

# IAPF Submission to Indecon

## Towards 2016 : Pensions

We refer to your letter of 19th January 2007 regarding the review of the annuity market you are completing.

We welcome the opportunity to input the IAPF's views into this process. Over recent years, IAPF has produced many documents that relate to this particular issue. In particular, we have indicated our major concerns for pension schemes in relation to the Minimum Funding Standard (MFS). As you are aware, the MFS is significantly influenced by the annuity market.

Due to the number of documents, we have decided to forward these documents directly to you in the email below. We would like to meet with you to further discuss our position in relation to the issues they raise.

Separately, as part of your review, we would ask you to consider the following questions:

- How many annuity providers are there in the country?
- How many provide CPI linked annuities?
- What business have they underwritten under the above points in each of the last 5 years? How much of the above do they reassure? What is the largest bulk purchase they are able to underwrite?
- What volume of business have they done in the last 5 years where the annuity was purchased from the proceeds of an occupational DC scheme?
- Do they intend to offer annuity business in the long term?
- What impact has the MFS had on the market in terms of purchases?
- What is their policy with regard to underwriting? What factors are taken into account in their rating of bulk purchases? Do they offer impaired annuities? What is the largest bulk and individual annuity that they have dealt with in each of the last 5 years?
- What rate of commission is paid to brokers?
- What financial arrangements are made with reassurers?
- What is the relative size of the annuity market versus the total pension fund assets of EUR 90 bn?
- If there was a level playing field between PRSA & Occupational DC, (i.e. availability of ARF) how would this impact on annuity provision/pricing?
- How efficiently do insurers pass on price reductions when interest rates increase?
- Adjusting for interest rate differences, how does the Irish annuity market compare with those in other countries?

---

### [IAPF presentation to the Partnership Pensions Review Group](#)

IAPF made a presentation to this group on 1.11.2006. on the **Irish Annuity**

### **Market and Relevance to Occupational Pension Schemes.**

Click [here](#) to view presentation.

### **In this Issue:**

[IAPF Presentation to the Partnership Pensions Review Group](#)

[IAPF Annuity Paper](#)

[Review of the Funding Standard](#)

[State Annuity Fund](#)

[IAPF National Pensions Review Submission](#)

---

### November 2006 - IAPF Annuity Paper

This is an article written about the Annuity Market and its undue influence on pensions.

Click [here](#) to view paper.

---

### Review of the Funding Standard

The Pensions Board is reviewing the funding standard in light of the continuing difficulties being experienced by many defined benefit schemes. The Board sought detailed responses from representative organisations about specific suggested changes to the current standard. IAPF responded to the Pensions Board by letter on 18 April 2006.

Click [here](#) to read Letter

---

### 6 May 2005 - State Annuity Fund

**IAPF letter to Minister Seamus Brennan & the Pensions Board** regarding the Funding Standard and the State Annuity Fund Proposition.

Click [here](#) for letter.

Click [here](#) for discussion document

---

### IAPF National Pensions Review Submission

In addressing the National Pensions Review issues, IAPF arranged for 3 separate papers to be submitted to the NPR Review, as follows:

**1. IAPF National Pensions Review Submission**

Click [here](#) to view Submission

Click [here](#) to view Press Release on Submission

**2. IAPF Discussion Document State Annuity Fund**

Click [here](#) to view

**3. IAPF Research Paper : "A Discussion of Principles to Guide Pension Provision in Ireland for the 21st Century"**

Click [here](#) to view Research Paper

Click [here](#) to view Press Release on Research Paper

**4. IAPF Response to the Launch of National Pension Review Report**

Click [here](#) to view

---

[Back to top](#)