

Pension Risk Transfer Monitor



Legal & General Retirement America

\$27bn

Estimated size of the Q3 market and second largest quarter on record

\$55bn

Estimated size of 2022 market and largest year on record

9

Transactions written close to or over \$1 billion during 2022

Market update

by Sheena McEwen, VP, Head of Distribution at Legal & General Retirement America

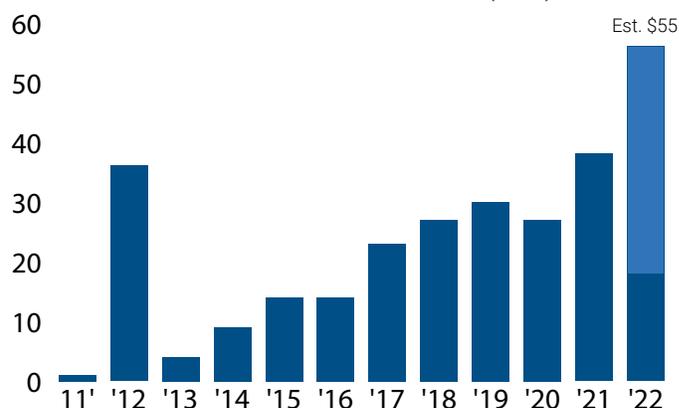


The third quarter of 2022 was an exciting one for the US pension risk transfer (PRT) market. At an estimated \$27 billion, not only was it the largest Q3 on record, but it was also the second largest quarter ever for the market exceeded only by 2012's Q4, which was near \$36 billion and included both the GM and Verizon transactions.

In our half-year monitor, we reported that the first and second quarters of this year were also record-breakers, so it's no surprise that 2022 will be the largest year ever for the US PRT market at an estimated \$55 billion in total market volume. This is significantly larger than 2021's record of \$38.1 billion¹ and is mainly driven by the jumbo transactions that continue to come to market, the largest being IBM's \$16 billion² lift-out in Q3. But even without that mega-deal, we'd still be looking at a record year as we expect at least 8 other deals around \$1 billion to have closed over the year.

Momentum is high as we round out 2022 and we are already seeing trends continuing from this year to next, including large transactions in the pipeline and healthy plan termination activity. Though it's hard to predict what will happen with the current market environment, we don't anticipate the US PRT market slowing down anytime soon.

Historical PRT market (\$bn)



Source: LIMRA Secure Retirement Institute Group Annuity Transfer Survey. 2022 figure based on Legal & General Retirement America's estimation.



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1. <https://www.limra.com/en/newsroom/news-releases/2022/secure-retirement-institute-u.s.-single-premium-pension-buy-out-sales-jump-37-in-2021-marking-highest-sales-since-2012/>
2. <https://www.pionline.com/pension-risk-transfer/ibm-offloads-16-billion-pension-liabilities-annuity-purchases>

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