



# Understanding the difference of having a **mutual mindset**

Putting customers at the heart of all that we do



**At Royal London Ireland, we're driven by the needs of our customers and building meaningful relationships with them. We're proud to be owned by a mutual and we want to show people the benefits of choosing a product from a company like ours.**

This guide explains what it means to be a mutual company and how our mutual mindset benefits your clients.

Our heritage in Ireland stretches back over 190 years, where we have financially protected hundreds of thousands of Irish people through our nation's many good and some not so good times.

### **What is a mutual company?**

Mutuals exist to serve their members/customers. A mutual company is one that is **run in the interests of its members/policyholders and is totally focused on delivering customer value.**

Unlike many other financial services companies, a mutual is not listed on the stock market or owned externally. This means that a mutual is solely centred on providing benefits to its members/policyholders as opposed to external shareholders or investors.





# What makes a mutual different



## Customer-Centric

Mutuals are true customer-centric organisations. This means that any profits are used for the benefits of its members, enabling customers to avail of competitive prices and enhanced policy benefits, as customers are the ultimate beneficiaries of the mutual. The mutual does not exist to make profits for shareholders, unlike publicly listed companies.



## Long-term strategic outlook

Mutuals can adopt a long-term strategic outlook which benefits the long-term interests of customers. This contrasts with stock-market based companies who often must satisfy the short-term goals and interests of their shareholders, particularly institutional investors.



## Financial security

Financing outside of mutuals' own resources is through long-term borrowing that is not subject to short-term volatility. In contrast, stock-market based companies are more liable to the negative effects of adverse speculation or dealings of shares. This was evident during the last 2007-2008 financial crisis which showed that mutuals are better equipped to cope with situations like this and are less prone to speculative activity<sup>1</sup>.

# History of mutuals

Mutuals in Ireland date back to the 19th century when they were known as **Friendly Societies**. These were voluntary groups that held social gatherings that focused on supporting each other and protecting themselves financially. Over time, with the introduction of modern insurance and regulation, Friendly Societies grew into the mutuals we have today.

One of their primary goals was to ensure that members had access to burial benefits, which was crucial for avoiding paupers' graves. People were keen to avoid these burials because they were often seen as a mark of destitution and social stigma. As such, the driving force of their establishment was entirely benevolent, whereby for a few pence every month<sup>2</sup>, these companies could provide dignity and financial security to their members/policyholders.

Founded on the basis of solidarity, mutuals allowed profits to be reinvested into the organisation or shared among members, fostering a community-focused system that prioritised people's needs over profit and making a valuable contribution to the community.

## Royal London Ireland and our mutual mindset

We are a fully owned subsidiary of The Royal London Mutual Insurance Society Limited, the largest mutual life, pensions and investment company in the UK which is owned by its two million<sup>3</sup> members who are customers.

We've a strong heritage in Ireland and have been protecting customers here for 190 years.

Our mutual mindset drives us in broadening our range of Pension and Protection products and services and increasing the value passed back to our customers. This is in addition to our award-winning service which has been recognised in the last seven consecutive years.<sup>4</sup>



<sup>1</sup> <https://www.smf.co.uk/wp-content/uploads/2023/06/Mutual-understanding-June-2023.pdf>

<sup>2</sup> <https://www.royallondon.ie/190-year-foundation>

<sup>3</sup> <https://www.royallondon.com/about-us/how-we-are-run/mutuality/>

<sup>4</sup> <https://www.royallondon.ie/awards>

# What our mutual mindset means for your clients

We'll look to provide your clients with great long-term value, first class service and support at all times. We show this by customer centricity and excellent value products, through excellent service, through long-term investing in the business and for our pension customers, the potential for 'ValueShare'.

## ValueShare

In the years when we do well, we want to share our success with customers. So, Royal London Ireland will aim to boost your clients' retirement savings by adding a share of our success<sup>5</sup> to their policy.

In April 2025, Royal London Ireland made a 0.13 bps (0.13%) award<sup>6</sup> to eligible pension policyholders in Ireland. No other provider on the Irish market currently does this<sup>6</sup>.

A similar award is made by our parent company, who in 2025 shared £181 million of profits with over 2 million eligible customers<sup>8</sup> in the UK.

