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# Buy-ins, Buy-outs and Longevity Risk Transfer

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The pensions risk transfer market has seen substantial innovation and expansion in recent years. CMS has been at the forefront of these changes and is perfectly placed to meet the challenges of such a dynamic market.

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Our experience of completing complex and innovative transactions ensures that we provide a client service which is distinguished by:

- the commerciality of our approach – based on exceptional market focus, knowledge and expertise
- the high degree of partner involvement and availability
- the responsiveness and quality of our advice
- the flexibility and transparency in our approach to pricing

## What we offer

### Experience across the board

We have acted on many of the largest and most innovative risk transfer transactions announced to date, establishing an exceptional track record and reputation. We were the first European law firm to establish a specialist team dedicated to the life, pensions and longevity risk transfer market. Our multi-disciplinary team draws on the combined resources of our top-ranked pensions, insurance, corporate, derivatives, finance and regulatory groups.

### The full spectrum

We offer clients market-leading experience across the whole spectrum of de-risking and risk transfer solutions. We have worked not just with trustees, but also with providers and reinsurers, on a wide range of transactions including longevity-only insurance, reinsurance and derivatives, pension scheme buy-ins and buy-outs, bulk annuity reinsurances, captive 'fronting' arrangements, index-linked notes and other capital market products.

### Transaction delivery

Our experience of working across the industry ensures that we give our clients the best possible chance of delivering their transaction to completion, often within tight timescales. We know the key issues for each party to the transaction and so can help resolve issues as they arise. For example, when negotiating collateral arrangements on behalf of trustees, our experience of designing such arrangements for providers is invaluable.

### Client service

We are client driven. As part of our service, we think it is important to help trustees through complex risk transfer transactions. This includes sharing and building knowledge through bespoke training and workshops as well as providing advice in a way which helps trustees identify and understand the main issues. Our experience, good relationship management and concise, practical approach mean that we can deliver real value for money legal services.



CMS fields a strong team of practitioners renowned for their experience in handling pensions and longevity risk transactions and OTC derivatives. Market sources are impressed with the “expertise and depth of knowledge” demonstrated by the team.

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## A flavour of our expertise

Our Life, Pensions & Longevity Risk team has a track record of delivering high-profile and innovative matters which is second to none.

### Longevity swaps

We have been involved in the majority of the longevity swap transactions to date, including:

- Advising the trustees of a £1.2bn defined benefit pension scheme on the transfer of £900m of longevity risk to an insurer
- Advising SCOR in the first disintermediated longevity transaction (allowing the trustees of the scheme direct access to the reinsurance market), involving £5bn of pensioner liabilities from the £8.5bn Aviva Staff Pension Scheme
- Acting for the trustees of the Pall UK Pension Scheme on the first index-linked longevity derivative for deferred lives
- Advising Zurich on the design and implementation, with Mercer, of a longevity hedging product designed for smaller and mid-sized defined benefit schemes

### Buy-ins and Buy-outs

We have been in the vanguard of developments in the buy-in and buy-out arena (including associated collateral/security arrangements) including:

- Advising Pension Insurance Corporation on a number of deals over the past few years including the buy-in of £1.6bn of pensioner liabilities in relation to the £2.6bn Total UK Pension Plan
- Acting for the trustees of the Retirement Benefit Scheme of Food from Britain on their £20m buy-out – work which won the team a nomination as “Commercial Team of the Year” at the British Legal Awards
- Advising trustees on a buy-in transaction using a multi-national ‘fronting’ insurer with reinsurance to a captive within the employer group of this global company



What this firm has above everyone else is real strength in depth.

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