

RISK TRANSFER 2026 REPORT

Your annual overview and analysis
of the risk transfer market

January 2026

Welcome to our unique insight into the risk transfer market

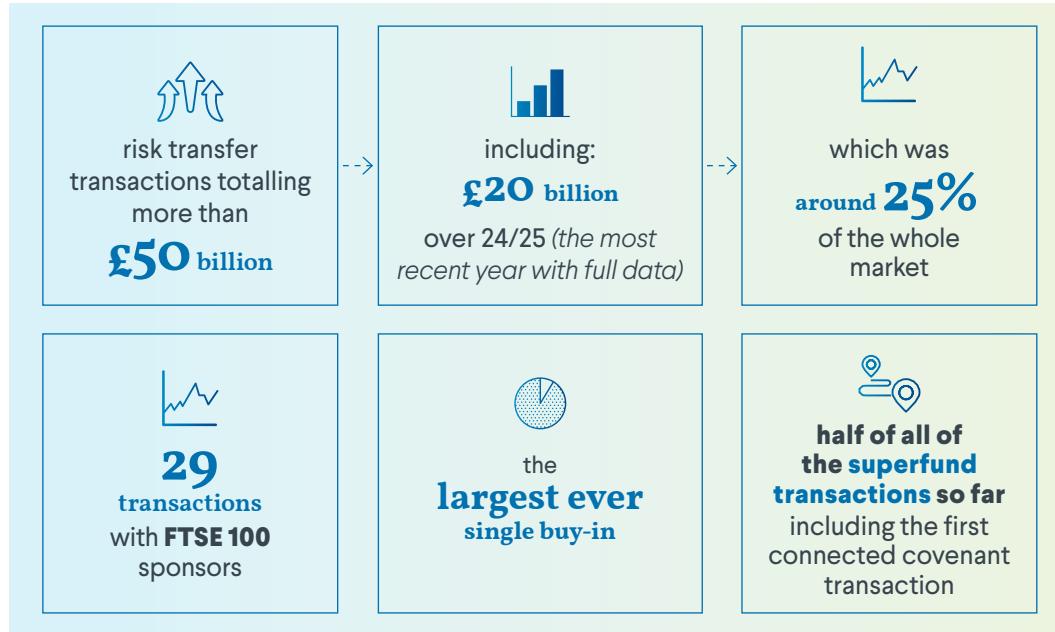
We expect 2026 to be a record year for the buy-in market – likely to exceed £50bn for the first time.

Several themes from 2025 are likely to persist and shape the year ahead. These include more capacity and competition for small transactions, and a greater focus on the member experience. Meanwhile, we expect the alternative risk transfer market to continue developing and become a realistic option for even more schemes.

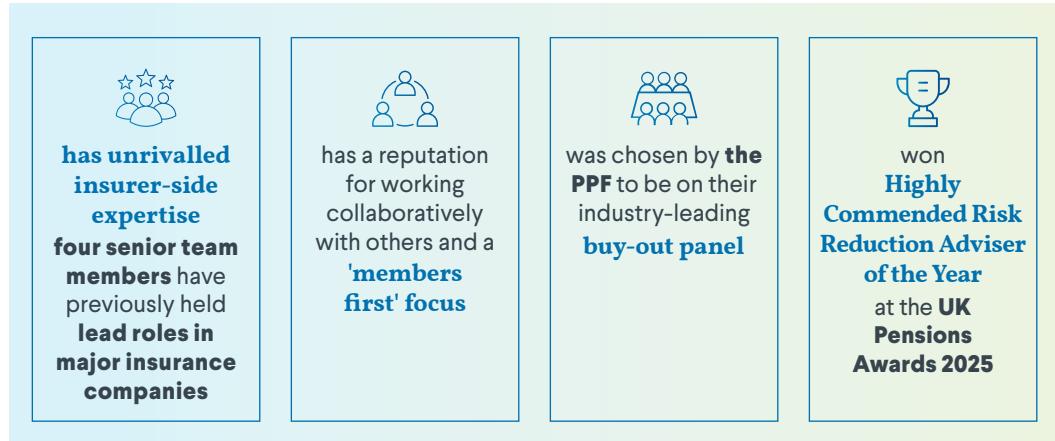
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We have led:



Our risk transfer team:



I'm delighted to share our tenth annual report. We track the changes in the bulk annuity market and look at what these changes could mean for your defined benefit (DB) pension scheme. We also summarise transaction volumes over the last few years, and share insights on each insurer in the growing market.

As 2025 came to a close, [we looked back on a year filled with regulatory activity](#) in pension risk transfer. We've brought these regulatory developments together into a [separate report](#) so you have a clear, easy reference.

I hope you find this report helpful for your journey towards your pension scheme's long-term goal. Together, we can build better futures for your pension scheme members.

We'd love to hear from you. If you have any comments or questions about anything we cover, please don't hesitate to [get in touch](#).

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Looking back to look forward

By Claire O'Neill

Looking back at 2025 in the risk transfer market, we see four themes that are likely to persist and shape the year ahead:

01.

Smaller schemes benefit from more capacity and competition

02.

Member experience and admin capabilities are front and centre

03.

Gilt returns help insurers offer attractive pricing

04.

The market is attractive and resilient

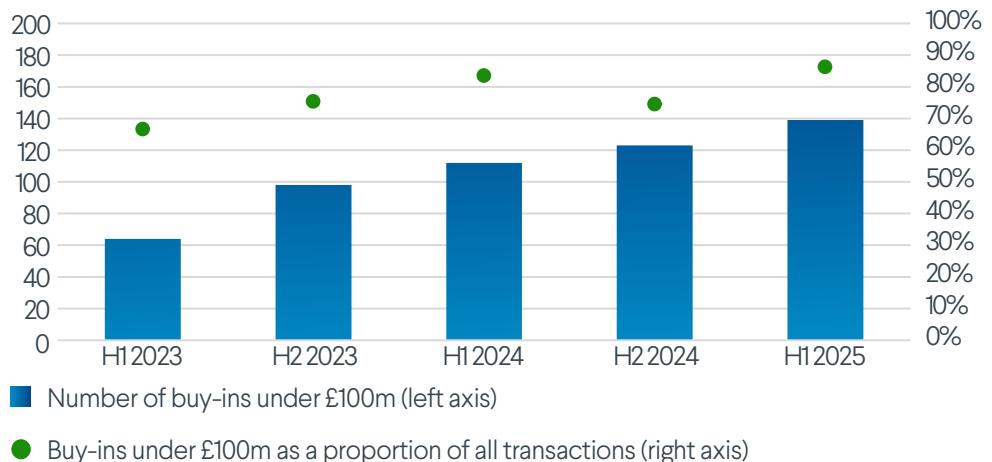
Smaller schemes benefit from more capacity and competition

Although the premium volume for the first half of 2025 was the lowest in years, smaller schemes were quietly making waves. Nearly 140 buy-ins under £100m were completed – the second-highest figure ever, and quite remarkable given the premium volume. As Figure 1 shows, smaller scheme transactions have not only been increasing in number, but also taking a larger share of the overall market.

There's no doubt that the newer insurers in this market have helped to provide capacity for smaller schemes. However, the main boost has been provided by established players streamlining their quotation and implementation processes. We believe smaller schemes will continue to find the market welcoming in 2026.

Trustees should be aware of what each insurer's streamlined process means in practice. We explore this topic in '*Opportunities for smaller schemes: a different landscape*' on page 14.

Figure 1. Market access for buy-ins under £100m



Source: Data provided by each insurer

Member experience and admin capabilities are front and centre

In the 2010s and early 2020s pensioner-only buy-ins dominated the market. Trustees made sure they had no concerns about an insurer's wider credentials, but usually selected on the basis of price. This trend can no longer be taken for granted. For some time, demand has mainly been for whole-scheme buy-ins, due to improved scheme funding. Recently, trustees have rightly shifted their focus towards the member experience of buy-in and buy-out.

Insurers have been investing in the member experience for some time. They're improving their member service offerings, increasing resources for the period between buy-in and buy-out, and streamlining processes. In *'The importance of member experience in buy-ins and buy-outs'* on page 12, we look at how trustees should factor in member experience when selecting an insurer.

Gilt returns help insurers to offer attractive pricing

Insurers have historically been large buyers of corporate bonds, as regulation lets them take credit for some of the risk premium in these assets. Corporate bond spreads have long driven insurer pricing, and credit spreads approaching the lowest levels this century would normally dampen pricing expectations.

However, pricing was attractive throughout 2025, in large part owing to opportunities afforded by the pricing of government bonds. In *'Compelling insurer pricing through gilt-based investment strategies'* on page 10, we analyse how a 'risk-free' asset has become the investment of choice for insurers.

The market is attractive and resilient

On the surface, the market appeared to change little in 2025: the 10 insurers active in January 2026 are the same 10 insurers active in January 2025. But look a little closer and you'll spot a more global feel to the UK market.

PIC is being acquired by Athora and Just by Brookfield Wealth Solutions – both insurers backed by global asset managers, while Utmost's bulk annuity business is being acquired by US-based JAB Insurance. L&G has partnered with the global asset manager Blackstone to help source investments, including for its bulk annuity business.

These planned acquisitions and strategic partnerships show that the market is attractive to investors, while also growing the market's asset-sourcing capabilities. We therefore expect that capacity will increase and attractive pricing will persist in 2026 and beyond.

The bulk annuity market's main regulator, the Prudential Regulation Authority (PRA), is keeping a watchful eye on it. In 2025, the PRA's regular stress testing of life insurers focused exclusively on the bulk annuity market. Reassuringly, all insurers fared very well under this theoretical but severe stress. To learn more about this stress testing exercise and the other areas of regulatory focus, see our *'Regulatory update'* on page 7.

Mullin' over the buy-in market for 2026: a record year expected



James Mullins

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The pipeline for buy-ins looking to complete during 2026 is very strong. So much so, **we expect 2026 to be a record year for the buy-in market, and likely to exceed £50bn for the first time.**

The good news for pension schemes is that **insurers have enough capacity to meet this demand.**

- Insurer solvency levels are high, so they have plenty of capital to complete new buy-in transactions.
- Many of the insurers plan to increase the value of buy-ins that they transact in 2026.
- The investment into the UK buy-in market from large US asset managers will provide more access to North American investments and help to keep pricing competitive.

Insurers will continue to have strong appetites for smaller transactions. We expect at least eight of the ten insurers to be regularly quoting on transactions for pension schemes smaller than £100m. At the same time, **we wouldn't be surprised if 2026 breaks records for the number of multi-billion-pound buy-ins.** Many large deals could mean that some insurers tone down their appetite for a while as they absorb these large transactions.



With the competitive buy-in pricing of 2025 expected to continue in 2026, trustees and sponsoring employers who are keen to insure pension liabilities should press ahead with preparations. There's a strong pipeline of buy-ins, so trustees should keep a close eye on market dynamics and, where possible, time their approach to the market accordingly.



£50bn+

expected total buy-ins in 2026 – record year for the market



8

insurers regularly quoting for schemes <£100m



Record count

of multi-billion-pound transactions expected

Regulatory update

By Michael Abramson

Pension risk transfer had significant regulatory activity in 2025. In this article, we cover the highlights of the Prudential Regulatory Authority's (PRA) stress testing of the major insurers in the sector, and the regulator's focus on funded reinsurance.

