



OCTOBER 2024

# *Insurer overviews: analysis of the nine insurers in the market*



Buy-ins, buy-outs and longevity swaps





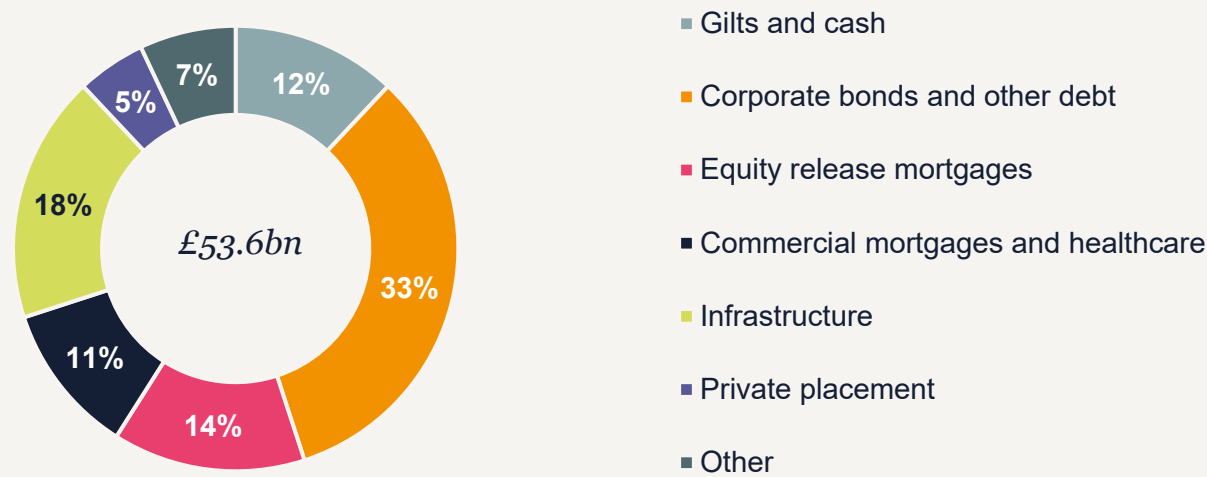
# Contents

Section	Page
<a href="#">Aviva</a>	3
<a href="#">Canada Life</a>	4
<a href="#">Just</a>	5
<a href="#">Legal &amp; General</a>	6
<a href="#">M&amp;G</a>	7
<a href="#">Pension Insurance Corporation (PIC)</a>	8
<a href="#">Rothesay</a>	9
<a href="#">Royal London</a>	10
<a href="#">Standard Life</a>	11
<a href="#">Utmost Life and Pensions</a>	12

Quick links
 <a href="#">Future demand and supply in the buy-in and buy-out market 2024</a>
 <a href="#">Beat the triage: Hints &amp; tips</a>

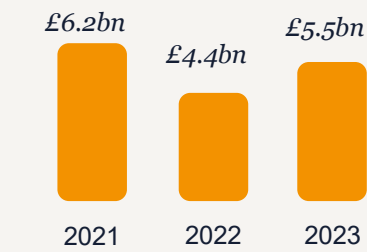
- **Background:** Entered the bulk annuity market in 2006. Position themselves as a “whole of market” insurer, transacting both small (i.e. single £m) and large (£1bn+) cases.
- **Market share:** Aviva has maintained annual volumes between c.£4-6bn in recent years, achieving a market share of c.11% in 2023.
- **Significant transactions:** Aviva’s largest external transaction to date was a £1bn pensioner buy-in with the Co-operative Pension Scheme in January 2020. Has also completed a number of transactions with its own pension scheme, including a £1.7bn pensioner and deferred buy-in during 2019.
- **Administration:** Carried out in-house from Aviva’s Norwich office.

