

UK Longevity Swap market

July 2026 briefing

1

Pricing at an all time low

Driven by a highly competitive market and increases in global yields

2

Growth of non-pensioner market

The non-pensioner longevity swap market has become much more competitive and efficient, as reinsurers have developed their propositions to meet increased demand

3

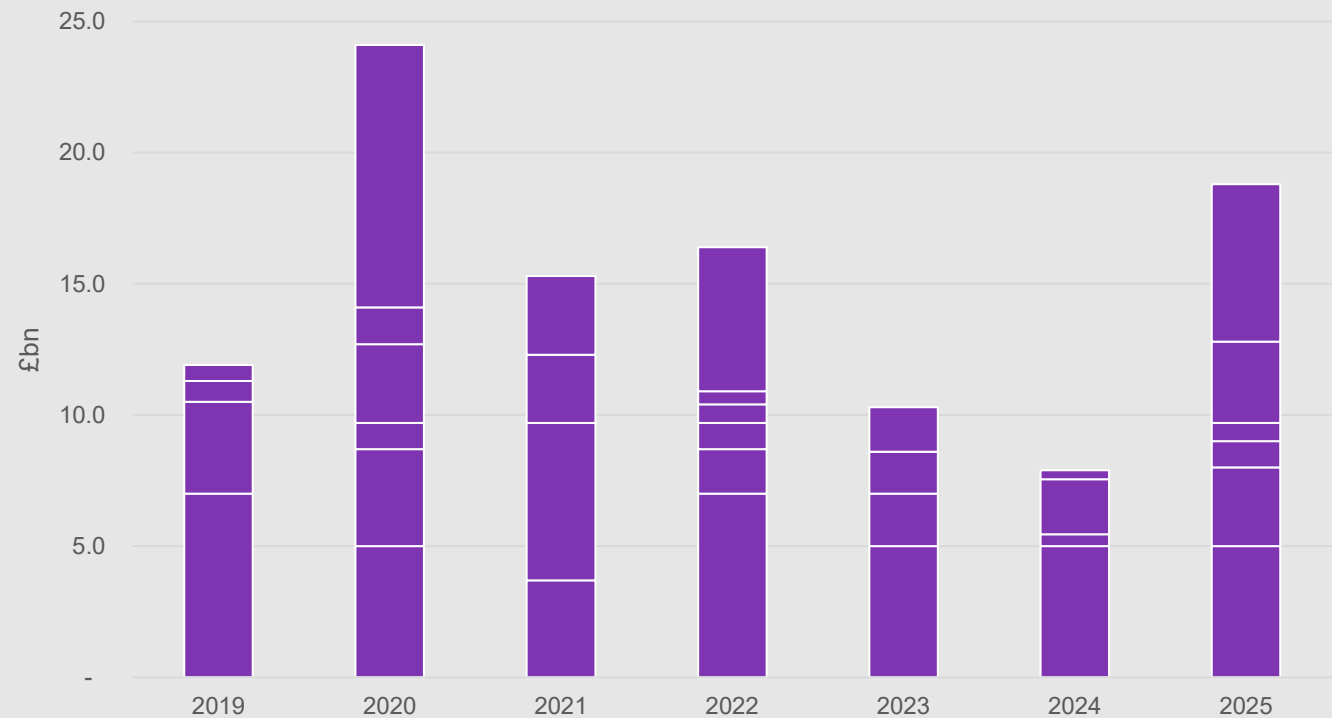
Accessible to more schemes

Improved reinsurer efficiency and pricing combined with WTW's Longevity Stream presenting opportunities to schemes of all sizes

The UK longevity swap market

More schemes are considering longevity swaps than ever before

Volumes of longevity swaps by year



Source: WTW, June 2026

Overview of recent UK longevity swaps

December 2025	£3.1bn for the Lloyds Bank Pension Scheme No.1
December 2025	£700m for the Lloyds Bank Pension Scheme No.2
December 2025	£6.0bn for the BBC Pension Scheme
September 2025	£1.0bn for the HBOS Final Salary Pension Scheme
March 2025	£3.0bn for the HBOS Final Salary Pension Scheme
March 2025	£5.0bn for the BT Pension Scheme
December 2024	£340m for the Airways Pension Scheme
December 2024	£2.1bn for the Lloyds Bank Pension Scheme No.2
November 2024	£5.0bn for the BT Pension Scheme
August 2024	£450m for the Merchant Navy Ratings Pension Fund
November 2023	£2.0bn for the MMC UK Pension Fund
July 2023	£5.0bn for the BT Pension Scheme
May 2023	£1.7bn for the Nationwide Pension Fund
April 2023	£5.0bn for the Yorkshire and Clydesdale Bank Pension Scheme

