



**Merchant Navy Officers Pension Fund secures £490 million of members' benefits  
in buy-in agreement with Legal & General**

London, 11 December 2017 – The Trustee of the £3 billion Merchant Navy Officers Pension Fund (MNO PF) has secured £490 million of members' pension benefits through a buy-in transaction with Legal & General Group plc ("Legal & General").

The MNO PF was an early and significant adopter of innovative de-risking transactions, having completed its first bulk annuity transaction back in 2009 with Lucida Limited, which was acquired by Legal & General in August 2013.

Today's announcement follows a £1.5 billion longevity insurance transaction covering the benefits of the Fund's "New Section" members in 2014, and the new buy-in arrangement covers all the Fund's retirees since that date meaning the benefits of all current pensioners are now hedged against longevity risk.

MNO PF Chair, Rory Murphy, said:

"This buy-in enables us to more effectively manage the risks faced by the Fund as a whole. It is also good news for employers in the maritime and shipping industry, who have already saved many millions in deficit contributions over recent years as a result of our improved funding position.

"There is also a positive message here for the wider pensions community. A well-run fund, with strong governance and expert advisors, can deliver valued and sustainable benefits to its members while successfully managing the risks and costs faced by its employers."

Chris DeMarco, Managing Director of UK Pension Risk Transfer for Legal & General said:

"We are delighted that the MNO PF Trustee chose to work with Legal & General and ultimately secure their members' benefits with us. Our relationship with the Trustee has been a long-standing one and we are pleased to be able to assist them in the next stage of their de-risking journey."

Andy Waring, Chief Executive of the MNO PF, said: "Securing the benefits of our members has always been a significant part of the MNO PF Journey Plan. Our next milestone is to promote and grow the Ensign Retirement Plan, so that we can provide the same security in retirement for the next generation of maritime employees."

Willis Towers Watson advised from the actuarial and investment side and Baker McKenzie on the legal side of this transaction.

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**Notes for Editors**

**About the Merchant Navy Officers Pension Fund (“MNOPF”)**

The MNOPF is an industry-wide pension scheme established in 1937 to allow shipping companies to provide retirement and death benefits for their officers.

The Trustee of the MNOPF executed two buy-in transactions with Lucida plc (who were subsequently acquired by Legal & General) in 2009 and 2010, covering £600m of Old Section liabilities. A subsequent buy-in with Rothesay Life covered the remaining liabilities not insured with Legal & General, and a full buy-out transaction covering all these liabilities was completed in 2014.

The Fund was principally advised by Willis Towers Watson in its roles as transaction specialist, delegated chief investment officer and actuary, and Baker McKenzie, who are the Fund’s lawyers.

**Legal & General Group**

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

We work with companies and pension trustees to help people build security in retirement, being the UK’s largest investment manager for UK corporate pension schemes, a major provider of auto-enrolled pensions and a market leader in pensions de-risking. We have 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 UK’s built environment.

**Legal & General Retirement**

Legal & General has been an active participant in the UK 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 020 3124 2273.

### **Ensign Retirement Plan**

The Ensign Retirement Plan is the flagship defined contribution master trust pension arrangement for the maritime sector. Not-for-profit and open to all, it has one straightforward aim, to improve the retirement outcomes of those working in the maritime industry.