
Piper Sandler and Valerian Capital Group Advised a Leading Life and Annuity Carrier on a Secured Funding Agreement

Client Background

- Leading life and annuity carrier offering fixed index, traditional fixed and immediate annuities as well as life insurance products
- Products are distributed through independent agents across the United States
- A.M. Best financial strength rating of “A+” (Superior)

Transaction Details

- 5-year secured funding agreement (“SFA”) issued out of the principal operating subsidiary
- SFA is fully collateralized by a broad range of securities including investment grade corporate bonds, municipal bonds and high yield bonds
- “Haircuts” on collateral varied by asset class and duration
- Issuer to deploy proceeds in a diversified pool of non-traditional floating rate investments
- Transaction was completed with a single counterparty

Transaction Rationale

- The SFA offered a unique opportunity for the carrier to manage its new business pipeline and diversify its liability base
- Diversified liability concentration away from retail and variable annuity products by increasing exposure to institutional annuity markets
- Provided an attractive, SOFR-based, cost of funds
- Issuer will achieve attractive return on capital backing the SFA

Piper Sandler and Valerian Capital Group’s Role

- Piper Sandler and Valerian Capital Group acted as Co-Financial Advisors and Structuring Agents

\$500,000,000

Leading Life and Annuity Carrier

has entered into a secured funding agreement with a

Multinational Financial Institution

PIPER | SANDLER 

*Co-Financial Advisors and
Structuring Agents
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