

# holloway *friendly* NEWS

A Newsletter for Holloway Friendly Members  
Summer 2010

## 2009 – Building Strength in a difficult year

I am delighted to say that in another extremely difficult year for the global economy the Society has continued to weather the turbulent times and continues to remain financially, very strong.

Over the past years, we have maintained a prudent investment strategy, one which is resilient to difficult market conditions. Having enjoyed solid returns on our cash deposits during 2008, we always knew that 2009 was likely to see those 'heady' returns diminish as interest rates tumbled to an almost unprecedented low. Due to this prudent strategy, we have not had direct exposures to any sub-prime assets and we are now well positioned to take advantage of the investment opportunities in the coming years.

Our overriding aim is of course to ensure that we can support our members when they need us most, which is when they are facing hardships as a result of accidents or illness that prevent them from working and earning an income. Once again, we have demonstrated our enviable claims paying record to the membership and Independent Financial Advisers.

### **Annotated Combined Code of Corporate Governance**

The report and Financial Statements follow the same format as last year and contain a great deal of information on the way in which the Society is organised and operated. The Society acknowledges that good corporate governance is essential in this day and age and is more than happy to comply with the annotated combined code, having given due regard to the nature and scale of the Society's activities.

### **Financial Highlights**

Despite the exceptionally low bank base rate and savings rates offered by financial institutions, we managed to achieve a highly respectable return of 2.2% on our cash portfolio during 2009. Unfortunately, this was some £773k less than 2008, but the return was made with minimal risk to the capital. The economic downturn unsurprisingly hit the membership numbers, with fewer new members joining than in recent years combined with leavers at their selected retirement age and those who could no longer afford the monthly premiums. The Society is however not alone in reporting lower volumes of sales. According to the Swiss Re Term and Health Watch 2009, reported new sales fell by 11.2% which was yet another year on year decline and has been ongoing for at least 5 years.

The assets of the Society did enjoy some further overall growth, rising from £38.7m in 2008 to £40.8m at the end of 2009.

### **Treating Customers Fairly**

The Society continues to fully embed the TCF initiative throughout all areas of the business and during the year formed a Staff TCF group to enable the Society to make progress between meetings of the TCF Committee. It is clear that staff are ideally placed to provide feedback on any areas that could be seen as not treating our members fairly and whilst we strongly believe that as a Friendly Society owned by our members we always place their needs first, some areas were highlighted as needing improvement and actioned accordingly. We actively seek feedback from the membership and welcome both positive and negative comments.

### **Sick Pay Claims**

2009 saw us pay out a net amount of £942,105 an increase of £133,584 from 2008's figure of £808,521. As a percentage of Income Protection premiums paid, this figure rose to around 18% compared to 15% in 2008.

### **Service to Our Customers**

Following the recent 'Four Star Service Awards' from Financial Adviser, we were disappointed to only receive Two Stars in 2009. The staff continue to excel in providing a first class service and IFAs' comment on how easy it is to place business with us and when necessary contact Head Office for help and information.

We are of course fully committed to providing superb service to our members and the regular surveys that are issued to sections of the membership clearly confirm that this is indeed the case. If we are informed of any areas that require improvement, this is actioned by the Staff TCF group without delay.

### **Future Developments**

We were delighted with the positive feedback received from IFAs and Networks when we launched our new Personal Income Protection Plan in February 2009 and even more so when Health Insurance magazine awarded us Product of the Month in May. This now means that the Society has three strong plans which can cater for a significant part of the population that need Income Protection. The Marketing Committee continues to review the strengths of these plans and will launch new products to fulfil any other areas that are identified.

**Martin Collins Chief Executive**

## Notice of Annual General Meeting

---

Notice is hereby given that the One Hundred and Twenty Eighth Annual General Meeting of The Original Holloway Friendly Society Limited will be held at Holloway Chambers, 69 Eastgate Street Gloucester, at 4.00p.m. on Tuesday 22 June 2010, for the following purposes:-

1. To confirm the Minutes of the Annual General Meeting, held on 23 June 2009
2. To receive and, if approved, adopt the Report of the Board of Management and the Society's Accounts for the Year ended 31 December 2009
3. To approve the Directors' Remuneration Report for the year ended 31 December 2009 (advisory vote)
4. To elect Board Members.  
The following Board Member is retiring by rotation and, being eligible, offers himself for re-election for the stated term of office:-  
Mr. M. C. Collins                      3 Years  
The following Board Member having attained the age of 65 year and, being eligible, offers himself for election for the stated term of office:-  
Mr. I. G. Gardner                      1 Year  
The following Board Members having served more than nine years on the Board are subject to annual election as recommended by the Annotated Combined Code on Corporate Governance and, being eligible, offer themselves for election for the stated term of office:-  
Mr. M. J. Matthews                      1 Year  
Mr. C. A. Organ                      1 Year  
The following Board Member having been co-opted to the Board on 23 January 2010 and, being eligible, offers himself for election:-  
Mr. M. J. Day                      3 Years
5. To appoint as Auditor.  
Messrs. Moore Stephens, Chartered Accountants, 30 Gay Street, Bath, BA1 2PA
6. To confirm an alteration of the Rules in accordance with the provisions of Rule 28(5).
7. To transact any other business not requiring notice of motion.

