

DIRECT LINE INSURANCE GROUP TO CUT 900 JOBS



Direct Line Insurance Group is probably not a name that you have not heard, unless you live in the UK. For those of us who do not know much about the company lets begin by taking a look at how they have chosen to [describe themselves](#), "We utilise a multi-brand, multi-product and multi-distribution channel business model that covers most major customer segments in the UK for personal lines general insurance and a more limited presence in the commercial market." Now, we can talk about the layoffs that the company is making. They are looking to cut back on about 900 workers in various locations in order to trim back on its costs. The company is not, for the time being, putting out a great deal of information about which positions are going to be cut, but we do know that the cuts are coming in stages between now and the end of 2014. The company has been having some serious fiscal issues, and they are looking to deal with that with an IPO. To that end the company recently declared a dividend. Here is an excerpt [from that declaration](#), "The Directors of Direct Line Insurance Group plc today declared an interim dividend in an aggregate amount of £500,000,000. The interim dividend will be paid on 6 June 2012 to shareholders on the register on 5 June 2012." Before that the company made other moves towards fiscal solvency that were designed to help it to be less of a [drain on its parent company](#), "Direct Line Insurance Group plc ("Direct Line Group" or "DLG") announces it expects to complete a £500m issue of Fixed/Floating rate Guaranteed Subordinated Notes due 2042 and intends to seek a listing of the securities on the London Stock Exchange. Guaranteed by U K Insurance Limited on a subordinated basis, the Notes are scheduled to be issued by Direct Line Group on or about 27 April 2012. Coupon payments, initially at 9.25 per cent, per annum, will be semi-annual with the first coupon due on 27 October 2012. The notes are rated [BBB+ by Standard and Poor's](#) and [Baa1 by Moody's Investor Services](#)." The Direct Line Insurance Group is a subsidiary of The Royal Bank of Scotland, which has been dealing with its own fiscal issues, have made other job cuts in the recent past. For those of you who missed out on our earlier coverage of those job cuts here is a look at the cuts [made by the bank](#) in the month of June, "The Royal Bank of Scotland is getting ready to lay off worker again. The bank is getting ready to let go of about 618 of its workers in its latest bid to get rid of anything that will drag down the bottom line. The company is making a significant round of cuts not long after making job cuts that numbered in the thousands earlier in this year. For the time being the bank has not given any kind of an indication about the details of the layoffs. The company has not put out a list of workers who are set to be impacted by the job cuts in the current round. The company has not said what kind of a severance package it will be offering to the workers who are going to be displaced in the current wave of layoffs, if any are going to be offered."