

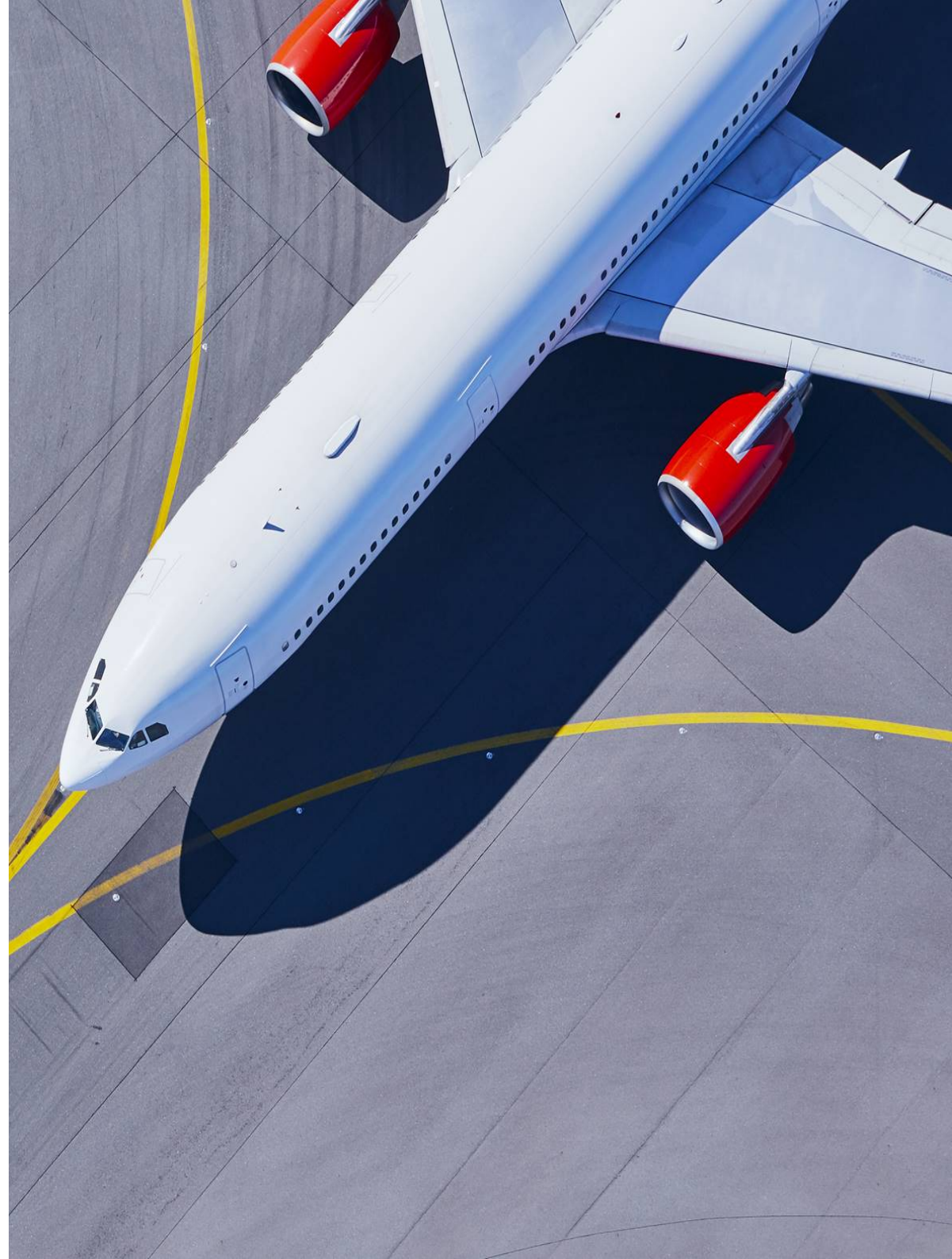


# UK Risk Settlement Market Update

H1 2025

**Prepared for:** Professional clients only  
**Prepared by:** Aon's Insurer Due Diligence team

24 September 2025  
For professional clients only



# Bulk annuity market

## Record activity and consolidation shape 2025

Insurers maintained a high level of activity in the first six months of 2025 with 160 individual deals completed.