Our recent [risk transfer regulatory review](#) goes into more depth in these areas. It also covers:

- Solvency-triggered termination rights, which can be relevant for buy-ins larger than £1bn.
- Matching adjustment investment accelerator, which helps to remove some of the red tape insurers encounter when they want to go into new asset classes.



PRA life insurance stress tests

The regulator has been stress testing life insurers since 2019. The 2025 tests were keenly anticipated, as they're intended specifically to stress the bulk annuity sector. They're also the first such tests to be released at an individual insurer level.

The results of the tests offer much reassurance about the industry's stability and resilience. After applying a particularly severe shock, every insurer retained more capital than the regulation requires, namely to cover a 1-in-200 stress over a one-year period.

The regulator applied two further stresses to scrutinise areas of potential risk: asset class concentration and funded reinsurance. These stresses had a modest impact on insurer solvency; all insurers' capital levels again remained above regulatory requirements.

Scenarios

The PRA has set the **core stress test scenario** to achieve a roughly 1-in-100 severity over three stages.

Stage	Overview	Detail
1. Initial market shock	Rapid financial market shock	Interest rates fall by 150 basis points (bps) in nominal terms / 75 bps in real terms; equities fall by 30% with increased volatility; credit spreads widen (eg BBB +270 bps)
2. Developing market shock	The stresses in stage 1 develop and peak during stage 2	Credit ratings fall and defaults occur; property values fall by around 30%
3. Markets stabilise	Markets stabilise and liquidity improves	Credit spreads fall but remain high compared with the base case (eg BBB is 100 bps above the base case); insurers are required to model restorative steps

The PRA has also set two so-called **exploratory scenarios** that build on the core scenario. These are designed to assess risks that we expect the PRA to continue focusing on in the coming year. These emerging risks are harder to consistently assess and quantify, so the results have only been published at an aggregate industry level.

Exploratory scenario 1: asset type concentration

This scenario considers an extra credit downgrade stress to the asset type most material to an insurer's matching adjustment benefit. This is the asset class that provides the insurer with the most risk-adjusted yield, allowing for both the yield and the amount of the asset type held.

Exploratory scenario 2: funded reinsurance

This scenario considers the impact of a recapture of all funded reinsurance arrangements with each insurer's most material funded reinsurance counterparty.



What is funded reinsurance?

In the bulk annuity market, an insurer using funded reinsurance takes part of the buy-in/buy-out premium received from the pension scheme, which substantially backs the associated liabilities, and passes it on to a reinsurer. The reinsurer then makes monthly benefit payments to the insurer, which passes them on to the pension scheme (after a buy-in) or the pensioners directly (after a buy-out).

Aggregate results at a glance

Target solvency coverage ratios for insurers are typically in the range of 140% to 190%; most firms have operated well above target in the past two to three years. The aggregate results across the core and exploratory scenarios show that coverage ratios remain above 100%. Insurers would be expected to hold enough assets to meet not only their liabilities, but also the additional regulatory capital requirement.

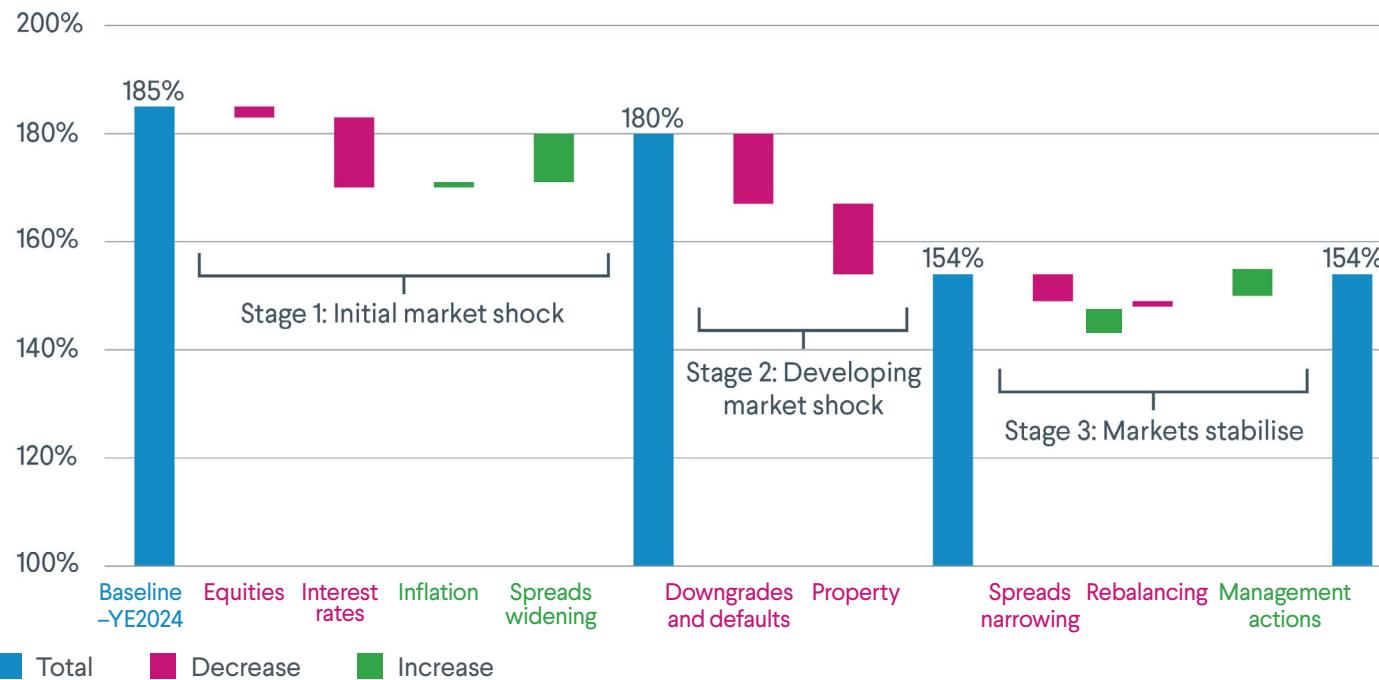
Scenario	Solvency coverage ratio	Impact relative to baseline
Year-end 2024 baseline	185%	-
Core scenario	154%	-31%
Core scenario + asset type concentration	153%	-32%
Core scenario + funded reinsurance	144%	-41%

Source: Bank of England

Core scenario breakdown

Figure 1 shows the evolution of the aggregate solvency coverage ratio throughout the core scenario stages.

Figure 1. Movement in industry aggregate solvency coverage ratio.



Source: Bank of England

What this means for pension schemes

The aggregate insurer results demonstrate a resilient bulk annuity market that should reassure trustees looking to enter into or already holding a bulk annuity contract.

Trustees can take comfort that the PRA is regularly stress testing insurers, and the latest results show the sector's resilience. We consider the individual results in more detail in our [risk transfer regulatory review](#).

Funded reinsurance

In September 2025, the PRA floated the potential of different capital treatment for funded reinsurance. At the moment, the PRA treats funded reinsurance similarly to longevity reinsurance. The regulator seems concerned that doing so may underestimate the associated risks.

In October, the PRA discussed with insurers two potential alternatives. We expect both would lead to higher associated capital requirements. The PRA has also raised the possibility of applying an overall limit to the amount of funded reinsurance used by an insurer.

Any increase in capital requirements or limits applicable to funded reinsurance may improve policyholder security, but they could also increase insurer pricing. Details about these potential changes can be found in our [risk transfer regulatory review](#).

Compelling insurer pricing through gilt-based investment strategies

By Tim Wanstall and Stephen Jasinski

For many years insurer pricing has been seen through the lens of credit-type assets. Insurers have tended to use a combination of investment-grade corporate bonds and less liquid debt-like assets to back expected liability cash flows. However, with credit spreads close to historic lows, insurers have been buying markedly fewer corporate bonds since mid-2024. And despite tight credit spreads, pension schemes still received compelling buy-out pricing in 2025, in large part because of opportunities in the gilt market.

Drivers away from credit: regulatory context

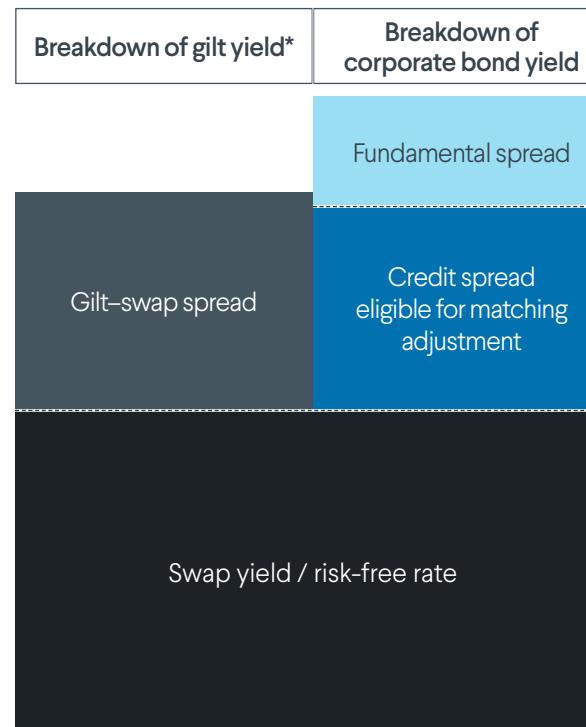
Bulk annuity insurers discount their liabilities using a risk-adjusted return on the actual assets they hold. This discount rate is made up of a risk-free component based on swap yields, plus the so-called 'matching adjustment'. This is the total yield above the risk-free rate on its portfolio, less the 'fundamental spread' – an allowance for future defaults and downgrades.

Figure 1 shows a simplified breakdown of the yields available on a UK government gilt and a line of credit. The comparison suggests that, at least from a regulatory perspective, the return above swaps provided by holding gilts of longer durations could be greater than the risk-adjusted credit spread provided by holding corporate bonds. Two reasons explain this difference:

1. The fundamental spread is likely to overstate current exposure to credit risk when holding corporate bonds. The fundamental spread is designed to be insensitive to short-term market volatility, as it has a floor of 35% of average credit spreads over the past 30 years. This floor brings prudence and stability to regulatory balance sheets, but it could mean that nearly half of already low A-rated spreads are unavailable to insurers.
2. The gilt-swap spread is especially wide at longer durations. Importantly, it attracts zero fundamental spread, so the full yield can be used to discount liabilities.

Another driver of the pivot away from credit is that it can become uneconomical for an insurer to hold credit even when its risk-adjusted spread is higher than the spread available on gilts. The solvency capital requirement mandates insurers to hold enough capital to withstand a 1-in-200 one-year event. In calculating this amount, gilts are considered to be risk-free for some of the shocks applied. As a result, holding credit is a lot more capital-intensive than gilts.

