



## CAVEAT EMPTOR

It is the duty of the buyer to check the quality and the usefulness of the product they are purchasing. The seller of a product cannot be held responsible unless it is guaranteed in a warranty.

Please note: A vital facet of a Discretionary Mutual is that claims are paid at the discretion of the Board. That means that the payment of claims is not contractually guaranteed.

Association of Financial Mutuals, April 2018



## Why Choose a Discretionary Mutual over Traditional Insurance:

**Lower Prices** – as schools are not required to pay Insurance Premium Tax with a mutual, quite often they can be the cheaper option when comparing to a Staff Absence Insurance policy.

**Share in Surplus Funds** – any surplus funds remaining at the end of the year are reinvested or returned to members. With Staff Absence Insurance, these funds remain with the insurer. For example, the SAS Mutual fund totals £1,000,000 and your contribution to this is £10,000 (1%). If there is a surplus of £80,000 at the end of the scheme period, your school would be entitled to 1% of the £80,000 (or £800).

## What are the Risks of a Mutual:

So why wouldn't every school go for a Mutual option over a traditional Staff Absence Insurance option? The main reason is the risk and uncertainty that can come with a mutual.

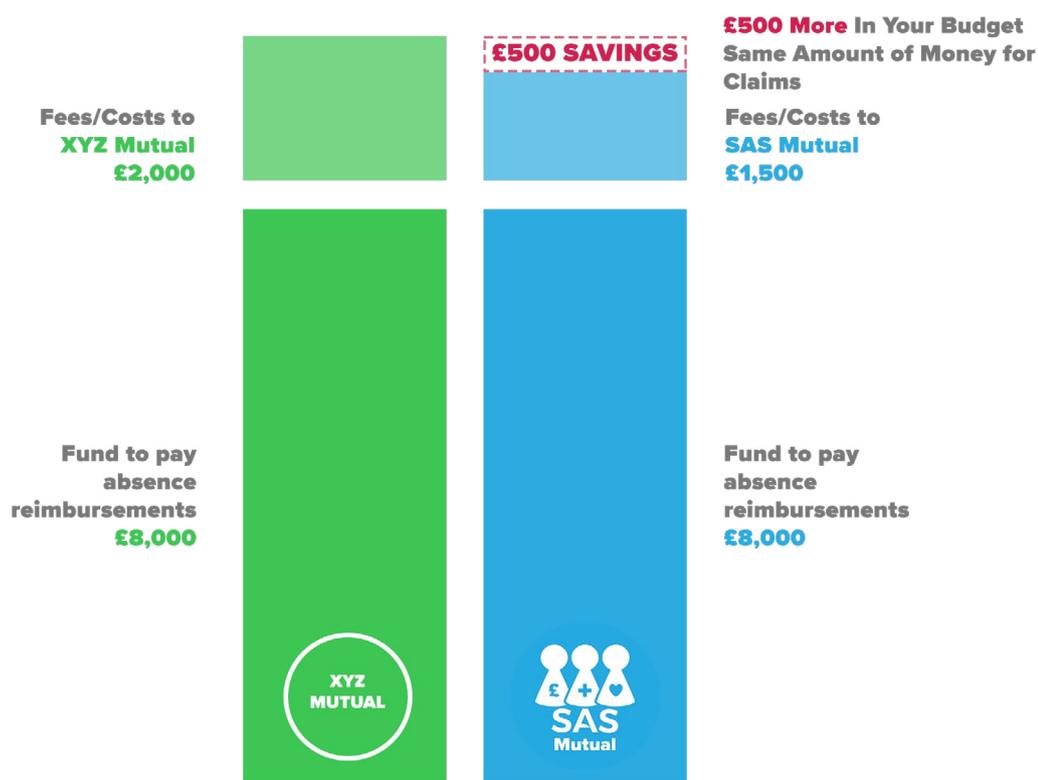
**Absence payments are not contractually guaranteed** – as is the case with all mutuals, absence payments are made at the discretion of the Mutual Board and are dependent on the performance of the overall fund.

**No regulatory protection for schools** – all mutuals are outside the Financial Services Compensation Scheme (FSCS) and Financial Ombudsman Service (FOS). There is therefore no recourse from an independent regulator for denied/unpaid absences.

## Why Choose SAS Mutual?

Having made the decision that a discretionary mutual is the best option for your school. Why is SAS Mutual the best mutual option available?

- SAS Mutual is the only Community Interest Company (CIC) offering mutual absence support to schools. This ensures **added protection and security for your school**. Unlike other mutual providers, by being a CIC, SAS Mutual ensures that there is no financial liability for schools even in the event of liquidation.
- Schools Advisory Service: the administrators, are a regulated company, meaning we have to follow guidelines and regulations set out by the FCA to protect you as the customer.
- SAS Mutual gives your school access to the most comprehensive Physical & Mental Health Support for your staff and pupils. These services help you prevent and reduce staff absences, whilst also creating a wellbeing culture within the school. [Learn more about our wellbeing support by clicking here.](#)
- By lowering our commission to 5% below the market value of 20%\*, **SAS Mutual guarantee to be 5% less than any comparable Mutual**. This ensures schools that choose a discretionary mutual are receiving the lowest costs to compensate for the higher risk undertaken by its members. The reduction will not impact the fund contribution but will be deducted from the SAS Mutual Fee. See the diagram below for more information:



**5% Cost Saving with SAS Mutual**

\*20% commission rate as per Education Mutual. Accurate at time of publishing 29/10/2020.