
RSA Insurance Group plc
Suspension of Final 2019 Dividend Payment on Ordinary Shares

8 April 2020

The extraordinary challenges presented to us all by COVID-19 on top of the 'business as usual' support needed by customers in their daily insurance needs, put special focus on the insurance industry sustaining maximum confidence in its ability to serve society reliably through this crisis period and beyond. In reflecting on this and the heightened sensitivity of regulators and other stakeholders to short term use of capital, the Board of RSA Insurance Group plc (RSA) has agreed to suspend its final dividend relating to 2019.

The Board will therefore suspend its recommendation for the 15.6p per ordinary share full year 2019 dividend that would have been due for payment on 14 May 2020. Accordingly, Resolution 4 in relation to the declaration of this dividend will be withdrawn from the Annual General Meeting, which is scheduled to take place on 7 May 2020. The Board intends to recommence dividend payments as soon as it is prudent to do so, but it is too early to predict the quantum and timing of resumption which may therefore not be in time for the Company's normal interim dividend schedule.

In support of our customers, RSA pays some £5 billion in gross claims costs annually to policyholders around the world in addition to those specific claims costs that are arising in relation to COVID-19. While continuing this support as usual, the Company is actively participating in establishing various industry initiatives to support broader relief efforts.

The Company plans to publish its Q1 2020 Trading Update Statement on or about 7 May 2020. At this time, it is not possible to accurately predict the various impacts of the COVID-19 epidemic on RSA for the current financial year. We can say though, that the Group's Solvency II coverage ratio as at 31 March 2020 is estimated to have been within our target range and in excess of 150%, prior to the beneficial impact of the dividend decision outlined above.

Commenting, Martin Scicluna, Chairman, said:

"This is a difficult decision, not least in terms of the initial impact it will have on shareholders. The Company has a strong capital base, but we think it is right and prudent, for the many businesses and people that we support as well as wider stakeholders, to take these steps now, and ensure that RSA is well placed to continue doing what we can to help through this crisis. No company exists in a vacuum and at this time we judge it to be in the best long term interests of RSA to show forbearance on dividends and maximise our capability to support customers under the terms of their respective policies and play our part in industry initiatives to support relief efforts."

Notes to the editors:

All RSA senior management are aligned with shareholders in having material personal exposure to RSA share price and dividend streams. Additionally, while remuneration decisions will be made in the light of the Company's results and shareholder experience for all of 2020 at the appropriate time, RSA confirms that its Executive Directors and Executive Committee will not receive any cash bonuses for the current year at least until dividend payments are restarted for shareholders.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation EU 596/2016. The person responsible for arranging the release of this announcement on behalf of RSA Insurance Group plc is Charlotte Heiss, Group Chief Legal Officer and Company Secretary.

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