



MYNERS REVIEW OF THE GOVERNANCE OF LIFE MUTUALS

Attitudes of members of mutual life offices

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Final Report

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The authors alone are responsible for any shortcomings of this report which may exist despite the assistance of those whose involvement we sought and for which we are grateful.

2 THE AUTHORS

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3 QUALITATIVE RESEARCH

This study of the attitudes of mutual life offices' members was undertaken using qualitative methods. The findings reported here are indicative rather than definitive because:

- the sample is small and was purposefully designed to ensure inclusion of respondents across the range of life mutuals by size and by membership that was, and was not, affinity-based; the sample is not representative of all members of life mutuals
- gaining an in-depth understanding of individual preferences, perceptions, and experiences was emphasised more than standardising the questions and pre-structuring the form in which information was captured

Qualitative research was deemed to be appropriate because assumptions could not be made at the outset about how knowledgeable about or engaged with the providers of their policies or the governance of these firms members were. As a result, an exploratory approach was taken, and priority was given to probing and understanding members' views and experiences rather than quantifying them. **Very few, if any, of the differences noted in the report are statistically significant.**

Where findings are based on all those interviewed (100 respondents) or all who recognise that they are members¹ (75 respondents), percentages are shown and cautiously interpreted. Where findings are based on fewer than 50 respondents, usually because certain questions were only put to those whose previous answers qualified them to respond, the resulting proportions are shown in square brackets or referred to in more general terms. Less interpretive weight can be given to such findings, based as they are on quite small numbers, although consistent patterning across results of this kind may be noteworthy.

In judging what to report and how much emphasis to place on the findings, the authors have sought to be responsible about making the fullest and best use of information obtained from members. Allowing members to speak for themselves is one of the most revealing ways to do this; hence, the prevalence of *verbatim* material in the report.

¹ All respondents were, in fact, members, but not all knew that they were. When we refer to all members in this report we are referring to the total sample and not just those who knew they were members, except where otherwise stated.

4 INTRODUCTION

4.1 Background

Qualitative research among members of mutual life firms has been called for by HM Treasury to provide information for the Myners Review of the Governance of Life Mutuals. The obligations of life mutuals to govern themselves responsibly are various and specific to the individual firm. It is, therefore, important to find out if members understand and wish to exercise the particular role given to them by their firm.

4.2 Objectives

The Myners Review has a specific interest in the accountability of mutual organisations to their members, and how that is given effect from a member's perspective. The findings of this research will provide feedback on three key issues such as:

- Members' views on the nature of their role as members
- Members' relationship with the mutual firm of which they are members
- How members would like to see these relationships develop

4.3 Research plan and methodology

As of September 2004 approximately 90 mutual life firms were operating within the UK. Within this universe of firms, the distribution of members is highly skewed: a limited number of major organisations, led by Standard Life, represent the majority of all members of life mutuals. Recruitment of respondents was, therefore, structured to ensure representation across the size spectrum of firms. In addition, to ensure that the survey was as inclusive as possible of differing attitudes among members, care was taken to ensure adequate coverage of other key attributes of the firms whose members were contacted:

- Affinity and non-affinity based firms
- A mix of types of affinities for affinity-based firms
- Friendly and non-friendly societies
- Delegate/non-delegate and committee member representation

Mutual life firms were allocated to small, medium and large membership size groups, on the basis of a combination of membership size and fund size.

Around 30 firms were invited by HM Treasury to participate in this research, of which 13 agreed to take part. The precise details of the sample, split by firm size, can be seen in Table 1.

In the case of two of the participating firms, affinity status cannot be determined. As a result, some of the results presented in this report have lower than expected base sizes.

Participating firms provided random lists of members, who were then mailed information packs containing:

- A letter of introduction to the survey from their firm
- A letter from HM Treasury explaining the purpose of the study

- A letter from RS Consulting describing procedures that allowed members to withdraw from involvement in the research, i.e. to opt out before they were contacted by researchers and asked to do an interview

Of those members who did not opt out of the study, a random selection was called and invited to participate in a 15 to 20 minute telephone interview. The number of completed interviews by firm size is shown in Table 1. Quotas were imposed to cap the number of interviews per firm (eight for small and medium firms, ten for large firms) and to ensure that a minimum of five interviews per firm were completed. When the time allocated to interviewing had expired, the expected total of 100 interviews had been completed but in three firms fewer than five members were interviewed.

Table 1 Interview summary

	Base: All participating in study			
	Small	Medium	Large	Total
Number of mutuals invited to participate	15	11	7	33
Number of mutuals participating	5	3	5	13
Average sample of members selected randomly by each firm before opt-out	20	80	165	71
Total sample after opt-out	90	126	604	820
Total number of completed interviews	28	22	50	100

5 DEFINITIONS OF TERMS USED

Small mutual life firm	Mutual firms with membership of less than 10,000. (Also includes those friendly societies who are not members of the Association of Friendly Societies).
Medium mutual life firm	Mutual firms with membership between 10,000 and 70,000.
Large mutual life firm	Mutual firms with membership of over 70,000 and, among firms that are not friendly societies, those with the largest fund size.
Affinity-based life firm	Mutual life firms whose members must be part of a specific profession or part of a group defined by other shared attributes. Membership is therefore selective and not open to all.
Members	All mutual firms that participated in the research identified candidates from among their own members (as defined by each firm) whom they asked to opt out if they did not wish to be contacted by researchers. The definition of membership pertains to each firm, but all those interviewed were listed as members by their firms.

6 MAIN FINDINGS AND CONCLUSIONS

6.1 Main findings

- **Mutuality has meaning** for most members, defined principally by the absence of shareholders. This perception supports two other notions about mutuals that some members express: ownership resides in members rather than shareholders, and members stand to benefit financially from the absence of shareholders. Members who recognise their ownership role do not appear to appreciate the risks to members of being investors and customers simultaneously.
- **Positive attitudes to mutuality prevail**, and members expect to benefit financially from taking out policies with a mutual, although few said that mutuality was a purchase decision factor. Members appear to be confident that their interests coincide with the interests of their life mutuals; trust and safety are words commonly used when members talk about their firms. Negative comments about mutuality and about members' firms were notable by their absence. In the two cases where they arose, they concerned lacklustre financial performance. Equitable Life was mentioned only once in all the comments made – and it was used as an example of what could **not** happen in the respondent's firm.
- **Three-quarters of members recognise that they are members** and they consistently refer to themselves as members rather than policyholders or customers. Discounting those who do not know, roughly half of members believe that membership brings rights and duties, which they associate with corporate governance tasks such as voting on changes in strategy, attending AGMs and electing directors. The other half did not recognise that rights and duties come with membership.
- **Most members, especially members of affinity-based mutuals, prefer to be very or fairly inactive and uninvolved** in the running of their firm, and they say they behave accordingly. Consistent with this, 43 per cent of all members did not recall being asked to undertake any of the corporate governance tasks in which members may participate. If members do recall receiving a request to participate, most will do so, mainly out of a sense of duty and obligation to the firm rather than as a corrective measure. Lack of interest and knowledge are the most frequently given reasons for not undertaking corporate governance tasks among members who recall having been asked to do so.
- **A minority of 33 per cent prefer to be very or fairly active and involved**, and they, too, say their behaviour matches their preferences. To the extent that the qualitative data available allowed this assertion to be tested, it appears to be broadly but not uniformly true. Members preferring to take an active role have higher levels of recall for information provided by their firms and they are more in favour of additional disclosure than those who prefer to be inactive. In terms of activity, those preferring an active role report undertaking more corporate governance tasks.
- **Three-quarters of members are satisfied with the amount, quality and timeliness of information they receive** from their life mutuals and almost half do not want to receive more. Confirming this, 54 per cent do not think mutuals should be required to disclose more about how they are run. With probing, demand for more information on specific topics peaks at 36 per cent of members wanting "industry-wide comparisons of the performance of your policy". Only 21

per cent of members want more information about board members and their salaries, about which a relatively low 35 per cent say they currently get information.

