
STATUTORY INSTRUMENTS

2006 No. 597

The Pension Protection Fund (Valuation of the Assets and Liabilities of the Pension Protection Fund) Regulations 2006

Alternative valuation of specific assets

5.—(1) For the purposes of the valuation of the assets of the Pension Protection Fund, the value of a contract of insurance shall be—

- (a) the value of the liability secured where the contract of insurance is a relevant contract of insurance in accordance with section 161(8) of the Act or Article 145(8) of the Order; or
- (b) where the contract of insurance is not a relevant contract of insurance—
 - (i) the surrender value of the contract of insurance; or
 - (ii) where it appears to the appointed actuary that the surrender value of the contract of insurance does not accurately reflect its actual value at the valuation date, he shall adopt such a value as appears to him to be appropriate.

(2) For the purposes of the valuation of a contribution notice, financial support direction or restoration order, the appointed actuary shall adopt, as the value of the asset which is the subject of the contribution notice, financial support direction or restoration order, the amount due to the Board given in that notice, direction or order.

(3) For the purposes of the valuation of the Pension Protection Fund, where the appointed actuary is of the opinion that any section 75 debt, or proportion of such a debt, will be recouped in the future, he shall treat that debt, or such proportion of that debt that he considers will be recovered, as an asset of the Fund.

(4) Subject to paragraph (5)—

(a) if the appointed actuary—

- (i) has been given notice; or
- (ii) holds the opinion,

that the value of any asset specified in the relevant accounts, that is not excluded from the actuarial valuation, is substantially different at the valuation date from that set out in the relevant accounts, he shall adjust the value of the asset to the present value of the asset at the valuation date; or

(b) where the appointed actuary—

- (i) has been given notice; or
- (ii) holds the opinion,

that there exists an asset of the Fund which is not listed in the relevant accounts and which is not excluded from the actuarial valuation, he shall adopt the present value of the asset as appears to him to be appropriate.

(5) The appointed actuary shall not make an adjustment of the value of an interest in real property unless the adjustment reflects a more recent valuation given, and verified, by a chartered surveyor⁽¹⁾ current on the date the valuation is signed.

(1) The Royal Institution of Chartered Surveyors is located at RICS Contact Centre, Surveyor Court, Westwood Way, Coventry CV4 8JE.