

## **R&Q and Obra invest in Joint Venture to acquire legacy liabilities of MSA Safety**

NEW YORK, January 6, 2023 – R&Q Insurance Holdings Ltd. (“R&Q”) and Obra Capital, Inc. (“Obra”) today announced that they have acquired, through a newly formed joint venture, a wholly owned subsidiary of global safety equipment manufacturer MSA Safety Incorporated (“MSA Safety”). The acquired subsidiary (the “Company”) holds product liability claims relating to coal dust, asbestos, silica, and other exposures. MSA Safety contributed approximately \$341 million in cash to the Company, in addition to related insurance assets, and the joint venture contributed \$35 million.

As a result of the transaction, R&Q will provide claims and management services and Obra (recently rebranded from Vida Capital) will provide investment management services to the Company. The transaction has enabled MSA Safety to remove all legacy cumulative trauma product liability reserves, related insurance assets, and associated deferred tax assets of the divested subsidiary from its balance sheet.

William Spiegel, R&Q’s Executive Chairman said: “We are pleased to form a joint venture with Obra to acquire and professionally manage these legacy liabilities, providing MSA Safety with a complete finality solution. This is an exciting transaction for R&Q, showcasing the capabilities, reputation and innovation of our Legacy Insurance business. This will see our reserves and non-insurance liabilities under management increase to over \$1 billion, comprising two pools: traditional insurance reserves via Gibson Re, and non-insurance legacy liabilities, furthering our goal of becoming a manager of legacy liabilities.”

Blair Wallace, CEO of Obra Capital said: “With our team’s decades of experience investing in, managing and servicing long dated liabilities, we are excited to partner with R&Q on this liability solution. The transaction highlights both our ability to deploy capital into this type of risk as well as our capability of focusing on targeted investment returns in a portfolio framework that considers both asset risk and the liability requirements for a broad variety of liability types.”

Andrew Pinkes, R&Q’s Chief Executive Officer of Legacy Insurance said: “While we have been providing Legacy Insurance solutions to insurers, reinsurers and corporate captives for decades, this transaction opens up a new growth avenue in providing similar services for non-insurance, corporate liabilities. This transaction is a strong demonstration of R&Q’s expertise in underwriting and managing long-tailed liabilities, as well as our innovative approach to structuring and delivering comprehensive finality solutions.”

Peter Polanskyj, Head of Structured Credit at Obra, said: “This transaction highlights Obra’s diverse investment capabilities ranging from deploying opportunistic capital into specialty risk situations to leveraging our more traditional investment capabilities across a variety of fixed income capital markets to enhance investor returns.”

### **Advisors**

Nomura Securities International, Inc. acted as exclusive financial advisor to R&Q. Mayer Brown LLP acted as legal counsel.

### **About R&Q**

R&Q is a non-life global specialty insurance company operating two highly complementary businesses: Program Management and Legacy Insurance. Both businesses are leaders in markets with high barriers to

entry and significant growth opportunities. Our approach is to deploy our origination and underwriting capabilities, alongside our licensed and rated carriers in the US, EU and the UK, to generate attractive returns in Legacy Insurance and Program Management on behalf of both our capital partners and ourselves. For more information, please go to [www.rqih.com](http://www.rqih.com).

### **About Obra**

Obra is an investment firm specializing in insurance special situations, structured credit, asset-based finance, and longevity with \$3.9 billion in assets under management. The firm aims to generate long term value and attractive returns for investors across closed-end and open-end funds. With capabilities in investing, originating, structuring, and servicing, Obra provides differentiated investment opportunities and capital solutions for investors globally. For more information, please go to [www.obra.com](http://www.obra.com).

### **About MSA Safety**

Established in 1914, MSA Safety is the global leader in the development, manufacture and supply of safety products that protect people and facility infrastructures. Many MSA products integrate a combination of electronics, mechanical systems and advanced materials to protect users against hazardous or life-threatening situations. The company's comprehensive product line is used by workers around the world in a broad range of markets, including the oil, gas and petrochemical industry, the fire service, the construction industry, mining and the military. MSA's core products include self-contained breathing apparatus, fixed gas and flame detection systems, portable gas detection instruments, industrial head protection products, firefighter helmets and protective apparel, and fall protection devices. With 2021 revenues of \$1.4 billion, MSA employs approximately 4,800 people worldwide. The company is headquartered north of Pittsburgh in Cranberry Township, Pa., and has manufacturing operations in the United States, Europe, Asia and Latin America. With more than 40 international locations, MSA realizes approximately half of its revenue from outside North America. For more information visit MSA's web site at [www.msasafety.com](http://www.msasafety.com).

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