



PFI

# REINSURERS' VIEW THE GLOBAL DE-RISKING MARKET

Longevity 20

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# MEGA TRENDS IN GLOBAL RETIREMENT AND INSURANCE



## LEGISLATIVE CHANGES

- New capital rules for insurers
- Pension reform and transition from DB to DC



## CONVERGENCE OF INSURANCE AND ASSET MANAGEMENT

- Vertically Integrated Players like Apollo-Athene
- Ecosystem-oriented players like Blackstone (e.g., Corebridge, F&G, Resolution, Legal & General)

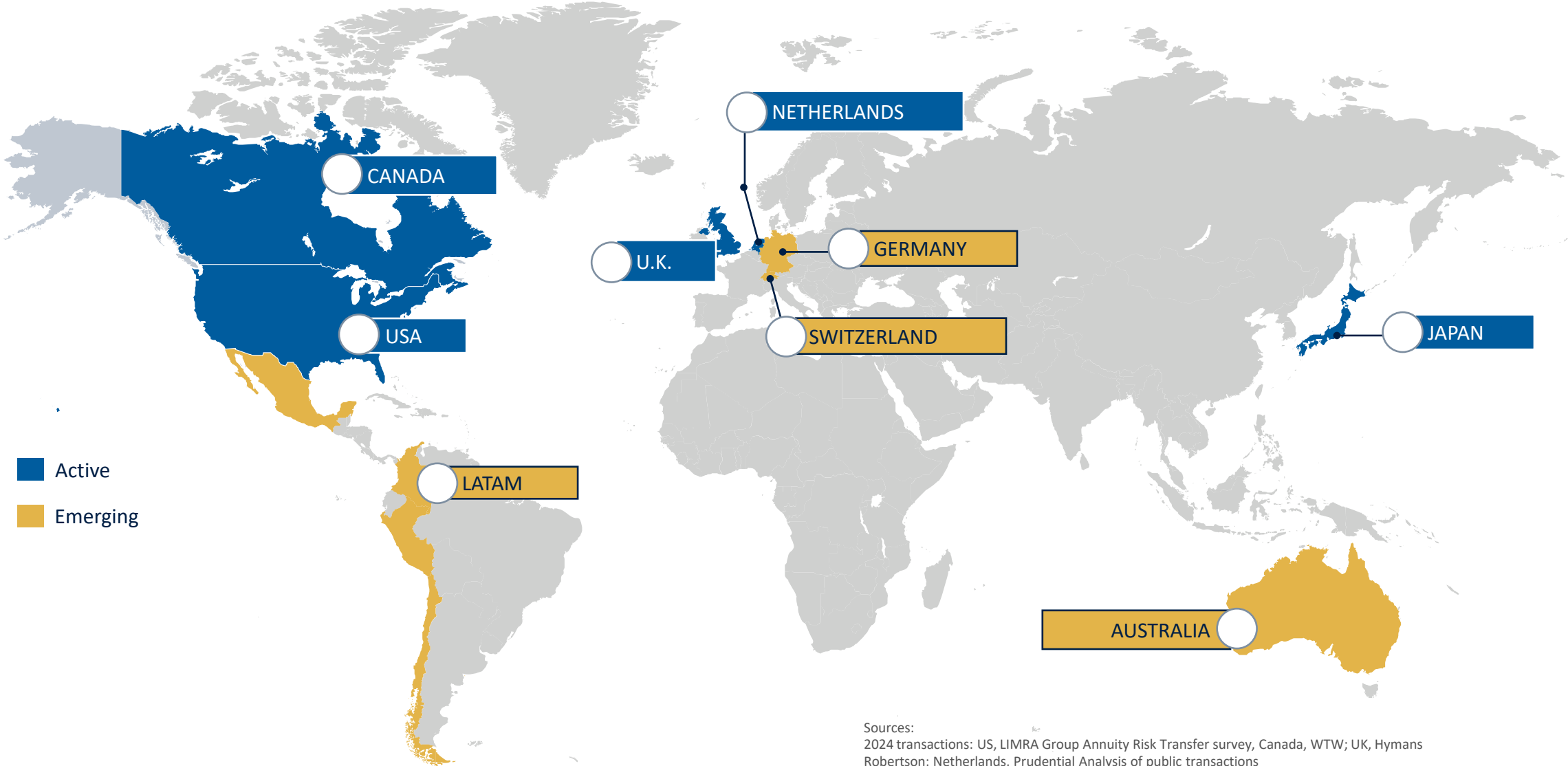


## GREATER FOCUS ON RISK MANAGEMENT



## NEED FOR LIFETIME INCOME SOLUTIONS

# DE-RISKING HAS BECOME A GLOBAL TREND



Sources:  
2024 transactions: US, LIMRA Group Annuity Risk Transfer survey, Canada, WTW; UK, Hymans Robertson; Netherlands, Prudential Analysis of public transactions  
Total Market Size: Thinking Ahead Institute. Global Pension Assets Study 2024. US excludes \$11.7T in IRAs, Switzerland includes only autonomous pension funds, Germany shows assets from company pension schemes only.

