

**16 December 2019**

### **Rothesay Life completes £255m bulk annuity deal with ESAB**

- ESAB Group (UK) Limited Pension & Life Assurance Scheme has agreed a £255m full scheme insurance contract with Rothesay Life
- Insurance covers all 900 members, of which 220 are deferred pensioners
- Currently structured as a buy-in, which is expected to move to buy-out in future

Rothesay Life, one of the UK's largest pension insurers, is pleased to announce that it has insured the defined benefit liabilities of the ESAB Group (UK) Limited Pension & Life Assurance Scheme (the "Scheme") through a circa £255m bulk annuity transaction which was completed in early August 2019.

The insurance policy covers all 900 members of the scheme, 220 of which are deferred members. The Scheme's members accrued pension benefits while employed within the ESAB Group, a global leading manufacturer of welding and cutting equipment, and a subsidiary of Colfax Corporation

The transaction is structured as a full scheme buy-in which is expected to move to buy-out in future, at which point the scheme will be wound up.

In the process of choosing an appropriate insurer and negotiating terms, the Trustee of the Scheme was advised by Mercer and Pinsent Masons. Rothesay Life was advised by Linklaters.

**Robert Careless, Chairman of the Trustee of the ESAB Group (UK) Limited Pension & Life Assurance Scheme**, said: "The Trustee considers the purchase of this Bulk Annuity contract with Rothesay Life to be very positive news for the scheme and all its members. The recent significant improvement in the funding position of the scheme, along with the support of the employer, gave us the opportunity to take this decisive step to successfully remove the volatility of the scheme's funding level and improve the security of members' benefits."

**Cleo Taylor, Business Development at Rothesay Life**, said: "This transaction reflects the strong demand we are seeing for long-term security from pensions schemes. The Trustee of ESAB was well prepared with a clear view of what the scheme wanted to achieve, which was an advantage in a busy market. Our robust approach to risk management and the capital support from our shareholders gave the Trustee confidence in our execution capability and the future security of its members' benefits."

**Leah Evans, Partner in the Risk Transfer Group at Mercer**, said: "This transaction demonstrates that there are very attractive opportunities available in the market for schemes that can move forward decisively when the timing is right. Aligning assets and price lock gave the Trustee the confidence to proceed with a good understanding of the final economics – a must for full scheme buy-ins."

#### **ENDS**

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#### **Notes to editors**

#### **About Rothesay Life**

Rothesay Life was established in 2007 and has become one of the leading providers of regulated insurance solutions in the U.K. market for pensions de-risking. This strong growth has been achieved through the steady accumulation of pension scheme clients, significant strategic acquisitions and the

reinsurance of annuity portfolios. Rothesay Life has assets under management of over £50bn and insures the pensions of over 800,000 individuals.

Existing Rothesay Life clients include the pension schemes and customers associated with such names as Asda, National Grid, Allied Domecq, Cadbury's, telent, Prudential, British Airways, Lehman Brothers, Aegon, Zurich Assurance the Post Office and the Civil Aviation Authority.

Rothesay Life was founded on several core pillars:

- Clear and disciplined business strategy;
- Prudent underwriting;
- Meticulous management of risk and cautious investment strategy supporting enhanced customer security;
- Excellence in execution; and
- Robust operational processes underpinning excellent customer service

Rothesay Life has three substantial institutional shareholders, Blackstone, GIC and Massachusetts Mutual Life Insurance Company, who provide the company with long term support for its growth and development.

Rothesay Life is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Further information is available at [www.rothesaylife.com](http://www.rothesaylife.com)