OPDU

REPORT 33

THE PENSIONS INSURANCE SPECIALIST

Protecting Trustees, Schemes, Members & Employers

OPDU
IS MANAGED
BY **THOMAS
MILLER**

CONTENTS

02 **Continuity and change…**
New appointments at OPDU

03 **It was 20 years ago today…**
Jonathan Bull's retirement

04 **A year in the life of OPDU**
Terry Faulkner looks back

05 **OPDU Offers New Products**
A new insurance products unveiled

06 **OPDU Annual Meeting**
Pensions: People should complain more often!

08 **OPDU launches in Ireland**

09 **How OPDU differs in the Insurance Market**

10 **Annual Pension Risk Conference**
Managing change and emerging pension scheme risks

12 **Some Key Issues for Trustees**

13 **Diary Dates 2016**

14 **Insurance for schemes winding up**

15 **Trustee protection**

16 **Guide to Policy Wording**

18 **Increased peace of mind**
OPDU has secured a big increase in the cover available to members

19 **Claims - case studies**

20 **The Pensions Insurance Specialist:**
Protecting Trustees, Schemes, Members & Employers

21 **AMNT News**
Janice Turner,
Founding Co-Chair, AMNT

22 **News from the Pensions Archive**
Alan Herbert
Chairman, The Pensions Archive Trust

Continuity and change…

Following Jonathan Bull's retirement, Redvers Cunningham has been appointed Chief Executive of OPDU and Martin Kellaway has joined as Executive Director

Redvers Cunningham

Redvers is a barrister and has worked at Thomas Miller, OPDU's parent company, since 1994. He has been involved in the management of OPDU since it was established with specific responsibility for policy drafting, insurer relations and claims. He is also Chief Executive of Thomas Miller Professional Indemnity, which manages mutual insurance companies insuring barristers, patent attorneys, trade mark attorneys, architects and surveyors and provides after-the-event legal costs insurance in commercial disputes. Having been part of the OPDU team for twenty years he is ideally placed to lead the business forward after Jonathan's retirement.

Martin Kellaway

Martin holds an MBA and is a Fellow of the Chartered Management Institute. Martin joins OPDU with many years of experience in the pensions industry with a number of well-known companies. His work has included pensions assurance, buyouts, trustee and consultancy businesses. His appointment will strengthen OPDU's strategy and marketing operations and ensure that members continue to derive full benefit from their membership of OPDU. Martin is also a trustee of the CMI Retirement Benefits Schemes.

Redvers Cunningham, Martin Kellaway and Jonathan Bull

It was 20 years ago today…

Jonathan Bull retires leaving the world of occupational pension schemes in good hands

After 20 years leading OPDU, Jonathan Bull retired on 31 July 2015, safe in the knowledge that the trustees looking after his occupational pension are properly insured in the unlikely event that anything goes wrong!

We look back at the important contribution he has made to protecting occupational pension schemes and raising standards in administration.

Pensions Act 1995

When the Pensions Act was passed in 1995 trustees and sponsoring employers started to discuss how to respond to the new regulatory risks and liabilities they would face on its implementation in 1997.

Enlightened leaders in the occupational pensions movement thought that insurance could have a role to play in protecting pension schemes and improving risk management. Many trustees and consultants had heard of a company called Thomas Miller which specialised in the management of mutual insurance companies. They approached it to see whether it could establish a mutual to protect occupational pension schemes. Jonathan Bull had just been promoted to Business Development Director and was asked to examine the feasibility of setting up a new mutual.

Mutual to the core

Jonathan had started his career at Thomas Miller in 1977 after completing his law degree. He had spent the first decade or so of his career on the marine side of the business, insuring the liabilities of ship owners. He readily appreciated how lessons learned from losses, some of them tragic, could be shared with members to prevent similar losses occurring in the future. He led initiatives to promote what we know today as risk management.

He then developed a successful new mutual insuring housing associations against the cost of repairing latent defects in newly built properties. A strong focus on risk management which resulted in substantial improvements in the quality of social housing construction was integral to the product. Following this success Jonathan was ready for a new challenge when occupational pension funds started knocking on his door.

Establishing OPDU

Jonathan established a steering committee and, after a lot of hard work, OPDU was born. It was an innovative hybrid of the strong service and risk management ethos of mutuals and the underwriting strength of one of the world's leading insurance companies, ACE. OPDU got off to a flying start, with firms like Sainsbury's and Philips joining as soon as it was launched in 1997, and it has since gone on to become the leading specialist insurance arrangement for occupational pension schemes.

Innovation

Key to OPDU's success was Jonathan and his team's focus on ensuring that the cover and services provided by OPDU met the changing requirements of its members. Achieving this objective was aided by establishing an Advisory Council and Advisory Panel and by regular contact with regulators and industry bodies. This has resulted in OPDU leading the way in developing comprehensive cover for occupational pension schemes and offering insurance which, to this day, remains unique.

OPDU has helped improve the standard of administration in pension schemes and thereby reduce losses by sharing the knowledge it has built up in seminars and the OPDU report and by initiatives such as the Annual Risk Conference.

A new era dawns

As Jonathan begins to enjoy his well-earned retirement OPDU will continue to focus on delivering the broadest possible cover and highest level of service to members. Redvers Cunningham, who worked with Jonathan on establishing OPDU from the outset, has succeeded him as Chief Executive and Martin Kellaway has joined as Executive Director from KPMG to further strengthen the executive team.

A year in the life of OPDU

Terry Faulkner reflects on recent developments

One year on from my appointment as Chairman of OPDU's Advisory Council, I am pleased to report that OPDU has continued to grow. There has also been a substantial increase in the provision of discontinuance and run-off insurance for trustees of defined benefit schemes which are winding-up, including where buy-outs are being arranged.

There were a number of notable developments during the year including:

- The introduction of an "Each and Every Claim" option. Historically, trustee indemnity policies provided an annual aggregate limit of cover for all claims notified during the policy year. Now, for a modest additional premium, OPDU members can request their cover is provided on an "Each and Every Claim" basis. If the level of aggregate cover is (say) £10m, this option allows multiple unrelated claims of up to £10m to be paid instead of the cover being exhausted once total claims of £10m have been paid.
- Following dialogue with the Irish Association of Pension Funds, solicitors and pension schemes' trustees & managers in the Republic of Ireland, OPDU will be offering its cover and services in Ireland.
- OPDU and the Pensions Management Institute (PMI) have joined forces to further raise the profile of good governance by offering discounted membership of the PMI Trustee Group. In addition, there will be favourable consideration by OPDU when assessing future rates for trustee indemnity insurance for schemes whose boards have successfully completed the voluntary OPDU/PMI trustee CPD scheme.

The value of OPDU's cover and services is best demonstrated when it comes to claims. Being forewarned of the common pitfalls is one of the most effective ways of preventing claims and OPDU continues to highlight these within the OPDU Report.

At any one time, OPDU will have approximately 50-60 open claims files.

Not all of these will give rise to claims since some are simply notifications of issues that will be resolved without the need to make a claim on the policy. Individual claim sums of up to £20m have been notified, with an increasing number involving DC schemes. A continuing trend is for claims involving inaccurate data and we do recommend trustees ensure that regular data health checks are carried out.

OPDU has received notifications arising from:

- Incorrect investment of DC contributions
- Pension sharing orders
- Overpayments of benefits
- Split payments of benefits
- Tax liabilities
- PPF levy issues
- Equalisation issues (still coming to light)
- Regulatory investigations where, even if no claim is ultimately made, cover is provided for the often very significant expenses incurred in dealing with investigatory matters.
- There have also been several claims relating to defective scheme amendments which have been discovered some years after the amendments were made with large sums involved

It is not possible to eliminate the possibility of a claim entirely but the risk can be mitigated by carefully following the Codes of Practice and the guidance provided by the Pensions Regulator and to ensure that Schemes are covered by a comprehensive trustee insurance policy.

