



WESTMINSTER AND CITY

The 16th Conference on

BULK ANNUITIES

**Pension Buy-ins
and Buyouts
Longevity Swaps
and Reinsurance**

THE EXPANDING MARKET

Two Day Conference

25 April 2018 – Day 1 • 26 April 2018 – Day 2

Millennium Mayfair Hotel, 44 Grosvenor Square, London W1K 2HP

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WESTMINSTER AND CITY

As 2018 started insurers were reporting an impressive pipeline of business and forecasting increased demand for pension buy-ins and buyouts, encouraged by strong investment markets boosting assets and mortality trends reducing liability expectations. The more optimistic believe 2018 could prove to be a record breaking year. Some see a step change on the horizon as big data starts to automate deal processes, reduce costly duplication, and drive market expansion.

Last year saw very competitive pricing and high affordability. Most practitioners expect 2018 to be less of a buyers' market with upward pressure on prices. Despite new entrants and more capital, capacity could be squeezed by back books overhanging the market.

Transferring out is facilitating some buy-ins which could not otherwise be afforded. How pro-active should insurers be? Careful selection of tranches and sub-sets can deliver phased buy-ins. For larger buy-ins the collateralisation debate seems to have been reignited.

The need to source sufficient high yielding assets continues to drive the quest for a wider range of secure alternatives, ways to evaluate them and to structure the yield so that cash flows match liabilities. Equity release is being usefully deployed for longer term cover. Insurer risk management continues to be carefully monitored by the PRA, to comply with Solvency II.

Innovative longevity swap structures have emerged with particular attention being paid to later conversion to a buy-in. Captive insurers are now familiar but a new feature in 2017 was the first longevity pass through structure, SSE.

Reinsurance processing is benefitting from greater speed and efficiency, and gradually arriving at a consensus on longevity trends, however temporary. Out of the money longevity protection and new reinsurance offerings from Bermuda are beginning to attract attention, as the whole bulk annuity business becomes more cross border and globalised. In short, the market is expanding.

YOUR INVITATION....

We have pleasure in inviting you to our 16th Conference on Bulk Annuities – The Expanding Market, a conference with a purpose:

- For insurers and reinsurers to exchange views with consultants and lawyers on the latest trends and structures in pension risk transfer, how they are being applied and how they might be further improved.
- For trustees and sponsors to brief themselves on the increasingly varied processes available for transferring pension risk and how schemes can best gain advantage from them.
- For everybody to share their thoughts on the expansion of the pension risk transfer market and the opportunities it offers as it becomes steadily more globalised.

25 April 2018 – Day 1

Market Outlook 2018

After 2017 was dominated by good value and mainly mid-sized transactions, how is 2018 expected to unfold? The business pipeline suggests the return of some very large transactions and more longevity deals. If prices harden does this suggest that the pendulum is swinging away from a buyers' market? What overall volumes should be anticipated and is adequate capacity available?

The 2018 Business Outlook – Supply and Demand, Prices and Capacity

Chris DeMarco

Managing Director, Pension Risk Transfer

LEGAL & GENERAL

Transferring Out

Trustees and sponsoring employers preparing for buyout are increasingly undertaking liability management exercises to improve funding positions and to make their schemes more attractive to bidding insurers – but how do insurers consider these schemes and is there a better way for insurers to engage earlier in the process?

Transferring Out – The Role of the Insurer in Liability Management Exercises

Tom Ground

Managing Director, DB Solutions

AVIVA

Subsets and Tranches

Interest has increased in insuring subsets and tranches of liabilities phased over time. It gets schemes started on the risk transfer journey, gives them a feel for the market, stimulates insurer appetite and increases the chances of reaching the end goal. Which liability selection criteria should apply in which circumstances? What delivers the best outcomes without leaving a residual liability problem?

Maximising Value when Looking at Subsets and Tranches

Steve Robinson

Head of Annuity Trading and Pricing

SCOTTISH WIDOWS

New Entrants

How does the arrival of new entrants to the market play into supply and demand and the competitive environment? What are they aiming to bring to it and how well placed are they and their balance sheets to meet the challenge? How are they trying to secure business? What has been their experience so far?

The Experience of a New Entrant

Justin Grainger

Head of Bulk Purchase Annuities

PHOENIX GROUP

Alternative Assets

Scarcity of suitable alternative assets is one of the most material inhibitors to growth in the bulk annuity market. Assets need to be structured in an appropriate way. Some will have cash flows which need to be reconfigured. Non sterling assets may require cash flows to be swapped. Insurers need to have in place a detailed liquidity framework and agile governance processes to comply with timelines.

