



PENSION INSURANCE  
CORPORATION

## PIC ANNOUNCES £725 MILLION LONGEVITY REINSURANCE AGREEMENT WITH PARTNERRE AND 2017 NEW BUSINESS UPDATE

London, 22 January 2018 – Pension Insurance Corporation plc (“PIC”), a specialist insurer of defined benefit pension funds, has concluded a £725 million longevity reinsurance agreement with PartnerRe. This represents the first transaction between the two firms.

This deal follows a full market tender process and covers the longevity risk acquired when [PIC insured the Dockworkers Pension Fund in a full buy-in](#), in November 2017.

In total, PIC wrote £3.7 billion of new business in 2017 with the trustees of defined benefit pension schemes (2016: £2.6 billion), and reinsured £4 billion of longevity exposure, including some longevity exposure accumulated in prior years. At 31 December 2017, PIC had reinsured 73% of its total longevity exposure (2016: 68%). PIC’s total number of highly rated reinsurance counterparties now stands at ten - with three new relationships developed during 2017.

Longevity reinsurance helps insurers reduce longevity and other demographic related risks, optimises reserving and solvency capital requirements as prescribed under Solvency II and provides for a more certain and stable liability profile.

Kevin O’Regan, Head of Longevity and Portfolio Reinsurance at PartnerRe, said: “PartnerRe is delighted to provide a reinsurance solution that will help PIC to manage their capital more efficiently. As their reinsurance partner, we hope that the confidence and reassurance of having well-structured reinsurance in place will enable PIC to continue their vital service to

pension scheme members, and we look forward to supporting Khurram and the PIC team on future transactions.”

Khurram Khan, Head of Longevity Risk at PIC, said: “This deal covers a group of lives whose demographic profile made this a challenging portfolio to price. We enjoyed working with PartnerRe. Their focused and nimble approach was central to enabling a rapid completion. We trust that this agreement serves as a useful platform for future business.”

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#### **Notes to Editors:**

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#### **About Pension Insurance Corporation**

Pension Insurance Corporation plc (“PIC”) is a leading provider of buy-ins and buyouts to the trustees and sponsors of UK defined benefit pension schemes. At half year 2017, PIC had insured 145,400 pension fund members and had £24.2 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)

#### **About Partner Re**

PartnerRe Ltd. is a leading global reinsurer that helps insurance companies reduce their earnings volatility, strengthen their capital and grow their businesses through reinsurance solutions. Risks are underwritten on a worldwide basis through the Company’s three segments: P&C, Specialty, and Life and Health. For the year ended December 31, 2016, total revenues were \$5.4 billion. At September 30, 2017, total assets were \$23.6 billion, total capital was \$8.2 billion and total shareholders’ equity was \$6.8 billion. PartnerRe enjoys

strong financial strength ratings as follows: A.M. Best A / Moody's A1 / Standard & Poor's A+. PartnerRe on the Internet: [www.partnerre.com](http://www.partnerre.com)