Terry Faulkner
OPDU Advisory Council Chairman

OPDU Offers New Products

OPDU has teamed up with its primary insurance partner ACE to offer a range of new insurance products to its members. These include Directors' & Officers' liability insurance, fidelity & crime insurance and employment practices liability insurance. OPDU can also arrange professional indemnity insurance and after-the-event legal expenses insurance. A brief summary of each product is set out below and more information can be provided on request.

Directors' & Officers

Directors of companies have unlimited personal liabilities in the event of negligence and face increasing regulatory and other risks, which can see them exposed to considerable legal expenses defending themselves. D&O cover is provided to protect the personal assets of individuals involved in the management of companies and to reimburse the company where it provides an indemnity to directors. Claims covered by the insurance typically include actions by shareholders, clients and regulators for negligence, breach of fiduciary duty and breach of statutory duty.

Fidelity & Crime Insurance

Fidelity & Crime insurance is designed to protect companies from the devastating effects that criminal activity can have on them. It protects companies from losses arising from fraud committed by employees and fraud on the company by third parties. This can take the form of computer crime, forgery, counterfeiting and theft. Cover can also be extended to contractual penalties, interest and extortion.

Employment Practices Liability

Companies are increasingly faced with the prospect of large claims for unlawful and wrongful dismissal or damages for discrimination in the workplace. Employment Practices Liability insurance protects the company, its directors, officers and workers from the cost of defending these claims and damages and costs payable to the claimant following judgment or settlement. The cover can include wages payable to an employee for the period between dismissal and reinstatement or re-engagement, if that is lawful, and punitive and exemplary damages, where it is lawful to provide that cover.

After-the-event legal expenses insurance

After-the-event legal expenses insurance (ATE) insures litigants against the cost of bringing and losing proceedings where they do not have other or sufficient legal expenses insurance to bring a claim. This insurance enables businesses and trust funds to hedge the risk of having to pay costs to a defendant when a case is lost. It can also be used to reimburse disbursements, such as counsel's and experts' fees. Insurers typically expect a case to have at least a 60% chance of success and may agree that some of the premium is only payable in the event of a successful outcome. Trustees may find this insurance particularly useful as a means of protecting scheme assets in circumstances where they wish to pursue a claim against an adviser or service provider.

Professional indemnity insurance

Professional indemnity insurance is taken out by professionals to respond to claims by third parties arising from the provision of their services. Thomas Miller, the Manager of OPDU, has been involved in professional indemnity insurance for 30 years, managing successful mutuals for barristers and patent and trade mark attorneys. A whole range of service providers need professional indemnity insurance and OPDU is able to arrange such cover.

For further information please contact enquiries@opdu.com













Pensions: People should complain more often!


Tony King


Paul Craven

Speaking at OPDU's annual meeting, Tony King, who at that time was the Pensions Ombudsman, surprised his audience by suggesting that he didn't get enough complaints. He said that the Pensions Ombudsman probably got about one thousand complaints a year, which felt a bit low. His concern was that the process for making complaints was so complicated that only the most persistent got through.

However, there were other factors that had led to a fall in complaints, notably the impact of improved regulation, and that encouragingly, the number of complaints relating to deliberate wrong doing was small, with the majority relating to issues such as delays.

Having announced his intention to stand down later in the year after a seven and a half year tenure that was the longest since the role had been created, Tony took the opportunity to look back on his time in the post, highlighting successful changes in culture, processes, and communication. Challenges remained, particularly relating to "pension scams" and making the most of limited resources. However, he said it had been an honour to have held the post, which he had enjoyed.

Tony was followed by Paul Craven, a specialist in Behavioural Economics and a member of the exclusive Magic Circle, who was therefore able to appreciate how the mind can play tricks. Paul believed that it was important in both our professional and private lives to understand the way we make decisions. Far from being completely rational, there were more than one hundred and fifty modern day biases.

There were effectively two systems of decision making: the first was fast, unconscious, reactive, and emotional, whilst the second was slow, conscious, analytical and rational. The evidence suggests we use the first system more than we think when actually we need to use the second system more often.

Drawing on a number of insightful and entertaining examples, Paul said that we needed more psychology with our economics. In conclusion, bias awareness reduced our errors and increased our insight, and for really important decisions it was important to ask which decision making system we were using.

Terry Faulkner, Chairman of OPDU's Advisory Council, had opened his first annual meeting by paying tribute to the work of his predecessor Peter Murray, who had chaired the Advisory Council for six years and helped develop OPDU's comprehensive offering.

Notable developments in the last twelve months included the ability to offer lifetime cover for discontinuance and run-off cover, and the introduction of the option to have insurance based on an "Each and Every Claim" basis, rather than on an aggregate claims limit of liability. Forthcoming developments included the launch of cover and services in Ireland, and a joint initiative with the Pensions Management Institute (PMI) to promote membership of the PMI Trustee Group. Favourable consideration would be given when assessing insurance rates for those schemes whose boards had completed successfully the voluntary PMI Trustee Group continuing professional development scheme.

Terry reported that OPDU's membership continued to grow and had now reached 880 schemes holding assets in the region of £240 billion. Following a question and answer session, a reception was held with Reed Smith's offices providing spectacular views of London's skyline at night.

The event was organised very efficiently between OPDU and Reed Smith, with particular thanks to Lisa Wilson, Kaye Lambert, Nicole Pool, Angela George and Karen Turner.

OPDU launches in Ireland

Jonathan Bull, Jerry Moriarty (CEO, IAPF) and Redvers Cunningham

OPDU has extended its unique protection for pension funds to the Republic of Ireland. This move follows extensive consultation with the Irish Association of Pension Funds, lawyers, other consultants and trustees of Irish pension schemes.

OPDU's new Chief Executive, Redvers Cunningham, and his predecessor, Jonathan Bull, formally launched the Irish policy in Dublin in May. They also attended the IAPF's Annual DC Conference, where Jonathan was delighted to be a panellist and be able to share OPDU's experience of emerging risks in the UK likely to affect schemes in Ireland.

Heightened risk awareness

The launch came hot on the heels of some cases against trustees in Ireland. These included the case known as Element 6 where trustees faced the risk of personal ruin for their decision to accept an offer from the sponsoring employer to make a one-off payment of €37.1m.

The plaintiffs, disappointed beneficiaries, argued that the trustees should have issued a contribution notice for €129.2m to make good the deficit in the scheme. In the end the court found in favour of the trustees, who it considered had weighed up all the issues and come to a reasonable decision in good faith in what they considered to be the best interests of the beneficiaries.

But this and other cases have highlighted that trustees are vulnerable to being sued and the high cost of defending claims.

One of the major benefits of OPDU cover is the indemnity for legal costs incurred in defending claims, which sometimes can run into seven figures.

Ireland specific policy wording

OPDU's policy wording has been tailored to meet the requirements of pension funds in Ireland, whilst maintaining the exceptionally broad cover provided in the UK. The cover is also underwritten by ACE, which has provided OPDU's insurance cover since it started business in 1997.

As in the UK, OPDU will work wherever possible with the pension scheme's existing advisers to resolve problems when they arise, applying its unrivalled experience of dealing with claims against trustees to the benefit of members in Ireland.

Exciting times

As OPDU approaches the twentieth anniversary of its founding, it is very exciting to see it expand internationally. Trustees in Ireland and other jurisdictions face many of the same risks and challenges as those in the UK and it makes perfect sense for them to have access to OPDU's comprehensive insurance and risk management services.

