

2024 PENSION

RISK TRANSFER

REPORT

MARKET DATA

Welcome to Eckler's 2024 Canadian Pension Risk Transfer (PRT) Market Report

We have gathered market summaries and comparable data from active Canadian insurance companies to keep industry participants informed as the market evolves.

Exclusive deals and high volume dominate



2023 had **\$7.8B** in total market sales from over 190 transactions (compared to \$7.8B and approx. 170 in 2022)

Eckler's busiest year yet



Eckler brought over **\$680M** in liabilities, covering more than 25 pension plans, to the market in 2023

In addition to the enclosed market summary, our *PRT Insights* articles highlight relevant and timely PRT market topics. We invite you to review:

- [*Enhanced protection for member annuities*](#)
- [*Pension Protection Act receives royal assent: Time to take a serious look at annuity purchases*](#)
- [*Mitigating risk to pension plan members and sponsors during an annuity purchase*](#)

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PRT market growth and transformation: 2023

We saw a stabilizing market in 2023:

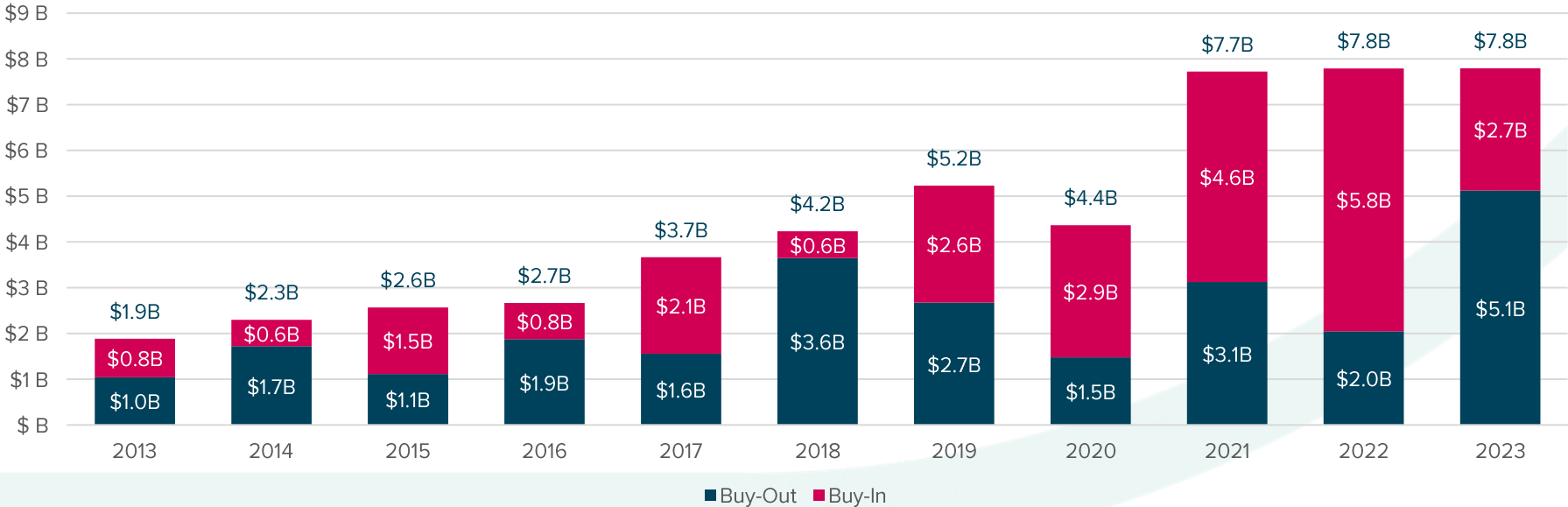
- Hovering near \$7.8B for the third year in a row, 2023 saw a high transaction count with many deals with unique solutions signaling a stable, matured market adaptable to changing demands.
- In August of 2023, Canada Life announced the decision to step away from group annuity business.
- Assuris implemented an increase in protection against insurer insolvencies in 2023, now covering 100% under \$5,000 per month or 90% (or \$5,000 if greater) of pension benefits.
- The market saw competitive bidding in the first half of the year, resulting in a lower participation rate from insurers in the third and fourth quarters of 2023.

Eckler’s expectation is for the market to maintain its maturity in 2024. Market transformation and persistent plan sponsor demand is resulting in international attention and thoughtful, selective insurer participation.

Similar to early 2023, early 2024 transaction volume has been high, and insurers are attributing this increased demand to a steadier, and less seasonal, flow of business - a pattern which is expected to continue for at least the next two calendar years.

Interest rate decrease speculation continues; however, the demand for pension de-risking is not expected to slow, especially given the new Pension Protection Act and the cessation of real return bonds.

