PFI

TRENDS IN GLOBAL DE-RISKING

Longevity 21

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Head of International Reinsurance Business

September 2026

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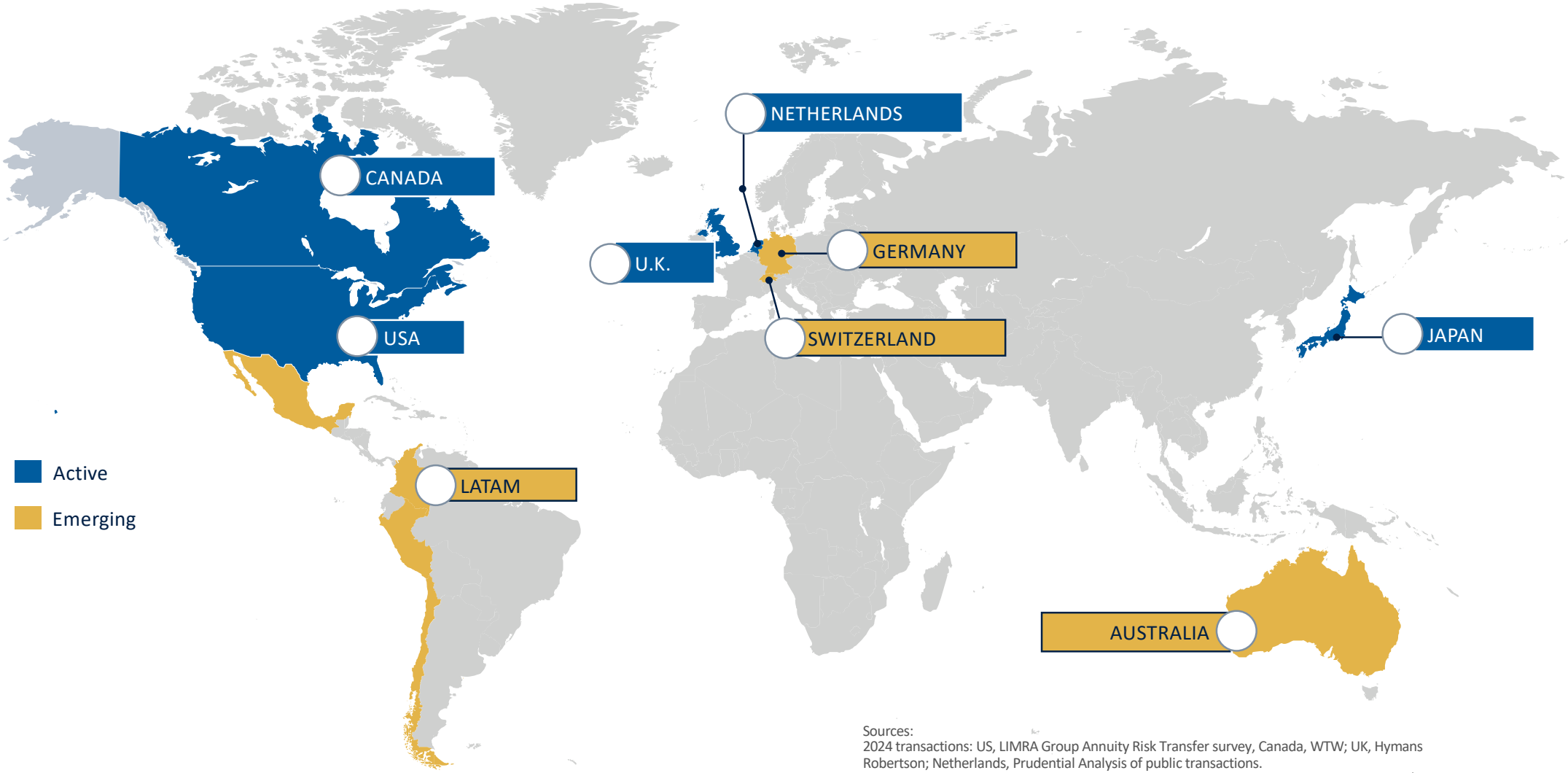
DE-RISKING CONTINUES TO BE A GLOBAL TREND



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.