Annuity asset portfolio

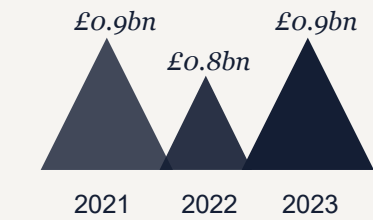


Date: 31 December 2023

Business volumes



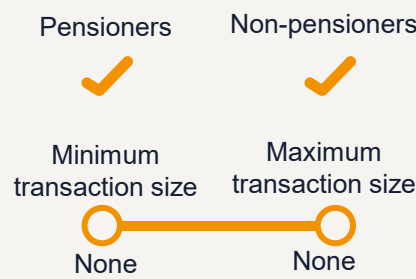
Largest pension plan transaction



Team size



Target market

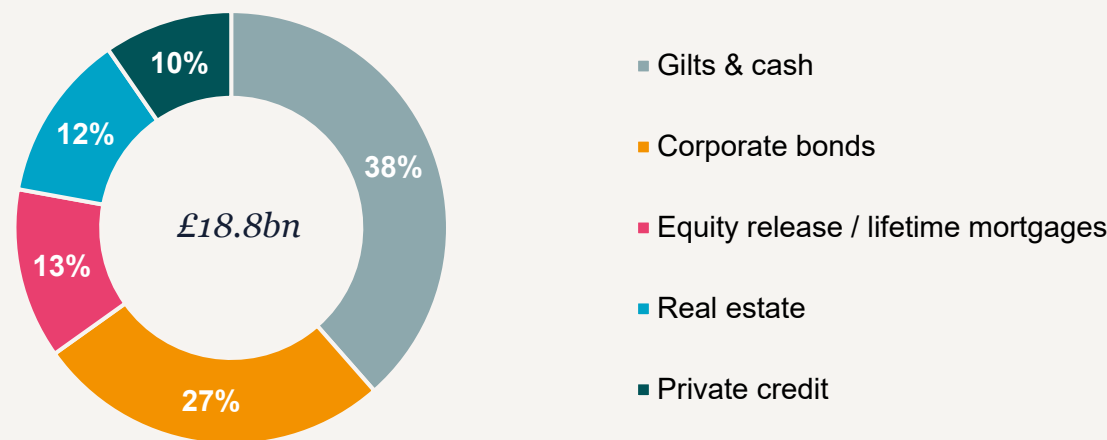


Transaction features offered

	Typically offered?	Minimum transaction size?
Residual risk cover	✓	c.£250m (on a case-by-case basis)
Termination/surrender	Considered on a case-by-case basis	c.£500m+
Collateral structures	Considered on a case-by-case basis	Considered on a case-by-case basis

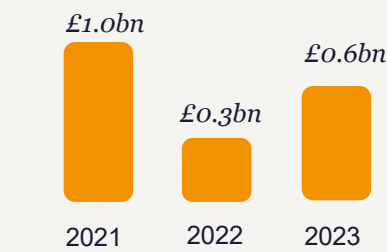
- **Background:** Entered the bulk annuity market at the end of 2015. Initially focussed on smaller pensioner buy-ins under c.£100m, but are now targeting larger (c.£500m+) and full scheme transactions.
- **Market share:** Has typically had a market share of less than 5%, as they operate towards the smaller end of the market. They achieved a market share of c.1% in both 2022 and 2023.
- **Significant transactions:** Wrote its largest deal to-date in 2021, a £765m pensioner buy-in for an undisclosed scheme. Completed their first full scheme transactions in 2023, including a £58m deal for an undisclosed scheme and a £25m deal for Roadchef. Completed a £100m full buy-in for Rathbones Group in May 2024.
- **Administration:** Outsourced to Aptia and run out of their Exeter office.