This was a record number for the *first half* of any year (passing 133 from the first half of 2024). It fell narrowly short of the record for *any* half year (167 deals in the second half of 2024).

Volumes in the first half of 2025 amounted to £9.7 billion, with an additional £16 billion already disclosed since 1 July 2025.

We expect an overall 2025 figure of approximately £40 billion is achievable given the number of transactions expected to complete before year-end.

The key themes of the first half of 2025 were:

- Greater number of insurers competing for smaller (sub £100m) transactions
- New market entrants' growing presence, initially on securing smaller schemes
- Full-scheme transactions continue to dominate, only 5 percent of deals appear to represent pensioner buy-ins

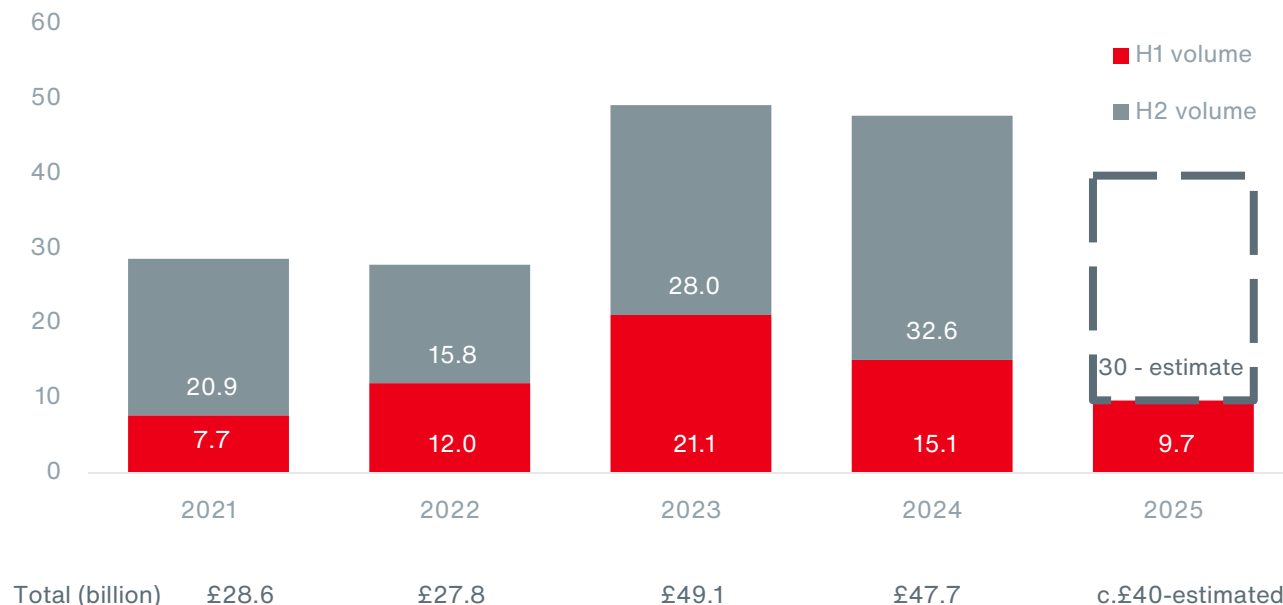
2025 has also been marked by significant market activity, with two proposed significant acquisitions - Athora acquiring Pension Insurance Corporation and Brookfield's proposed purchase of Just Group - both announced in July 2025.

