

Pension Risk Transfer Monitor



Legal & General Retirement America

\$6bn

Estimated size of Q1 2023

\$23bn

Estimated size of H1 2023

4

Transactions over \$1 billion expected to close in H1

Market update

by Sheena McEwen, VP, Head of Distribution



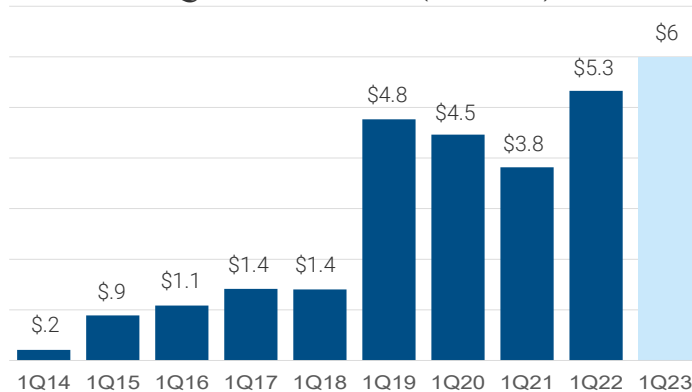
In a similar start to last year, the US Pension Risk Transfer (PRT) market had another strong first quarter with an estimated \$6 billion in total market volume, potentially surpassing last year's Q1 record of \$5.3 billion¹ and considerably higher than Q1 2021 at \$3.8 billion¹. The first quarter has historically been a slower quarter for US PRT transactions, but as the market continues to grow, we're also seeing an increase in activity to kick off the last few years (see graph below).

Coming off what could be the largest first quarter to date, and with a very active Q2 expected, it's no surprise

that the first half of the year may also be another record-breaker. We're anticipating around \$23 billion to close in H1 this year, compared to \$17.6 billion¹ in H1 2022 and \$8.8 billion¹ in H1 2021. As was the case last year, the sizable volumes are driven by jumbo transactions over \$1 billion. Four such transactions are expected to close in the first half of the year.

Last year's total market volume was the largest on record at \$51.9 billion³. We expect 2023 to be another significant year for the US PRT market, but whether we see a similar total to last year will depend on the jumbo transaction activity in the second half of the year.

US Q1 Market Volume (\$billions)^{1, 2}



Q1 2023 figure based on Legal & General Retirement America's estimation.



Contact us

Legal & General Retirement America
www.lgra.com | email: info@lgra.com

1. <https://www.limra.com/siteassets/newsroom/fact-tank/sales-data/2022/q4/4q-buy-in-final.pdf>
<https://www.limra.com/siteassets/newsroom/fact-tank/sales-data/2022/q4/4q-buy-out-final.pdf>

2. <https://www.limra.com/siteassets/newsroom/fact-tank/sales-data/2018/q1/2018-1q-prt-sales.pdf>

3. <https://www.limra.com/en/newsroom/news-releases/2023/limra-2022-single-premium-buy-out-sales-topple-prior-record/>

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