

# Opinion of the Employee Representatives of the European Works Council (EWC) of RSA

## **BACKGROUND:**

On the 18th November 2020 RSA Group officially announced to employee representatives that it had recommended a £7.2bn offer by Canadian insurer Intact Financial Corporation and the Scandinavian insurer Tryg.

Under the terms of the deal, Tryg will pay £4.2bn and take over RSA's Swedish and Norwegian businesses, and Intact will pay £3bn to buy RSA's Canadian, UK and Ireland and international operations. The two companies will co-own RSA's Danish business (Joint Venture – JV).

As provided for under the terms of the RSA EWC agreement, the RSA EWC secretariat called for an extraordinary meeting of the EWC, in order for information and consultation with the EWC to take place. The Secretariat formally appointed Syndex UK & Ireland as its Financial Expert in order to undertake an in-depth assessment of the proposed takeover.

Syndex sent an initial request for information to RSA Management. The Management has provided Syndex with the requested information, apart from information relating to the detailed intention of the new owners.

The level of public information and the information provided by Management allowed Syndex to formulate an assessment that has highlighted a number of concerns as outlined below.

Syndex submitted its assessment of the takeover on 11th January 2021.

## **EMPLOYEE REPRESENTATIVES OPINION:**

While a limited amount of information was obtained by Syndex, mainly in the public domain, there is still significant uncertainty as to the impact on the RSA workforce in the short, medium and long term.

In particular, the EWC seek urgent clarification on the following points:

- Information on the possible 200 jobs losses in the UK and the 435 jobs losses in Sweden and Norway and the opportunity to mitigate these losses;
- Information on the future of the JV in Denmark, as Intact has explicitly advised that the Danish market is not in line with their long- term strategy;
- Information on the timeline of the proposed strategy for the Danish operation and a commitment for consultation to take place with the EWC at every stage;

- Information on the final version of the transitional agreement, the impact on the business and in particular the workforce;
- Information on the main provision of the final version of the services agreement of the Joint venture and the impact on the workforce;
- Confirmation that the RSA EWC will be adapted to ensure current information and consultation rights are continued and maintained in the future organisations and JV. In addition to the appropriate information and consultation process at the local level.

The RSA Group has been up for sale for some time, which has created a significant level of uncertainty for the employees. While the prospective buyers of the proposed take over are a strategic fit for RSA, which is welcomed, there is still uncertainty on the impact the takeover will have on existing RSA employees, in particularly employees in the UK, Sweden, Norway, Denmark but also all the other European countries consolidated by RSA Luxembourg (RSAL).

While the RSA EWC tentatively gives a positive opinion of the takeover, it is still unclear what the short, medium, and long-term impact could be on the workforce. The RSA EWC therefore requests:

1. RSA Management commit to an open and transparent dialogue during the transition period;
2. A commitment that the EWC will be informed and consulted on an on-going basis and will have the right to be supported by their external experts during the transition into the new organisations and JV;
3. RSA management commit to arranging a meeting with the new owners as soon as practicable, in order that meaningful engagement can take place.

Julie Yeoman, EWC Chair

On behalf of the RSA EWC – Issued 12 January 2021