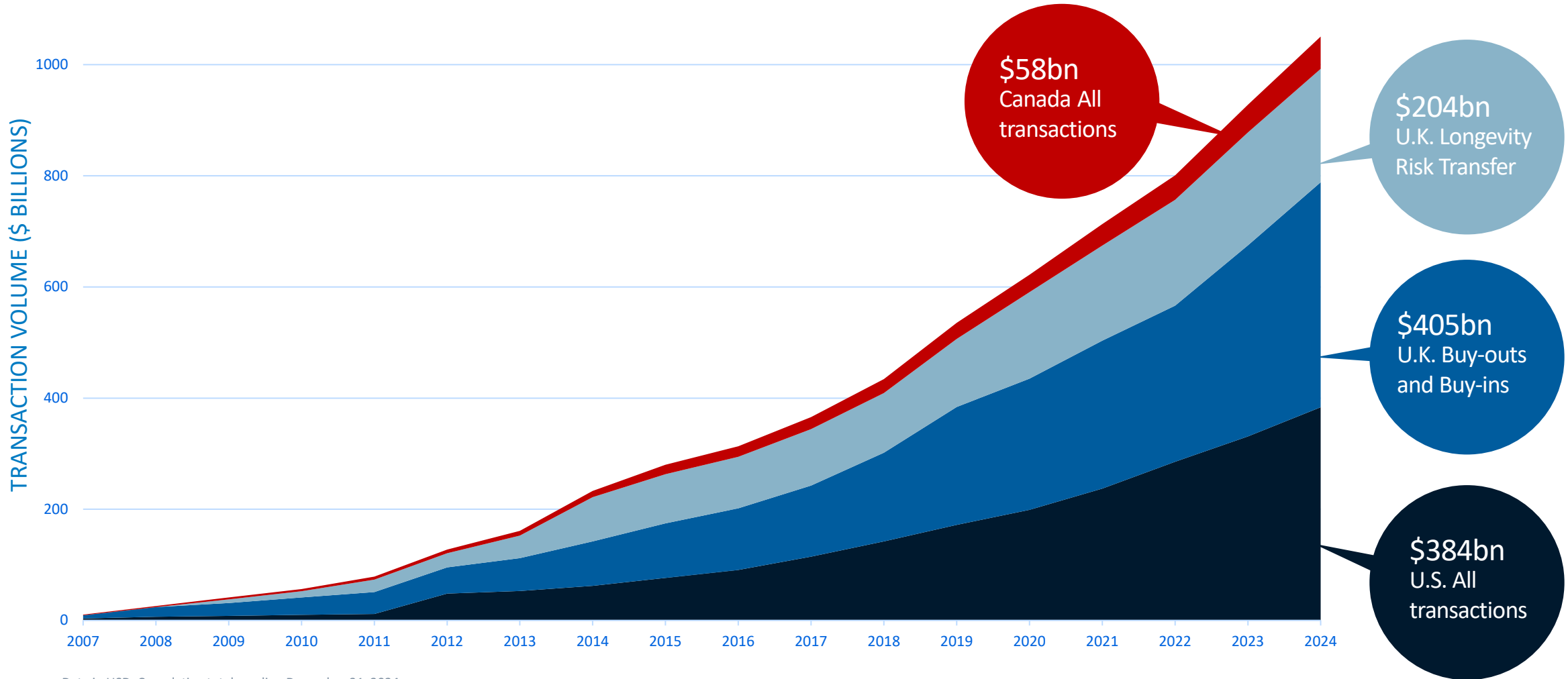




# ESTABLISHED MARKETS: U.S., U.K., & CANADA



# SINCE 2007, THERE HAVE BEEN MORE THAN \$1 TRILLION IN PENSION RISK TRANSFER TRANSACTIONS IN THE U.S., THE U.K. AND CANADA ALONE



Data in USD. Cumulative totals ending December 31, 2024.

Sources: LIMRA, Hymans Robertson, WTW, and Prudential Financial, Inc. (PFI) analysis of FY 2024.

Canada: <https://www.wtwco.com/en-ca/insights/2024/02/group-annuity-market-pulse-fourth-quarter-2023>

UK: [https://www.hymans.co.uk/media/uploads/Buy-outs,\\_buy-ins\\_and\\_longevity\\_hedging\\_-\\_H2\\_2023\\_Report.pdf](https://www.hymans.co.uk/media/uploads/Buy-outs,_buy-ins_and_longevity_hedging_-_H2_2023_Report.pdf)