## Board Members Standing for Re-election

---

The Board have discussed those standing for re-election and consider that each have an important role in running the Society during the term of office for which they are being elected. The Board have agreed to implement the recommendations of the Combined Code with regard to the term of each appointment. Details of board members standing for re-election are set out below.

### **Ian Gardner - Chairman**

Ian, aged 66, originally joined the Board of Management in 1977. He was in legal practise in Gloucester for 32 years before joining the Society's management in 1992 and becoming Chief Executive in 1993. Upon his retirement in 2003 he was invited to join the Board and was elected Chairman which position he continues to hold.

### **Mike Matthews**

Mike, aged 60, was appointed to the Committee of Management in 1991 and subsequently joined the Board upon incorporation. Mike had chaired the Audit Committee for a number of years until taking on the role of Vice Chairman in 2009. He was Production and Finance Director of a commercial printing company in Gloucester for 25 years.

### **Colin Organ**

Colin, aged 60 was appointed as a non-executive director in 1997. He has spent most of his career in sales and marketing in the property and construction industry, a former director designate of Westbury Homes plc and is the owner of The Estate Agency in Clarence Street, Gloucester.

### **Martin Collins**

Martin, aged 52 is a Chartered Accountant. He joined the Society in 1994 as Financial Controller having worked for a construction company and a tyre manufacturer and distributor. He was appointed to the Board as Finance Director in 2003 and became Chief Executive in April 2010.

### **Martin Day**

Martin, aged 59 was co-opted to the Board in January 2010. He was a Senior Relationship Manager and Assistant Area Director for Lloyds TSB Corporate until taking early retirement in 2006. He worked for the Lloyds TSB for 37 years. He now runs his own banking consultancy practice.

**Martin Collins, Secretary 1 April 2010**

## Extract of Financial Statements

Outlined below is an extract of significant figures taken from the financial statements. A copy of the full Report and Financial Statements for the year ended 31 December 2009 can be requested from the Society's Head Office or downloaded from our website at [www.holloway.co.uk/members/governance](http://www.holloway.co.uk/members/governance)

	2009 £	2008 £	2007 £
Investment income	1,142,995	1,963,238	1,817,948
Income protection premium income	5,172,812	5,365,638	5,303,782
Gains/(losses) on investments	450,464	(1,123,034)	248,003
Net operating expenses	1,671,564	1,940,451	2,142,505
Sickness benefit net of reinsurance	942,105	808,521	958,402
Surplus apportioned to members	1,397,550	1,653,760	1,150,382
Bonus on Members' Fund	388,253	786,051	881,793
Retirement Fund balance	20,866,180	21,273,509	21,190,200
Sickness Reserve	4,901,357	3,975,744	2,865,471
General Reserve	11,236,286	9,436,254	10,045,493
Total Assets	40,833,919	38,774,343	38,310,678

## Allocation and Bonuses for 2009

	Holloway	PRFS		
Table	Rate per unit	Table	Rate per unit	
Allocation	Old Table	£1.30	Standard	£1.30
	New Table	£1.50	D13	£0.95
	New Classic	£1.00	D26	£0.70
	Classic Plus	£0.50		
	Classic Plus Guaranteed	£0.40	S26	£0.00
	Premier	£0.10		
	Commuted	£1.86	Commuted	£2.40
Compound Bonus	All Tables	2.00%	All Tables	2.00%
Terminal Bonus	All Tables	7.00%	All Tables	7.00%

## Rule Amendments

Since last year's AGM the Society has introduced a new Schedule 6a; which applies to new Classic Plus Plan Income Protection members which was registered with the FSA and is applicable from 1 April 2010.

Briefly this new schedule: -

- Clarifies the changes in circumstances that a member is required to notify to the Society.
- States the changes we have made regarding how the Society will administer members who do not pay their premiums.
- Specifies sickness benefit arrangements if a member is taken ill or has an accident whilst outside the UK.
- States the limitation of benefit as being the lower of 50% of a member's total weekly earned income or £500 per week.

Above is a synopsis of the main changes; the full Schedule 6a should be consulted for actual wording and implications.

