



PENSION INSURANCE  
CORPORATION

## PENSION INSURANCE CORPORATION GROUP 2018 RESULTS

London, 7 March 2019 – Pension Insurance Corporation Group, the parent company of Pension Insurance Corporation plc (“PIC”), a specialist insurer of defined benefit pension funds, today announces its results for the 12 months to 31 December 2018.

### Financial highlights:

- Profit before tax of £477 million (2017: £383 million)
- Embedded Value<sup>1</sup> of £3,638 million (2017: £2,932 million), up 24% in the year
- Assets held to meet solvency and risk margin of £5.2 billion (2017: £4.3 billion)
- New pension insurance business of £7.1 billion of premiums (2017: £3.7 billion), for clients including BHS, Siemens and Rentokil
- £31.4 billion in financial investments (2017: £25.7 billion)
- PIC solvency capital ratio of 167% (2017: 160%)
- A record £5.6 billion of longevity exposure reinsured during the year, with 74% of PIC’s reserves reinsured for longevity risk in total at year end (2017: 73%)
- 192,100 pension fund members insured in total (2017: 151,600)
- In February 2019, PIC was re-assigned an Insurer Financial Strength credit rating of A+ by Fitch.

### Business highlights:

- More than £2.5 billion invested in directly sourced, private debt (2017: £1.1 billion), including £250 million in renewable energy, £265 million in social housing, and £400 million in university accommodation
- 97% of our policyholders expressed overall satisfaction with our service; 85% gave us the maximum score

- 3,000 attendees at our UK-wide 2018 complimentary policyholder events, and more than 20,000 to date
- PIC won the “Customer Focus Award” at the UK Customer Satisfaction Awards 2018
- Sponsorship for second year of the Actuarial Mentoring Programme (AMP) for junior female actuaries, in conjunction with the Institute and Faculty of Actuaries
- PIC named an “Outstanding Employer of the Year”, by recruitment specialists Korn Ferry
- Significant progress made in the Purpose of Finance programme with the publication of two further papers<sup>2</sup>

Tracy Blackwell, Chief Executive Officer of Pension Insurance Corporation plc, said: “The Group had an outstanding year, with all parts of the business pulling together to complete £7.1 billion of new business, almost double the amount that we transacted in 2017. Backing this record level of new business was the reinsurance of £5.6 billion of longevity risk, a record, as well as £2.5 billion invested directly in areas like social housing and renewable energy, also a record. I am incredibly proud of how the whole team performed during the year.

“It is quite amazing that in what was the tenth anniversary of our first transaction, signed in the summer of 2008, the overall value of the business, as measured under Embedded Value, now stands at £3.6 billion and we have a portfolio of £31.4 billion of financial investments. This is a quite outstanding achievement, built on an absolute focus on our policyholders and the standard of customer service they receive. We were therefore delighted to win another award for our customer service, from the Institute of Customer Service.

“On the employee front we were also delighted to be named an “Outstanding Employer of the Year”, as well as continuing our important sponsorship of the Actuarial Mentoring Programme for female actuaries, aimed at increasing gender diversity in the industry. Finally, our Purpose of Finance thought leadership project has continued to build on its successful launch in 2017.

“The market has started promisingly in 2019 and I look forward to another productive and rewarding year.”

## Notes to Editors:

- 1) PIC adopted the European Insurance CFO Forum Market Consistent Embedded Values Principles (“MCEV Principles”) for its embedded value measurement and reporting on 1 January, 2017
- 2) All papers relating to the Purpose of Finance can be downloaded at:  
<https://www.pensioncorporation.com/thought-leadership/the-purpose-of-finance/>

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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 2018, PIC had insured 192,100 pension scheme members and had £31.4 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)