



PENSION INSURANCE  
CORPORATION

## PIC SIGNS AGREEMENT TO FUND EQUITY RELEASE MORTGAGES WITH LEADING PROVIDER

London, 6 April 2017 – Pension Insurance Corporation (“PIC”), a specialist insurer of defined benefit pension funds, has entered into a funding agreement with Retirement Advantage, a retail retirement income specialist, to source and service lifetime mortgages, also known as Equity Release Mortgages (“ERM”). The amount of funding provided by PIC on an on-going basis will depend on demand for the mortgages.

This funding arrangement marks PIC’s entry into the ERM market, which is playing an increasingly important role in allowing people to plan effectively for their retirements. The provision of this funding by PIC meets with the company’s aims of participating in areas that align with its purpose of providing financial safety and security to pensioners. It also aligns with the company’s aims by further diversifying its investment portfolio. As a source of long-dated cash flows, the ERM assets will be able to match PIC’s longer dated liabilities. The investment into ERM compliments PIC’s recent, substantial, investments into social housing, student accommodation and other infrastructure sectors.

Retirement Advantage is an award winning provider of ERM. The funding provided by PIC will allow the company to build on its success and expand its product range. All products funded by PIC will have fixed early repayment charges, offering transparency to consumers.

Rob Groves, Chief Investment Officer at PIC, said: “We are very pleased to provide a long-term funding commitment which allows Retirement Advantage to expand its product range. Having spent a lot of time researching the market, we are delighted to be able to sign an agreement with Retirement Advantage, who we consider an outstanding provider of these types of products with a focus on customer care that matches our own focus on policyholder care.

“Entering the ERM market allows us to source assets which are a good match for very long-dated liabilities which will sit in the portfolio alongside our investments in social housing, student accommodation and infrastructure.”

Tom Evans, Managing Director of Retirement Advantage Equity Release, said: “We’re delighted to be expanding our product range at a time when equity release has been undergoing a period of growth unparalleled by other types of mortgage finance. Equity release is becoming increasingly attractive to a broader range of consumers and we are very pleased to have been able to secure long term funding from PIC at this time. As the market continues to grow, we have listened to what advisers and customers say they need, and have responded accordingly by introducing the Lifestyle Options range which has been designed with consumer needs very much in mind.”

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**Notes to Editors:**

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**About Pension Insurance Corporation**

The purpose of Pension Insurance Corporation plc ("PIC") is to pay the pensions of its policyholders. At year end 2016, PIC had insured 134,900 pension fund members and had £22.6 billion in financial investments, accumulated through the provision of tailored pension insurance buyouts and buy-ins to the trustees and sponsors of UK defined benefit pension schemes. Clients include FTSE 100 companies, multinationals and the public sector. PIC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (FRN 454345). For further information please visit [www.pensioncorporation.com](http://www.pensioncorporation.com)