

## Record breaking global PRT market activity seen in 2023, totalling over £85 billion in UK and US

- **Legal & General's PRT Monitor reports a record-breaking 2023 for the UK market and the second largest year on record in the US**
- **c.£50 billion secured in the UK during the year, following series of landmark transactions**
- **US market volume reached an estimated \$45 billion in 2023**
- **Annual volumes in the UK projected to increase to £50-60 billion, from an average of £31 billion in the five years prior to 2023**

2023 was a record-breaking year for the UK's Pension Risk Transfer (PRT) market and the second largest year on record in the US, according to Legal & General's latest PRT Monitor.

The Monitor, which analyses industry trends and market outlooks, showed an estimated £50 billion of pension liabilities were secured with insurers in the UK and \$45 billion in the US.

The surge in UK activity was distinguished by a series of landmark transactions including the [British Steel Pension Scheme](#), becoming the largest in the UK to have fully insured its members benefits, completing the last in a series of four transactions with Legal & General. The [Boots Pension Scheme](#), another Legal & General transaction, plus two pension schemes of the RSA Group constituted the largest ever single and overall transactions, respectively. Five transactions of over £2.5 billion were announced compared to just one the previous year and only ten others between 2014 and 2022.

In the UK alone, annualised volumes are projected to settle in the region of £50-60 billion, a significant increase from the average of £31 billion seen in the five years prior to 2023. Allowing for potential ultra-large transactions, there is also scope for these volumes to spike considerably in any given year.

In the US, volumes in Q4 2023 are expected to have reached over \$12 billion, a 50% increase from the \$8.1 billion recorded in Q4 2022 and one of the larger fourth quarters seen to date.

This momentum is rolling into 2024 as the US is poised for a potentially record-breaking Q1 at an estimated \$15 billion driven by two large, expected transactions. This volume would surpass the previous Q1 record of \$6.3 billion in 2023.

As demand increases in both markets, processes are adapting, with the Monitor highlighting repeat transactions in the US and an evolving solutions-focus in the UK as key industry trends.

It notes that soaring demand in both the UK and US should be seen in the context of the c.£1.4 trillion and over \$3 trillion of respective DB pension scheme assets still sitting on company balance sheets. This suggests a multi-decade run off and the prospect of healthy markets for many years to come.

**Download:** [PRT Monitor, February 2024 \[PDF\]](#)

**Andrew Kail, CEO, Legal & General Retirement Institutional, comments:**

**“2023 was a landmark year in which we saw a series of record-breaking transactions. The growth in both the UK and US markets is being driven by dramatically improved pension scheme funding levels. In the**

context of this increasing demand, we're innovating to expand the de-risking toolkit for pension trustees and sponsors. The synergies across our businesses, both in the UK and US, enable us to leverage the full breadth of expertise from across our organisation to help schemes to secure and protect their members' retirement benefits."

**George Palms, President, Legal & General Retirement America comments:**

"The US PRT market has performed strongly now for several consecutive years, with 2023 the second largest year to date. This sustained market strength demonstrates that there is a continued appetite among plan sponsors for key risk mitigation strategies. As interest rates remain elevated, funding levels will continue to be a driving force behind growth in the market, and we expect more plan sponsors to view this as an opportunistic time to offload risk."

## 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 over £1.2 trillion in total assets under management\* of which 39% is international. We have a unique and highly synergistic business model, which continues to drive strong returns. Legal & General provides powerful asset origination and management capabilities directly to clients, which also underpin our leading retirement and protection solutions. We are a leading international player in Pension Risk Transfer, in UK and US life insurance, and in UK workplace pensions and retirement income. Our purpose is to improve the lives of our customers and create value for our shareholders. Through inclusive capitalism, we are investing in long-term assets, such as real estate and infrastructure, that can help build a better society for the future.

*\*as at HY 2023*

### About Retirement Institutional (LGRI)

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 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 £72.6 billion as at 30 June 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.

*\*as at HY 2023*

### About Legal & General Retirement America (LGRA)

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 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. CN02162024-2

More information on LGRA can be found at [www.lgra.com](http://www.lgra.com).

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