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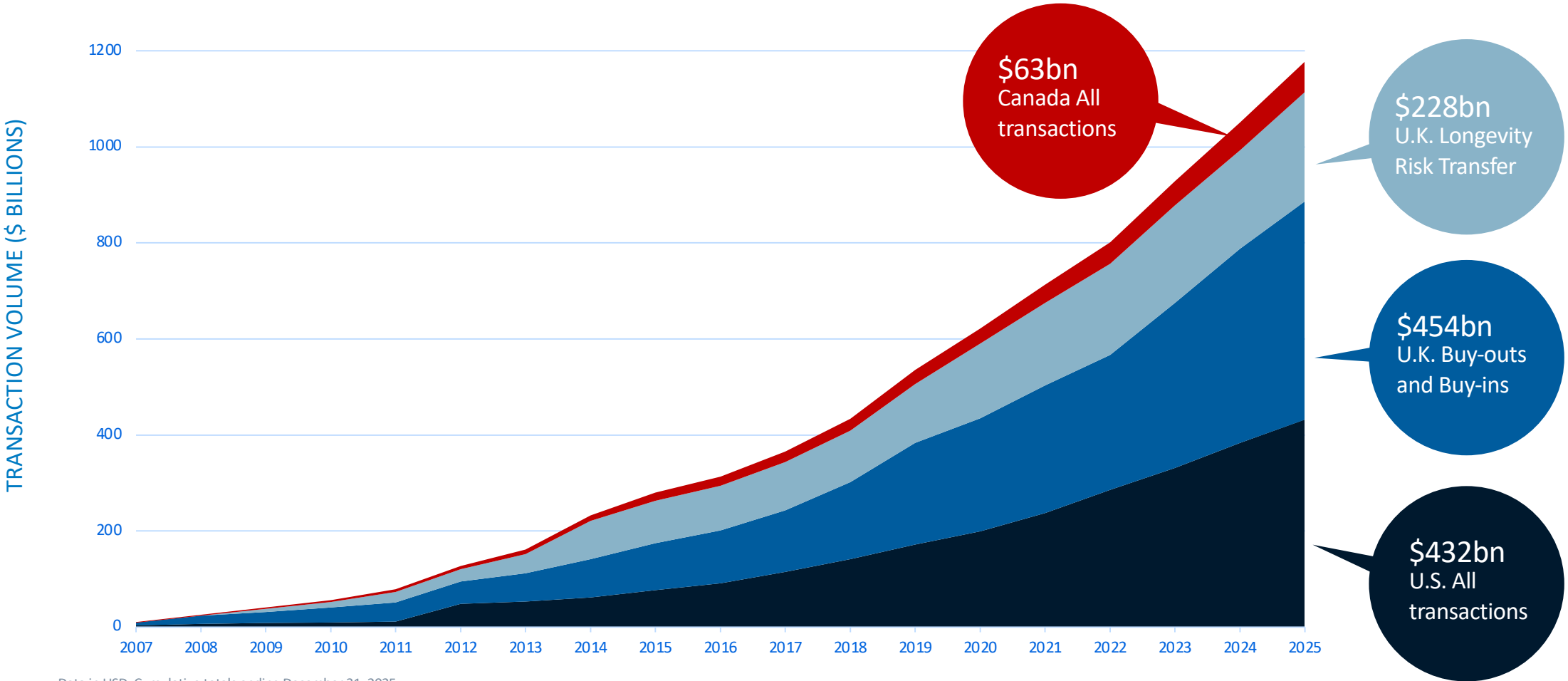
SINCE 2007, THERE HAVE BEEN MORE THAN $1 TRILLION IN PENSION RISK TRANSFER TRANSACTIONS IN THE U.S., THE U.K., AND CANADA ALONE



Data in USD. Cumulative totals ending December 31, 2025.
Sources: LIMRA, Hymans Robertson, WTW, and Prudential Financial, Inc. (PFI) analysis of FY 2025.
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.
Conversion Rates—UK:USD = 1.27, CAD:USD = 0.73

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20 YEARS STRONG AND STILL GROWING

Six market headlines signaling the future.

U.S.

Sponsors forge ahead

Flurry of litigation wanes, clearing the path for renewed de-risking.

U.K.

Funded reinsurance under the lens

Regulatory scrutiny clouds the BPA pricing outlook.

U.K.

DC MasterTrust: race for scale

Consolidation intensifies as providers chase scale.

NETHERLANDS

Longevity market expands

Growth builds as the scheme transition deadline approaches.

GERMANY

DAX funding hits a record 90.8%*

Corporate funding ratios reach an all-time high in H1 2026.

JAPAN

A new frontier for PE insurers

Private equity life insurers turn to Japan for reinsurance deals.

*Source: WTW analysis reported by European Pensions, August 2026.

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MEGA TRENDS IN GLOBAL RETIREMENT AND INSURANCE

LEGISLATIVE CHANGES

- New guidance on Funded Reinsurance in the UK
- Guidance on pension surplus extraction
- Pension reform and transition from DB to DC

CONVERGENCE OF INSURANCE AND ASSET MANAGEMENT

- Emergence of Pension Super Funds in UK and Germany
- 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

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

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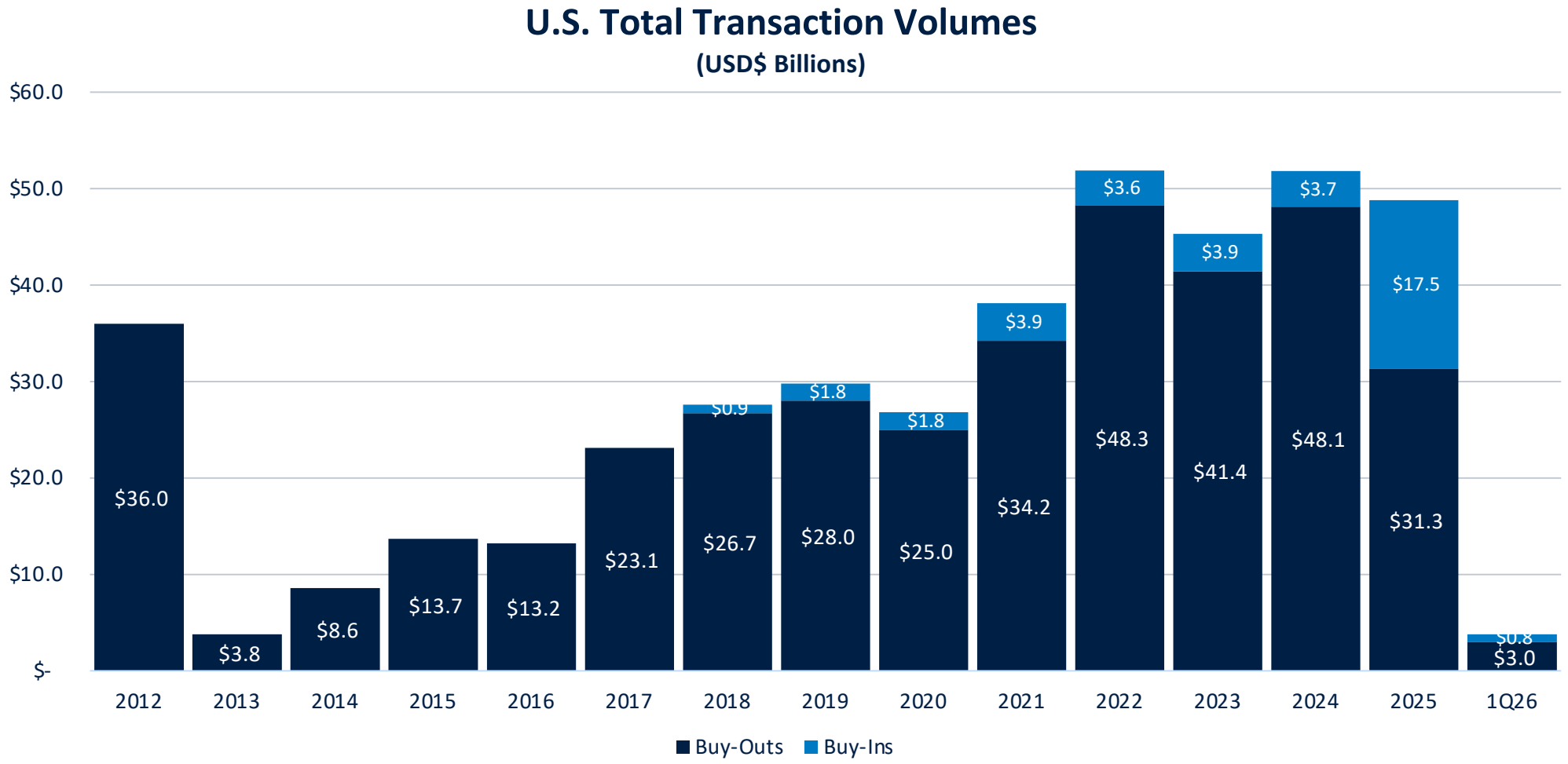
U.S. ACTIVITY HAS MODERATED THIS YEAR

