

SLAUGHTER AND MAY /

INSURANCE

2024

OUR INSURANCE PRACTICE

We have a market-leading international insurance practice. We advise a large number of the major players in the insurance sector and have handled many of the major sector transactions in recent years. The breadth of our practice encompasses the full range of work including mergers and acquisitions, reinsurance and other risk transfers, pensions derisking, capital markets, restructuring, investigations and regulatory advice.

We work closely with our asset management, financing, pensions and disputes colleagues to provide an integrated service across the entire waterfront of the sector.

ABOUT US

Band I

Ranked in band I for insurance
in London and the UK
CHAMBERS UK AND LEGAL 500

70%

Over 70% of turnover from
international work

1st

First for FTSE 100 and FTSE 250 clients
CORPORATE ADVISERS RANKINGS GUIDE

WHAT WE DO

Mergers & acquisitions

Our expertise in insurance M&A is unrivalled. We have a huge range of experience, covering public and private deals in both the life and non-life sectors and involving a client base including multi-national insurance groups, small to medium sized enterprises and start-ups. We advised:

- **Direct Line** on its successful defence against a possible offer by Ageas SA/NV
- **Aviva** on the acquisition of AIG's UK protection business
- **Standard Life Aberdeen** on the sale of its capital-intensive insurance business to Phoenix
- **Allianz** on its agreement with Sanlam to combine their operations across Africa (excluding South Africa)
- **Pollen Street Capital** and its portfolio company **Markerstudy** on a number of transactions including the acquisitions of BGL Insurance and Clegg Gifford Holdings Limited and merger with personal lines broking business Atlanta
- **RSA** on its £7.2 billion recommended cash offer made by a subsidiary of Intact Financial Corporation, acting in consortium with Tryg A/S
- **Ageas** on the sale of its UK commercial lines front book business to AXA Insurance
- **Aviva** on the strategic divestment of a number of its businesses including the sales of Aviva Poland, Aviva France and Aviva Vietnam, its shareholding in Aviva Singapore, its shareholding in its Indonesian joint venture PT Astra Aviva Life and its stake in its Hong Kong joint venture, Blue
- **Athora** on the acquisition of VIVAT's life and asset management business from Anbang
- **Allianz** on the acquisition of the general insurance business of Legal & General

International reach

130+

We work in 130+ Countries

70%

Over 70% of our turnover is from international work

18,000+

Over 18,000 law firm contacts in 160 jurisdictions

Reinsurance and other risk transfer

Reinsurance is a key part of our practice. Our experience includes advising on a range of reinsurance structures including funded reinsurance, net reinsurance, deposit back and funds withheld structures, transformer deals and longevity swaps. We advised:

- **Canada Life** on multiple collateralised longevity swaps with UK and EU counterparties, including PIC, Aegon and NN
- **Zurich Assurance** on reinsurance arrangements with Pacific Life Re and The Prudential Insurance Company of America in respect of underlying pension derisking longevity swap arrangements
- **Legal & General** on multiple reinsurance arrangements in respect of its pension derisking activities
- **Zurich** on the transfer of its UK legacy employers' liability insurance portfolio to Catalina
- **RSA** on its disposal of UK legacy liabilities to Enstar
- **Delta Lloyd Levensverzekering** on a six year longevity swap with Reinsurance Group of America
- **AEGON** on a longevity swap with Deutsche Bank

Pensions solutions

Our work in the pensions solutions markets combines the expertise of our insurance, financing and pensions practices. We have been at the forefront of the development of innovative transaction structures designed to transfer pension risk. We advised:

- **Legal & General** on the insurance of £4.8 billion of liabilities of Boots Pension Scheme, the UK's largest single buy-in transaction by premium size
- **United Utilities** on the partial buy-ins entered into with Legal & General by the trustees of two pension schemes sponsored by United Utilities
- **Tata Steel UK** on the full buy-in of the British Steel Pension Scheme, achieved by phased buy-ins with Legal & General totalling £7.5 billion of liabilities – BPS is the largest scheme in the UK to have secured full insurance
- **Intact Financial Corporation** and **RSA** on the insurance of £6.5 billion of liabilities in total of RSA's two main defined benefit pensions schemes with Pensions Insurance Corporation
- **Whitbread plc** on a de-risking of the Whitbread Group Pension Fund with Standard Life, part of Phoenix Group
- **Legal & General** on multiple pensions buy-in transactions including with Reuters Supplementary Pension Scheme, the Commonwealth Bank of Australia (UK) Staff Benefits scheme and the Pearson Pension Plan
- **PA Pension Trustees** on the derisking of the PA Pension scheme with Pension Insurance Corporation
- **Aviva** on the derisking of the Aviva Staff Pension Scheme via an insurance "conduit" directly to the reinsurance market

Lloyd's of London

We have a very active practice advising on transactions in the Lloyd's sector, focusing in particular on equity investment, acquisitions and disposals and reinsurance arrangements. We advised:

