

AFM member key statistics for 2014/ 15

Each year we collect data from members, in order to provide an overview of the sector in the previous 12 months.

Summary data for AFM members, for 31 December 2014, with 2013 figures in brackets is shown below, on a like-for-like basis (excluding any new or departing members during the year):

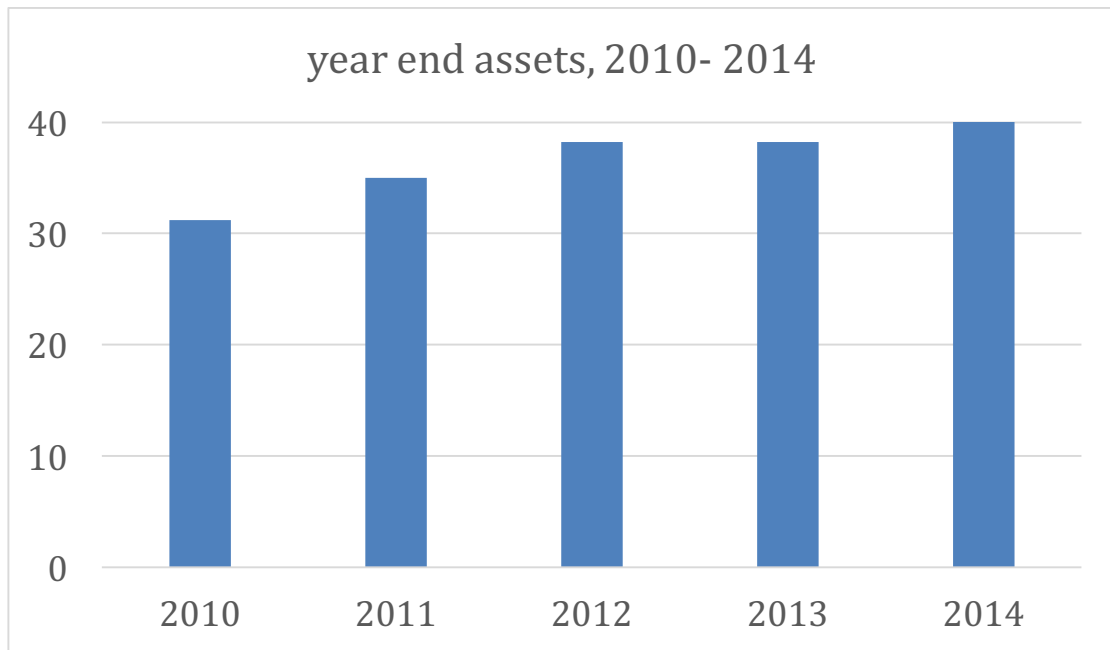
Total assets under management	£41.1 billion (£38.2 billion)
Gross premiums written	£3.5 billion (£3.5 billion)
Policies in force	13 million (13.3 million)
Membership	6.6 million (6.5 million)
Claims paid	£3.1 billion (£3.6 billion)

A key feature of 2014 was relative stability, with key indicators showing little overall change, though this overall summary masks significant variations at a firm level.

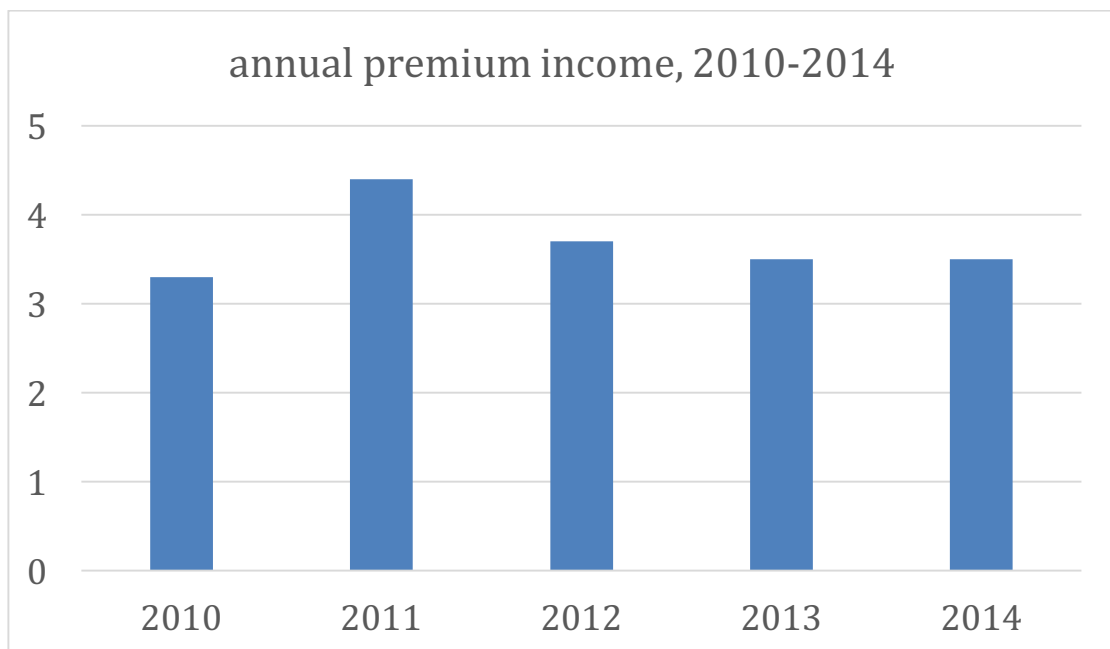
Assets held by AFM members rose by 8% in 2014. Low interest rates and little growth in the stock market, meant that year end assets enjoyed less of a boost from investments. With a number of transfers being completed in 2014, and more in 2015, the distribution of assets is changing.