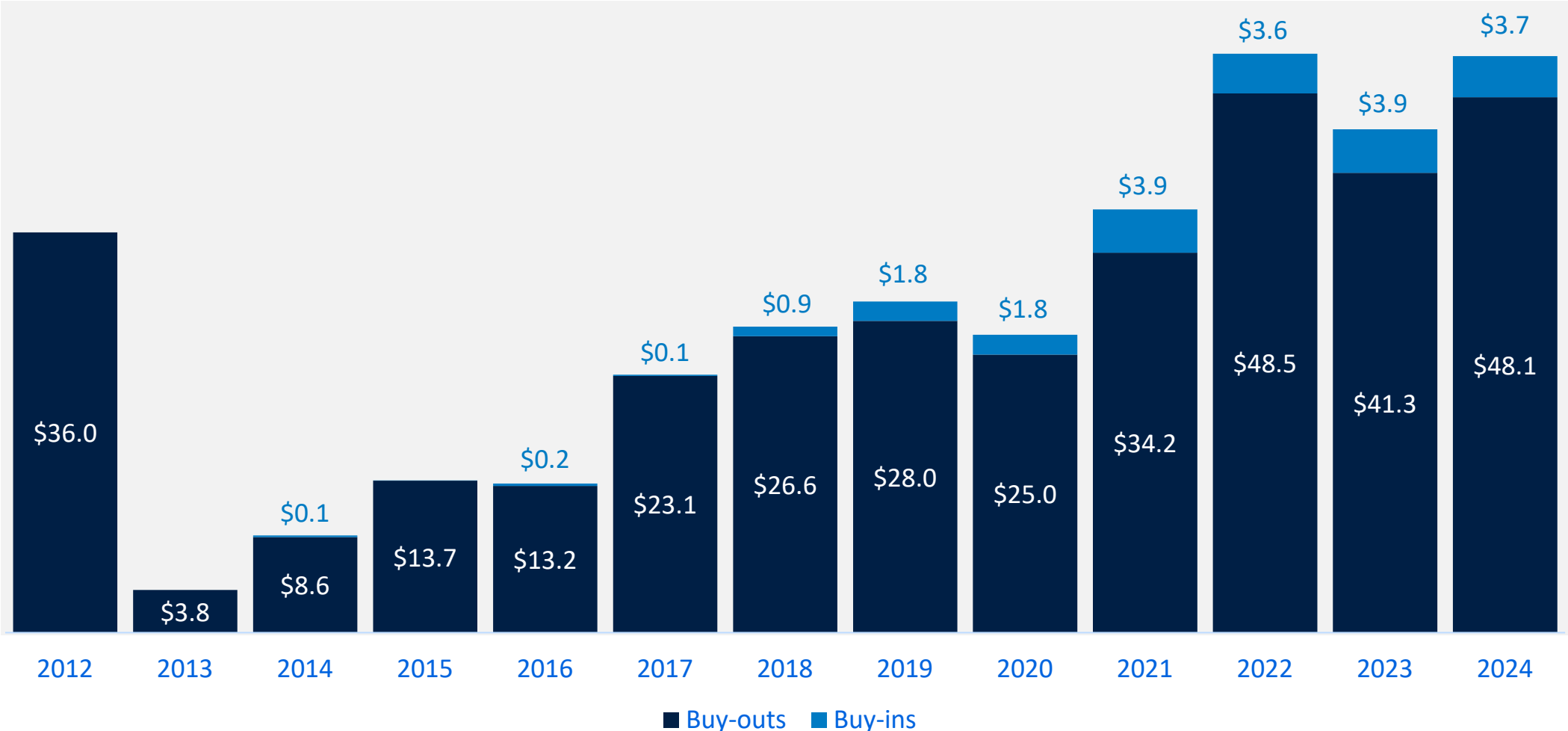
Conversion Rates - UK:USD = 1.27, CAD:USD = 0.73