- **The majority said their firms were accountable to them as members, both individually and as a whole.** By providing information and being responsive to members, firms are said to demonstrate their accountability. Consistent with this, most members do not aspire to have more say in the way their firms are run; 63 per cent do not want to get involved in influencing the strategy of their firms. Only 15 per cent of members feel that their firms have taken important decisions without properly consulting members. These views about accountability appear to be even more dominant among members of affinity-based mutuals and the small firms – two categories that tend to overlap.

6.2 Conclusions

- Trust and passivity appear to be high among members. Because most prefer not to become actively engaged with how their firms are run and few appear to be aggrieved about the influence they have or the accountability of firms, membership scrutiny and pressure for change from the membership at large are unlikely to drive changes in the corporate governance of mutual life firms. Deterioration in financial performance or in the provision of information to members, along with unresponsive service, are the most visible potential causes for any future revision of members' positive opinions of mutuality and their mutual firms.
- The findings of this study raise important questions about the continuing role of the mutual form, if it is not doing what it is often said to do: enabling members to benefit by playing a role in the running of their firm. Members appear to believe that they can achieve financial and service benefits without playing a role in running the firm, and no evidence emerged that they understand the risks of being both owners and customers.
- Current efforts made by mutual firms to engage members appear to be achieving little motivation for change, although it must be said that no retrospective data are available. Current practices would appear almost to justify members' passivity, e.g. with all this information being provided, things must be all right. It remains to be seen whether increased or different efforts to engage and involve members would produce different results, given the desire of most members to be inactive and uninvolved.
- There is, however, an identifiable minority of meaningful size who play a more active role and might be role models for, or leaders of, progress towards better corporate governance in life mutual firms, if structures and incentives can be found to encourage and channel the activities of these members who constitute roughly a quarter to a third of all members. This may be an encouragingly large proportion of mutual life members, but their potential effectiveness appears to be untested except in cases as far gone into crisis as Equitable Life.

7 THE MUTUAL CONCEPT

7.1 The absence of shareholders defines mutuality

The term 'mutual' has meaning for the vast majority of members; only 15 per cent can attribute no meaning to this term. The absence of shareholders is the most frequently mentioned single characteristic of mutuality.

"It means it does not have shareholders; we are the shareholders."

"They are not responsible to shareholders, but only to the policyholders like me."

"We are all shareholders, but it is not on the stock market."

"They have no shareholders; it's like a co-operative society."

Not only is the absence of shareholders the most common attribute of mutuality, it appears to support two other perceptions that members mention with very nearly the same frequency.

- It is members, not shareholders, who have ownership of the firm.

"That there are no shareholders; it is owned by its members."

"Owned by people who have policies with it, all together."

"Being a mutual means it's owned entirely by the members."

"It's owned by all the policyholders as I understand it. There are no shareholders and its non profit making."

- Members benefit from the ownership structure of mutuals.

"Has no shareholders; all the members benefit."

"It means that it benefits the people within the mutual."

"Operates for benefit of the policyholders."

"It's for the mutual benefit of all participating. It's not like a shareholder company."

It is rare that either of these two attitudes is expressed by members who have not also mentioned the absence of shareholders. A small proportion carry these ideas to the more sophisticated conclusion that the profits of the firm are returned to members.

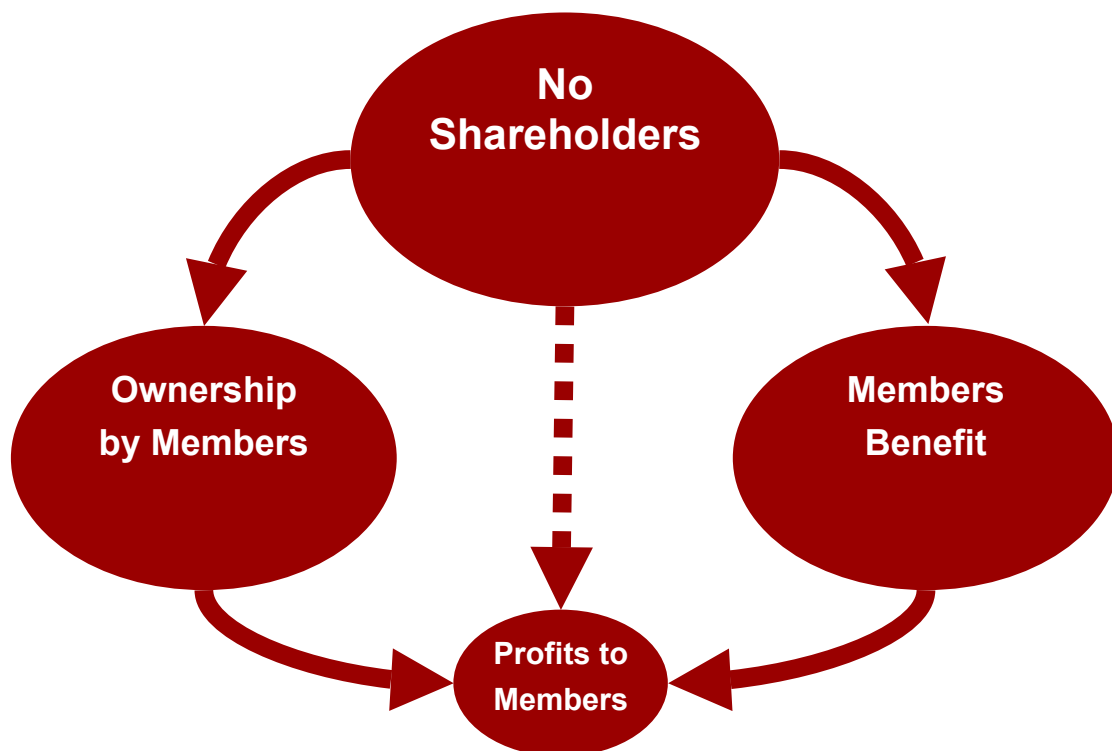
“It means that they share all profits with the members as opposed to giving it to shareholders.”