For further information please contact enquiries@opdu.com

How OPDU differs in the Insurance Market

The following might be helpful as a reminder of the aspects of cover and services which tend to differentiate OPDU from the cover provided elsewhere:

The Policy contains a broad definition of Exonerated Loss which is relevant to UK pension schemes. To be comprehensive in the scope of cover provided, the OPDU Elite policy states that ***"The Insurer will pay on behalf of the Pension Scheme all Exonerated Loss which is suffered as a direct consequence of a Wrongful Act by a Trustee…"*** and there is a definition of Exonerated Loss. Similarly, the Policy also covers any indemnity which may have been provided to the Trustees by the sponsoring employer and/or from the Scheme.

In several market policies, the cover in respect of retired trustees tends to be limited to 6, 10 or 12 years, whereas the OPDU Elite Policy has lifetime cover for retired trustees and importantly, the benefit of cover also extends to company employees.

Other factors to consider are how the policy will respond to costs incurred in taking action to prevent, limit or mitigate exposure to potential claims; costs related to occasions when The Pensions Regulator or other Authority makes some enquiries or conducts an investigation and it is beneficial to have an adviser instructed. The OPDU Elite Policy also provides cover for: public relation expenses to limit negative publicity on a scheme's or employer's reputation; expenses incurred to disseminate the findings of a final adjudication in favour of the Insured and importantly, as an option, third party service provider pursuit cover for the purpose of establishing a breach of professional duty of care.

The third party service provider pursuit costs cover is for legal costs in establishing a breach of contractual duty or professional standard of care by third parties for matters that might fall outside the scope of the main OPDU Elite policy thereby ensuring that the overall insurance protection under the OPDU Elite policy is as broad as possible.

A Third Party Service Provider is defined in the policy as "those persons declared in the Proposal as having been appointed by the Trustee, Pension Scheme or Sponsoring Employer Company to provide services in relation to the Pension Scheme".

The definition is therefore wider than pure advice and includes any service including the service provided to the scheme by administrators, lawyers, actuaries, custodians and investment consultants etc. Whether a service provider has made an error would be defined by whether or not they had a duty to provide the particular service that gave rise to the error.

The cover for Civil Fines & Penalties is integral within the cost of the OPDU Elite Policy and is not limited to actions taken by the Pensions Regulator. It includes all the authorities who may be involved i.e. the Pensions Regulator, the Pensions Regulator Tribunal and Determinations Panel, the PPF or equivalent body or entity, the Information Commissioner (data issues), any government body or agency and also the Pensions Ombudsman.

We are unaware of any other policy which gives the cover provided by the Court Application Costs Extension. This cover is optional, however, it is commonly purchased by larger OPDU members. Sometimes issues arise where the trustees are advised to seek directions or a declaration from the court as to future conduct of matters or the interpretation of trust documents. Normally, several interests have to be represented by separate lawyers and all the parties' costs have to be met out of the pension scheme. OPDU's Court Application Costs Extension, reimburses costs ordered to be paid from the pension scheme's assets. Reported examples of substantial legal costs being incurred include the High Court decision in the National Bus privatisation case with costs exceeding £1 million; the South West Trains case in which the pension fund paid £1.4 million in legal costs and the National Grid litigation in which the legal costs were reported to be in excess of £3 million.

The breadth of cover provided is fundamental but perhaps just as important, is how matters will be dealt with in the event of a problem or claim arising. Market underwriters commonly appoint their own lawyers to handle claims rather than using the services of the employer's and/or scheme's existing advisers. In contrast, our claims service provides a specialist claims handling service through a team of in-house lawyers and pension professionals who deal with claims in a sympathetic and professional manner under claims authority from the insurer. They are experienced in managing complex, sensitive disputes with due regard to the adverse publicity that litigation can attract. Importantly, we will always work with a scheme's existing advisers unless they have been at fault. Our claims service is included as an integral part of OPDU membership.

Finally, the superior credit rating for ACE (Europe) as the underwriter is also relevant for the long term.

Managing change and emerging pension scheme risks

Held at Dexter House, Royal Mint Court, London

OPDU held its fifth Annual Pension Risk Conference on 3rd March, which focussed on managing change and emerging pension scheme risks. The theme was particularly apposite given the number of significant changes currently taking place.

Terry Faulkner, Chair of OPDU's Advisory Council, welcomed almost 150 delegates to the conference, before introducing Robin Ellison, Head of Strategic Development for Pensions at Pinsent Masons and also a member of OPDU's Advisory Council, who gave the key note address.

The morning sessions concentrated on defined benefit pension scheme risks and focussed on innovative approaches to de-risking; understanding and controlling investment fees; and the significance of European developments and what these might mean for UK pension schemes, their trustees, and sponsoring companies.

After lunch, attention turned to issues affecting defined contribution pension schemes where the sessions considered what schemes might look like in five years' time; financial education and member communication; and the risks associated with defined contribution schemes and member education.

There were a number of lively panel discussions, which benefited from the knowledge and insight of the high calibre speakers who are named below. The feedback OPDU has received following the conference has been excellent.

To view the speaker videos from the conference, visit www.opdu.com and click on the link on the Bulletin Board.

Speakers

Terry Faulkner – *Chairman of OPDU Advisory Council and former National Association of Pension Funds (NAPF) Chairman*

Robin Ellison – *Head of Strategic Development for Pensions, Pinsent Masons, OPDU Advisory Council member, and former NAPF Chairman*

Chris Hitchen – *Chief Executive Railways Pension Trustee Company and former NAPF Chairman*

Steven Hull – *Partner, Eversheds*

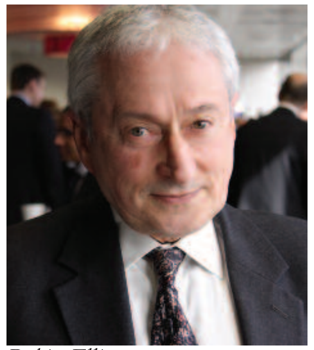
Hannah Simons – *Associate Director, Russell Investments*

Gary Smith – *Head of DC Consulting, Capita*

Greg Thorley – *Director, Life Academy*

James Walsh – *EU and International Policy Lead, NAPF*


Terry Faulkner


Robin Ellison


Chris Hitchen


Steven Hull


Hannah Simons


Gary Smith


Greg Thorley


James Walsh

Some Key Issues for Trustees

Here is our latest update on some of the issues that are currently receiving attention by trustees.

Defined Benefit Schemes

Scheme Funding Guidance

Those trustees undertaking an actuarial valuation should be taking account of the Pension Regulator's 2015 defined benefit statement which builds upon the Code of Practice on funding defined benefits issued in 2014. It reaffirms the requirement for an integrated approach focussing on funding, investment and covenant risks and how they interact with each other. Trustees of schemes with a 2014 valuation date are expected to take account of post valuation experience before finalising their valuations.

Assessing and Monitoring the Employer Covenant

The Regulator has identified that covenant is the starting point when adopting an integrated approach to defined benefit scheme funding and in August issued updated regulatory guidance on assessing and monitoring the employer covenant. It contains a useful at a glance summary as well as sections for those who assess the covenant themselves, with other sections on monitoring the covenant and improving scheme security. Further guidance is expected on integrated risk management and investment strategy.

The End of Defined Benefit Contracting-Out

Companies who have defined benefit schemes that are still open for future accrual are considering how to respond to the abolition of contracting-out in April 2016. Changes to or closure of their schemes are likely to be considered to compensate for the loss of national insurance rebates and amendments to benefits that refer to state pension.

Freedom and Choice

Trustees are considering their transfer procedures in light of the new freedoms available within DC arrangements. This includes whether to incorporate a transfer value figure within retirement packs, whether any support should be offered to members and checking that financial advice has been received before transfer values over £30,000 are paid. Trustees are also considering their procedures to ensure they are compliant with regulatory requirements, as well as reviewing the transfer value basis with the scheme actuary and communications with the scheme administrators.

