

Sale of LV= to Bain Capital off after mutual's members fail to back £530m deal

The proposed £530m sale of insurer LV= to US private equity firm Bain Capital is off after the mutual's members failed to vote through the deal.

Around 1.1 million policyholders voted following a general meeting at the company's head office in Bournemouth, with 69.4% approving the plans – short of the 75% required for it to pass.

This was despite bosses at the 178-year-old firm, formerly known as Liverpool Victoria, urging members to back the deal, with LV= chief executive Mark Hartigan telling *BusinessLive* last month it had been [the only one on the table that would protect about 1,000 jobs in the South West.](#)

About 700 people work in LV='s Bournemouth base, with about 275 in its Exeter office, with a similar number in Hitchin, Hertfordshire.

After the vote the company said LV= will “move swiftly” to reassess its strategic options and explore alternative ways to look to sell the business.

Bosses appeared to accept calls from members that it should remain a mutual and said it will “in particular explore whether mutuality can be retained either on a standalone basis without undue risk to members, or through a merger with a larger mutual organisation”.

Immediately after the meeting, rival mutual Royal London said it had offered to enter into immediate and exclusive discussions with LV to agree a mutual merger.

It said: "We envisage that the terms of the merger would offer LV= members the option to become members of Royal London. This proposal has been made on a different basis to the previous offer made in 2020."

LV= said it would "explore such a possibility".

Prior to the vote, the board took questions from members and reassured them that if the vote did not pass the company would remain viable.

However, after the vote, LV=chairman Alan Cook said he was "disappointed" and would be stepping down.

Mr Cook said: "We are deeply appreciative of the members who took the time to vote. Our priority has always been to put the interests of LV='s members first, and, in particular with-profits policyholders, who share in the group's risks.

"Although 69% of voting members supported the board's recommendation and voted in favour of the transaction with Bain Capital, the board is disappointed not to have achieved the outcome that we believed was in the best interests of LV= and its members.

He added: "I will continue to lead the process to find a way forward that will enable us to provide the right financial outcome for all our members whilst respecting their different wishes. However, I also confirm that as soon as a way forward is agreed that I intend to step down as chair."

Bain added that it would respect the vote., saying: "Whilst approximately 70% of LV='s members voted for our proposal, we respect this outcome is not enough for our transaction to proceed.

"It remains crucial that members are looked after and protected.

"We have always wanted LV= to flourish and become a leading

company in the sector, that offers more consumer choice and creates more jobs.”

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