



PENSION INSURANCE
CORPORATION

PIC INSURES £140 MILLION OF ICI SPECIALTY CHEMICALS PENSION FUND

London, 7 November 2016 – Pension Insurance Corporation (“PIC”), a specialist insurer of defined benefit pension funds, has concluded a pension insurance buy-in with the Trustee of the ICI Specialty Chemicals Pension Fund (“the Fund”), for a premium of approximately £140 million. The transaction covers current remaining uninsured pensioner benefits of the Fund, following two previous buy-ins undertaken in 2015. The Fund has total assets of approximately £650m and is separate from the c.£10bn ICI Pension Fund. The Trustee was advised by Lane Clark and Peacock (LCP) and Squire Patton Boggs. PIC was advised by Herbert Smith Freehills.

Alan Bates, Chairman of the Trustee, said: “We are delighted to have completed this buy-in, which covers current remaining uninsured pensioner benefits within the Fund. This is part of a de-risking strategy which has allowed us to complete this transaction despite the current uncertainty in the markets. PIC were flexible in helping us achieve our aims and I want to thank them and the Fund’s advisers for their hard work.”

Mitul Magudia, Actuary at PIC, said: “We are pleased to have been able to help the Trustees with this de-risking exercise, highlighting the attractiveness of buy-ins as a matching asset in place of gilts. Schemes such as the ICI Specialty Chemicals Pension Fund have been diligently de-risking over the last few years, recognising the benefits of hedging interest rate and inflation risk. These schemes now find themselves able to secure pensioner buy-ins, having been immunised from recent falls in interest rates.”

Charlie Finch, Partner at LCP, said: “The £140m buy-in achieves a material risk reduction for the Fund and has been secured at a price which reduces the expected cost of providing members’ benefits. This is the seventh buy-in over £100m that LCP has completed since the EU Referendum in June, reflecting a sharp increase in activity in the second half of 2016.”

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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 30 June 2016 PIC had £18.4bn in assets and had insured more than 130,000 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

About LCP

LCP is a firm of financial, actuarial and business consultants, specialising in the areas of pensions, investment, insurance and business analytics.

LCP offers clients better control over the financial future of their pension schemes with intuitive, real-time technology. Visit www.lcpvisualise.com and www.lcphorizon.com for more information.

Clients include 3i, Barnardo's, Hilton Worldwide, Lenovo, NM Rothschild & Sons, Smith & Nephew, Tate & Lyle, UNISON, Volkswagen and Whitbread.

The firm has more than 500 staff based at locations in London, Winchester, Ireland, and the Netherlands. Visit www.lcp.uk.com for further information.

About LCP's pension de-risking practice

LCP leads the way in helping pension schemes to de-risk. Over 2015 LCP has been lead Trustee or Company adviser on buy-ins and buy-outs totalling over £5bn and has completed eight transactions over £100m to date in 2016. We have completed major buy-in or buy-out transactions over recent years for clients including the ICI Pension Fund, Philips Pension Fund and the Total UK Pension Plan.