

## **PACIFIC LIFE RE COMPLETES LONGEVITY REINSURANCE TRANSACTION**

6th February 2009

Pacific Life Re Limited ("**Pacific Life Re**") is pleased to announce the completion of a longevity only reinsurance transaction with Abbey Life Assurance Company Limited ("**Abbey Life**") relating to a portfolio of in-payment annuities with underlying liabilities of £1.5 billion. Pacific Life Re was one of two participating reinsurers and Abbey Life was advised by Barlow Lyde & Gilbert LLP ("**BLG**").

David Howell, CEO of Pacific Life Re commented:

"Reinsurance solutions of this type, involving the transfer of pure longevity risk, require substantial technical expertise and careful structuring. Few have been concluded to date and the scale of this transaction makes it truly exceptional. This highlights the key role well-executed reinsurance solutions can play in helping insurers manage risk and capital associated with their annuity business."

Nardeep Sangha, CEO of Abbey Life commented:

"Abbey Life took this important step as part of its strategy to reduce risk and protect the solvency of the company. In these volatile times, it is a benefit to all stakeholders, especially policyholders, to reduce risk where appropriate and available. We are very pleased with the speed and execution process for these innovative contracts."

James Parker, Head of Life, Annuity and Pensions Transactions, BLG commented:

"BLG were delighted to advise Abbey Life on this transaction which we believe will pave the way for similar deals in the future in this increasingly important sector of the insurance market. It is testament to all involved that, in spite of the technical complexity of the deal and Abbey Life undertaking parallel negotiations with two reinsurers, we were able to conclude the transaction within four weeks."

-ENDS-

## NOTES TO EDITORS:

### 1. **Abbey Life Assurance Company Limited**

Abbey Life, a UK life assurance company which has been closed to new business since 2000, manages approximately £12bn\* of assets in respect of around 1.2m\* policies. The business of Abbey Life is comprised primarily of unit-linked life and pension policies and annuities.

### 2. **Pacific Life Re Limited**

Pacific Life Re is a wholly-owned subsidiary of Pacific LifeCorp. It is a UK-based specialist life reinsurer offering a comprehensive range of reinsurance solutions aimed at helping insurance providers to manage mortality, morbidity, annuity and longevity risk in the UK, Ireland and Asia. Pacific Life Re benefits from a Financial Strength Rating from Standard and Poor's of 'A' (Strong).

### 3. **Barlow Lyde & Gilbert LLP**

BLG is a pre-eminent international law firm with an unrivalled reputation in the financial services and professional practices sectors, and has particular expertise in the insurance, reinsurance and international risk markets. The firm has over 80 partners and more than 300 lawyers in our offices in London and Singapore together with our affiliated undertakings in Hong Kong and Shanghai.

BLG has a dedicated team focussed on transactions in the life, annuities and pensions markets, headed by partner, James Parker. The team acts for insurers, reinsurers, investment banks and pension buy-out providers, and has particular expertise in collateralised (re)insurance and risk transfer solutions. The BLG team for the Abbey Life transaction was led by partners James Parker and Mike Munro and also included banking partner Tim Parsons and corporate associate Laura Shepperson.

*\* figures quoted as at 31/12/07*

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