



Legal & General completes c.£500 million buy-in with the Pearson Pension Plan

Legal & General’s pre-agreed “umbrella contract” terms enable efficient follow up to 2017 buy-in transaction

Legal & General Assurance Society Limited (“Legal & General”) today announces that it has completed a c.£500 million buy-in for the Pearson Pension Plan (“the Plan”).

This buy-in covers approximately 2,200 current pensioner members and, alongside the transactions completed by the Plan in 2017, increases insurance coverage to approximately 50% of the Plan’s liabilities.

Legal & General provided a c£600m buy-in in 2017, covering approximately 2,400 members.

The previous buy-in agreement in 2017 was established as an “umbrella contract” which allowed for future buy-in transactions to be executed using similar pre-agreed terms, so that the Trustee could move quickly when the appropriate conditions allowed.

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

“We are delighted to have been able to partner with the Plan to further improve the security of members’ benefits. This transaction was carried out under the comprehensive umbrella contract established in 2017 alongside our first buy-in transaction with the Plan, which enabled smooth execution of this follow up transaction over a short timeframe. Our longstanding relationship with the Plan across our business and wide-ranging expertise in respect of these structures have been important factors in developing this solution to meet the needs of the Trustee and the Plan’s members.”

Legal advice was provided to Legal & General by Slaughter & May and to the Trustee by Linklaters. LCP was lead adviser to the Trustee on the buy-in transactions

Notes to editors **Legal & General Group Plc**

The Legal & General Group, established in 1836, is one of the UK’s leading financial services companies. As at 31 December 2017, we had over 9.5 million customers in the UK for our life assurance, pensions, investments and general insurance plans and over 1 million life insurance customers in the US.

Over fifteen million people worldwide rely on us to help them save for the future and to protect their families and their homes.

Slaughter and May

Slaughter and May is an international law firm whose Pensions Derisking Group is at the forefront of devising and implementing structures which enable insurers to remove or limit corporate sponsors' defined benefit pension liabilities and, if appropriate, pass on part of that risk to reinsurers or other counterparties. The members of the Group are leaders in the areas of scheme buy outs and buy ins, longevity hedging and reinsurance and portfolio transfer and optimisation. Clients include corporates, insurers, pension scheme trustees and reinsurers.

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About Legal & General

Legal & General Assurance Society Limited.

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Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority.

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