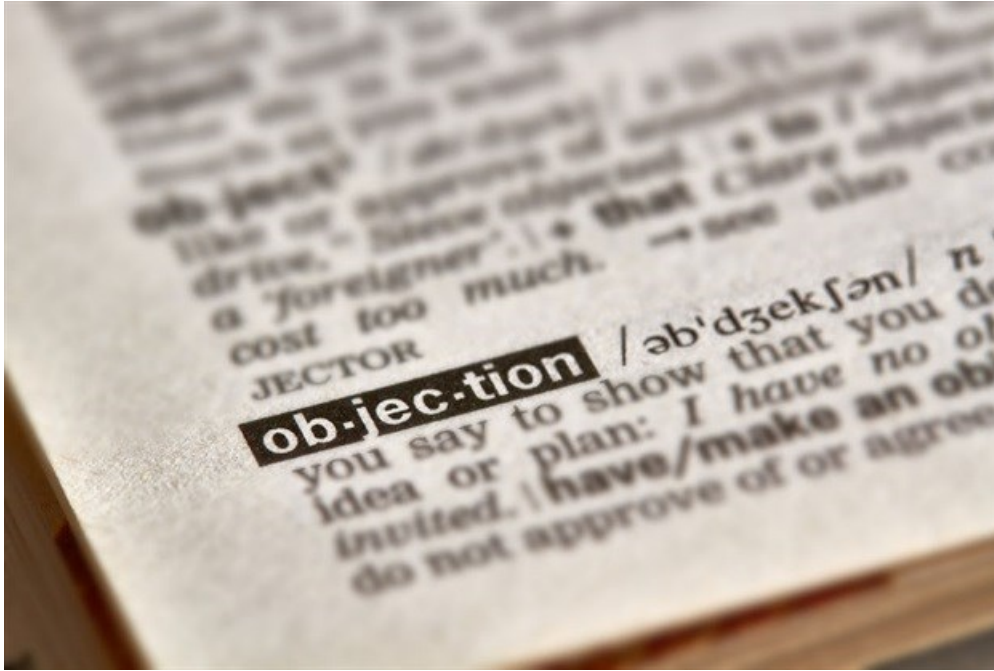


Hollard to object to rejection of takeover bid

By [Moyagabo Maake](#)

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Insurer Hollard plans to contest the Competition Commission's decision to make a recommendation against its R2.3bn acquisition bid for the Regent group from logistics company Imperial on the grounds that it will be adverse for competition and lead to "substantial" job losses.



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The recommendation of the Competition Commission did not constitute a final binding decision, Hollard spokesman Warwick Bloom said on Thursday, 27 October 2016. The tribunal would decide that after a hearing.

All the parties to the merger including Hollard, and the advisers to the deal maintain that a prohibition is not warranted. They will contest the commission's recommendation.

Imperial did not respond to requests for comment, but issued a stock exchange announcement reflecting a similar view as Bloom's comments on Monday.

The logistics group said it would update the market once the tribunal had made a ruling.

Short-term and life-insurance provider Hollard wants to buy Regent Insurance, which offers a wide range of products and life insurer Regent Life Assurance from Imperial's subsidiary Regent.

It also proposed buying motor warranty provider SA Warranties, body-repair insurer Paintech Maintenance, and Motor Compliance Solutions from Regent, which the Competition Commission believes clashed with Hollard's role in MotoVantage, a motor warranty joint venture with FirstRand.

Another company, Anvil Premium Finance, was to be bought from Imperial, but the commission flagged concern with the "market concentration" the transactions could cause.

It also said there could be a transfer of commercially sensitive non-public information.

Deputy competition commissioner Hardin Ratshisusu said the commission was concerned that the transactions would "substantially lessen competition" in short-term insurance for credit life and shortfall cover, leading to higher prices.

"The commission is also concerned that the complex structure of the transaction may lead to the exchange of competitively sensitive information between firms controlled by the merging parties and their competitors."

The commission said this would enable firms controlled by Hollard and FirstRand, such as Wesbank, to have access to each other's competitively sensitive information including information about external companies that compete with Wesbank for vehicle finance and noninsurance value-added products.

The merger would also lead to job losses, Ratshisusu said.

The merging parties had presented remedies for the public harm the merger would cause, which it found unworkable, the commission said.

Bloom said Hollard could not comment on which of the proposed remedies were rejected.

Source: BDpro

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