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Rothestay secures £1.4bn transaction for Rexam Pension Plan

- The pension scheme buy-in insures £1.4bn of liabilities for the Rexam Pension Plan
- The transaction secures the benefits for over 14,000 members – 9,790 pensioners and dependants as well as 4,330 deferred members
- The buy-in is a single premium insurance policy covering residual risks for the Scheme

Rothestay, a leading UK pensions insurance specialist, today announces that it has completed a £1.4bn full scheme buy-in with the Rexam Pension Plan (the “Scheme” or “Plan”). The Scheme is sponsored by Ball Corporation (the “Sponsor”), a supplier of innovative, sustainable aluminium packaging solutions for beverage, personal care and household products.

The transaction secures the benefits for over 14,000 members of the Scheme which includes defined benefit liabilities for 9,790 pensioners and dependants and a further 4,330 deferred members.

The buy-in is a single premium insurance policy covering residual risks and no contribution was required from the Sponsor.

Having agreed to structure the insurance premium as a specified pool of assets owned by the Scheme, the economics of the transaction were fixed in August 2023. The Trustee, Sponsor, Aon and Rothestay have worked together collaboratively since then to underwrite the residual risks of the Scheme.

The lead broker on the transaction was Aon. WTW provided actuarial advice and project management to the Trustee. LCP are the Plan’s investment advisers. Rothestay and the Scheme received legal advice from Eversheds Sutherland and Sackers, respectively. A&O provided the Company with legal advice.

The buy-in was one of 12 pension schemes Rothestay was able to assist in their de-risking journey in 2023, resulting in total new business premiums for the year of £12.7bn.

Cleo Taylor Smith, Business Development at Rothestay, said: “From our first meeting with the Scheme and Sponsor it was clear that there was a strong cultural fit between our organisations and we are delighted to have worked so collaboratively together to secure the future for over 14,000 members. It has been a pleasure to work with the Trustee to reach such a successful outcome.

Last year was one of Rothestay’s busiest ever, with £12.7bn marking the second largest volume of annual new business we’ve ever completed. 2024 is looking equally, if not more, exciting with a currently unprecedented pipeline. Rothestay’s strong capital position and proven capability to execute large and complex transactions, like for the Rexam Pension Plan, mean that we are very well-placed to meet this opportunity.”

Rothesay

Chris Martin, IGG and Chair of Trustees, said: “This is a significant milestone in our de-risking journey and we are delighted to have been able to achieve this outcome for members by working in collaboration with Rothesay. I would particularly like to thank my colleagues on the Trustee Board and within Ball Corporation, including the fantastic in-house Pensions Department, as well as the Plan’s excellent advisory teams for their collaborative and diligent approach which enabled the delivery of such a great result.”

John Baines, partner in the Risk Settlement Group at Aon, said: “For such a complicated scheme, we adapted the broking process to develop creative solutions, allowing the Trustee and Company to meet all of their objectives. As the market continues to get busier, increasingly thorough preparation and setting out requirements which are carefully tailored to schemes’ objectives will be the blueprint for achieving the best outcomes for members.”

Claire van Rees, partner at Sackers, said: “It was an absolute privilege to work with this team. It’s a complex scheme, but with clear leadership, good preparation, hard work and creativity we collectively secured a great outcome for the Scheme members.”

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Media Contacts

Rothesay: Anthony Marlowe, Head of Communications & Public Affairs

+44 (0)7912 550184 or anthony.marlowe@rothesay.com

Temple Bar Advisory: Alex Child-Villiers +44 (0)7795 425580 or Sam Livingstone +44(0) 7769 655437 or rothesay@templebaradvisory.com

Notes to Editors

About Rothesay

Rothesay is a leading UK pensions insurance specialist, purpose-built to protect pension schemes and their members’ pensions. With over £60 billion of assets under management, we secure the pensions of more than 934,000 people and pay out, on average, approximately £200 million in pension payments each month.

Rothesay is dedicated to providing excellence in customer service alongside prudent underwriting, a conservative investment strategy and the careful management of risk. We are trusted by the pension schemes of some of the UK’s best known companies to provide pension solutions, including Asda, British Airways, Cadbury’s, the Civil Aviation Authority, the Co-operative Group, National Grid, Morrisons and telent.

Rothesay has two substantial institutional shareholders, GIC and Massachusetts Mutual Life Insurance Company (“MassMutual”), who provide the company with long-term support for its growth and development.

Rothesay refers to Rothesay Limited and its subsidiaries and is the trading name for Rothesay Life Plc, an insurance company authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Firm Reference

Rothestay

Number: 466067. Rothestay Life Plc is registered in England and Wales with company registration number: 06127279 and registered address: Rothestay Life Plc, The Post Building, 100 Museum Street, London WC1A 1PB. Further information is available at www.rothestay.com