ANNUAL BUY-OUT AND BUY-IN TRANSACTIONS



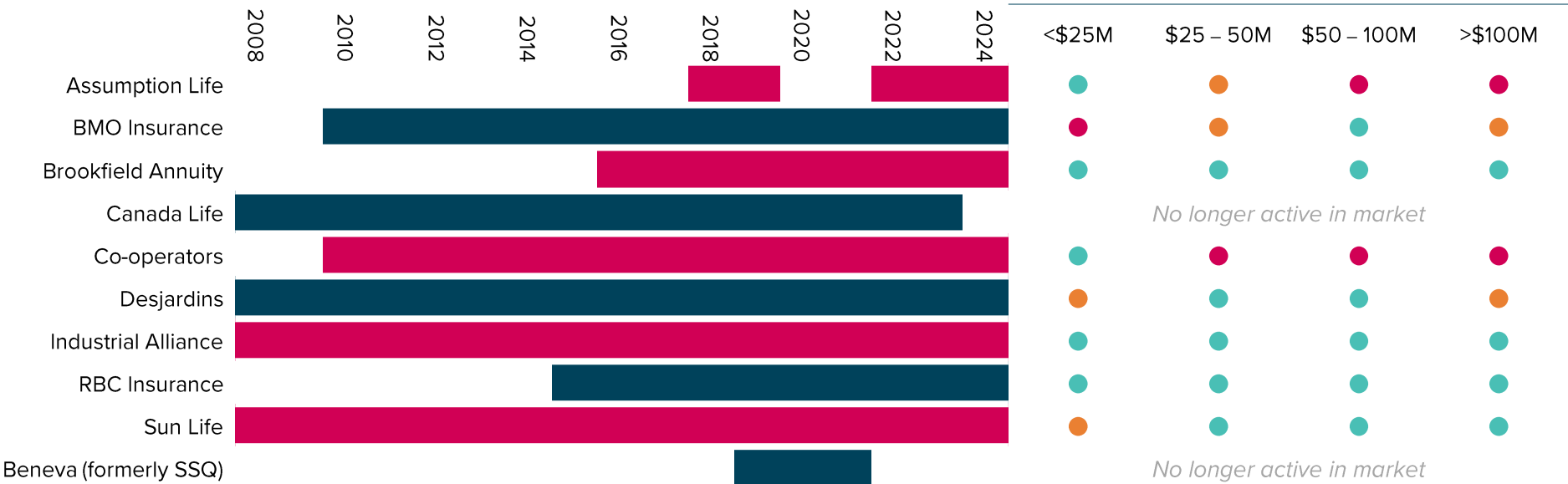
Data sources for the information provided is based on information submitted by each insurance company for new transactions only. Eckler Ltd. has not independently verified the information received.

The risk takers

After Canada Life’s exit from market in August of 2023, there are now eight insurers actively quoting on group annuities as of early 2024.

 Assumption Life	Assumption Mutual Life Insurance Company (Assumption Life)	 Desjardins	Desjardins Financial Security Life Assurance Company (Desjardins)
 BMO Insurance	BMO Insurance (BMO)	 iA Financial Group	Industrial Alliance Insurance and Financial Services Inc. (Industrial Alliance or iA)
 Brookfield Annuity	Brookfield Annuity Company (Brookfield Annuity)	 RBC Insurance	RBC Life Insurance Company (RBCI)
 co-operators	Co-operators Life Insurance (Co-operators)	 Sun Life	Sun Life Assurance Company of Canada (Sun Life)

