**Aviva strips out management layer**

Three senior executives fall victim to regional management restructuring as Aviva unveils new, flatter organisation

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[Aviva](http://www.guardian.co.uk/business/avivabusiness)'s European chief, Igal Mayer, and two other executives have fallen victim to a major shakeup that will see the regional layer of the insurer's [management](http://www.guardian.co.uk/business/management) structure stripped out. The company has unveiled a new flatter organisation because it now operates in 21 countries compared with 30 two years ago, it said. The regional layers for both Europe and America have been removed and the country heads will report directly to Aviva's chief executive, Andrew Moss, and Trevor Matthews, currently head of its UK operations who is being elevated to executive director of developed markets. This new division comprises Britain, mainland Europe, the US and Canada.Back in November 2010, Aviva set out a strategy of focusing on 12 core countries. On Thursday, it grouped Asia, Poland, Turkey and Russia into a high-growth markets unit, run by Simon Machell, Aviva's Asia boss.

City analysts welcomed the restructuring, which will help save some of the group's £102m of regional management costs, but deplored Mayer's departure. Oliver Steel at Deutsche Bank also noted that the changes did not address the insurer's main problem – its "relatively weak balance sheet". Mayer, the highly regarded head of Aviva's flagship European operation, resigned from the board with effect from Thursday and will leave at the end of May. He has been with Aviva for 23 years and served as chief executive of its Canadian and UK general insurance operations before heading up the North American region, followed by Europe.

Richard Hoskins, who joined Aviva in 2009 and served as finance chief and most recently head of North America; and Alain Dromer, who was credited with transforming Aviva Investors, are also leaving. Aviva refused to disclose details of their severance arrangements. Hoskins's departure revived speculation of a [sale of the US life operation](http://www.guardian.co.uk/business/marketforceslive/2012/apr/12/aviva-considers-selling-us-life-business?INTCMP=SRCH). "The departure of the North American head may point to a sale of the US life operation sooner rather than later," said Steel. "If so, this could be seen as potentially positive, given that any such sale should at least help the capital position. However, we regret the departure of Igal Mayer, arguably the most respected of the group's operational managers. "With Aviva's share price languishing due to the group's exposure to Europe, Moss is under huge pressure to improve the insurer's performance. The new chairman, John McFarlane, will start at the end of June.

Aviva's finance director Pat Regan, who is regarded as a potential successor to Moss, will also take charge of Aviva Investors. The heads of Aviva's three largest businesses – David Barral, head of UK and Ireland life insurance; David McMillan, head of UK and Ireland general insurance; and Philippe Maso, head of France – will join the group executive committee and report directly to Moss. Chris Littlefield, who heads up the US division, will also report to Moss.Ashik Musaddi at JP Morgan Cazenove said: "Aviva is basically removing the regional layer between the individual countries and the group level top management. It is a positive in our view because it should lead to some cost saves and should also mean a simpler management structure."

The insurer sold its RAC breakdown service last year and has also been selling down its stake in the Dutch Delta Lloyd business.