

Co-op agrees to sell insurance underwriting business to Markerstudy and creates distribution agreement for home and motor policies

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- Co-op will receive £185m for its underwriting business and enter a 13 year distribution agreement that will support continued long-term returns
- Co-op will continue to sell insurance products and increase the range of products available to Co-op members

The Co-op is today announcing the sale of its underwriting business, CIS General Insurance Limited to Markerstudy, whilst also confirming a 13 year agreement with Markerstudy to distribute motor and home insurance products.

The Co-op will focus on providing a broader range of insurance products through its distribution business Co-op Insurance Services Limited and will develop innovative propositions with Markerstudy, whilst continuing to work with its existing partners.

Alongside its innovative product range and strong technology capability, a key part of the selection of Markerstudy as the Co-op's partner for home and motor insurance, was their desire to create an environment that facilitates expansion and growth as well as its commitment to retain a large number of colleague roles.

The transaction is expected to complete in Q2 2019, subject to PRA and FCA approval.

Pippa Wicks, Deputy CEO at Co-op said:

“From the outset we've been very clear that we intend to enhance our insurance offer for Co-op members and this agreement provides the means for us to do this in an effective way. Markerstudy have shown a clear willingness to partner with us, and to develop a compelling range of products which will increase our insurance footprint and extend our Co-op difference.

“The Co-op has a long and distinguished history in providing insurance for its members and I'm delighted that this will continue through our partnership with Markerstudy. We have always been mindful of our insurance colleagues and a key factor in our selection was the commitment given by Markerstudy to maintain and then look to expand the operation.”

Kevin Spencer, Group CEO of Markerstudy Group said:

“We are delighted to have been chosen by the Co-op. Our roots are firmly in the UK insurance industry, where we provide cover to more than 1.5 million customers, and offer value and choice, coupled with award-winning service. Our purchase of the Co-op’s insurance underwriting business and the arrangement to provide insurance products to its members is testimony to our robust business model and investment in our people and technology.

“This is an exciting partnership opportunity for us, where we hope to combine our experience and expertise into a shared vision of success, enabling us to assume a significant role in the longevity of this cherished household name.”

Fenchurch Advisory Partners acted as financial adviser to Co-op in this transaction, with Allen & Overy acting as principal legal advisers to Co-op. HFW acted as legal advisers for Markerstudy.

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Notes to Editors

About the Co-op

The Co-op is one of the world's largest consumer co-operatives with interests across food, funerals, insurance, legal services and an online electrical store. It has a clear purpose of championing a better way of doing business for you and your communities. Owned by millions of UK consumers, the Co-op operates 2,600 food stores, over 1,000 funeral homes and it provides products to over 5,100 other stores, including those run by independent co-operative societies and through its wholesale business, Nisa Retail Limited. It has more than 63,000 colleagues and an annual revenue of £9.5bn.

About Markerstudy Group

Markerstudy Group of Companies (MSG) is a privately-owned UK organisation headquartered in Kent and employing over 3,000 employees. Established in 2001, it has been recognised as a Best Company to Work For in the UK at The Sunday Times Best Companies Awards for five consecutive years and was a Top 5 company in 2017 in the Best Big Companies category.

In 2018 it developed the largest MGA in the UK, Markerstudy Insurance Services Limited (MISL), supporting over 1,000 broker partners and more than 1.5 million policyholders with a wide variety of insurance products.

The group's portfolio includes the Markerstudy Retail and Affinity division which operates BDML Connect Limited, one of the UK's largest affinity based insurance intermediaries for pet insurance. The Group also includes Auto Windscreens, VisionTrack, Vision Vehicle Solutions Limited, as well as Markerstudy Direct Limited, operating brands Geoffrey Insurance Services and Zenith Direct.