Identifying and Structuring Alternative Assets Suitable for BPA Insurers

Michael Eakins

Managing Director, Securities Division

GOLDMAN SACHS

Equity Release

Lifetime mortgages and equity release are increasingly popular as alternative assets. How are they used and how far do they increase capacity and feed through to pricing?

Equity Release – An Essential Ingredient to Deliver Better Outcomes for Trustees

David Richardson

Group Deputy Chief Executive Officer

Managing Director, UK Corporate Business

JUST GROUP

Insurer Risk Management

How does an insurer construct an investment portfolio which will deliver the required cash flow matching, the management of risk and the payment of the long term liabilities of scheme members? What are the components or building blocks? How are they put together to deliver the required result and what risks are entailed?

Fixed Income Investing from a Bulk Annuity Insurer's Perspective

Mark Gull

Head of Fixed Income

PENSION INSURANCE CORPORATION

Insurer Security

The prime concern for trustees and advisers is always the security of scheme member benefits. The long term financial strength of the insurer is therefore of paramount importance. What effect could investing in alternative assets have on their ratings?

Are Alternative Assets Positive or Negative for Bulk Annuity Insurer Ratings?

Tony Silverman

Associate Director – Analytics

A. M. BEST

Collateral for Buy-ins

The ICI and Total trades seem to have reignited the debate on whether or not larger buy-ins should be collateralised. There are divergent views between consultants. What influences why some schemes want collateral and some do not? What might actually happen in a distressed situation?

The Return of Collateral – Will this be the Normal for Large Buy-ins?

Tom Seecharan

Director, Pensions Insurance

KPMG

Case Study

Scottish Hydro's longevity swap was the first with an established insurer (with no prior link to the pension scheme) to fully pass through the risk to a reinsurance company. It was also the first pension scheme to complete a longevity swap in tandem with a buy-in. What benefits does this innovation bring and will it be replicated by other pension schemes?

Pass Through Structures – The Scottish Hydro Electric Example

James Mullins

Partner

HYMANS ROBERTSON

26 April 2018 – Day 2

Regulation

Research with previous delegates to this conference disclosed interest in three areas of regulation at the start of the year: how the requirements of Solvency II have settled down in practice; the rating of alternative assets by different insurers; and the impact of regulatory arbitrage on reinsurance cover in different jurisdictions. This session will address issues which are topical at the end of April.

Regulation and Supervision of Bulk Annuity Insurers – The Current Focus

David Rule

Executive Director, Insurance Supervision

PRUDENTIAL REGULATION AUTHORITY

Solvency II

Solvency II has been taking time to settle down as individual insurers modify their risk, investment and capital management practices to comply with matching adjustment and risk margin requirements. What practical impact is it having? To what extent are different insurers interpreting it differently? What further changes are anticipated?

The Evolving Impact of Solvency II on Bulk Annuity Insurers

Shazia Azim

Partner, Head of Asset Advisory and ALM for Banks and Insurers

PWC

Longevity Pricing

For most of 2017 longevity swaps seemed expensive although this could be poised to change as reinsurers accustom themselves to the latest dip in mortality improvement rates and yields go up. What pricing patterns are expected during 2018?

Trends and Projections in Longevity Pricing

Tom Scott

Principal Consultant

AON HEWITT

Longevity Conversions

A conversion from a longevity contract to a buy-in can be done by a contractual amendment where the insurer remains the same. But if there is a new insurer and therefore a new buy-in contract what happens to the old longevity-only contract? Does novation, replacing one of

the parties with a new one, work in practice? Can the longevity-only insurer take advantage of its rights to a cancellation fee to try to win the new buy-in contract?

Do Longevity Only Contracts Prejudice the Trustees' Ability to do a Future Buy-in?

Steven McEwan

Partner

HOGAN LOVELLS

and

Arron Slocombe

Partner

BAKER & MCKENZIE

Tail Risk Longevity Protection

Out of the money or tail risk longevity protection has become increasingly popular particularly with the continued development of these covers in The Netherlands. How have they evolved? What is the motivation for an out of the money cover rather than a pure longevity protection? How are these covers likely to look in a UK context.

Out of the Money Longevity Protection

Eamon Loughnane

Head of European Reinsurance Business Development

CANADA LIFE REINSURANCE

Automating Processes

Greater operational efficiency, less duplication of effort and thereby cheaper bulk annuities could be achieved by using big data technology and smart documentation. What innovations are to be anticipated?