Figure 1. A comparison of asset yields from a regulatory perspective



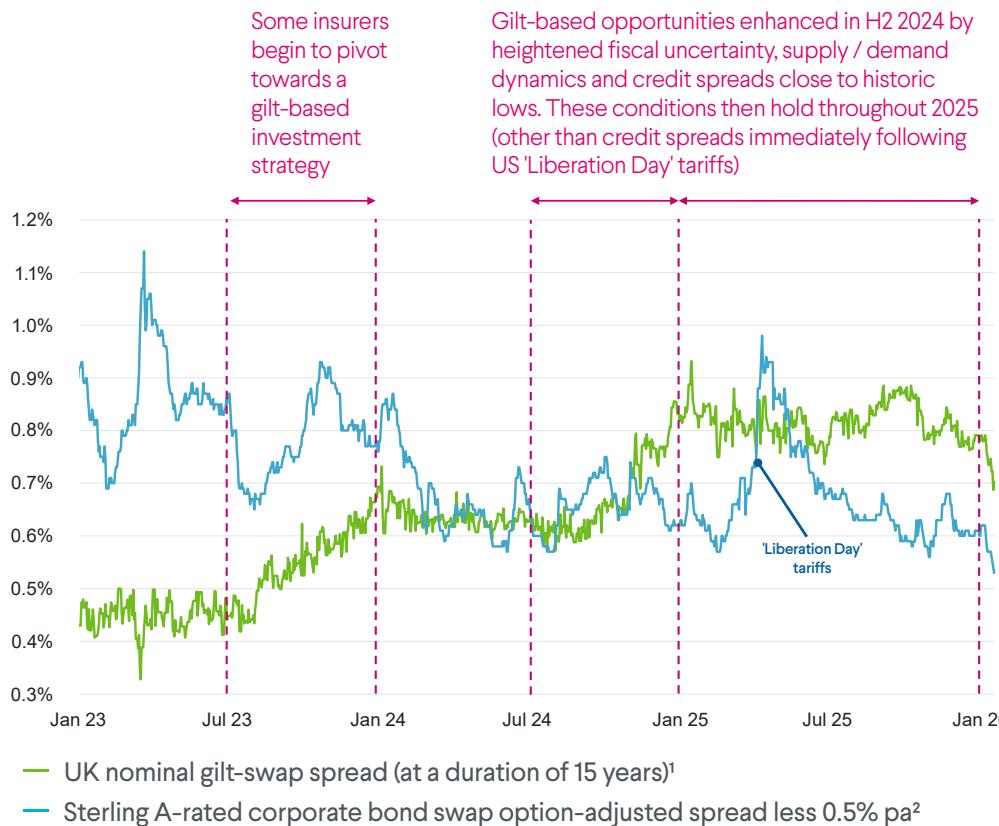
*Yield breakdowns are illustrative and not to scale

Drivers towards gilts: higher long-term yields

Since the Covid-19 pandemic, factors have combined to drive gilt-swap spreads to unprecedented levels. Insurers took the opportunity for risk-adjusted returns at longer durations, where credit is in shorter supply, to price bulk annuity transactions attractively in 2025.

Figure 2 compares the spread above swaps available on gilts at a duration of 15 years with the spread available on A-rated corporate bonds roughly adjusted for the fundamental spread. Putting the short-lived credit spike immediately following the US 'Liberation Day' tariffs to one side, the figure shows how relative movements may have made investing for the gilt-swap spread more beneficial than the part of the credit spread insurers can allow for.

Figure 2. A comparison of spreads since 2023



Drivers of this unprecedented widening of gilt-swap spreads at longer durations include market uncertainty about the economic and fiscal outlook, supply and demand dynamics, and a premium due to liquidity concerns.

It's striking how the gap between short- and long-term borrowing costs has widened since mid-2024. Investors want more compensation for holding long-dated UK debt, owing to uncertainty about the long-term growth and inflation outlook, and the durability of fiscal plans.

There has been a large and persistent increase in gilt issuance, at the same time as the Bank of England is looking to reduce its holdings since the pandemic. These dynamics have depressed gilt prices (raising yields).

Investors may also be demanding a higher liquidity premium for longer-term gilts because of a 'hangover effect' from the market dislocation in late 2022.

Insurers have been extending this investment strategy to other government bonds such as US Treasuries. They've also introduced some leverage, using repo and the like to further enhance the yields on their portfolios.



Implications for schemes

While these conditions persist, movements in insurance pricing are likely to be more closely matched to gilts than corporate bonds. Insurers have previously accepted corporate bonds as premium payment, but some may be reluctant to do so now, or may charge a small premium. For these reasons, a scheme close to transacting in the insurance market may want to consider reducing its exposure to corporate bonds. For some, this approach may appear to fly in the face of conventional wisdom.

Many factors affect whether insurers will continue to offer compelling pricing in 2026 by using gilt-based investment strategies. Materially wider credit spreads or a narrowing of the gilt-swap spread would threaten the status quo.

¹ Source: Derived from gilt yields sourced from the Bank of England and swap yields sourced from Bloomberg.

² Source: ICE Index Platform (with illustrative adjustment by Hymans Robertson in respect of the fundamental spread).

The importance of member experience in buy-ins and buy-outs

By Donna Prince



Member experience has become more important for pension scheme trustees over the years. Many are looking to enhance the member retirement journey through more support and better access to information. Some schemes are introducing options for members to shape their retirement income in a way that complements their lifestyle. It's unsurprising that trustees wish to see these efforts continue during and after critical transitions such as buy-ins and buy-outs.

As member experience becomes a key part of insurer selection, insurers are using it to stand out from their peers – which can only benefit members.

By considering member experience early, schemes can engage insurers promptly and focus on aspects important to members. Doing so helps a smooth transition to buy-in and buy-out. Trustees are responsible for member experience during the buy-in period, and the transaction can have knock-on effects on members. At the point of buy-out, trustees hand over the member experience to the insurer indefinitely, so they must do so with the utmost confidence.

A simple change in the standard scheme factors

From the point of full buy-in, many schemes choose to adopt insurer factors for member options such as commutation factors or transfer values. These factors can lead to changes not only in the value of a member's benefits, but also in the administrator's process.

For most schemes, factors don't change often. However, many insurers update factors monthly. An administrator has to load new factors more frequently, and the format of the insurer's factors might differ greatly from the format previously used. These changes come at a cost. If the administrator doesn't plan for them, they could lead to delays to members' retirement quotes and member dissatisfaction.

An insurer sometimes calculates member quotations itself, or gives the administrator a tool to calculate benefits on the insurer factors. Delays can appear here too, if the hand-off between the administrator and the insurer is slow, or if the administrator isn't trained in how to incorporate these changes into the process. Early engagement with insurers and administrators, before signing the buy-in, can help to avoid delays and minimise blackout periods.

The member experience after the buy-out

Until the point of buy-out, members are part of a pension scheme they're familiar with. A member may have worked for the sponsor for many years, and might know the dedicated set of trustees who have looked after them and overseen the security and administration of their benefits. The transition to an insurer, whose name and background may be unfamiliar, is a big change. Members are placing their trust in the pension scheme to choose an insurer that will protect their interests, pay their pensions reliably and support them throughout their retirement journey.

Trustees should carry out due diligence on an insurer's administrative capabilities as part of the selection process. After the buy-in, they should monitor any changes or developments in the insurer's administrative capabilities and offerings, so they're confident that members will have a good experience after the scheme is bought out.

Insurers and their administrators are investing in their systems and processes to improve the member experience. Trustees will also seek assurance that insurers will continue to invest when the bulk annuity market has matured and they're no longer vying for significant new business.

Raising the bar: innovations in the market

Retirement decisions are among the most important a member ever has to make. The pensions industry is therefore focusing more on supporting members throughout their retirement.

Insurers are investing to improve member offerings and go beyond standard administrative functions. We set out below some current examples of areas of insurer investment.

Area	Examples
Online capabilities	Viewing payslips, modelling retirement quotations, completing the retirement journey digitally
Educational resources	Article library, FAQs, videos, policyholder events, access to an independent financial adviser
Communications	Accreditations such as the Plain English Campaign's Crystal Mark

What should trustees look for?

Trustees should consider member experience and the insurer's administration capabilities early in a scheme's endgame strategy, and continue looking at them during the buy-in process. A buy-in is irreversible, and trustees need to be comfortable that they're partnering with an insurer that can enhance administration and the member experience. By doing so, trustees not only secure benefits in full, but ensure their members are in safe hands and receive at least the same service trustees have worked hard to give them.

Opportunities for smaller schemes: a different landscape

By **Sam Warburton and Iain Church**

The risk transfer market for smaller schemes has changed dramatically in the past few years. Previously, trustees of smaller schemes often faced tempered insurer interest, less competitive tension and few options for fully insuring member benefits. Today, these schemes have many more opportunities.

As is common across the DB landscape, many smaller schemes' funding positions have improved to the point they can afford to buy out. Established insurers have responded with innovative products and streamlined processes tailored to the needs of smaller schemes. Meanwhile, other insurers have entered this end of the bulk annuity market. These changes have opened up opportunities for trustees to secure their members' benefits on more attractive terms, and changed considerations along the buy-in process.

More providers, more choice

Royal London and Utmost both entered the bulk annuity market in the last couple of years with a focus on small buy-ins. In 2025, Blumont's first two buy-ins were both smaller than £5m, although this year Blumont is due to be subsumed into Just Group with the ongoing acquisition of Just by Blumont's parent company, Brookfield Wealth Solutions.

Meanwhile, some established insurers have a renewed focus on smaller schemes, and have developed propositions to cater to this end of the market. These developments have increased competition and helped trustees get better outcomes.

In such a dynamic market, trustees and sponsors should be aware of the latest developments and opportunities, and tailor their process to achieve the best outcome.

How has the broking process changed?

Broking approaches

In the past, many schemes smaller than £20m have found themselves working with a single insurer. Now, we regularly see buy-ins as small as £5m attracting several competitive quotes. There can still be value in drawing up a shortlist rather than engaging with all potential insurers. A shortlist can increase insurer engagement, while retaining competition and getting involvement from insurers best suited to the scheme's needs.

Given that demand and supply dynamics shift quickly, we treat each scheme individually to recommend the broking approach that will achieve the best outcome for that scheme at that time.



Providing data and benefits

Insurers are pushing more of the streamlining process onto schemes, asking for data and benefits in a specific format. These formats aren't standardised, but once the hard work is put in, these templates integrate with the insurers' pricing systems, streamlining quotation processes. Some schemes might need pragmatic data and benefit simplifications to proceed with insurers.

We expect templates to evolve and improve, and we expect other insurers to adopt their own templates in the near future. We'd love to see harmonisation between insurers, though unfortunately this remains a pipe dream for now.



Price locks

A price lock dictates how a premium moves between receiving a final insurer quote and implementing a transaction.

Gilt-only price locks were once the norm for smaller schemes. But despite insurers shying away from corporate bonds ('Compelling insurer pricing through gilt-based investment strategies' on page 10), they offer more flexibility when it comes to reflecting existing corporate bond holdings in a scheme. These options decrease the risk of adverse market movements between quote and transaction, and help to reduce investment costs for schemes that may have previously had to transition to a gilt-only portfolio to manage this risk.

