

Pension and Insurance Convergence

Pension de-risking is emerging as a critical theme among defined-benefit sponsor companies of all sizes. In addition, the US government has made a series of announcements expressing its support for lifetime income products within the context of defined contribution plans.

In 2011, in response to this rapidly changing environment, Mayer Brown organized a team of US lawyers from our insurance industry and ERISA groups to serve client needs at the intersection of these two areas. A similar team was formed in our London office, enabling us to tackle UK and cross-border issues.

The US group has had a number of recent engagements that illustrate the variety of ways in which clients are seeking assistance at the convergence of insurance and ERISA law. Our Pension-Insurance Convergence Group has:

- Acted as special insurance counsel to a major industrial company in connection with its recently announced pension de-risking and annuitization plans.
- Acted as counsel to a major pension advisory firm on the specific legal and regulatory requirements for pension plan annuitization both within and outside of a standard plan termination.
- Advised a major bank and life insurer on the Dodd-Frank implications of a pension longevity swap-to-reinsurance transformer transaction.
- Advised, and represented in discussions with government officials, a major global financial institution in connection with regulatory issues affecting the design of target-date funds with embedded in-plan accumulation annuities to be offered under participant-directed defined contribution plans.
- Advised major reinsurance industry participants on the design of innovative structures to provide income and longevity solutions (i.e., defined benefit-type outcomes) to defined-contribution plan participants.
- Advised a major global asset manager in connection with regulatory issues associated with lifetime income products to be marketed to qualified defined contribution plans.

- Advised a major investment bank in developing, and seeking regulatory approval of, insurance and annuity structures in connection with pension de-risking; our work has included multiple presentations to government officials, research and analysis under both insurance and ERISA laws, and product structuring and development.
- Advised clients on the structuring of private-placement variable life and annuity products. We have worked with onshore and offshore PPVUL and PPVA issuers as well as with domestic separate account and related collateral structures, and offshore segregated and cell account structures.
- Drafted bespoke buy-in and buy-out bulk annuity policies for leading global insurer; worked closely with the client's annuities directors on product structure, on all insurance, pensions and related regulatory requirements, on producing standard form policy wording, proposal form and quotations documents, and on *pro forma* assignments for buy-out; representing the insurer in subsequent deal negotiations.

For more information on pension de-risking and related solutions, or other issues at the convergence of insurance and ERISA law and regulation, please contact any of our team listed below:

Kenneth R. Pierce

Partner & Group Co-Leader
New York
+1 212 506 2210
kpierce@mayerbrown.com

Maureen J. Gorman

Partner & Group Co-Leader
Palo Alto
+1 650 331 2033
mgorman@mayerbrown.com

Lennine Occhino *Partner*

Chicago
+1 312 701 7966
locchino@mayerbrown.com

Lawrence R. Hamilton *Partner*

Chicago
+1 312 701 7055
lhamilton@mayerbrown.com

David W. Alberts *Partner*

New York
+1 212 506 2611
dalberts@mayerbrown.com

Steve Rooney *Partner*

New York
+1 212 506 2567
srooney@mayerbrown.com

James R. Woods *Partner*

New York
+1 212 506 2390
jrwoods@mayerbrown.com

Keith M. Andruschak *Partner*

New York
+1 212 506 2658
kandruschak@mayerbrown.com

Richard B. Spitzer *Partner*

New York
+1 212 506 2309
rspitzer@mayerbrown.com

Edward A Pionke *Counsel*

Chicago
+1 312 701 8937
epionke@mayerbrown.com

John G. A. Benton *Associate*

New York
+1 212 506 2509
jbenton@mayerbrown.com

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