Press release

Sympany to adapt its structures

Sympany is to adapt its own structures in order to become more efficient. The company's historical structures will be simplified. Sympany is taking these steps in order to preserve its capacity to act, especially with regard to future trends in healthcare costs. The consolidation measures will affect both material and personnel costs.

Basel, 22 June 2010 – Sympany has grown in recent years, and takeovers have been one of the drivers of this growth. The company is now going through a phase of consolidation. "Growth has made our company more complex. Sympany is therefore optimising its own structure, processes and costs in order to become more efficient. The aim is to reduce ongoing costs by at least CHF 15 million," explains CEO Beat Ochsner.

One way of optimising its structure is to reduce the number of legal entities and brands. The name Xundheit will therefore no longer be used as a separate brand from 2011. Xundheit's policyholders will become customers of Vivao Sympany from January 2011. In addition, the existing companies Vivao Sympany AG and Vivao Sympany Schweiz AG will be merged for historical reasons.

"Integrating the various entities will reduce Sympany's complexity, which in turn will strengthen the Sympany brand. These measures will make Sympany more agile, which will benefit its customers," said Ralph Lewin, Chairman of the Foundation Board.

The planned takeover of Carena will not go ahead. This is because, contrary to expectations, agreement could not be reached during the final in-depth assessment of operational matters.

Consolidation through a reduction in the size of the Executive Board
Another of the measures being taken is a reduction in the size of the Executive Board from seven to four members. Dr Beat Ochsner will continue as CEO, and Christian Meindl as Head of Finance. Suzanne Blaser will also continue to head the Human Resources/Corporate Functions division, and Reto Toscan will head the newly put together Market division.

Consolidation through a reduction in the cost structure
Sympany anticipates that healthcare costs will continue to rise. The necessary measures, some of which were stipulated by government policy, have not yet had sufficient impact to curb the growth in costs. Sympany is contributing to this as far as it can and is optimising its own cost structure. However, Sympany expects that the other players in the healthcare sector – such as the service providers, where the premium-driving costs are primarily incurred – will do the same.

The process of optimising Sympany's cost structure will impact material and personnel costs. Sympany expects that around 50 jobs will have to be cut. This reduction in the workforce will occur as far as possible through natural attrition, but redundancies cannot be ruled out. Sympany is making a range of support measures available in order to soften the consequences for those affected.

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About the Sympany Group
Sympany is the "refreshingly different" insurance group that provides made-to-measure protection and assistance, with no red tape. Sympany offers health and accident insurance for individuals and companies, and in May 2009 added property and liability insurance to its product range.

Sympany caters for different customer groups in the market with the sub-brands Vivao Sympany, Moove Sympany and Trust Sympany. Since 1 July 2009 Lucerne-based health insurer Xundheit has also been part of the Sympany Group.

The Sympany Group grew out of the ÖKK Basel and other health insurance companies. Sympany has its head office in Basel. Total premium volume in 2009 was CHF 894 million. Employing around 650 people, the company caters to the needs of more than 230,000 private customers, of which around 208,000 have basic insurance cover. Sympany has some 10,000 companies in its corporate customer portfolio.