“The profits all go to the members rather than a limited company who have shareholders.”

“It means there are no shareholders and the dividends are shared by the policyholders.”

Figure 1 illustrates members’ train of thought regarding the concept of mutuality; the size of the circles approximates the relative proportions giving voice to each theme.

Figure 1: Members understanding of mutuality



Despite the benefits members associate with mutuality, relatively few (31 per cent) said they considered mutuality when purchasing their policies.

7.2 Positive attitudes prevail

Overall, mutuality appears to have a good name among members who were interviewed.

“The amount of money that is paid out is limited to the amount of money that is paid in. Therefore it is highly unlikely that the society will go bust.”

Perhaps surprisingly, as of October 2004, only one of the 100 members interviewed mentioned Equitable Life.

“The founders thought up a delegation system which was set up to protect the members in the trust and that is now the controlling body of the society. So the executive can’t get away with anything. The Equitable Life situation could never happen in [my mutual life firm].”

Negative comments and complaints were notable by their absence. Among all the answers respondents’ gave, there were only two comments that could be said to have a negative tone, and both concerned the financial performance of the members’ firms.

“I wouldn’t say they’re rivetingly successful, but I haven’t lost money either.”

“I complained about the poor returns that I was getting on my policy – this is mainly the fault of the government who have taken away the ten per cent tax credit and forced the company to redress its strategy.”

8 MEMBERSHIP

Three-quarters of members know that they are members of mutual life firms² (75 per cent). In addition, members typically and consistently refer to themselves as members rather than policyholders or customers.

When policies are purchased, the concept of membership is considered mainly in the light of the expected financial benefits of taking out a policy with a mutual and not because of rights or duties that may be accorded to members. When asked, just over half of those members who did consider mutuality a factor in their decision-making process said that they expected to receive a superior return on policies issued by a mutual firm. This equates to roughly 15 per cent of all members.

“Any of the profit made would be ploughed back and reinvested.”

“Pays better rates.”

A few of those who considered mutuality a factor in their decision-making did so because of a higher level of trust in these firms (this equates to no more than 5 per cent of all members).

“I trusted who I was dealing with.”

“I feel safer with my money invested in a mutual friendly.”

When asked specifically about the *existence* of rights and duties of membership, opinions of members divide almost evenly. Forty-four per cent believe that there are rights and duties resulting from membership and 42 per cent of members believe that there are not (the remaining 14 per cent said they did not know).

The rights and duties mentioned spontaneously by the 44 per cent who saw them as belonging to members have mainly to do with corporate governance, as shown in Table 2. Other specific mentions covered additional aspects of corporate governance and social elements of membership.

² All candidates for interviews were identified as members by their mutual firm.

Table 2 Rights and duties associated with membership (unprompted)

All associating rights and duties with membership: column percentages	
Vote on changes to strategy	[27]
Attend AGM	[27]
Elect Directors	[23]
Vote on salaries of Directors	[18]
Financial Benefits	[16]
Nominate Directors	[14]
Put a proposal or resolution to the board	[14]
Receive information about strategy	[11]
Stand for nomination	[9]
Receive information about performance	[9]
Influence the AGM agenda	[7]

Base: All associating rights and duties with membership; 44 (multiple responses possible)

9 LEVELS OF ENGAGEMENT WITH MUTUAL LIFE FIRMS

9.1 Members prefer to be inactive

Table 3 shows that 66 per cent of members prefer to be fairly or completely inactive and uninvolved in how their mutual life firms are run. Despite 44 per cent recognising that they have rights and duties – mostly associated with corporate governance – most members do not wish to take an active role in the governance of their firms.

Table 3 Preferred level of engagement with mutual life firm

All aware of membership: column percentages			
Very Active and Involved	12	}	33
Fairly Active and Involved	21		
Fairly Inactive and Uninvolved	34	}	66
Completely Inactive and Uninvolved	32		

Base: All aware of membership; 75

9.2 Members of affinity-based mutuals are more likely to prefer a lower level of involvement

When members of affinity-based mutual life firms are compared with others, higher proportions of members of affinity mutuals prefer to be fairly or completely inactive and uninvolved (96 per cent versus 33 per cent). Table 4 shows the difference in preferred levels of engagement between members of affinity and non-affinity based firms.

Table 4 Preferred level of engagement with mutual life firm

Society type: column percentages				
	Affinity Based		Non Affinity Based	
Very Active and Involved	[0]	}	[24]	}
Fairly Active and Involved	[4]		[4]	
Fairly Inactive and Uninvolved	[57]	}	[9]	}
Completely Inactive and Uninvolved	[39]		[96]	

Base: All aware of membership, excluding members of mutuals categorised as other; Affinity Based 28; Non Affinity Based 33

Because affinity-based firms tend to be smaller, differences between large and small firms are therefore of interest.

9.3 Members of small and large mutuals are similar in preferring to be inactive

Table 5 shows the levels of activity and involvement preferred by members of small and large mutual firms. Similar proportions of members of both types of firms prefer to be inactive. This finding adds weight to the conclusion that it is the type of firm and not the size of the firm that is most important in determining how active members prefer to be.

Table 5 Preferred level of engagement with mutual life firm

Society type: column percentages					
	Small		Large		
Very Active and Involved	[15]	}	[5]	}	[14]
Fairly Active and Involved	[23]		[9]		
Fairly Inactive and Uninvolved	[38]	}	[22]	}	[63]
Completely Inactive and Uninvolved	[19]		[41]		

Base: All aware of membership, excluding members of mutuals categorised as mid sized; Small 26; Large 37

9.4 Preferred level of engagement accords with actual engagement

Only one-third of those aware that they are members (34 per cent) say that they have been very or fairly active and involved with mutual life firms, while 66 per cent have been fairly or completely inactive.

These proportions repeat almost exactly the proportions of members saying that they do, and do not, want to be active and involved in how their firms are run. This suggests that:

- Few members prefer to be more active than say they have been, indicating that few potential activists have been deterred
- Few members say they have been more active than they prefer to be, indicating that few have been stung into action unwillingly

9.5 Members preferring to play an active role

As noted in Section 9.4, members' preferred level of engagement is clearly associated with how active a role they say they play in fact. This suggests that the 33 per cent who prefer to be fairly or very actively involved in the running of their firms are currently behaving in ways that accord with good corporate governance practices. This section of the report examines the truth of that proposition.

9.5.1 Information and activism

Those preferring an active role appear to be more attentive to the information that they receive from their mutual firms. They show higher levels of **recall** for information provided by their firms on all ten of the specific topics tested, as shown in Table 6. The gap in levels of recall as between members preferring to be active and inactive was widest for information about board members and their salaries: [80 per cent] of actively inclined members remembered receiving information about this, but only 20 per cent of inactive members did.

