

Sponsor covenants in risk-based capital – References and other material

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This paper, published in Life & Pensions Risk, December 2011, explores how we might take account of the creditworthiness of the sponsor of a pension scheme when assessing its solvency status. An October 2011 pre-print of the paper is available [here](#). References within the paper or other documents relevant to this topic are set out below.

Abstract

Ideally, regulatory capital assessment for occupational pension schemes should allow for the impact of the sponsor covenant (i.e. the scope the scheme might have to rely on its sponsor to make good shortfalls in the scheme). It is an important part of the pension landscape in some EU member states, including the UK. This paper explores how this might be done within a market consistent risk sensitive framework.