Annuity asset portfolio

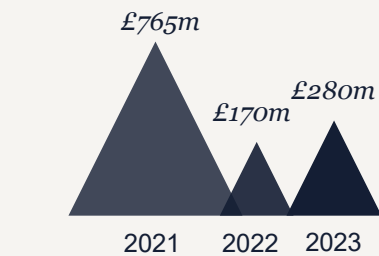


Date: 31 December 2023

Business volumes



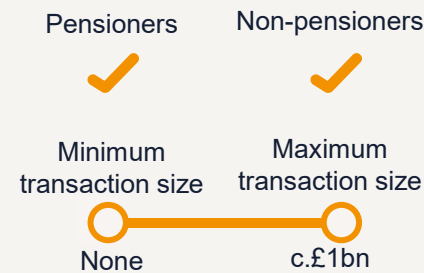
Largest pension plan transaction



Team size



Target market

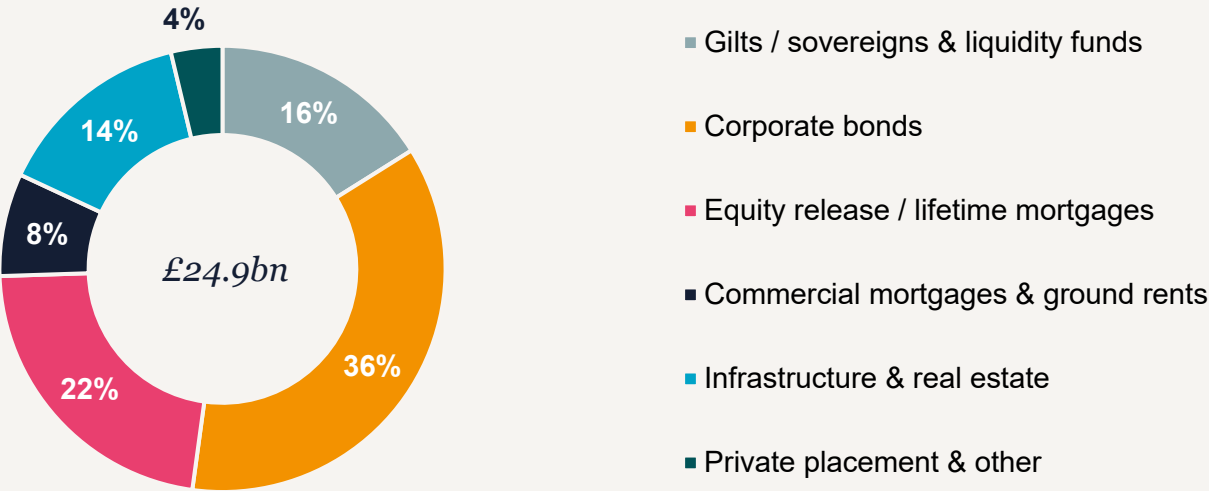


Transaction features offered

	Typically offered?	Minimum transaction size?
Residual risk cover	x (but proposition being considered)	n/a
Termination/surrender	x (but will consider for selective cases)	n/a
Collateral structures	x	n/a

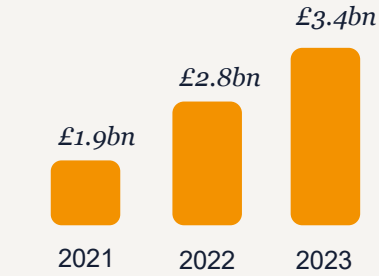
- **Background:** Formed by the merger of Just Retirement and Partnership in 2016. In recent years, Just has increased its capability and now regularly participates in processes for transactions of up to c.£2bn.
- **Market share:** Just has steadily increased its volumes and market share in recent years, which stood at c.7% in 2023. Has significant market share at the smaller end of the market, completing 73 out of the 162 transactions in the market under £100m in 2023.
- **Significant transactions:** In March 2023 Just completed its largest transaction to date, a £515m full buy-in with the GKN Group, surpassing its previous record, a £485m deal with Barloworld in 2022.
- **Administration:** Outsourced to Aptia and run out of their Orpington office.

Annuity asset portfolio

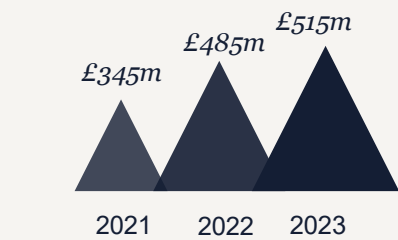


Date: 30 June 2024  
Note: Just's asset breakdown includes some assets backing non-annuity liabilities.

Business volumes



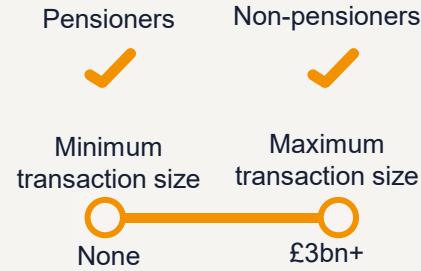
Largest pension plan transaction



Team size



Target market



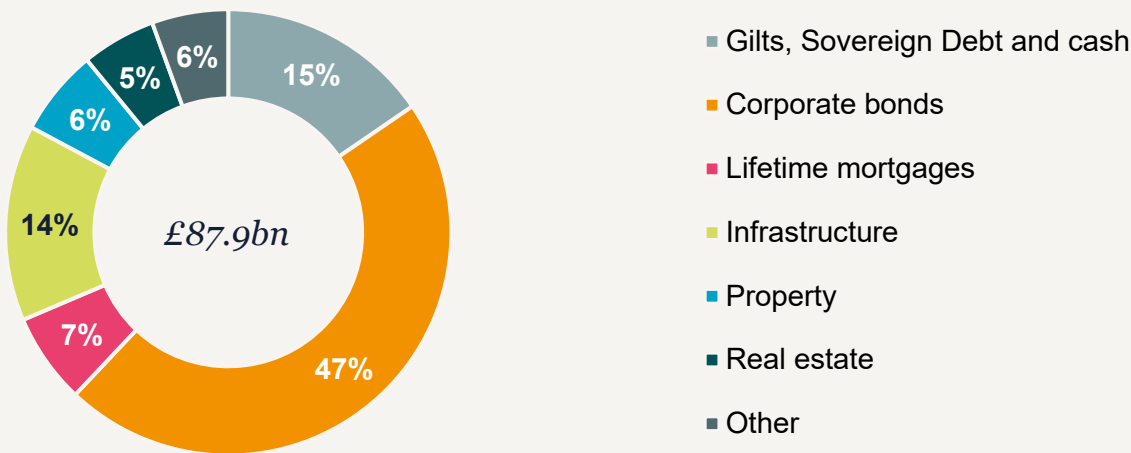
Transaction features offered

	Typically offered?	Minimum transaction size?
Residual risk cover	Considered on a case-by-case basis	Considered on a case-by-case basis
Termination/surrender	Considered on a case-by-case basis	Considered on a case-by-case basis
Collateral structures	x	n/a