Plan sponsors see advantageous conditions as the doorway to plan termination



Source: LIMRA, U.S. Group Annuity Risk Transfer Survey, 2025/LIMRA Press Release 1 July, 2026.

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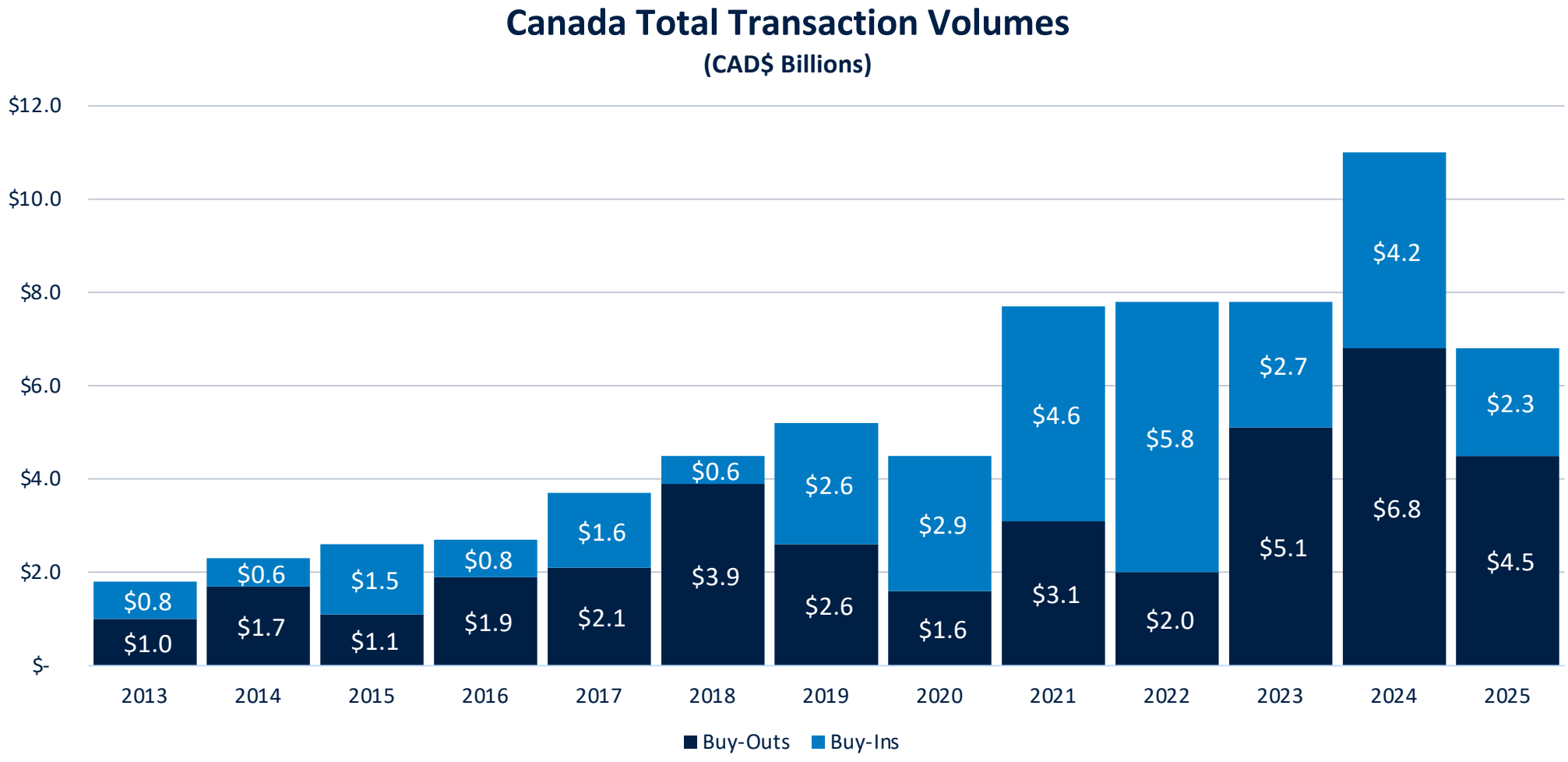
ACTIVITY IN CANADA HAS ALSO SOFTENED



Source Eckler 2026 Pension Risk Transfer Report, March 2026.