INSURER MARKET PARTICIPATION

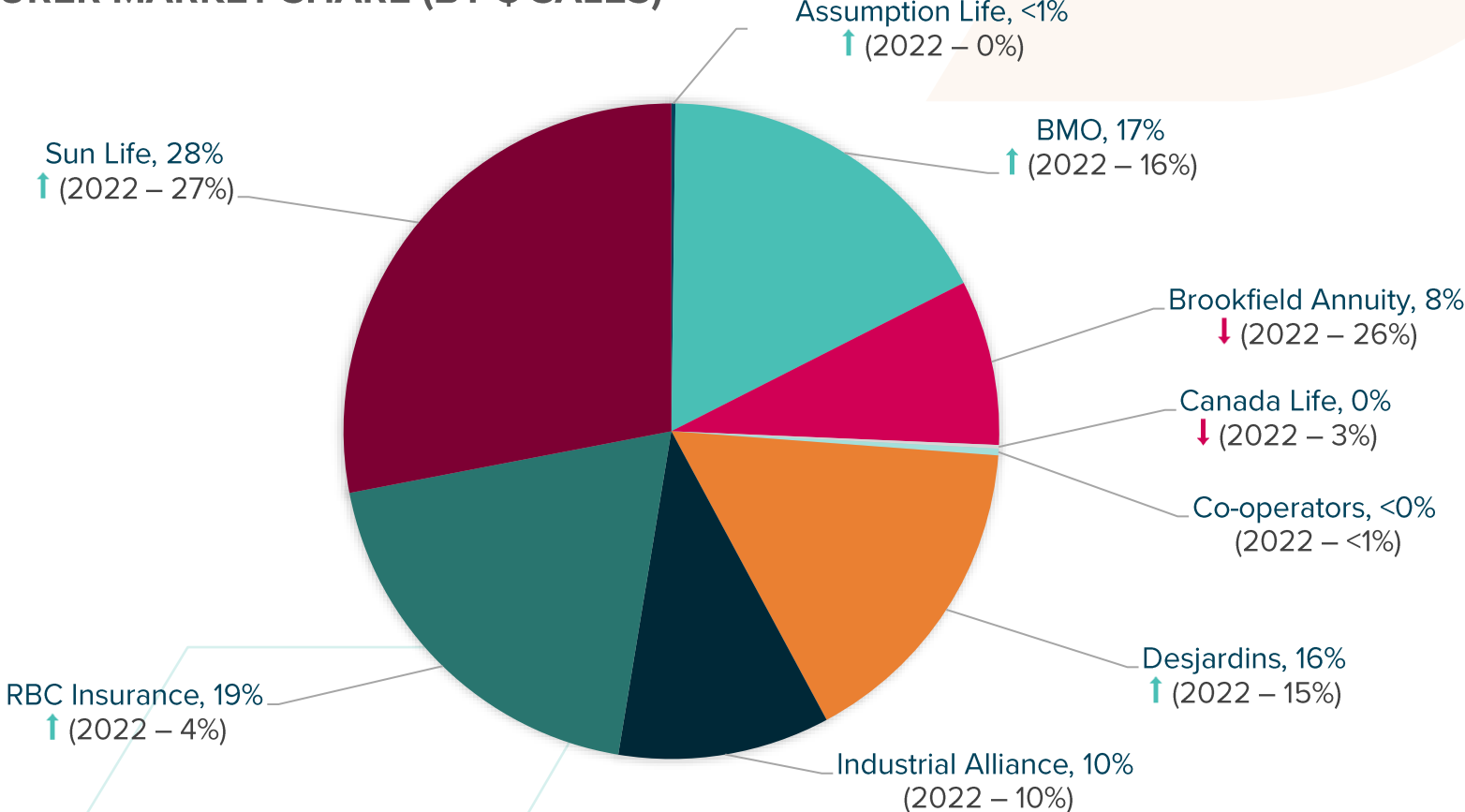


Insurer market share by transacted liabilities

Canada Life exits the market, insurers become selective

Sun Life and RBC Insurance met 2023 with a continued strong focus on larger and unique deals, accounting for 28% and 19% of the market's transactions, respectively. Desjardins and Industrial Alliance each maintained their market share versus last year, at 16% and 10%, respectively. Brookfield Annuity's market share fell in 2023, but remained strong by transaction count, securing the most business by count at nearly 50 deals. Assumption Life won their first transaction during 2023 since re-entering the market in 2022.

2023 INSURER MARKET SHARE (BY \$ SALES)



A background network diagram consisting of numerous black dots (nodes) connected by thin black lines, creating a complex web of connections. The nodes are more densely packed on the left side and become sparser towards the right. The overall background is a light blue color with a subtle gradient.

Insurer fact sheets

A quick reference guide to the insurers currently active in the Canadian PRT market.

Fact sheets present information provided to Eckler Ltd. by each insurance company; Eckler Ltd. has not independently verified the information received.

Note the number of transactions indicate the count of plans won rather than the count of actual transactions, unless specified otherwise. For example, if two plans for the same employer are placed together, they are counted as two transactions/wins. Premiums reported include any adjustments at quarter end, unless specified otherwise.

Assumption Mutual Life Insurance Company

CALENDAR YEAR – 2023

Market share	<1%
Number of transactions	5
Average transaction size	\$3M

FROM 2019–2023

Market share	n/a
Value of transactions	n/a
Average transaction size	n/a

MOST RECENT FINANCIAL STRENGTH RATINGS

S&P	n/a
Moody's	n/a
AM Best	A-
Fitch	n/a
DBRS	n/a

PROTECTION OF BENEFITS

LICAT ratio	(December 2023) 157%
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SIZE OF EXISTING CANADIAN ANNUITY BUSINESS

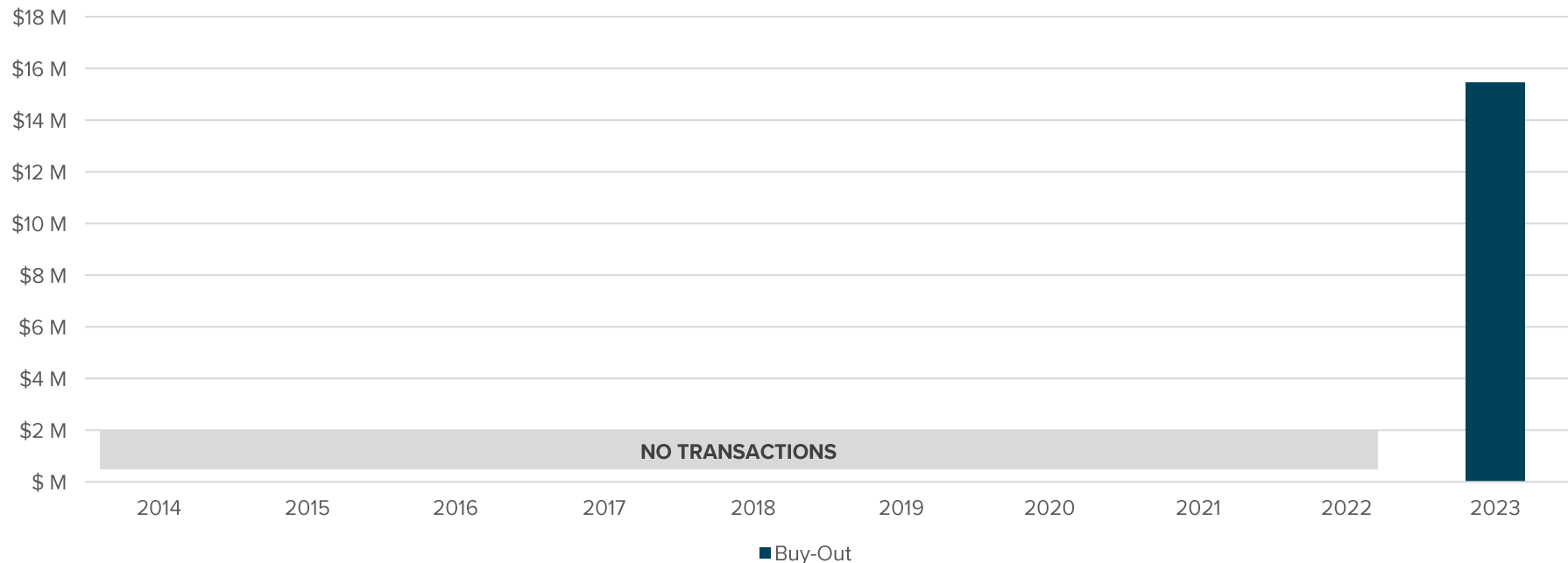
Membership data	Group	Individual
Number of pensioners	2.2K	0.3K
Monthly pension payments	\$3M	\$0.2M
Actuarial reserves	Not disclosed	Not disclosed

