

PPF to license mortalityrating.com software

The Pension Protection Fund is to enhance its management of longevity risk by licensing mortalityrating.com, risk-management software developed by Longevity Ltd. The Pension Protection Fund (PPF) will use reports generated by mortalityrating.com to assess longevity risk in defined-benefit pension schemes, with particular focus on the socio-economic differentials between schemes.

mortalityrating.com is used by major UK financial services organizations serving the insurance and pensions sectors. Drawing on the power of the Longevity modeling system, the service is particularly in demand among pensions professionals — both consultants and scheme sponsors — who seek to apply a more rigorous approach to risk measurement. mortalityrating.com is already used by actuarial advisers, life companies and investment banks in the UK.

PPF Executive, Martin Clarke, said:

"Defined Benefit pensions are undergoing a period of significant change, and schemes' arrangements for dealing with risk and liability are under closer scrutiny than at any time in their history.

"It is vital that the PPF stays on top of these changes, and mortalityrating.com will play a core role in enabling us to do this. I am confident it will prove to be an invaluable tool to the PPF."

mortalityrating.com Chief Executive, Stephen Richards, said:

"The questions now being asked in the DB pensions market are necessarily different from those of a few years ago. There is now a more urgent focus on longevity risk and how it will impact different stakeholders. To answer these questions with confidence requires a sophisticated toolset.

"In these aspects the UK pensions industry is currently some way behind the UK insurance industry. Our models enable pension funds, their advisers and sponsors to reach measured and robust decisions, providing optimal management of longevity risk in defined-benefit schemes.

"The Pension Protection Fund will play a central role in the future of UK pension provision, and has recognized the fundamental challenges posed by longevity risk. We are delighted that mortalityrating.com will provide the toolset necessary to meet these challenges with confidence."

For more information, please contact:

Stephen Richards
Longevity Ltd
0131 315 4470
stephen@longevity.co.uk

Paul Reynolds
Pension Protection Fund
0208 6334968
paul.reynolds@ppf.gsi.gov.uk

Notes for editors

1. Longevity Ltd is a leading demographic risk consultancy based in Edinburgh. Its highly skilled specialists help clients manage demographic risks in the life insurance and pensions industries. The firm is located on the web at www.longevity.co.uk.
2. The Pension Protection Fund, which opened its doors to business on 6 April 2005, was set up under the provisions of the Pensions Act 2004. It has been established to pay compensation to members of eligible defined benefit and hybrid pension schemes when there has been a qualifying insolvency event in relation to the employer, and where there are insufficient assets in the pension scheme to cover Pension Protection Fund levels of compensation.