



PENSION INSURANCE CORPORATION REINSURES £300 MILLION OF LONGEVITY RISK WITH MUNICH RE

London, 30 July 2012 - Pension Insurance Corporation, a leading provider of risk management solutions to defined benefit pension funds, today announces that it has hedged £300 million of longevity risk through reinsurance with Munich Re, the global reinsurer.

This transaction builds on the company's extensive use of longevity reinsurance as a key component of its risk management strategy. In January 2011 PIC announced a £500 million reinsurance transaction with other global reinsurers. PIC has now reinsured approximately 65% of its longevity exposure, representing around £3.5 billion of its total liabilities. PIC also hedges its total exposure to interest rate and inflation risk.

This reinsurance transaction complements what has been a very successful year so far for PIC, which has concluded approximately £1.1 billion of new business in 2012, including the recently announced transactions with Aon Minet, Gartmore and Cookson plc.

Rob Sewell, Chief Financial Officer at Pension Insurance Corporation, said:

“Our strong new business performance so far this year demonstrates the very high demand for defined benefit pension insurance solutions, even against a difficult macro-economic environment. It is vital that we maintain our focus on securing our existing policyholders' pensions for the long-term and this reinsurance transaction

helps to further protect us against the very long-dated risks we face. We are delighted to have been able to work with Munich Re on this transaction.

- ends -

Notes to Editors:

For further information please contact:

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

MHP Andy Fleming +44 20 3128 8523
Andrew.Fleming@mhpc.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 factored around pension insurance buyouts and pension insurance buy-ins. PIC has over £6bn in assets and has insured more than 60,000 pension fund members. Clients include FTSE 100 companies, multinationals and the public sector. PIC concluded the first UK public sector backed pension insurance buyout and the first buyout over £1billion. PIC is proud to work with pension fund trustees to maximise member benefits. For further information please visit www.pensioncorporation.com