

Bulk annuity market Q4 2026 trustee update

Market commentary

- Final H1 results have been released by the insurers and show deal volumes of £10.2bn, which is lower than expectations. However, momentum continues at the small and mid-end of the market with around 140 transactions written by the half year.
- This muted demand has driven strong pricing and greater insurer engagement levels during the year to date, with XPS observing 50% more insurers bidding on transactions across most deal sizes, giving schemes more choice over insurer selection.
- H2 has started strongly with £7bn already written at the time of writing and XPS expects full year volumes to be £35bn-£40bn (so around the same levels as in 2025).

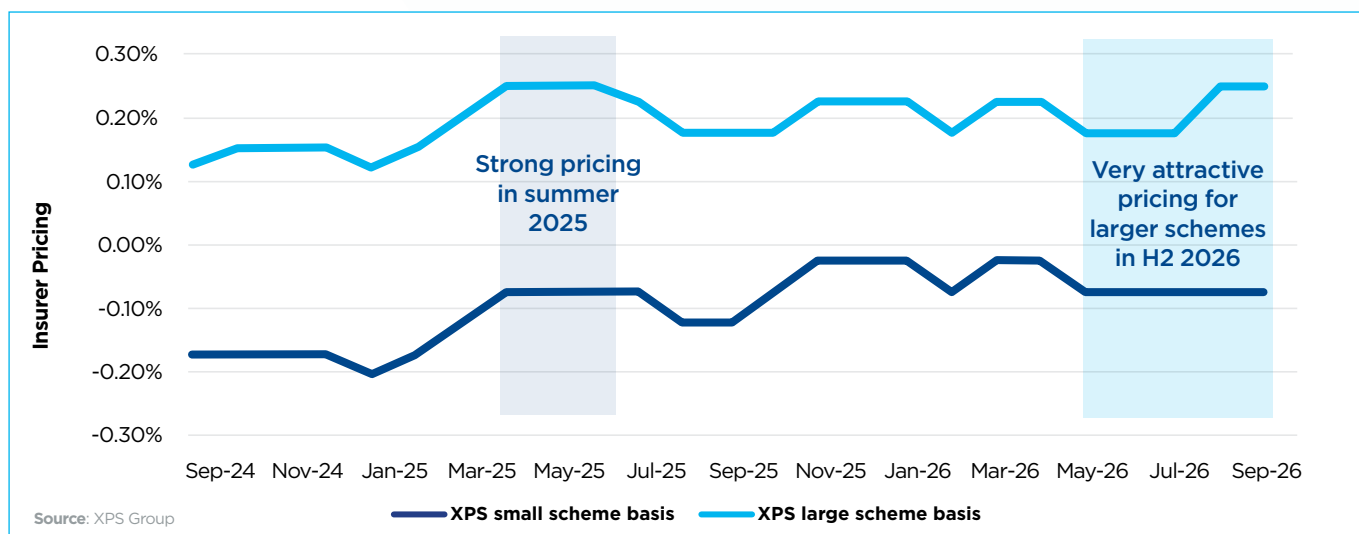
Notable deals in the last quarter in the public domain included:

Wood Pension Plan	£1.7bn	L&G	Large whole-scheme
Smiths Industries Pension Scheme	£760m	Prudential	5th and final buy-in in a series of transactions
Arco Pension Scheme	£135m	Clara	Superfund transaction alongside corporate M&A

The XPS Bulk Annuity Watch tracker tracks the bulk annuity transaction completed by each provider, by number of deals and volume of premium.