# U.S. ACTIVITY REMAINED HIGH IN 2024

Plan sponsors see advantageous conditions as the doorway to plan termination

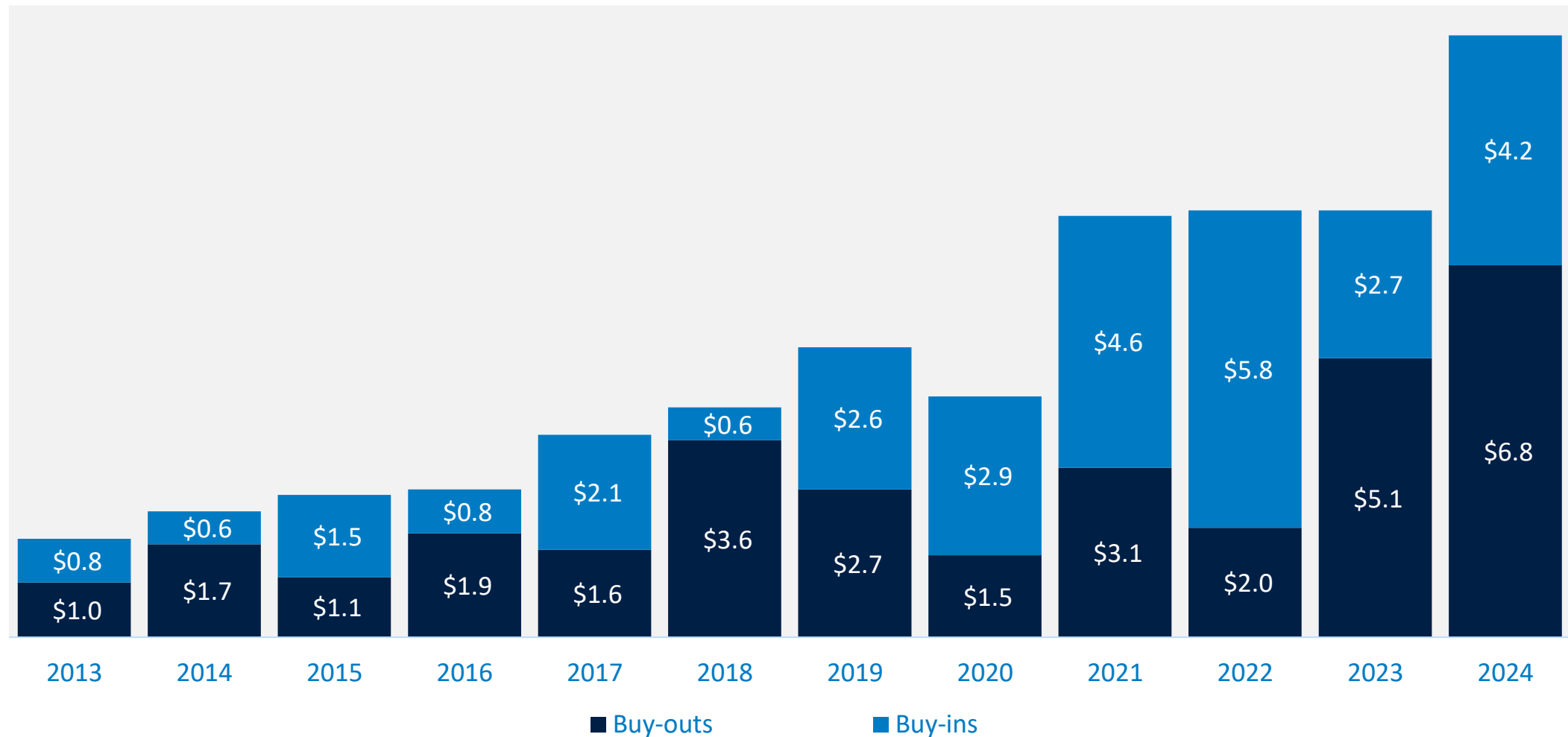
U.S. total transaction volume (USD\$ Billions)



Source: LIMRA, U.S. Group Annuity Risk Transfer Survey, fourth quarter 2024.