- the **Lime Group** in connection with the establishment of a new Lloyd's Third Party Managing Agent
- **MCI Holdco** on the launch of a new "syndicate-in-a-box", Syndicate 1902, to write three core classes of business – life science and clinical trials, medical malpractice and commercial liability
- **OMERS** on the UK aspects of its acquisition of a 14% stake in BRIT from Fairfax Financial Holdings
- **Blackstone's Tactical Opportunities** business on its investment in Ki, the first fully digital and algorithmically-driven Lloyd's syndicate
- **RiverStone Management** on its reinsurance-to-close transactions ("RITCs") with ArgoGlobal and MS Amlin
- **White Mountains** on its investment of fresh capital and acquisition of a majority interest in Ark Insurance Holdings, the ultimate parent company of Ark Syndicate Management. Ark manages the underwriting of syndicates 4020 and 3092 at Lloyd's
- **RiverStone** on its acquisition of the Neon Group (including Lloyd's of London insurer, Neon) from American Financial Group and the associated disposal of Neon Sapphire to Spring Partners



Disputes, investigations and enquiries

We work closely with our Disputes and Investigations group to support insurance clients across a broad range of areas including regulatory investigations, competition enquiries, coverage disputes, policy interpretation issues, reinsurer insolvency, brokers' liability and claims litigation. We advised:

- a **client** on the interpretation of trade credit reinsurance protection arrangements
- an **insurer** on a breach of warranty claim arising out of a business transfer agreement
- **Aviva, Allianz, CNA, Liberty Mutual, MS Amlin and Zurich** in relation to business interruption insurance claims brought by various English Premier League football clubs in respect of losses suffered during the COVID-19 pandemic, which is due to be heard in the English High Court
- a **number of insurers** in respect of other COVID-19 related business interruption insurance and reinsurance claims, including advice on the land-mark financial markets test case brought by the FCA and ongoing advice in relation to a number of complex reinsurance arbitrations
- a **large insurer** in relation to the impact of regulatory enforcement action on a senior executive's remuneration package
- an **insurance client** in respect of the FCA's thematic review of the sale of enhanced annuities and subsequent past business review and redress programme
- **Standard Life Aberdeen** on a contractual dispute with Lloyds Banking Group relating to agreements in respect of assets managed by SLA for Lloyds and customers of its insurance businesses
- **Marsh** in relation to a rare and high-value cross-border claim under an insurance policy covering a satellite against loss in the period before its launch
- a **listed savings and investment company** in relation to the recovery from insurers of significant costs and liabilities arising from an investigation by the Financial Conduct Authority
- **Equitas/Resolute** in its successful proceedings in the High Court regarding its pursuit of reinsurance claims against its reinsurer, R&Q Reinsurance

Insurance business transfer schemes

Insurance business transfer schemes are a key technique for internal restructurings, demutualisations and risk transfers as well as on the sale of a business or portfolio of business.

We regularly advise on transfer schemes in all of these contexts. We advised:

- **Zurich Insurance plc** on its Brexit-related Part VII transfer of the majority of its existing UK branch business, representing over £2bn of gross written premium, to a newly-authorized UK branch of Zurich Insurance Company Ltd
- **Legal & General** on the transfer of its Mature Savings business to ReAssure
- **Canada Life** on the transfer of insurance business to it from MGM Advantage Life
- **Ageas and Riverstone** on the transfer of general insurance and reinsurance policies from Ageas to Riverstone
- **Prudential, Aviva and Standard Life** on transfers of business to non-UK entities as part of their Brexit structuring plans
- **ITAS Mutua** on the transfer to it of the business of the Italian branches of RSA

Asset management

We advise insurance sector clients on a range of investment and asset management matters, including the restructuring of assets to meet regulatory requirements. We advised:

- **Legal & General Capital** on its growth equity investment in Kensa, the UK's leading manufacturer of ground source heat pumps and related technologies
- **a number of clients** on the restructuring of assets for matching adjustment purposes, including the repackaging of equity release mortgages, foreign currency denominated bonds and properties under construction using SPVs
- **Legal & General** on a number of transactions involving its real estate investment portfolio including the acquisition of Barking Rail Freight Terminal from Friends Life and the regeneration of Central Square, Cardiff
- **Swiss Re** on (i) its agreement with Pacific Century Group to invest up to US\$425 million in FWD Group and (ii) its acquisition from Zurich Insurance Company of a 4.9% shareholding in New China Life

Our Asia Practice

We have a long-standing presence in Asia, opening an office in Hong Kong in 1974 and an office in Beijing in 2009. Our Asian practice has extensive experience of a wide range of work across the Asia Pacific region. Our work for insurance clients in the region focuses on M&A, equity capital markets and distribution arrangements. Key deals include advising:

- **FWD Group** on its strategic investment in a majority stake in Gibraltar BSN Life Berhad and on the extension and enhancement of its long-term exclusive bancassurance agreement with Siam Commercial Bank in Thailand
- **China Re** on its US\$2 billion global offering and listing on Hong Kong Stock Exchange, the first listing in Hong Kong by a reinsurance company
- **Aviva** on the sale of its stake in its Hong Kong joint venture, Blue, to its joint venture partner Hillhouse Capital
- **Prudential** in connection with the entry into of an exclusive bancassurance partnership over a 20-year term between Prudential Vietnam Assurance and Southeast Asia Commercial Joint Stock Bank

Debt capital markets

We have a strong financing practice which regularly advises insurance clients on their debt capital markets programmes. In recent years we have been at the forefront of developing instruments to satisfy Solvency II requirements, including advising on the first UK public issuance of Restricted Tier I capital. We advised:

- **Prudential** on its issuance of \$1 billion 2.95 per cent subordinated notes, intended to qualify as tier 2 capital under the Insurance (Group Capital) Rules of Hong Kong
- **Just Group** on the first issuances, by a UK insurer, of both a Green Bond comprising GBP250m fixed rate reset subordinated Tier 2 notes and a Sustainable Bond, comprising GBP 325m contingent convertible RTI notes
- **Athora** on its EUR250,000,000 Tier 3 Term Loan Facility with a syndicate of banks. The term loans under the Facility constitute Tier 3 regulatory capital in Bermuda
- **Bupa** on its debt issuances of Tier 2 notes and contingent convertible RTI notes under the Solvency II regime, including bespoke structuring and engagement with the PRA in light of the issuer's status as an intermediate holding company without a listed holding company and the need to demonstrate availability of funds
- **RSA Insurance Group** on its issue of Floating Rate Perpetual Restricted Tier I Contingent Convertible Notes – the first public Solvency II compliant Restricted Tier I issuance by a UK insurer



Demergers, restructurings and demutualisations

We have an unparalleled track record of advising on major insurance company restructurings including demutualisations and the restructurings of life funds.

We advised:

- **Prudential** on the demerger of Jackson Financial Inc. and its subsidiaries, which include Jackson National Life, the US life insurance business
- **Prudential** on the demerger of its UK and Europe business (M&G Prudential) from Prudential plc, resulting in two separately-listed companies
- each of the **Department of Health and Social Care** and the **Welsh Government** on (i) the creation of State-backed indemnity schemes covering future medical negligence liabilities incurred by NHS general practitioners in England and Wales; and (ii) commercial discussions with the three principal UK medical defence organisations and preparing transaction documentation for the assumption from them of existing liabilities
- on the demutualisation and flotations of **Standard Life, Old Mutual, Norwich Union, Colonial Mutual and Irish Life**
- **Standard Life** on the extensive restructuring work required in connection with its demutualisation and flotation

Distribution, outsourcing and other commercial arrangements

We advise our insurance clients on a broad range of commercial arrangements, both in the context of wider transactions and on a stand-alone basis. This includes strategic partnerships, distribution arrangements and outsourcing transactions.

We advised:

- an **insuretech client** on their bespoke distribution arrangements with a mutual insurer under which the insurer will underwrite term life and critical illness insurance products developed and distributed by our client
- **Standard Life Aberdeen** (now abrdn) on the simplification and extension of its strategic partnership with Phoenix Group, including an extension of the strategic asset management partnership and the acquisition by Phoenix Group of the Standard Life brand
- **FWD** on its agreement with TMB Bank Public Company Limited to sell its bancassurance contract to Prudential for a consideration of THB20 billion
- **Prudential** in connection with the entry into of an exclusive bancassurance partnership over a 20-year term between Prudential Vietnam Assurance Private Limited and Southeast Asia Commercial Joint Stock Bank
- **FWD Group** on a bancassurance arrangement with Siam Commercial Bank (SCB) for the distribution of FWD's life insurance products to SCB's customers in Thailand



Equity capital markets

As a market leader in the field of equity capital markets we are ideally placed to help our insurance sector clients on a range of capital issuances. Our work in this area includes advising on flotations, rights issues, placings and other issuances. We advised:

- **Prudential** on its equity raise of up to five per cent of its issued share capital on the Hong Kong Stock Exchange, through a concurrent public offer in Hong Kong and an international placing to institutional investors
- **esure** and **Gocompare.com Group plc** on the demerger of Gocompare.com and listing on the main market of the London Stock Exchange
- **China Re** on the US\$2 billion (approx.) global offering and the listing on the Main Board of the Hong Kong Stock Exchange
- **Standard Life** on its return of around £1.75 billion to shareholders by way of a B/C share scheme
- **Brit, esure** and **Direct Line** on their IPOs
- **RSA** on its fully underwritten rights issue to raise approximately £773 million

// They combine technical expertise on a full scope of issues with a pragmatic and business focused approach. //

Chambers UK, 2024

// Breadth of experience in our sector is what makes Slaughter and May stand out. The quality of the team, their industry knowledge and their collaborative approach to providing top quality service and advice is exemplary. //

Legal 500, 2024

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