Staying informed

The bulk annuity market for smaller schemes is almost unrecognisable from just a few years ago, and continues to evolve. Trustees who stay informed and work with advisers who are close to the market will be best placed to capture opportunities and give their members the best outcomes at every stage of the process.

After the transaction

The sharp rise in buy-ins has led to a backlog of schemes waiting to buy out, and we expect this backlog to grow. When choosing an insurer, it's important to know its resource constraints and buy-out capabilities, particularly for smaller schemes that may have less leverage than large schemes.

Insurers have been investing in processes that happen between the buy-in and buy-out. For example, some have developed processes to move quickly from buy-in to buy-out if a scheme provides cleansed data, so schemes can complete the buy-out just a few months after the buy-in. Elsewhere, insurers are looking to offer post-buy-in services that include data cleansing and GMP equalisation, reducing the administrative burden on trustees.



Streamlined contractual terms

As the number of buy-ins increases, insurers don't want to negotiate a bespoke contract for each one. Insurers generally try to stick to their standard contractual terms, but in practice schemes still have some commercial leverage to negotiate some elements with the right approach.

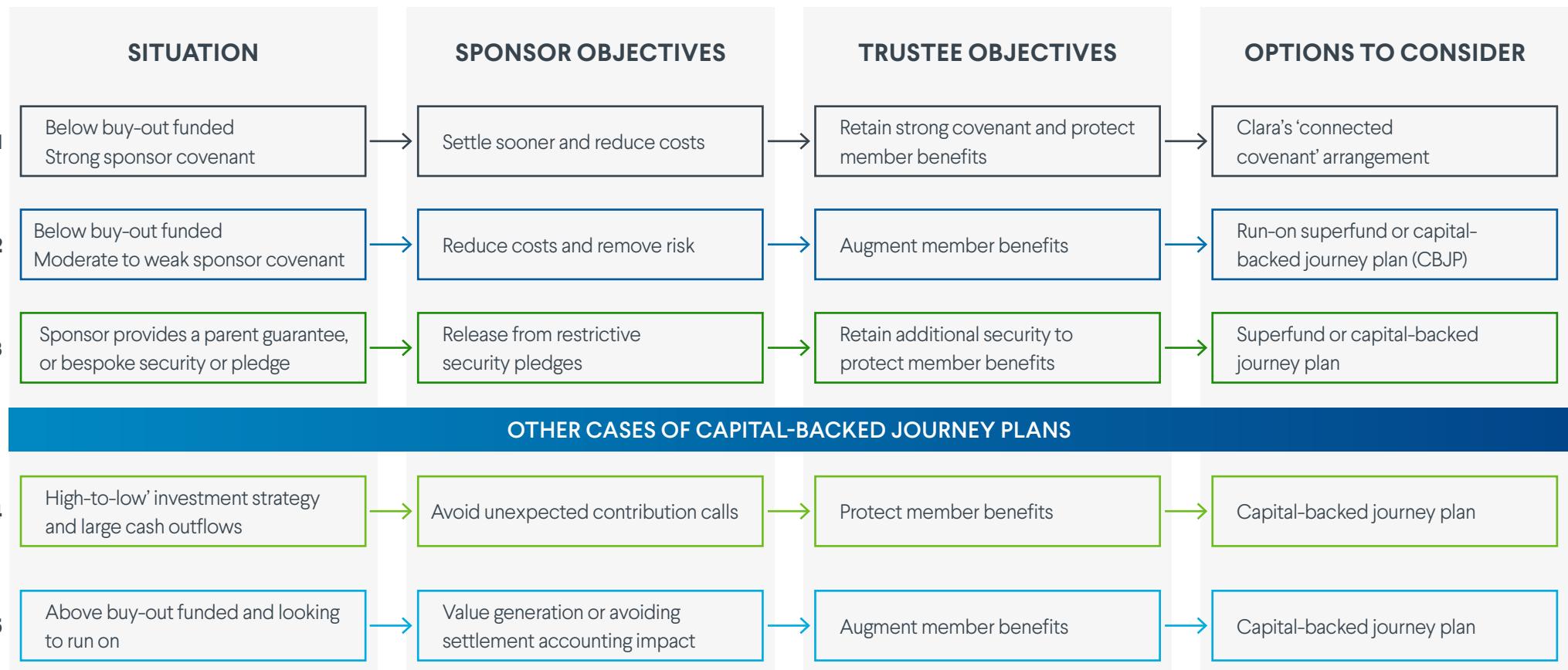
Use cases for alternative risk transfer

By Richard Wellard and Jitin Tahiliani

The risk transfer market is continually changing, and a well funded DB scheme considering its endgame has more tools than ever before. Clara's 'bridge to buy-out' superfund has become a tried and tested tool for schemes with distressed or weak sponsor covenants. Clara regularly features on the list of practical ways to secure member benefits and to remove pension liabilities from corporate balance sheets.

However, the market for alternative risk transfer is much broader than many realise. Superfunds and capital-backed journey plans can be considered for a range of use cases, not just those involving distressed sponsors. Figure 1 shows some situations where alternatives can be considered alongside conventional approaches.

Figure 1. Scenarios where trustees or sponsors could consider alternative risk transfer



SITUATION 1

Below buy-out funded, strong sponsor covenant

In a scheme that's below buy-out funded and supported by a strong sponsor covenant, if the sponsor's objective is to settle its pension liabilities sooner than it could through buy-out, or at a lower cost, then Clara's 'connected covenant' arrangement could meet both the trustee's and the sponsor's objectives.

This method adds Clara's capital protection ahead of the sponsor's support, enhancing rather than replacing the covenant. The sponsor can remove all but the most remote pension risk, and the scheme has a path to eventually securing members' benefits with an insurer.

This solution was used in 2025 by the Church Mission Society's pension scheme. This transaction helped show that superfunds are a viable option for schemes with strong sponsor covenant support.

SITUATION 2

Moderate to weak covenant, below buy-out funded

This use case considers a scheme that's below buy-out funded, with an uncertain or weak covenant, and where the trustees are hoping to deliver more than purely guaranteed benefits. For example, they may be seeking to maintain a discretionary benefit practice.

The trustee and the sponsor could consider a superfund with a run-on strategy that uses surplus generated over time to augment members' benefits. This arrangement lets the sponsor remove the pension scheme liability from its balance sheet, while providing members enhanced benefits if affordable in the future. In November 2025, TPT announced its intention to establish this type of superfund.

The trustee and sponsor could also consider a capital-backed journey plan, which might underwrite higher investment risk than the covenant could otherwise support. A higher investment return would reduce pension costs for the sponsor and could let the trustee pay discretionary benefits to members.

SITUATION 3

Releasing the sponsor from bespoke security agreements

Many sponsors have agreed bespoke security or contingent contribution arrangements with trustees during past valuations. These could include parental guarantees, policies for matching contributions to future dividend payments, commitments to not increase borrowing that ranks higher than the pension scheme debt, or asset-backed funding structures.

The company might want to remove these arrangements because they're no longer needed. However, they still give some security, and trustees could find it hard to release the sponsor from these arrangements without something to replace them.

It could be that the external capital provided by a superfund or a capital-backed journey plan would be deemed a suitable replacement.

Other use cases

A capital-backed journey plan can also be used to support other scenarios in which taking higher risk might lead to better outcomes all round, but neither trustee nor sponsor quite has the appetite for these risks. For example, it could be used for a scheme looking to run on rather than buy out and deliver value to members or the sponsor.

Looking ahead: innovation and expansion in the alternatives market

We expect more tools in the alternative risk transfer toolbox as providers design solutions tailored to schemes' situations, and we expect more entrants to the superfund market.

We also expect pockets of bespoke individual arrangements to pop up. One example is the arrangement between Aberdeen Group and the Stagecoach Group Pension Scheme, announced in December 2025. One party has a commercial interest in running a pension scheme for a long time, and takes over scheme sponsor responsibility from a sponsor that's looking to remove pension risk from its balance sheet.

Secondary legislation supporting the Pension Schemes Bill will try to find the right balance between encouraging innovation and protecting member' benefits.

Overall, these types of innovations should bring a rich variety of propositions to pension schemes and their sponsors for consideration.

Making the most of longevity swaps

By Catherine Thain

Longevity swaps remain a critical tool for DB pension schemes seeking to manage their largest unhedged risk: the risk that members live longer than expected. Longevity swaps are relevant for schemes choosing to run on, as well as schemes on the journey to full insurance.

A busy market for longevity swaps

Activity in the longevity swap market has been sustained: around 70 swaps have been completed since 2009, covering liabilities of around £180bn. In recent years there's been a steady flow of transactions, including several by large schemes such as those of BT and Lloyds Banking Group.

The market is supplied with a broadening pool of reinsurers and intermediaries. At least ten active reinsurers are available to suit different scheme needs, as well as a range of intermediary structures, including pass-through and captive models.

Running on with longevity

For schemes choosing to run on rather than buying in or buying out, longevity risk is often the most significant unhedged exposure. Many schemes are experienced in managing investment and inflation risks internally, but recognise that longevity risk is both highly concentrated and difficult to diversify away. Longevity is a particular risk for schemes with large deferred populations, where even modest improvements in life expectancy can materially increase liabilities and create funding strain.

Why hedge longevity risk?

Schemes have several reasons to hedge longevity risk.

Risk management

Longevity swaps immediately reduce risk. They stabilise funding positions and reduce reliance on sponsor contributions if life expectancy increases.

Strategic flexibility

Swaps let schemes retain investment flexibility and control over assets. They require no up-front premium, and only a modest portion of assets is collateralised.

Buy-in readiness

For a scheme targeting buy-in or buy-out in the medium term, a longevity swap can reduce the risk that buy-in pricing becomes less affordable owing to future improvements in life expectancy. Swaps are typically structured to be novated to an insurer as part of a future buy-in.

A solution for your scheme?

To swap...

- Longevity risk is significant and difficult to model. Hedging can reduce uncertainty and support long-term funding objectives.
- Swaps are particularly suited to schemes likely to run on for five years or more, as the risk reduction achieved increases over time.
- Recent market conditions have made pricing attractive, and increased competition among reinsurers has improved terms for schemes.

...or not to swap?

- Some schemes may believe that longevity risk is currently overstated, or that future medical or social trends will dampen improvements in life expectancy.
- Implementation and ongoing maintenance costs can be significant.

Future market trends

Looking ahead, several trends are set to shape the longevity swap landscape.

Continued growth and diversification

We expect the risk transfer market to maintain high volumes, with annual buy-in and buy-out transactions regularly exceeding £40bn. We expect longevity swaps to remain important for large schemes and schemes seeking to manage longevity risk ahead of a full buy-in.

Pricing and capacity

Recent trends suggest that longevity swap pricing will remain attractive in the near term, supported by strong reinsurer appetite and competition. However, as more schemes approach full funding and seek to de-risk, demand for buy-ins and longevity swaps could cause reinsurers to become more selective, particularly where there are larger and more complex transactions among more attractive liabilities. Just as schemes prepare to buy in, the preparation of data and benefits will be key for schemes looking to approach the swap market.

Innovation in risk transfer

Alternative risk transfer vehicles, such as superfunds and capital-backed journey plans, are gaining traction. They may offer options for schemes that don't fit the traditional insurance model. We expect schemes to be able to blend longevity swaps with other de-risking tools, or to structure swaps more flexibly.