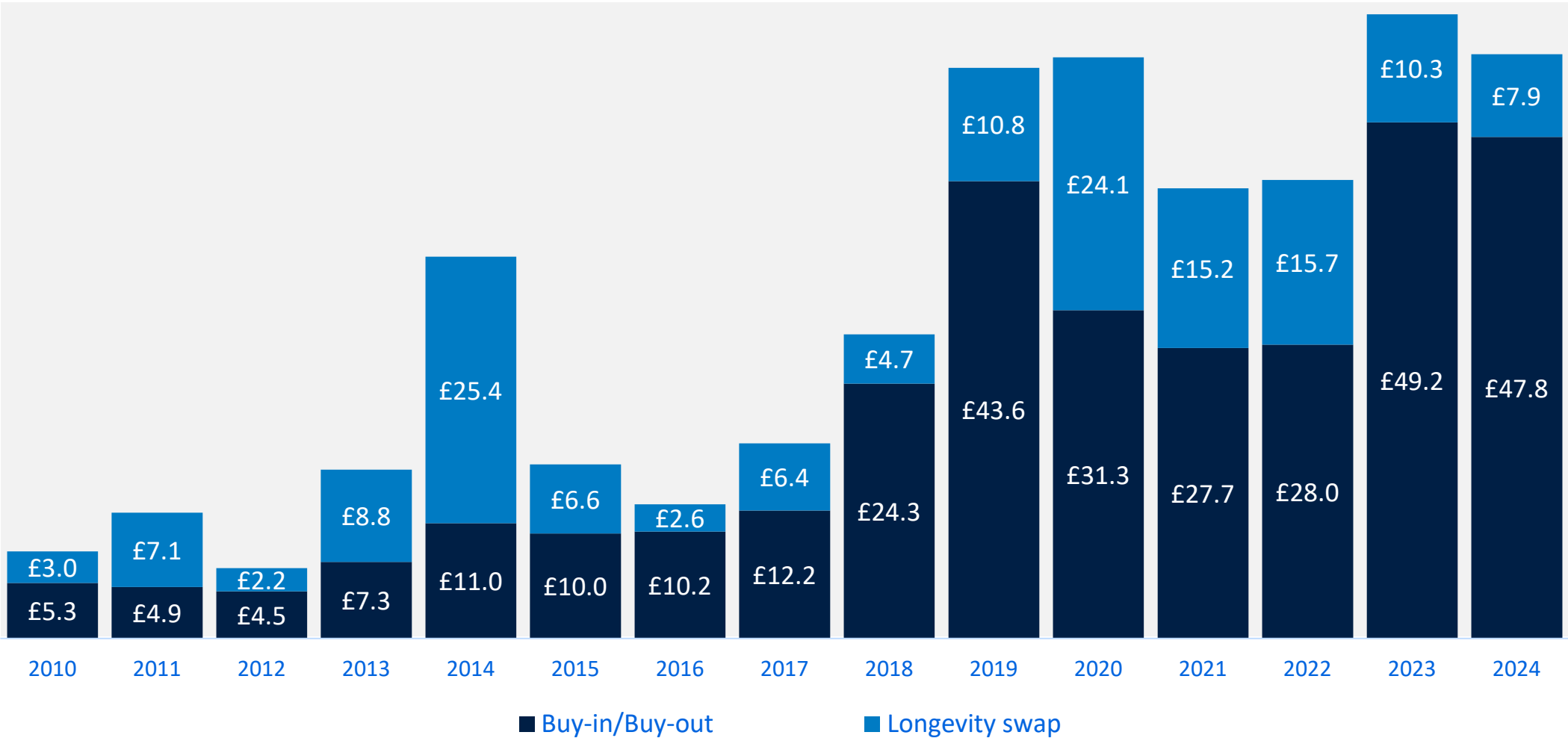
# ACTIVITY IN CANADA HAS INCREASED GRADUALLY

Canada total transaction volume (CAD\$ Billions)



# U.K. PENSION PLANS' DE-RISKING JOURNEYS CONTINUE TO DRIVE DEMAND

U.K. total transaction volume (£ Billions)

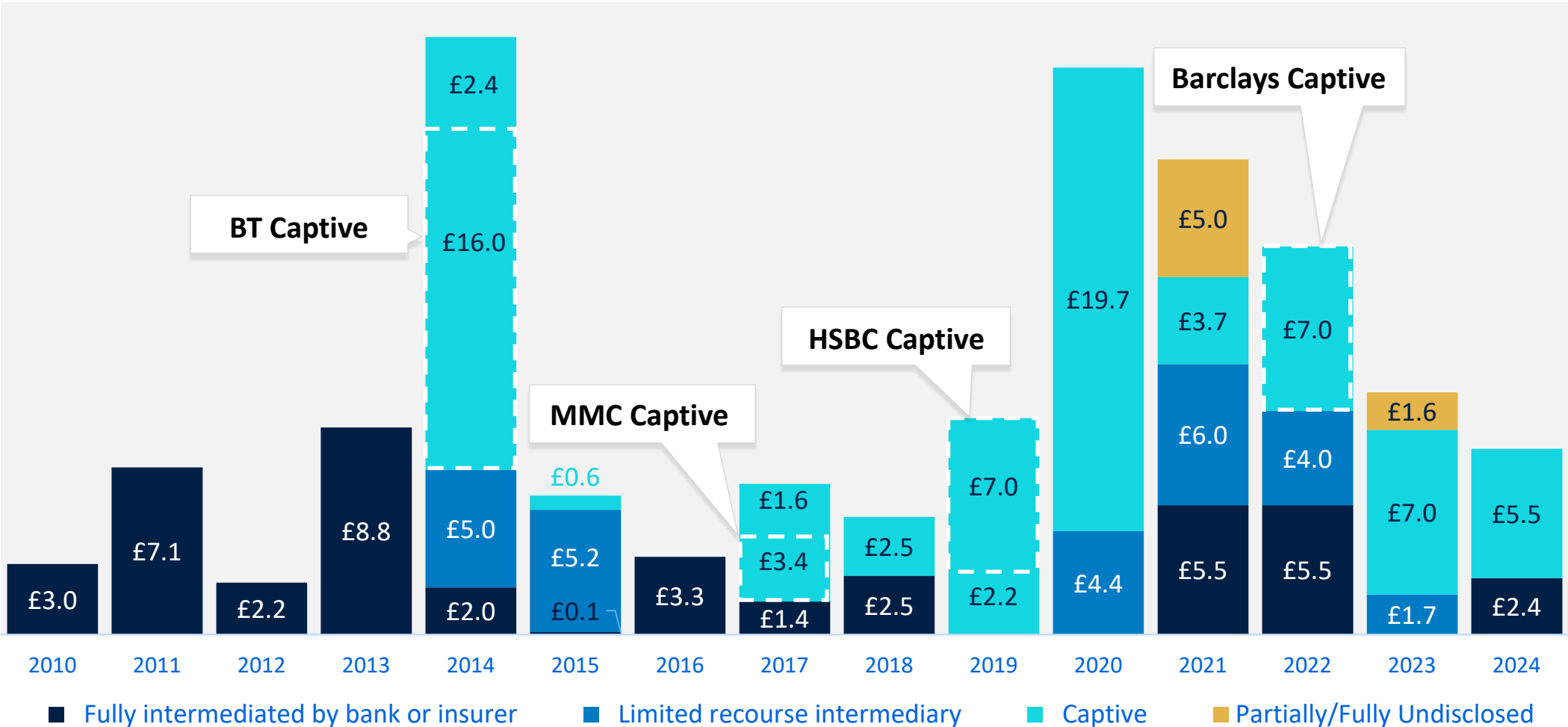


Source: Hymans Robertson and PFI analysis of announced transactions, as of March 2025