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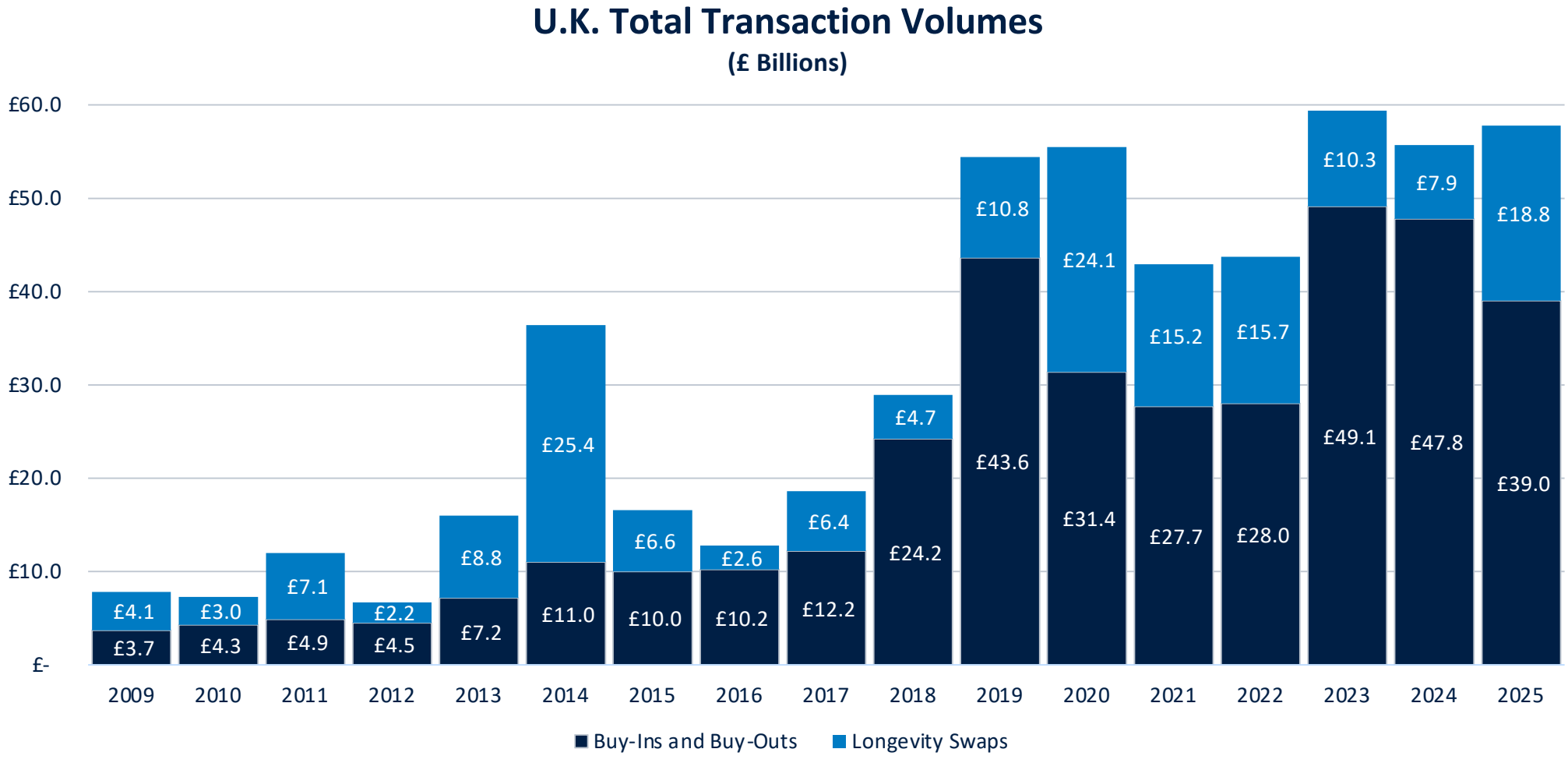
U.K. PENSION PLANS' DE-RISKING JOURNEYS CONTINUE TO DRIVE DEMAND



Source: Hymans Robertson and PFI analysis of announced transactions, as of January 2026.