Table 6 Information from their life mutuals that members recall receiving

	Members who expressed a preference for being either active or inactive: column percentages	
	ACTIVE	INACTIVE
Industry-wide comparisons on the performance of your policy	[44]	34
Your rights as a member	[80]	68
Decisions reached at AGMs	[88]	62
What will happen if you do not vote when balloted	[36]	26
Future strategy	[80]	50
Pros and cons of issues which members can vote on	[76]	52
Board members and their salaries	[80]	20
Summary financial information	[76]	68
Dates and agendas for upcoming AGMs	[92]	72
Annual report and accounts	[92]	76
Other	[40]	32

Base: Members aware that they are members who prefer to be very or fairly active (25) and those who prefer to be very or fairly inactive (50)

The differences in **demand for more** information about the ten specific topics are small as between those preferring an active and an inactive role. Activist members may feel that they can make sufficiently effective use of information they already get to satisfy their activist inclinations. If true, this would be in line with the finding that most activists say their firms supports their wish to play an active role, as noted in Section 9.3.

The small differences in demand for specific information shown in Table 7 should be interpreted with caution, however, because members preferring an active role were twice as likely as those preferring to be inactive to agree that their mutuals should be required to disclose more about how they are run than they do at the moment, by a margin of [42 per cent] to 20 per cent.

Table 7 Topics on which members would like to receive more information

	Members who express a preference for being either active or inactive: column percentages	
	ACTIVE	INACTIVE
Industry-wide comparisons on the performance of your policy	[40]	32
Your rights as a member	[24]	20
Decisions reached at AGMs	[24]	14
What will happen if you do not vote when balloted	[24]	26
Future strategy	[24]	22
Pros and cons of issues which members can vote on	[24]	22
Board members and their salaries	[16]	20
Summary financial information	[8]	12
Dates and agendas for upcoming AGMs	[8]	12
Annual report and accounts	[4]	16
Other	[8]	2

Base: Members aware that they are members who prefer to be very or fairly active (25) and those who prefer to be very or fairly inactive (50)

9.5.2 Members preferring an active role undertake more corporate governance tasks

Six in ten, or more, of the members who prefer to play an active role have acted on requests from their firms to perform corporate governance tasks. For members preferring to be inactive, only two in ten, at most, have performed these tasks. In all the ways tested, the majority of members who prefer an active role have acted in accord with the principles of good corporate governance. That this group is a minority – 33 per cent of members - does not detract from the action they have found the motivation and the means to take.

Table 8 Recall and participation in corporate governance tasks

Members who recall and participate in tasks: column percentages				
	ACTIVE		INACTIVE	
	Recall Request	Perform Task	Recall Request	Perform Task
Approved changes to the board including new directors	[80]	[76]	34	18
Approved the firm's annual report and accounts	[80]	[76]	34	18
Approved changes to the Society Rules/Articles of Association	[72]	[68]	38	20
Provided feedback to the firm on issues affecting members	[72]	[60]	28	14
Approved firm directors' remuneration policies	[68]	[60]	12	8

Base: Members aware that they are members who prefer to be very or fairly active (25) and those who prefer to be very or fairly inactive (50)

9.5.3 Role models and leaders

Taken together, this evidence shows that there is an identifiable minority of meaningful size among members who might be role models or leaders of progress towards better corporate governance in mutual life firms

Comments from such members on **how** their mutuals have helped them play their preferred role may give an indication of how the actively engaged operate and what might be done to encourage others, e.g. consultative committees, links with trades unions and possibly other forms of delegation and representation.

“They keep you well informed with what is happening. We would have a consultative committee to discuss things with the society at their headquarters. The results of this meeting are then circulated to all other members of the society.”

“If I have required information, they have always provided me with full details. This has helped my profession's trade union to forge strong links with the society.”

10 FIRMS' ENCOURAGEMENT OF PARTICIPATION

10.1 Low recall of opportunities to participate

When prompted, 43 per cent of all members did not recall being **asked** by mutual life firms to undertake **any** of the corporate governance tasks in which members may be asked to participate. This failure to recall is not surprising in the context of the two findings previously noted.³ This suggests that mutual life firms would have to devote considerable skill and commitment to engage members more actively.

The highest levels of recall of requests to participate in the following ways, mentioned by 35-43 per cent of members:

- Approving changes to the board including new directors
- Approving annual report and accounts
- Approving changes to the society's rules or articles of association
- Providing feedback to the firm on issues affecting members

Fewer (25 per cent) report having been asked to approve remuneration for directors.

Members of small firms report higher levels of recall for each. Two-thirds of members of small firms [64 per cent] can remember being asked to participate in one or other area of corporate governance, but just half of the members of large firms recalled as much.

10.2 Members who recall being asked to participate will do so

Despite the preference and practice of members generally to be uninvolved with their firm, if members recall having been asked to be involved (in the ways noted in Section 9.5.2), generally they will do so. For instance, among those who did recall receiving requests to participate in the governance of their firms in specific ways, the proportions who acted varied from between [80 per cent] who had approved directors' remuneration policies to [66 per cent] who had provided feedback to the firm on issues affecting members. As noted in Section 9.5.2, higher proportions of actively inclined members than those referring to be inactive participated in corporate governance tasks.

Members who undertook corporate governance tasks did so out of a sense of duty and obligation to the firm.

"I feel it's important to actually do it and be involved. It's something I benefit from indirectly. If you are asked to be involved, you should participate."

"I voted at the AGM, which is my duty as a member."

"Because you need the best people possible on the board and I felt that I needed to contribute."

In contrast, typical reasons for not participating are a lack of interest or a lack of knowledge.

³ Sixty-six per cent of those who know they are members prefer not to be involved AND only 44 per cent of all members recognise that members have rights and duties.

“Apathy. I have no intention of doing this. It’s not my place, and I’m not that bothered.”

“I didn’t feel knowledgeable enough to do this.”

Committee members and delegates in particular say that they feel a high degree of obligation and are more likely to act.

“As a delegate I am required to attend and vote at the AGM.”

“As a lodge committee member I am responsible for doing this.”

This suggests that arrangements to channel membership participation through delegates succeed, in so far as they encourage members who want to be involved to participate.

Consistent with previously identified preferences, members of non-affinity firms are more likely to recall opportunities to participate and as a result to report having done so. For example, [83 per cent] of non affinity-based firms’ members have approved annual reports and accounts when asked to do so compared with [45 per cent] of affinity-based firms’ members.

10.3 Do mutual life firms help members play their preferred role?

Member opinion is divided as to whether firms have done things to help them play their preferred role⁴:

- 47 per cent say that their firm has helped them play their preferred role
- 42 per cent say that they have not
- 11 per cent say that they do not know.

This is consistent with the fact that the majority of those aware of membership (75 per cent) are very or fairly satisfied with the arrangements that their firm has in place to help them play their preferred role.

Nine in ten [90 per cent] of those members who prefer to be very active and involved say that the firm has helped them play their preferred role. This would suggest that when members are motivated to be involved, they are satisfied with the support received from their mutual life firm. Interestingly, only one-quarter of those who prefer to be completely inactive say that their firm supports their preference.

