

**OPDU**  
Trusted by Pensions Professionals

# Looking after your interests

The Pensions Insurance Specialist

OPDU  
IS MANAGED  
BY **THOMAS  
MILLER**

OPDU is a market leading provider of professional indemnity and liabilities insurance to pension trustees, administrators and sponsoring employers. With protected schemes assets of over £125 billion OPDU bring peace of mind, protection and best practice guidance to Clients with both large and small schemes.

## Why run the risk?

As an occupational pension scheme trustee or director, administrator or manager, or sponsoring employer, you put time and effort into safeguarding the interests of others. You accept responsibility. You take on significant personal risk, knowing that you'll be called to account for anything that goes wrong.

Regardless of your own due diligence, integrity and professionalism, however, things can go wrong. When errors or omissions arise, regulators and those affected will seek answers and recompense from you.

Reliance on exoneration clauses is risky, as such clauses provide only partial protection and you will be relying on the scheme to pay the loss. Reliance on the indemnity clause depends on the willingness and ability of the sponsor to pay the loss, putting you in a vulnerable situation. OPDU's pension trust liability policy stands in front of these clauses, meaning you will not have to rely on them for protection.

Pension professionals trust OPDU to mitigate the many risks involved in running a pension scheme in today's complex, highly regulated, and risky environment. Established in 1997 in response to the Pensions Act 1995, OPDU today protects schemes from the largest to the smallest and across DB, DC and Master Trust arrangements.

OPDU clients can secure protection between £1 million and £60 million. Protection can be varied to meet the specific requirements of individual schemes. Importantly, our policy also covers the scheme for many Cyber risks.

## The core values of OPDU protection

- **Additional Reliability**  
We protect all trustees, pensions employees and sponsors beyond a scheme's exoneration or indemnity clauses or corporate insurance. We also provide protection for schemes with third party providers and director trustees.
- **Zero financial exposure**  
We ensure that pension professionals avoid the financial burden of any loss which should fall to OPDU policy subject to its terms and conditions.
- **Cover for civil fines and penalties**  
Neither the exoneration nor the indemnity clause can be used to cover you for civil fines and penalties. The OPDU policy will cover you for these risks.
- **Rapid claims resolution**  
We ensure that matters are resolved speedily and effectively when problems arise; no unnecessary delays or costs. We process all our own claims and have in-house expertise to manage this process. We always start with the assumption that every claim is valid and we use the current scheme's advisors wherever possible. We only appoint our own when it is necessary to do so.
- **Bespoke policies**  
We work with pension professionals to provide cover which fits with their individual scheme's risk registers and annual risk assessments.

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## Who we protect

OPDU aims to insure everyone who might become liable for a loss because of internal maladministration of the pension scheme:

- Trustees
- Corporate Trustees
- Directors of Corporate Trustees
- Individual Professional Trustees
- Sponsoring Employers
- The Pension Scheme
- Internal Administrators
- Internal Advisors

OPDU gets to the heart of any issue or claim quickly, by adopting a holistic overview. This gives a common-sense and balanced approach to settling claims quickly and without long drawn-out complications. We find that shared understanding promotes logical problem solving and effective resolution.

We provide insurance cover for a broad range of pension professionals. Our comprehensive and inclusive basis minimises internal conflicts and disputes that might otherwise occur when numerous insurers represent different interests.



**£60m** of cover available  
to Clients

## How we work on your behalf

### Unique industry relationship

Our structure reflects the needs of pension professionals. The OPDU Advisory Council is made up of representatives from member organisations, academics, and leading pensions professionals. Their role is to ensure that the services and insurance we provide continue to meet the changing needs of insured schemes.

### OPDU Advisory Council

- **Terry Faulkner**  
Chairman, former Chair of NAPF/PLSA
- **Dr Yally Avrahampour**  
Assistant Professor of Management, LSE
- **Steve Balmont**  
The Law Debenture Pension Trust Corporation plc  
The Association of Corporate Trustees
- **Daniel Barlow**  
Law Debenture Pension Trustees
- **Frank Curtiss**  
Trustee, Chartered Institute of Management Accountants Pension and Assurance Scheme
- **Robin Ellison**  
Pinsent Masons LLP
- **Rema Lawrence**  
Head of Trustee Services, PWC
- **Richard Thornton**  
Milk Pension Fund Trustees Ltd

### The OPDU Policy is designed specifically for occupational pension schemes

Our experienced team of insurance and pension specialists supports the insights and contribution of the Advisory Council in ensuring that the policy is relevant always; constantly evaluating for appropriateness and detail as regulations and risks evolve.

### Partial protection can be like no protection at all

Relying on exoneration or indemnity clauses for protection from errors, omissions, or other risks is not a recommended strategy and has practical shortfalls. You are not protected against breach of trust claims relating to investments, against civil fines or penalties, or when the sponsor no longer exists.

If you choose to rely on the protection clauses, you will need to obtain agreement from the various parties regarding their liability. This is not always straightforward, since other parties often view such clauses as an erosion of their own protection; that you are seeking to lighten the burden of your responsibilities. In effect, you will be simply shifting the burden between various parties because someone has to take responsibility for the loss.

Retiring as a trustee will not remove ongoing liability for past acts either. Errors can come to light many years later and you could still be held responsible.

