

FAQs

CPPIB Acquisition of Wilton Re

Q – Who is CPPIB?

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organization that invests funds, other than those required for current benefits, on behalf of the Canada Pension Plan (CPP). The Canada Pension Plan ranks as one of the 10 largest retirement funds in the world. CPPIB is an AAA rated investor and focuses on long term returns and sustainability of the CPP.

Q – What is the size and scope of CPPIB investments under management?

CPPIB invests in public and private equities, real estate, infrastructure and fixed income instruments.

- With C\$201.5 billion of assets as of December 31, 2013, the CPP Fund is the largest single purpose pool of capital in Canada
- During 2013, the CPP Fund grew by C\$28.9 billion, making CPPIB one of the fastest growing institutional investors in the world
- The CPP Fund is projected to reach approximately C\$300 billion by 2020 and over C\$500 billion by 2030, providing CPPIB with the scale to be able to continue participating in the world's largest transactions

Headquartered in Toronto, CPPIB also has offices in London, Hong Kong, New York City, and São Paulo.

For more information about CPPIB, visit www.cppib.com

Q – Why did CPPIB choose to invest in Wilton Re?

CPPIB identified U.S. life insurance and reinsurance as an attractive, strategic long-term investment opportunity with unique diversification benefits for the CPP Fund. In particular, closed block life insurance is an asset class with attractive risk-adjusted returns that is well-suited to CPPIB's investment horizon. CPPIB views Wilton Re as an ideal platform through which they can deploy significant follow-on capital in this sector.

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Q – Does this change in ownership mean a change in Wilton Re’s business strategy?

CPPIB is a strategic owner who is committed to Wilton Re’s business model. As an AAA rated, long-term investor with unparalleled capital resources, CPPIB will position Wilton Re for growth and enhance our service offering to clients and policyholders. Combining Wilton Re’s industry-leading expertise in In Force Solutions and middle market insurance services with the capital resources and ratings strength of CPPIB will further enhance our competitiveness in the market.

Q – How will management at Wilton Re be affected?

CPPIB is committed to the entrepreneurial approach at Wilton Re and to the firm’s management and employees. The executive team at Wilton Re is investing alongside CPPIB in the transaction, and we expect continuity among the existing management team members.

Q – Will there be any organizational changes at Wilton Re as a result of this acquisition?

There are no anticipated changes to Wilton Re’s sales and service organization. Wilton Re’s operations and policyholder services in Wilton, CT, Nashville, TN, and Waco, TX will remain unaffected by the acquisition, and our clients and policyholders will continue to receive high levels of professional sales support and administrative services.

Q – What is the transaction structure?

CPPIB will acquire the stock of Wilton Re Holdings Limited, our Bermuda insurance holding company and indirectly the subsidiaries within the Wilton Re Group, including Wilton Reinsurance Bermuda Limited, Wilton Reassurance Company (MN), Wilton Reassurance Life Company of New York, Texas Life Insurance Company as well as the recently-announced acquisitions of Continental Assurance Company from CNA and Conseco Life Insurance Company from CNO upon closing.

In connection with the transaction, Wilton Re intends to change the domicile of its ultimate parent and holding company from Bermuda to Canada. We will maintain our Bermuda operating company and do not expect any material changes to any other Wilton Re operating companies.

Q – When is the expected closing date?

We expect to close before August 31, 2014. The transaction is subject to customary closing conditions and regulatory approvals.

For more information, contact:

Chris Stroup
203.764.4444
cstroup@wiltonre.com

Ray Eckert
203.764.4436
reckert@wiltonre.com