Pricing levels

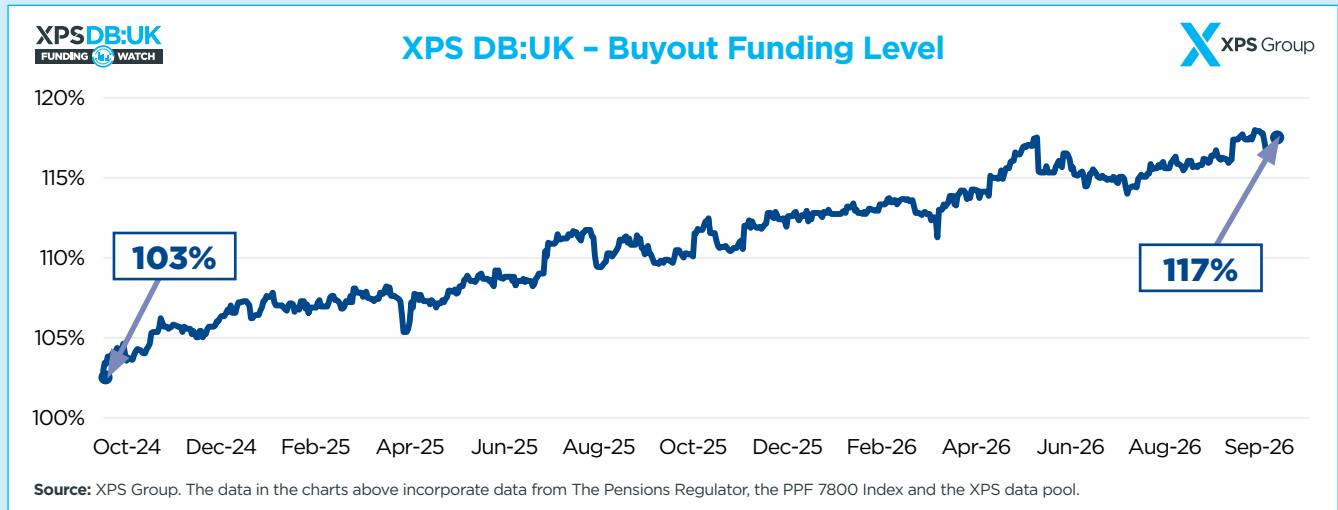
XPS closely tracks pricing through pricing fees from insurers and real-life transaction pricing across deals of all sizes. Average pricing over the past 24 months (relative to gilt yields) is illustrated below:



Note: The pricing is based on observed market pricing and model points from bulk annuity insurers. Actual bulk annuity pricing is specific to a particular scheme's demographic and benefit profile, and other wider factors influencing appetite for a transaction.

Buyout funding levels

Aggregate funding levels, which were already at historically high levels, have continued to improve through the last quarter. As seen in the chart below, taken from [XPS DB:UK Funding Tracker](#).



Industry news

- **Additional capacity** - In August 2026, Standard Life announced a partnership with CVC, Prudential Financial Inc, Goldman Sachs and MS&AD with a combined initial capital commitment of up to £2bn, with Standard Life contributing £500m over 5 years. This partnership is intended to focus on larger transactions and will add around £5bn of additional capacity to the market capacity and greater competition in the market.
- **Differentiation** - Insurers continue to look for ways to differentiate themselves from their competitors, and there is an increasing focus on non-price factors:
 - **Member experience** - All insurers now offer self-service portals, although some are significantly more developed than others.
 - **Post-transaction** - There has been substantial investment in post-transaction teams to support the increasing number of transactions written. XPS has surveyed the insurers who collectively have capacity to convert around 400 schemes to buyout each year (so marginally more than expected new transactions).
 - **GMP equalisation** - Delays in reaching buyout can often be attributed to GMP equalisation. Some insurers (notably Just) are increasingly open to taking on this work in a post buyout environment for a fixed upfront cost.

Outlook for 2026

XPS market intelligence - expectations for volumes for the year are lower than previous years, with XPS estimating around £35-£40bn of deal volumes. The actual volumes will be heavily dependent on the timing of the larger transactions now in insurer pipelines.

Pricing currently remains strong and XPS's experience remains that well-prepared schemes with well thought-out strategies continue to receive attractive pricing regardless of size, and for smaller to mid-sized schemes there is currently an increased level of competition among insurers driving that attractive pricing.

Find out more

For further information, please get in touch with **Stephen Purves**, **Adrian Marshall** or speak to your usual XPS Group contact.



Stephen Purves
Head of Risk Settlement
e stephen.purves@xpsgroup.com



Adrian Marshall
Senior Risk Settlement Consultant
e adrian.marshall@xpsgroup.com



© XPS Group. XPS Pensions Consulting Limited, Registered No. 2459442. XPS Pensions Limited, Registered No. 3842603. XPS Administration Limited, Registered No. 9428346. XPS Pensions (RL) Limited, Registered No. 5817049. XPS Pensions (Trigon) Limited, Registered No. 12085392. XPS Covenant Ltd, Registered No. 08020393. XPS IC Ltd, Registered No. 9640309. XPS Investment Limited, Registered No. 6242672, authorised and regulated by the Financial Conduct Authority for investment and general insurance business (FCA Register No. 528774). All registered at: Phoenix House, 1 Station Hill, Reading, RG1 1NB. APR Actuarial Solutions (Europe) Limited, Registered No. 677130. Registered at: South Point, Herbert House, Harmony Row, Dublin 2, Ireland, D02 H270.

This communication is based on our understanding of the position as at the date shown. It should not be relied upon for detailed advice or taken as an authoritative statement of the law.