



## Legal & General delivers record bulk annuity transactions in first half of 2019

- £6.3bn of UK transactions have been announced
- International PRT volumes of £0.4bn

Legal & General Assurance Society Limited (“Legal & General”) today reviews its performance in the first half (H1) of the year and the changing shape of the Pension Risk Transfer (PRT) market.

Legal & General had a successful first half of the year with over £6.6bn of global bulk annuity transactions between January and the end of June 2019, out of a publicly announced total market transaction level of £14bn. This compares to a 2018 global total of £735m for H1, £9.14bn for Full Year.

### UK PRT business

The H1 total for UK bulk annuity transactions was £6.3bn. In June, Legal & General agreed the UK’s largest bulk annuity transaction with a partial buyout in excess of £4.6bn with the Rolls-Royce UK Pension Fund. This follows the UK’s previous record-breaking bulk annuity transaction in September 2018, where Legal & General transacted a £4.4bn deal with the British Airways APS pension scheme.

Alongside billion-pound deals, Legal & General also continued to operate as a ‘whole of market’ provider and transacted a number of smaller deals in the first half of the year. It has completed 11 transactions under £100m this year, to 30 June 2019.

The market outlook is for UK bulk annuity volumes to exceed £30bn pounds for the first time and Legal & General expect to see the dynamic moving away from buy-ins to buyouts.

### International PRT

Marking yet another milestone for the business, Legal & General entered the Canadian bulk annuity market. It transacted a deal for over CAD \$200m in April, taking the total volume written across its international business since 2015 to £2.5bn. This transaction in the attractive and fast-growing Canadian market highlights the growth opportunities available for the company’s global PRT business.

The US PRT business continues to grow, with transactions worth over \$420m agreed in H1 2019, an increase of approximately 40% compared to H1 2018 and now including \$200m plus transaction sizes.

### Legal & General innovation

In the UK, Legal & General has developed innovative solutions to meet the needs of schemes looking to prepare and accelerate their de-risking journey, while they might not yet be ready for a traditional bulk annuity transaction. These include ‘Insured Self Sufficiency’ (ISS), which allows pension schemes to accelerate their de-risking plans at a discount to bulk annuity pricing, whilst providing many of the same benefits as the core insurance product.

In June, Legal & General Reinsurance announced ‘estua-re’ - the world’s first blockchain enabled platform intended to make the PRT process more efficient and secure. Developed using Amazon Web Services, the platform provides a single ecosystem capable of driving every stage of the PRT reinsurance value chain including pricing, claims handling and financial reporting by utilising data dynamically stored on the blockchain. This is currently being used for international business and is being reviewed for UK use.

**Laura Mason, CEO, Legal & General Retirement Institutional, said:**

“We’ve had an excellent first half of the year, both in the UK and globally. Our work so far this year clearly demonstrates our ability to deliver for both small and large schemes - and highlights the innovative solutions and quality customer service that we can offer our clients.

“The bulk annuity market continues to show promising growth and we look forward to further delivering for our customers in the second half of the year, helping trustees secure their members’ pensions and companies to reduce their pensions risk, whilst ensuring that the long-term benefits promised to pension scheme members are fulfilled.

These transactions allow us to reinvest these pension funds into the UK economy in areas such as affordable housing, renewable energy and transport - benefitting our cities, future generations and the wider economy.”

- ENDS -

**Notes to editors**

**Insured Self Sufficiency (ISS)**

ISS allows pension schemes to accelerate their de-risking plans at a discount to bulk annuity pricing, whilst providing many of the same benefits as our core insurance product. For further information visit:

<https://www.legalandgeneral.com/institutional/pension-risk-transfer/knowledge-centre/videos/iss-interview.html>

**Legal & General Group Plc**

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 over £1 trillion in total assets under management, we are the UK’s largest investment manager for corporate pension schemes and a UK market leader in pensions de-risking, life insurance, workplace pensions and retirement income. We have also invested over £19 billion in direct investments such as homes, urban regeneration, clean energy and small business finance.

Legal & General Retirement works with trustees and sponsoring companies of Defined Benefit (DB) Pension Schemes to settle their pension obligations and secure scheme members’ benefits, through a full range of de-risking solutions to pension schemes of all sizes.

**Legal & General Assurance Society Limited.**

Registered in England and Wales No. 00166055.

Registered office: One Coleman Street, London EC2R 5AA.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority.

**Further information**

Margrit Williams  
PR and Communications Director  
07384452353  
[margrit.williams@landg.com](mailto:margrit.williams@landg.com)

Max Kelly  
Hanover Communications  
[LGRI@hanovercomms.com](mailto:LGRI@hanovercomms.com)

---