For example, a transfer of a with-profits book from Family Investments to Foresters Friendly Society resulted in the latter growing assets by 43% in the year; the largest gain in the sector. By contrast, Family's assets shrank by 6% in 2014, largely due to the same transfer, though the merger with Engage Mutual earlier in 2015 has changed that position dramatically.

The following charts show trends on a like-for-like basis- excluding new or departing members in recent years, and copying over transfers to the receiving partner company. The tables later on though show the year end position, as reported in each company's report and accounts.



As the chart above shows, AFM members grew assets rapidly at the start of the millennium, but the trend is now more static. This is reinforced by the chart on premium income, below. Premium income reached a height in 2011: before the government ceased payments to Child Trust Funds, but after two years of sharp declines, the levels of income stabilized in 2014.



The overall mix of business across the sector for the year was 51% life and investments, 38% general insurance and 11% healthcare, and was broadly unchanged from 2012. This position of close to parity between long-term life and pensions, and shorter term general and healthcare business reflects both challenges in long-term business (as a result of the investment climate and the

changes to annuity rules), as well as greater focus in the sector on healthcare and related products.

Swiss Re data for the insurance sector as a whole shows a small increase in premium income in 2014 of 2.4%- so the years of the mutual sector outgrowing the industry as a whole have certainly now ceased. As the economy entered a growth phase in 2014, so PLC insurers became more competitive, and whilst sentiment for mutuals remains positive, consumers have tended to be swayed by the strong marketing muscle of the largest insurers. AFM member market share in 2014 was around 2% of the UK insurance market.

The tables that follow reinforce the level of concentration in the sector, with the largest five AFM members accounting for 80% of assets and 90% of premium income in 2014. (from 83% and 82% respectively at the end of 2012). Whilst we would expect that trend to continue, there are however some less familiar names in the mutuals that grew most rapidly in the year.

Our extended key statistics analysis on the AFM website provides an overview of the P&L and balance sheet for AFM members, as well as supporting data about the nature of the business and its governance. For the first time we have included a wider range of key ratios for the sector as well. For more, go to: <http://www.financialmutuals.org/resources/key-statistics>.

Largest current AFM Members at the end of 2014, by asset size (£m)

1	Liverpool Victoria	14,049
2	Equitable Life	8,524
3	Wesleyan Assurance Society	5,985
4	Reliance Mutual Society	1,848
5	Foresters Life	1,813
6	Family Investments	1,104
7	B&C Holidays Scheme Ltd	996
8	IPB Insurance	986
9	Scottish Friendly	972
10	Police Mutual Friendly Society	872

Largest current AFM Members at the end of 2014, by premiums (£m)

1	LV=	2,264
2	Wesleyan Assurance Society	316
3	Family Investments	249
4	Forester Life	215
5	Police Mutual	136
6	Benenden Healthcare Society Ltd	86
7	IPB Insurance	78
8	Scottish Friendly Assurance Society	69
9	Equitable Life	65
10	Exeter Friendly Society Ltd	65

Largest AFM Members at the end of 2014, by membership size

	members	policyholders	
1	Family Investments	1,721,000	1,721,000
2	LV=	1,105,644	5,700,000
3	Scottish Friendly Assurance Society Ltd	417,000	1,153,000
4	Benenden Healthcare Society Ltd	405,330	405,330
5	Forester Life	360,430	416,126
6	The Oddfellows	275,374	225,374
7	Engage Mutual Assurance	246,925	496,752
8	Health Shield Friendly Society Limited	205,718	205,718
9	Reliance Mutual	197,000	197,000
10	Police Mutual	189,000	256,500

Most rapidly growing members over last year, by change in assets

1	Ancient Order of Foresters	43%
2	Kingston Unity Friendly Society	23%
3	Benenden Healthcare Society	18%
4	Foresters Life	15%
5	Sheffield Mutual Friendly Society	14%
6	Liverpool Victoria	13%
7	Kensington Friendly Collection Society	13%
8	Healthy Investment	12%
9	Livery Companies Mutual	9%
10	Cirencester Friendly Society	9%

Most rapidly growing members over last year, by change in premiums

1	Sheffield Mutual Friendly Society	66%
2	Kingston Unity Friendly Society	64%
3	Equitable Life	44%
4	Transport Friendly Society	24%
5	Healthy Investment	21%
6	Wesleyan Assurance Society	12%
7	Ancient Order of Foresters	12%
8	Police Mutual Friendly Society	11%
9	British Friendly Society Ltd	11%
10	Shepherds Friendly Society	10%

A comprehensive overview of AFM members' financial position at the end of 2014 is available on the AFM website, at

<http://www.financialmutuals.org/resources/key-statistics>.