ADMINISTRATION

Annuitant services staff

Staff size	6
Location	Moncton, NB
Languages spoken	English / French

ANNUAL BUY-OUT AND BUY-IN TRANSACTIONS



BMO Insurance

CALENDAR YEAR – 2023

Market share	17%
Number of transactions	5
Average transaction size	\$270M

FROM 2019–2023

Market share	12%
Value of transactions	\$4.0B
Average transaction size	\$209M

MOST RECENT FINANCIAL STRENGTH RATINGS

S&P	n/a
Moody's	n/a
AM Best	A
Fitch	n/a
DBRS	n/a

PROTECTION OF BENEFITS

LICAT ratio	(December 2023) 119%
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SIZE OF EXISTING CANADIAN ANNUITY BUSINESS

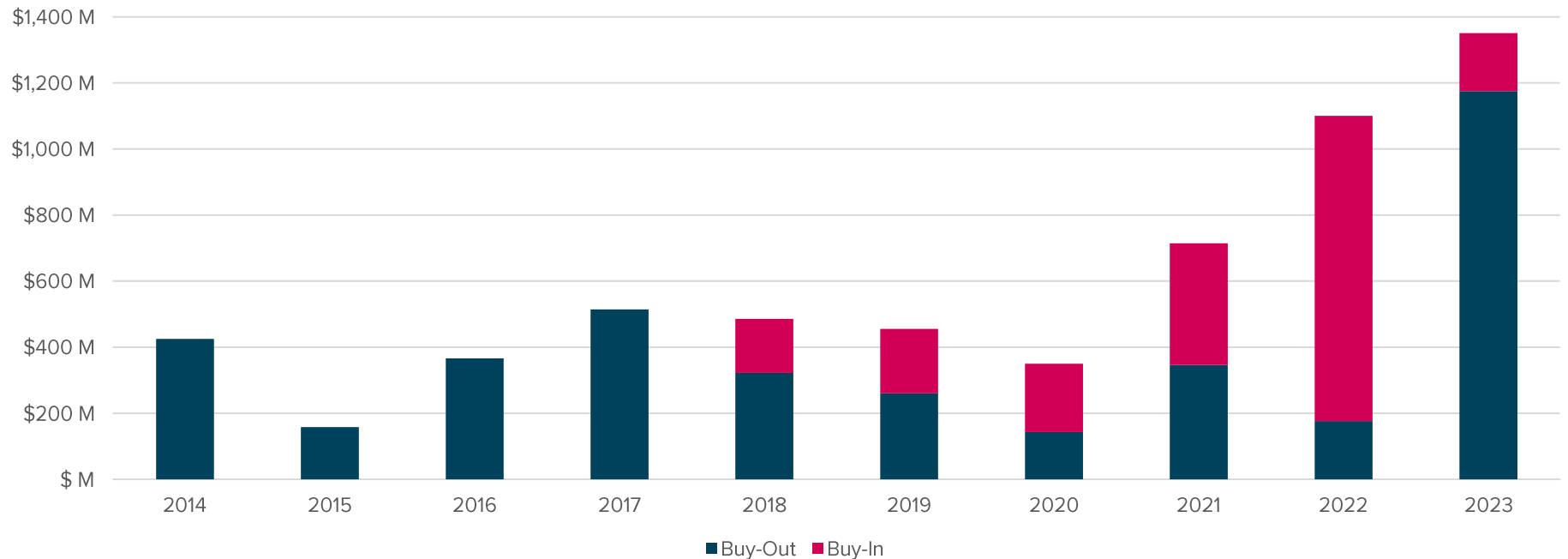
	Group	Individual
Membership data		
Number of pensioners	35K	Not Disclosed
Monthly pension payments	\$39M	Not Disclosed
Actuarial reserves	\$3.6B	\$3.5M

ADMINISTRATION

Annuitant services staff

Staff size	25
Location	Toronto, ON
Languages spoken	English / French

ANNUAL BUY-OUT AND BUY-IN TRANSACTIONS



Brookfield Annuity Company

CALENDAR YEAR – 2023

Market share	8%
Number of transactions	48
Average transaction size	\$13M

FROM 2019–2023

Market share	16%
Value of transactions	\$5B
Average transaction size	\$31M

MOST RECENT FINANCIAL STRENGTH RATINGS

S&P	n/a
Moody's	n/a
AM Best	A-
Fitch	n/a
DBRS	n/a

PROTECTION OF BENEFITS

LICAT ratio	(December 2023) 141%
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SIZE OF EXISTING CANADIAN ANNUITY BUSINESS

