



Legal & General announces £275 million buy-in transaction for the Hitachi UK Pension Scheme

Legal & General Assurance Society Limited (“Legal & General”) today announces that it has agreed a £275 million buy-in transaction with the Trustee of the Hitachi UK Pension Scheme (“the Scheme”).

This transaction, the Scheme’s first with Legal & General, covers the Scheme’s remaining uninsured deferred members and retirees since the Scheme underwent its first buy-in transaction with Scottish Widows in 2018.

By locking the transaction price to the assets of the Scheme, Legal & General was able to give the Trustee a high degree of transaction certainty whilst enabling them to take advantage of favourable pricing conditions and market capacity.

The Trustee was advised on the transaction by Aon, while legal advice was provided by Pinsent Masons LLP. Macfarlanes provided legal advice to Legal & General.

“We are pleased to have established this relationship with the Hitachi trustees and helped them secure their members’ long-term financial security. This buy-in, in particular, demonstrates our ability to insure pension schemes with a high proportion of deferred members, showing that pensions de-risking isn’t just the preserve of mature pension schemes. It also demonstrates the value to trustees and sponsoring companies of being able to move quickly when pricing conditions are favourable to secure their members’ benefits.”

Gavin Smith, Pricing and Execution Director, UK PRT, Legal & General Retirement Institutional

“Securing members’ benefits is the ultimate objective for all trustees. We worked with two strong insurers to meet this objective for the Scheme and were able to take advantage of favourable market pricing due to effective decision-making achieved as a sole corporate trustee. Aon successfully led the transaction and, with legal advice from Pinsent Masons, negotiated a strong outcome, delivering financial security to members for the future.”

Jo Myerson, Chair of the Trustee, Ross Trustees

“This transaction completes the Hitachi UK Pension Scheme’s phased buy-in journey in just under 3 years – substantially ahead of the original target of 10 years. This acceleration has been possible due to strong asset performance, favourable insurance pricing, good preparation and nimble decision making by both the Trustee and the Companies. Aon has led both transactions and allowed the Scheme to capitalise on excellent opportunities presented in 2018 and 2020.”

Michael Walker, Principal Consultant, Aon

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 over £1.1 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.

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 de-risking solutions. We work closely across divisions in the Legal & General Group, which has to date invested £26 billion in real assets including urban regeneration, clean and low-cost energy, housing and transport links.

Further information

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