Risk transfer briefing, Quarter 2 2026

This briefing explores activity in the bulk annuity market over 2025 and what we expect to see over the rest of 2026.

We also take a look at the latest update to the First Actuarial Bulk Annuity Index, which monitors pricing trends in bulk annuity transactions relative to self-sufficiency liabilities.

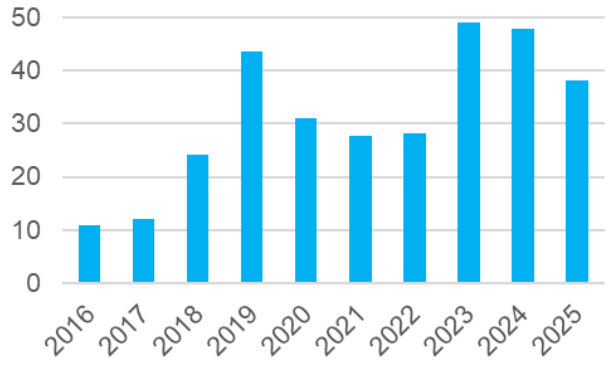
The 2025 bulk annuity market

Transactions over 2025 totalled £38.1bn – down from the record-breaking numbers of 2023 and 2024 as focus shifted towards smaller schemes. This was reflected in the volume of transactions carried out during 2025 – 372 deals! An incredible number of transactions and a 25% increase from 2024.

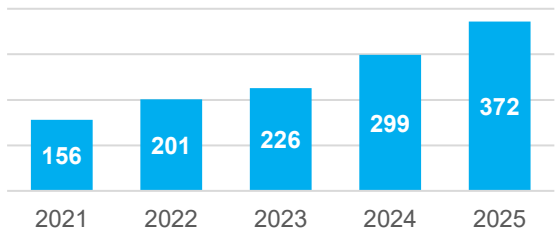
70% of last year's deals were carried out by Just Group, Aviva and L&G, thanks to the streamlined small-scheme processes these insurers have in place. We expect to see more insurers focusing on similar propositions as the market remains busy.

We predict that 2026 will be another year of growth.

Total value of bulk annuity transactions (£bn)



Number of bulk annuity transactions



Average deal size and market share

	Number of deals	Volume of deals	Average deal size	Market share
JUST.	130	£3,100m	£24m	8%
blumont annuity	8	£31m	£4m	<1%
AVIVA	86	£4,620m	£54m	12%
utmost	9	£273m	£30m	1%
Legal & General	45	£10,200m	£227m	27%
ROYAL LONDON	19	£1,600m	£84m	4%
PIC	26	£6,740m	£259m	18%
canada life	11	£959m	£87m	2%
Rothesay	17	£5,200m	£306m	14%
Standard Life	10	£3,900m	£390m	10%
M&G	11	£1,500m	£136m	4%

The completion of Just's acquisition by Blumont's parent company, Brookfield, was announced on 1 April 2026. Going forward any new deals (that have not been pre-agreed with Blumont) are expected to be carried out by Just, which will retain its branding.

What to expect from 2026

We've continued to see interest in smaller schemes from a number of insurers, and 2026 has the potential to be another record-breaking year.

We've seen a lot of focus on delays and extensions in data-cleanse timescales – unsurprising given the number of deals in recent years. We expect consideration of post-transaction timescales to be a key objective for many trustees looking to approach the market this year. Insurers are aware of this, and we foresee that insurers will continue to develop their propositions and scale up to combat ever-expanding data-cleanse periods.

As more superfunds enter the market, the range of options open to trustees continues to grow, with TPT proposing to offer a run-on superfund model to challenge Clara's bridge to buy-out model. Clara recently announced completion of its fifth deal, and TPT is currently seeking regulatory approval.

