



Ogier in Guernsey advises on £16 billion longevity risk transfer transaction

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The Prudential Insurance Company of America recently completed what is believed to be the largest longevity risk transfer transaction to date, having reinsured longevity risk of the BT Pension Scheme. Ogier advised Prudential in Guernsey.

Longevity risk is faced by all providers of defined benefit pension schemes and has been the subject of a number of deals as schemes have sought to reduce the risk of people living longer. Increased life expectancy increases the liabilities associated with a defined benefit pension scheme. The Prudential Insurance Company of America, a subsidiary of Prudential Financial, Inc. (NYSE: PRU) entered into the reinsurance transaction with the Guernsey based captive insurer of the BT Pension Scheme, effecting the transfer of a quarter of the scheme's exposure to increasing longevity and so hedging around £16 billion of liabilities.

Guernsey is a major centre for the provision of insurance products and services. The Island's first captive insurance company was incorporated in 1922. Since then, Guernsey has grown to become the leading captive domicile in Europe and the fourth largest captive domicile in the world.

The Ogier deal team who advised The Prudential Insurance Company of America included Bryon Rees and Michaela Jesson.

Primary transaction counsel for The Prudential Insurance Company of America were Willkie Farr & Gallagher LLP and Clifford Chance LLP.

Prudential Financial, Inc. of the United States is not affiliated with Prudential plc, which is headquartered in the United Kingdom.

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