

## PIC INSURES £130 MILLION OF TI GROUP PENSION SCHEME

London, 1 February 2017 – Pension Insurance Corporation ("PIC"), a specialist insurer of defined benefit pension funds, has concluded a second pension insurance buy-in with the Trustee of the TI Group Pension Scheme ("the Scheme"), for a premium of £130 million. This follows a previous buy-in with PIC covering c.£170 million of liabilities in 2013. Total liabilities insured by the Scheme amount to approximately £1 billion since 2008, through a series of pensioner buy-ins. The Trustee was advised by Aon Hewitt and Mayer Brown. PIC was advised by Herbert Smith Freehills.

Smiths Group plc, a global technology business listed on the London Stock Exchange, is the sponsoring employer of the TI Group Pension Scheme. Separately, PIC completed a £250 million buy-in with the Trustee of the Smiths Industries Pension Scheme in October 2016.

Chris Surch, Chairman of the Trustee, said: "This is the second buy-in we have completed with PIC as part of our long term de-risking strategy. We have made considerable strides to completely de-risk the Scheme and this remains our long-term aim. Once again our in-house team, our advisers and PIC have been very proactive in helping us achieve our aims."

Mitul Magudia, Head of Business Development at PIC, said: "This Scheme was in the vanguard of those completing pensioner buy-ins, undertaking its first transaction in March 2008. Since then it has progressively de-risked approximately £1 billion of liabilities with a variety of insurers, including PIC. We have developed a good relationship with the Trustee and are pleased to have been able to help further de-risk the Scheme. PIC has had a very busy start to 2017 and we expect progressive pensioner buy-ins of this nature and size to become more widespread."

Paul Belok, Partner in Aon Hewitt's Risk Settlement Group, said: "The process adopted for this transaction was a full market review using Aon's Bulk Annuity Compass service. This ensured that the Trustee was able to get the price it wanted and to transact at the time that was right for them. The Trustee has led the way in recognising the benefits of using a tranchebased approach by carrying out a series of buy-ins over time, which has allowed the Scheme to take advantage of pricing opportunities as they have arisen during the de-risking phase."

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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 <u>www.pensioncorporation.com</u>