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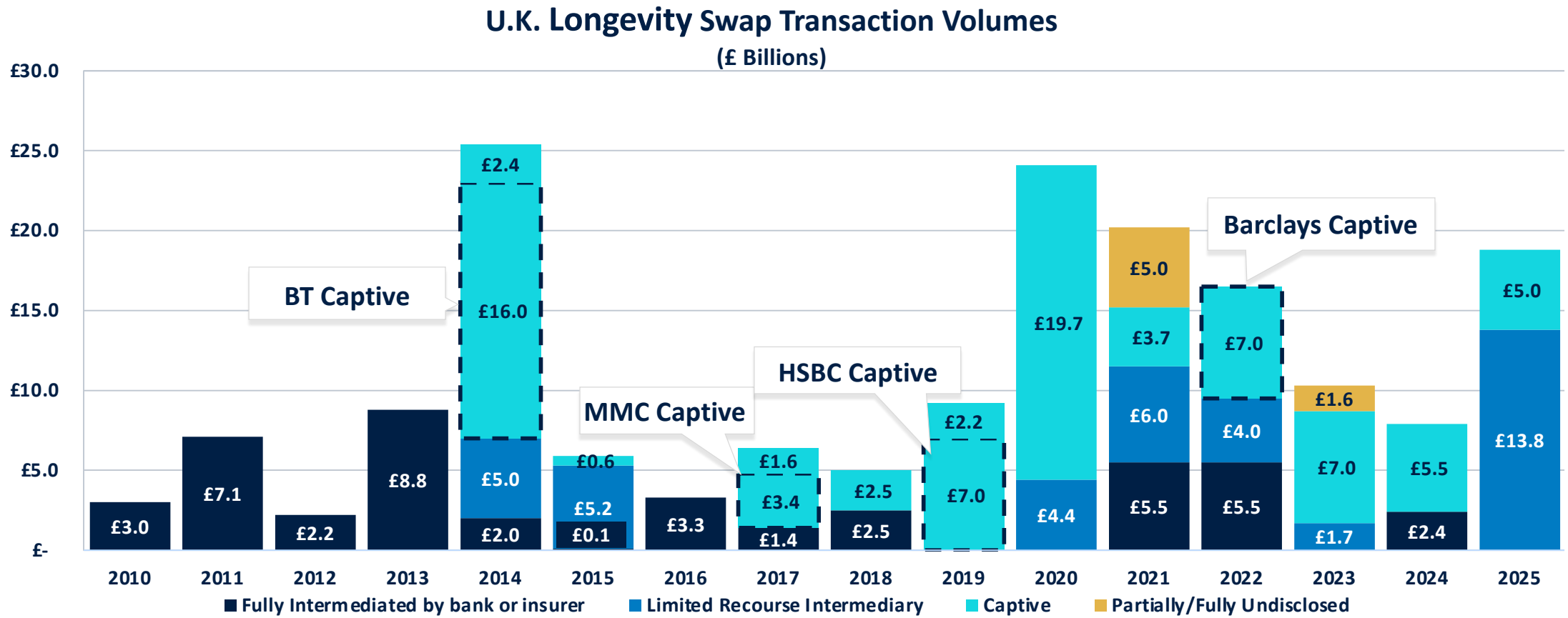

Source: Hymans Robertson and PFI analysis of announced transactions, as of January 2026.

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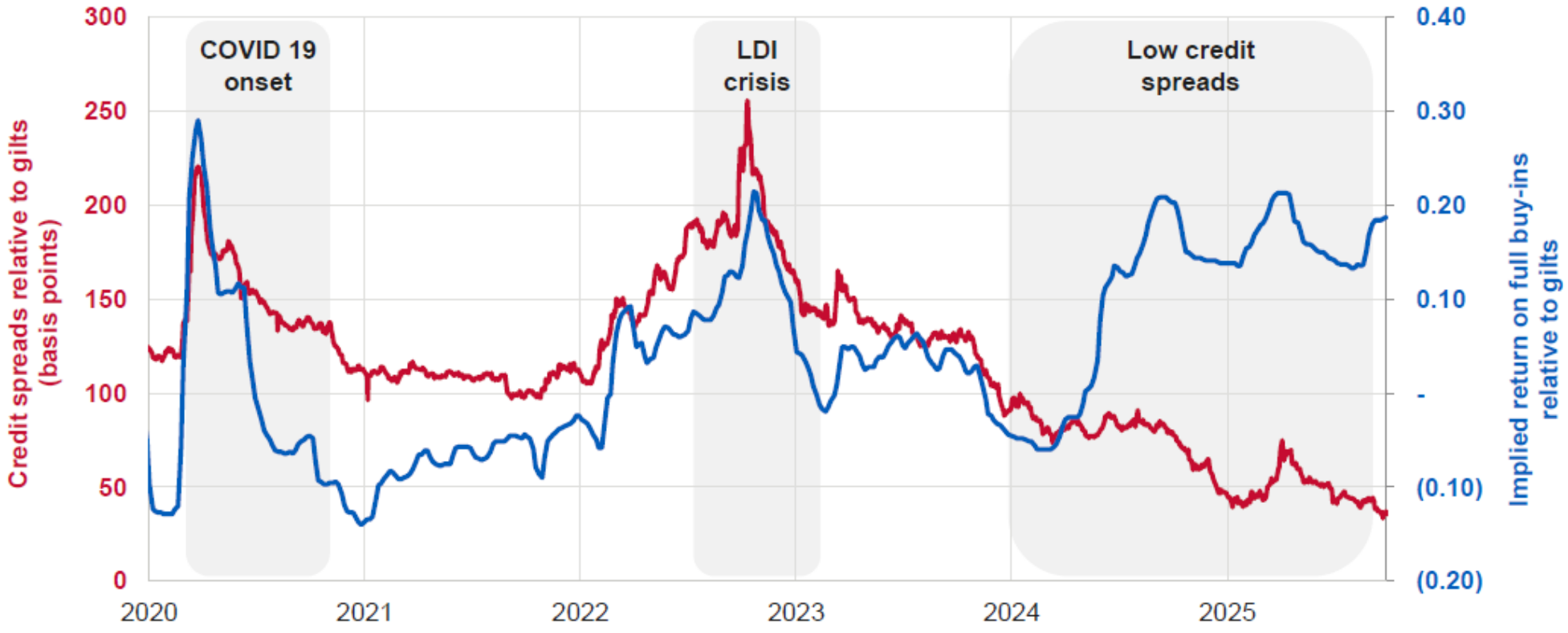
U.K PRT PRICING REMAINS ATTRACTIVE … IS IT SUSTAINABLE?



Source: LCP pension risk transfer report (November 2025) & Bloomberg.

