

# HEALTH INSURANCE INDUSTRY CONSOLIDATION

> MANCHESTER UNITY \$256 MILLION MERGER WITH HCF

## CASE STUDY

### SNAPSHOT

#### BACKGROUND

Manchester Unity, a mutual friendly society and private health insurer, sought to gain the approval of its members for a \$256 million merger with HCF, Australia's largest private health insurer.

#### CRITICAL ACTION

Manchester Unity engaged Georgeson to formulate and execute a communications strategy to encourage members to vote, gauge member sentiment, answer queries and address concerns about the merger by:

- > Conducting opinion research
- > Implementing an extensive proxy solicitation campaign to 82,000 members
- > Managing an Information Helpline and email response service

#### RESULTS

The proxy solicitation campaign played a critical role in maximising the vote for the merger between Manchester Unity and HCF.

Please see reverse for full details on the transaction.



**"We used Georgeson to run our external call centre and proxy solicitation for our merger with HCF. We achieved a record result with 78% of eligible members voting and 99.1% voting in favour. Georgeson played a pivotal role in helping us achieve this result and I would use them again without hesitation."**

John Brogden - Former Chief Executive Officer, Manchester Unity

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## CASE STUDY

### FACTS

To succeed, the merger required regulatory and Manchester Unity members' approval at an EGM held on 15 December 2008. Manchester Unity's Board supported the merger and recommended that its members take up HCF's cash offer.

### CHALLENGES

Established in 1840, with approximately 90,000 policyholders, Manchester Unity's long history, its loyal membership and the natural sensitivities when demutualising a friendly society were likely to evoke strong opinions, emotions and attract media attention for its proposed merger with HCF. Additionally Manchester Unity faced a very challenging voting quorum with at least 40% of all eligible members required to vote, of which votes, at least 80% needed to be cast in favour of the merger.

To achieve a successful result, Manchester Unity needed to ensure that all stakeholder issues were addressed, and importantly that members were assured of the Board's unwavering support for the merger.

### CRITICAL ACTION

#### Opinion Research

Georgeson conducted opinion research completing approximately 500 interviews to establish the degree of support for the Manchester Unity Board and the merger; identify issues and challenges, particularly around the offer consideration; develop messaging and determine voting intentions and member sentiment.

#### Proxy Solicitation

Georgeson advised Manchester Unity to undertake an effective awareness campaign utilising direct mail and a targeted member solicitation campaign to inform members about the proposed merger, directly deliver the board's recommendation and encourage members to exercise their right to vote to overcome customary member apathy and ensure the required voting quorum.

Solicitation also afforded members the opportunity to voice their opinion on the proposed merger, providing Manchester Unity with valuable insight into member sentiment and voting intentions.



#### Information Agent Services

Georgeson also provided information agent services to Manchester Unity with the management of an information helpline, taking more than 18,664 calls from members over a five month period - from the time of the announcement until two weeks after the despatch of merger allocation cheques. In addition, Georgeson provided an email response service to reply to email queries received from members.

### RESULTS

The Manchester Unity and HCF merger was approved by Manchester Unity members with a strong voting turnout of over 63,000 individual votes and 99.1% of votes cast in favour of the merger.

The proxy solicitation campaign played an integral role in encouraging thousands of members to exercise their right to vote, with over 78% of solicited members lodging a vote.

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