The main way that firms help members play their preferred role is through information. Almost two-fifths of members state that this is how their firm has helped them play their preferred role, which in the majority of cases is to be inactive. When asked how their mutual has helped them play their preferred role, members responded by saying:

“They leave me alone but give me the information I want and I can get more information if I wish.”

⁴ All those who are aware that they are members (75).

“They are very open and honest with what they send out and you can read it easily.”

“They keep me as informed as I like to be, and I can be as active as I wish.”

“Have little involvement - which is just how I like it.”

10.4 Information provided to members

When prompted, members typically recall **receiving** information on a variety of matters. More than half recalled receiving six different kinds of information that relate to corporate governance, as shown in Table 9, and very nearly half, 49 per cent, also recalled having been informed about the pros and cons of issues on which members can vote.

Members of small and medium firms are more likely to recall receiving information on seven of the ten topics about which they were asked. This variation by size of firm suggests that the members of small and medium firms may be more attentive to what they receive; it seems doubtful that smaller firms as a group are generating a great deal of information for members that the larger firms fail to provide.

Large firms appear to be doing better than small ones by a clear margin in providing industry-wide comparisons on the performance of their policies.

Table 9 Information members recall receiving, by size of firm

All members: column percentages			
	TOTAL	LARGE	MEDIUM/ SMALL
Annual report and accounts	75	66	84
Summary financial information	69	60	68
Your rights as a member	65	60	70
Decisions reached at AGMs	61	50	72
Industry-wide comparisons on the performance of your policy	38	46	30
Board members and their salaries	35	36	34
What will happen if you do not vote when balloted	24	22	26
Future strategy	54	52	56
Dates and agendas for upcoming AGMs	69	62	76
Pros and cons of issues which members can vote on	49	46	52
Other	33	34	32

Base: All members; medium and small firms (50 members) are combined to provide a stable comparison with large firms (50 members): Total base is 100 members. Multiple responses were allowed so percents total more than 100.

A large proportion of all members, 88 per cent, recalled receiving some form of information from their mutual firm. This contrasts with 57 per cent who recalled being asked to participate in at least one specific corporate governance task such as approving changes to the board or the annual report and accounts. There is also a contrast to be drawn between these figures and those who said they had participated in at least one such task: that stood at just 30 per cent of members.

Members reported that all types of information provided by their mutual life firms were sent by post. None mentioned electronic delivery, or said they would prefer it.

10.5 Members satisfied with current information provision

In line with the generally positive view most members have of their mutual life assurance firms, members are satisfied with current information provision.

- Three-quarters of members are satisfied with the timeliness, amount and quality of information provided by mutual life firms (74 percent)
- Almost half of all members do not want to receive more information from mutual life firms (46 percent)

Table 10 shows the top areas of demand for more information. Demand for more information about individual topics ranges from a low of ten per cent to a high of 36 per cent. There is slightly higher demand among members for more information

about relative policy performance, but about a quarter of members want more information that could help them to play a more informed role in the governance of their firms. Furthermore, there is more demand for future-oriented, qualitative information than for historical information whose provision is compliance-driven, e.g., annual report and accounts.

Table 10 Topics members would like to receive more information on

All members: column percentages	
Industry-wide comparisons of the performance of your policy	36
What will happen if you do not vote when members are balloted	25
The pros and cons of issues on which members are able to vote	24
Future strategy	23

Base: All members; 100

Comparisons have been made between topic areas on which members are currently receiving information and areas where they would like to receive more, as shown in Table 11. Demand for more information appears to be inversely related to current provision, although the relationship is not perfect.

There are some areas where members show less interest than would perhaps be expected: board members and their salaries, for example. Compared to other topics, this registers one of the lowest proportions of members saying they currently receive information (35 percent). In addition, the proportion is low of members who would like to receive more information on this topic (21 percent).

Table 11 Specific topics on which members would like to receive more information

All members: row percentages		
	Would like to receive more information	Currently receive information on
Industry-wide comparisons of the performance of your policy	36	38
What will happen if you do not vote when members are balloted	25	24
The pros and cons of issues on which members are able to vote	24	49
Your rights as a member	23	65
Future strategy	23	54
Board members and their salaries	21	35
Decisions reached at AGMs	18	61
Annual report and accounts	16	75
Summary financial information	11	64
Dates and agendas for up-coming AGMs	10	69

Base: All members; 100

There are considerable differences in demand for information that appear to depend on members' level of engagement with their firms.

The most demanding sub-group of members in terms of information consists of those who do not think their firm is accountable to them; they total 27 per cent of all members.⁵

- Of these members, seven in ten want to receive more information on at least one of the ten subject areas about which they were asked, compared to only 47 per cent of members who think their firms are accountable to them.
- This group also has the lowest mean score for satisfaction with the information mutual firms currently provide.

Demand for more information is also high among members who want to play a very or fairly active role in the running of their firms. Although this group includes just one third of members overall, six in ten of this group want to receive more information on at least one of the ten topic areas tested.

The majority of all members who want to receive additional information would like it sent directly by post from the mutual life firm. Over a third (39 percent), however, say they would be prepared to take the initiative and request information from their firm.

⁵ It is important to note the small base size here and in considering findings about this group presented in Section 11.

11 ACCOUNTABILITY

11.1 Members believe mutual firms are accountable to them

When asked if their mutual firm “makes you feel that it is accountable to you,” two-thirds of all who were interviewed agreed (68 per cent), but a minority of 27 per cent disagreed.

Another statement was put to those who recognised that they were, in fact, members of their firms: does your mutual firm “make you feel that it is accountable to its members as a whole?” Agreement with the second statement stood at a similar level: 71 percent. It appears that seven in ten ascribe accountability to mutual life firms in their relationships with members as a whole **and** with members individually.

When members of small firms are compared to members of large firms, a clear contrast in perceived accountability emerges although the base size for members of small firms was below 50.

- The proportion of members of small firms who believe their mutual firm is accountable to them is [86 per cent]
- The proportion of members of small firms who believe their mutual firm is accountable to members as a whole is [100 per cent]
- Interestingly there are no apparent differences in perceived accountability between members of affinity-based firms and members of non affinity-based firms, despite the fact that affinity based firms tend to be smaller.

11.2 Providing information to members supports perceived accountability

These interviews suggest that it is the provision of information by mutual firms that engenders belief in their accountability among members. Both the tone and content of information as well as it’s volume, can appear to demonstrate accountability to members.

If members said that their firm made them feel as though it was accountable to its members as a whole, then they where asked for a spontaneous response to the question “What is it that your mutual life firm does which makes you think this?” One-third of members (34 percent) linked the provision of information to accountability. No other factor received such a high number of mentions.

“The way they send out information to me - it makes me feel valued as a member.”

“They give out a lot of information on values of the society and how they make money for their policyholders. They are very open to members and members can approach the society for any information relating to their policies or how they are run.”

“I think it’s the personal tone of their letters. When I have a question, I can speak to a person who understands and seems to know who I am.”

