



PENSION INSURANCE
CORPORATION

PIC SIGNS c.£90 MILLION CIVIL AVIATION AUTHORITY PENSION SCHEME BUY-IN

London, 12 January 2017 – Pension Insurance Corporation (“PIC”), a specialist insurer of defined benefit pension funds, has concluded a pension insurance buy-in with the Trustee of the Civil Aviation Authority Pension Scheme (“the Scheme”), for a premium of c.£90 million. The buy-in covers a section of the current pensioner members of the Scheme. The Trustee was advised by Aon Hewitt and Reed Smith.

Civil Aviation Authority is a public corporation and was established by Parliament in 1972 as an independent specialist aviation regulator and provider of air traffic services. The CAA regulates active professional and private pilots, licensed aircraft engineers, air traffic controllers as well as other bodies.

Joanna Matthews, Chair of the Trustee, said: “We are pleased to have been able to complete this buy-in with PIC as the next step in our long-term de-risking strategy for the Scheme. I want to thank PIC, with whom we chose to transact on the basis of their competitive pricing, strong financial position, proactivity and responsiveness. I would also like to thank our advisors, Aon and Reed Smith, for their help and advice.”

Uzma Nazir, Head of Origination Structuring at PIC, said: “We are delighted to have been able to help the Trustee complete this transaction. It demonstrates again that trustees increasingly see a pensioner buy-in, typically backed by gilts, as a very straightforward transaction and a natural part of their scheme’s evolution.”

Paul Belok, Partner in Aon Hewitt’s Risk Settlement Group, said: “Following on from the previous £1.6bn deal, this transaction fits with the Scheme’s policy of seeking opportunities to de-risk over a period of time, using a phased approach to annuitisation. A particularly positive aspect of this transaction was the price lock that was agreed during the exclusivity

period with PIC. This ensured that the attractiveness of the terms from the Scheme's perspective was not affected adversely by market movements during the relatively volatile period before the risk was transferred."

Simon Hartley, Partner in Reed Smith's Pensions Group, said: "Once again we are delighted to have assisted our long standing client, the Trustee of the Civil Aviation Authority Pension Scheme, in achieving another significant step in its derisking strategy."

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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 Aon

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About Reed Smith

Reed Smith is a global law firm with 1,800 lawyers in 26 offices across Europe, the Middle East, Asia and the United States. In London, Reed Smith's pensions group advises the trustees and sponsoring employee of some of the largest UK pension schemes.