



Helping schemes 'box clever' - Just Group publishes 'Preparing for a Bulk Annuity' guide for Trustees

- Guide from Just Group is packed with practical advice and case studies from EBCs, Trustees, advisers and lawyers

The demand for bulk annuities shows no sign of reducing as the leading consultancies are all forecasting strong demand will continue for the foreseeable future. 63% of the deals written in 2021 had transaction values of less than £100 million so in such a busy market many schemes will have to work hard to gain insurer attention and resource.

Due to the increased number of schemes trying to secure insurers' attention in an active de-risking market, Just Group has created its *Preparing for a Bulk Annuity* guide to Trustees of schemes.

The guide draws on the knowledge of experts involved in every step of the process with contributions from Aon, K3 Advisory, 20-20 Trustees, Hymans Robertson, DLA Piper, Pinsent Masons and Lane Clark & Peacock. It provides a step-by-step guide towards de-risking, explaining in detail why each element is important and how schemes should approach each step.

Rob Mechem, director of business development, Just Group, commented: "For any scheme, small or large, there are three key points to keep in mind when it comes to preparing for a bulk annuity: start early, ensure the data is cleansed and be clear on the scheme benefit specifications.

"No matter how busy the market, having these things well progressed, will give schemes a head start. Our brand-new guide explains why these three elements are so vitally important and also provides a nine step checklist for schemes as they progress towards de-risking."

Commenting on the launch of the guide, **Adam Davis, managing director at K3 Advisory**, said: "If advisers and Trustees follow the key steps outlined in this guide to prepare for a bulk annuity, have engaged insurers and are aware of their workloads and capacity, then it's possible to get multiple insurers to quote, which creates desirable competitive tension."

Preparing for a bulk annuity also covers important areas like GMP equalisation as schemes consider how best to comply with the High Court's landmark decision. This can create opportunities for well-prepared schemes to stand out from the crowd in a busy bulk annuity market according to **Robert Tellwright, Partner at law firm Pinsent Masons LLP**.

"Whilst insurers are now generally able to accommodate dual records approaches, some insurers may be attracted to the idea of insuring benefits which have already been simplified through a GMP conversion process," he said. "Either way, insurers are very likely to insist that GMP equalisation is completed anyway, before individual annuity policies can be issued to members under a buy-out process."

When completing the transaction, while price will be a significant consideration, there other factors that Trustees should weigh up when it comes to selecting an insurer.

James Mullins, head of Hymans Robertson's risk transfer solutions team, said: "Price will always be a key factor when deciding which insurer to work exclusively with towards completing your buy-in transaction.

But other factors – such as ESG credentials, solvency position and policyholder care – also need to be considered and your adviser will be able to help you score the insurers.”

For the full report which includes case studies, interviews, features from key advisers in the risk settlement process and the future of the market, please see the link below.

www.wearejust.co.uk/definedbenefit/preparing-for-a-bulk-annuity

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