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IFoA Life Conference

Learnings from a new entrant in the bulk annuity market



Learnings from a new entrant in the bulk annuity market



Agenda

Learnings from a new entrant in the bulk annuity market

- Brief recap of the current BPA market
- Comparison to previous wave of new entrants
- Our entry to the market
- Summary of our project
- Challenges / learnings
- What does the future look like?

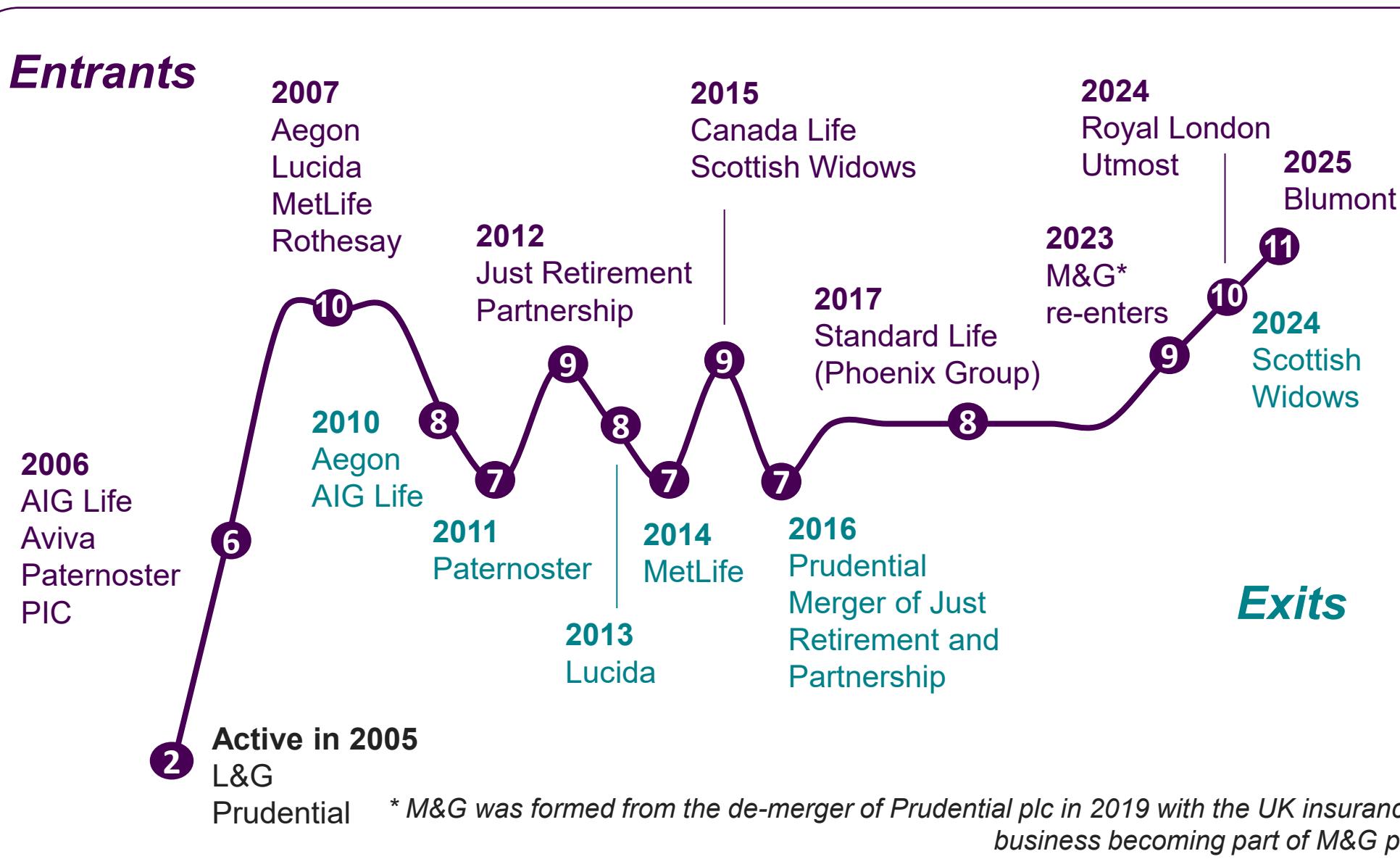


Phil Sturgess



Baljit Khatra

Brief recap of BPA market



Exits

Key themes



Rising funding levels



Insurer search for yield



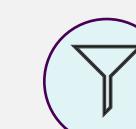
Alternative risk transfer



Funded reinsurance



Innovation / streamlining

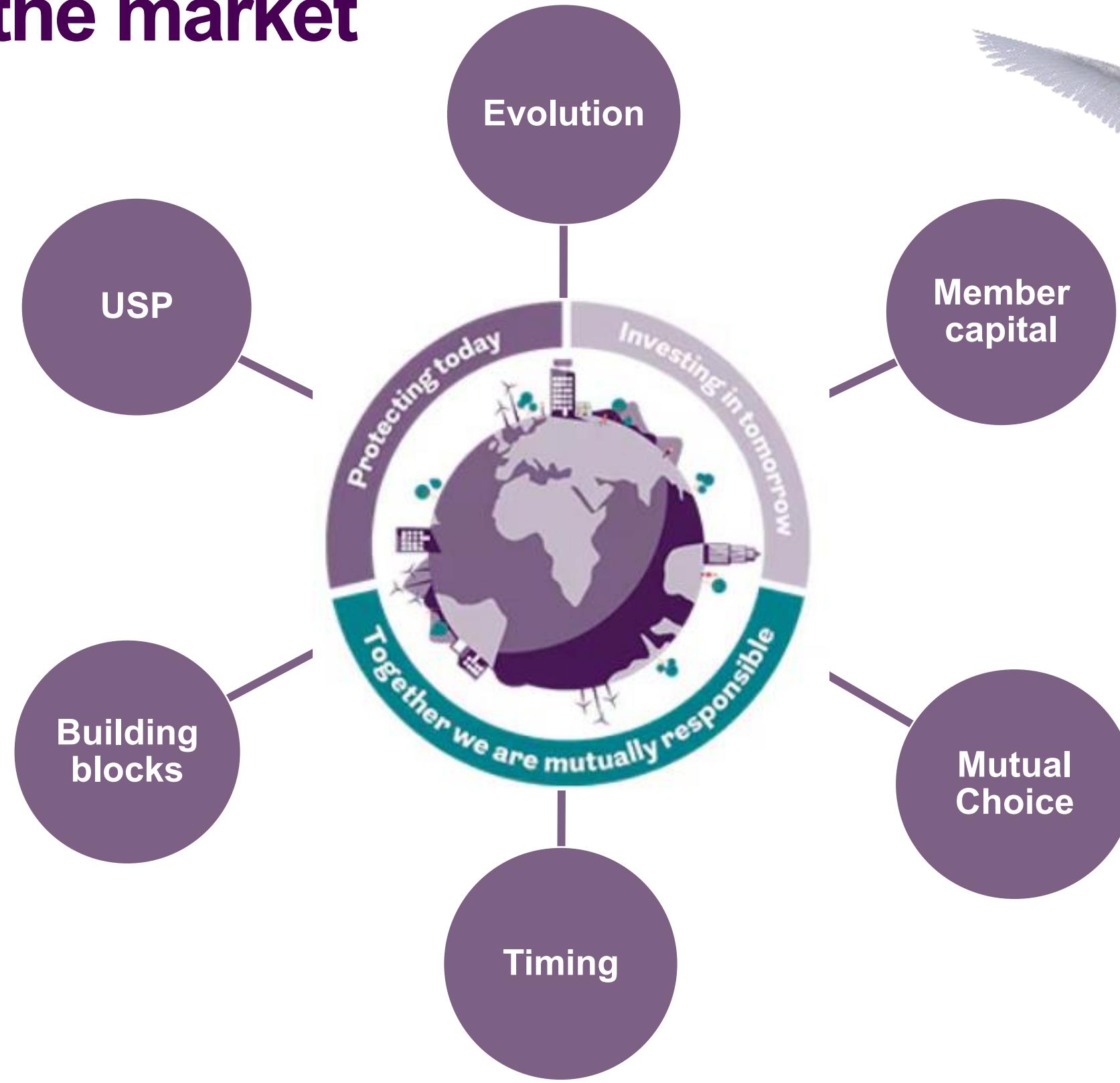


Buy-in to buyout bottlenecks

Comparison to previous wave

	2006/2007	2024/2025
Scale	£2bn - £3bn pa	£40bn - £50bn pa
Affordability	Varies but less likely to be fully funded on a buy-out basis	Significant improvement in funding levels
Demand	<p>Bulk annuities remain the gold standard for scheme de-risking</p> <p>Partial buy-ins were the norm</p> <p>Deferred rarely included</p>	<p>Market much better established</p> <p>Full buy-outs preferred</p>
Insurer Regulation	Solvency I	Solvency II
Investors	Lots of start-ups with PE backing Some established insurers	Established Insurance Groups
Alternatives	Longevity swaps relatively new	<p>Longevity swaps established</p> <p>Consolidators available – only Clara currently</p> <p>Run-on / self sufficiency</p>