“They provide me with the annual report and all the other information I require”

“It’s just the quality of service provided by the society. If I was a regular consumer, they would not take such a keen interest in keeping me informed”

One-quarter of members also linked accountability to the general responsiveness of their mutual life firm. Good customer service and responsiveness help convey to members that they are important and that their mutual firm takes account of what they want.

“I know in the past when I have needed to contact them, I speak to people and not answer phones. We can ask question regarding our policy and get a straight answer and we never have to wait in a queue.”

“The fact they have been looking after my money and have given value for money on insurance. And any claims are settled straight away.”

“They provide a friendly service.”

Other ways in which mutual life firms were said to demonstrate accountability to members include:

- Openness of behaviour

“The openness with which they operate shows they have nothing to hide and gives me confidence in my investment.”

“Mainly their openness and the fact that they send all the information.”

- Strong financial performance

“The way it tries to even out the amount of returns that each member gets from their policies. They try to round out the payments so that everyone gets a fair deal.”

- Mutuality implies primacy of members’ interests

“It is run by people who have the best interests of our profession and our community.”

“It’s working for the interests of our profession primarily, so, as members, the society must always listen to us.”

11.3 Most members do not aspire to be more influential

The majority of members (84 percent) do not want more say in the way their firms operate. Members of non affinity-based firms [29 percent] and members of large firms (20 percent) are somewhat more likely than average to indicate that they would like more say in how their mutual life firms operate.

There are some specific areas on which meaningful proportions of members might want more say, but the figures in Table 12 represent latent or potential demand for influence and only emerged with prompting. Almost a third of members (30 per cent) said they did not want more influence on any of these specific areas, once they had been spelled out.

Table 12 Areas where members would like to have more influence

All members: column percentages	
Important decisions about the future of the mutual	50
The level of customer service that mutual provides	50
Directors' salaries	42
Who sits on the board or committee of management of mutual	39
The future strategy of mutual	33
How mutual is run	31

Base: All members; 100 (multiple response possible)

11.4 Few think firms have failed to consult members appropriately

Most members (73 per cent) do not think that their mutual firm has taken important decisions without properly consulting them first. Only 15 percent feel that this has happened during the course of their membership and the majority of these members were content not to take any action to redress the situation

Table 13 Have firms taken important decisions without properly consulting members first

All aware of membership: column percentages	
Yes	15
No	73
Don't know	12

Base: All aware of membership; 75

12 MEMBER ATTITUDES

Table 14 shows the percentages of members who agree and disagree with eight attitude statements. The two statements that most members endorse reflect themes previously discussed in this report:

- Members' understanding of mutuality
- The priority given to policy performance.

Consistent with Section 11 on Accountability, members feel that they can influence their mutual firms as individuals and through member's action groups, but most do not want to get involved very actively, even in influencing the strategy of their mutual life firm.

Members say they make an effort to keep informed and up to date on issues facing their mutual firms, although most say they require no more information from mutual firms to do this. Only 37 per cent agree that mutual firms should disclose more information about how they are run, while 54 per cent disagree. This seems consistent with the finding, discussed in Section 10.5, that most members are satisfied with the timeliness, amount and quality of information provided by their firms.

When asked if they thought "it is harder to replace poor management in life mutual firms than it is in firms that are owned by shareholders," equal thirds agreed, disagreed and said they did not know – the distribution that would occur if everyone had chosen their answer at random.

Table 14 Attitudinal statements

	All members: column percentages		
	Agree	Disagree	Don't Know
Mutual life firms look after members' interests better than those with shareholders	75	9	16
The performance of my policy is more important than how the firm governs itself	74	17	7
I do not want to get involved in influencing the strategy of my firm	63	32	4
Individual members can have an influence on the running of mutual firm	63	33	4
I make an effort to keep up to date with issues facing my mutual firm	59	40	1
Members' action groups have influence on the way my mutual firm is run	55	23	22
Mutual firms should disclose more about how they are run	37	54	8
It is harder to replace poor management in life mutual firms than it is in firms that are owned by shareholders	34	31	35

Base: All members; 100

13 APPENDICES

13.1 RS letter to mutuals

Dear Sir or Madam:

Myners Review: Survey of Mutual Life Offices' Members.

I would like to thank you for agreeing to participate in this important study of policyholders' views of their role as members of a mutual and how they interact with their mutual life office. This is an important aspect of the Myners review of the Governance of Life Mutuals.

This letter comes with information packs for you to send to each of the members you have selected for this study. Each member's envelope contains:

- A letter from HM Treasury explaining the purpose of the study and outlining what the results will be used for
- A letter from RS Consulting detailing what happens next and the opt out procedures
- An opt out card with a post-paid addressed envelope and details of the free-phone number

What you should do now:

- We hope that you will insert into each envelope a brief note indicating that your firm has agreed to participate in the study and has given HM Treasury permission to contact some members, who are free to take part, or not
- Address and post the information packs

A member of the RS Consulting team will call in the next day or so to confirm receipt of these packs and the date they will be sent out to members. In the meantime if you have any questions regarding this process please contact Philippa Barnett, Project Manager, RS Consulting (0207 627 7766).

We would also like to take this opportunity to assure you that the members' details you have provided to us will be used for the purposes of this research project only and will be destroyed following completion of the survey.

Yours



Philippa Barnett
PROJECT MANAGER

13.2 HM Treasury letter to members

1 Horse Guards Road London SW1A 2HQ

Paul Myners
Review of Governance of Life Mutuals
Tel: 020 7270 4485

myners.review@hm-treasury.gov.uk
www.hm-treasury.gov.uk

September 2004

Dear Sir or Madam:

Myners Review of the Governance of Mutual Life Assurance Firms

HM Treasury has asked me to carry out an independent review the governance of mutual life assurance firms. These firms provide products such as endowment policies, personal pensions and life assurance. The task I have been given is, where appropriate, to bring forward recommendations to ensure the boards of mutual life offices are as accountable to their members as boards of comparable companies are to their shareholders.

In these mutual organisations many customers are also members and as such tend to have certain rights and powers (for example to receive information about the firm or to vote at its Annual General Meeting). As part of the review it will be important to understand how members view their relationship with the firm.

Survey of Members

We have commissioned RS Consulting, an independent market research firm, to undertake a survey of members of mutual life firms. The results of this survey will be factored into the recommendations that emerge from the Review in a report that will be published in December 2004.

Your mutual firm has provided us with a random selection of its members and your name was included on this list. We hope that you will want to take this opportunity to share your views with us.

What You Can Do

Please take a moment to read the enclosed letter from RS Consulting which explains how the survey will be conducted and what to do should you decide you would prefer not to take part.

We would also like to assure you that in summarising the results of this study, neither you nor your mutual life firm will be identified. Neither will your details be used for any other purpose. They will be destroyed by RS Consulting once the study is complete.

I hope you will feel that it is worth spending a little time to contribute to this important Review, which would be incomplete without the views of members.

Yours

Paul Myners

STUDY QUESTIONNAIRE

ID Number: _____
Name Of Mutual: _____

Introduction

Good morning/afternoon. My name is _____ and I am calling from RS Consulting. You should have received a letter from us explaining that we are currently conducting a survey on behalf of the government who are interested to know the views and experiences of members of life assurance firms like *[insert name of mutual]*.

