

New Penbridge Advisors white paper focuses on preparing assets for pension risk transfer

Paper includes first survey of U.S. insurers on the current practices for using assets-in-kind to pay for a pension buyout

STAMFORD, CT, September 24, 2013 — Penbridge Advisors' newly released white paper 'Preparing Assets for Pension Risk Transfer' covers a topic that has been of growing interest to corporate defined benefit plan sponsors since the large, high-profile transactions undertaken by General Motors and Verizon. It presents the essentials of asset positioning for plans that pursue a termination, and also examines the growing practice of assets-in-kind (AIK) transfers, drawing upon the results of a recent Penbridge survey of U.S. insurers.

"Proper asset positioning is crucial if the PRT transfer process is to be efficient, with minimal asset liability management risk and cost," said Steve Keating, Co-Founder and Principal of Penbridge Advisors. "In particular, assets-in-kind transfers – which are a direct transfer of asset ownership from the plan to the insurer – can make a lot of sense for large plans."

The AIK survey, 'Assets-In-Kind Practices of PRT Providers,' found little consensus as to how AIK transfers should be valued. No valuation method received the support of more than two of the six survey participants, which included American General, MassMutual, MetLife, New York Life, Pacific Life and Prudential.

"Although three survey respondents completed AIK transfers for pension buyouts last year, the lack of market consensus around valuation protocol is indicative of AIK's newness in the U.S.," said Robert Goldbloom, Co-Founder and Principal of Penbridge Advisors. "Nevertheless, the industry appears to be embracing assets-in-kind transfers as a means to handle large transactions more efficiently," he noted.

The survey, the first in the pension buyout space to focus on AIK, also covered other issues such as which asset classes would be acceptable and what would be the minimum transaction size for AIK to be considered.

To download the Penbridge AIK white paper and survey, please click here:

http://www.penbridgeadvisors.com/prt_assets-in-kind_papers/

About Penbridge Advisors

Penbridge Advisors provides pension plans with unbiased information and advisory services on the U.S. pension risk transfer (PRT) market and products. In addition to working with plan sponsors directly, Penbridge works to form functional partnerships with select pension advisors and service providers that seek to incorporate PRT analysis into existing offerings. Co-founded by Steve Keating and Robert Goldbloom, Penbridge provides pension plans with free access to the industry's only database covering the PRT market. The database, which is currently used by more than 300 plan sponsors and advisory firms, includes information on PRT products and insurance providers. Penbridge's advisory services include plan termination underwriting assessments and customized buy-out price monitoring services to help plan sponsors decide on PRT strategy and timing. Penbridge also delivers PRT education workshops to corporate boards, C-level executives and pension plan committees.

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