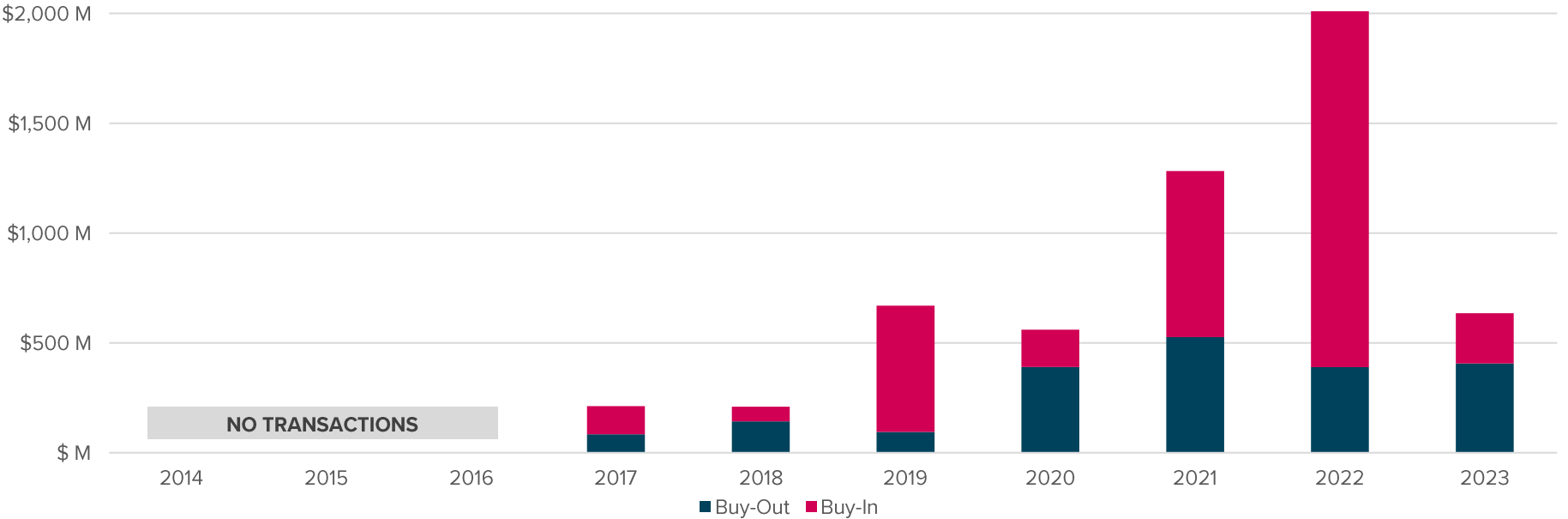
	Group	Individual
Membership data		
Number of pensioners	26K	<5
Monthly pension payments	\$44M	N/A
Actuarial reserves	\$5M	\$1M

ADMINISTRATION

Annuitant services staff

Staff size	144 (Outsourced to Buck Consulting)
Location	Toronto, ON
Languages spoken	English / French

ANNUAL BUY-OUT AND BUY-IN TRANSACTIONS



Note: Size of transactions are reported based on premiums at the quote date rather than adjusted premiums at the quarter end.

Co-operators Life Insurance Company

CALENDAR YEAR – 2023

Market share	<1%
Number of transactions	11
Average transaction size	\$2M

FROM 2019–2023

Market share	<1%
Value of transactions	\$144M
Average transaction size	\$4M

MOST RECENT FINANCIAL STRENGTH RATINGS

S&P	n/a
Moody's	n/a
AM Best	A
Fitch	n/a
DBRS	A

PROTECTION OF BENEFITS

LICAT ratio	(December 2023) 158%
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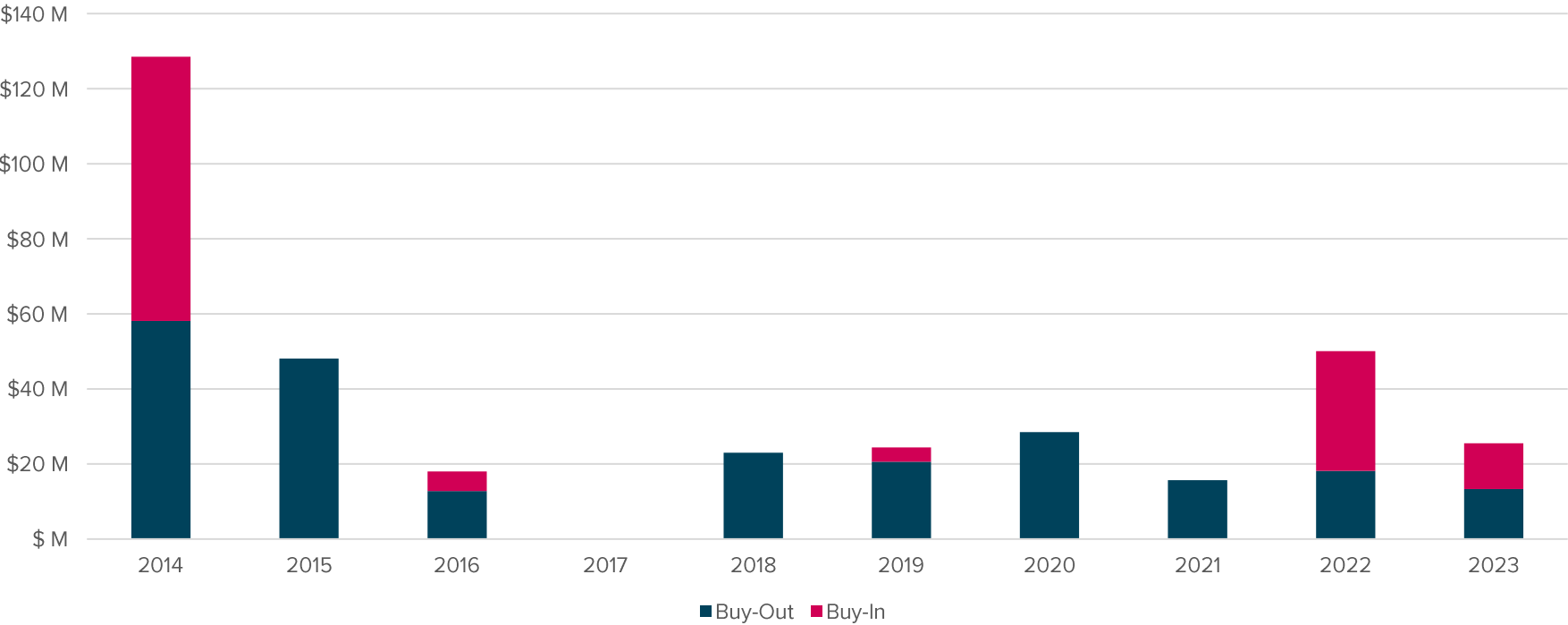
SIZE OF EXISTING CANADIAN ANNUITY BUSINESS