Longevity assumptions and medical advances

Longevity risk includes uncertainty around future longevity improvements. Actuaries and trustees need to monitor emerging trends in medical science, public health and social behaviour, as breakthroughs could materially affect scheme liabilities. Scenario analysis and stress testing will become even more critical in setting and reviewing longevity assumptions.

Keeping up with developments

The longevity swap market is set to keep developing. Schemes considering longevity swaps should remain proactive by monitoring market developments, engaging early with advisers, and ensuring their data and governance are fit for the future.



Practical considerations

Transaction complexity

Longevity swaps are a well trodden path, but they still need careful project management, robust data flows, and monitoring of collateral and operational arrangements.

Market appetite

Not all reinsurers are equally interested in all transaction sizes or member profiles. We recommend engaging a broad panel of reinsurers and intermediaries to secure the best terms.

Future flexibility

Most swaps are structured to allow for conversion to buy-in, but the scheme should negotiate terms up front, including any exit or novation fees.

Is climate policy affecting insurers' progress to net zero?

By Paul Hewitson

Over the past two years, Solvency UK reforms have opened the door for insurers to channel more capital into sustainable investments. This shift promises long-term benefits, but comes at a time of growing political pressure and uncertainty, highlighted by the collapse of the Net-Zero Insurance Alliance (NZIA).

Bulk annuity insurers face a delicate balancing act. They must meet ambitious net-zero targets while navigating complex disclosure requirements, such as those under the Task Force on Climate-related Financial Disclosures (TCFD) and the UK's disclosure rules. They must do all this against a backdrop of rising investor expectations for transparency.

These developments bring challenges including the need for robust data to measure progress. But they also shape strategic investment decisions, and offer opportunities for innovation and leadership in sustainable finance.

As the sector seeks to balance regulatory compliance with long-term financial stability and its net-zero commitments, we explore the challenges and opportunities, and how they're relevant for DB scheme trustees.

Challenges in data for emissions reporting

One of the first hurdles insurers face is gathering and reporting reliable emissions data, particularly on Scope 3 emissions. Scope 3 includes indirect emissions throughout the value chain. These are notoriously hard to measure, because they rely on external data sources that aren't standardised.

Regulators recognise the challenge. In its 2025 [Climate Change Adaptation Report](#), the PRA said "data gaps remain an integral part of the climate risks that banks must manage. More robust, standardised climate-related data of sufficient coverage is needed across the financial sector."

These data gaps hinder accurate measurement and reporting. They also hinder insurers from setting credible targets and showing progress to regulators and investors. Better disclosure, industry collaboration and investment in data infrastructure are crucial for meeting regulators' and stakeholders' demands.

As climate change policies and expectations are changing fast, DB pension scheme trustees need to keep members' long-term interest in mind. Access to reliable emissions data and clear reporting helps them meet their responsibilities and draw meaningful distinctions between insurers ahead of a buy-in.

The Sustainability Principles Charter for the bulk annuity process

Industry initiatives are helping to develop standardised reporting frameworks and foster data-sharing so insurers and trustees can fill gaps, and emissions disclosures can be more reliable.

In January 2024, Accounting for Sustainability published its [Sustainability Principles Charter](#), which sets standards for responsible investment and reporting in the buy-out market. It's backed by 99% of active insurers, pension schemes totalling over £120bn in assets, and advisers representing more than £3trn of assets under advice.

We're proud to be involved with the charter. Participants show leadership, and promote transparency, accountability and best practices in climate-related decisions. This alignment standardises disclosures, and reassures trustees and scheme members that their long-term interests are protected.

The charter encourages improvement through regular review and collaboration among signatories. It offers consistent reporting frameworks, helping trustees assess insurers' climate resilience during the buy-out process. Ultimately, it promotes a resilient pensions sector through higher sustainability standards and progress towards net zero.

Opportunities for investment and growth

Alongside industry-led initiatives, regulatory reforms are creating opportunities for insurers to align their investment strategies with sustainability goals.

The PRA's reforms to the Solvency UK framework aim to make it easier for UK bulk annuity insurers to invest in productive assets. The intention is that insurers will be able to allocate more of their portfolios to infrastructure, housing and green projects, while robustly managing risk. These changes could help insurers to generate attractive long-term returns and write new business at competitive prices.

We'll keep a close watch on the extent to which insurers adapt their investment strategies and manage risk in response to changing regulation, as any changes could affect insurer pricing and capacity as well as policyholder security.

Scrutiny beyond industry initiatives

Even as regulation moves favourably for sustainable investment, insurers must navigate a political environment that can undermine collective climate action and introduce uncertainties.

Politics has already affected insurers' net-zero strategies. Political pressures in the US prompted the collapse of the UN-convened NZIA in 2024, showing that collaborative climate initiatives are vulnerable to political tides. Some insurers and reinsurers have since aligned with alternative groups, but these affiliations alone don't guarantee robust climate action.

Insurers' progress towards net zero is heavily influenced by the climate commitments and regulatory environments of the companies in which they invest. Political shifts, especially in the US and parts of Europe, have led to looser climate regulations and some commitments being rolled back. These external influences make it even more important for trustees not to rely solely on insurers' participation in industry alliances or their public-facing commitments.

Trustees should conduct their own due diligence. They should look beyond high-level affiliations, and scrutinise the detail of insurers' investment portfolios and climate strategies. Trustees can then better assess if those strategies are resilient and credible in changing political landscapes. This approach helps schemes to align with progress towards sustainability, rather than simply following industry trends.



Trustees' role

Recent political and regulatory developments mean that trustees should base decisions on evidence rather than relying solely on insurers' overarching commitments. A questioning approach enables trustees to guide their schemes towards long-term resilience and responsible growth. Putting sustainability at the heart of decisions helps pension schemes withstand external pressures and give their members meaningful, lasting value.

Trustees can make well informed decisions that advance sustainability objectives and member outcomes, by understanding the relationship between data, industry standards, regulatory requirements and the broader political context.

Thank you for reading our 2026 Risk Transfer Report.

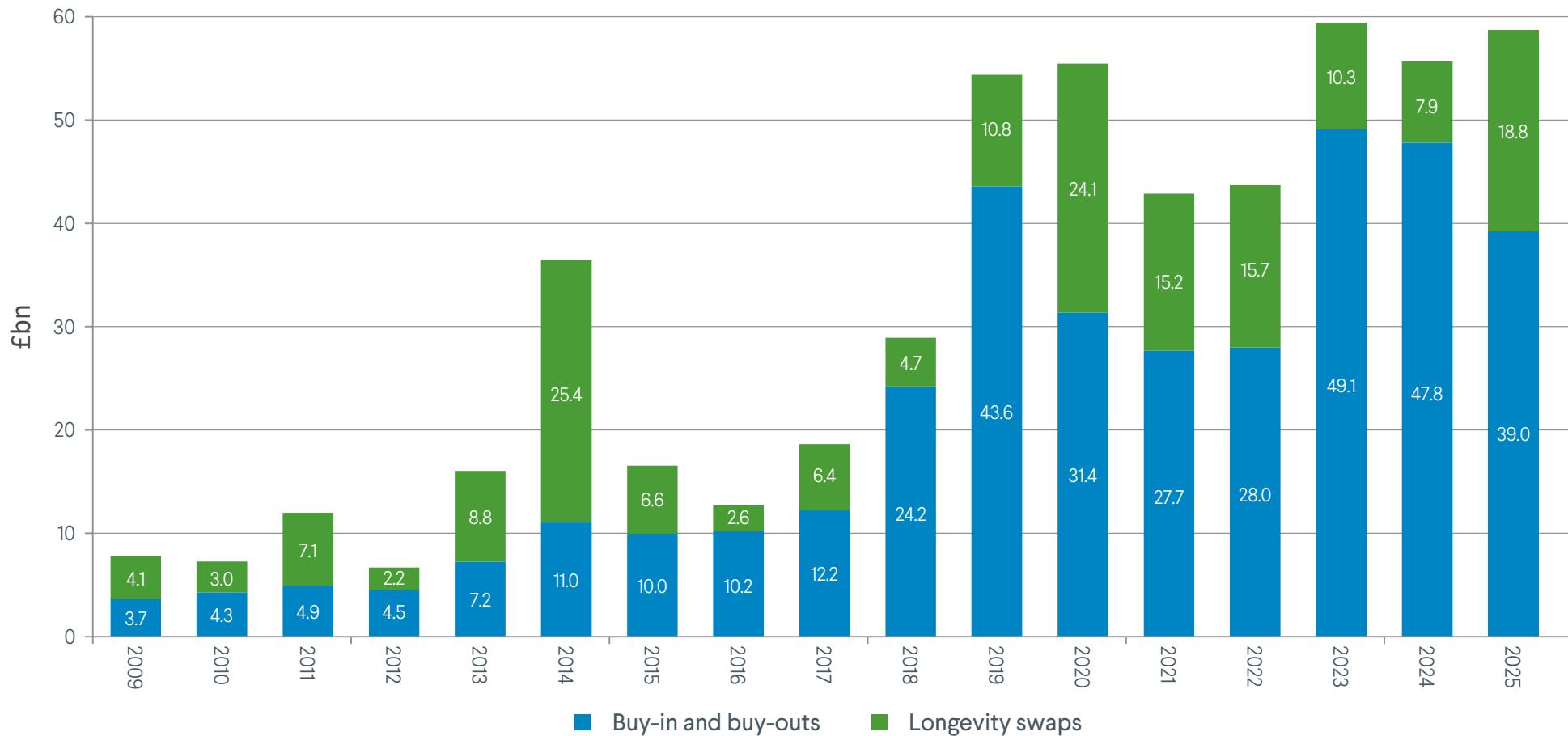
If you'd like to discuss anything further, please get in touch with
[one of our team](#) or contact us [here](#).

We're here to help DB schemes achieve excellence in endgames, cut through the complexity, identify the right endgame strategy, and help develop and execute a strategy that puts member outcomes at its heart.

Read more on our [Excellence in Endgames hub](#).

Appendix

Value of bulk annuity and longevity swaps since 2009



Source: Data provided by each insurer up to H1 2025 and publicly available information for longevity swaps.

Largest bulk annuity transactions in 2025

This table lists all disclosed 2025 bulk annuity transactions over £200m.

