may change and depend on individual circumstances.



Filling the gap in today's environment

Many Friendly Societies are in a position to be able to supplement the Government's provision of health and welfare. The Societies that already offer non-financial products through their benevolence packages, such as healthcare services, are complementing the NHS and, with sufficient uptake of the services on offer, could help ease the burden on the welfare regime.



Striking a chord with people's conscience today

The Mutual ethos continues to strike a chord with the customer conscience today. As British consumers demand greater transparency and seek out socially responsible and financially viable organisations, the mutual core values of trust, mutual benefit and ownership ring true; in fact, Friendly Societies present a refreshing alternative to the perception of companies putting profit above everything else.

In addition, they have been proactive in adapting their heartland products to make them suitable in today's world; maintaining their focus on new product innovations that are designed around the needs of the customer.

"Your Staff are a credit to your company. The 'Human Touch' is a very apt slogan in your case. It is most refreshing in this modern day to be able to say that over the last 50 years your staff have managed, through their commendable efforts, to deliver the same personal touch (sadly so lacking today) that one enjoyed all those years ago. I have always been treated as a valuable customer."

Mrs Jacqueline Court , Foresters member.



The Mutual difference - putting value behind it

Membership structure

- ➔ Enables Friendly Societies to provide financial products which are inclusive to all types of consumer.

Member benefits

- ➔ Vary from one Society to another, but they typically range from discretionary grants, healthcare services, financial assistance and educational grants.

Helping people to help themselves

- ➔ Whilst benefits can add value to taking out a product or policy with a Friendly Society, it should be remembered that Mutuals are, and have always been, about helping people help themselves, playing a vital role in financial services and in today's society.

No shareholders to pay

- ➔ Any revenue generated is for the benefit of the Society's members, not shareholders.



Conclusion

Although the role of Friendly Societies may have diminished over time, the services that they provide can still make a positive impact on the lives of their members. This was, and still is, the main aim of Friendly Societies and is evident in everything they do from the provision of long-term savings products to the support they provide their members. The desire for these services is as relevant as ever so it seems we may have come full circle with Friendly Societies once again becoming attractive for the reasons they were originally founded.

To find out more about Friendly Societies, visit the Association of Financial Mutuals (AFM) website at: <http://www.ownedbyyou.org/>

Foresters Friendly Society is an active member of the Association of Financial Mutuals.

Foresters membership benefits package

- Foresters Care - Health and care support service
- Discretionary Dental and Optical Grants
- Discounted online Will Writing service
- GP Consultation Service
- Discretionary Educational Award Grants
- And much more...

Foresters' membership benefits are not regulated.



Foresters Friendly Society

Foresters has been helping people take care of themselves and their families for over 180 years. Providing straightforward financial products backed by excellent customer service - we do more for you.

To find out about any of our products...



Call: 0800 783 4162



Email: memberservices@forestersfriendlysociety.co.uk

Visit: www.forestersfriendlysociety.co.uk

You'll find everything you need, including application details. Lines are open Monday to Friday, 9am to 5pm (excluding Bank Holidays).

Straightforward financial solutions with a human touch