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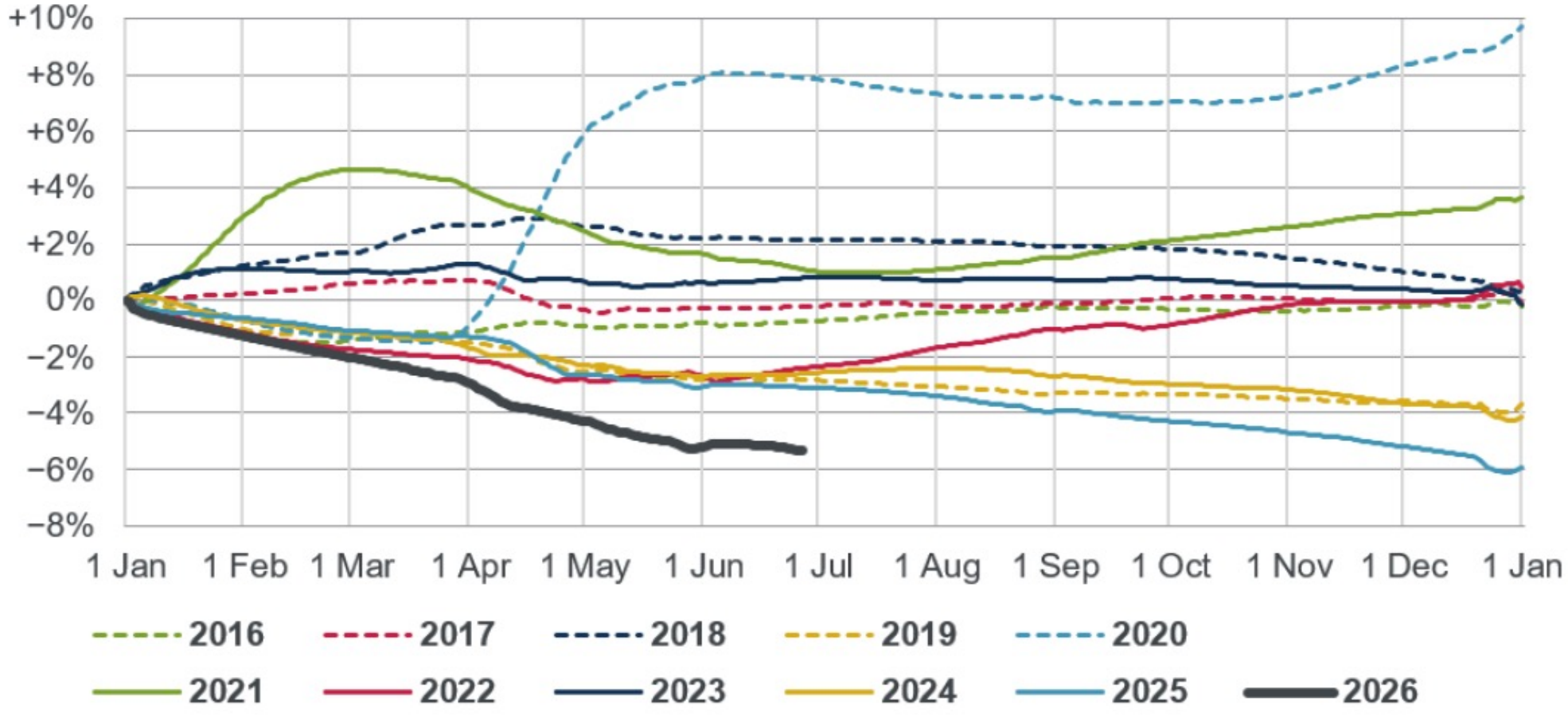
UK MORTALITY HAS BEEN TRACKING BELOW THE 2016 – 2025 AVERAGE



Source: Continuous Mortality Investigation, CMI Mortality Monitor—week 26 of 2026.

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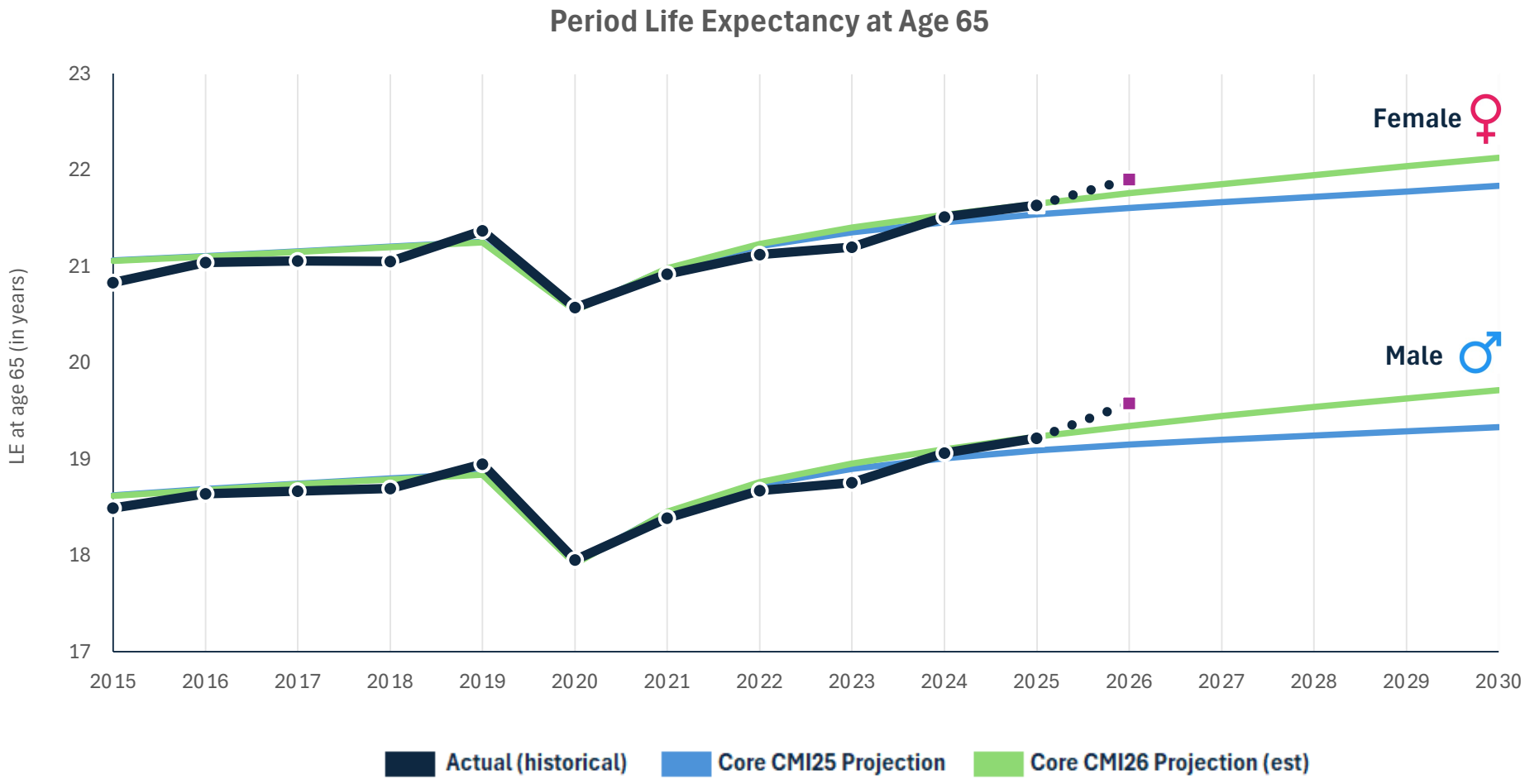
EARLY SIGNS OF A PRICING RESET IN THE UK?