Would this be an acceptable time for you to spend 15 to 20 minutes discussing some of your views and experiences with me on the phone?

If not: Could you tell me when would be a convenient time for me to call you back?

For every 10 people who take part, we will make a charity donation of £50 on their behalf.

I can assure you that no attempt will be made to sell you anything as a result of this exercise and that this research is being conducted under the strict terms of the Market Research Association Code of Conduct. This means that our conversation will concern your views and experiences only. Your responses will only be shared with Her Majesty's Treasury in aggregate form together with the other responses we receive. Your name will not be included in our report to the Treasury. Your honest opinions are greatly appreciated.

For those holding policies with union affiliated mutuals:

Please note that our discussion will focus on your relationship with *[insert name of mutual]* only. Please try and answer my questions considering the financial services element only and not any other contact you may have with them.

Experience with Mutual

1a. Do you hold a policy with *[insert name of mutual]* on an individual basis, as part of a company or group scheme, or are you a trustee/representative of a company or group scheme?

Individual	1
Company or group	2
Trustee or representative for company or group	3
Not sure/DK	98
Refused/NA	99

If code 3 at 1a

1b. Can you describe your position and authority in respect of the policy?

Not sure/DK	98
Prefer Not to say/Refused	99

From now, if code 3 at Q1a replace "you" with "the corporate body or group" throughout the questionnaire

Awareness of Mutuals

- 2a. When an insurance firm like *[insert name of mutual]* is described as a 'mutual,' what does that mean to you?

Probe: What do you associate with the word 'mutual'?

Nothing in particular/can't be specific/DK 98
Prefer not to say/Refused/NA 99

If code 98 or 99 skip to Q3

- 2c. Thinking back to when you purchased your *[insert name of mutual]* policy, was the fact that it was a mutual life insurance firm a factor in your decision?

Yes 1
No 2
Not sure/DK 98
Don't want to say/Refuse/NA 99

If code 2, 98 or 99 skip to Q3

- 2d. What difference did you think that this (its being a mutual) would make to you?

Nothing in particular/can't be specific/DK 98
Prefer not to say/Refused/NA 99

If code 98 or 99 skip to Q3

- 2e. Has this proved to be true?

Yes 1
No 2
Not sure/DK 98
Prefer not to say/NA 99

If code 2, 98 or 99 skip to Q3

- 2f. In what way?

Nothing in particular/can't be specific/DK 98
Prefer not to say/Refused/NA 99

Awareness of membership role

Ask All not coding 3 at Q1a

3a. Do you know if you are a **member** of *[insert name of mutual]*? **Do not probe:** If respondent is unsure how to answer, repeat question.

Yes I am	1
No I'm not	2
DK/Not sure	98
Prefer not to say/Refused/NA	99

3b. As far as you can tell, do any rights or duties come with being a member of *[insert name of mutual]*?

Yes	1
No	2
Not sure/DK	98
Prefer not to say/Refused/NA	99

If code 2, 98 or 99 skip to Q4

3c. What do you consider to be the rights and duties of being a member of *[insert name of mutual]*?

Do Not Read Out (Multicode)

Nominate directors	1
Elect directors	2
Stand for nomination	3
Receive information about <i>[insert name of mutual]</i> strategy	4
Receive information about <i>[insert name of mutual]</i> performance	5
Vote on changes to strategy	6
Vote on salaries of directors	7
Influence the AGM agenda	8
Attend AGM	9
Put a proposal or resolution to the board	10
Anything else (please specify): _____	11
Not sure/DK	98
Prefer not to say/Refused/NA	99

Only ask if code 1 at 3a

4. As a member how active and involved do you want to be with [insert name of mutual] and how it is run? Do you prefer to be: **(read out four alternatives)**

Very active and involved	1
Fairly active and involved	2
Fairly inactive and uninvolved	3
Completely inactive and uninvolved	4
Other (specify) _____	5
Don't know	98
N/A / refused	99

Experience of being a member

5a. Have you ever been asked by [insert name of mutual] to do any of the following?

Approve any changes to the board, including new directors	1
Approve [insert name of mutual] annual report and accounts	2
Approve [insert name of mutual] director's salaries	3
Approve changes to the Society's Rules [for friendly society's] Articles of Association [for others] or governing constitution	4
Provide feedback to the [insert name of mutual] on issues affecting members	5
Probe: Anything else? (Specify) _____	6
None	98
DK	98

If None or DK selected go to Q6

5b. **For each selected:**

And have you ever done this?

Yes	1
No	2
DK/Can't remember	3
Prefer not to say/refuse/NA	4

For each coded yes at Q5b

5c. Why did you do this?

No specific reason/DK	98
Prefer not to say/refuse/NA	99

For each coded no at Q5b

5d. Why didn't you do this?

No specific reason/DK	98
Prefer not to say/refuse/NA	99

If code 3 at 1a ask 5e otherwise skip to 5f

5e. To what extent are you obliged to consult with a wider group such as company executives, shareholders; trustee board etc. before you reply to the mutual or vote on any matters?

Not sure/DK	98
Prefer not to say/refuse/NA	99

Only ask if code 1 at Q3a or if code 3 at 1a

If code 3 at 1a replace 'member' with 'trustee'

5f. Overall, as a member of do you feel you have been..... **(read out)**

Very active and involved	1
Fairly active and involved	2
Fairly inactive and uninvolved	3
Completely inactive and uninvolved	4
Other (specify) _____	5
Not sure/Don't know	98
N/A / refused	99

Only ask if code 1 at Q3a or if code 3 at 1a

If code 3 at 1a replace 'member' with 'trustee'

6a. Has *[insert name of mutual]* done things that have helped you play your preferred role as a member?

Yes	1
No	2
Not sure/DK	98
Prefer not to say/refuse/NA	99

If no or DK selected skip to Q7

6b. Could you tell me how *[insert name of mutual]* has helped you play the role you prefer to play as a member? **PROBE:** What did that involve them in doing? What did that involve you in doing?

Nothing in particular/can't be specific/DK	98
Prefer not to say/Refused/NA	99

Information

7a. Does *[insert name of mutual]* provide to you or otherwise make available information on?

See code list

- Yes 1
- No 2
- Don't know 3
- Refuse/No answer 4

If code 1 ask 7b, otherwise skip to 7c

Repeat 7a – 7c for each item on code list, rotate start point

7b. And is this information send directly to you in the post or made available in some other way?

Read out: *Others could include; the firms website, via telephone, information provided at meetings, information you specifically request etc.*

- Sent in the post 1
- Made available in some other way 2
- Don't know 3
- Refuse/No answer 4

7c. Would you like to receive/have available more information from *[insert name of mutual]* on...?

