



Legal & General completes a £130 million buy-in with the QinetiQ Pension Scheme

Legal & General Assurance Society Limited (“Legal & General”) today announces that it has completed a £130m buy-in transaction with the QinetiQ Pension Scheme (the “Scheme”), covering the pension benefits for over 390 new retirees since a previous pensioner buy-in in April 2019.

This announcement marks the Scheme’s first buy-in transaction with Legal & General. As part of the agreement, an umbrella contract was established, which enables future transactions with Legal & General to be completed quickly and easily on the same pre-agreed terms when favourable pricing opportunities arise.

The Scheme completed a £690m pensioner buy-in with another insurer in April 2019 which covered all pensioners at that time.

LCP was appointed to the Trustee as a specialist de-risking adviser, acting as lead adviser for the transaction. Legal advice was provided to the Trustee by Burges Salmon and to Legal & General by Clifford Chance.

Andy Ryan, Pricing Strategy Director, Legal & General Retirement Institutional

“This transaction demonstrates how an effective umbrella contract can be agreed as part of a pension scheme’s de-risking journey to enable efficient follow-on transactions. We look forward to continuing to build on our relationship with the Scheme and work with the Trustee to provide further security to scheme members.”

Lisa Mundy for BESTrustees which acts as Chair of Trustees

“This further step on the Scheme’s journey increases the security of the benefits of all our Scheme members. With the support from our advisers, the Trustee was able to reduce the risks in the Scheme whilst also expanding our framework for future de-risking.”

David Stewart, Partner, LCP

“We are delighted to have advised the Trustee in their next step on their de-risking journey. In our role as specialist de-risking adviser we helped the Trustee put a second umbrella contract in place, adding Legal & General to their panel of insurers. The Scheme joins the growing list of large pension schemes, with umbrella contracts in place with multiple insurers, enabling them to move quickly when favourable conditions arise whilst maintaining competitive tension.”

Notes to editors

About Legal & General

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with international businesses in the US, Europe, Middle East and Asia. With almost £1.3 trillion in total assets under management*, we are the UK's largest investment manager for corporate pension schemes and a UK market leader in pension risk transfer, life insurance, workplace pensions and retirement income. Through inclusive capitalism, we aim to build a better society by investing in long-term assets that benefit everyone.

* at 31 December 2020

About Legal & General Retirement Institutional

Legal & General Retirement Institutional (LGRI) works with trustees and sponsoring companies of defined benefit (DB) pension schemes of all sizes to settle their pension obligations and secure scheme members' benefits, through a full range of buy-ins, buyouts and other de-risking solutions.

Our UK Retirement annuity book stands at £87 billion as at 31 December 2020, of which £24.7 billion is invested in direct investments that deliver positive social and environmental impacts, such as clean energy and affordable housing.

About LCP

LCP is a firm of financial, actuarial and business consultants, specialising in the areas of pensions, investment, insurance and business analytics.

LCP offers clients better control over the financial future of their pension schemes with intuitive, real-time technology. Visit www.lcpvisualise.com or www.lcphorizon.com for more information.

The firm has nearly 800 staff based at locations in London, Winchester, Ireland, and - operating under licence - the Netherlands.

About LCP's de-risking practice

LCP leads the way in helping pension schemes to de-risk. In 2020 LCP acted as lead adviser on transactions including two pensioner buy-ins by the M&S Pension Scheme totalling £750m, a £930m full buy-in by the Littlewoods Pensions Scheme and a £570m pensioner buy-in by Deutsche Bank.

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