Source: PFI actuarial analysis as of 8/2026.

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NEW OPTIONS FOR SURPLUS FUNDING IN THE UK

New Guidance on Pension Surplus Extraction

- Release of "trapped" pension surplus for investment
- Provides Trustees the power to amend scheme rules to facilitate surplus extraction
- Allows surplus extraction where a scheme is fully funded on a low-dependency basis
- Surplus-sharing arrangements between sponsors and members
- Expected to come into force in 2027

Implications

- Some schemes may postpone buy-outs and "run-on" for longer; however, LT demand for pension risk transfer is expected to remain robust
- As schemes choose to run on, some may seek to hedge longevity risk, potentially increasing demand for longevity risk transfer (LRT) solutions

Source:

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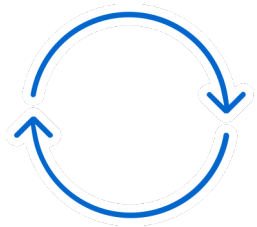
THE NETHERLANDS MARKET IS NASCENT BUT GROWING

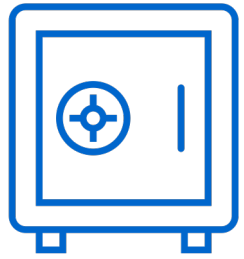
€330bn

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

Source: Aon, 2025.

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EMERGING MARKET GERMANY

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GERMAN PRT MARKET—SEARCHING FOR A CATALYST

- €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
- Three consolidators have emerged to close the gap
- “M&A” like approach is unproven, but starting to generate volume and interest
- Only a few deals across players
- Accounting and regulatory challenges are an impediment to transfer risk

Source: Aon, 2025.

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ASIA PACIFIC

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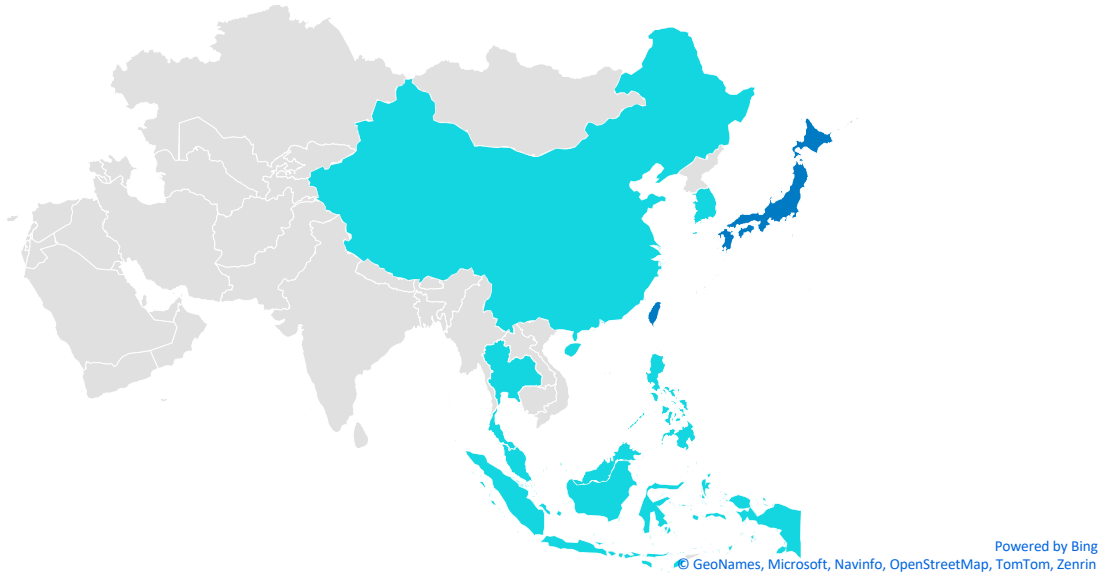
ASIA PACIFIC: RBC ADOPTION & ITS IMPACTS

