



LONGEVITY HEDGING TRANSACTION - PRESS RELEASE

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BBC Pension Scheme, Zurich and Canada Life Reinsurance strike £3bn longevity swap deal

The BBC Pension Scheme has completed a longevity swap with the leading insurer Zurich and global reinsurer Canada Life Reinsurance covering more than £3bn of pensioner liabilities.

The transaction will provide the BBC Scheme, and the BBC, as sponsoring employer, with protection against the risk of rising costs as a result of pensioner members and their dependants living longer than expected.

Catherine Claydon, Chair of the Scheme Trustee Board, said: “The Trustee is pleased to have been able to take this important step in our risk management strategy and significantly reduce one of the key risks that all pension schemes face, namely the uncertainty in relation to how long members will live, and pensions will have to be paid for. We appreciate the support of our sponsoring employer and our advisers.”

Greg Wenzel, Zurich’s Head of Longevity Risk Transfer, said: “We are delighted to have helped minimise the longevity risk of the BBC Pension Scheme. We are also grateful to Canada Life Re for their flexible approach. This is an example of how large pension schemes can successfully hedge longevity risk in a cost-effective and low risk way. We set out to lower the perceived barriers for pension schemes seeking longevity-only de-risking and using a UK regulated insurer to structure the deal offers trustees a secure, simple and flexible solution.”

Jeff Poulin, Global Head of Canada Life Reinsurance, said: “Congratulations to all teams involved in executing this significant new transaction with the BBC Pension Scheme. Canada Life Reinsurance has been active in the UK longevity reinsurance market since its inception and have looked to support our clients with pragmatic and flexible solutions. We are pleased to have been able to build on our existing relationships with Aon and Zurich in order to support the Trustee on its de-risking journey.”

Martin Bird, Senior Partner and Head of Risk Settlement at Aon, said: “At a time of exceptional volatility, it’s great that we have been able to support the Scheme Trustees with the successful execution of this important transaction to further protect against future funding risk and safeguard members’ interests.”

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