Enterprise Risk Management
at the U.K. Pension Protected Fund

J-P. Charmaille and M.G. Clarke

Presented at the:
2012 Enterprise Risk Management Symposium
April 18-20, 2012

ENTERPRISE RISK MANAGEMENT AT THE U.K. PENSION PROTECTION FUND

J-P. CHARMAILLE and M.G. CLARKE

(Paper presented to the 2012 ERM Symposium,
Washington, D.C., April 18-20, 2012)

ABSTRACT

The U.K. Pension Protection fund (PPF) was established in April 2005 to protect the pensions of members of U.K. private sector defined benefit pension schemes that have insufficient assets and whose corporate sponsor fails. The fund takes over the pension scheme assets and assumes responsibility for the payment of compensation to the former members of the scheme. PPF is funded by a levy on the population of eligible schemes. The elements of the enterprise risk management of the fund have been developed by reference to practice within proprietary insurance institutions and other pensions funds; their application to this unique financial vehicle is the subject of this paper. The paper draws on references to relevant risk and actuarial work. It is designed to illustrate the application of principles and techniques to a real world example.

CONTACT DETAILS

M.G. Clarke, Pension Protection Fund, Knollys House. 17 Addiscombe Road, Croydon, London, UK. CR0 6SR. e-mail: martin.clarke@ppf.gsi.gov.uk