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# U.K. PENSION PLANS' DE-RISKING JOURNEYS CONTINUE TO DRIVE DEMAND

U.K. longevity swap transaction volume (£ Billions)



Source: Hymans Robertson and PFI analysis of announced transactions, as of March 2025

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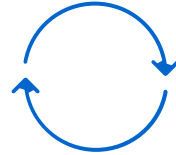
# EUROPE: THE NETHERLANDS & GERMANY



# THE NETHERLANDS MARKET IS NASCENT BUT GROWING

**€330bn**

**IN CORPORATE DB  
ASSETS**



**PENSION REFORM  
ACCELERATING DC  
TRANSITION**

**PRT VOLUME HAS  
INCREASED IN LAST 12  
MONTHS**



**REINSURANCE OF INSURER  
BACKBOOK REMAINS  
ROBUST**

**€69BN IN TRANSACTIONS  
2019-2025**



**DATA QUALITY NEEDS  
IMPROVEMENT**

**MISSING DATA WILL RESULT  
IN AN INCREASE IN PRICE**

**BIDDING PROCESS CAN  
BECOME MORE  
STREAMLINED**

# GERMAN PRT MARKET STILL IN EARLY DEVELOPMENT

- ❖ €600-800B IN CORPORATE PENSION ASSETS; PLANS ARE NOT AS WELL FUNDED AS IN THE U.K. AND U.S.
- ❖ NO INSURER-LED MARKET FOR PRT
- ❖ 3 CONSOLIDATORS HAVE EMERGED TO CLOSE THE GAP
- ❖ “M&A” LIKE APPROACH IS UNPROVEN, BUT STARTING TO GENERATE VOLUME AND INTEREST
- ❖ ONLY A FEW DEALS (€1B TOTAL) ACROSS PLAYERS
- ❖ ACCOUNTING AND REGULATORY CHALLENGES ARE AN IMPEDIMENT TO TRANSFER RISK