Automating Bulk Annuity Pricing and Processing Through Big Data

Douglas Anderson

Founder

CLUB VITA

Reinsurance Processes

Because bulk annuity transactions are market sensitive and subject to timescale pressures, insurers have worked hard to build relationships with reinsurers to source reinsurance more quickly and efficiently. Auto-cession arrangements, flow treaties, cross-netting and standardisation of terms are all evolving and are evidence of a market which is looking to transact more quickly and efficiently.

Sourcing Reinsurance Capacity Efficiently

James Parker

Partner

CMS

Bermuda

Asset based reinsurance transactions have been relatively few to date but there are indications of appetite among life insurers who wish to de-risk their asset exposures. What could the Bermuda market offer to UK domestic life insurers? Bermuda has a history of innovation both in structuring and attracting alternative sources of capital. Could reinsurance sidecars – familiar in the non-life space – be used in annuity reinsurance structures to provide increased capacity and efficiency?

Longevity Reinsurance, Sidecars and Asset Based Transactions – The Bermuda Model

Chip Gillis

Chief Executive Officer

ATHENE LIFE RE, Bermuda

Vladimir Nicenko

Partner

WILLKIE FARR & GALLAGHER, New York

Nicholas Bugler

Partner

WILLKIE FARR & GALLAGHER, London

Towards a Global Business

The bulk annuity business is becoming increasingly global. But in terms of practices and pricing significant differences remain in different locations. What can be learnt from comparing one market with another? How do the main markets in the UK, US and Canada interact and what cross border opportunities are there for consultants, insurers and reinsurers?

Globalisation – The Canadian and US Markets

Terra Klinck

Partner

BROWN MILLS KLINCK PREZIOSO, Toronto

Lynn Esenwine

Partner

MERCER, New York

Manuel Monteiro

Partner

MERCER, Toronto

Registration

To register for the **16th Conference on Bulk Annuities – The Expanding Market** please do *one* of the following:

1. Complete the form below in Block Capitals and post it to our address below. Please photocopy the form for additional delegates.
2. Complete the form below, scan and email it to registrations@westminsterandcity.co.uk
3. Go to our website www.westminsterandcity.co.uk and follow the instructions there.
4. Email registrations@westminsterandcity.co.uk or phone 020 7582 6516.

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Registration Options please indicate in the box the number of each type required. Please note that each registration relates to one person only and cannot be shared or split with another delegate.

- standard 2 day delegate registration(s)** which includes speaker documentation, powerpoint hard copies, lunch with wine, mid-morning and mid-afternoon tea, coffee and soft drinks, post conference pack and the networking drinks party on Day 1
£1290 + VAT £258 each delegate Total £1548
- multiple 2 day delegate registration(s)** as for standard delegate where 3 or more delegates from the same company are booked at the same time (*names may be advised later*)
£1190 + VAT £238 each delegate Total £1428 (*minimum 3*)
- standard 1 day delegate registration(s)** which includes speaker documentation, powerpoint hard copies, lunch with wine, mid-morning and mid-afternoon tea, coffee and soft drinks and post conference pack.
£645 + VAT £129 each delegate Total £774
Please tick attendance day 25 April 26 April
- multiple 1 day delegate registration(s)** as for standard delegate where 3 or more delegates from the same company are booked at the same time for the same day (*names can be advised later*)
£595 + VAT £119 each delegate Total £714 (*minimum 3*)
Please tick attendance day 25 April 26 April
- trustee and scheme sponsor registration(s)** Please call 020 7582 6516 for details of special rates
- non-delegate pack(s)** for those unable to attend consisting of CD or Memory stick with full soundtrack and visuals, binder including speaker details and powerpoint hard copies.
Please select CD or Memory Stick
Both days £400 + VAT £80 Total £480
One day £200 + VAT £40 Total £240. Please tick 25 April 26 April

Payment Method

Please select one of the methods below and send your remittance before the date of the conference. All payments must show the sender's name or, where known, the invoice number. A VAT invoice will be returned with your admission ticket and joining instructions. Overseas delegates are liable to VAT because the conference is being held in the UK. VAT No 437284045

- Bank Transfer to HSBC sort code 40-01-08 a/c 91105612.
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Venue and Catering

The conference is being held at the Millennium Mayfair Hotel, 44 Grosvenor Square, London W1K 2HP. Telephone 020 7596 3122. Nearest underground station Bond Street.