**H1 2025 volumes have amounted to £9.7 billion.**

**87 percent (139) of all transactions in H1 2025 were under £100 million.**

**Strong outlook for the rest of 2025, with volumes expected to exceed over £40 billion for the third consecutive year.**

## Bulk annuity volumes split by half year (£billion)



Source: Aon's Insurer Due Diligence team

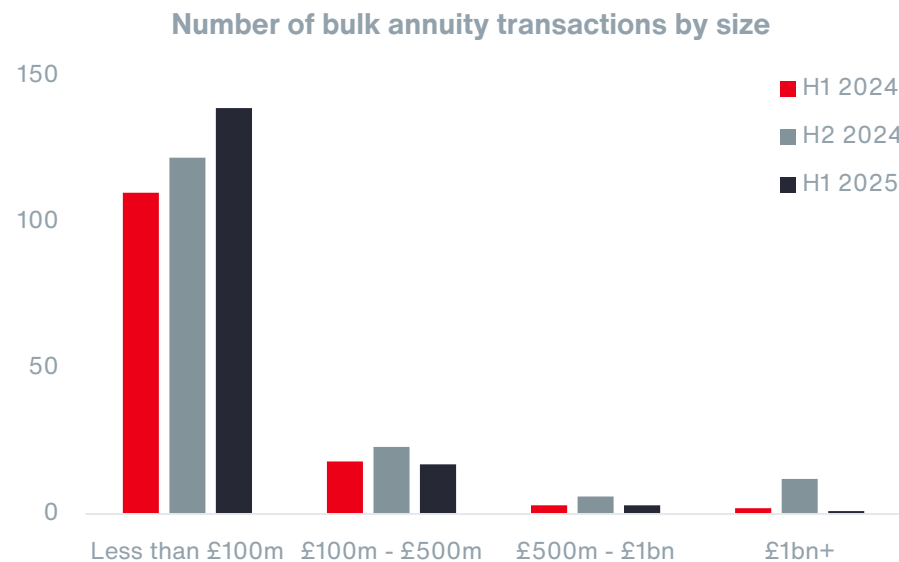
## How the deals and players have unravelled

The 160 bulk annuity deals in the first half of 2025 compared to 133 and 97 over the first half of 2024 and 2023 respectively.

As in previous years, transaction numbers have been dominated by sub-£100 million deals and this trend has continued to increase. This can be seen in the chart below where 139 transactions were below £100 million in size.

We have also seen the continued use of streamlined pricing offerings by insurers – these make it easier for insurers to price schemes in volume. Aviva, Just Group and Legal & General wrote over 80 percent of all sub-£100 million deals, each offering their own version of streamlined services.

Full scheme transactions also continue to be popular and affordable for many schemes with pensioner-only transactions making up less than 5 percent of transactions in the first half of 2025.

