

Edgar Filing: PRUDENTIAL PLC - Form 6-K

PRUDENTIAL PLC
Form 6-K
June 24, 2005

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of June, 2005

PRUDENTIAL PUBLIC LIMITED COMPANY

(Translation of registrant's name into English)

LAURENCE POUNTNEY HILL,
LONDON, EC4R 0HH, ENGLAND
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports
under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information
contained in this Form is also thereby furnishing the information to the
Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant
in connection with Rule 12g3-2(b): 82-

Enclosures: Pru buys annuities book

EMBARGO: 07.00 hours, Friday 24 June 2005

PRUDENTIAL TO ACQUIRE PHOENIX LIFE & PENSIONS LIMITED'S ANNUITIES BOOK

Prudential and Resolution Life Group announced today that they have reached
agreement for Prudential to acquire the portfolio of in-force pension annuities
written in the with-profits fund of Resolution Life's subsidiary, Phoenix Life &

Edgar Filing: PRUDENTIAL PLC - Form 6-K

Pensions Limited (PLP). The book covers approximately 52,500 policies (weighted average age 73 with no deferred annuities) with assets of approximately GBP1.5 billion. The transaction is expected to generate premium income of around GBP145 million on an APE basis but the final number will only be known once various premium adjustments have been made over the course of the next six months.

PLP (previously known as Royal & Sun Alliance Life and Pensions Limited) was acquired by Resolution Life Group from Royal & Sun Alliance in September 2004.

Under the terms of the agreement, Prudential will initially provide reinsurance to PLP which will continue to pay the annuitants, with Prudential reimbursing the annuity payments to PLP. In due course, the intention is for the PLP book to transfer to Prudential under a Part VII scheme, at which point Prudential will take over direct responsibility for the payment of all annuitants. This transaction will not affect the terms of the annuity payments made to PLP's customers.

Mark Wood, Chief Executive, Prudential UK & Europe, said: "Prudential is a market leader in annuities paying almost one million people each month. As a result of this transaction, PLP's annuitants will benefit from Prudential's vast experience in this market."

The capital required for this transaction will not alter the capital requirement for Prudential UK over the planning period of 2005 - 2007.

-ENDS-

Enquiries to:

Media

Prudential Group

Clare Staley 020 7548 3719

Prudential UK

Anthony Frost 020 7150 3001

Investors/Analysts

James Matthews

020 7548 3561

Marina Novis

020 7548 3511

Resolution Life

Ian Maidens 020 7489 4880

Alex Child-Villiers 07795 425580

Temple Bar Advisory

Notes to Editors:

1. Prudential is a leading life and pensions provider to approximately 7

Edgar Filing: PRUDENTIAL PLC - Form 6-K

million customers in the United Kingdom. It has around 6,800 full-time staff, offices located in London, Reading, Belfast, Dublin and Stirling, and a customer service centre in Mumbai.

Products: Bulk and Individual Annuities, Corporate Pensions, With-Profits and Unit-Linked Bonds, Savings and Investments, Equity Release, Healthcare and Protection.

Distribution Channels: Direct to customers (telephone, internet and mail), Independent Financial Advisers, Business to Business (consulting actuaries and benefit advisers), and Partnerships (affinities and banks).

2. The UK annuity market has been one of the key drivers of the overall life market during recent years. The annuity market has been a particular area of focus in Prudential's UK strategy in recent years and today, Prudential is a leading provider of individual and bulk annuities in the UK.

Prudential has a large source of annuity business through maturing pensions in its with-profits fund which, until recently, has been written in Prudential's with-profits fund. However, Prudential now writes this business in its shareholder-backed business, Prudential Retirement Income Limited.

In addition, shareholder capital is used to support the annuity business written on behalf of other insurers. The agreements with Zurich Financial Services, Pearl Assurance, St James' Place, Royal London and National Australia Bank highlight Prudential's capabilities in this area. Shareholder capital is also used to back individual annuities obtained through customers from other insurers exercising their Open Market Options.

3. The mortality basis used to price this transaction is based on the current Prudential view of annuitant mortality, adjusted for any known differences in the PLP portfolio based on the book's mortality experience.

4. Details of PLP book:

Total number of policies	Approximately 52,500
% of policies male/female	65%/35%
Average age (weighted by benefit amount)	73.1
Average age (unweighted)	72.7
Annual Payments (first life)	GBP106 million

5. Resolution Life Group has recently announced that it plans to merge with Britannic Group Plc (Britannic) to form the UK's leading consolidator of closed life funds. The merger is due to be completed in Q3 2005, subject to the approval of Britannic's shareholders, and the required regulatory clearances.
6. Prudential (through M&G Investment Management) will have a 6.3 per cent shareholding in Resolution Plc following the merger with Britannic.

Prudential plc, a company incorporated and with its principal place of business

Edgar Filing: PRUDENTIAL PLC - Form 6-K

in the United Kingdom, and its affiliated companies constitute one of the world's leading financial services groups. It provides insurance and financial services directly and through its subsidiaries and affiliates throughout the world. It has been in existence for over 150 years and has GBP187bn in assets under management, as at 31 December 2004. Prudential plc is not affiliated in any manner with Prudential Financial, Inc, a company whose principal place of business is in the United States of America.

Forward-Looking Statements

This statement may contain certain "forward-looking statements" with respect to certain of Prudential's plans and its current goals and expectations relating to its future financial condition, performance, results, strategy and objectives. Statements containing the words "believes", "intends", "expects", "plans", "seeks" and "anticipates", and words of similar meaning, are forward-looking. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Prudential's control including among other things, UK domestic and global economic and business conditions, market related risks such as fluctuations in interest rates and exchange rates, and the performance of financial markets generally; the policies and actions of regulatory authorities, the impact of competition, inflation, and deflation; experience in particular with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the timing, impact and other uncertainties of future acquisitions or combinations within relevant industries; and the impact of changes in capital, solvency or accounting standards, and tax and other legislation and regulations in the jurisdictions in which Prudential and its affiliates operate. This may for example result in changes to assumptions used for determining results of operations or re-estimations of reserves for future policy benefits. As a result, Prudential's actual future financial condition, performance and results may differ materially from the plans, goals, and expectations set forth in Prudential's forward-looking statements. Prudential undertakes no obligation to update the forward-looking statements contained in this statement or any other forward-looking statements it may make.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date 24 June, 2005

PRUDENTIAL PUBLIC LIMITED COMPANY

By: /s/ Clare Staley

Clare Staley
Head of Group Media Relation