



PIC SEES PENSION RISK TRANSFER MARKET OF £30 BILLION OVER THE NEXT YEAR, COVERING UP TO 250,000 SCHEME MEMBERS

London, 16 November 2022 – Pension Insurance Corporation plc ('PIC'), a specialist insurer of defined benefit pension schemes, today provides a company update and pension risk transfer market outlook following the recent market volatility.

Highlights

- Robust balance sheet and strong liquidity position with a Solvency Ratio in excess of 200% at 30 September 2022
- New business premiums during 2022 to date of £3.4 billion (HY2022: £2.4 billion), a short-term pipeline of £10 billion, and an immediately addressable market of new business of an additional £20 billion, potentially covering the benefits of 250,000 people
- Portfolio of £40.7 billion at 30 September 2022 (HY2022: £44.1 billion), with insurance liabilities of £31.7 billion at 30 September 2022 (HY2022: £37.6 billion) – decreases mainly attributable to higher interest rate environment
- Direct investment in the UK's economy of £2.2 billion in the year to date, including a £200 million investment in a Build to Rent skyscraper in Birmingham, and a fourth investment, of £40 million (£130 million total), in social housing provider *mhs homes*
- Pensions paid of £1.3 billion in the year (as at 30 September 2022)
- Awarded Investors in People Silver Standard

One consequence of the recent rise in gilt yields is that whilst defined benefit pension schemes are much better funded, headline liabilities are smaller than they were at the start of the year. This will make pension risk transfer market volumes appear smaller over time, even though the number of members moving to the life insurance sector will be the same on a like-for-like basis.

Tracy Blackwell, CEO of Pension Insurance Corporation plc, said: "I'm delighted that our purposefully invested portfolio proved robust, and that our liquidity and collateral arrangements worked well during the recent market volatility, as we expected. The rise in gilt yields means that trustees are now much better placed to transact than they have ever been

and this is reflected in the expanded pipeline of new business, which, on an expected annuitants basis, is a record amount.”

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Notes to Editors:

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About PIC

The purpose of PIC is to pay the pensions of its current and future policyholders. PIC provides secure retirement incomes through comprehensive risk management and excellence in asset and liability management, as well as exceptional customer service. At 30 June 2022, PIC had insured 293,400 pension scheme members and had £44.1 billion in financial investments, accumulated through the provision of tailored pension insurance buyouts and buy-ins to the trustees and sponsors of UK defined benefit pension schemes. To date, PIC has made total pension payments of over £9 billion to its policyholders. Clients include FTSE 100 companies, multinationals and the public sector. PIC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (FRN 454345). For further information please visit www.pensioncorporation.com