The Move Toward Risk-Based Capital Regimes



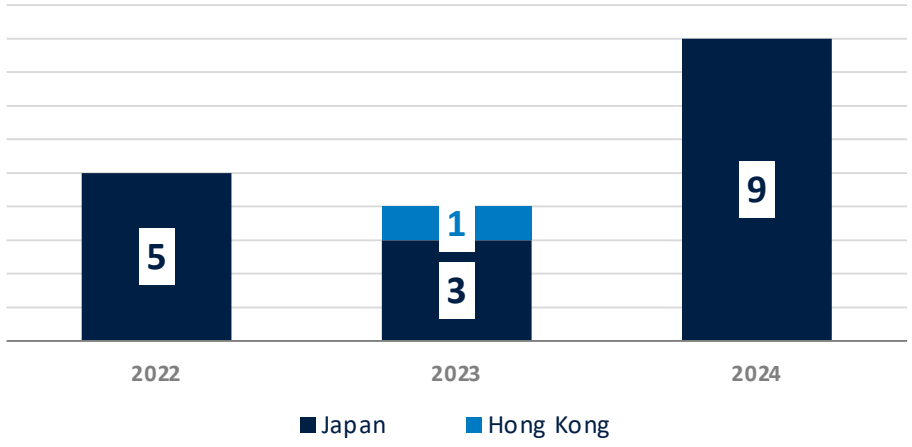
RBC 1: FACTOR-BASED

Japan (ESR by YE 2025)
Taiwan (ICS in 2026)

RBC 2: SCENARIO-BASED

Singapore
South Korea
Thailand
Malaysia
Philippines
Indonesia
China
Hong Kong

Annuity Reinsurance Transactions



Key Highlights

- 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

Source: Aon, 2025.

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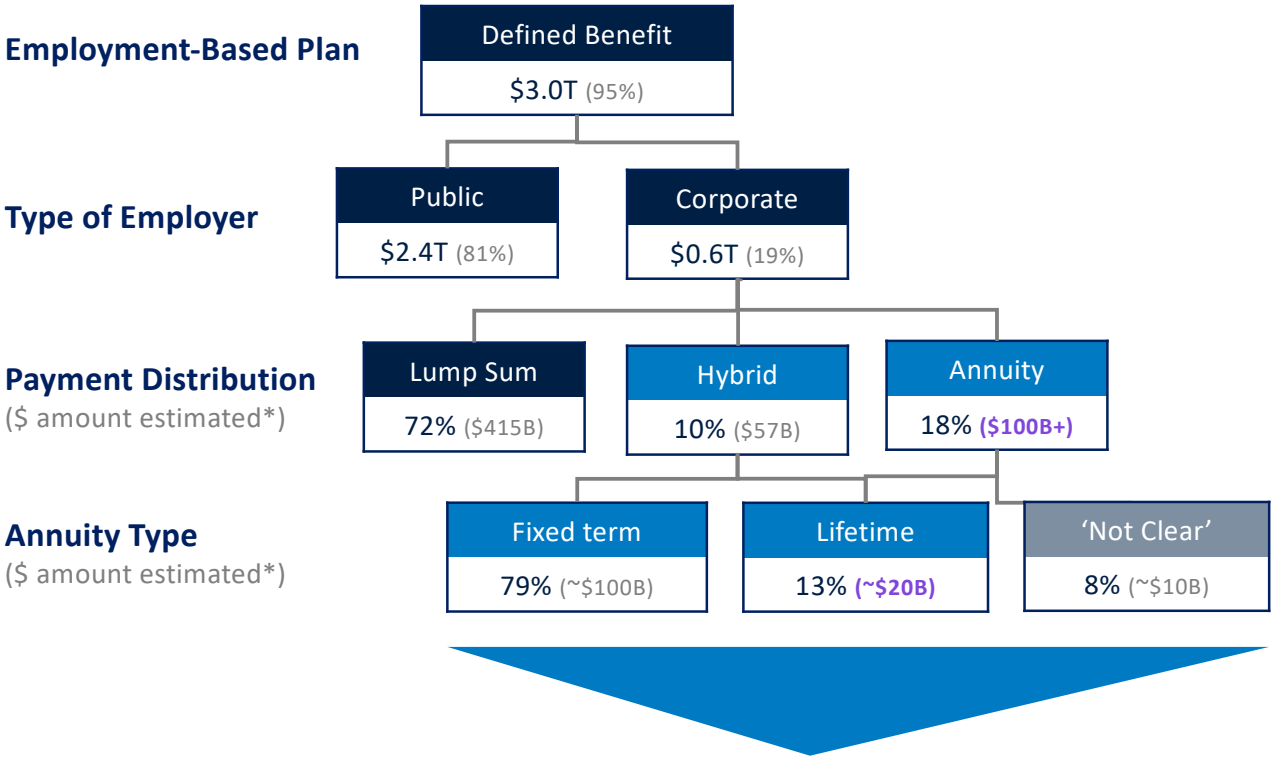
JAPANESE DB MARKET HAS NOT SEEN RISK TRANSFER ACTIVITY



Estimate there to be $100B+ in corporate pension payments (of which <15% or $20B are life annuities)

Plans are overfunded in aggregate at 123%**

- The median funded ratio is 113%, and 66% of companies have funded ratios above 100%
- While funding positions vary across enterprises—larger companies tend to have more pension surplus

Approximated figures

Pension Assets		DB Obligation		Surplus
$550B	−	$450B	=	$100B+

Source: (Market Sizing) Research Institute of Economy, Trade and Industry (RIETI), January 2024.
*According to a survey by Ministry of Health, Labor and Welfare, of new DB recipients in fiscal year 2013 (latest available).
**As of March 2024, based on annual securities reports of 1,921 companies.

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SHIFTING RISKS

Globally, risks are moving from institutions to individuals

CHANGING NEEDS

AS PEOPLE AGE, THEY MOVE FROM ACCUMULATION TO INCOME NEEDS

LONGEVITY IS MORE CHALLENGING FOR INDIVIDUALS

TIMING RISK—HOW LONG?

RETURN RISK—HOW MUCH?

INSURERS CAN HELP MANAGE THESE RISKS

INCOME ANNUITIES

INSURANCE OVERLAY

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