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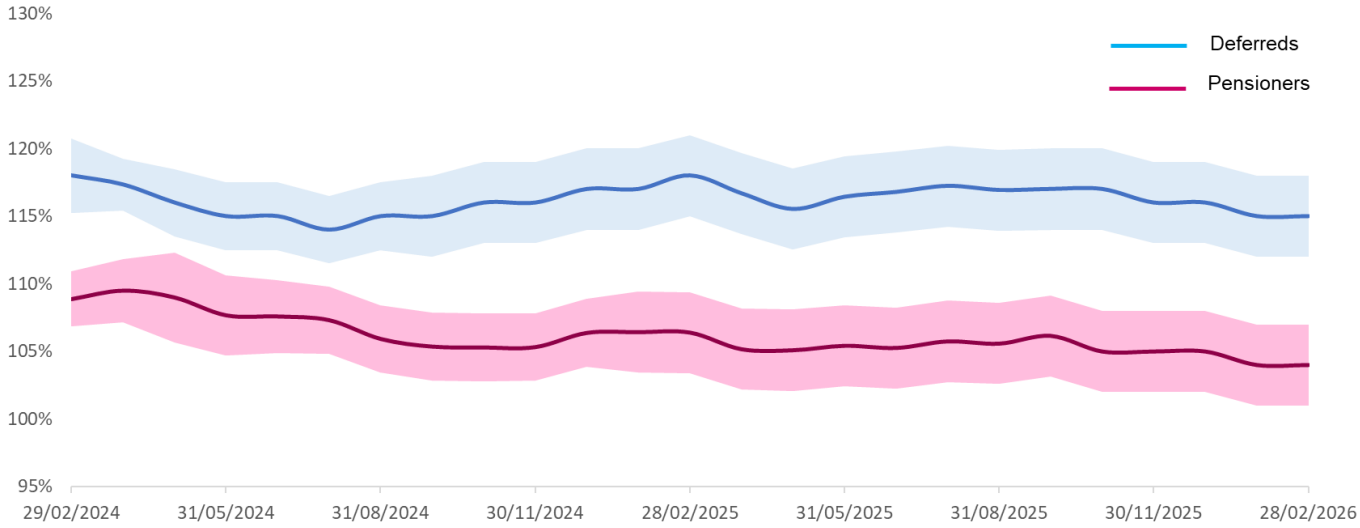
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First Actuarial Bulk Annuity Index

The chart below shows the average price of a £50 million bulk annuity transaction (with a mixture of fixed and inflation-linked liabilities) as a percentage of the liabilities measured on a low-dependency basis, using a discount rate of 0.5% pa above gilt yields.

The solid lines represent our estimate of the average price relative to low-dependency liabilities. The shaded area shows the range of sample pricing received from different insurers. Our analysis is based on sample annuities and other pricing information provided by insurers.

First Actuarial Bulk Annuity Index (£50 million transaction) – Pricing relative to low-dependency liabilities



Insurers charge a higher premium for deferred members than for pensioners of the same age. This is because it's harder to predict the benefit outlay. Deferred members are entitled to exercise options around when to retire and whether to take part of their benefits as a tax-free cash lump sum. For many schemes, the cost of a full buy-out can be prohibitive. But generally, as schemes mature and approach a low-dependency target, the extra funding required to reach buy-out decreases.

The increase in gilt yields has materially reduced the cost of buy-out and increased demand. However, buy-out pricing is also affected by other variables such as credit spreads, competition, insurer capacity and reinsurance pricing. In recent years, we've seen the cost of buy-out increase relative to gilt-based liabilities, peaking around summer 2023 and then falling back again. An increased appetite for schemes at the smaller end of the market has also led to a gradual weakening of insurer pricing relative to low-dependency liabilities over 2025 – this has continued into Q1 2026.

As at 28 February 2026, we estimate that the average price of a bulk annuity covering pensioners will be 4% higher than the equivalent low-dependency liabilities. In other words, for a scheme that is 100% funded on a typical low-dependency basis, we estimate that for every £10m of pensioner liabilities, an additional £0.4m of funding will be required. However, for every £10m of deferred liabilities, we estimate an additional £1.5m of funding will be required.

First Actuarial's risk transfer services in the news

Pensions Age | Higher education scheme completes £12m buy-in with Just Group

Corporate Adviser | Members receive direct benefit from £4m buy-out of pension scheme

Further information

First Actuarial is ideally placed to help schemes under £100m navigate the bulk annuity market, having helped schemes secure bulk annuities with the majority of the insurers operating in the sub-£100m market.

Find out more about First Actuarial's risk transfer services.