



PENSION INSURANCE
CORPORATION

PENSION INSURANCE CORPORATION DELIVERS INSURANCE TO DPD/INTERLINK EXPRESS SCHEME

London, 5 March 2014 – Pension Insurance Corporation (“PIC”), a specialist insurer of defined benefit pension funds, has concluded a pension insurance buy-in with the Trustees of the GeoPost UK Limited Pension Scheme. The transaction covers around £30 million of pensioner liabilities and 645 members. The Trustees were advised by Hymans Robertson and Burges Salmon.

PIC and Hymans Robertson developed a tailored risk management solution for the Trustees by introducing the concept of insuring without a deflation floor, whilst allowing for the floor to be added back into the contract at a later date. This made the transaction much more feasible and affordable and is the third such transaction completed by PIC, but the first to include new flexibility in the way future deflation protection costs will be defined and monitored, based on data from bespoke indices created for the transaction.

GeoPost is an express parcel delivery company covering more than 40 European countries and serving over 230 countries worldwide. In the UK, GeoPost operates under the brands of Interlink Express and DPD. In France, GeoPost is a subsidiary of La Poste Group. La Poste is the second largest postal group in Europe, operating in three main sectors: mail; parcels and logistics and; financial services.

Rod Dawson, Chairman of the Trustees, said: “We were impressed with the solution which Hymans Robertson and PIC proposed, allowing us to lock down risk in the scheme. This transaction is another step in our on-going process to reduce the level of volatility and to increase the level of security of our members’ benefits.”

James Mullins, Partner and Head of Risk Transfer Solutions at Hymans Robertson, said: “Having worked closely with the Trustees and PIC we are delighted to be able to negotiate flexible terms with PIC to add deflation protection to the policy in the future at a transparent price that the Trustees will be able to closely monitor each month. The transaction was completed quickly whilst still allowing the scheme to be insured in favourable conditions, this is thanks to the hard work of all involved.”

Matt Barnes, Senior Actuary, Pension Insurance Corporation, said: “We are proud to have completed this transaction and are pleased to have been able to offer a flexible and tailored approach to meet the needs of the Trustees by allowing them to insure without a deflation floor. The fact that they are able to add the floor back in at a later date if they so wish addressed their concern that they would be unable to make the contract ‘whole’ when they wanted or needed to do so.”

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Notes to Editors:

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About Pension Insurance Corporation

Pension Insurance Corporation (“PIC”) provides tailored pension insurance buyouts and buy-ins to the trustees and sponsors of UK defined benefit pension funds. A market leader, PIC brings safety and security to scheme members' benefits through innovative, bespoke insurance solutions, which include deferred premiums and the use of company assets as part payment. PIC has almost £10bn in assets and has insured circa 100,000 pension fund members. Clients include FTSE 100 companies, multinationals and the public sector. PIC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (FRN 454345). For further information please visit www.pensioncorporation.com