Defined Contribution Schemes

Freedom and Choice

If they have not already concluded work in this area, trustees are updating their default funds and communications, as well as putting in place procedures to monitor member behaviour to ensure default funds and other fund choices remain appropriate. A review of support for members during the decumulation process is another important area to help achieve good member outcomes.

Charge Cap

Member-borne deductions (excluding transaction costs) under "default funds" of qualifying schemes have been capped at 0.75% of funds under management since 6 April. Trustees are monitoring charges to ensure they are compliant and remain competitive.

Value for Money

Trustees are assessing and reporting on the extent to which member-borne charges and transaction costs under their scheme represent good value for money. This area is likely to evolve and trustees are working with their advisers on how best to undertake this exercise. The industry is considering how it should report transaction costs.

Annual Governance Statement

Trustees are required to design default funds in members' best interests and review them regularly. They are also required to prepare a statement of investment principles for their default fund(s) and ensure core financial transactions are processed promptly and accurately. An annual governance statement covering these and other areas is required which needs to be signed by the chair of trustees. Trustees are working with their advisers to develop these statements.

General

Lifetime and Annual Allowances

The Lifetime Allowance for tax favoured pension provision will reduce from £1.25 million to £1 million from 6 April 2016 with the Allowance to be indexed by CPI inflation from 2018. Protections will be available as they were when earlier changes were made in 2012 and 2014.In addition, in the Summer Budget 2015, the Chancellor announced details of the tapered Annual Allowance for high earners from 6 April 2016, with immediate transitional arrangements. The details relating to the Annual Allowance are complicated and trustees will want to review communication material and understand what the measures mean for their schemes and be ready to cope with a potentially large volume of enquiries. Preparation will be required to ensure the scheme can manage the many different types of Annual Allowance that will apply in the future.

Taxation of Pensions

In the Summer Budget, the Chancellor also announced a review of the taxation of pension provision with the consultation concluding by the end of September. Amongst the possibilities being considered is a change from the current tax regime where contributions and the fund are largely exempt from tax but the benefits when drawn, (with the exception of the tax free lump sum) are taxed. This is known as Exempt, Exempt, Taxed. An alternative system, similar to that under which Individual Savings Accounts operate has been suggested, where contributions are made from taxed income but the fund and the benefits when drawn are largely free from tax. This is known as Taxed, Exempt, Exempt. The increasing cost of tax relief is highlighted, with a desire to achieve an incentive for long term savings on a sustainable basis the objective. Depending upon the outcome, the changes could be far reaching.

Institutions for Occupational Retirement Provision (IORP) II Directive

This is currently being considered by the European Parliament with their report due by the Autumn. The indications are a that there could be a dilution of some of the more controversial proposals, with a more high level principles based approach which has been welcomed by the National Association of Pension Funds. The areas being considered include a holistic balance sheet, cross-border requirements and professional qualifications for trustees. It will be important to keep these developments under review.

Pensions Commission and a Single Regulator

The creation of a single regulator and the establishment of a Pensions Commission have been mooted but comments made by Ros Altmann to the Work and Pensions Committee suggest these are not currently priorities for the government. The successful roll out of auto-enrolment, pension flexibilities and charges are considered to be most important.

With trustees having had to contend with so many changes in recent years, they could be forgiven for wishing for a period of quiet reflection. However, the pace of change shows no sign of slowing, with many issues to be considered ahead of April 2016 and in some cases beyond.

Diary Dates 2016

Annual Meeting:
Thursday 28 January
17.00 - 20.00
Venue: Reed Smith LLP
The Broadgate Tower
Primrose Street EC2A 2RS

In accordance with OPDU's aims of helping to raise standards of pension management and administration, events are free to attend and please register your interest at:

enquiries@opdu.com

There will be an announcement shortly with the full programme and speakers.

Membership Tips

Contact details: please advise of any changes in contact details including personnel and office moves as soon as possible.

Trustee appointments: similarly, it is important we maintain accurate records of current or former trustees. This will ensure they receive their membership User Cards and Handbooks which are part of the benefits of OPDU and that retired trustees have the benefit of lifetime cover. This applies also to named company pension personnel who have the same benefits of cover.

Claim notifications: please notify any circumstances that may give rise to a claim us as soon as possible. We would also encourage the use of the OPDU Advisory Service which provides general guidance and advice on matters affecting the day-to-day administration of the pension scheme. Matters that are discussed with the Advisory Service will deem to have been notified if they subsequently materialise as claims which, in practice, can be sometime later.

Insurance for schemes winding up

There is an increase in the number of schemes winding up, and OPDU offers a separate Discontinuance Policy of insurance to cover trustees for the liabilities that can still arise following completion of the wind up.

Even if a scheme or company has totally discharged its future liabilities in relation to the pension scheme, a past trustee remains personally liable, potentially for their lifetime, for any acts they undertook whilst in the role.
The following is a brief summary of the cover provided.
For further information please contact enquiries@opdu.com

What is covered?

- OPDU Elite Discontinuance will pay the loss a past trustee or employee is legally obliged to pay as a result of a wrongful act in relation to the named pension scheme(s).
- It provides cover for wrongful acts committed prior to the inception of the policy, from the date the scheme was first established
- It will also pay all reasonable legal costs incurred in relation to an official or fact finding investigation by the Pensions Ombudsman, Pensions Regulator or other equivalent body.

Who is covered?

- Past trustees
- Employees
- A corporate trustee company
- Lawful spouses, estates, heirs or legal representatives of past trustees or employees in the event of death, incapacity, insolvency or bankruptcy
- Any other natural person or entity who acted as trustee as attached by specific written endorsement.

Who is included in the definition of trustee?

- Any natural person, including a director or officer of a corporate trustee company, who was appointed as a trustee.

Who is included in the definition of employee?

Any natural person who provided services in relation to the pension scheme whilst in the employment of the sponsoring employer company, corporate trustee company, trustee or pension scheme, including:

- Directors and officers
- Committee and / or board members
- Administrators
- Pension scheme managers.

What is included in the definition of corporate trustee company?

- Any company appointed to act as a trustee, regardless of whether that company was a subsidiary or not of the sponsoring employer company.

What constitutes a claim?

- A written demand alleging legal liability
- A civil or arbitral proceeding
- A criminal suit
- An administrative or regulatory proceeding
- An official investigation.

What wrongful acts are covered?

OPDU Elite Discontinuance offers protection against a comprehensive range of allegations, including:

- Breaches of trust, duty and statutory provision
- Negligence
- Administrative errors
- Wrongful omissions
- Misstatements
- Misleading statements
- Maladministration
- Financial loss resulting from damage, loss or destruction of pension scheme documents.

What is included in the definition of loss?

- Damages
- Judgments
- Settlements
- Awards (including distress awards or compensation as determined by the Pensions Ombudsman)
- Defence costs
- Costs for legal representation in relation to an official or fact finding investigation instigated during the policy period (i.e. where there is no requirement for an allegation of a wrongful act) by the Pensions Ombudsman, Pensions Regulator or other equivalent body.

What is included in defence costs?

- All reasonable third-party fees, costs and expenses that are incurred to defend or appeal a claim.
- Provision for full advancement of defence costs, where required.

Additional features of Elite Discontinuance

- Limits of liability to £10m and higher if required
- Policy periods ranging from one year to lifetime are available
- Optional extensions are available to provide cover for:
  - Civil fines and penalties (where insurable and the premium is not being paid for out of the scheme assets); and
  - Member nominated trustees in the event of innocent non-disclosure or misrepresentation.

OPDU Elite Discontinuance is underwritten by ACE European Group Limited.

