

# Your Guide to Choosing Ethical Protection Insurance

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A practical guide designed to help you make informed  
decisions about protection insurance



## Introduction

Choosing protection insurance is one of the most important financial decisions you'll make. It's about protecting the people you care about most, ensuring they're financially secure if something happens to you. But with so many providers in the market, how do you know which one aligns with your values whilst still offering the best protection?

At WR Ethical, we believe you shouldn't have to compromise between doing what's right for your family and doing what's right for the world. This guide will help you understand how to evaluate insurance providers not just on their policies and prices, but on their ethical standards too.

We'll explore what makes an insurer ethical, introduce you to friendly and mutual societies that put members before shareholders, and provide you with the key data you need to make an informed choice about your protection.

## How do we measure an insurer's ethics?

At WR Ethical we use *Ethical Consumer* as our comprehensive guide to help you make an informed decision when choosing your mortgage lender (alongside rate, speed of service and other factors). We would like to do the same when it comes to insurers, specifically those offering Life Insurance, Income Protection and Critical Illness Cover, which the industry calls 'Protection'.

Whilst many insurance providers have been rated by *Ethical Consumer*, they are only scored on their general insurance products such as home, pet, and car insurance. As scores vary depending on policy type, we can't give an accurate score to help make your decision on the right life or personal protection insurer.

Protection works differently from a mortgage, with fewer providers and quite a difference in the details of the policies offered. Because of this, there are also other important factors to consider when protecting you and your loved ones. Your health, hobbies or occupation can limit the insurers available to you, whilst the quality of what is covered can also vary considerably.

Choosing the wrong provider could leave you less likely to be able to claim or overpaying for years. It can potentially have more serious consequences than choosing a mortgage provider based on ethics alone.

So, how can we help provide guidance on the ethics of various protection providers? We think there are two main ways.

- First, we feel a helpful and universal measure across each provider is the percentage of claims they pay out. This should give a clear indication of which insurers are looking to provide the best outcomes for their customers when assessing a claim. It will also to some degree provide a measure of how clear their early communication is up-front, and how good their assessment processes are for accepting an application in the first place.
- Secondly, ownership structure can be a strong differentiator. A bit like whether your mortgage is provided by a building society or a bank, you will find that some insurers are large corporate institutions, whereas others are friendly or mutual societies.



## What is a Friendly, or Mutual Society?

A friendly or mutual society is a member-owned organisation that provides protection insurance without shareholders. This means profits are used to support members with better benefits and service, not investors.

We're all familiar with building societies – a friendly is set up in a similar way but provides insurance rather than mortgages and savings. A mutual is a more general term but is often used by institutions who provide a range of products, for example Royal London are a large pension provider, as well as offering life insurance.

Many friendly or mutual societies are built on ethical values, focusing on fair treatment, community support, and responsible investing. If you care about who you're covered with, these societies by their nature can be a way to align your insurance with your values.

### Claim Rates

In 2024, the protection insurance industry paid out **97.9%** of new individual claims. The Association of British Insurers (ABI) reports this high claims paid rate has been consistent for the past decade.

Insurance Provider	Friendly or Mutual Society	Life insurance	Critical Illness	Income protection	Year of report
The Exeter	✓	100%	N/A	94%	2024
Guardian 1821		100%	92%	*	2024
Zurich		99.8%	90%	95%	2024
Vitality		99.7%	88%	95%	2024
Scottish Widows		99.1%	92%	*	2024
Aviva		99.0%	92%	90%	2024
HSBC Life		98%	94%	N/A	2024
Liverpool Victoria	✓	97%	90%	90%	2024
Legal & General		97%	93%	84%	2024
Royal London	✓	93.8%	89.7%	86.8	2024
Cirencester Friendly	✓	N/A	N/A	95.8%	2024
Holloway Friendly	✓	N/A	N/A	88%	2024
British Friendly	✓	N/A	N/A	86%	2024
National Friendly	✓	N/A	N/A	*	N/A

Notes on table:

- Ordered by Life insurance claims percentage
- Income protection '\*': These providers have introduced an income protection policy in the last 1-4 years. Because of this, they don't currently have enough years' data to give accurate claim statistics.





## How WR Ethical can help

Finding the right protection isn't just about the ethics of your provider. You need cover that fits your specific circumstances and budget. That's where our expertise comes in.

We can help you navigate the complexities of life insurance, critical illness cover, and income protection. We'll assess your needs, explain your options, and help you find cover that provides the right balance of ethics, value, and protection for your family.

Our service is independent, which means we're not tied to any particular insurer. We'll search the whole market to find the best options for you, taking into account both your ethical preferences and your practical needs.

## Ready to get started?

If you're ready to explore your life insurance options or want to discuss how to align your protection with your values, we're here to help.

We'll take the time to understand your circumstances, explain your options clearly, and help you find protection that gives you peace of mind whilst staying true to your values.

### Contact us today for a free initial consultation



Phone: 0117 403 9430



Email: [hello@wrethical.com](mailto:hello@wrethical.com)



Online: [www.wrethical.com](http://www.wrethical.com)

WR Ethical Limited  
Deskldodge House, Redcliffe Way, Bristol BS1 6NL  
Phone: 0117 403 9430  
Email: [hello@wrethical.com](mailto:hello@wrethical.com)  
[www.wrethical.com](http://www.wrethical.com)

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