

Risks transferred, pensions secured



PENSION
CORPORATION

Pension Insurance Corporation at a glance

- A UK insurer, authorised and regulated by the Financial Services Authority
- c.£4.5 billion of assets
- More than 50,000 pension fund members insured
- Overall Pension Insurance buy-in/buyout market leader from 2009 to 2011
- Tailored, competitive solutions, secured to the highest standards
- Consistently strong solvency position, ensuring security for policyholders
- No legacy insurance portfolio exposure issues
- High calibre Board



Pension Insurance Corporation has become the market leader in helping the trustees and sponsors of defined benefit pension funds find solutions to seemingly intractable problems.

The primary matter we address in the course of a transaction is the safety and security of member benefits - we have a relentless approach to managing risk in our assets and liabilities.

Other aspects that are typically raised are around the ability to bridge any deficit to buyout, which we have resolved through the ground-breaking use of deferred premiums and the use of illiquid company assets; and the level of service our policyholders receive post-transaction. PIC holds the industry's only Policyholder Forum events.

But don't just take our word for it. In 2011, Pension Corporation swept the board at the industry awards, winning all three of the main pension insurance buyout awards. In terms of transactions, we have concluded every announced pension insurance buyout over £100 million since 2009 and we are the only insurer to have transacted a £1 billion pension insurance buyout.

John Coomber
CEO
Pension Insurance Corporation

Our Awards:



Leaders in removing risk from pension funds

Pension Insurance Corporation (PIC) is a specialist insurer that helps the trustees and sponsors of defined benefit pension funds bring safety and security to member benefits.

PIC offers pension insurance buyouts, through which we take on the full responsibility for a pension fund's liabilities, and pension insurance buy-ins, helping trustees manage risk within the pension fund's existing structure.

Our innovative, bespoke pension insurance solutions, in addition to standard pension insurance buyouts and buy-ins, have helped many clients, including the pension funds of FTSE 100 companies, those in the public sector, private equity owned entities and pension funds in the PPF assessment period.

We have insured more than 50,000 pensions and have c.£4.5 billion in assets. Our ethos of client service has helped us become market leader.

Examples of our tailored solutions, where we have enhanced the standard buy-in/buyout approach, include:

- All risks transfer – completion within days rather than months
- Premium funding and premium deferral over several years
- Partial buyout (for example pensioners-only)
- Use of illiquid company assets
- Accelerated transition process
- Flexibility around CPI/RPI indexation

Some of our clients:



Our policyholders are our number one priority

A full buyout requires multiple lines of activity to be managed and coordinated to translate the initial insurance contract (a buy-in) into the issuing of individual policies to the scheme members (the buyout). The hard work is in successfully managing a process all the way through to final buyout whilst ensuring a seamless experience for the members.

We have developed a transition approach which gives trustees and sponsors the best possible chance of achieving this.

Our clients have direct access to the knowledge and experience we have built up through our work on some of the most complicated and challenging transactions undertaken in this market. We are able to assist whatever their objectives, including speed of completion, flexibility of outcome, or member engagement.

This expertise extends to communicating with pension scheme members at the time of change. For the trustees, this helps smooth the transaction and ensures the members understand the process.

Our continued commitment to members is evident once they have become our policyholders. As a specialist pension insurance company we strive to provide market leading levels of customer support and service, such as dedicated call centres, a specialist administration team and PIC's Policyholder Forums (see opposite).

The quality of service we provide to transitioning members and policyholders is a key focus for us and is monitored by the Board.

A key part of our success has been our commitment to ensure that our policyholders receive the highest levels of administrative support and customer service available.

While prudence and financial strength are at the heart of what we do, we pride ourselves on treating members fairly and ensuring they receive the benefits and commitments the Trustees have secured for them.

Professional Pensions

Post-buyout data cleanse at Denso reveals thousands in overpayments

16 Dec 2010 | 08:00 By Emma Dunkley

Insured pensioners from manufacturing firm Denso will collectively receive tens of thousands of pounds following a data cleanse, Pension Corporation says.