Trustee protection

The right insurance policy can minimise concerns about potential future liabilities

Many trustees do not consider pension trustee liability insurance until a scheme is being closed and it is apparent that the sponsoring employer might no longer be in existence in the future. This can leave the trustees vulnerable to claims and it is sensible to obtain insurance cover early when the scheme is on-going which then provides full protection and also makes it easier to have continuity of cover with run-off insurance when the scheme is wound up.

With the continued growth in defined contribution (DC) schemes, it is important to recognise that the trustees of such schemes face different legal risks and exposures from those of defined benefit schemes. DC trustees have ultimate responsibility for the accuracy of statements, market valuations and increasingly important, the selection and monitoring of investment vehicles offered. These factors increase the risk for claims occurring which has been borne out by claims experience.

Data for DC is usually better than DB because the Schemes are generally more recent. The problem is that if it's wrong, the ramifications are usually far worse because of monthly allocations of contributions at changing unit prices. If there's a systemic issue then it can be applied across a large number of members.

Ensuring members have the information they need to make informed choices is increasingly onerous with the new options and therefore there is an obvious potential comeback on the trustees. This applies to both investment choices and decisions when taking benefits and effective accurate communication is paramount. Who is going to deliver this and how? Trustees will need to ensure that members are led to the guidance being provided by Pension Wise but this alone may not be considered sufficient.

There may also be potential problems involving scams for which the trustees could have responsibility if they pay money to an inappropriate vehicle.

Some frequently asked questions

Why do we need insurance when we have an indemnity and an exoneration clause to protect us against claims?

An indemnity may be given by the scheme or the sponsoring employer company and many trustees will have the benefit of exoneration clauses within the trust deed and rules excluding them from liability. However, it is not always appreciated that such clauses are subject to statutory limits. For example, an exoneration or indemnity from the fund cannot operate for any breach of trust relating to investments and it is also prohibited for the scheme to indemnify trustees for civil fines and penalties. It should also be appreciated that an indemnity from the employer would be of no value upon an insolvency when the trustees are still having to manage the scheme.

Insurance provides an external source of protection and should stand in front of such indemnity clauses. In today's environment, trustees do not usually wish to "hide" behind exoneration clauses when facing valid claims from pension scheme members.

Are we covered for past actions that were taken before the date that we take out insurance?

Trustee liability insurance operates on a "claims made" basis which means that there is potentially cover for claims made against the insured during the policy period irrespective of when the event giving rise to the claim occurred.

What is the position when a trustee retires – are they still covered?

A trustee's personal exposure does not cease when they retire and their post retirement situation may make them particularly vulnerable. Problems in pensions often take a considerable time after the event to materialise. It is important, therefore, to check that the position of retired trustees and pension managers is properly protected. The solution is for retired trustees and company pension personnel to have the guarantee of cover in the event that the scheme ceases to be insured. They can then rest assured that they have cover personal to them, irrespective of what the employer or trustees have done, or not done, about insurance since they retired. It is again important to check the extent of cover provided in this respect as policies do vary (OPDU Elite provides lifetime cover from the date of expiry of the main policy of insurance thus giving valuable peace of mind). However, if the main policy of insurance is renewed each year then the cover for retired trustees should remain in place.

Have claims been made against trustees?

OPDU's own claims experience has seen issues which have involved individual claims sums of up to £20m to date. One common feature is, as one would anticipate, the importance of the accuracy of data and we encourage trustees therefore to ensure that regular data healthchecks are undertaken. Other issues which have given rise to problems and potential liabilities include: incorrect formulas used for calculating benefits; interpretation of Trust Deeds; overpayment of benefits; misapplication of Scheme Rules; seeking court directions; early retirement & ill-health disputes; rectification proceedings, accounting irregularities; DC choices of investment funds; Pension Sharing Orders; general administration errors; TUPE issues; misrepresentations by trustees; transfer values; incorrect quotations; discrepancies between scheme documentation and administration practice; delays in transfer and payments of benefit assets; and PPF levy issues.

Guide to Policy Wording

Pension Trustee Liability Insurance

Who is covered?

- Past, present and future trustees and employees
- A corporate trustee company
- The sponsoring employer company
- The pension scheme
- Lawful spouses, domestic and civil partners, estates, heirs or legal representatives of trustees or employees in the event of death, incapacity, insolvency or bankruptcy
- Any other natural person or entity acting as trustee as attached by specific written endorsement.

Who is included in the definition of trustee?

- Any natural person, including a director or officer of a corporate trustee company, who is or has been appointed as a trustee, including a constructive trustee
- The Policy also allows for any other natural person or entity, including a director or officer of that entity, to be specifically included by written endorsement.

Who is included in the definition of employee?

Any person providing services to the pension scheme whilst in the employment of the sponsoring employer company, the corporate trustee company, or the pension scheme, including:

- Directors and officers
- Committee and/or Board members
- Administrators
- Pension scheme managers
- Internal dispute managers.

What constitutes a claim?

- A written demand alleging a wrongful act (or, if no claim is being brought, the Trustee must become aware of the Wrongful Act during the policy period and must have been advised that a claim could be brought)
- A civil, ombudsman, arbitral proceeding or mediation
- A criminal prosecution
- An administrative or regulatory proceeding
- An official investigation
- A contribution notice as issued by the Pensions Regulator under the Pensions Act 2004
- An extradition proceeding.

What is covered?

The Policy will pay for loss resulting from a wrongful act, specifically on behalf of:

- The trustees or employees for loss which they are legally obligated to pay
- The sponsoring employer company or pension scheme for all loss resulting from indemnification
- The pension scheme for all loss which has been suffered as a result of exoneration
- The sponsoring employer company or corporate trustee company for all loss that they are legally obligated to pay.

What wrongful acts are covered?

The Policy offers protection against a comprehensive range of allegations, including:

- Breach of trust, duty or statutory provision
- Negligence
- Administrative errors
- Wrongful omissions
- Misstatements
- Misleading statements
- Maladministration
- Financial loss resulting from damage, loss or destruction of pension scheme documents.

What is included in the definition of loss?

- Damages
- Judgments
- Settlements
- Awards (including distress awards or compensation as determined by the various pension regulatory bodies)
- Defence costs
- Costs (up to a specified sub-limit) incurred in relation to a fact-finding investigation or proceeding (i.e. where there is not requirement for an allegation of a wrongful act) by the various pension regulatory bodies
- Costs (up to a specified sub-limit) for expenses incurred in taking action to prevent, limit or mitigate exposure to an actual or potential claim.

What is included in defence costs?

- All reasonable fees, costs and expenses that are incurred to defend or appeal a claim
- Provision for full advancement of defence costs
- Option to include the provision to incur emergency defence costs if required

Additional features of the Policy:

- The policy cannot be cancelled without the insured parties' agreement (other than in the case of non-payment of premium)
- A discovery period of 12 months is available should either the insurer or insured parties refuse to renew this policy
- Ability to apply different retention amounts depending on whether the deductible is to be paid by the sponsoring employer company or the pension scheme itself
- No deductible applies where exoneration has been granted or the loss is the personal liability of a trustee or employee
- Overall authority for the policy can be granted to either the sponsoring employer company or to the trustee(s), who then agree to act on behalf of each and every other insured party

The Policy also responds to a number of changing circumstances:

- Continuous cover for the remainder of the policy period in the event that the sponsoring employer company:
  - merges with or consolidates into another entity (any subsequent name changes to the sponsoring employer company and or pension scheme must be advised)
  - enters administration
  - commences wind-up of a pension scheme
- Automatic cover is granted for a new or additional pension scheme whose total assets are 10% or less of the combined total assets being covered (subject to endorsement). Schemes in excess of this have cover for a period of 60 days, after which cover must be specifically agreed by the insurer
- Where a scheme has been wound up cover shall include those who were insured, or would have been insured, at the time for wrongful acts committed prior to the date of such cessation, with the potential to provide an extended period of cover of up to 15 years