# Legal & General

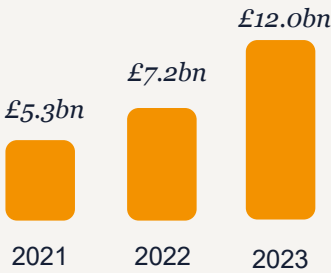
- **Background:** Longest established provider in the bulk annuity market, typically quoting on the full range of transaction sizes and types (although more selectively at the smaller end of the market).
- **Market share:** L&G has consistently maintained a market share of c.20-25% in recent years, achieving a market share of c.24% in 2023 – the second highest of the insurers.
- **Significant transactions:** In November 2023, L&G wrote the second largest single transaction ever; a £4.8bn full buy-in for the Boots Pension Scheme. L&G also has the two largest phased buy-in policies in the UK - a c£6bn partial buy-in with the ICI Pension Fund across 11 transactions, and a £7.5bn full buy-in for the British Steel Pension Scheme split over 4 transactions, completed in May 2023.
- **Administration:** Carried out in-house from their offices in Hove and Cardiff.

## Annuity asset portfolio

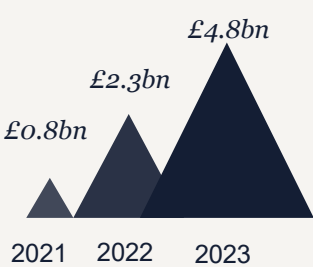


Date: 30 June 2024

## Business volumes



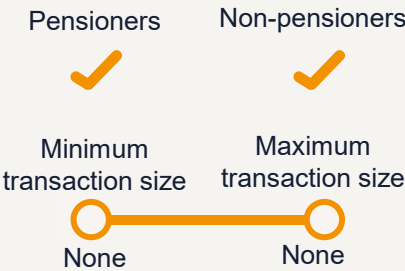
## Largest pension plan transaction



## Team size



## Target market

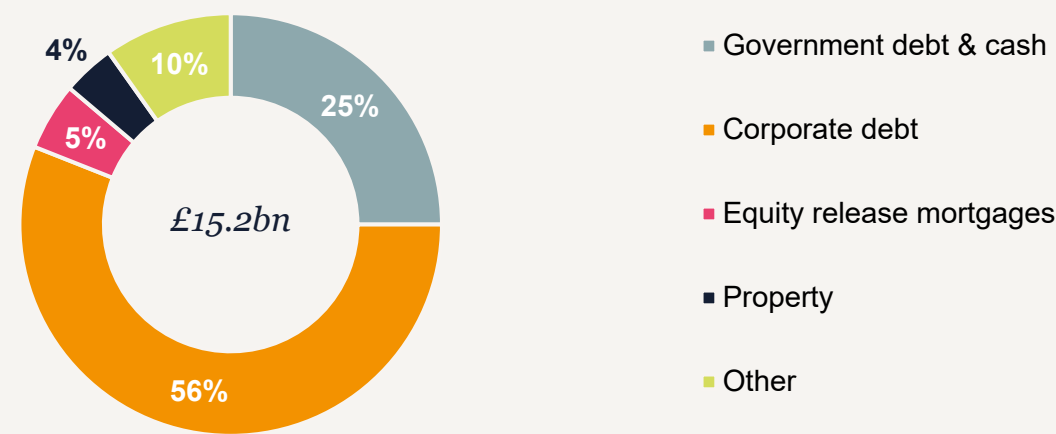


## Transaction features offered

	Typically offered?	Minimum transaction size?
Residual risk cover	✓	c.£500m (but considered on a case-by-case basis)
Termination/surrender	Considered on a case-by-case basis	c.£1bn
Collateral structures	Considered on a case-by-case basis	Considered on a case-by-case basis

- **Background:** Previously operated in the UK bulk annuity market from 1997 to 2016 under the Prudential brand. M&G was formed from the de-merger of Prudential PLC in 2019 with the UK insurance business becoming part of M&G plc. Re-entered the bulk annuity market in the second half of 2023. Currently selectively quoting on medium-sized deals (i.e. c.£200m to c.£1.5bn).
- **Market share:** Achieved a market share of c.1% in 2023, completing their first 2 deals in the second half of the year upon re-entering the market.
- **Significant transactions:** M&G announced it had completed its first deals in September 2023, one with its own pension scheme and another with Northern Bank (both c.£300m in size). Completed another c£300m full buy-in with the NSK Pension Scheme in March 2024.
- **Administration:** Outsourced to Willis Towers Watson and mainly run out of their Redhill office.