Pension scheme	Provider	Value
1 Ford Motor Company - Ford Hourly Paid Contributory Pension Fund and the Ford Salaried Contributory Pension Fund	L&G	£4,600m
2 The Rolls-Royce UK Pension Fund	PIC	£4,300m
3 Sedgewick Section of the MMC UK Pension Fund	Standard Life	£1,900m
4 Undisclosed	Rothesay	£1,683m
5 BP Pension Fund	L&G	£1,600m
6 Undisclosed	L&G	£1,095m
7 National Grid UK Pension Scheme	Rothesay	£900m
8 Baker Hughes (UK) Pension Plan	PIC	£885m
9 The Honda Group UK Pension Scheme	L&G	£799m
10 Anglo UK / Tarmac "B" / Tarmac "UK" schemes	L&G	£786m
11 The ABB Plan	Aviva	£700m
12 The Wolseley Group Retirement Benefits Plan	Aviva	£600m
13 The Skanska Pension Fund	Standard Life	£525m
14 Undisclosed	Royal London	£360m
15 The Comet Pension Scheme	Canada Life	£330m
16 Cancer Research UK Pension Scheme	Standard Life	£280m
17 Grant Thornton Scheme	Royal London	£270m
18 Morrisons Retirement Saver Plan	Aviva	£270m
19 CF Fertilisers UK (two schemes)	M&G	£265m
20 The Molins UK Pension Fund	Aviva	£250m
21 Ultra Electronics Pension Scheme	Just	£250m
22 Undisclosed	Just	£247m
23 Undisclosed	M&G	£240m
24 Undisclosed	Just	£238m

Alternative Risk Transfer deals since 2023

There have been four known deals completed to date, covering liabilities worth £1.5bn.

Pension scheme	Provider	Value	Date
1 Debenhams Retirement Scheme	Clara-Pensions	£600m	Q1 2024
2 Sears Retail Pension Scheme	Clara-Pensions	£590m	Q4 2023
3 Wates Pension Fund	Clara-Pensions	£210m	Q4 2024
4 Church Mission Society Pension Scheme	Clara-Pensions	£55m	Q2 2025

Source: Data provided by Clara-Pensions and information publicly available.

Longevity swaps – deals since 2009

The following table lists all pension scheme longevity swaps that have been disclosed.

Organisation	Date	Pension schemes	Provider(s)	Approximate value
Babcock	Q3 2009	3	Credit Suisse	£1.2bn
RSA Insurance	Q3 2009	2	Rothesay Life	£1.9bn
Berkshire	Q4 2009	1	Swiss Re	£1.0bn
BMW	Q1 2010	1	Abbey Life	£3.0bn
British Airways	Q3 2010	1	Rothesay Life	£1.3bn
Pall	Q1 2011	1	JP Morgan	£0.1bn
ITV	Q3 2011	1	Credit Suisse	£1.7bn
Rolls Royce	Q4 2011	1	Deutsche Bank	£3.0bn
Pilkington	Q4 2011	1	L&G	£1.0bn
British Airways	Q4 2011	1	Rothesay Life	£1.3bn
Akzo Nobel	Q2 2012	1	Swiss Re	£1.4bn
LV=	Q4 2012	1	Swiss Re	£0.8bn
BAE Systems	Q1 2013	1	L&G	£3.2bn
Bentley	Q2 2013	1	Abbey Life	£0.4bn
Carillion	Q4 2013	5	Deutsche Bank	£1.0bn
AstraZeneca	Q4 2013	1	Deutsche Bank	£2.5bn
BAE Systems	Q4 2013	2	L&G	£1.7bn
Aviva	Q1 2014	1	Own insurer conduit - Munich Re, SCOR Se and Swiss Re	£5.0bn
BT	Q2 2014	1	Own insurer conduit - PICA	£16.0bn
PGL	Q3 2014	1	Own insurer conduit - Phoenix Life	£0.9bn
MNOPF	Q4 2014	1	Own insurer conduit - Pacific Life Re	£1.5bn
ScottishPower	Q4 2014	1	Abbey Life	£2.0bn
AXA UK	Q3 2015	1	Own insurer conduit - RGA	£2.8bn



Table continues on the next page.

Organisation	Date	Pension schemes	Provider(s)	Approximate value
Heineken	Q3 2015	1	Aviva	£2.4bn
RAC (2003)	Q4 2015	1	Own insurer conduit - SCOR Se	£0.6bn
Undisclosed	Q4 2015	1	Zurich	£0.09bn
Serco	Q4 2015	1	Undisclosed	£0.7bn
Pirelli Tyres Limited	Q3 2016	2	Zurich	£0.6bn
Manweb Group	Q3 2016	1	Abbey Life	£1.0bn
Undisclosed	Q4 2016	1	Zurich	£0.05bn
Undisclosed	Q4 2016	1	L&G	£0.9bn
Undisclosed	Q1 2017	1	Zurich	£0.3bn
Skanska	Q2 2017	1	Zurich	£0.3bn
SSE	Q2 2017	1	L&G	£0.8bn
Marsh & McLennan Companies	Q3 2017	1	Own insurer conduit - Canada Life Re and PICA	£3.4bn
British Airways	Q3 2017	1	Own insurer conduit - Canada Life Re and Partner Re	£1.6bn
National Grid	Q2 2018	1	Zurich	£2.0bn
Lafarge	Q3 2018	2	Own insurer conduit - Munich Re	£2.4bn
Undisclosed	Q3 2018	1	L&G	£0.3bn
HSBC	Q3 2019	1	Own insurer conduit - PICA	£7.0bn
HSBC	Q3 2019	1	Own insurer conduit - Swiss Re	£3.5bn
Undisclosed	Q4 2019	1	Zurich	£0.8bn
AXA UK	H2 2019	1	Undisclosed	£0.6bn
Lloyds Banking Group	Q1 2020	3	Scottish Widows - Pacific Life Re	£10.0bn
Willis Towers Watson	Q1 2020	1	Own insurer conduit - Munich Re	£1.0bn
UBS (UK)	Q2 2020	1	Zurich - Canada Life Re	£1.4bn

Table continues on the next page.

Organisation	Date	Pension schemes	Provider(s)	Approximate value
Prudential	Q4 2020	1	Own insurer conduit - Pacific Life Re	£3.7bn
Barclays Bank UK	Q4 2020	1	Own insurer conduit - RGA	£5.0bn
BBC	Q4 2020	1	Zurich - Canada Life Re	£3.0bn
AXA UK	Q1 2021	1	Hannover Re	£3.0bn
Fujitsu	Q2 2021	1	Own insurer conduit - Swiss Re	£3.7bn
Undisclosed	Q2 2021	1	Zurich - PICA	£6.0bn
Undisclosed	Q4 2021	1	Zurich - MetLife	£2.6bn
Lloyds Banking Group	Q1 2022	1	Scottish Widows - SCOR	£5.5bn
Undisclosed	Q2 2022	1	Zurich - Partner Re	£1.0bn
UBS (UK)	Q3 2022	1	Zurich - Canada Life Re	£0.5bn
Balfour Beatty	Q4 2022	1	Zurich - SCOR	£1.7bn
Barclays Bank UK	Q4 2022	1	PICA	£7.0bn
Nationwide	Q2 2023	1	Zurich - PFI	£1.7bn
Yorkshire and Clydesdale Bank (YCB)	Q2 2023	1	Zurich - Pacific Life Re	£1.6bn
BT	H2 2023	1	Reinsurance Group of America	£5.0bn
MMC UK	H2 2023	1	Munich Re	£2.0bn
Merchant Navy Ratings	H2 2024	1	MetLife	£0.45bn
British Airways	H2 2024	1	Zurich - MetLife	£0.34bn
Lloyds Banking Group	H2 2024	1	Rothesay Life and Pacific Life Re	£2.1bn
BT	H2 2024	1	Reinsurance Group of America	£5.0bn
BT	Q1 2025	1	Swiss Re	£5.0bn
Lloyds Banking Group	Q1 2025	1	Rothesay Life, Pacific Life Re and Prudential Financial	£3.0bn
Lloyds Banking Group	Q3 2025	1	Rothesay Life and Prudential Financial	£1.0bn
Lloyds Banking Group	Q4 2025	1	Rothesay Life - reinsurers not named	£3.1bn
Lloyds Banking Group	Q4 2025	1	Rothesay Life - reinsurers not named	£0.7bn
BBC	Q4 2025	1	Zurich - MetLife	£6.0bn
Total to date		72 (deals)		£176.1bn

Highlighted blue transactions were completed in 2025.

Source: Data provided by insurers and information publicly available.

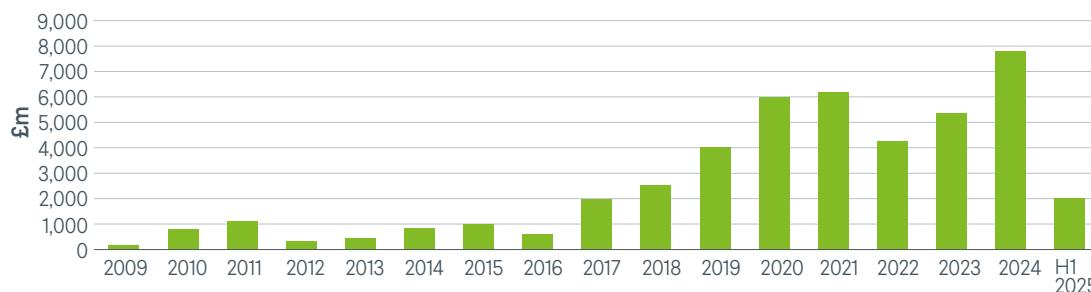
Aviva

2009 to end of H1 2025

Risk Transfer deals tracker

Transactions completed	Value of transactions	Average transaction size	Market share	Number of transactions	Average transaction size
812	£45,714m	£56m	18%	68	£111m

Volume of DB annuity transactions



Twelve months ending 30 June 2025

Risk Transfer deals tracker

Market share	Number of transactions	Average transaction size
18%	68	£111m

Annuity asset allocation



Bonds and other debt	29%
Commercial mortgages and healthcare	11%
Equity release	13%
Infrastrucutre (PFI and non-PFI)	18%
Gilts and cash	16%
Private placements	6%
Other	8%

Source: Provided by Aviva as at 31 December 2024

External ratings:

Aviva Life & Pensions UK Ltd

B+ October 2025 AKG Financial Strength Rating	AA- October 2025 Fitch Credit Rating	240 <i>including internal support, administration and pricing teams</i> Team size	In-house Administration
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Recent developments

Recent notable transactions include a £700m buy-in with ABB Plan in July 2025 and a £600m buy-in with Woseley Group in September 2025.

Blumont

2009 to end of H1 2025

Risk Transfer deals tracker

Transactions completed	Value of transactions	Average transaction size	Market share	Number of transactions	Average transaction size
2	£4m	£2m	0%	2	£2m

Volume of DB annuity transactions



17
Team size

Blumont is supported
by Brookfield for its
asset team

XPS

Administration

Recent developments

On 3 March 2025 Brookfield Wealth Solutions announced that it is entering the UK bulk annuity market under the Blumont annuity brand.

On 31 July 2025 it was announced that Brookfield Wealth Solutions had agreed to acquire Just, with an expectation that Blumont will be merged into the Just Group.

