



PENSION INSURANCE CORPORATION INSURES ITB CLOSED FUND

London, 30 August 2011 – Pension Corporation, a leading provider of risk management solutions to defined benefit pension funds, today announces that the Trustees of the ITB Closed Fund have entered into a pension insurance buy-in agreement with Pension Insurance Corporation (“PIC”). The transaction amounted to £152.7m and relates to the pension fund’s 1,662 members.

ITB operates both an Open and Closed Fund.

Following a review of the Closed Funds investment strategy, in April 2011 the Trustees invested in a buy-in contract covering most of the existing liabilities, with Pension Insurance Corporation (PIC).

The Trustees had asked their investment advisers to explore ways of increasing the stability of the Closed Fund’s funding level. A buy-in was considered the most favourable investment option as an investment of this nature significantly reduces interest rate, inflation and longevity risks associated with the Fund’s liabilities. In practical terms in return for the required premium, the buy-in insurer would pay the Trustees an agreed amount on agreed dates. The Funds’ Office would then seamlessly continue to pay the regular pension instalments to pensioners as normal.

Lane Clark & Peacock and Mayer Brown advised the Trustees.

Peter Rogerson OBE, as Chairman of Trustees, said: “We are delighted to have completed this transaction. In proceeding with the buy-in the Trustees have taken similar action to the trustees of many other major UK pension schemes who had completed buy-ins over the last few years. Prior to the purchase was the completion of legal due diligence, which served to confirm material facts in relation to the purchase and the evaluation of the financial strength of PIC.”

Matt Barnes, Senior Actuary, Pension Insurance Corporation, said: “We are very pleased to have worked with the Trustees and their advisers in insuring the pension fund in a transaction that improves pensioner security.”

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About Pension Corporation

Pension Corporation is a leading provider of risk management solutions to the trustees and sponsors of defined benefit pension funds. Its FSA authorised and regulated insurance company, Pension Insurance Corporation (“PIC”), brings safety and security to scheme members’ benefits through innovative, tailored solutions. PIC has almost £5bn in assets and has insured more than 50,000 pension fund members. Its solutions include pension insurance buyout, pension insurance buy-in and longevity risk insurance. It has transacted both the UK’s largest corporate and the first public sector backed pension insurance buyouts. Other clients include FTSE 100 companies and several multinationals. PIC is proud to work with pension fund trustees to maximise member benefits. For further information please visit

www.pensioncorporation.com