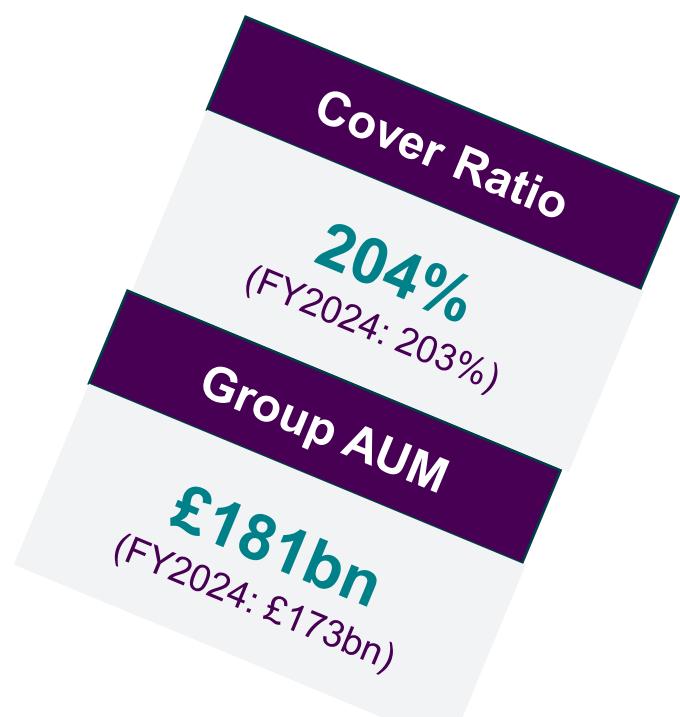
Our entry to the market



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Focus on customers



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Summary of our project

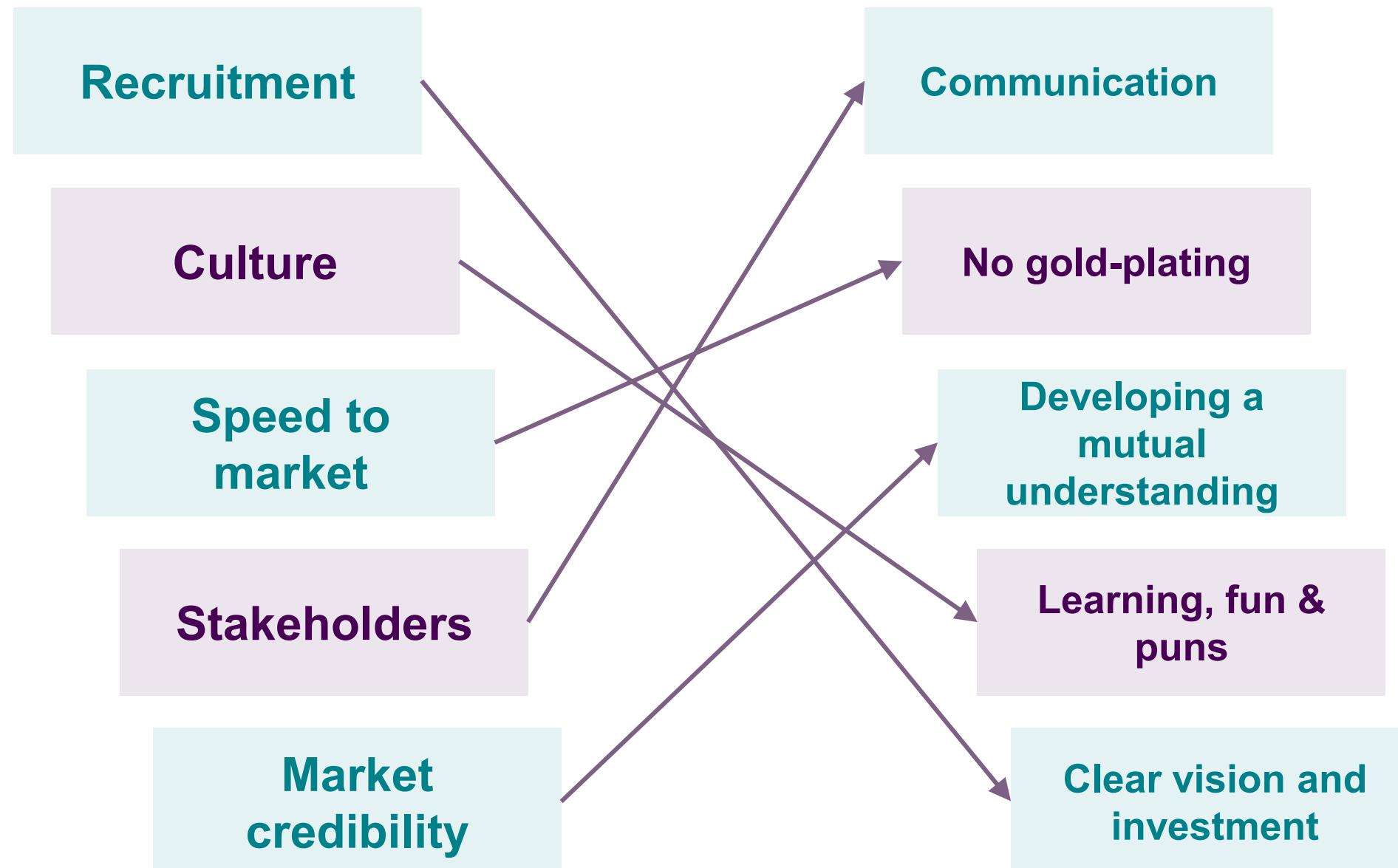
Phase 1 (Launch): Key themes

-  Build market presence
-  Develop pricing approach
-  Define administration approach
-  Ensure robust governance framework
-  Confirm transaction readiness

Phase 2 (TOM): Key themes

-  Deliver contractual commitments
-  Improve efficiency
-  Enhance downstream processes
-  Support continued competitiveness
-  Increase addressable market

Key challenges and how we overcame them



Market reception

“Royal London has been an excellent transaction partner to work with, delivering a great solution for our pension scheme in impressive timescales. Most importantly, we feel confident that Royal London’s status as a mutual and their clear focus on member care means they are an ideal home for our members’ pension promises in the decades ahead.”

Duncan Willsher – Trustee Director, Vidett



Royal London Pensions and Investments - Adviser ...

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One year in, we're very proud of the progress we've made in the bulk annuity market.

From securing benefits for 18,000 members to building trusted partnerships with trustees and their advisers, our first year has been defined by care, quality and purpose.

And this is only the beginning. Delivering for trustees and their members.

Discover what sets Royal London apart, and how we're supporting trustees and their members with confidence for the very long term.