## Protecting your clients

Being owned by a mutual company, allows us to focus on the long term for the benefit of our customers and their families. We generate value for customers and wider society, not external shareholders. Most other financial companies are public limited companies (PLCs) listed on stock exchange. These are owned by external shareholders which are often large institutional investors,

and these companies typically need to satisfy these investors short-term demands and financial requirements. Royal London Ireland is different. Our strong parent company is a mutual<sup>7</sup> and is customer owned. This means profits can be shared with eligible customers, not shareholders.

So, for instance, we can use our capital to provide competitively priced and feature-rich protection products to meet your clients' needs. And we know the importance of these products. Claims are made during difficult times, so our focus is to make sure we pay claims quickly and with minimum paperwork to help ease financial worries and allow customers and their families to focus on what matters most. This is reflected in our claims paid, with 98% of all our protection claims paid in 2024<sup>9</sup>.

~ Among the top 30 mutuals globally, and the largest mutual life, pensions and investment company in the UK, based on total 2022 premium income. ICMIF Global 500, 2024.

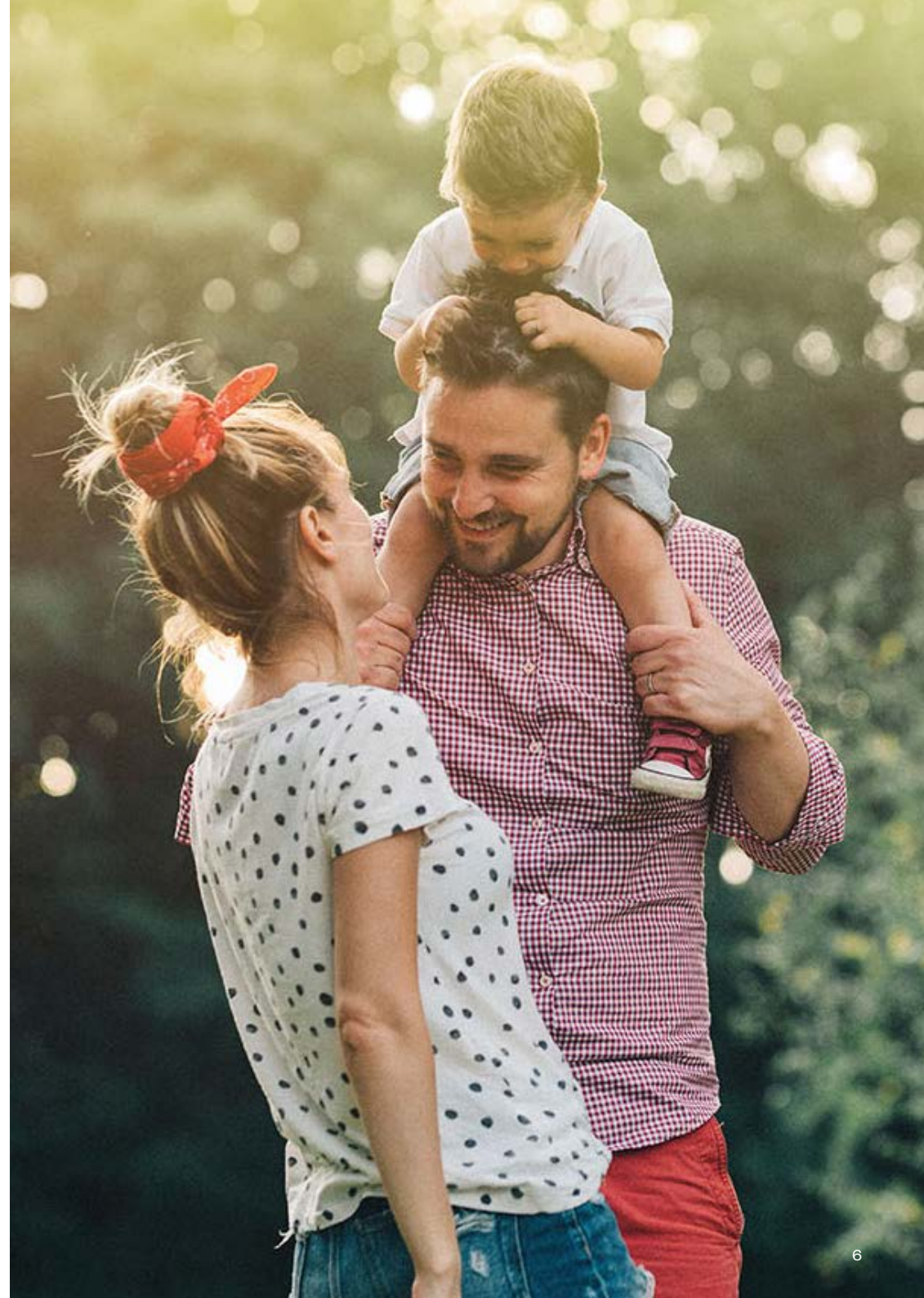
<sup>5</sup> We have full discretion for awards made and it is possible that there will be years where we decide that it is not possible to pay ValueShare award due to circumstances at the time.

