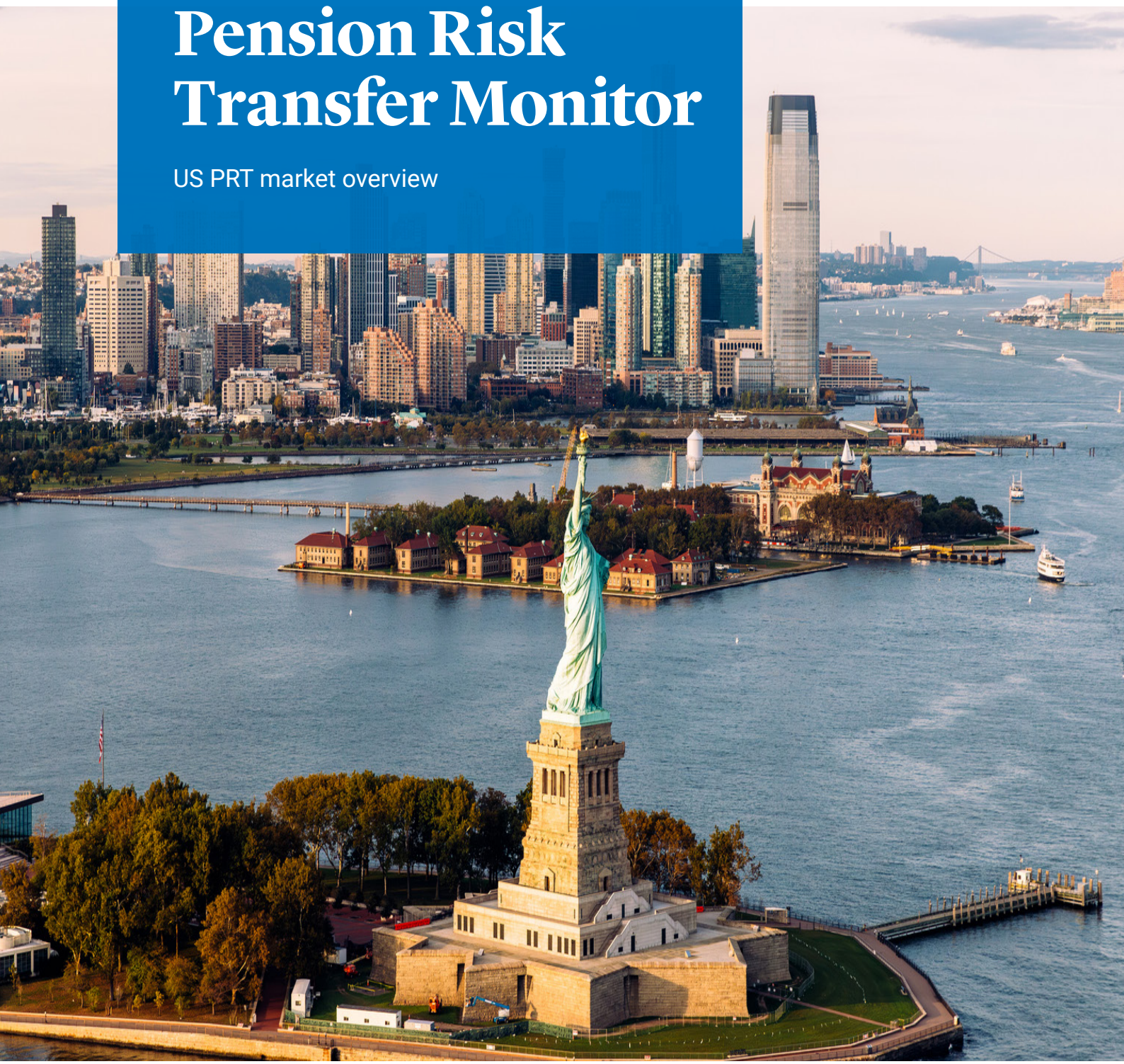
Pension Risk Transfer Monitor

US PRT market overview

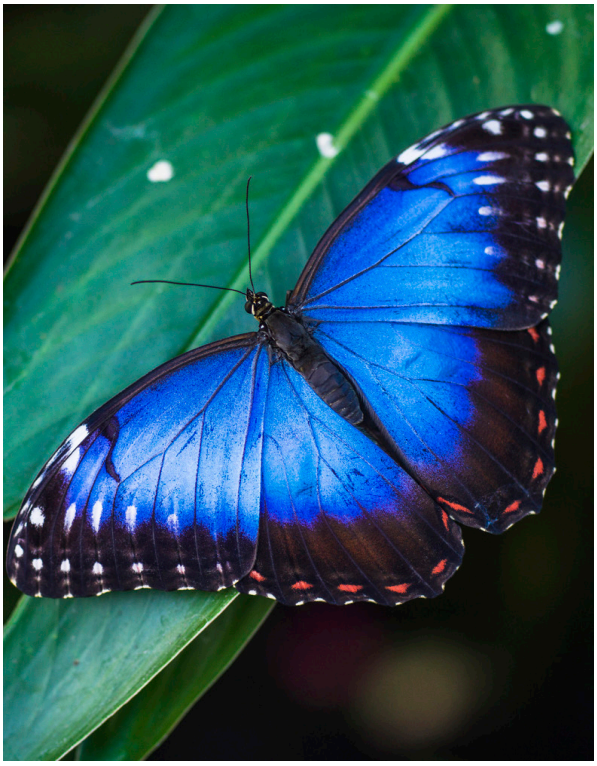


Legal & General Retirement America

Market update

$14bn+
Estimated size of Q3 2024

$50bn+
Estimated size of 2024



After a record-breaking first half of the year for the US Pension Risk Transfer (PRT) market, the third quarter closed strong at an estimated $14 billion in total premium. This is an approximately 35% increase compared to Q3 of last year, which landed at $10.6 billion[1]. One jumbo transaction closed in Q3 and made up approximately 42% of the quarter's market volume, which was IBM's $6 billion lift-out[2].

The average funding ratio for US corporate defined benefit pension plans continues to remain high at 110.0% in September, according to Legal & General Investment Management America's Pension Solutions Monitor[3]. The higher pension plan funding levels continue to be a contributing factor to the strength of the PRT market, as plan sponsors are in a better position to transact.

Market trends and outlook

We expect 2024 to have a total of six transactions over $1 billion, all of which have closed already this year for a combined total of approximately $22 billion. This is less in count than we've seen in the last few years but represents the third highest combined annual premium for transactions of this size.

While transactions above $1 billion remain the driving force of increased market volume year over year, there has also been an upward trend in PRT transactions between $500 and $999 million. From what we have seen, the number of transactions in this market segment is close to double what we saw in 2023.

Full year total

In terms of annual total market premium, we estimate 2024 to finish at over $50 billion. This is higher than last year's total of $45.8[4] and on par with 2022's record breaking total of $51.9 billion[5].

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1 https://www.limra.com/en/newsroom/news-releases/2023/limra-record-high-number-of-pension-risk-transfer-contracts-sold-in-third-quarter-2023/

2 https://www.pionline.com/pension-risk-transfer/ibm-completes-6-billion-pension-buyout-prudential-its-second-2-years

3 https://www.lgima.com/insights/psm/

4 https://www.limra.com/en/newsroom/news-releases/2024/limra-u.s.-pension-risk-transfer-premium-jumps-53-in-fourth-quarter-2023/

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

Contact us

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