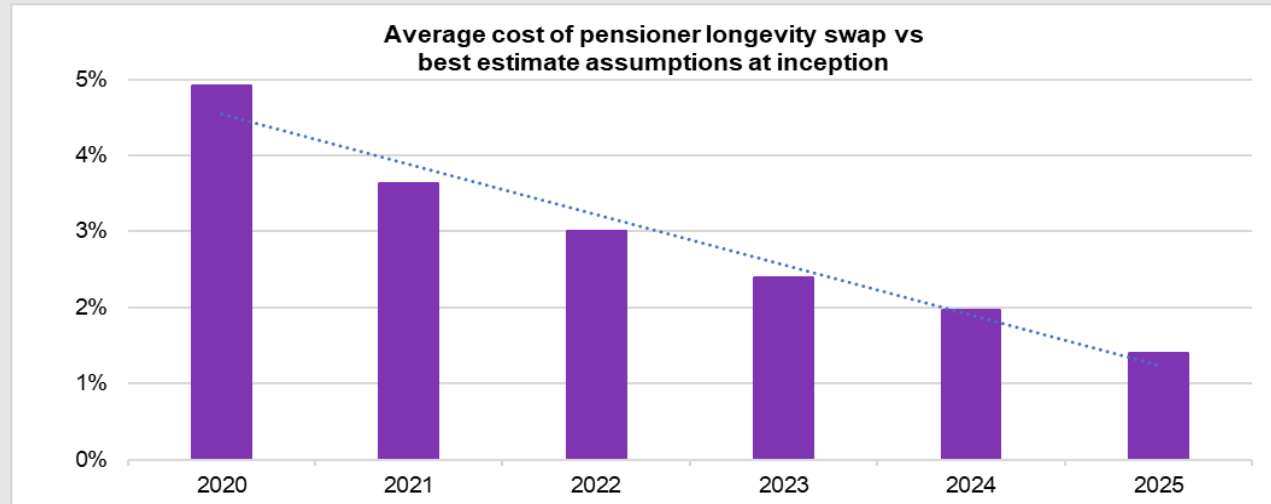
Transactions highlighted in pink were led by WTW

Current longevity swap pricing

Pricing is better than it has ever been

The chart below shows an indication of reinsurance pricing since 2020 for *pensioner-only* longevity swaps, versus the core CMI future improvements model around the time of inception.

It shows a recent downward trend in longevity swap reinsurance pricing suggesting the market is currently attractive (relative to historic market levels).



The chart covers pricing for the pensioner-only longevity swaps that WTW has visibility of, covering 21 of the 25 swaps completed in the last 6 years.

Drivers of recent attractive pricing

1

Increased market capacity and competition – 10 active reinsurers

2

Rise in global yields – reducing the duration (and risk) of liabilities hedged

3

Increased reinsurer appetite for non-pensioner longevity risk



Potential headwinds in pricing include reinsurer capacity and recent mortality trends

WTW's Longevity Stream

Launching WTW's solution to make longevity swaps accessible to more schemes

Growing demand for longevity swaps from schemes of all sizes

High associated costs and complex operational and governance requirements, along with limited reinsurer appetite, presented barrier for smaller deal sizes

Longevity Stream: streamlining the longevity swap process and removing barriers to market entry for schemes with £100-£1bn of liabilities



Access to competitive pricing from a panel of leading global reinsurers and Zurich as intermediary



Streamlined quotation process, resulting in a faster, simplified route to market



Pre-agreed contracts with CMS and **built-in provisions** enabling future novation to buy-in



