



PENSION INSURANCE  
CORPORATION

## PIC COMPLETES £1.6 BILLION BUY-IN WITH MNOFP

London, 10 February 2020 – Pension Insurance Corporation plc (“PIC”), a specialist insurer of defined benefit pension schemes, has completed an insurance deal with the Merchant Navy Officers Pension Fund (“MNOFP”), converting a pensioner longevity swap into a £1.6 billion buy-in.

The buy-in secures the pensions of around 14,000 members and converts a longevity swap held between MNOFP and Pacific Life Re. This is the third such transaction involving the conversion of a longevity swap to a buy-in completed by PIC, signifying a growing appetite in the market for these types of deals. The Trustee was advised by Willis Towers Watson and legal advice was provided by Baker McKenzie. PIC was advised by CMS.

The MNOFP is an industry-wide pension scheme established in 1937 to allow shipping companies to provide retirement and death benefits for their officers.

MNOFP Chair, Rory Murphy, said: “This buy-in enables us to more effectively manage the risks faced by the Fund as a whole, providing greater certainty to members that their benefits will continue to be paid in full from the Fund. It is also good news for employers in the maritime and shipping industry, who have already saved many millions in deficit contributions over recent years as a result of our improved funding position.

“There is also a positive message here for the wider pensions community. A well-run fund, with strong governance and expert advisers, can deliver valued and sustainable benefits to its members while successfully managing the risks and costs faced by its employers.”



[douglas.campbell@teneo.com](mailto:douglas.campbell@teneo.com)

## **About PIC**

The purpose of PIC is to pay the pensions of its current and future policyholders. PIC provides secure and stable retirement incomes through leading customer service, comprehensive risk management and excellence in asset and liability management. At 31 December 2019, PIC had insured 225,000 pension scheme members and had £40.9 billion in financial investments, accumulated through the provision of tailored pension insurance buyouts and buy-ins to the trustees and sponsors of U.K. defined benefit pension schemes. 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](http://www.pensioncorporation.com)