<sup>6</sup> Any past ValueShare awards made are not a guide to future ValueShare awards.

<sup>7</sup> Correct as at 01 April 2025 based on Royal London Ireland's research and understanding of the market.

<sup>8</sup> <https://www.royallondon.com/profitshare/>

<sup>9</sup> <https://www.royallondon.ie/claims>







## How our Purpose and mutual mindset benefit society

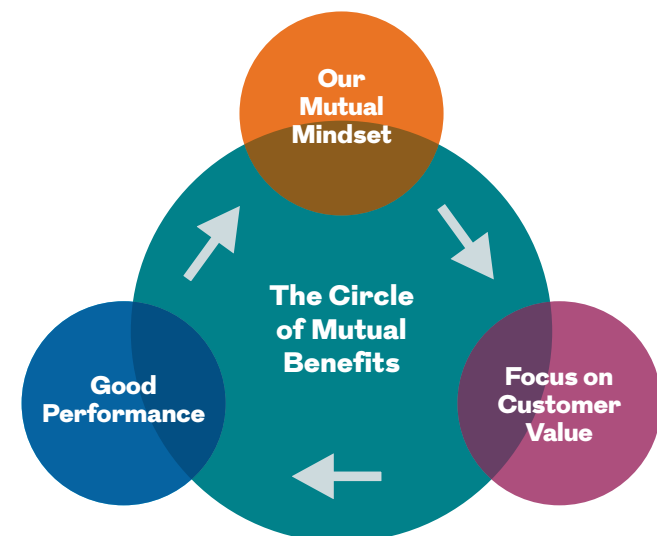
Our Purpose ‘Protecting today, investing in tomorrow. Together we are mutually responsible’ drives everything we do. It’s who we are and why we exist as an organisation. It defines the impact we want to have on the world, for our customers and for society. One of the ways we fulfil our purpose is by how we position our funds.

In March 2025, we moved more of our funds to Article 8 classification under the Sustainable Finance Disclosure Regulation (SFDR). An Article 8 fund is a type of investment fund that promotes environmental or social goals<sup>10</sup>, like fighting climate change or supporting fair working conditions. So your clients can do good for wider society when investing in an Article 8 fund.

### Circle of mutual benefits

The benefits of us being owned by a mutual result in what is called “the circle of mutual benefits”. This self-reinforcing theory means that mutuals focus on customer value, which drives good performance, which promotes the benefits of mutuality, which focuses on customer value and so on and on.

### The self-reinforcing idea of mutuality



<sup>10</sup> <https://www.morningstar.com/business/insights/blog/esg/sfdr-article-8-funds>



# Did you know?

You can see how the 'circle of mutual benefits' comes to life with the strength of mutual organisations' financial performance and the positive view people have about them.

## Are there many mutuals in financial services today?

Mutuals now make up 33% of the European insurance market<sup>11</sup>, covering approximately 507 million policyholders. In 2022 European mutuals had €3.67 trillion in total assets. The sector experienced a growth in premium volume of 1.5% from the previous year and this marked the second successive year of this growth for the region.

## People see the appeal of mutuality

In the UK, a recent survey revealed most people agree mutuals are good for the economy (53%), the sector would be better off with more mutuals (53%), mutuals can make a big difference to society (54%), and the government should do more to help mutuals grow (54%).

The same principles apply here in Ireland. Our mutual mindset can play an important role in delivering long-term value and making a positive impact on communities.

When your client takes out a policy with Royal London Ireland, they can rest assured that they have placed their money and trust in a dependable company with a great heritage in Ireland, spanning over 190 years. Guided by our mutual mindset, you can be confident that everything we do is in the best interests of your clients and their long-term financial wellbeing.

To find out more about the difference our mutual mindset can make for your clients, please talk to your Royal London Ireland Broker Consultant or visit <https://www.royallondon.ie/mutual-mindset>

11 <https://amice-eu.org/app/uploads/European-Mutual-Market-Share-2023.pdf>





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