The buyout firm has worked with the trustees and administrators of Denso to clean up the data and make good any historical errors since it was bought out in September 2009.

Pension Corporation chief administration officer Matt Gore said the data cleanse revealed several underpayments and overpayments. It has written to all parties to inform them of the correction to their pensions.

Gore said in the case of the previous underpayments, the pensioners will receive one-off payments to make up the difference, which amounts to £10,000 for one pensioner and £6,000 for another.

And with the over-payments, PIC has written these off having looked at the particulars of the cases, feeling it would be unfair to penalise pensioners for data errors they had nothing to do with.

The overpayments total more than £10,000 across a few pensioners.

Gore said although data cleansing can be significant – especially in this case – for individuals, it has not affected the success of the buyout.

However, he said if trustees had waited until they had "perfect data" before transacting, then the transaction might have become unaffordable due to changing market movements.

Policyholder Forum

On June 8, 2011, Pension Insurance Corporation hosted 250 of our Midlands-based policyholders at a Policyholder Forum, the first in the industry.

The event, which was entirely complimentary for our Policyholders, was put on to allow them opportunity to meet with and question senior management and staff from across PIC about the business and thereby get a better feel for the company which secures their retirement benefits.

Our policyholders heard speeches by Rob Sewell, PIC's CFO, on PIC's security arrangements for their benefits; the local Citizens Advice Bureau on their benefits and entitlements; local historian/celebrity speaker Carl Chinn; and the highlight for many was Monty Don, of Gardeners' World.

We invited Monty to speak after listening to our Policyholder's feedback that gardening was an area of real interest.

In addition there were a number of exhibitors, offering free advice and more, from local associations and charities, including Macmillan, the Royal British Legion, Age UK and the Citizens Advice Bureau.

These local charities and organisations were able to engage with our Policyholders and in some cases there will be an ongoing relationship where the charity is providing support to the Policyholder or a family member.

We plan to hold many more such events in different parts of the country including Manchester and London, helping to build and maintain a strong bond with our Policyholders.

"Excellent forum, very positive in all aspects."



"Thank you, I thoroughly enjoyed the day."



"The forum was indeed a great success. The personal interest and expertise shown by PIC was much appreciated by all. We were reminded of times long ago when similar corporate relationships existed."



"You differ from all other financial institutions I come into contact with in that you have come out to "us punters" rather than remain in your ivory tower. If only other organisations would do the same."



"I liked the way PIC staff mixed with people at the forum without being too pushy and overbearing."



The leading pension insurance team

Looking for trustee training with a difference?

In co-operation with Engaged Investor, the magazine for trustees, we offer high quality training seminars throughout the year at our London offices and regionally, including in Manchester, Edinburgh, Bristol, Leeds and Birmingham.

A typical half-day seminar allows for plenty of interaction with industry speakers, and can cover a range of topics on managing pension fund risk including:

- Case studies
- Impact of regulation
- Investment approaches
- De-risking programmes
- Buy-in and buyout
- Insuring longevity

These **free** seminars are open to all trustees and representatives of defined benefit pension funds and their sponsors.

Speakers have come from organisations including: The Financial Times, The Wellcome Trust, Redington Partners, Independent Trustees Ltd, HR Trustees, Engaged Investor magazine, The Economist, JLT, LCP, JP Morgan, Aberdeen Asset Management, Insight Investment Management and more....

We are also happy to organise free, tailored training exclusively for your trustee board and your pension fund representatives.

For further information about our trustee training seminars, please contact:

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Cost of pension insurance

Pension Risk Transfer Index

Track the cost of insuring all, or sections of, your defined benefit pension fund using our quarterly Pension Risk Transfer Index. Available on our website – <http://www.pensioncorporation.com/solutions/risk-transfer-index> – and with a monthly update in Pensions Week magazine, this details the development of asset values expressed as a percentage of buyout cost.

Industry Surveys

Pension Corporation runs regular industry surveys – you can find the results and how to participate in them on our website: www.pensioncorporation.com



Contact us

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