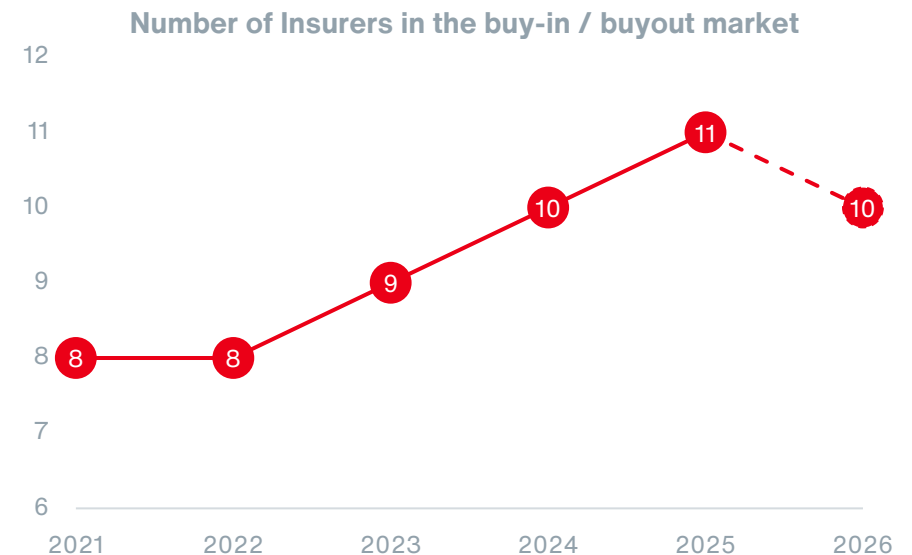


Source: Aon's Insurer Due Diligence team

Currently, there are 11 active insurers in the market and quoting on deals – the most in recent years. Following the entrance of Royal London and Utmost in 2024, Blumont gained approval from the Prudential Regulation Authority in March 2025, making it the newest entrant. Blumont, a subsidiary of the Canadian asset management firm Brookfield, has disclosed two deals since entering the market.

Subject to approval, Brookfield's acquisition of Just Group is expected to reduce the number of active insurers to 10, as the two teams are anticipated to merge.

Following the completion of the acquisitions of Just Group and PIC, the bulk annuity market will be left with only one mono-line insurer in Rothesay.



Source: Aon's Insurer Due Diligence team

## Annuity deals by provider

The total volumes and numbers of deals completed by each insurer are summarised in the table below compared to the whole of 2023/24.

In the first half of 2025, Aviva, Just Group and L&G completed over 75 percent of the total deals written, and close to 70 percent of the volumes. There was a notable absence of £bn+ transactions in the first half of 2025, which meant PIC and Rothesay had smaller volumes.

Aviva and Just Group continue to be the main providers for schemes under £10 million - writing 79 percent of this segment in the first half of 2025 and frequently asking for exclusivity. However, it is worth noting that the market is more buoyant than ever, with a growing number of insurers now willing to quote for smaller schemes.

## Outlook for the rest of 2025

The rest of 2025 already has a very strong outlook with over £16 billion worth of deals already publicly announced. This includes the largest disclosed deal of the year so far worth £4.3 billion for the Rolls-Royce UK Pension Fund.

We expect the bulk annuity market in 2025 could surpass the £40 billion mark for a third consecutive year. We are already aware of £bn+ transactions amounting to over £15 billion that have already completed or are expected to complete by year-end. This pipeline highlights strong appetite among insurers for transactions across a wide range of sizes.

We have seen bulk annuity pricing relative to gilt yields at particularly strong levels in 2025 compared to historic levels. The market remains busy for transactions of all sizes, and it remains important that schemes are sufficiently prepared to transact, so they can capitalise when an attractive price is offered.

Insurer	H1 2025		2024		2023	
	Volume (£m)	No. of deals	Volume (£m)	No. of deals	Volume (£m)	No. of deals
Legal & General	3,291	23	8,412	38	12,048	33
Aviva	2,000	43	7,800	61	5,500	56
Just Group	1,640	61	5,376	129	3,415	80
PIC	1,080	8	8,035	25	6,949	15
Royal London	658	8	537	4	246	1
Rothesay	280	6	10,290	5	12,700	12
Standard Life	280	1	5,038	12	6,175	17
M&G	205	1	920	3	617	2
Canada Life	152	4	1,261	14	621	8
Utmost	91	3	38	2	-	-
Blumont	4	2	-	-	-	-
Scottish Widows	N/A	N/A	N/A	N/A	865	3
<b>Total</b>	<b>9,681</b>	<b>160</b>	<b>47,707</b>	<b>293</b>	<b>49,136</b>	<b>227</b>

Note: The figures in the table exclude consolidator and captive-structured transactions as well as overseas bulk annuity transactions.

Source: Aon's Insurer Due Diligence team

## Longevity swap market

While bulk annuities dominate headlines, the longevity swap market has remained active in 2025, with publicly announced volumes already exceeding that seen in the whole of 2024.

With the latest longevity swaps for the BT Pension Scheme and two Lloyds Banking Group pension schemes announced in 2025, and other schemes in the market, we expect UK volumes to exceed £15 billion by the end of the year.