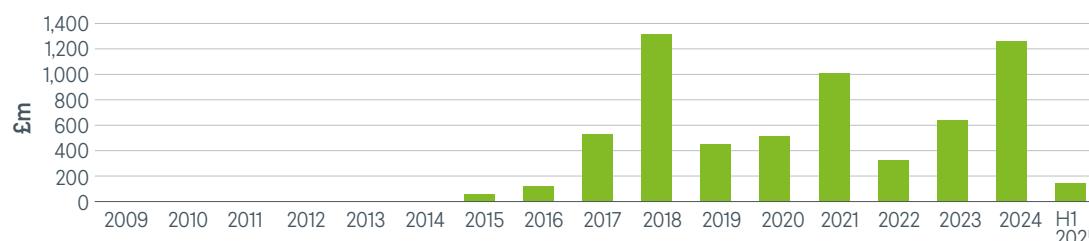
Canada Life

2009 to end of H1 2025

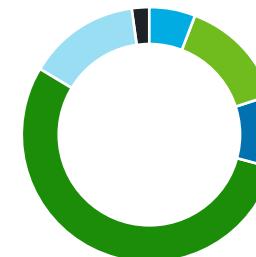
Risk Transfer deals tracker

Transactions completed	Value of transactions	Average transaction size	Market share	Number of transactions	Average transaction size
63	£6,401m	£102m	2%	8	£108m

Volume of DB annuity transactions



Annuity asset allocation



Cash & cash equivalent	6%
Commercial mortgages	14%
Derivatives	0%
Equity release mortgage	9%
Government bonds	54%
Private placements lease and finance arrangements	14%
Real estate	2%

Source: Provided by Canada Life as at 31 December 2025

External ratings:

Canada Life Ltd (Insurer credit rating)

B+ November 2025	AA October 2025	c.75	Aptia
AKG Financial Strength Rating	Fitch Credit Rating		

Recent developments

- On 1 September 2025 Emma Watkins became the new CEO of Canada Life UK. Emma had most recently been Managing director, Retirement and Longstanding at Scottish Widows.
- Notable transactions in 2025 include a £330m buy-in with the Comet Pension Scheme.

Source: data provided by insurer and information publicly available

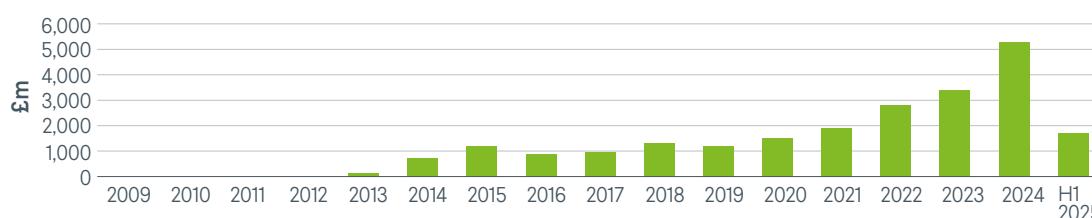
Just

2009 to end of H1 2025

Risk Transfer deals tracker

Transactions completed	Value of transactions	Average transaction size	Market share	Number of transactions	Average transaction size
560	£23,191m	£41m	12%	135	£38m

Volume of DB annuity transactions

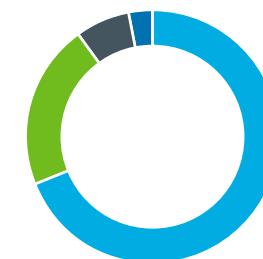


Twelve months ending 30 June 2025

Risk Transfer deals tracker

Market share	Number of transactions	Average transaction size
12%	135	£38m

Annuity asset allocation

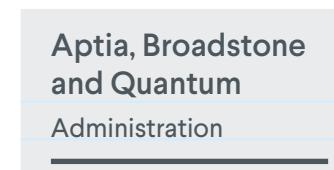
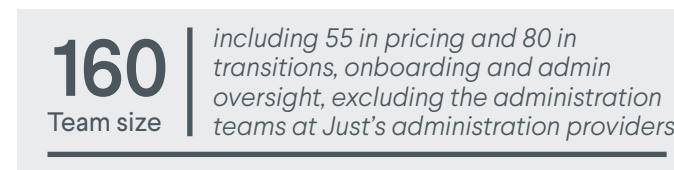


Corporate/government bonds	69%
Lifetime mortgages	21%
Liquidity funds	7%
Other assets	3%

Source: Provided by Just half year results, 30 June 2025

External ratings:

Just Retirement Limited (Insurer credit rating)



Recent developments

Just have completed more transactions over the year to 30 June 2025 than any other insurer.

Source: data provided by insurer and information publicly available

Brookfield Wealth Solutions (BWS) agreed to acquire Just Group in a £2.4bn deal announced on 31 July 2025, expected to complete in H1 2026 (pending regulatory approval). Following completion, it is expected that Blumont and Just will be merged into a single insurance group, operating under the Just brand.

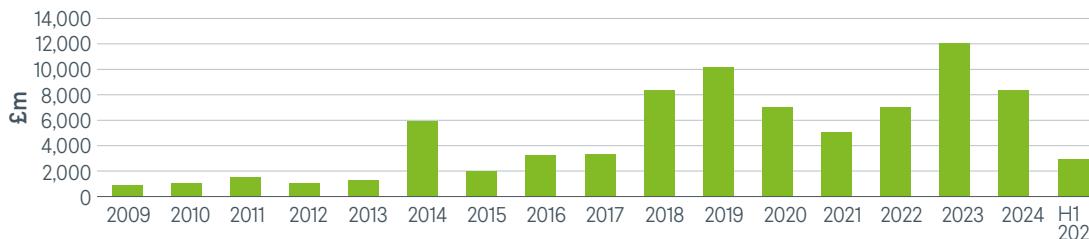


2009 to end of H1 2025

Risk Transfer deals tracker

Transactions completed	Value of transactions	Average transaction size	Market share	Number of transactions	Average transaction size
900	£82,111m	£91m	25%	49	£216m

Volume of DB annuity transactions



Annuity asset allocation

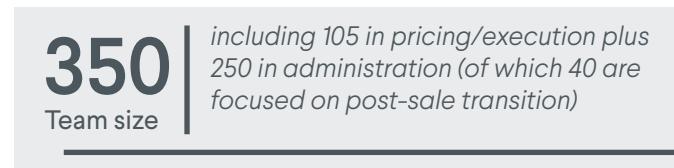


Bonds	57%
Cash	1%
Derivative assets	34%
Equities	1%
Loans	2%
Property	4%
Other assets	2%

Source: Provided by L&G half year results as at 30 June 2025

External ratings:

L&G Assurance Society Ltd (Insurer credit rating)



Recent developments

L&G announced that its smaller scheme solution, Flow, has now secured over £1bn of pension scheme liabilities, including £360m written during 2025.

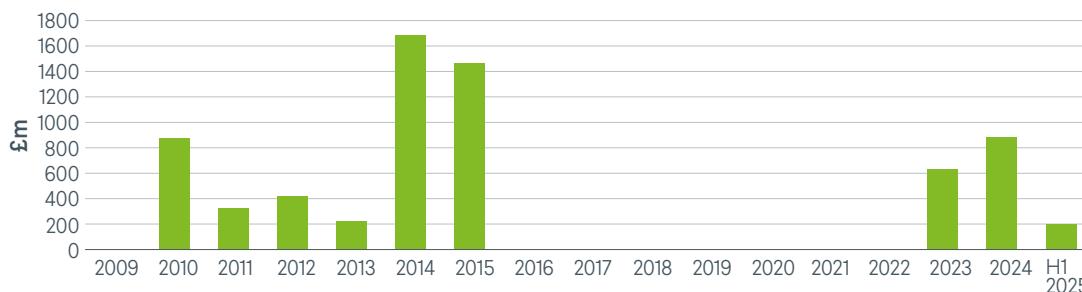
Notable transactions include three larger than £1bn: £4.6bn with Ford Motor Company, £1.6bn with BP Pension Fund and £1.1bn with an undisclosed scheme.



2009 to end of H1 2025
Risk Transfer deals tracker

Transactions completed	Value of transactions	Average transaction size	Market share	Number of transactions	Average transaction size
27	£6,847m	£254m	2%	3	£272m

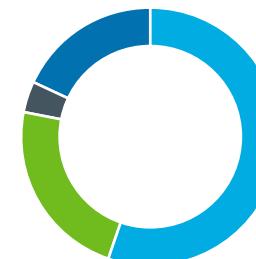
Volume of DB annuity transactions



Twelve months ending 30 June 2025
Risk Transfer deals tracker

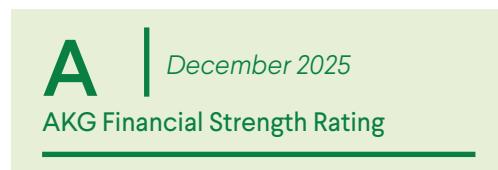
Market share	Number of transactions	Average transaction size
2%	3	£272m

Annuity asset allocation



Source: M&G plc Interim report HY 25 as at 30 June 2025

External ratings:
The Prudential Assurance Society Limited



Recent developments

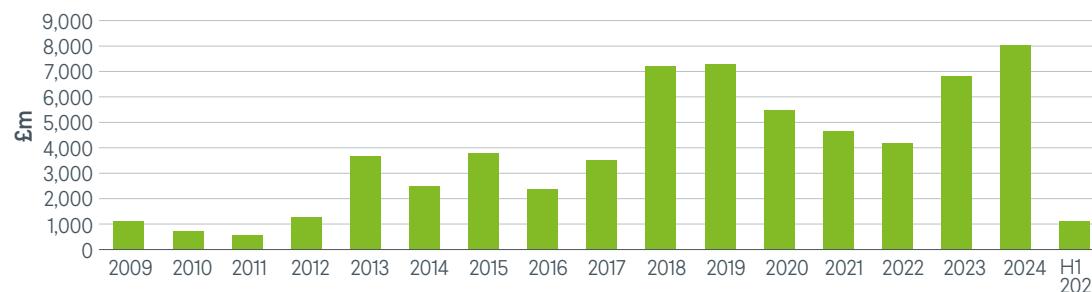
Notable transactions include a £265m buy-in with CF Fertilisers UK and a £240m buy-in with an undisclosed scheme.

2009 to end of H1 2025

Risk Transfer deals tracker

Transactions completed	Value of transactions	Average transaction size	Market share	Number of transactions	Average transaction size
294	£65,193m	£222m	14%	24	£222m

Volume of DB annuity transactions



Twelve months ending 30 June 2025

Risk Transfer deals tracker

Transactions completed	Value of transactions	Average transaction size	Market share	Number of transactions	Average transaction size
24	£222m	£222m	14%	24	£222m

Annuity asset allocation



Source: Provided by PIC half year results as at 30 June 2025

External ratings:

PICT plc (Insurer credit rating)

B+ July 2025 AKG Financial Strength Rating	A+ August 2025 Fitch Credit Rating	174 Team size 34 in origination, 17 in internal transitions team and 55 in operations, plus a ringfenced team of 68 at Capita	Capita Administration
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Recent developments

Athora Holding Limited agreed to acquire PICT in July 2025. Athora is a leading pan-European savings and retirement services group with €76bn of assets under management. PICT will be 45% of Athora's total assets under management.

Source: data provided by insurer and information publicly available

Notable transactions include a £4.3bn buy-in with the Rolls Royce UK Pension Fund and an £885m buy-in with Baker Hughes (UK) Pension Plan.

