

Pension Risk Transfer Monitor

US PRT market overview



Market update

\$15 bn

Estimated size of Q1 2024

\$22bn

Estimated size of H1 2024

2

Jumbo transactions closed in Q1

2024 started off strong for the US Pension Risk Transfer (PRT) market with the first quarter closing at an estimated \$15 billion. This is the largest Q1 on record, significantly outperforming the previous record of \$6.3 billion¹ in 2023 and nearly triple the 2022 figure of \$5.3 billion¹. (see graph below)

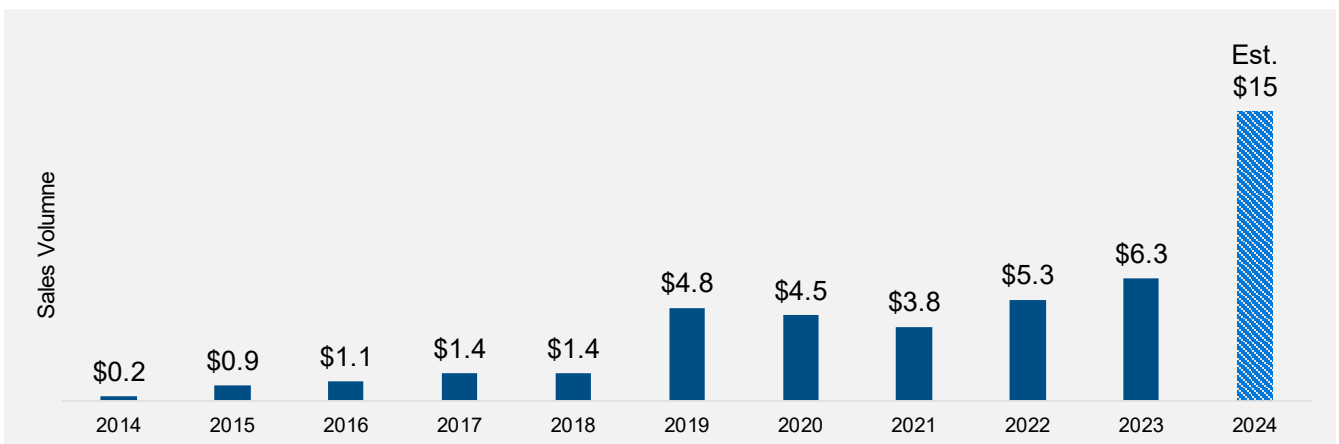
Jumbo transactions continue to be the driving force behind the market's strong performance. We saw two such transactions close in Q1 totaling \$11 billion. Additionally, the US pension funding ratio remains high and plays a role in the number of transactions that come to market. In April 2024, the US pension funding ratio was 107.6%². As funded statuses stay elevated, we expect continued demand for de-risking from plan sponsors who are in a good position to transact.

Outlook

Looking forward, we estimate the first half of 2024 to come in at around \$22 billion, which is in line with what we saw in H1 last year. Jumbo transactions will continue to drive total market volume, and we expect at least 3 more to close this year.



US Q1 Total Market Volume (billion)



Source: LIMRA Secure Retirement Institute Group Annuity Transfer Survey. 2024 figure based on Legal & General Retirement America's estimation.

1. <https://www.limra.com/siteassets/newsroom/fact-tank/sales-data/2023/q4/4q-2023-buy-out-sales-chart-v1.pdf>

<https://www.limra.com/siteassets/newsroom/fact-tank/sales-data/2023/q4/4q-2023-buy-in-sales-chart-v1.pdf>

2. <https://www.lgima.com/insights/psm/>

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