

Mayer Brown, Sidley Guide \$2.1B Hartford, Navigators Tie-Up

By **Matthew Guarnaccia**

Law360 (August 22, 2018, 12:30 PM EDT) -- The Hartford Financial Services Group Inc. on Wednesday said it will take over specialty underwriter The Navigators Group in a \$2.1 billion deal, with Mayer Brown LLP steering the Connecticut-based buyer and Sidley Austin LLP guiding the seller.

According to The Hartford, the all-cash deal will see the company pay \$70 per Navigators share, representing an 18.6 percent premium on the company's average stock price over the past 90 trading days.

The Hartford — a provider of property and casualty insurance, group benefits and mutual funds — said the deal for Navigators improves its capabilities through the addition of new U.S. and international insurance and global reinsurance services for the maritime, construction, energy, and life sciences industries, among others.

“This transaction combines two organizations with disciplined underwriting cultures and a shared commitment to innovation, financial performance, and attracting and retaining top talent,” The Hartford’s President Doug Elliot said in a statement Wednesday. “Together, we will leverage a more complete product and service offering through a best-in-class distribution network enabled by our combined underwriting, claim capabilities and risk engineering, and enhanced by The Hartford’s strong brand.”

The deal sees The Hartford take control of a company with 820 employees globally, 600 of which are based in the U.S. Headquartered in Stamford, Connecticut, Navigators has 22 U.S. and eight international locations.

The tie-up is expected to close in the first half of 2019, and is subject to regulatory and shareholder approval. Navigators said Wednesday that its founder and members of his family hold approximately 20 percent of the company's shares, and have agreed to vote in favor of the deal.

Navigators also noted that the agreement with The Hartford includes a 30 day go-shop provision that allows Navigators to seek out competing offers. If a superior offer is put forth that The Hartford does not match, the competing bidder would be required to pay a termination fee to The Hartford, Navigators said.

The Hartford said it has enough capital on hand to fund the entire purchase price of the deal, but noted that it is also considering alternative funding options.

The Hartford's deal for Navigators is its second big-money acquisition guided by Mayer Brown in the past 12 months. The company in October agreed to buy Aetna Inc.'s group life and disability unit for \$1.45 billion, in a deal that made the insurer the second-largest provider of group life and disability coverage in the U.S.

Navigators' share price rose sharply at the start of trading Wednesday, climbing nearly 9 percent to \$69.90 when the market opened. Meanwhile, shares in The Hartford decreased 3.1 percent to \$50.69 at the start of trading.

The Hartford is represented by a Mayer Brown team led by banking and finance partner Stephen G. Rooney and corporate and securities partner Andrew J. Noreuil, and including corporate and securities partners Lawrence Hamilton, Philip Niehoff and Colin Scagell, counsel Sam Webster and associates Ryan Ferris, Thomas Santora, Cecilia Kress, Stephanie Grajales, David Heales and Sanjiv Tata; employment and benefits partners Debra Hoffman and Christopher Fisher and associates Katherine Fox, Stephanie Vasconcellos and James Crossen; pensions partner Richard Goldstein; tax transactions and consulting partner Jim Barry; IP partner Richard Assmus; antitrust and competition partners Scott Perlman and Julian Ellison and associate Deborah Faure; employment litigation and counseling counsel Kim Leffert; and employment & ERISA litigation counsel Maritoni Kane.

Citigroup Global Markets Inc. is serving as lead financial adviser to The Hartford, with Deutsche Bank Securities Inc. also providing financial advice.

Navigators is represented by a Sidley Austin team led by M&A partner Michael A. Gordon, and including insurance partner Kirk D. Lipsey and M&A partner Gabriel Saltarelli, as well as M&A counsel Andrew P. Erdmann and associate Jessica Wood, insurance partner Andrew R. Holland and counsel James Phythian-Adams, employee benefits and executive compensation partner Audry X. Casusol and associate Greg A. Marrs, and tax partner Suresh T. Advani. Also involved were Navigators general counsel Emily Miner and assistant general counsel Deepa Nayini.

Goldman Sachs & Co. LLC and Moelis & Company LLC are serving as financial advisers to Navigators.

Goldman Sachs is represented by a Fried Frank Harris Shriver & Jacobson LLP team including partner Philip Richter and corporate associate Roy Tannenbaum.

--Editing by Emily Kokoll.

Update: This article has been updated to include additional counsel information for The Hartford and Goldman Sachs.