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## **MetLife exits U.K. bulk annuity market**

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By Kerry Pechter     *Wed, Feb 19, 2014*

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MetLife Assurance, a U.K. subsidiary of the U.S. insurance giant, has sold its bulk annuity book to Rothesay Life Ltd., a British-based pensions insurance provider, IPE.com reported. The sale marks MetLife Assurance's exit from the U.K. and Irish markets.

Rothesay Life was founded by Goldman Sachs in 2007. Last fall, Goldman Sachs sold 64% of the firm to Blackstone (28.5%), GIC (28.5%) and MassMutual (7%), according to Artemis.bm.

The MetLife-Rothesay deal, still subject to regulatory approval, will move around £3bn (€3.7bn and \$5.1 billion) in assets between the insurers. In the U.K. bulk annuity market, insurers buy the annuity contracts of members in defined benefit (DB) plans in return for assets and premiums.

That market opened up in the middle of the 2000s. MetLife entered the market around 2007 and soon gathered vast assets. But conditions changed, and hedging replaced risk-transfer as a de-risking measure. Other insurers, such as Aviva and Lucida, downsized or abandoned their involvement in the bulk annuity business.

The purchase by Rothesay Life boosts its position in the market, as it steps up competition with market leader Pension Insurance Corporation (PIC). Addy Loudiadis, chief executive at Rothesay Life, said the acquisition of MetLife Assurance would turn Rothesay into the largest dedicated provider of bulk annuity assets, in terms of assets under management. With the transfer of MetLife's 20,000 policies from the U.K. and Ireland, and £3bn in assets, Rothesay now has more than £10bn in AUM.

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