



## DETERMINATION OF MERGER NOTIFICATION M/16/024 - SEDGWICK/OSG

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### Section 21 of the Competition Act 2002

### Proposed acquisition by Vericclaim Ireland Limited of OSG Outsource Services Group Limited

Dated 24 June 2016

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#### Introduction

1. On 25 May 2016, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (“the Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed transaction whereby Vericclaim Ireland Limited (“Vericclaim”) would acquire the entire ordinary share capital and, thus, sole control of OSG Outsource Services Group Limited (“OSG”) from OSG Outsource Services Group Holdings Limited.
2. Vericclaim, an acquisition vehicle incorporated for the purpose of the proposed transaction, is owned and controlled by Sedgwick Claims Management Services, Inc. (“Sedgwick”) which, in turn, is controlled by investment funds advised and managed by affiliates of KKR & Co. L.P. (“KKR”).
3. The proposed transaction is to be implemented pursuant to a share purchase agreement dated 20 May 2016 (the “Share Purchase Agreement”) between OSG Outsource Services Group Holdings Limited and Vericclaim.

#### The Undertakings Involved

##### *Sedgwick*

4. Sedgwick provides technology-enabled risk and benefits solutions, risk consulting and other services with offices located in the United States, Canada and the United Kingdom. Sedgwick’s solutions encompass: workers’ compensation; disability and other employee absences; general, automobile, property, product and professional liability; and specialty market services such as healthcare risk management and consumer care services. Sedgwick is not active in the State.

##### *KKR*

5. KKR is a global investment firm that offers a broad range of alternative asset funds and other investment products to investors. KKR controls over 100 portfolio companies





### Competitive Analysis

12. There is no horizontal overlap between the parties in the State since Sedgwick is not currently active in the State and the KKR portfolio companies that are currently active in the State are not involved in the provision of outsource claims solutions and administrative and recruitment placement services.
13. The proposed transaction does not raise any vertical issues in the State.
14. In light of the above, the Commission considers that the proposed transaction will not substantially lessen competition in any market for goods or services in the State.

### Ancillary Restraints

15. In the notification, the parties provided a copy of the Share Purchase Agreement, which contains a number of restrictive obligations on OSG Outsource Services Group Holdings Limited, Malcolm Hughes, John McGee, Daniel Donohoe and Richard Harnett. None of these restrictive obligations exceeds the maximum duration acceptable to the Commission.<sup>2</sup> The Commission considers these restrictions to be directly related to and necessary for the implementation of the proposed transaction.

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<sup>2</sup> In this respect, the Commission follows the approach adopted by the EU Commission in paragraphs 20 and 26 of its “Commission Notice on restrictions directly related and necessary to concentrations” (2005). For more information see [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305\(02\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305(02)&from=EN)



### **Determination**

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, has determined that, in its opinion, the result of the proposed transaction whereby Vericlam Ireland Limited would acquire the entire ordinary share capital and, thus, sole control of OSG Outsource Services Group Limited will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

**Gerald FitzGerald**  
**Member**  
**Competition and Consumer Protection Commission**