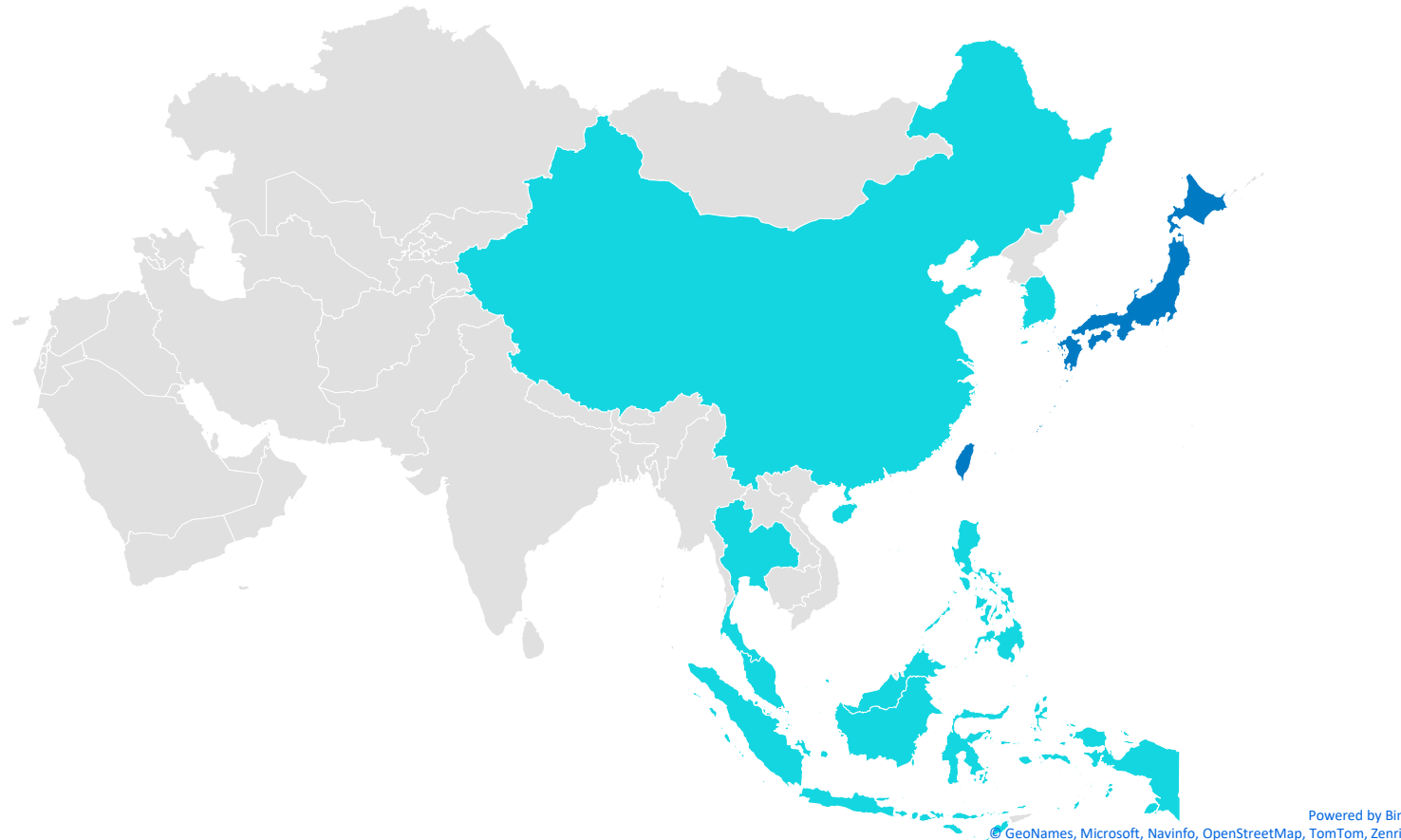


# ASIA PACIFIC



# RISK BASED CAPITAL REGIMES ARE BEING ADOPTED ACROSS APAC

## THE MOVE TOWARD RISK-BASED CAPITAL REGIMES



### ■ RBC 1: FACTOR-BASED

Japan (ESR by YE 2025)

Taiwan (ICS in 2026)

### ■ RBC 2: SCENARIO-BASED

Singapore

South Korea

Thailand

Malaysia

Philippines

Indonesia

China

Hong Kong

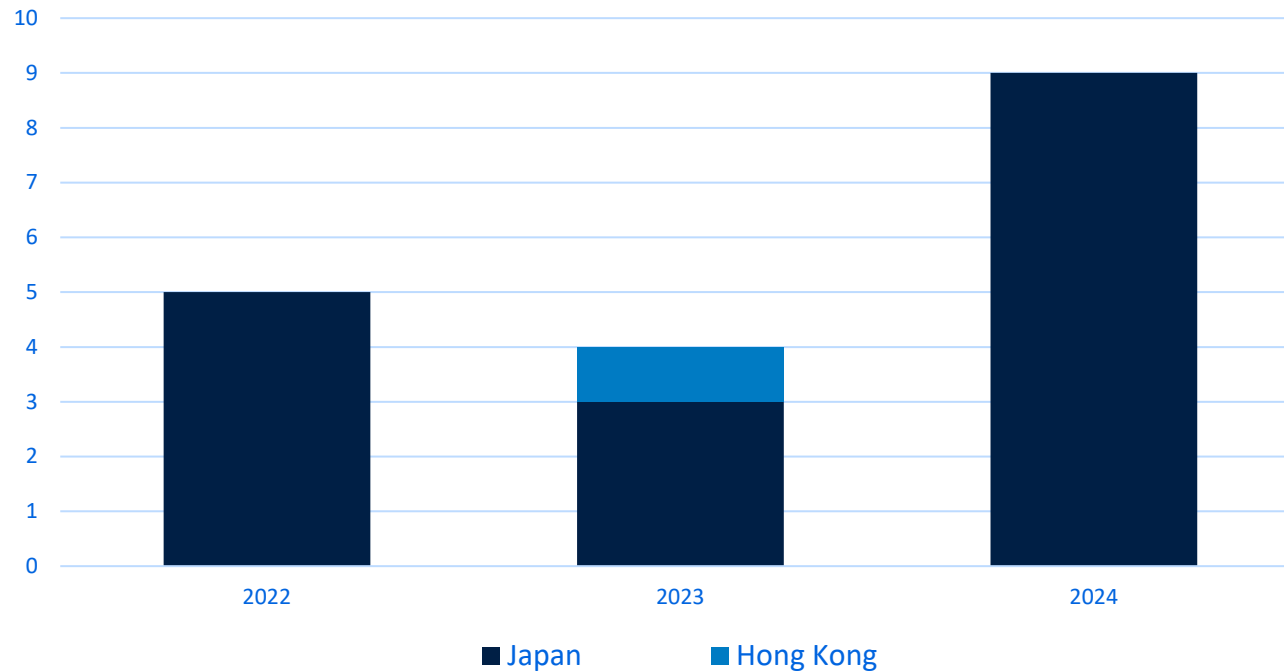
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# ...RESULTING IN INCREASED TRANSACTION VOLUME