Annuity asset portfolio



Date: 30 June 2024

Business volumes



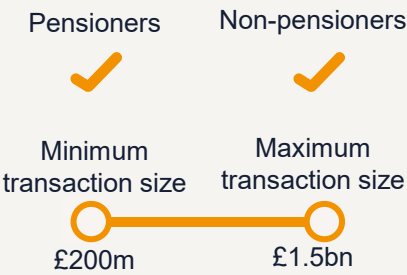
Largest pension plan transaction



Team size



Target market



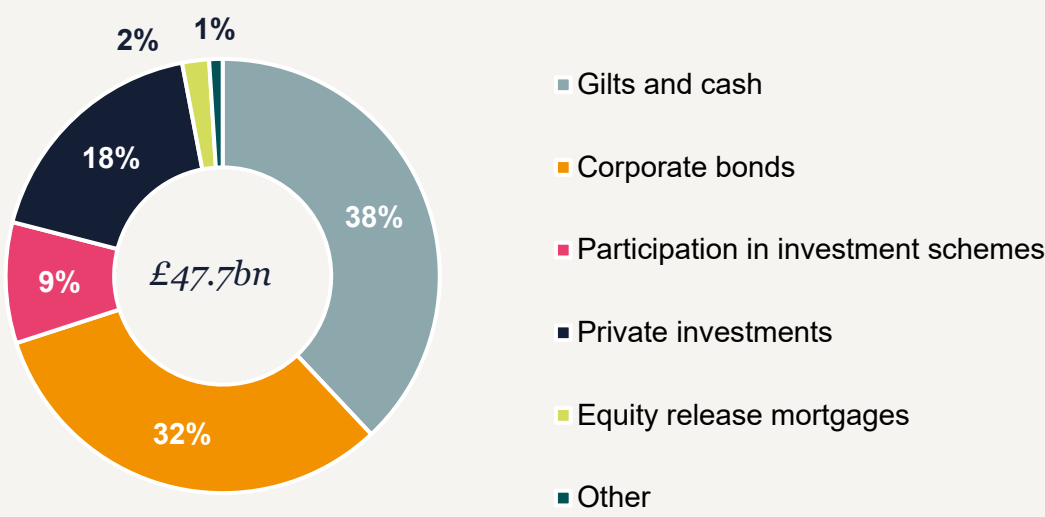
Transaction features offered

	Typically offered?	Minimum transaction size?
Residual risk cover	✓	c.£200m
Termination/collateral structures	x	n/a
Collateral structures	x	n/a

# Pension Insurance Corporation (PIC)

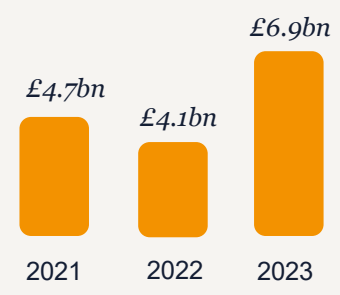
- **Background:** Established specialist mono-line insurer (i.e. only writing bulk annuity business). Entered the market in 2006.
- **Market share:** Has maintained consistent market share of 15-20% over recent years, with their market share standing at c.14% in 2023.
- **Significant transactions:** Full buy-in transactions with the Philips Pension Fund in 2015 for £2.4bn, the Old British Steel Pension Scheme in 2020 for £2.0bn, and The Metal Box Pension Scheme in 2021 for £2.2bn. In February 2023, PIC completed the largest single buy-in transaction in the market to date; a £6.5bn full buy-in for the RSA Group’s pension schemes.
- **Administration:** Outsourced to Capita and run out of their Darlington office.