Registration from 08.30

Day 1 – Wednesday 25 April

Opening sessions on both days 09.15

Day 2 – Thursday 26 April

Please tick for

- a vegetarian lunch non dairy or other dietary needs
- details of overnight accommodation

Terms

The full fee becomes due upon registration and must be paid before the event. Written cancellations received and acknowledged by Wednesday 11 April attract a 90 per cent refund. *Full substitutions are acceptable if the new name and job title are notified by email by noon on Monday 23 April and acknowledged. Part substitutions, sharing or splitting of tickets is not permitted in any circumstances. Only one delegate may attend on a two day registration. Non appearance is chargeable.*

Every effort will be made to keep to the published programme. Occasionally speaker or timetable changes are unavoidable. The right to modify arrangements without liability is reserved. No responsibility is accepted for interruption or consequential loss or errors or omissions.

Personal data will be held on our database and used to inform you of other events, products and services from Westminster and City and other providers. The information may be disclosed to third parties unless you advise us not to. Please put a cross here if you do *not* want to receive information from us.

I agree to the terms and confirm my registration.

Signed _____

Date _____

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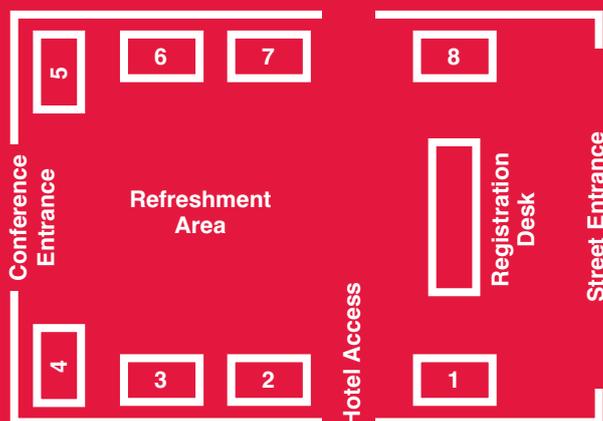
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Networking and Exhibiting

EXHIBITION PLACES

This year's new venue enables us to offer more space for exhibitions, as indicated on the plan. The area will provide an opportunity for lively interaction between exhibitors and delegates and the chance to enhance brand awareness.



HOSTED LUNCH TABLES

Make new contacts or reinforce old ones. Your own company branded lunch table will enable you to invite individual delegates to join you at your table for lunch and a chat.



DRINKS PARTY SPONSORSHIP

Delegates are invited to the Conference Drinks Reception at the conclusion of Day 1. An opportunity is available for a sponsor to host the drinks reception and to say a few words by way of welcome.



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THE 16th BULK ANNUITIES CONFERENCE

The 2018 programme features sixteen speakers who have not spoken at any of our previous bulk annuity and longevity risk transfer conferences since their inception in 2006. This is testimony to the way in which the market has been expanding in the UK and globally as insurers and advisers seek to offer more and better solutions to DB pensions schemes wishing to transfer their risks. In addition seven speakers are making a very welcome return.

Each year we research with past delegates which topical subjects they would like to see included. We are always grateful for ideas and can only apologise that for timetabling reasons it is not possible to include them all.

The final agenda aims to be leading edge, highlighting the most significant developments in the market and identifying trends. This brochure reflects research up to mid-January 2018 when it went to press. Proceedings on the day will of course take into account subsequent developments. The editorial material provides the background context for each presentation and poses a few questions for debate. It is not a synopsis of speaker views or a summary of their presentations.

The purpose of the conference is to provide a practical first hand briefing on the current state of the market and make forecasts for 2018/19 and beyond. Interactive questions and discussion follow each session enabling delegates to express their own views, thereby generating new ideas and perspectives. This makes it a real working conference designed both to inform and stimulate as well as to enjoy.

Related Event

The 6th Conference on

DB to DC Transfers – Under the Spotlight

18 April 2018, London

Why Westminster and City are Different

We are an independent financial services research organisation. At all our events we aim for objective, non-promotional contributions. Speakers are invited to take part only on the basis of merit, never as a result of sponsorship or other commercial considerations. This insistence on complete editorial integrity distinguishes us from most of our competitors. Because delegates pay a fee to attend, our events attract very high quality participation. Nearly all delegates have strategic responsibilities or are senior opinion formers. As a result the networking opportunities are exceptional.

To Contact Us

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