Extensions included:

- Civil fines and penalties, where insurable
- Retirement cover: lifetime for named "Users" - During a pension scheme's membership of OPDU, all retired trustees and administrators remain covered. If a pension scheme leaves membership, retired trustees and retired named administrators have insurance cover for their lifetime should no alternative cover already be provided. This gives individuals valuable peace of mind in their retirement when they no longer have any say in whether their pension fund should purchase insurance cover
- Costs (sub-limit £1m) incurred in relation to a fact-finding investigation or proceeding (i.e. where there is no requirement for an allegation of a wrongful act) by the various pension regulatory bodies
- Brand damage and reputation protection (sub-limit £100,000)
- Cover for extradition proceedings
- Prosecution costs
- Emergency costs provision (sub limit £100,000) where urgency dictates that OPDU or insurer's consent for incurring costs cannot be obtained
- Employee benefit programmes and/or employee share ownership programmes
- Costs incurred in replacing or restoring pension scheme documents in the event of their loss, damage or destruction (sublimit £100,000)
- Theft of pension scheme assets

Optional Extensions include:

- Court Application Costs (sub-limit as specified on request) - Sometimes issues arise where the trustees are advised to seek directions or a declaration from the court as to 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.
- Third Party Service Provider Pursuit cover for the purpose of establishing a breach of professional duty of care (sublimit £100,000).
- Each and Every Claim – This cover will convert the aggregate limit of liability under the policy to an Each and Every Claim basis.

Key Policy Exclusions:

- Fraud or dishonesty or intentional breach of law - Where established by judgment or other final adjudic ation or by formal written admission
- Personal profit or advantage
- Pollution - However defence costs included up to £1m for a claim brought
- Direct bodily injury or property damage
- Failure to fund / procure funds / collect contributions (save where this is a Wrongful Act of the Trustee)
- North American litigation. However, with OPDU's agreement, the exclusion shall not apply to North American litigation in respect of Wrongful Acts of the Insured undertaken outside the U.S. or Canada in respect of the Scheme which are governed exclusively by English Law.

OPDU Services

The Advisory Service

Provides trustees and administrators with general guidance and advice on matters affecting the day-to-day administration of the pension fund. It aims to facilitate good governance. The confidential advice line is staffed by lawyers and pension professionals and provides access to The Advisory Panel experts where appropriate.

The Advisory Service is complementary to the services provided by members' existing professional advisers.

The 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 sympathetic and professional manner. They are experienced in managing complex, sensitive disputes with due regard to the adverse publicity that litigation can attract.

Trustee Risk Management

Provides a risk-based approach enabling trustees to focus on the key risks requiring appropriate internal controls to comply with the latest legislation and regulation. Topical one-day seminars are held in conjunction with ACE European Group, The Pensions Regulator and other leading pension practitioners. TRM was established to achieve OPDU's aim of promoting good governance. Its services are available to all pension funds regardless of whether they are members of OPDU.

Other facilities:

OPDU can provide access to a number of other insurance facilities, for example: winding-up insurance; crime and fidelity insurance; cover for trustees following mergers, buy-out and protection against costs risks inherent in pursuing claims for damages against third parties such as fund managers and other service providers. If you have novel insurance requirements we can work with you to seek to develop a policy to meet your needs.

Increased peace of mind

OPDU has secured a big increase in the cover available to members

To date the limit of cover has been aggregate. This means that the insurer's exposure is capped at the limit of cover no matter how many claims are made against the member. So, for example, if a member had £10m of cover and notified a claim which cost £9m to resolve, the member would be left with £1m of cover to respond to any other claims notified during the same policy period.

Responding to trustees' concerns

Concern was expressed by some trustees at presentations made by OPDU to trustee boards that where more than one scheme was insured under the same OPDU policy a claim by the trustees of one scheme could erode the cover available to indemnify the trustees of another scheme. One response to this was to arrange separate cover for each scheme, but this could prove costly. Ever looking to be innovative OPDU persuaded its lead underwriter, ACE, to provide the option to cover on an each and every claim basis. Excess layer insurers have followed suit.

Each and every claim cover

Each and every claim cover is radically different to aggregate cover because the full limit of cover is available to indemnify each and every claim made on the policy, provided the claims are not related to each other.

So taking the example above, if a notified claim costs £9m to resolve, a member with each and every claim cover would have the full £10m limit of cover available to indemnify another unrelated claim on the policy. The number of claims which can be indemnified in any policy period is unlimited.

A cost-effective option

This substantial increase in cover is typically available for a 15% increase in premium. Some members who have put in place separate insurance for each of their schemes have indeed been able to reduce the cost of their cover by replacing multiple policies with a single policy covering all schemes on the each and every claim basis.

OPDU is already experiencing strong demand for this cost-effective option and will continue to look for ways to improve the protection afforded to its members.

Claims - case studies

PPF Levy

The issue

The risk-based element of the PPF levy is calculated by use of failure scores applied by ratings agencies when calculating the probability of insolvency in the next twelve months of an employer: the higher the risk of insolvency the higher the risk- based levy.

What happened?

When a ratings agency determined 'A's' failure score it did not take into account the latest filed accounts. This resulted in the insolvency risk being overstated and 'A' was presented with a levy demand almost 30 times higher than was anticipated.

'A' successfully appealed to the PPF Ombudsman who determined the failure score was unfair as it was based on out of date information. However, this decision was overturned on appeal to the High Court which ruled that the PPF's decision was sound as it was based on correct information provided to the ratings agency at the time.

The outcome

The ruling required 'A' to pay the costs of the litigation in addition to the original levy demand.

How the OPDU/ACE Elite policy responded

With the benefit of the OPDU/ACE Elite policy, 'A' was indemnified for the expensive litigation costs and also for the enhanced cost of the levy*.

Maladministration – Investment Losses

The issue

Maladministration is a "catch-all" expression for poor or improper management. Pensions managers are usually effective and efficient and less prone to accusations of maladministration than many others. But they are not immune from aberration!

What happened?

'A' decided to wind up a Defined Contribution ("DC") scheme of a newly acquired business. Scheme members were sent an Option Form to indicate they wished to join A's DC scheme and also an Investment Choice form to determine their level of investment risk. The majority of scheme members returned the Option Form indicating a wish to transfer all accrued benefits to the principal employer's DC scheme. 'A' decided to place any transferred funds into a cash account until each scheme member had indicated their investment choice.

The problem was that the majority of scheme members had completed and returned the Investment Choice forms together with the Option Forms but the forms were not separated and instead of sending the Investment Choice forms to the administrators they were mistakenly filed and thus members' funds were not invested as directed.

The outcome

In the four years that had passed until the error was spotted, equities had risen sharply and the loss to members approached £500,000.

How the OPDU/ACE Elite policy responded

'A' was able to call upon its policy with OPDU which covered the loss*.

*subject to policy excess

The Pensions Insurance Specialist:

Protecting Trustees, Schemes, Members & Employers

OPDU protects pension schemes by providing a unique combination of risk management and comprehensive insurance cover to trustees, administrators and sponsoring employers.

OPDU's insured members can readily purchase limits of cover between £1m and £50m or higher limits can be arranged if required. The cover has been developed for the special insurance needs of pension schemes but can be varied to meet the specific requirements of individual schemes.

OPDU affords a valuable external resource for reimbursing losses suffered by pension schemes. The asset protection thereby given is ultimately of benefit to pension scheme members.

OPDU is managed by Thomas Miller, the world's leading independent manager of mutual insurance companies. **OPDU Elite** is underwritten by ACE European Group Limited. The ACE Group of Companies is a global leader in insurance and reinsurance.