## Annuity asset portfolio

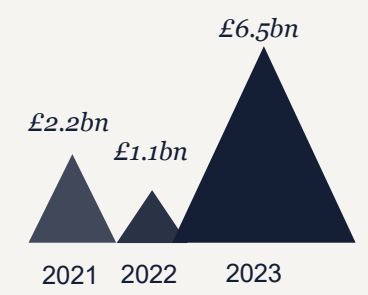


Date: 30 June 2024

## Business volumes



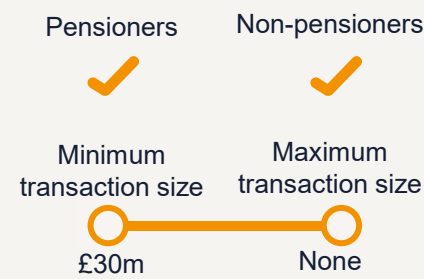
## Largest pension plan transaction



## Team size



## Target market



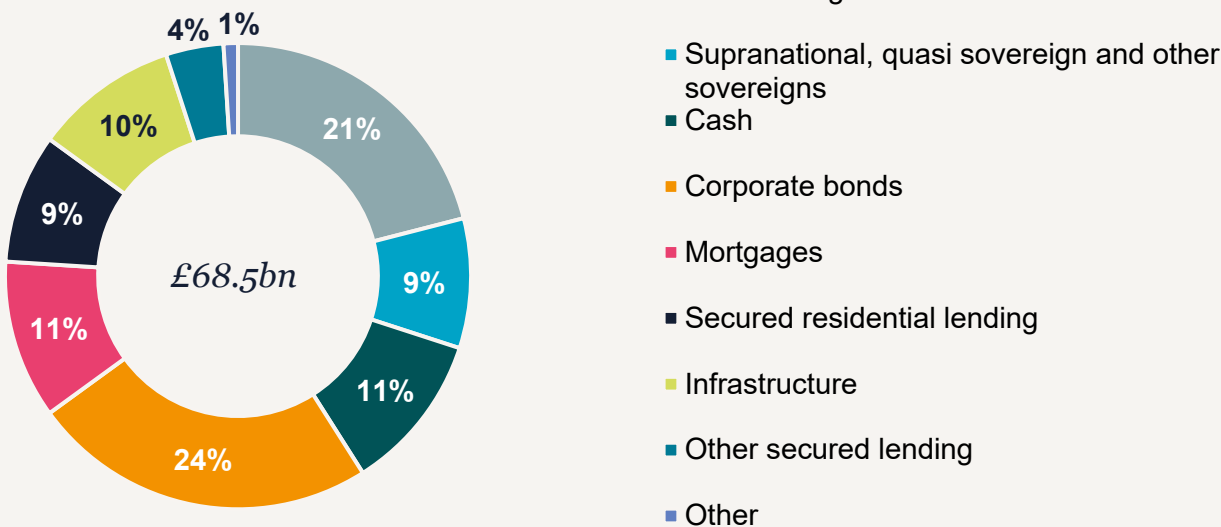
## Transaction features offered

	Typically offered?	Minimum transaction size?
Residual risk cover	✓	Considered on a case-by-case basis
Termination/collateral structures	x	n/a
Collateral structures	x	n/a



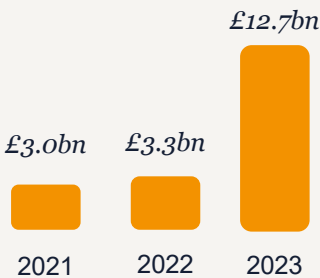
- **Background:** Established specialist mono-line insurer (i.e. only writing bulk annuity business). Entered the market in 2007. As well as bulk annuities, Rothestay has grown through acquisitions (Paternoster in 2011 and MetLife Assurance in 2014) and annuity back-book transfers (£1bn from Zurich in 2015, £6bn from Aegon in 2016, £12bn from Prudential in 2018, and recently announced a £6bn transfer from Scottish Widows).
- **Market share:** Has varied in recent years with timings of their very large transactions, and the significant back-book transfers noted above. Held the highest market share in 2023 at c.26% (compared to c.12% in 2022).
- **Significant transactions:** Has completed several multi-billion transactions, including a £4.7bn full buy-in for telent in 2019 (the third largest single transaction ever), and three £3.8bn full buy-in transactions: for Asda and the Allied Domecq Pension Fund in 2019 and for the Co-operative Pension Scheme in November 2023.
- **Administration:** Outsourced to Willis Towers Watson (Redhill office), Aptia (remote) or Capita (Darlington office); determined on a case-by-case basis.

Annuity asset portfolio

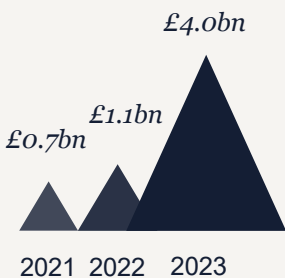


Date: 30 June 2024

Business volumes



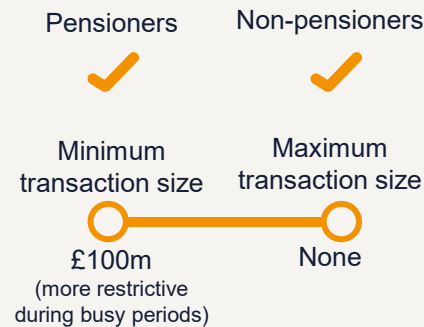
Largest pension plan transaction



Team size



Target market



Transaction features offered

	Typically offered?	Minimum transaction size?
Residual risk cover	✓	c.£500m (but selective below £1bn)
Termination/surrender	x	Considered on a case-by-case basis
Collateral structures	x	Considered on a case-by-case basis

