



Legal & General agrees individual annuity deal with Prudential

- *Legal & General Retail Retirement has secured a new introducer agreement within its Retirement Income division, to provide annuities to Prudential customers with guaranteed annuity rates*
- *The new deal is expected to increase Legal & General's individual annuity new business by 15% in the first year*
- *The transaction follows the recent acquisition of MyFutureNow¹ and is the division's fourth introducer deal*

Legal & General's Retail Retirement division has today announced the signing of a new introducer agreement with Prudential.

As part of the arrangement, from 1 November 2019, Prudential customers with guaranteed annuity rates* will be introduced to Legal & General. The agreement reflects Legal & General's commitment to the annuities market and is the fourth of its kind for the FTSE 100 financial services company, following similar arrangements with AEGON, ReAssure and Sun Life Financial of Canada.

All guaranteed benefits will be honoured by Prudential and fulfilled by Legal & General, who will also compare the whole market to see if the rate can be improved on, assisting customers to obtain a better rate if one is available.

“At Legal & General, we want to help our customers and our partners' customers plan for and enjoy their best retirement. For many retirees, we believe annuities can play a central part in retirement planning. I'm therefore delighted to announce we are partnering with Prudential to offer their customers the option of a guaranteed income from an annuity.

As an industry it's vital that we continue to work together to keep those who are approaching, and in retirement, informed about their options so that they can choose the best solution for their individual needs. It's the fourth introducer agreement Legal & General has secured for our Retirement Income business, and we look forward to a long and successful relationship with Prudential and their customers”

Emma Byron, Managing Director, Legal & General Retail Retirement Income

¹ <https://www.legalandgeneralgroup.com/media-centre/press-releases/legal-general-retail-retirement-acquires-myfuturenow/>



Legal & General’s recent half-year results revealed significant growth for its individual annuities business with sales up 47% to £497m in H1 2019. It is expected that this new distribution deal with Prudential will increase Legal & General’s annuity sales in 2020 by 15%.² This follows on the back of over two years of growth during which the Retail Retirement Income division has seen both its total market share and external market share more than double. The catalysts for this growth have been the introducer agreements combined with investments in pricing and proposition.

Legal & General Retail Retirement Income growth

New business premiums compound annual growth rate (CAGR) of 45% from 2016 to 2018

	2016	2017	2018	2019 H1
Premiums	£378 million	£671 million	£795 million	£497 million
ABI total market share	9.9% (Q4)	14.4% (Q4)	18.7% (Q4)	20.6% (Q2 2019)
ABI external market share	15.7% (Q4)	22.4% (Q4)	31.5% (Q4)	33.1% (Q2 2019)

** In scope customers are those with a Guaranteed Annuity Rate, Guaranteed Basic Annuity or Guaranteed Minimum Pension products*

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The information contained in this press release is intended solely for journalists and should not be relied upon by private investors or any other persons to make financial decisions.

Notes to Editors

Buying our Pension Annuity is a once and for all decision. The options a customer selects when they buy the annuity cannot be changed later on. Depending how long they live for, the total income paid to the customer may be less than the amount used to buy the annuity.

The annuity cannot be cashed in or surrendered at any time.

Legal & General’s lifetime Pension Annuity can be bought using the money from a pension pot. It will pay an income for the rest of the annuity holder’s life. To apply the applicant must be at least 55 years old and have at least £5,000 to invest after they’ve taken any tax-free cash they might want to withdraw from their pension pot.

² https://www.legalandgeneralgroup.com/media/17326/rns_ap_final.pdf



Certain options may not be available and different options will be available if the applicant applies through an adviser or intermediary. If the pension plan includes any money from contracting-out of the earnings related part of the State Pension, there may be certain restrictions on how we can pay the income. We will show any restrictions that apply on the illustration.

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 over £1.1 trillion in total assets under management at 30 June 2019, we are the UK's largest investment manager for corporate pension schemes and a UK market leader in pensions de-risking, life insurance, workplace pensions and retirement income. We have also invested over £22 billion in direct investments such as homes, urban regeneration, clean energy and small business finance.

Legal & General Assurance Society Limited.

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Registered office: One Coleman Street, London EC2R 5AA.

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

About Legal & General Retail Retirement

Legal & General Retail Retirement (LGRR)'s mission is to help its customers lead longer, healthier, happier lives. We believe everyone should be able to have a 'more colourful retirement'.

The Division comprises the Group's individual annuity, lifetime mortgage and care solutions businesses - it has more than half a million customers and circa £20 billion of assets under administration.

In H1 2019, LGRR wrote £497 million of annuity premiums and issued £489 million of lifetime mortgages.

Further information

Note: Call charges may vary

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