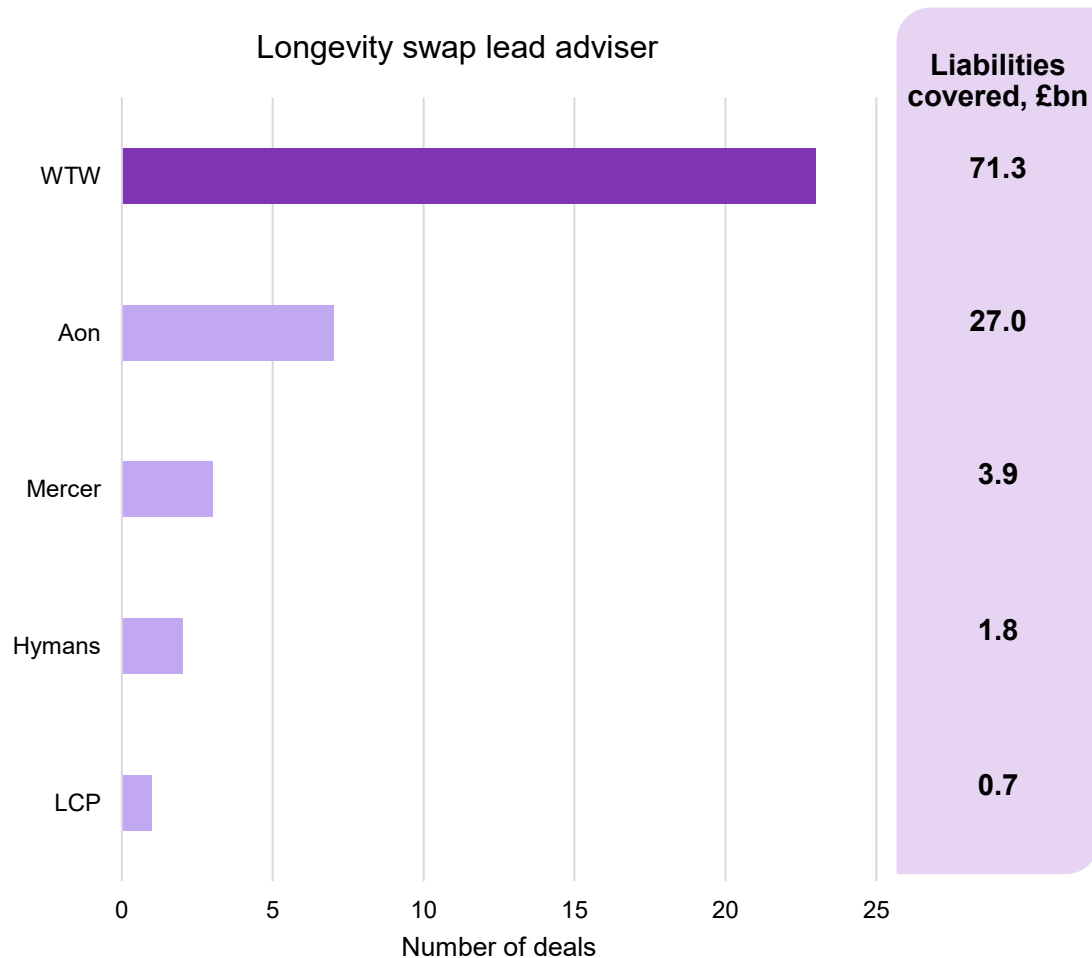
Simplified operational structure, minimising ongoing complexity for trustees and administrators.



Significantly **reduced adviser fees** vs. traditional longevity swap processes, with fixed fees



WTW's longevity swap experience since the start of 2019



We have led on over **two thirds of all swaps** (by liability)

We led **9 out of the last 10** longevity swap transactions covering **over £20bn** of liabilities.

We have advised on swaps covering **deferred members** and using **intermediated and captive structures**

We have execution experience with **nine reinsurers**



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Notes and limitations

Current longevity swap pricing (as set out on page 3)

The cost (compared to a scheme's best estimate assumptions) of entering a longevity swap at inception equals the risk fees (reinsurer and insurer) +/- differences in the assessment of the best estimate demographic assumptions between the scheme and the selected reinsurer.

For the purposes of the analysis, we have assumed that best estimate views of scheme-specific demographic assumptions (i.e. base mortality and marital assumptions) are aligned between schemes and reinsurers to enable a comparison of pricing between transactions.

The cost has therefore been calculated as the reinsurer risk fee plus the difference between the reinsurer's future improvements assumptions and the core CMI improvements model at the execution date. In practice reinsurer views on scheme-specific assumptions can differ significantly from scheme views (and from that of other reinsurers), so actual pricing of the longevity swaps above versus the schemes' assumptions will be different. The chart is intended to give a broad indication of trends in longevity swap pricing only.

The impact of the change in future improvements has been estimated for a 70 year old member (75% male; 25% female) with a 3% increasing pension, 2/3rds spouse's pension and 70% proportion married.

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