Court Application Costs cover is available to give increased protection to pension scheme assets. The cover is able to pay the legal costs and expenses incurred by trustees or ordered to be paid out of the pension scheme in seeking a declaration or directions from the court.

OPDU Elite cover to:

- Trustees
- Corporate trustees
- Directors of corporate trustees
- Sponsoring employers
- The pension scheme
- Internal administrators
- Internal advisers
- Internal dispute managers

OPDU Elite cover for:

- Ombudsman complaints
- Defence costs
- Employer indemnities
- Exonerated losses
- Litigation costs
- Investigatory costs
- Data risks
- Mitigation of potential claims
- Prosecution costs
- Errors and omissions
- TPR civil fines & penalties
- Minimising risk to reputation
- Extradition proceedings
- Retirement cover - lifetime
- Third party service provider pursuit costs
- Court Application Costs

- Discontinuance insurance for schemes in wind-up

Advisory Service:

- Problem solving
- Guidance on minimising liabilities
- Personal representation
- Working with your own advisers

OPDU IS MANAGED BY **THOMAS MILLER**

For the full details please contact OPDU:
020 7204 2400 enquiries@opdu.com www.opdu.com

THE OCCUPATIONAL PENSIONS DEFENCE UNION LIMITED
90 Fenchurch Street London EC3M 4ST

News from the Association of Member Nominated Trustees


Janice Turner, AMNT

The Association of Member Nominated Trustees is celebrating five years in existence since it was set up back in 2010. When we started, we were a dozen people who shared the view that an organisation was needed to bring Member Nominated Trustees (MNTs) together, help them gain knowledge, understanding and confidence, and give them a voice.

Five years on we now have a membership of more than 500 trustees from pension schemes with collective assets of over half a trillion pounds.

During that time we have worked with the Pensions Regulator to improve the Trustee Toolkit and run many sessions with our members to study modules of the Toolkit. We have enabled members to successfully sit the Pensions Management Institute's Award in Pensions Trusteeship, giving them recognised qualifications.

We have taken up members' concerns and achieved real change for the better. Our lobbying of government resulted in changes to the Regulator's handling of DB scheme triennial valuations (remember the 10-year trigger that is no more?); our campaign against market value accounting, which has devastated DB schemes, led to the Regulator being given an additional statutory objective to minimise any adverse impact on the sustainable growth of an employer. We worked with other like-minded organisations to persuade the DWP to change its view of Collective Defined Contribution pensions, changing the law so that they are now permitted in the UK.

We regularly ask our members their opinions of Government and Regulator consultations and send in the AMNT response. We are invited to represent our members at national and, increasingly, international conferences and meetings where the trustee voice needs to be heard.

And for the last two years we have been working on a new initiative, the most substantial we have ever undertaken. It responds to a clear demand from trustees: to play their full part in the responsible investment of their assets, adopting policies covering environmental, social and corporate governance.

But a major obstacle to most pension schemes being active responsible investors is the reluctance of fund managers to allow investors in pooled funds to direct how the votes associated with our investments should be cast. They argue that conflicting instructions from multiple investors would be too complicated to handle.

So we will soon be introducing a new approach to asset owner voting on the UK market: Red Line Voting. Our Red Lines are a series of tightly drawn, binary, voting instructions. Pension schemes adopt some or all of the policies as they wish, and then instruct their fund managers to engage and vote accordingly. The fund managers are at liberty to vote contrary to a Red Line if in their judgement that is the appropriate course of action, but if they do they are required to explain to the pension scheme why they did so.

With Red Line Voting fund managers may receive dozens of instructions from clients, but they are all the same instructions, from the same menu as it were, so this makes it easy for the fund manager to allocate the votes pro rata.

We formulated the Red Lines on corporate governance based on the consensus we found among some of the largest UK pension schemes and these in turn are in furtherance of the UK Corporate Governance Code issued by the Financial Reporting Council.

But there is no UK code governing social or environmental matters. So following the advice of some of the UK's top fund managers on responsible investment, we based our social and environmental Red Lines on the United Nations Global Compact (UNGC). The UNGC sets out all the main issues that a social and environmental policy should cover and we are confident that we have done so. We developed the environmental Red Lines in close cooperation with a range of key stakeholders.

Having worked in partnership with the UK Sustainable Investment and Finance Association for over a year, we are confident that what we now have is the UK's first off-the-shelf, ready-made, easy-to-adopt environmental and social policy that any pension scheme can adopt. Any pension scheme interested in adopting Red Line Voting should contact **info@amnt.org**

So AMNT is going from strength to strength, and we would like to thank our friends at OPDU for their constant and kind support over the last five years. We have been overwhelmed by the support and goodwill that we have had from so many pensions industry companies and we look forward to achieving new heights in the years to come.

Janice Turner
Founding Co-Chair, AMNT

PAT's 10th Anniversary

This year sees the 10th anniversary of the formation of The Pensions Archive Trust (PAT) which was launched by the late Alastair Ross Goobey when he gave the inaugural Ross Goobey lecture at the Cass Business School on 27 October 2005. Much has happened since then, not least the establishment in 2007 of our invaluable partnership with the London Metropolitan Archives (LMA), and then obtaining charitable status a year later.

We are most grateful for the support we have received from many sources, both financial, to enable us to pay our way, and by the generosity of numerous donors of archival materials. We are proud to be gathering a growing and diverse collection, and are well on the way towards achieving our prime objective of preserving pensions history for the future.

To mark this occasion, on the evening of Tuesday 3rd November, we are holding a special event in the Auditorium at the offices of Sacker & Partners LLP on 6th Floor, 20 Gresham Street who are very kindly hosting and sponsoring it. It will reflect, in a spirit of optimism, the role of the Pensions Archive both as a custodian of the past, and of the changing face of pensions for the future. Our President, Michael Pomery, will introduce the evening's programme.

Dr Yally Avrahampour will then open by:

- drawing on pensions history, with our major collection of the papers of investment doyen the late George Ross Goobey, as the catalyst;
- beginning to bridge the gap between pensions past to pensions today.

Alan Higham will follow by:

- completing the story of pensions to the present day;
- focusing on current developments in pensions – new ideas for new circumstances

and the evening will conclude with a reception. If you would like to receive more details and an invitation send an email to: events@sackers.com

Board appointments

During the year the directors of PAT have been very pleased to welcome three new directors to the Board; Jocelyn Blackwell, Jane Marshall and Peter Dawes.

Jocelyn Blackwell founded Dunnett Shaw in 1987, a management consultancy that specialised in advising clients on pensions administration processes, systems and outsourcing. It was one of the original funders of PAT. The business merged with Higham Group in 2005 to form Higham Dunnett Shaw which was sold to Capita in 2007. Jocelyn was also founder of the industry wide "Raising Standards in Pensions Administration" (now PASA). She was the winner of the "First Woman in Finance Award" in 2005. She is a Non-Executive Director of Inside Pensions, a specialist firm that provides independent scheme secretarial services to trustee boards and also of NOW:Pensions, the independent multi employer trust.

Jane Marshall has been a pensions lawyer since 1981, joining Lovell White & King at a time where few firms and lawyers considered pensions law a speciality. A founder member of the APL, she has served on various industry bodies, including most recently the NAPF's legal panel. She was part of the NAPF team which gave evidence on pensions and divorce to a House of Commons Select Committee.

She was the managing partner of boutique pensions law firm Ellison Westhorp and negotiated its merger with national firm Hammond Suddards (now Squire Sanders). She headed its 40 plus team of pension lawyers and was responsible for some of its biggest clients. Jane has contributed to and edited a number of books on pensions law, including Pensions: the New Law (Jordans 1995) and The Pensions Act 2004 (The Law Society). Having retired as a partner of Macfarlanes LLP she now runs her own consulting firm which focuses on risk, governance and the promotion of closer working relationships between trustees and sponsors.