Membership data	Group	Individual
Number of pensioners	2K	3K
Monthly pension payments	\$2M	\$3M
Actuarial reserves	\$343M	\$362M

ADMINISTRATION

<i>Annuitant services staff</i>	
Staff size	10
Location	Regina, SK
Languages spoken	English / French

ANNUAL BUY-OUT AND BUY-IN TRANSACTIONS



Desjardins Financial Security Life Assurance Company



CALENDAR YEAR – 2023

Market share	16%
Number of transactions	46
Average transaction size	\$27M

FROM 2019–2023

Market share	12%
Value of transactions	\$4B
Average transaction size	\$27M

MOST RECENT FINANCIAL STRENGTH RATINGS

S&P	A+
Moody's	Aa1
AM Best	n/a
Fitch	AA
DBRS	AA

PROTECTION OF BENEFITS

LICAT ratio	(December 2023) 138%
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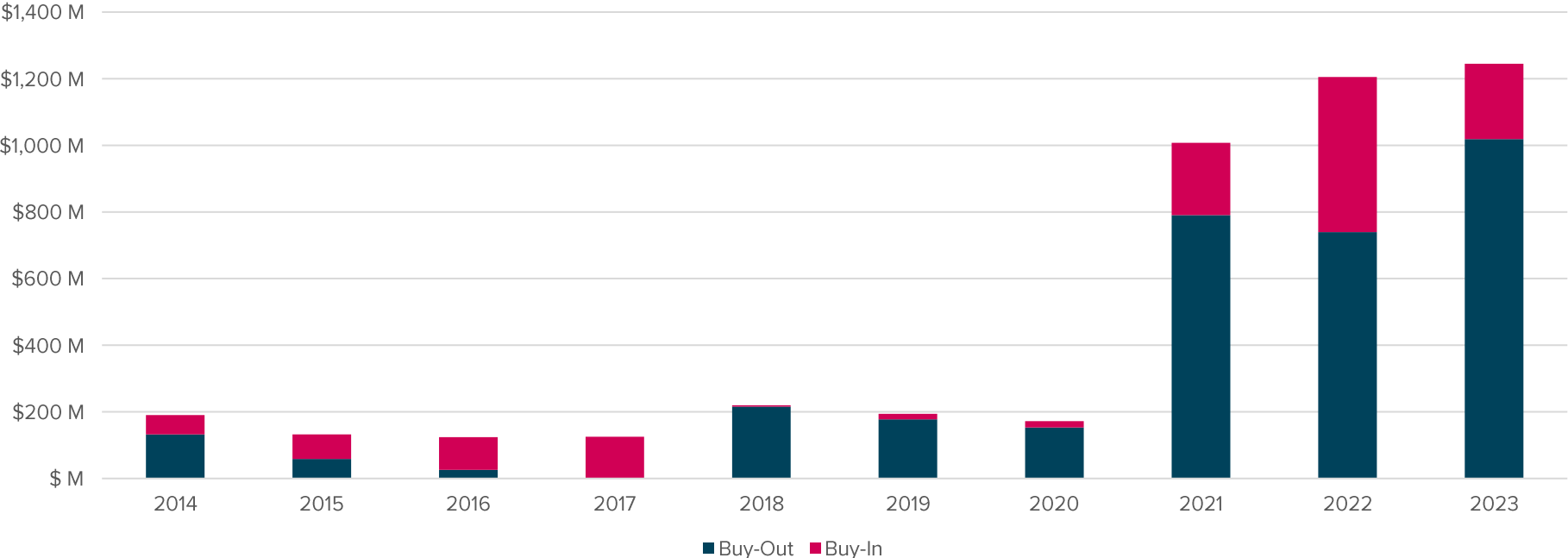
SIZE OF EXISTING CANADIAN ANNUITY BUSINESS

	Group	Individual
Membership data		
Number of pensioners	39K	10K
Monthly pension payments	\$38M	\$7M
Actuarial reserves	\$5B	\$974M

ADMINISTRATION

<i>Annuitant services staff</i>	
Staff size	60
Location	Quebec City, QC
Languages spoken	English / French

ANNUAL BUY-OUT AND BUY-IN TRANSACTIONS



Industrial Alliance Insurance and Financial Services Inc.



