

OPDU
Trusted by Pensions Professionals

Looking after your interests

Independent Pension Trustee Liability Cover

OPDU
IS MANAGED
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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 independent professional pension scheme trustee you have accepted an appointment (or more) for which you are remunerated. 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, 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 trustees liability policy stands in front of these clauses, meaning you will not have to rely on them for protection.

Independent 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.

The core values of OPDU protection

▪ **Additional reliability**

We protect you beyond a scheme's exoneration or indemnity clauses or corporate insurance.

▪ **Zero financial exposure**

We ensure that independent 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 where insurable.

▪ **Cover for investigation**

We will cover you to enable you to respond to an official Investigation from the Pensions Regulator or other official body. Cover does not require a Wrongful Act.

▪ **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.

▪ **Unique cover**

OPDU's IPTL policy has been specifically written with you in mind and provides unique cover for you personally whether you are working as a trader or via your own service company.

▪ **Sole protection**

The policy is written solely in your own name and cannot be called upon by any other trustee.

Dangers of relying on a Sponsors Directors and Officers Policy

Some independent professional trustees are given reassurances that they are covered under a sponsors Directors and Officers policy. OPDU has reviewed a number of such insurance policies and our experience is that cover is normally very limited in scope and often qualified by restrictions.

We would suggest that the following areas are noted:

- We recommend that you get written confirmation of the cover and a copy of the policy.
- We suggest that you review the policy to ensure you are covered.
- Note that you will be sharing cover with the sponsor and other trustees for all lines of risk. Should there be a claim elsewhere under the policy any PTL cover could be severely reduced or extinguished altogether.
- OPDU's IPTL policy is specifically written for you only and no other entity can call on it for cover.
- Are civil fines and penalties and investigators covered? Our experience is that it will be highly unusual for these risks to be included in a D&O Policy.
- Is there an auto-cancellation clause? Many D&O policies have a clause which automatically cancels cover where certain corporate events occur. OPDU's IPTL policy has no such clause.

The IPTL policy is written in the name of one individual or individual service company only

- It cannot protect any other trustee of the scheme or entity therefore providing peace of mind and security for you.
- It can cover you for multiple appointments.
- New schemes can be added during the policy period.
- Cover for retirement and run off / winding-up is available
- Cover for civil fines and penalties (where insurable) including IC/GDPR fines and regulatory Investigations.

Protect your interests now

We will be happy to carry out a free comparison of your D&O cover to our OPDU PTL policy.

How we protect

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.

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 continues 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 Association of Corporate Trustees
- **Daniel Barlow**
Law Debenture Pension Trustees
PWC
- **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.

The OPDU difference

The OPDU team provides personal support and service for you 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 £5 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.

Winding-Up policies:

Covering Missing Beneficiaries.

OPDU team support helpline: 020 7204 2754

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 insurable.

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.

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.

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:

Prosecution costs arising from a claim or investigation; extradition proceedings and bail bond costs.

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 Support

Provides the best possible claims handling service support 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.

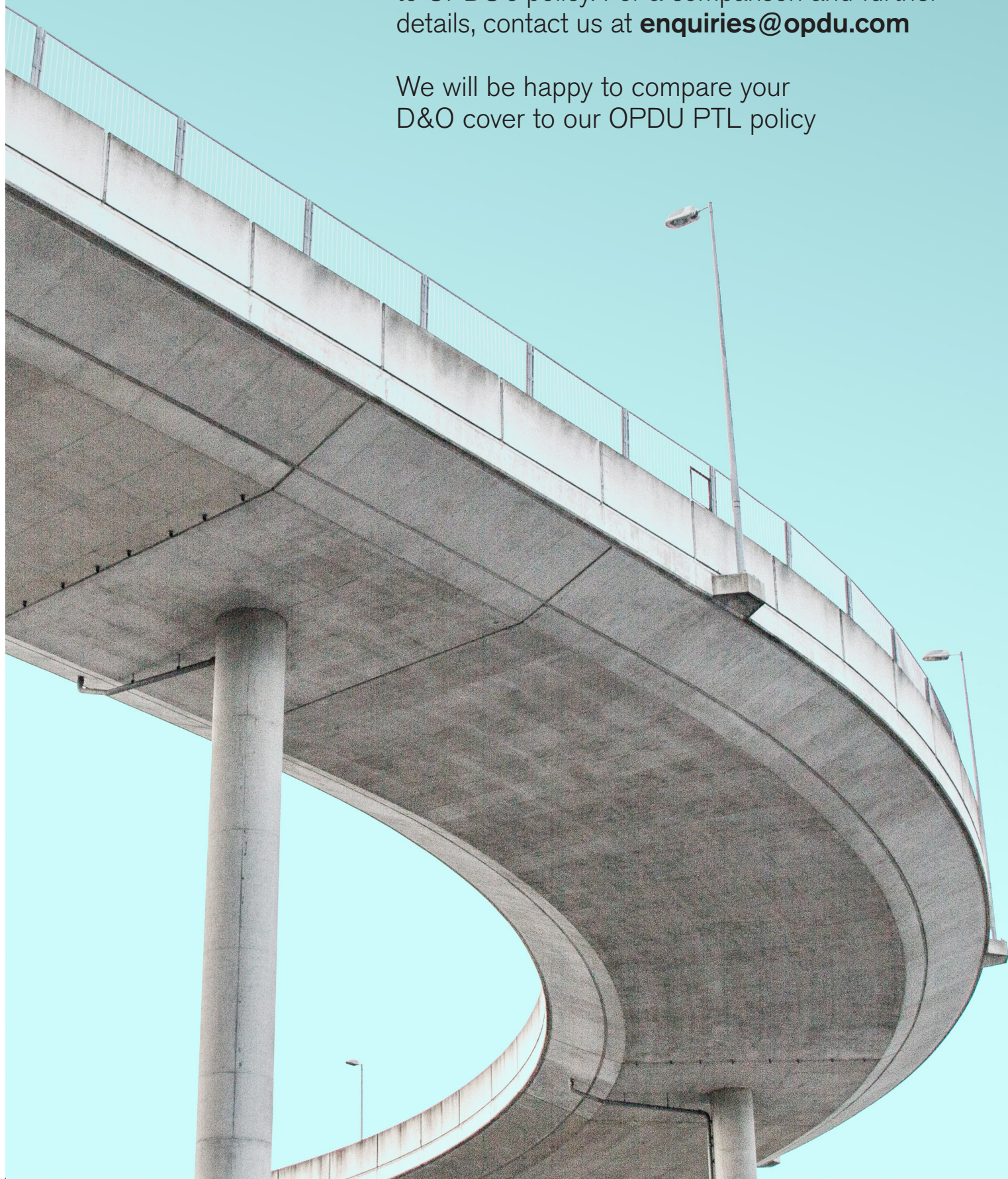
Trustee Risk Management

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

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**

We will be happy to compare your D&O cover to our OPDU PTL policy



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Authorised and Regulated by the Financial Conduct Authority