Peter Dawes, after graduating in law, became the first company secretary trainee at British Aircraft Corporation

and was quickly involved with pensions. Over the next 10 year, he spent time as Secretary of the BAC Pension Scheme and subsequently, of the British Aerospace Pension Scheme.

Whilst his mainstream career has been as company secretary of listed companies, he has almost always been responsible for pension arrangements in his employing company. His last full time position was as Secretary of Vosper Thornycroft (later VT Group plc) and in this capacity he was also a trustee of the LAWDCs Pension Scheme and the Shipbuilding Industries Pension Scheme: for the latter, over a period of ten years he rotated as Chairman of Trustees and Chairman of the Investment Committee.

Peter is currently Chairman of Trustees of the Wärtsilä Hamworthy Pension Scheme and a trustee of the Royal Alfred Seafarers Staff Pension Fund. He has been a Fellow of the Institute of Chartered Secretaries and Administrators since 1982 and is a Liveryman of their associated Livery Company.

Interns

PAT has been very pleased to continue its financial support of the LMA's intern scheme which assists young people develop careers in Archive Administration Joe Williams completed his year's internship with LMA/PAT in August. We thank him for his contribution to PAT's work and especially his efforts in completing the cataloguing of the extended Ross Goobey collection (see below). He has been successful in obtaining a place on the one year University College London - Archives and Records Management professional Diploma/MA course. We wish him well on the course and in his future career. Joe's successor is Rachel Cole who will be joining the team on 12 October for a twelve month internship. She will be coming from a year-long post at the Peterborough Archives as a trainee of the Transforming Archives scheme run by the National Archives.

George Henry Ross Goobey collection

PAT is delighted to announce that significant additional records to the George Henry Ross Goobey collection have now been catalogued. The papers consist of transcripts of speeches, draft and final copies of articles, handwritten notes, correspondence and details of his involvement with an extensive range of groups and organisations. The collection has been given the reference LMA/4481.

Ross Goobey joined the Imperial Group Pension Fund as pensions manager in 1947, following a training as investment manager at Marine & General Insurance company and qualification as an actuary. As the pension manager of Imperial Tobacco, Ross Goobey invested the entirety of the Imperial Tobacco pension fund in equities in the mid-1950s and advocated equity investment as an appropriate policy for pension funds. His central role in the widespread shift by pension funds from investing predominantly in fixed income to investing in equities, known as the 'cult of equity', makes him one of the most influential investors in the UK.

The newly catalogued material shows the breadth of George Ross Goobey's professional and personal interests. The date range for the collection is 1905-1999; the start date being that of an early pension scheme included within his records for Christ's Hospital. Ross Goobey's charitable interests are well represented in the collection in both a personal capacity as subscriber and supporter and professionally in terms of investment advice offered during his working life and in retirement.

Integrated into the George Henry Ross Goobey collection (LMA/4481) is a selection of papers which can be viewed digitally. The scans, along with comment papers on George Ross Goobey's work, and a transcript of Ross Goobey's address to the 1956 Conference of the Association of Superannuation and Pension Funds can be accessed on the George Ross Goobey page of the website. For any general enquiries about access to LMA, please contact the LMA Enquiries Team at ask.lma@cityoflondon.gov.uk

Friends of PAT

We want to encourage those who work in pensions to regard the Pensions Archive very much as their archive which records the part they and their predecessors have played in developing pension provision in the UK. Subscriptions or donations from individuals who wish to support the Trust's work by becoming a Friend of PAT are very welcome. The Trust can claim Gift Aid on donations from individuals who pay Income Tax and/or Capital Gains Tax in the UK. For enquiries about Friends of PAT, contact Malcolm Deering: malcolm.deering@btinternet.com For all other questions about PAT do contact me:

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Electricity Pension Services Ltd
Energy Institute
EPC United Kingdom plc
Euler Hermes UK
Evonik Degussa UK Holdings Ltd
Five Arrows Limited and Associated Companies Pension Scheme
Fives Landis Limited
Fives Stein Ltd
FKI Ltd
Former Registered Dock Workers Pension Fund
Furness Withy (Chartering) Ltd
Gamleys Limited Pension and Life Assurance Scheme
Gartmore Investment Management Ltd
Glass's Information Services Ltd
GMB
GNB Industrial Power (UK) Ltd
Guinness Peat Group plc
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Landmarc Support Services Ltd
Leathbond Limited
Legal & General Group UK Pension and Assurance Fund
Legal & General Group UK Senior Pension Scheme
Lehman Brothers Pension Scheme
Leyland Bus Trustees Ltd
Liberata Pension Plan
Lookers plc
Lummus Consultants International Ltd
May Gurney Integrated Services plc
McGraw-Hill International (UK) Ltd
Merchant Investors Assurance Co. Ltd
Merchant Navy Officers Pension Plan
Merchant Taylors' Company
Miele Company Ltd
Miller Insurance Services Ltd
Milk Pension Fund Trustees Ltd
Mitchells & Butlers plc
Mitsubishi UFJ Trust & Banking Corporation
Motability
Muntons plc
National Association of Clubs for Young People
National Grid plc
NCR Ltd
Neopost Ltd
NEST Corporation
NIAB Ltd
North of England P&I Assoc Ltd
NOW: Pensions Trustee Ltd
NRAM Pension Scheme
Océ (UK) Ltd
Paymaster (1836) Ltd
P&O Ferries Division Holdings Ltd
P&O Steam Navigation Company
Panasonic System Networks Company (UK) Ltd
Pell Frischmann Consultants Ltd
Perivale-Gutermann Ltd
PDSA
Philips Electronics (UK) Ltd
PNPF Trust Co Ltd
PricewaterhouseCoopers LLP – (DH&S)
PricewaterhouseCoopers LLP – (PwC Fund)
Radiocentre
Railways Pension Trustee Co Ltd
Rank Leisure Holdings plc
Really Useful Theatres Group Ltd
Reliance Security Group plc
Royal Air Force Benevolent Fund
RSS Jet Centre
Samsung Electronics UK Ltd
Sara Lee (UK) Holdings Ltd
SCA Pension Trustees Ltd
Scot West Training Services Ltd Pension Scheme
Scottish Enterprise
Sharp Electronics (Europe) Limited
Simmons Bedding Group plc
Singer & Friedlander Ltd
SMR Automotive Mirrors UK Ltd
Southampton Container Terminals Ltd
Spirent Communications plc
Standard Chartered Bank
Sun Life Assurance Company of Canada UK Ltd
Sygen International Ltd
Syngenta Ltd
TallyGenicom Ltd
T G Lynes
TEW Engineering Ltd
Thames Power Services Ltd
The Arts Council of England
The Carpenters Company
The Chartered Society of Physiotherapy
The Dutton-Forshaw Group Ltd
The Family Planning Association
The Glenmorangie Company plc
The Goldsmiths Company
The Industrial Dwellings Society 1885 Ltd
The Institute of Marine Engineering Science & Technology
The Joint Industry Board
The Mercer Master Trust
The Pensions Trust
The Royal Households and The Privy Purse
The Royal Institution of Great Britain
The Royal Society
The Saddlers' Company
The Salters' Company
The Stamford Group Retirement Benefits Scheme
The Steamship Insurance Management Services Ltd
Thermo Fisher Scientific Pension Scheme
Thomas Miller & Co Ltd
Thomas Plant (Birmingham)
Tinsley Robor Plc Pension & Life Assurance Scheme
Travis Perkins Pension Plan
UBS AG
Uniq plc
University and College Union
VA Tech TD (UK) Ltd
V. Ships plc
Wales & West Utilities Ltd
Walkers Shortbread Ltd
Wardell Armstrong LLP
West Ferry Printers Ltd
WSP Management Services Ltd

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