- **Background:** Established mutual company that works across pensions, life and investments. After completing four transactions totalling c.£700m, which included two transactions with their internal Group pension schemes and two external buy-in transactions, Royal London formally entered the market in September 2024.
- **Market share:** Achieved a market share of c.1% in 2023, completing their first deal with their own scheme towards the end of 2023.
- **Target market:** Initially focussed on transactions between £10m and £500m, but looking to expand this as their presence in the market develops.
- **Administration:** Carried out in-house from their offices.

Annuity asset portfolio



Date: 30 June 2024  
Note, this represents the breakdown of Royal London’s Matching Adjustment Portfolio, which includes the assets backing their bulk annuity business.

Business volumes



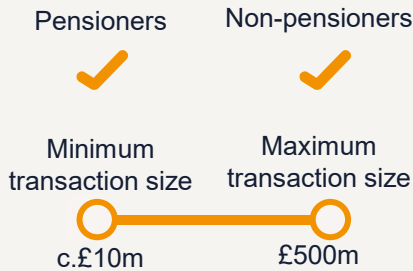
Largest pension plan transaction



Team size



Target market



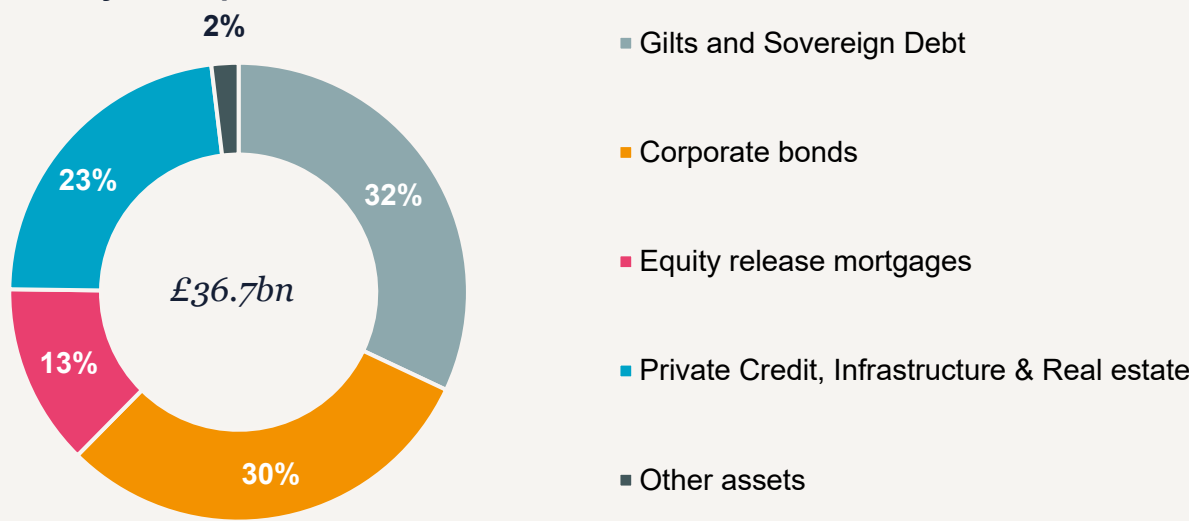
Transaction features offered

	Typically offered?	Minimum transaction size?
Residual risk cover	x (but proposition is under development)	n/a
Termination/surrender	x	n/a
Collateral structures	x	n/a

# Standard Life

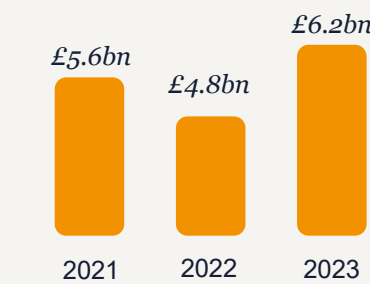
- **Background:** In late 2016 completed a £1.2bn buy-in with its own pension plan. Formally entered the bulk annuity market in 2017. Previously operated as Phoenix Life, with the Standard Life brand adopted in 2021.
- **Market share:** Significantly increased its market presence in recent years and held a market share of c.17% in 2022 (second largest in the market) and c.13% in 2023.
- **Significant transactions:** Largest external deals to date are a £1.8bn pensioner buy-in with Imperial Tobacco and a £1.7bn full buy-in with Gallaher (both in 2021). Completed four £1bn+ transactions over 2022 and 2023, including with WH Smiths, Mitchells & Butlers and Chubb.
- **Administration:** Outsourced to Equiniti and run out of their Crawley office.