CALENDAR YEAR – 2023

Market share	10%
Number of transactions	29
Average transaction size	\$28M

FROM 2019–2023

Market share	11%
Value of transactions	\$3.6B
Average transaction size	\$35M

MOST RECENT FINANCIAL STRENGTH RATINGS

S&P	AA-
Moody's	n/a
AM Best	A+
Fitch	n/a
DBRS	AA

PROTECTION OF BENEFITS

LICAT ratio	(December 2023) 145%
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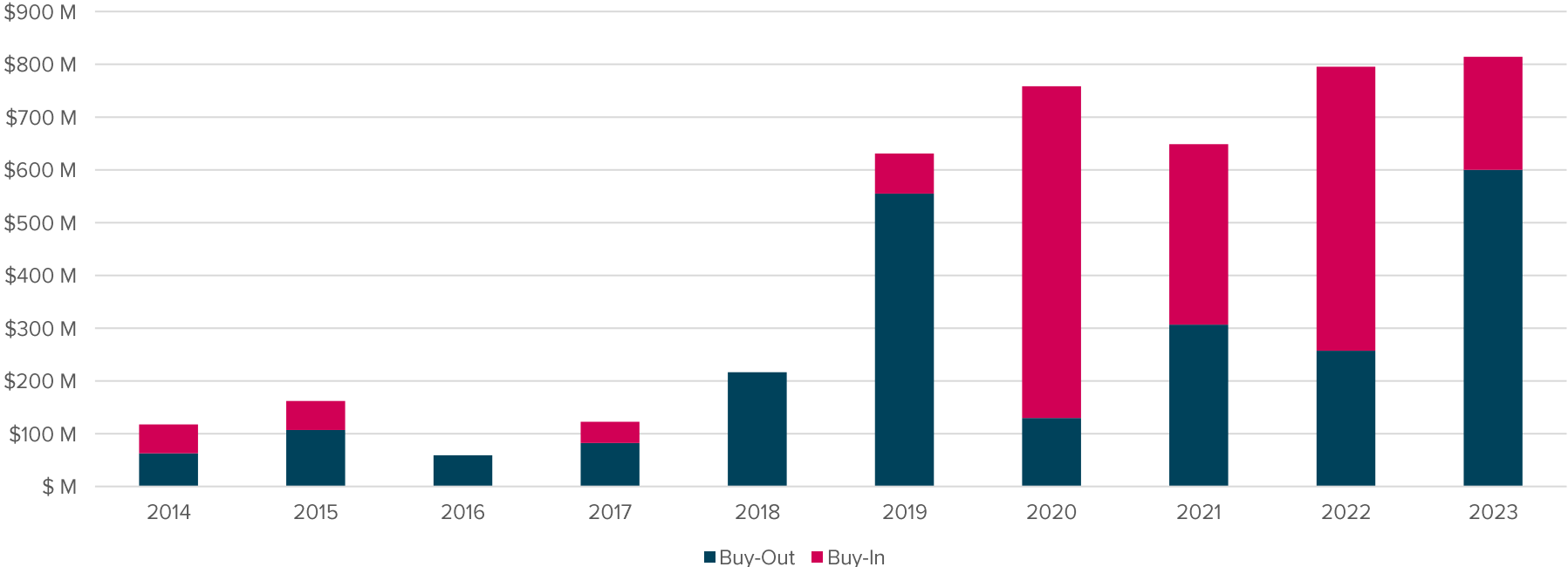
SIZE OF EXISTING CANADIAN ANNUITY BUSINESS

	Group	Individual
Membership data		
Number of pensioners	52K	Not disclosed
Monthly pension payments	\$39M	Not disclosed
Actuarial reserves	\$6B	\$248M

ADMINISTRATION

<i>Annuitant services staff</i>	
Staff size	16
Location	Quebec City, QC
Languages spoken	English / French

ANNUAL BUY-OUT AND BUT-IN TRANSACTIONS



Note:
 - Number of transactions indicate the count of actual transactions as opposed to plans won. For example, if two plans for the same employer are purchased on the same day, they are counted as one transaction/win.
 - Size of transactions are reported based on premiums at the quote date rather than adjusted premiums at the quarter end.

RBC Life Insurance Company



CALENDAR YEAR – 2023

Market share	19%
Number of transactions	13
Average transaction size	\$116M

FROM 2019–2023

Market share	13%
Value of transactions	\$4.4B
Average transaction size	\$75M

MOST RECENT FINANCIAL STRENGTH RATINGS

S&P	AA-
Moody's	Aa1
AM Best	A+
Fitch	AA
DBRS	AA

PROTECTION OF BENEFITS

LICAT ratio	(October 2023) 128%
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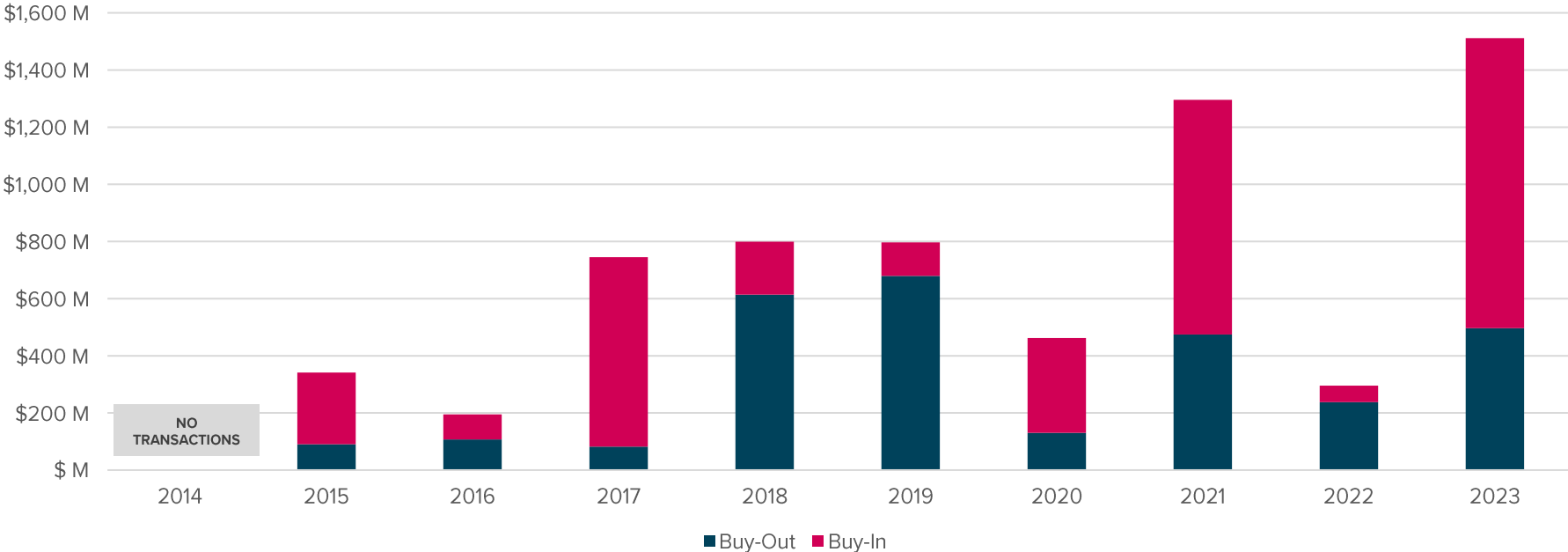
SIZE OF EXISTING CANADIAN ANNUITY BUSINESS

