



PENSION INSURANCE
CORPORATION

PIC ANNOUNCES £850 MILLION FULL BUYOUT WITH PA CONSULTING AND HALF YEAR UPDATE

London, 2 July 2018 – Pension Insurance Corporation plc (“PIC”), a specialist insurer of defined benefit pension funds, has concluded a full buyout of all members of the PA Pension Scheme (“the Scheme”), covering £850 million of liabilities and approximately 2,400 members. PIC was advised by Herbert Smith Freehills. PA Consulting were advised by Aon, who led the structuring and execution of the transaction.

In total, PIC wrote £3.2 billion of new business¹ in the first half of 2018 with the trustees of defined benefit pension schemes (HY 2017: £1.9 billion), insuring the benefits of 14,000 pension scheme members.

The transaction with PA Consulting has a bespoke structure with a price lock based on the scheme’s asset holdings and several non-standard benefits. PIC was selected based on flexibility, innovation and customer care.

PA Consulting is an innovation and transformation consultancy. It specialises in consumer, defence and security, energy and utilities, financial services, government, healthcare, life sciences, manufacturing, and transport, travel and logistics. It has over 2,600 employees with operations across the Americas, Europe, the Nordics and the Gulf.

Kully Janjuah of PA Consulting, said: “We are delighted to have secured this buyout. The Company and our partner The Carlyle Group, have put in significant time and effort to get the Scheme to this position. PIC has been very professional to deal with and has lived up to its strong reputation through innovation, flexibility and great customer service. I would like

to thank PIC and our advisers who were instrumental in us reaching this very satisfactory conclusion.”

Mitul Magudia, Head of Business Development at PIC, said: “This is the latest deal in what has been a great start to the year for PIC, with £3.2 billion of premiums written in the first six months and I am happy to say that there is a strong pipeline of business ahead. As things stand, we see it being a record year for the bulk annuity market with more than £20 billion worth of buy-ins and buy-outs expected in total.

“We are really pleased to have been able to provide PA Consulting with an insurance solution that removes both financial and demographic risks. This transaction demonstrates how a joined-up approach to managing pension assets and liabilities can have excellent results. We are delighted to have been able to work as part of a bigger team that was committed from the very start to achieving the best outcome for members.”

John Baines, Partner and Head of Bulk Annuities at Aon said: “Securing this transaction at a much lower cost than anticipated at the start of this journey is an outstanding result. The innovative structure to integrate member options within an insurance transaction allowed attractive terms to be locked in much more quickly than normal. The ability to achieve this in a Solvency II environment is particularly pleasing and, following a relatively quiet year for large full scheme transactions in 2017, looks set to lead the way for many similar deals in a bumper 2018.”

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Notes to Editors:

- 1) Estimated

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About Pension Insurance Corporation

The purpose of Pension Insurance Corporation plc (“PIC”) is to pay the pensions of its

policyholders. PIC provides secure and stable retirement incomes through leading customer service, comprehensive risk management and excellence in asset and liability management. At year-end 2017, PIC had insured 151,600 pension scheme members and had £25.7 billion in financial investments, accumulated through the provision of tailored pension insurance buyouts and buy-ins to the trustees and sponsors of U.K. 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.

About PA Consulting

An innovation and transformation consultancy, we believe in the power of ingenuity to build a positive human future in a technology driven world.

As strategies, technologies and innovation collide, we turn complexity into opportunity. Our diverse teams of experts combine innovative thinking and breakthrough technologies to progress further, faster. Our clients adapt and transform, and together we achieve enduring results.

We are over 2,600 specialists in consumer, defence and security, energy and utilities, financial services, government, healthcare, life sciences, manufacturing, and transport, travel and logistics. And we operate globally from offices across the Americas, Europe, the Nordics and the Gulf. PA. Bringing Ingenuity to Life.