



## L&G completes c.£800m million buy-in with the Honda Group – UK Pension Scheme

Legal & General Assurance Society Limited (“L&G”) has completed a c.£800 million buy-in with the Honda Group – UK Pension Scheme (“the Scheme”), securing the retirement benefits of over 1,700 retirees and over 3,000 deferred members.

The sponsoring employer of the Scheme, Honda Motor Europe Limited (“the Sponsor”), is the centre of Honda’s operations for Europe and part of a globally recognised automotive manufacturer and retailer, with a broad product range encompassing automobiles, motorcycles and power products.

The Scheme is a longstanding client of L&G’s Asset Management business. For this transaction, L&G was able to leverage its combined investment and insurance expertise to craft a bespoke package of solutions for the Scheme.

L&G provided a price lock direct to the Scheme’s assets during the transaction, ensuring price certainty while the terms were finalised. A tailored price lock significantly reduces a scheme’s exposure to market volatility, allowing transactions to occur seamlessly across a range of market environments.

The Scheme paid the premium through a combination of an in-specie asset transfer and cash, with L&G also providing a partial, flexible deferred premium solution to support the run off of the Scheme’s illiquid asset holdings over the coming years. This solution enables schemes to defer a significant proportion of a transaction’s total premium, providing greater optionality during a transaction process.

With the Scheme trustees having a strong focus on member experience, the strength of L&G’s in-house administrative and customer care offering was integral to the proposition. This included the provision of member option factors to the Scheme during the buy-in period to support continued use of the Scheme’s online benefit modeller.

**Andrew Kail, CEO, Institutional Retirement, L&G, commented:** “This is another example of L&G’s ability to deliver for trustees, sponsors and members in all market environments. We are delighted to have helped the Scheme secure its members’ retirement benefits. What really differentiates our proposition is our ability to offer schemes a multi-award-winning customer service offering as well as bespoke transaction structuring that caters to individual schemes’ practical needs.”

**Ray Runza, Trustee Chair, said:** “The security of our members’ benefits has been our highest priority, so this transaction marks an outstanding outcome for all involved. The Trustee Board is delighted to see a successful outcome after a rigorous selection process across market insurers and months of dedicated preparation, and effort by all advisors. I’d like to thank our advisors for their collaborative work to get the Scheme to this point and look forward to working with L&G for their continued support to our members.”

The Scheme Trustees and the Sponsor were jointly advised by EY, while the Trustees were further advised by Mercer as investment advisors, Hymans Robertson as section 36 advisors and XPS as the Scheme actuary, while the Sponsor was further advised by Isio as investment advisors. Burges Salmon provided legal advice to the Trustee, Sackers provided legal advice to the Sponsor and CMS provided legal advice to L&G.



**Swapnil Katkar, UK Financial Services Partner, EY, added:** “We are delighted to have supported both Honda Group and the Scheme Trustees in collaboration with other advisors on this buy-in. This transaction demonstrated that executing a buy-in within a strict timeframe remains possible while still achieving attractive pricing and suitable contractual terms through a concerted effort. In addition to the standard due diligence, this transaction involved substantial and extensive review of insurers’ administrative and customer service capabilities, and we are confident that the completed deal will benefit both the savers and the UK markets.”

This buy-in further supports L&G’s strategic ambition of writing £50-65 billion of UK PRT business over the five-year period ending in 2028. With large numbers of schemes continuing to approach insurers, L&G’s Institutional Retirement business remains well-placed to meet the healthy demand and provide a secure home for members’ retirement benefits.

**-ENDS-**



## Notes to editors

### About L&G

Established in 1836, L&G is one of the UK's leading financial services groups and a major global investor, with £1.1 trillion in total assets under management (as at FY24) of which c. 44% (c. £0.5 trillion) is international.

We have a highly synergistic business model, which continues to drive strong returns. We are a leading player in Institutional Retirement, in Retail Savings and Protection, and in Asset Management through both public and private markets. Across the Group, we are committed to responsible investing and dedicated to serving the long-term savings and investment needs of customers and society.

### About our Institutional Retirement business

Institutional Retirement works with trustees and sponsoring companies of defined benefit (DB) pension schemes of all sizes to settle their pension obligations and secure scheme members' benefits, through a full range of buy-ins, buyouts and other de-risking solutions. Our Client Services' 12-month rolling Net Promoter Score (NPS) is above +68, which is widely regarded as being at a "world class" level. L&G is the UK's longest-standing active bulk annuity provider.

Our UK Retirement annuity book, excluding shareholder assets, stands at an estimated £92.2 billion at 31 December 2024. Across the group over £30 billion is invested in direct investments that deliver positive social and environmental impacts, such as clean energy and affordable housing. L&G provides income and pension security to more than a million retirement customers around the world.

## Further information

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