



# U.S. pension risk transfer market insights

December 2021

## Market snapshot for Q3 2021

The LIMRA Secure Retirement Institute recently released the following statistics about the pension risk transfer (PRT) market for the quarter ending September 30, 2021:

- 118 group annuity buy-out contracts were transacted in Q3 2021 worth \$15.8 billion in premium
- 2 buy-in contracts were transacted in Q3 totaling just under \$700 million in premium
- 19 insurers participated in the quarterly survey (representing all insurers in the PRT market as of September 2021)

## Market outlook for 2022

The Secure Retirement Institute reported that group annuity sales (including buy-outs and buy-ins) totaled \$25.3 billion during the first 9 months of 2021. From LIMRA Fact Tank data, we estimate:

- \$40.6 billion in total group annuity sales for the 12-month period ending September 30, 2021
- \$200.2 billion in buy-out premiums since 2012
- \$8.3 billion in buy-in premiums since 2014

### Will 2021 be the biggest year ever?

With \$25.3 billion in group annuity premiums transacted through September 30, 2021, a Q4 of \$10.7 billion or more in transactions will push 2021 over the prior record of \$36 billion set in 2012.

### Insurer capacity

Q3 and Q4 remain the busiest time of the year for PRT: 68% and 73% of annual transactions occurred in the second half of the year in 2019 and 2020, respectively. The percentage will be even higher for 2021. Take-away: Plan ahead.

### 2021: A record year for buy-ins

Through September 30, 2021, buy-in premiums totaled \$3.5 billion (with more already confirmed in Q4). This means that the calendar 2021 total for buy-ins will be the largest ever.

### What's in store for 2022?

Past transaction data is not always a perfect predictor of PRT sales, but recent trends, insurer capacity, and the relative improving funded statuses of pension plans all suggest that group annuity momentum will continue into 2022.

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