

# Legal & General's Global Pension Risk Transfer Monitor sees strong H2 2021 as demand continues to grow

## Global PRT market momentum to continue into 2022

The Legal & General Group's global Pension Risk Transfer (PRT) businesses – Legal & General Retirement Institutional (LGRI), the UK's longest-serving active pension risk transfer provider and Legal & General Retirement America (LGRA), a leading provider of pension risk solutions in the US – today released the latest edition of the Global PRT Monitor, which analyses industry trends and market outlooks in the UK and US.

The Monitor reports a strong second half of 2021 for both markets, resulting in a potentially record-breaking year for the US with an estimated \$38-40 billion (£28-30 billion) in total annual transaction volume. This far surpasses the \$27 billion reached in 2020. Last year's volume was spurred on by an increased number of large-to-jumbo transactions and the improved funding status of Defined Benefit pension plans due to strong investment returns and rising interest rates.

In the UK, the Monitor reports that the second half of the year was one of the largest and busiest six-month periods in the history of the market, with around £22 billion of retirement income secured. Overall, it estimates the total transaction volume for the year approached £30 billion. The growing demand was driven by a number of factors, including improved pension scheme funding levels and competitive longevity reinsurance pricing.

The Monitor anticipates that volumes will continue to grow in the UK. This growth will be driven by various factors such as market movements, asset availability and the number of large pension plans coming to market. The mega-transactions of >£1 billion in 2019 demonstrated that the market has sufficient capacity for higher volumes and numerous multi-billion-pound transactions.

In the US, appetite for plan sponsors with de-risking ambitions is expected to increase in 2022, with a number of transactions over \$750 million already in the pipeline.

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

LGRI Institutional Insights podcast features 'Looking at PRT market trends in 2022' with John Towner (Head of UK New Business, LGRI) and Sheena McEwen (Head of Distribution, LGRA) - Listen to the podcast episode [here](#) and on Spotify [here](#).

### **Chris DeMarco, Managing Director UK PRT, Legal & General Retirement Institutional**

**“Last year was another busy year for the UK PRT market, and we expect activity to accelerate in the years ahead. We believe the market will go from strength to strength as more schemes move closer to their endgame and full buyout, with new innovations bringing increased flexibility and affordability. The experience of the past two years has underlined the fundamental purpose of insurance: protecting the retirement income of members during one of the most uncertain periods in living memory.”**

### **George Palms, President, Legal & General Retirement America**

**“Last year's potential record transaction volume in the US was driven by large deals. The story in 2022 will be the acceleration of deal volume of all sizes, as plan sponsors take advantage of an increase in funding status and rising interest rates. A robust pipeline in the first quarter provides early evidence of this strong demand. We also anticipate an upswing in plan-terminations – the final step in the de-risking journey. Plan sponsors contemplating a risk transfer should consider the unique opportunity the next year presents, as financial market conditions and competitive market dynamics remain favorable.”**

## Notes to editors

### About Legal & General

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with international businesses in the US, Europe, Middle East and Asia. With almost £1.3 trillion in total assets under management\*, we are the UK's largest investment manager for corporate pension schemes and a UK market leader in pension risk transfer, alternative asset origination, life insurance, workplace pensions and retirement income. Through inclusive capitalism, we aim to build a better society by investing in long-term assets that benefit everyone.

*\* at 30 June 2021*

### About Legal & General Retirement Institutional

Legal & General Retirement Institutional (LGRI) 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 UK Retirement annuity book stands at over £85 billion as at 30 June 2021, of which over £25 billion is invested in direct investments that deliver positive social and environmental impacts, such as clean energy and affordable housing.

Our Client Services' 12-month rolling Net Promoter Score (NPS) is above +70, which is widely regarded as being at a "world class" level.

### About Legal & General Retirement America

Legal & General Retirement America (LGRA) 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 does not solicit business there. The Legal & General America companies are part of the worldwide Legal & General Group. CN 02042022-2

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