Should an existing member require further explanation of the above new Schedule 6a, please contact the Society's Compliance Officer, Darrell Stevens, for a copy of the Schedule. This new Schedule applies to new Classic Plus Plan members only who have been accepted for membership of the Society after 31 March 2010.

## Important Dates for your Diary

22 June 2010:	Annual General Meeting
22 December 2010:	Last date for payment of premiums for 2010. All premiums received after this date will be credited in and for 2011
25 December 2010 to 3 January 2011 inc:	Holloway House closed for Christmas and New Year Holidays
28 June 2011:	Annual General Meeting (Provisional)

## The Benefits of your Income Protection Plan

---

If you have an Income Protection Plan with Holloway Friendly we would like to take this opportunity to remind you of the very valuable benefits. Please also refer to the member's section on our website [www.holloway.co.uk](http://www.holloway.co.uk)

- Peace of mind knowing you could receive a tax free\*\* income in the event of accident or sickness.
- An income to help pay your ongoing bills and your mortgage thereby keeping the roof over your head.
- Security for your loved ones.
- For the Classic and Classic Plus plans a potential tax free\*\* lump sum on retirement. \*
- The tax free\*\* lump sum increases the longer you stay with the Society with the added potential of a terminal bonus at retirement.
- A flexible plan to suit your personal circumstances. If your personal circumstances have changed you may need to increase or decrease your benefit entitlement.

### **Take care of your Plan and your plan may take care of you**

\*\* Under current legislation. \*The amount of your tax free lump sum depends on the size of the premium you pay, the length of your plan and how your investments grow. Don't forget that inflation would reduce what you could buy in the future with your tax free lump sum and that investments can go down as well as up.

## Reminder to Review your Benefit Entitlement

---

Your income protection plan is designed to replace loss of income should you be unable to work due to illness or accident. Benefit paid in the event of a claim will be based on your pre incapacity earnings. The maximum amount of benefit entitlement for Classic Plans and Classic Plus Plans taken out before 31 March 2010 is 60%. Classic Plus Plans taken out after 31 March 2010 and Personal Income Protection Plans is 50% of gross earnings which takes in to account any sick pay received from your employer. You will not be entitled to claim benefit whilst you continue to receive full pay from your employer. Any continuing sick pay at a proportionate level will be taken into account when calculating your maximum benefit entitlement. We also need to know of any change in your circumstances that may result in you being over insured.

## Go Online and View your Membership Details

---

In your annual statement we have supplied you with your policy number and web password, this is so you can use our online service by visiting our website [www.holloway.co.uk/members](http://www.holloway.co.uk/members) to check your personal details, review your cover and advise of changes.

If you do forget your password you can request for it to be sent to you by post by clicking on login help and administration link. Please note that in the interests of member security and confidentiality interests we are not permitted to give details of passwords over the phone.

## We need your Feedback to Maintain our High Service Levels

---

In order to give the highest level of service we welcome and encourage members to let us have their feedback on any aspect of the service given by Holloway Friendly. Your views really could make a difference. If you have any comments then please contact us as below or send an email to [memberfeedback@holloway.co.uk](mailto:memberfeedback@holloway.co.uk)

## Contacting Us

---

General Enquires	<a href="mailto:mail@holloway.co.uk">mail@holloway.co.uk</a>	01452 526238
Increases, decreases and changes in deferment period	<a href="mailto:sales@holloway.co.uk">sales@holloway.co.uk</a>	01452 782769
Claims Department	<a href="mailto:claims@holloway.co.uk">claims@holloway.co.uk</a>	01452 782754
Direct Debit and premium administration	<a href="mailto:directdebit@holloway.co.uk">directdebit@holloway.co.uk</a>	01452 782756
Withdrawals and policy surrender administration	<a href="mailto:withdrawals@holloway.co.uk">withdrawals@holloway.co.uk</a>	01452 782755
Compliance Officer	<a href="mailto:compliance@holloway.co.uk">compliance@holloway.co.uk</a>	01452 782761

By Post  
Holloway Friendly Holloway House 71 Eastgate St Gloucester GL1 1PW  
or visit our web site [www.holloway.co.uk](http://www.holloway.co.uk)

We are not authorised to give independent personal financial planning advice, so we suggest that you contact your financial adviser for advice on your policy or [www.unbiased.co.uk](http://www.unbiased.co.uk) if you do not have a financial adviser.

Holloway Friendly is the trading style of The Original Holloway Friendly Society Limited  
Registered and Incorporated under the Friendly Societies Act 1992. Registered in the UK No. 145F  
Authorised and regulated by the Financial Services Authority. FRN 109986. Founded in 1880