Fourth quarter 2024

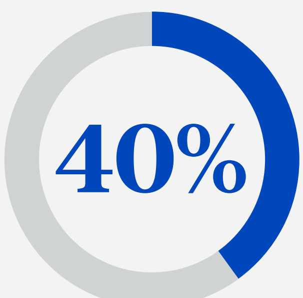
Nationwide®

# PRT Market Commentary

**The latest on pension risk transfer**

**$51.8B**

**for 2024 total year-end premium**




**of 2024 premium driven by multibillion-dollar jumbo deals**

## 2024 in review: Another strong year despite headwinds

Building on the previous year's momentum, just under 800 deals closed in 2024, a modest 3% increase over 2023 but also a record. Total premium for the year crossed the $50 billion mark for only the second time in history, finishing the year at $51.8 billion, according to LIMRA's "U.S. Group Annuity Risk Transfer Sales Survey."[1]

Jumbo activity slowed in the second half of the year but still accounted for 40% of all premium due to a series of large transactions in quarters 1 and 2. Although the jumbo market is the primary driver of total annual sales, we expect this space to be quieter in 2025. Lawsuits against multiple U.S. companies (and independent fiduciaries involved in the transactions) may prove to be a headwind, influencing plan sponsors to wait and see what happens in the courts before de-risking.

At the other end of the market, plan termination transfers increased by over 10% in 2024. Not able to leverage scale as efficiently as larger plans, small plans took longer to attain fully funded status. Locking in the investment gains achieved over the past 12 to 18 months, they improved to levels that enabled plan fiduciaries to execute on their long-term de-risking goals.

## Anticipated trends and opportunities in 2025

With strong equity market performance in 2024 and a slowdown in Federal Reserve rate cutting, the financial position of plans continues to strengthen. For the first time since before the global financial crisis of 2007-2009, pension plans sponsored by large U.S. companies ended last year fully funded, according to data from Willis Towers Watson.[2] With investment gains locked in, plans can leverage the stability of the insurance industry without a need for cash infusion.

While we anticipate a slower first half of the year than we saw in 2024, we expect activity to increase in quarters 3 and 4 as an anticipated delay in Federal Reserve rate cutting helps to prolong the favorable pricing environment.

For more on pension risk transfers, visit nationwide.com/PRT.

[1] "U.S. Group Annuity Risk Transfer Sales Survey," LIMRA (Q4 2024).

[2] "Despite strong equity markets, financial health of largest US corporate pension plans showed modest improvement in 2024," Willis Towers Watson Company. https://www.wtwco.com/en-us/news/2025/01/despite-strong-equity-markets-financial-health-of-largest-us-corporate-pension-plans-showed-modest (January 2, 2025).



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