**OPDU will protect you and the scheme for these risks; no need to apportion blame and argue liability.**

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## The OPDU difference

The OPDU team provides personal support and service for pension professionals both through the support helpline and through regular seminars and events (visit the Events section on our website for details). Our team is staffed by experienced people with established track records in PTL insurance and pensions.

## Cover up to £60 million

### **Peace of mind:**

Industry leading cover bringing peace of mind, protection and best practice advice to clients with both large and small schemes.

### **Financial liability:**

We cover trustees, employees and the OPDU policy covers fines from the Pensions Regulator or other regulators.

### **Third Party Pursuit Costs:**

This aspect of our cover allows trustees to pursue costs from third party administrators, advisors, or other providers of service such as actuarial, legal, investment, or administrators or other consultancy.

### **Winding-Up policies:**

Covering Missing Beneficiaries.

### **Court Application Costs:**

This cover allows trustees to apply to a Court for instructions or protection. The cost associated with such applications can be considerable.

**OPDU team support helpline: 020 7204 2519**

**£125bn** of protected  
schemes assets





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# What OPDU protects

## **Errors and omissions**

We cover trustees and employees engaged in the administration of the pension scheme for losses suffered because of wrongful acts, such as breach of trust, negligence or misrepresentation.

## **TPR civil fines and penalties**

We cover trustees, employees and sponsoring employers for civil fines and penalties imposed by the Pensions Regulator (tPR) and for legal costs incurred in connection with investigations and prosecutions by tPR or other similar entities.

## **Ombudsman complaints**

We cover trustees, employees and sponsoring employers for awards made by the Pensions Ombudsman and for legal costs incurred in defending determinations and appealing its decisions.

## **Mitigation costs**

We cover expenses incurred in acting to prevent, limit or mitigate exposure to an actual or potential claim.

## **Defence costs**

We cover trustees, employees and sponsoring employers for legal costs and expenses incurred in defending claims brought against them in connection with their duties to the pension scheme. These costs can include referrals to alternative dispute resolution, arbitration, mediation and other forums.

## **Employer indemnities**

Where the sponsoring employer is required to indemnify a trustee or employee, OPDU's Policy reimburses the employer for the indemnity, thus offering valuable balance sheet protection.

## **Exonerated losses**

Where persons cannot be held liable for the net loss caused to the pension scheme by wrongful acts as a result of being excused by exoneration clauses in the trust deed, OPDU's Policy will reimburse the loss to the pension scheme.

## **Court application costs**

This cover is different from that provided by defence costs. Sometimes issues arise where the trustees are advised to seek directions or a declaration from the court as to the future conduct of matters or the interpretation of trust documents. Normally several interests have to be represented by separate lawyers and all parties' costs have to be met out of the pension scheme's assets. OPDU's Court Application Costs Extension is an optional cover which reimburses costs ordered to be paid out of the pension scheme.

## **Retirement cover**

All retired trustees and administrators remain covered under an OPDU policy. If a pension scheme leaves OPDU, retired trustees and retired named administrators have insurance cover for their lifetime should no alternative cover be provided. This provides individuals with valuable peace of mind in their retirement when they no longer have any say in whether their pension scheme should purchase insurance cover.

## **Third party providers extension**

OPDU's Policy covers trustees for costs to pursue third party providers in the event of their failure.

## **Cyber risks**

The OPDU policy will also respond to a range of claims which face the scheme arising from Cyber events which give rise to a claim alleging a Wrongful Act in accordance with the policy.

## **Investigations**

If your scheme becomes subject to a regulatory investigation, which has the power to require you to provide evidence or documents, OPDU's policy will cover you for the expenses you incur, such as legal and professional fees.

## **Other expenses covered include:**

public relation expenses; employee benefit programmes and/or employee share ownership programmes; loss of documents; prosecution costs arising from a claim or investigation; extradition proceedings and bail bond costs.

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## Further Benefits

### **OPDU Service**

Provides Clients with general guidance about day-to-day administration of the scheme. The Service is free and complementary to the services provided by the scheme's advisors.

### **OPDU Claims Service**

Provides the best possible claims handling service through a team of in-house barristers, solicitors and pension professionals who deal with claims in a sympathetic and professional manner.

They are experienced in managing complex, sensitive disputes with due regard to the adverse publicity that litigation may attract.

### **Trustee Risk Management**

Topical seminars are held regularly. Individual group trustee training sessions are also offered to promote good scheme governance for groups of 6 plus.

## OPDU also provides:

- Cover for trustees following mergers and buy-outs
- Crime and fidelity insurance
- Cyber insurance
- Directors' and officers' insurance
- Winding-up insurance

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## Protect your interests now

If you have some cover for your scheme under another policy, or as part of your employer's Directors and Officers cover or corporate global policy, our experience indicates that your cover will be limited and subject to exclusions compared to OPDU's policy. For a comparison and further details, contact us at [enquiries@opdu.com](mailto:enquiries@opdu.com)



**opdu.com**

**OPDU**

The Occupational Pensions

Defence Union Limited

90 Fenchurch Street

London EC3M 4ST

tel: 020 7204 2400

[enquiries@opdu.com](mailto:enquiries@opdu.com)

[www.opdu.com](http://www.opdu.com)

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