In addition, Aon advised on a €4 billion Netherlands longevity transaction for NN Life with Prudential, which was announced in August 2025.

Traditionally longevity swaps had been considered only usually viable for £bn+ schemes. However, in 2025 we are seeing more sub-£1bn schemes considering longevity swaps as part of a de-risking journey. Longevity swaps should not only be considered as just a niche tool, they can be a flexible option for schemes of varying sizes, either as a staging post towards eventual buyout, or as part of a long-term risk management strategy.

The graph below shows the volumes of risk settlement transactions since 2020.

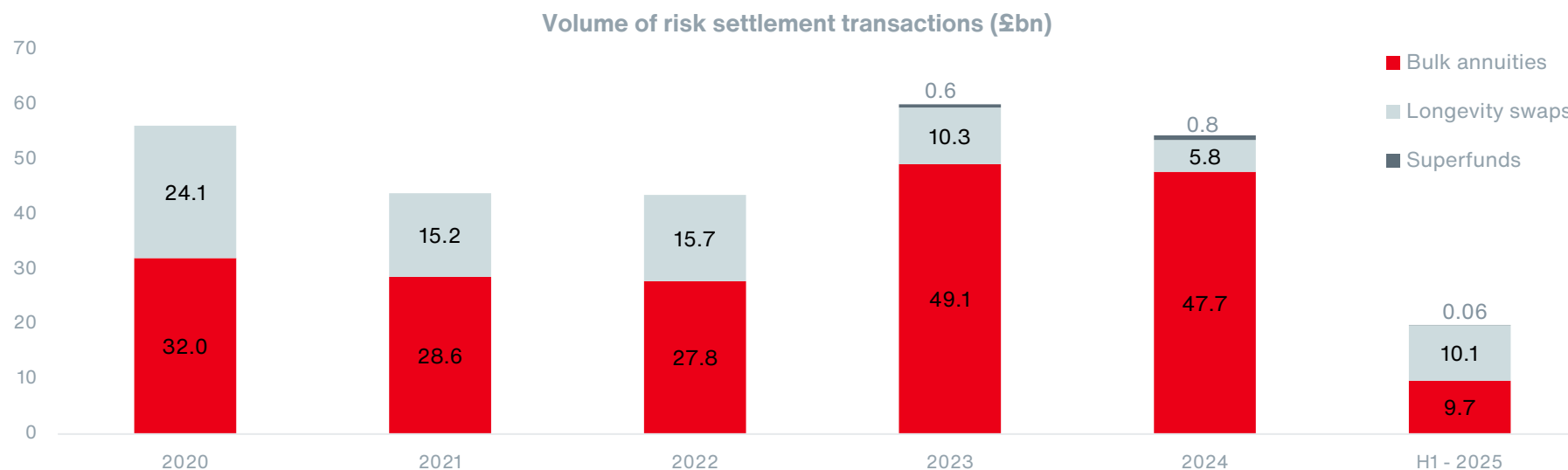
## Superfund market

In June 2025, Clara announced their fourth transaction - for the c£55m Church Mission Society (CMS) Pension Scheme. This follows the £230m transaction with the Wates Pension Fund in late 2024 which was their first to take covenant exposure from a continuing solvent sponsor. Previous Clara deals were for schemes linked to corporate insolvencies.

The CMS deal is Clara's first with a not-for-profit employer and the first to use its 'connected covenant' structure, that includes some continuing contingent support from the employer.

More broadly, the recent Pension Schemes Bill sets out a framework for superfund authorisation and supervision, with new rules coming into force from 2028. The DWP has stated its intent to ensure that the superfund "market thrives in its potential... for consolidating schemes that cannot reach buy-out," with further consultation to come.

These positive steps, along with Clara showing that transactions are viable for ongoing sponsors in the right circumstances, are likely to encourage more trustees and sponsors to consider if a superfund transaction could be right for them.



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