



## PRT Market in UK and US forecast to exceed a combined £250bn in the next 3 years

Legal & General has today released the latest edition of its Pension Risk Transfer (PRT) Monitor, which analyses industry trends and market outlooks in the UK and US. Findings from the report show:

- The UK PRT market has completed an estimated £20bn of buy-ins and buyouts in the year to date
- The US market experienced a record breaking first half, estimated at \$26bn
- Both markets are on track for one of their largest years ever, with a significant increase in the number of large pension plans seeking PRT

According to its analysis, in excess of £250 billion of combined UK and US volumes are forecast to be secured by insurers in the next three years.

Across 2024, the Monitor reports a significant increase in the number of large pension plans coming to market in both the UK and US, putting the sector on track for one of its largest years ever.

According to the new report, two of the year's largest transactions to be announced so far have been conducted by Legal & General: a £900 million buy-in with the [ICI Pension Fund](#) – its 12<sup>th</sup> transaction with the fund – and a £1.1 billion buy-in with the [SCA UK Pension Plan](#) – a long-standing client of its Asset Management business.

Meanwhile, the market for smaller schemes has also continued to flourish with the number of transactions below £100 million more than doubling from 2020 to 2023. Several insurers have developed streamlined solutions for smaller schemes, including Legal & General's 'Flow' proposition, which aims to deliver pricing certainty and a high-quality onboarding and service experience, as well as supporting clients of L&G's Asset Management business with asset transfer efficiencies. Smaller transactions announced this year include Legal & General's £21 million buy-in with the [Leprosy Mission Central Pension Scheme](#) and £16 million buy-in with the [John Graham \(Dromore\) Limited Pension and Life Assurance Scheme](#).

The Monitor projects that the full year volume across the UK market is likely to exceed £40 billion in 2024. The Monitor estimates that insurers have completed around £20 billion of buy-ins and buyouts in the year to date, and there is over £20 billion of active deals in the UK pipeline, most of which is expected to transact in 2024. This demonstrates how the market has scaled up capacity and reflects a step change from the volumes of just two or three years ago. Legal & General notes that the longer-term pipeline is the largest it has ever seen and expects PRT volumes to remain elevated across the next decade.

The forecast supports Legal & General's intention to grow PRT volumes and write £50-65 billion of UK PRT over the next five years, as it continues to make strong progress against its new strategy. At its 2024 [Half Year Results](#), the Group reported that it had written, or was in exclusive negotiations on, £5 billion of transactions. In the US, the PRT market closed its first quarter at an unprecedented \$14.6 billion, contributing to a record H1 total of \$26 billion – a 15% uplift from H1 2023. Legal & General estimate that full year market volumes will exceed \$50 billion, surpassing 2023's volume of \$46 billion and nearing the record-setting volume in 2022 of \$51.9 billion.

As in the UK, the increase in US market volumes continues to be driven by transactions over \$1 billion. Five such transactions were completed in H1, totalling approximately \$16 billion.

Across H1 2024, Legal & General completed \$548 million of US PRT business, representing its second largest H1 ever. The strong market performance has continued into H2 as Legal & General continues to focus on growing its international PRT footprint.

The complete Legal & General PRT Monitor UK and US PRT Market Overview can be found [here](#).

**Andrew Kail, CEO, Legal & General, Institutional Retirement:** "We are continuing to see exceptionally strong demand in both the UK and US PRT markets, with more than £250 billion of combined UK and US volumes expected over the next three years. This forecast supports our strategic ambitions to grow our PRT footprint, generating permanent capital to catalyse growth in our Asset Management division. At L&G, strong synergies across our divisions enable us to build long-term relationships with clients and support them from investment strategy to transaction execution, as well as providing first rate customer care and administration expertise. We are confident that we will continue to deliver exceptional value to our members, clients, and shareholders."

**George Palms, President, Legal & General Retirement America:** "The US PRT market experienced its strongest H1 on record this year, driven by pension funding ratios that soared to 109.5% in July. The average transaction premium rose by 20% when compared to H1 2023, reflecting the growing demand for buyouts and buy-ins from large US pension plans. With the year expected to rank among the largest ever for this market, we're well-placed to serve plan sponsors seeking to insure their members' benefits."

-ENDS-

## Notes to editors

### About Legal & General plc

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with £1.2 trillion in total assets under management (as at FY23) of which c40% (circa £0.5 trillion) is international.

We have a highly synergistic business model, which continues to drive strong returns. We are a leading international player in Institutional Retirement, in Retail Savings and Protection, and in both public and private markets through our Asset Management division. Across the Group, we are committed to responsible investing and dedicated to serving the long-term savings and investment needs of customers and society.

As at 7 June 2024, we estimate the Group's Solvency II coverage ratio to be 224%.

As at 11 June 2024, Legal & General has a market capitalisation of £14.6 billion.

### About our Institutional Retirement Division

Institutional Retirement works with trustees and sponsoring companies of defined benefit (DB) pension schemes of all sizes to settle their pension obligations and secure scheme members' benefits, through a full range of buy-ins, buyouts and other de-risking solutions. Our Client Services' 12-month rolling Net Promoter Score (NPS) is above +70, which is widely regarded as being at a "world class" level. Legal & General is the UK's longest-standing active bulk annuity provider.

Our UK Retirement annuity book stands at an estimated £86.1 billion at 31 December 2023. Across the group over £30 billion is invested in direct investments that deliver positive social and environmental impacts, such as clean energy and affordable housing. Legal & General provides income and pension security to more than a million retirement customers around the world.

### About Retirement America (LGRA)

Legal & General Retirement America specializes in customized pension risk solutions for institutional clients in the US market. Established in 2015, Legal & General Retirement America is a business unit of Legal & General America, Urbana, MD. Legal & General America life insurance and retirement products are underwritten and issued by Banner Life Insurance Company, Urbana, MD and William Penn Life Insurance Company of New York, Valley Stream, NY. Banner products are distributed in 49 states, the District of Columbia and Puerto Rico. William Penn products are distributed exclusively in New York; Banner Life is not authorized as an insurer in and does not

do business in New York. The Legal & General America companies are part of the worldwide Legal & General Group. CN09042024-2

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