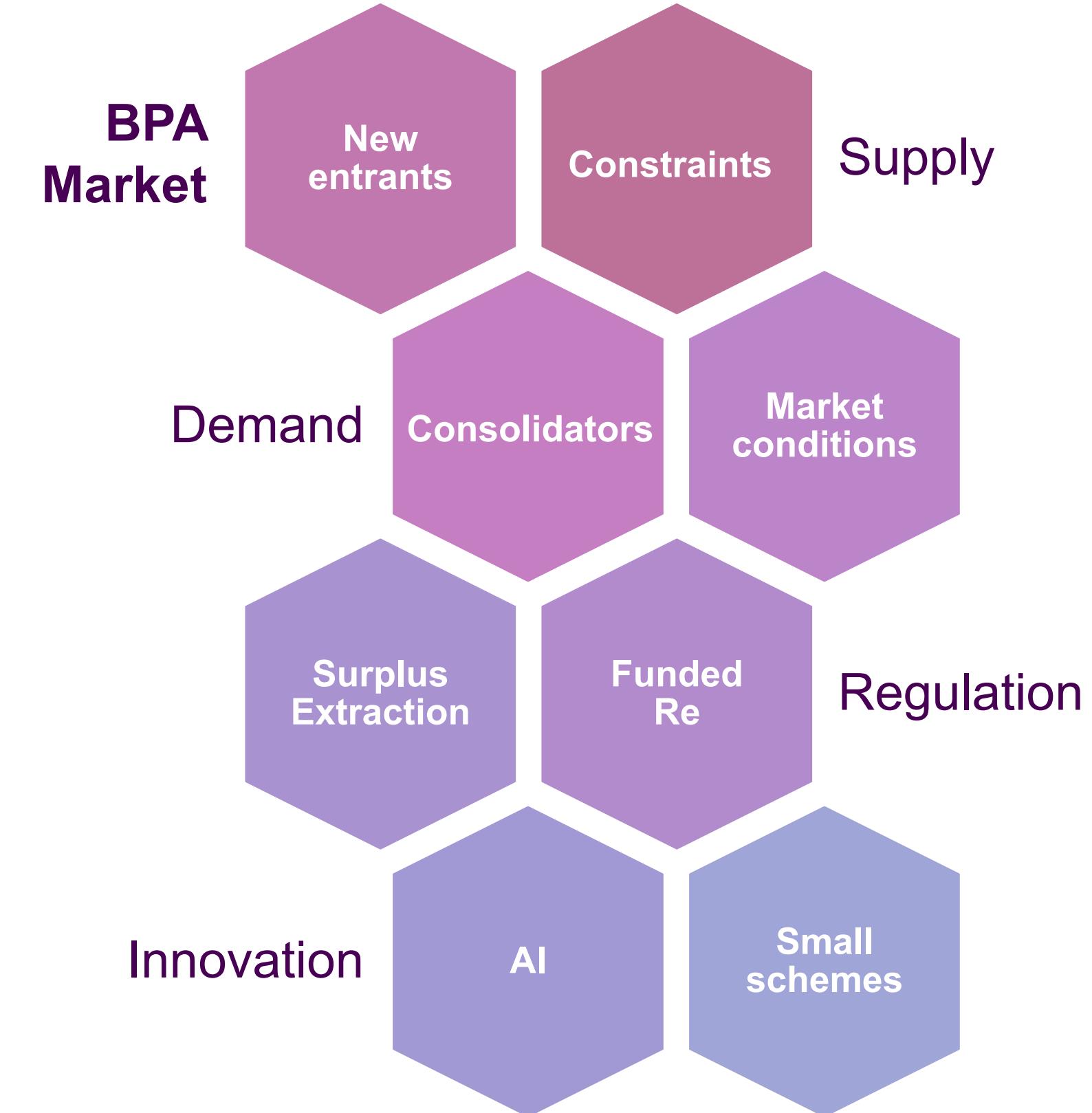
Watch the full story here: <https://ow.ly/xAF350X3vFR>

#RoyalLondon #TheFeelingsMutual #BulkAnnuities #Advisers

£2 billion in premiums

We genuinely care about not only delivering now.

The Future



Q&A



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Thank you