



PENSION INSURANCE CORPORATION REINSURES LARGE TRANCHE OF LONGEVITY RISK

London, 20 January 2011 - Pension Insurance Corporation, a leading provider of risk management solutions to defined benefit pension funds, today announces that it has reinsured almost £500 million of its longevity exposure within the past month, as part of its on-going risk management strategy. The reinsurance has been undertaken in two separate transactions with highly rated reinsurers.

The two transactions take the amount of longevity exposure which Pension Insurance Corporation has reinsured to 70% of its total, or £2.3 billion. These transactions build on the three previous reinsurance transactions the company has undertaken.

The transactions reflect Pension Insurance Corporation's relentless risk management and focus on the efficient allocation of risk capital. In effect this means it fully hedges out all its interest rate and inflation risks, and seeks to hedge its mortality risk to the greatest possible extent.

Rob Sewell, Chief Financial Officer at Pension Insurance Corporation, said: "These transactions build on our active longevity reinsurance policy and allow us to efficiently manage our capital.

"We look forward to further transactions of this nature, backing up our promise to bring safety and security to pension fund members' benefits. We also look forward to

writing further transactions this year, in what we expect to be a busy year for the pension insurance market."

Enquiries:

Pension Corporation

Jeremy Apfel +44 20 7105 2140
apfel@pensioncorporation.com

About Pension Corporation

Pension Corporation is a leading provider of risk management solutions to the trustees and sponsors of defined benefit pension funds. Its FSA authorised and regulated insurance company, Pension Insurance Corporation ("PIC"), brings safety and security to scheme members' benefits through innovative, tailored solutions. PIC has £4bn in assets under management and has insured 50,000 pension fund members. Its solutions include pension insurance buyout, pension insurance buy-in and longevity risk insurance. It has transacted both the UK's largest and the first public sector backed pension insurance buyouts. Other clients include FTSE 100 companies and several multinationals. PIC is proud to work with pension fund trustees to maximise member benefits. For further information please visit www.pensioncorporation.com