

Legal & General announces first global transaction – covering IHS Markit’s UK and US pension schemes

Legal & General today announced that it has simultaneously agreed two pension risk transfer (“PRT”) transactions with IHS Markit – one in the UK and another in the US.

The pension schemes covered are IHS (Global) Ltd. Pension and Life Assurance Scheme in the UK and IHS Retirement Income Plan in the US.

The UK transaction was for £37.8m (\$46.7m), covering around 150 members, and the US transaction was for \$97.2m (£78.4m), covering around 1,200 members.

Both transactions demonstrate the continued appetite for PRT in the UK and US. Legal & General today confirmed that it had completed seventeen bulk annuity transactions in the UK and US as at 30 April 2020, securing a total of £1.4bn (\$1.7bn) of pensioner and deferred members’ benefits, including today’s announced transactions. This builds on the recently announced 2019 results published by Legal & General Group: £10.3bn of UK PRT transactions in 2019 and \$1.1bn of PRT business in the US for 2019.

Willis Towers Watson led the advice on both transactions, with Sackers and Blake Morgan providing legal advice to the Trustees of the IHS (Global) Ltd. Pension and Life Assurance Scheme in the UK.

IHS Markit is a global provider of research, market intelligence and analysis, and has been a client of Legal & General Investment Management Limited (LGIM) for more than 15 years.

Laura Mason, CEO, Legal & General Retirement Institutional, said:

“We are delighted to have been able to work with IHS Markit and the Trustees to agree an exciting first for our team – a globally coordinated transaction to simultaneously insure pension liabilities in both the UK and the US. Legal & General is uniquely placed to offer global market-leading pension risk transfer services. This announcement demonstrates our ability to work seamlessly across both markets at the same time.”

“First and foremost, we are currently focused on supporting our existing customers during these uncertain times. We are, however, continuing to see strong demand from pension schemes looking to de-risk and we have the team – and systems – in place to continue delivering for both existing and new clients.”

George Palms, President, Legal & General Retirement America, said:

“We are proud to be working alongside our UK colleagues and IHS Markit on our first cross-country deal, sharing expertise and resources to deliver a coordinated transaction.”

“This deal demonstrates our unique offering, with experts in the US and UK working to meet the continued client demand we’re observing.”

Damien Teisseire, Vice President – Group Reward Director, IHS Markit, said:

“By partnering with Legal & General, we were able to achieve an important objective for the company and our scheme members by de-risking and simplifying our global pensions arrangements in two simultaneous transactions.

“This agreement provides long-term security for our pension members of the UK “IHS (Global) Ltd. Pension and Life Assurance Scheme” and the US “IHS Retirement Income Plan”, securing their benefits with a well-established insurer. The collaborative and dynamic approach in addition to strong expertise from all parties ensured that both transactions were completed safely and efficiently.”

Stafford Napier, Chair of Trustees, IHS (Global) Ltd. Pension and Life Assurance Scheme, said:

“This transaction is a key step in our plans to de-risk the provision of pension benefits for our members in the UK. We had been discussing the opportunities for de-risking with our sponsoring employer for a number of years. The agreement with Legal & General delivers an excellent outcome by securing benefits with a major and well-established insurer.

“With the support of the Company, our advisers and Legal & General we were able to complete the transaction efficiently and on time even in the face of the challenging financial circumstances surrounding the coronavirus emergency.”

Greg Robertson, Transactions Specialist, Willis Towers Watson, said:

“We were delighted to support the Trustees and IHS Markit to de-risk its global pension obligations with this innovative transaction. Through our global team of pension de-risking experts, we were able to identify and capitalise on the synergies and efficiencies of executing the UK and US transactions in tandem with Legal & General.

“Recent market volatility, and in particular widened credit spreads, has led to some particularly attractive pricing in the UK bulk annuity market.”

Ed Root, Managing Director, Willis Towers Watson – US, said:

“We were excited to be the strategic advisor on the US portion of this US/UK transaction, collaborating closely with our UK colleagues. With WTW’s expertise in both the US and UK de-risking market, we were able to transact on this unique opportunity.

“It was also a result of our close partnership with Legal & General US to be able to complete the transaction smoothly and on schedule in the recent volatile market.”

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Notes to editors

About Legal & General Group Plc

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor. With almost £1.2 trillion in total assets under management at 31 December 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 invested over £22 billion in direct investments such as homes, urban regeneration, clean energy and small business finance.

Legal & General Retirement works with trustees and sponsoring companies of Defined Benefit (DB) Pension Schemes to settle their pension obligations and secure scheme members' benefits, through a full range of de-risking solutions to pension schemes of all sizes.

About Legal & General Retirement America

Legal & General Retirement America (LGRA) specializes in customized pension risk solutions for institutional clients in the US market. Established in 2015, LGRA is a business unit of Legal & General America, part of the worldwide Legal & General group of companies. The Legal & General America companies are Banner Life Insurance Company and William Penn Life Insurance Company of New York.

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