



PENSION INSURANCE
CORPORATION

PENSION INSURANCE CORPORATION INSURES £900 MILLION OF AON RETIREMENT PLAN

London, 12 May 2016 – Pension Insurance Corporation (“PIC”), a specialist insurer of defined benefit pension funds, has concluded a pension insurance buy-in with the Trustees of the Aon Retirement Plan (“the Plan”), for a premium of around £900 million. The transaction covers the majority of pensioner liabilities across two sections of the segregated Plan. The lead advisor to the Trustees on the transaction was Aon Hewitt, with CMS Cameron McKenna providing advice on legal aspects. The transaction was primarily funded with gilts.

PIC has previously concluded two buy-in transactions with a separate Aon-sponsored pension scheme, the Aon Minet Pension Scheme, in 2014 and 2012 respectively, for around £210 million and £100 million.

David Burton, the independent Chair of Trustees, said: “We are very pleased to have been able to conclude this transaction at a time of considerable market volatility. By securing this buy-in asset we have taken a significant step in our long term de-risking plan, following a smaller transaction with another insurer last December. We were expertly guided through this process by Aon Hewitt and CMS Cameron McKenna. I also want to thank PIC for working closely with us and our advisers, and developing a proposal that met our specific requirements.”

Matt Barnes, Senior Actuary at PIC, said: “We are proud to have been able to help the Trustees of the Aon Retirement Plan with this significant de-risking exercise, highlighting the attractiveness of pension funds holding a buy-in as a matching asset in place of gilts or other strategies. This was the first sizeable pension insurance transaction under the new Solvency II

regime, showing that large buy-ins priced under Solvency II remain an attractive option for Trustees.”

Paul Belok, Partner in Aon Hewitt's Risk Settlement Group, said: “One of the key priorities was to ensure that the transaction made sense economically, and this was achieved through a robust market review exercise, and negotiation of a price lock mechanism. Despite turbulent market conditions this gave a predictable outcome.”

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Notes to Editors:

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About Pension Insurance Corporation

Pension Insurance Corporation plc ("PIC") provides tailored pension insurance buyouts and buy-ins to the trustees and sponsors of UK defined benefit pension funds. PIC brings safety and security to scheme members' benefits through innovative, bespoke insurance solutions, which include deferred premiums and the use of company assets as part payment. At year end 2015 PIC had £16.6bn in assets and had insured 132,100 pension fund members. Clients include FTSE 100 companies, multinationals and the public sector. PIC is authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority and PRA (FRN 454345). For further information please visit www.pensioncorporation.com

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