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Prudential, Legal & General reach sixth longevity reinsurance agreement

NEWARK, N.J., Dec. 21, 2017 – Prudential Retirement, a unit of Prudential Financial, Inc. (NYSE:PRU), and Legal & General Group plc (“Legal & General”) concluded their sixth longevity reinsurance agreement since 2014. The Prudential Retirement Insurance and Annuity Company (PRIAC) assumes longevity risk for approximately \$800 million (£600 million) in pension liabilities, which are held by Legal & General as part of its bulk annuity business. The transaction covers more than 2,000 pensioners. Legal & General and Prudential have now partnered on six transactions that together reinsure nearly \$8 billion in longevity risk.

The agreement signals the resurgent market for longevity reinsurance and de-risking solutions in the U.K. in 2017, with market volumes up significantly since the 2016 Brexit vote. The de-risking of pension schemes has become an expectation among shareholders and key stakeholders in companies across the globe.

“Prudential is proud to strengthen its partnership with Legal & General,” said David Lang, Prudential’s lead negotiator for this transaction. “As a result of these agreements, Legal & General can better manage its longevity risk and secure the retirement benefits of thousands of U.K. pensioners.” Prudential’s most recent transaction with Legal & General prior to this was in October 2016.

Joyeeta Kanungo, head of new business reinsurance for Legal & General, said: “This transaction marks a furthering of our partnership with Prudential, whose expertise and strength we value highly. The transaction is also another example of longevity reinsurance having a positive impact in enabling U.K. pension schemes to de-risk efficiently with a strong insurer such as Legal & General.”

Bill McCloskey, Prudential’s head of transactions for international longevity reinsurance, said, “The longevity reinsurance market is more vibrant than ever, especially in the U.K. With this agreement, Legal & General is tapping into Prudential’s unique ability to keep up with the huge demand in the market today, and benefits from our use of predictive analytics and the strongest transaction team in the industry. These investments have enabled Prudential to develop and sustain meaningful relationships with its insurance counterparties.”

Legal & General is one of the U.K.’s leading financial services companies. It has been active in the pension de-risking market for more than 30 years.

Prudential is a global leader in the pension reinsurance market with more than \$45 billion in international reinsurance transactions since 2011, including the largest longevity risk transfer transaction on record, a \$27.7 billion transaction involving the BT Pension Scheme. Prudential was named “Reinsurer of the Year” in 2017 by Risk.net for the fourth year in a row.



About Legal & General Group

Established in 1836, Legal & General is one of the U.K.'s leading financial services groups and a major global investor, with a number of growing businesses in the U.S. and in other countries. At June 30, 2017, Legal & General had over £951 billion in total assets under management. Over 15 million people worldwide rely on Legal & General to help them save for the future and to protect their families and their homes.

Legal & General works with companies and pension trustees to help people build security in retirement, being the U.K.'s largest investment manager for U.K. corporate pension schemes, a major provider of auto-enrolled pensions and a market leader in pensions de-risking. The company has also made a commitment to invest around £15 billion in direct investments, with £12 billion already invested in areas such as homes, urban regeneration, clean energy and small business finance, driving economic growth and making a positive difference to the U.K.'s built environment.

About Legal & General Retirement

Legal & General Retirement has been an active participant in the U.K. bulk annuity market for over 30 years. Legal & General offers a range of de-risking solutions, which includes buyout, buy-in, longevity insurance and liability-driven investment (LDI), to pension schemes of all sizes. Legal & General has expertise in investment management, all aspects of defined benefit provision as well as an in-depth understanding of mortality trends and longevity risk. Corporates, trustees or advisers looking for further information on the pension scheme insurance de-risking solutions available from Legal & General should contact the Pension Risk Transfer team on +44 020 3124 2273.

About Prudential Financial, Inc.

Prudential Financial, Inc. (NYSE: PRU), a financial services leader with more than \$1 trillion in assets under management as of Sept. 30, 2017, has operations in the United States, Asia, Europe, and Latin America. Prudential's diverse and talented employees are committed to helping individual and institutional customers grow and protect their wealth through a variety of products and services, including life insurance, annuities, retirement-related services, mutual funds and investment management. For more information, please visit news.prudential.com.

Prudential Retirement delivers retirement plan solutions for public, private, and nonprofit organizations. Services include defined contribution, defined benefit and non-qualified deferred compensation recordkeeping, administrative services, investment management, comprehensive employee education and communications, and trustee services, as well as a variety of products and strategies, including institutional investment and income products, pension risk transfer solutions and structured settlement services. With more than 85 years of retirement experience, Prudential Retirement helps meet the needs of 4.2 million participants and annuitants. Prudential Retirement has \$416 billion in retirement account values as of Sept. 30, 2017. Retirement products and services are provided by The Prudential Insurance Company of America (PICA), Newark, N.J., or its affiliates.

News Release



About Prudential Financial, Inc. (Continued)

Reinsurance contracts are issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Newark, N.J. 07102. PRIAC is not a U.K. authorized insurer and does not conduct business in the United Kingdom or provide direct insurance to any individual or entity therein. Prudential Financial, Inc. of the United States is not affiliated with Prudential plc, which is headquartered in the United Kingdom.

[0313493-00001-00](https://www.prudential.com/0313493-00001-00)



MEDIA CONTACT: Legal & General Contact:

Deborah Goodier
deborah.goodier@landg.com
Direct: +44 203 128 1299

Prudential Financial Contact:

Gregory Roth
Direct: 973-802-6585
Mobile: 973-477-0570
gregory.roth@prudential.com