

Introductory Details:

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| Corporate Data: | The Original Holloway Friendly Society Ltd |
| Ownership: | Mutual |
| Open to New Business? | Yes |
| Year Established: | 1880 |
| Head Office: | Holloway House, 71 Eastgate Street, Gloucester GL1 1PW |
| Tel: | 01452 526238 |
| Website(s): | www.holloway.co.uk www.optimalprotection.co.uk www.simplegrouplife.co.uk |
| Key Personnel: | Chairman, MJ Day; Vice Chairman, KCM Wiltshire; Chief Executive, MC Collins; Sales & Marketing Director, MC Manser; Senior Independent Director, JE Holland; Head of Actuarial Function & With Profits Actuary, C Critchlow (OAC plc) |
| Company Background: | The Original Holloway Friendly Society Ltd was formed in 1968 from the merger of two well-established Holloway friendly societies, the Stroud Holloway Original Benefit Society and the Gloucester & West of England Holloway Society. 2013 saw the Society establish a new subsidiary, HF Life Ltd, to act as an Appointed Representative, trading as Optimal Protection. Marketing group risk and business protection insurance through the intermediary market, Optimal Protection was launched in March 2014, initially providing Group Life insurance. |

AKG Assessment And Comment:

Product Innovation

Whilst the Society's core business has been income protection insurance written on a Holloway style with profits basis, issued under the Classic brand, it has widened its offering to include non-Holloway business; launching Purely IP in early 2011. This was enhanced in September 2011 by the introduction of Purely Day One. Purely DB, also launched in 2011, offers a choice of either a one or five year benefit payment period, whilst the Commuted Plan is an investment only contract that provides a tax free cash sum at or after retirement.

Further innovation saw the Society enter the group risk market in 2014 through its Optimal Protection brand. The Society is seeking to introduce a number of new products either on its own or in conjunction with other parties. The first of these, a Breast Cancer Critical Illness plan, was launched in conjunction with IfApps in March 2015.

The Society is able to draw upon experienced resources aligned to each of its core propositions: Holloway, Optimal Protection and White Labelling.

Niche Positioning and Propositions(s)

Holloway Friendly is a well-run niche financial services provider. Whilst this means that it might not be in a position to participate in more mainstream markets, it does provide it with advantages in other areas. It has the opportunity of making commercially viable, propositions that larger providers would not be interested in. This enables the Society to grow market access to areas that are not currently well served. In particular, access to simple products that are not readily available, but which offer specific relevant features. It has demonstrated a willingness to do this under its own established brand or via new brands and in conjunction with appropriate third parties. The Society has also demonstrated an ability (including operational agility and culture) to successfully deliver this.

The Society takes a long term view and is open to new ideas, but it is also willing to challenge these as is considered necessary. Underpinning this is a firm belief in mutuality and acting in the best interest of its members.

Service

The Society has introduced e-business processing through its website, with quotations, applications, new business tracking and commission tracking. Enhanced commission is payable on cases submitted online. Early 2010 saw the Society introduce telephone interviewing as an alternative to completion of an application form.

The Society launched a new website in the middle of 2011 and in June 2012 Purely IP was available through the Assureweb portal. The Society was awarded 5 stars for online service by FTAdviser.com in its 2011 awards. Servicing for Optimal Protection is at a separate location in Birmingham.

The Society has demonstrated an ability to provide comparable service infrastructure to that of much larger providers (albeit operating in different markets) and it can consequently meet adviser and customer expectations.

Conclusion

Holloway Friendly is a well-run niche financial services provider, demonstrating a relatively high level of transparency amongst its friendly society peers. Whilst it is small and lacks the strength, in comparative terms within the wider financial services sector, which includes much larger entities such as the principal life companies, with their significant capital bases, it is both a) well established and b) forward looking in terms of strategic considerations and innovation.

As a niche provider, it is thus well placed and able to operate in areas not deemed to be commercially viable by the larger providers, either in its own right or in conjunction with appropriate third parties.

See current AKG Company Profile & Financial Strength Report for further underlying financial strength details.

Notes / Reliance and Limitations:

The information upon which AKG's assessment has been based has been supplied by Holloway Friendly and through publicly available statutory financial and other information resources.

Much of the information upon which AKG's comments are based has been supplied directly by the Client. AKG has made every effort to ensure the accuracy of the content of this report and to ensure that the information contained is as current as possible at the date of issue, but AKG (inclusive of its directors, officers, staff and shareholders and any affiliated third parties) cannot accept any liability to any party in respect of, or resulting from, errors or omissions.

Whilst many aspects underlying AKG's comments are likely to change only slowly, the financial services industry is a competitive and dynamic marketplace, with new products and developments being announced regularly. As a result, AKG cannot guarantee that any particular comment will remain appropriate at any future date. In particular, future developments such as product changes, or company restructuring, could have significant impact upon the comments.

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