	Group	Individual
Membership data		
Number of pensioners	25K	Not disclosed
Monthly pension payments	\$33M	Not disclosed
Actuarial reserves	\$4B	Not disclosed

ADMINISTRATION

<i>Annuitant services staff</i>	
Staff size	50
Location	Mississauga, ON
Languages spoken	English / French

ANNUAL BUY-OUT AND BUY-IN TRANSACTIONS



Note: Number of transactions indicate the count of actual transactions as opposed to plans won. For example, if two plans for the same employer are purchased on the same day, they are counted as one transaction/win.

Sun Life Assurance Company of Canada



CALENDAR YEAR – 2023

Market share	28%
Number of transactions	34
Average transaction size	\$64M

FROM 2019–2023

Market share	30%
Value of transactions	\$10B
Average transaction size	\$95M

MOST RECENT FINANCIAL STRENGTH RATINGS

S&P	AA
Moody's	Aa3
AM Best	A+
Fitch	n/a
DBRS	AA

PROTECTION OF BENEFITS

LICAT ratio	(December 2023) 141%
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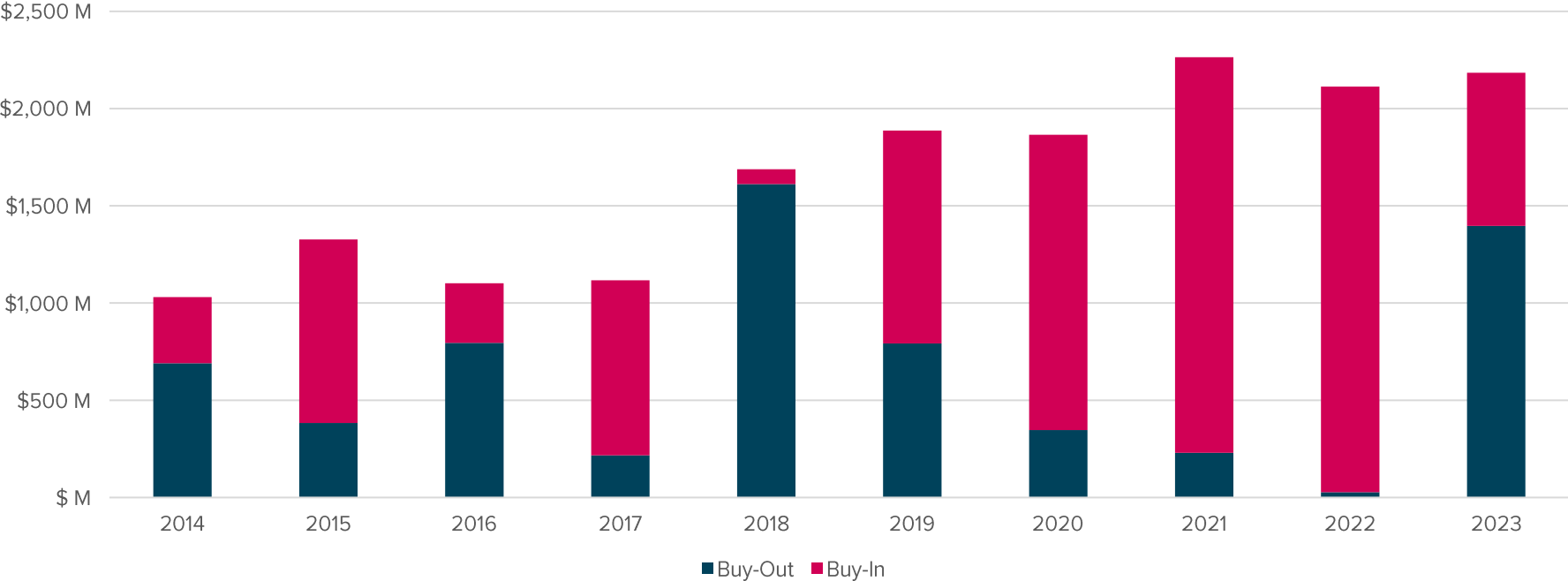
SIZE OF EXISTING CANADIAN ANNUITY BUSINESS

	Group	Individual
Membership data		
Number of pensioners	125K	53K
Monthly pension payments	\$106M	Not disclosed
Actuarial reserves	\$16B	\$4B

ADMINISTRATION

<i>Annuitant services staff</i>	
Staff size	50
Location	Waterloo, ON / Montréal, QC <i>Canadian support staff in Gurgaon (India) and Manila (Philippines)</i>
Languages spoken	English / French <i>(additional translation services available)</i>

ANNUAL BUY-OUT AND BUY-IN TRANSACTIONS



Note:
 - Number of group pensioners includes only buy-in, buy-out and longevity insurance contracts.
 - Number of transactions indicate the count of actual transactions as opposed to plans won. For example, if two plans for the same employer are purchased on the same day, they are counted as one transaction/win.