## Annuity asset portfolio

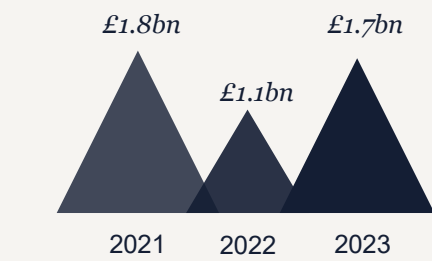


Date: 30 June 2024

## Business volumes



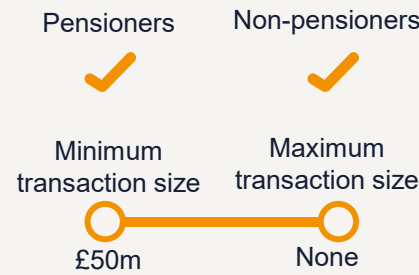
## Largest pension plan transaction



## Team size



## Target market



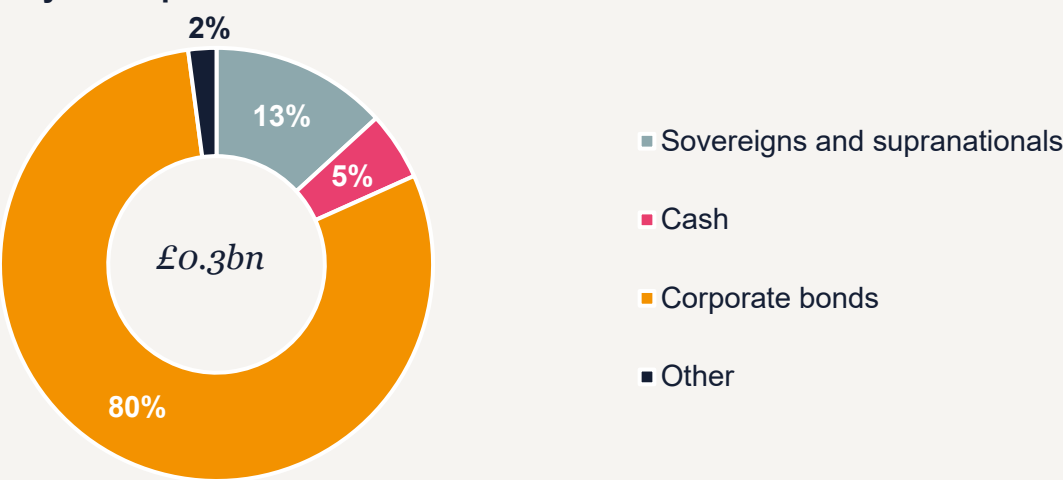
## Transaction features offered

	Typically offered?	Minimum transaction size?
Residual risk cover	✓	c.£200m (on a case-by-case basis)
Termination/surrender	x	n/a
Collateral structures	x	n/a

# Utmost Life and Pensions

- **Background:** Utmost Life and Pensions (formerly known as Reliance Life until it was acquired by Utmost Group in 2018) is a smaller scale insurer that has previously grown from purchasing closed book business from other insurers, including Equitable Life who they purchased in 2020. Utmost announced plans to enter the bulk annuity market earlier in 2024 and now has full PRA and Board approval to start writing business in the UK bulk annuity market.
- **Target market:** Initially focussed on transactions between £20m and £100m, but looking to expand this as their presence in the market develops.
- **Administration:** Carried out in-house from their office in Aylesbury.

Annuity asset portfolio



Date: 30 June 2024  
Note, this represents the breakdown of Utmost’s Matching Adjustment Portfolio but this does not include any bulk annuity business to date.

## Business volumes

Formally entered the bulk annuity market in late-2024

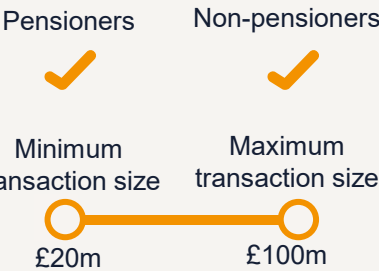
## Largest pension plan transaction

Formally entered the bulk annuity market in late-2024

## Team size



## Target market



## Transaction features offered

	Typically offered?	Minimum transaction size?
Residual risk cover	x	n/a
Termination/surrender	x	n/a
Collateral structures	x	n/a



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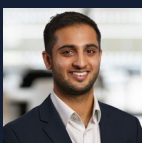
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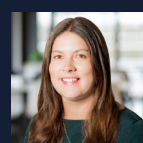
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