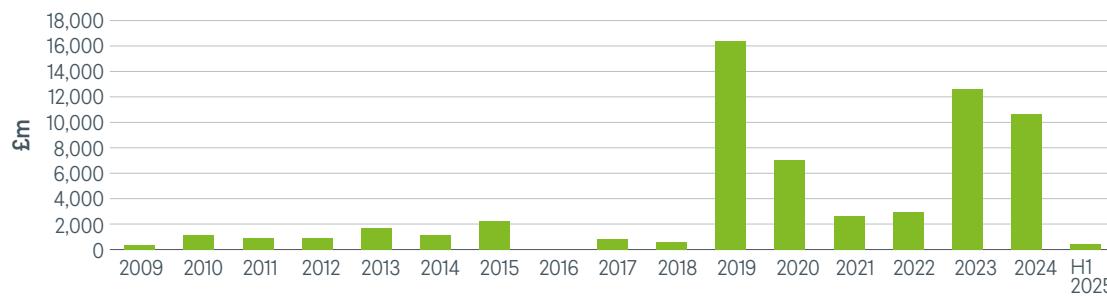
Rothesay

2009 to end of H1 2025

Risk Transfer deals tracker

Transactions completed	Value of transactions	Average transaction size	Market share	Number of transactions	Average transaction size
103	£64,078m	£622m	15%	9	£716m

Volume of DB annuity transactions

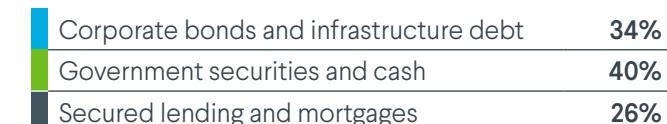


Twelve months ending 30 June 2025

Risk Transfer deals tracker

Market share	Number of transactions	Average transaction size
15%	9	£716m

Annuity asset allocation



Source: Provided by Rothesay half year results as at 30 June 2025

External ratings:

Rothesay Life plc (Insurer credit rating)



In-house administration during the buy-in period. Outsourced to one of WTW, Aptia, Capita or Brightwell at the point of buy-out Administration

Recent developments

Notable transactions include a £1.7bn buy-in with an undisclosed scheme and a £900m buy-in with National Grid UK Pension Scheme. Lloyds Banking Group Pension Trustees entered into three longevity swaps totalling £4.8bn, with all three transaction structured as insurance policies with Rothesay.

Rothesay have announced a partnership with Nest, which will see Rothesay provide bulk deferred annuities for DC Nest members.

Royal London

2009 to end of H1 2025

Risk Transfer deals tracker

Transactions completed	Value of transactions	Average transaction size	Market share	Number of transactions	Average transaction size
13	£1,434m	£110m	2%	11	£76m

Volume of DB annuity transactions

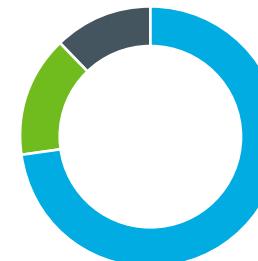


Twelve months ending 30 June 2025

Risk Transfer deals tracker

Transactions completed	Value of transactions	Average transaction size	Market share	Number of transactions	Average transaction size
11	£76m		2%		

Annuity asset allocation

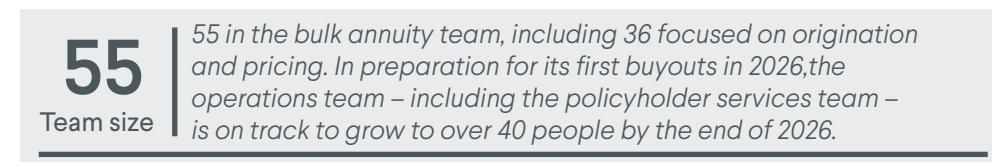


Corporate bonds	73%
Cash, gilts and derivatives	15%
Commercial real estate loans and private placement loans	12%

Source: Provided by Royal London interim financial results 2025 as at 30 June 2025

External ratings:

Royal London



Recent developments

Notable transactions include a £360m buy-in with the Royal London Group Pension Scheme and a £270m buy-in with the Grant Thornton Pensions Fund.

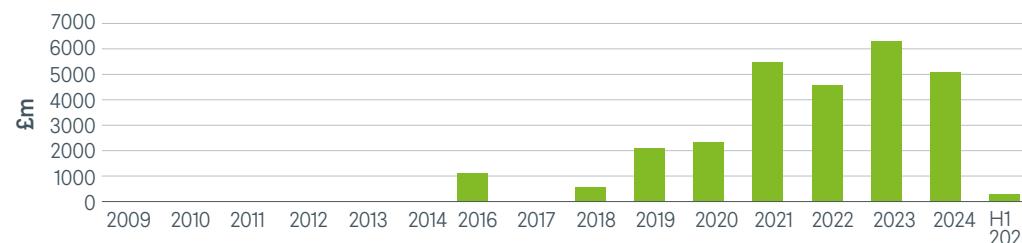
Standard Life

2009 to end of H1 2025

Risk Transfer deals tracker

Transactions completed	Value of transactions	Average transaction size	Market share	Number of transactions	Average transaction size
68	£28,488m	£419m	9%	11	£354m

Volume of DB annuity transactions



External ratings:

Phoenix Life Limited trading as Standard Life (Insurer credit rating)

A	November 2025
AKG Financial Strength Rating	

AA-	September 2025
Fitch Credit Rating	

Twelve months ending 30 June 2025

Risk Transfer deals tracker

Market share	Number of transactions	Average transaction size
9%	11	£354m

Annuity asset allocation



Cyclical	3%
Equity release mortgages	12%
Financials	11%
Gilts/sovereigns/supra/sub-sovereign	35%
Non-cyclical	18%
Real estate	16%
Other	4%

Source: Provided by Standard Life half year results as at 30 June 2025

Recent developments

Notable recent transactions include a £1.9bn buy-in with the Sedgewick Section of the MMC UK Pension Fund and a £525m buy-in with the Skanska Pension Fund.

250	Team size
working on bulk purchase annuities at Standard Life – 30 of which are in pricing and 72 of which are in admin	

Equiniti	Administration

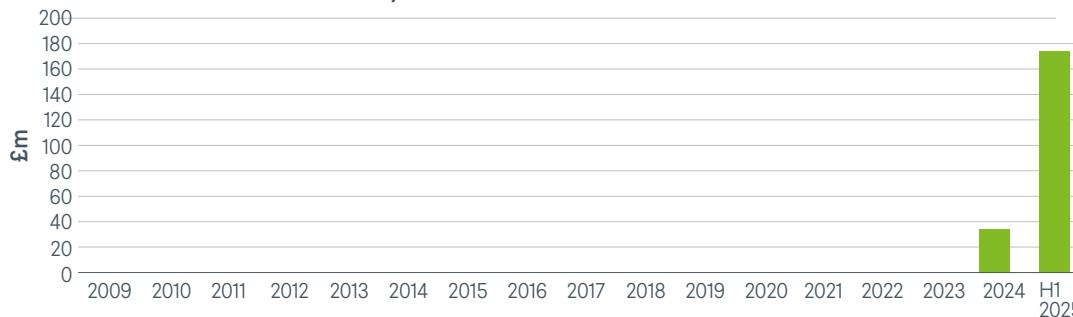
Utmost Life and Pensions

2009 to end of H1 2025

Risk Transfer deals tracker

Transactions completed	Value of transactions	Average transaction size	Market share	Number of transactions	Average transaction size
6	£215m	£36m	1%	6	£36m

Volume of DB annuity transactions

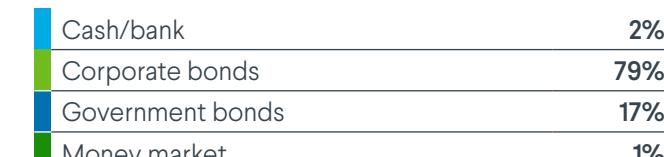


Twelve months ending 30 June 2025

Risk Transfer deals tracker

Market share	Number of transactions	Average transaction size
1%	6	£36m

Annuity asset allocation



Source: Provided by insurer as at 31 December 2025

External ratings:

Utmost Life and Pensions Limited

B September 2024 AKG Financial Strength Rating	21 Team size	12 in pricing and business development, 6 in transitions and buy-in admin, and 3 in buy-out admin. First buy-out expected in March 2026. The in-house administration team is to be supplemented by resources already in the business.
In-house Administration		

Recent developments

Utmost Group plc announced the sale (subject to regulatory approval) of its bulk purchase annuity business, Utmost Life and Pensions (“ULP”), to JAB Insurance on 22 December 2025.

This communication has been compiled by Hymans Robertson LLP, and is based upon their understanding of events as at January 2026 and therefore may be subject to change. For further information, or to discuss any matter raised, please speak to your usual contact at Hymans Robertson LLP or one of the contacts named in this update. The update is general in nature, it doesn't provide a definitive analysis of the subject matter covered and it's not specific to the circumstances of any particular employer or pension scheme. The information it contains is not to be construed as investment advice and should not be considered a substitute for specific advice in relation to individual circumstances. Where the subject of this update refers to legal issues, please note that Hymans Robertson LLP is not legally qualified to give legal opinions; therefore, you may wish to obtain legal advice. Hymans Robertson LLP accepts no liability for errors or omissions.

Derivatives

All forms of derivatives can provide significant benefits, but may involve a variety of significant risks. Derivatives, both exchange traded and OTC, include options, forwards, swaps, swaptions, contracts for difference, caps, floors, collars, combinations and variations of such transactions, and other contractual arrangements (including warrants) which may involve, or be based upon one or more of interest rates, currencies, securities, commodities, and other underlying interests.

The specific risks presented by a particular derivative transaction depends upon the terms of that transaction and your circumstances. It is important you understand the nature of these risks before entering into a derivative contract.

In general, however, all derivatives involve risk including (amongst others) the risk of adverse or unanticipated developments of a market, financial or political nature or risk of counter-party default.

In addition, you may be subject to operational risks in the event that your manager(s) does not have in place appropriate legal documentation or internal systems and controls to monitor exposures of this nature.

In particular, we draw your attention to the following:

- Small changes in the price of the underlying security can lead to a disproportionately large movement, unfavourable or favourable, in the price of the derivative.
- Losses could exceed the amount invested. There may be a total loss of money/premium. Further, an investor may be called on to make substantial additional payments at short notice. Failure to do so in the time required can result in additional loss.
- The right to subscribe is invariably time limited; if such a right is not exercised within the pre-determined timescale, the derivative may be rendered worthless.
- Not all derivatives are liquid (that is, they may be difficult or, at times, impossible to value or sell). You may incur substantial costs if you wish to close out your position. OTC derivatives in particular can introduce significant liquidity risk and other risk factors of a complex character.
- OTC derivatives may result in exposure to the creditworthiness of the derivative counter-party.
- Derivatives used as part of 'protection' strategies may still expose the investor to an unavoidable difference between the underlying asset (or other interest) and the protection offered by the derivative.

General Investment Risk Warning

Please note the value of investments, and income from them, may fall as well as rise. This includes but is not limited to equities, government or corporate bonds, derivatives and property, whether held directly or in a pooled or collective investment vehicle. Further, investments in developing or emerging markets may be more volatile and less marketable than in mature markets.

Exchange rates may also affect the value of investments. As a result, an investor may not get back the full amount of the original investment. Past performance is not necessarily a guide to future performance.