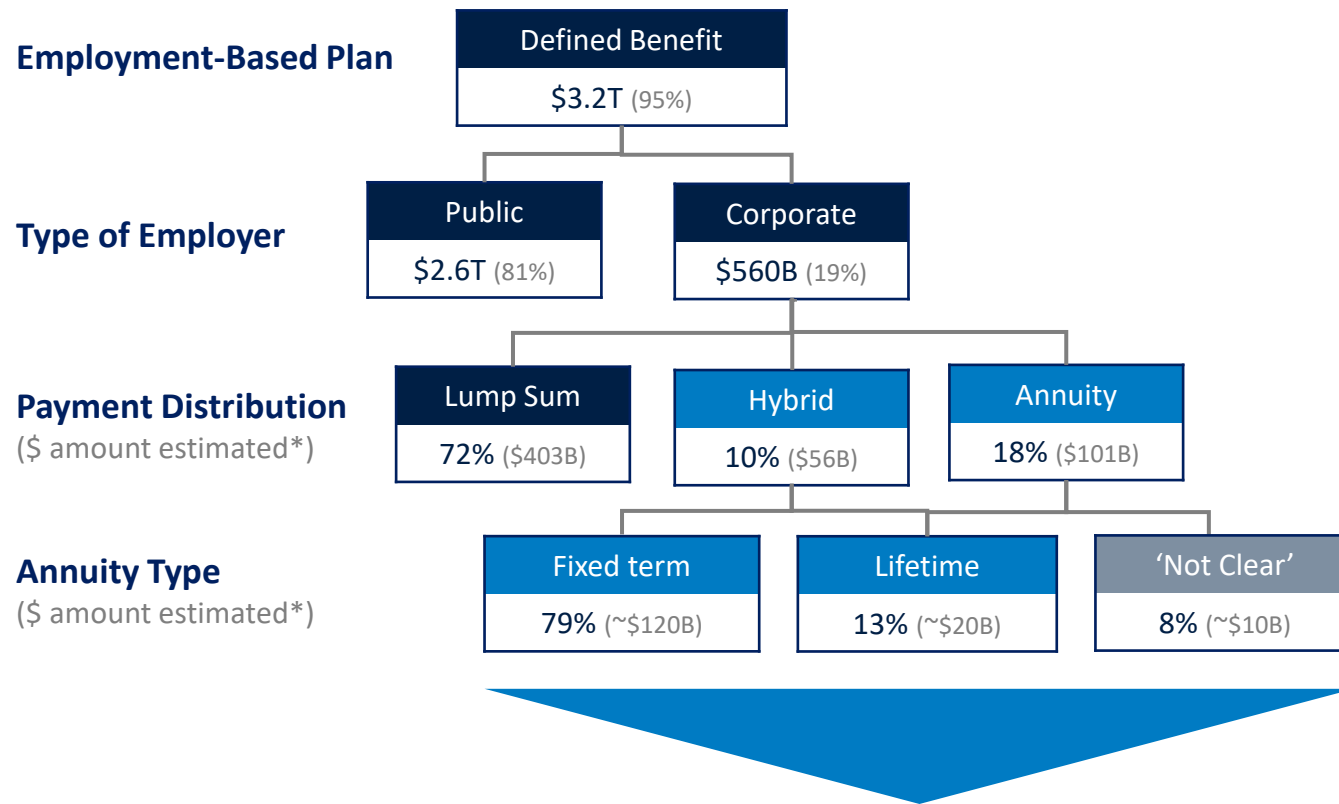
ANNUITY REINSURANCE TRANSACTIONS



- ❖ 2024 WAS A BREAKOUT YEAR FOR TRANSACTIONS IN JAPAN
- ❖ MOST TRANSACTIONS ARE FLOW REINSURANCE OF TERM ANNUITIES (FA AND FIA)
- ❖ JAPANESE INSURERS HAVE ALSO INVESTED IN BERMUDA BASED SIDECARS

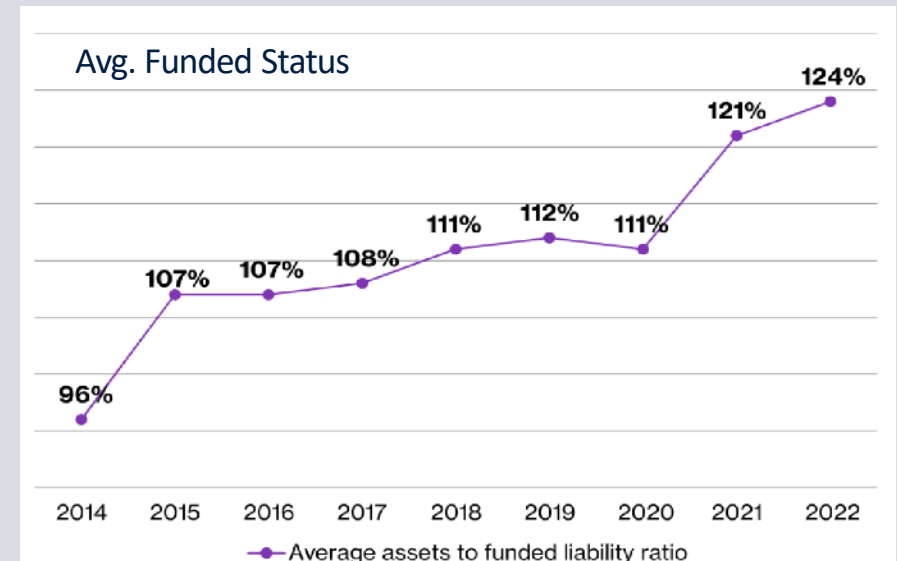


# JAPANESE DB MARKET HAS NOT SEEN RISK TRANSFER ACTIVITY



**\$100-150B IN POTENTIAL CORPORATE PENSION PAYMENTS,  
<15% (OR ~\$20B) IN THE FORM OF A LIFE ANNUITY**

**CORPORATE DB PLANS ARE AT THEIR HIGHEST FUNDING LEVEL IN YEARS...**





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# THANK YOU

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