



Legal & General agrees £1.8 billion buy-in with United Utilities

Legal & General Assurance Society Limited (“Legal & General”) today announces it has completed a £1.8 billion buy-in with the Trustees of two pension schemes sponsored by United Utilities, the United Utilities Pension Scheme and the United Utilities PLC Group of the Electricity Supply Pension Scheme (“the Schemes”). The transactions provide the Schemes with secure income from Legal & General that covers around two thirds of their liabilities.

United Utilities is a FTSE-100 listed water supply company. The Schemes are existing clients of Legal & General, with Legal & General Investment Management (“LGIM”) having managed a proportion of the Schemes’ assets since 1998.

Legal & General provided a bespoke price lock to the assets held by the Schemes, including the assets held with LGIM. This removed the risk for the Trustees of the buy-in price changing relative to the value of the Schemes’ assets while the transactions were agreed.

Aon advised the Trustees of the Schemes throughout the transactions and led the broking process while Sackers provided legal advice to the Trustees and Mercer acted as the Trustees’ strategic investment adviser. The Company was advised by LCP and Slaughter and May. Clifford Chance provided legal advice to Legal & General.

Andrew Kail, Chief Executive Officer, Legal & General Retirement Institutional

“We’re pleased to have supported the Trustees in reaching this significant milestone in their de-risking journey. It was a pleasure to work closely with a longstanding Legal & General client and its advisers to put in place an arrangement that provides further long-term financial security to the Schemes’ members.

We’re on track for one of our busiest years ever, having now written £6.7 billion of pension risk transfer business in the UK year-to-date. We look forward to continuing to support pension schemes throughout their de-risking journeys to reach their desired objectives.”

Gary Dixon, Chair of Trustee Boards

“We’re delighted to have completed this buy-in transaction across our two pension schemes, providing security for all our members and taking a further step on our de-risking journey. The Trustees and Company worked collaboratively throughout the process with excellent support from our advisers Aon, Mercer and Sackers.”

John Baines, Partner in Aon’s Risk Settlement Group

“As a result of a clear strategy, a collaborative approach and meticulous planning, the Trustees and Company have achieved their highly bespoke transaction objectives. By insuring the majority of liabilities for both Schemes, we helped develop and implement a number of innovative mechanisms to future-proof the transaction, that will result in increased security for all members.”

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 over £1.2 trillion in total assets under management* of which a third is international. We also provide powerful asset origination capabilities. Together, these underpin our leading retirement and protection solutions: we are a leading international player in pension risk transfer, in UK and US life insurance, and in UK workplace pensions and retirement income. Through inclusive capitalism, we aim to build a better society by investing in long-term assets that benefit everyone.

** As at 31 December 2022*

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 over £72 billion as at 31 December 2022, of which over £30 billion is invested in direct investments that deliver positive social and environmental impacts, such as clean energy and affordable housing.

Our Client Services' 12-month rolling Net Promoter Score (NPS) is above +70, which is widely regarded as being at a "world class" level.

Further information

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