

Cost effective buy-ins for smaller schemes

Schemes with assets of less than £100m can often find accessing the bulk annuity market challenging. Many of these schemes report difficulties in building insurer engagement and find pricing and terms unattractive. Through working closely with insurers specialising in smaller schemes (typically **Aviva, Just, Legal and General and PIC**) and **DLA Piper LLP**, XPS has developed **XPS Xpedite** which can help smaller schemes achieve simpler and better outcomes in the bulk annuity market at a lower cost.

XPS have teamed up with **DLA Piper LLP**, a leading buy-in advisory law firm. DLA Piper have negotiated pre-agreed contracts with insurers that offer improved terms than small schemes would be offered on a stand-alone basis. These pre-negotiated contracts mean that once pricing is received from insurers, pension schemes can move forward to a transaction within 1-2 weeks versus a typical 4-6 week period which **allows schemes to move quicker and at lower cost**.

Key Benefits of the new approach

- 1 Reduced costs** – low fixed fees to help trustees and sponsors manage expenses.
- 2 Speed of transaction** – using **XPS Xpedite** materially reduces the broking and transaction timescales.
- 3 Insurer engagement** – our strong relationships with the insurers at this end of the market and our track record leads to better competitive tension and ultimately better pricing for schemes.
- 4 Enhanced legal terms** – using the joint buying power of XPS and DLA Piper.
- 5 Clarity** – well-defined processes and pre-agreed contractual terms enables earlier and swift decision making.

XPS Pensions Group's Risk Settlement team has advised on multiple smaller scheme transactions with each of the insurers that operates in this part of the market. Our specialist team is one of the most experienced in the market and has a long track record of negotiating and advising on buy-in and buyout transactions for schemes ranging in size from £1m to £5bn+.

For further information, please get in touch with **Ash Williams** or **Mandeep Birkin** or speak to your usual XPS Pensions contact.



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