Interviewer note: *If they do not currently receive information on this leave out the word 'more' from the above*

See code list

- Yes 1
- No 2
- Don't know 3
- Refuse/No answer 4

Code list for 7a & 7c
i. Industry wide comparisons of the performance of your policy
ii. The future strategy of <i>[insert name of mutual]</i>
iii. Board members and their salaries
iv. Dates and agendas for up-coming Annual General Meetings
v. The 'pros' and 'cons' of issues on which members are able to vote
vi. What will happen if you do not vote when members are balloted
vii. Decisions reached at Annual General

Meetings
viii. Your rights as a member
ix. Annual report and accounts
x. Summary financial information
xi. Probe: Anything else (specify)

If they code yes to any at 7c:

- 7d. Thinking of all the information you have said you would like to receive/receive more of; how would you like this information to be made available? **(Multicode Read out)**
- | | |
|---|----|
| Sent directly to you from <i>[insert name of mutual]</i> | 1 |
| Made available by your mutual life office (either on request or on their website) | 2 |
| From articles and commentary in the media | 3 |
| From an insurance broker or financial advisor | 4 |
| Other (specify): _____ | 5 |
| Neutral/it doesn't matter | 6 |
| Not sure/DK | 98 |
| Prefer not to say/refuse/NA | 99 |
- 7e. How satisfied are you with the timeliness, amount and quality of information *[insert name of mutual]* makes available?
- | | |
|------------------------------------|---|
| Very satisfied | 1 |
| Fairly satisfied | 2 |
| Neither satisfied nor dissatisfied | 3 |
| Fairly dissatisfied | 4 |
| Very dissatisfied | 5 |

Accountability of Mutuals

If code 3 at Q1a read out: Please remember that you are answering all questions on behalf of your corporate body or group

Ask All

10a. Does *[insert name of mutual]* make you feel that it is accountable to you?

Yes	1
No	2
DK	98
NA	99

If code 1 at Q3a

10b. Does *[insert name of mutual]* make you feel that it is accountable to its members as a whole?

Yes	1
No	2
DK	98
NA	99

If code 2, 98 or 99 at 10a or 10b Skip to Q11

10c. What is it that *[insert name of mutual]* does which makes you think this?

Nothing in particular/can't be specific/DK	98
Prefer not to say/Refused/NA	99

If code 2, 3 or 4 at 3a Skip to Q12

11. How satisfied are you with the arrangements *[insert name of mutual]* has in place to help you play the role you prefer to play as a member?

Very satisfied	1
Fairly satisfied	2
Neither	3
Fairly dissatisfied	4
Very dissatisfied	5

12. Would you like to have more say in the way that *[insert name of mutual]* operates

Yes	1
No	2
DK	98
NA	99

13. Would you like to be able to influence... **(read out, rotate list)**

Who sits on the board/committee of management of <i>[insert name of mutual]</i>	1
Director's salaries	2
The future strategy of <i>[insert name of mutual]</i>	3
Important decisions about the future of <i>[insert name of mutual]</i>	4
How <i>[insert name of mutual]</i> is run	5
The level of customer service that <i>[insert name of mutual]</i> provides	6
Probe: Anything else: _____	7

If code 2, 3 or 4 at 3a Skip to Q15

14a. And while you have been a member, do you think that *[insert name of mutual]* has taken important decisions without properly consulting or balloting you first?

Yes	1
No	2
DK	98
NA	99

If code 2, 98 or 99 skip to Q15

14b. Did you take any action to resolve this?

Yes	1
No	2
DK	98
NA	99

If code 1 at 14b ask 14c and 14d, if code 2 ask 14e, If code 98 or 99 skip to Q15

14c. What did you do?

Can't be specific/DK	98
Prefer not to say/Refused/NA	99

If code 98 or 99 at 14c skip to Q15

14d. Were you satisfied with the result?

Yes	1
No	2
DK	98
NA	99

If code 2 at 14b

14e. Why Not? _____	
Can't be specific/DK	98
Prefer not to say/Refused/NA	99

Attitudes towards mutuals

Rotate order of sections (mutual firms, individuals, members)

15. On balance do you tend to agree or disagree that.....?

Mutual Firms

a. *[insert name of mutual]* can be trusted to look after members' interests better than life firms that are owned by shareholders.

Agree	1	Disagree	2	DK	98
-------	---	----------	---	----	----

b. Based on my experience I think *[insert name of mutual]* should be required to disclose more about how they are run than they do at the moment.

Agree	1	Disagree	2	DK	98
-------	---	----------	---	----	----

Individuals

c. The performance of my policy is far more important to me than how *[insert name of mutual]* governs itself

Agree	1	Disagree	2	DK	98
-------	---	----------	---	----	----

d. I do not want to get involved in trying to influence the strategy of *[insert name of mutual]* or how it is run

Agree	1	Disagree	2	DK	98
-------	---	----------	---	----	----

e. I make an effort to keep up to date with issues facing *[insert name of mutual]*

Agree	1	Disagree	2	DK	98
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Members

f. Individual members have a direct influence on the way that *[insert name of mutual]* is run

Agree	1	Disagree	2	DK	98
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g. Member's action groups have a direct influence on the way that *[insert name of mutual]* is run

Agree	1	Disagree	2	DK	98
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h. It is harder to replace poor management in mutual life insurance firms like *[insert name of mutual]* than it is in life firms that are owned by shareholders

Agree	1	Disagree	2	DK	98
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Classification

Before we finish I just have a couple of questions about you....

16. How many different policies do you hold with *[insert name of mutual]*?

DK	98
Refused	99

17. When did you take out your first policy with *[insert name of mutual]*? Was this...

Before 1950	1
During the 1950s	2
During the 1960s	3
During the 1970s	4
During the 1980s	5
During the 1980s	6
Since 2000	7
DK	98
Refused	99

18. Would you mind telling me which of the following age brackets you belong to; just say STOP when I read out the one you belong to?

18-24	1
25-29	2
30-34	3
35-39	4
40-44	5
45-49	6
50-54	7
55-59	8
60-64	9
65+	10
Don't Know	98
Refused	99

19. Do you, yourself, own any shares in companies that are traded on a stock exchange?

Yes	1
No	2
DK	98
Refused	99

20. And could you please tell me in which of the following bands your total annual household income falls, *before* taxes and deductions from pay?

READ OUT, SINGLE CODE

Less than £10,000	1
£10,000–£19,999	2
£20,000–£29,999	3
£30,000–£39,999	4
£40,000–£59,999	5
Over £60,000	6
Don't know	98
Refused	99

21. Finally, as I have mentioned we will be making a small charity donation for those who take part in our study.

Which charity would you like us to make a donation to on your behalf?

Age Concern	1
Alzheimer's Research Trust	2
Amnesty International	3
Cancer Research UK	4
Great Ormond Street Hospital	5
Oxfam	6
Royal National Institute of the Blind (RNIB)	7
Royal Society for the Protection of Birds (RSPB)	8
The National Trust	9
Worldwide Fund for Nature (WWF)	10

22. Interviewer code gender

Male	1
Female	2

23. Thank you very much for your time today, we have covered all of my questions. Would it be possible for us to contact you again in the future?

Yes	1
No	2