



isio.

Sam Coombes
Partner
Isio

isio.

Steve Robinson
Partner
Isio

Laura Blows
Editor
Pensions Age

Insurance, data and the path to buyout

▶ **Laura Blows discusses the challenges facing the DB sector and how small schemes can avoid a traffic jam en route to insurance, with Isio partner, Sam Coombes, and fellow Isio partner, Steve Robinson**

▶ **When I think about the DB sector, what springs to mind is the number of big projects schemes have to undertake at the same time as their business-as-usual work, be it GMP equalisation, dashboards, or insurance transactions. With that in mind, how would you say the sector is broadly coping?**

Sam Coombes: I think the DB sector can cope, but we need to move away from the siloed behaviour that means we're treating these projects as individual ones, rather than one big programme. You get that siloed behaviour because the actuaries might be dealing with GMP equalisation, while the administrators are

dealing with dashboards, and the insurers are looking at transaction-ready data. But actually, there is one golden thread that goes through all of these projects. This siloed behaviour doesn't help create this holistic programme – which is how you get the best outcomes.

It's a little bit like if you were to build a car and you didn't have the engineering people coordinating with those dealing with the brakes – it is the same with pension scheme data. Ultimately, it can lead to unwanted risk and a slower journey to the end destination.

Steve Robinson: Yes, and it's understandable – coordinating lots of different parties is never easy, and the scale of

what's happening here is huge. GMP and dashboards are industry-wide, and from an insurance point of view, we think there are probably going to be over 400 transactions in 2026. What we see sometimes is that different advisers are almost making their own journey, whereas ideally, what we'd like – extending Sam's car analogy – is everyone in the same car and, ideally, in the fast lane, speeding through to the end journey.

At Isio, we're advising on an average of about one transaction a week at the moment, and it is about the same run rate for schemes getting through buy-in to wind-up in the ultimate journey. But the speed and efficiency of that journey vary markedly by scheme, depending on the advisers involved, their experience and bandwidth.

▶ **I'm aware that data quality is often mentioned as being potentially the biggest barrier to implementing these projects. Am I right in understanding from what you're saying that it's more about how much of a priority it is for all the various parties, not just the insurers themselves?**

Robinson: Yes, exactly. But obviously these issues aren't just for schemes that are seeking to go to insurance, this is an issue for every scheme. For those who have decided to run on, what's important for them is a great member experience, having an efficient way to operate, and reducing risk.

Administrators in general across the industry are very stretched, as we know, but what doesn't help them is when the other advisers they're dealing with are working in silos. It's very much about the amount of work required of them, but really importantly, it is about the sequencing of that work as well.

Coombes: And that's why we've seen the importance of aligning your data strategy with your broader overarching strategy. How does your data need to evolve from where it is now? What steps need to be taken, and what's the sequence of those steps?

We still find that we're often talking to trustees and sponsors who don't really understand the difference between where their data is now for business-as-usual purposes and where it needs to be for them to enact their strategy. So, there's a little bit of education still needed in those circumstances.

Ultimately, you can't make key decisions until you know where you are now. The best outcomes we see for schemes are where they have best aligned with insurers' requirements, and that's becoming more and more critical for schemes to get the best outcomes from their strategic relationships with insurers.

➤ **There is that perception that insurers are only really interested in dealing with larger transactions – the 'mega schemes', if you will. Is there a risk that smaller DB schemes may be left behind in the queue?**

Coombes: I think that risk is definitely real. What we're seeing is smaller schemes getting stuck in a queue behind larger schemes, when actually the members of those schemes deserve exactly the same robust approach as members

of larger schemes.

Ultimately, all schemes are fighting for the same resource, so it stands to reason that smaller schemes are often moved to the back of the queue. But that's a huge frustration, because many of those schemes are much better prepared than some larger counterparts. We know there is appetite in the market to transact with smaller schemes.

Robinson: That's why we created Penultimate Micro. There were lots of small schemes just getting stuck on the route to insurance. So, how do we bring that together in an integrated offering, and, importantly, for a fixed fee and fixed timescale?

"We know there is appetite in the [insurer] market to transact with smaller schemes"

We launched this around six months ago, and already we have had three transactions trade within the market and are now on the route to buyout and wind-up. We've got many more that have started that journey as well. It's really proven for us that with the right team, focus, and sequencing, we can really speed up the end-to-end journey for smaller schemes.

➤ **So, with Penultimate Micro providing that route to buyout, does that mean you expect to see more of a shift away from the traditional advisory model towards a more integrated end-to-end solution to solve these jams and backlogs?**

Robinson: Exactly. When we investigated why it took so long for small schemes to get through the whole journey, we discovered it wasn't because of complexity, it was because of the handoffs. Doing a GMP equalisation exercise for a scheme with 100 members, for example, isn't a big task and shouldn't take that long. But it becomes a big task when it's in a queue behind others and

not done at the right time.

Penultimate Micro effectively creates an integrated vehicle – a car full of Isio people – to ensure that the work gets done at the right time and in the right sequence.

Coombes: Because we're seeing that process work for smaller schemes, we're now applying it to larger schemes too and seeing success there as well. It's all about what we talked about earlier, which is alignment with insurer requirements. We are very much working on these projects like a transaction, rather than just a long-term project, with razor-sharp focus on aligning with insurer requirements makes such a difference.

➤ **Finally, if you could give one piece of advice to a CFO or trustee who feels their scheme is ready to implement an insurance transaction but is stuck in the queue, what should their immediate priority be?**

Coombes: It's all about understanding what the blocker is. Is it the quality of your data? Is it general capacity? Or is it the sequencing of events being undertaken? Once you understand that, you can start to explore how to unblock it.

Robinson: I agree. I'd also say that moving all services to a single party, for example, could cut years off the timeline to get to buyout and wind-up. Personally, I think that's how the insurance market should work, especially for smaller schemes.

If it's forecast that it will take you two years-plus in your current arrangement to get to buyout and wind-up, there should be consideration of whether you've got the right team driving your scheme forward.

This is an edited summary. To watch the video in full please visit [pensionsage.com](https://www.pensionsage.com)

In association with

isio.