

Non-life insurance run-off deals

May 2024



In Q1 2024, DARAG and RiverStone International announced North American legacy acquisitions, being a share sale and a novation respectively. While new deal announcements did not mirror the significant activity seen in the same period last year, it is worth noting that Compre and DARAG completed deals this quarter previously signed and announced in 2023.

The combination of acquirers bidding their time to wait for the right deal and deal completions not appearing to get any quicker, either as a result of protracted contracting or regulatory approvals, is likely to see deal volumes settle at similar levels to last year. There is evidence of increased activity in legal finality solutions, with increased Part VII activity of late, following on from the four insurance business transfers in four jurisdictions completed in December by Aetna International as it pursued a wind down of its international private medical business.

Q2 2024 is already shaping up to deliver some larger deals that have been in the pipeline for some time and we expect to see existing harder market conditions, predominantly across reinsurance lines, drive legacy activity in the live market as carriers look to exploit the opportunity to release and recycle capital.

Deal-flow will be interesting to follow in current market conditions as (re)insurers may elect to focus their strategic priorities to free up capital to pivot into more profitable lines of business, focus on historic reserving risk and implement more proactive risk and operational management.



There is optimism for (re)insurers to continue to enhance earnings following record full year earning results, noting recent revisions by AM Best on the UK non-life insurance segment and London market from negative to stable and from stable to positive respectively.

We recently released our 15th Global Insurance Run-off Survey 2024. In the Survey, we explore the trends, challenges and opportunities in the legacy sector, drawing on insights from PwC colleagues and market participants from across the globe. We also consider how fluid and changing market conditions are impacting run-off, and explore how key topics such as ESG, IFRS17 and regulatory and tax developments may influence and affect the global legacy marketplace.

Our annual run-off Survey is also the first public launch of PwC UK's Capital Relief Calculator tool. The tool helps clients to evaluate the level of capital that can be released through a run-off / back-book transaction. Please get in touch with Hatty Sharp or Robbie Kerr to find out more about the Capital Relief Calculator and how clients can benefit from this.



Full details on our Capital Relief Calculator tool can be found in our Survey, which can be read [here](#).

Q1 2024 deals

Acquirer group	Seller/cedent	Country	Predominant territory	Type of deal	(Re)insurer/Lloyd's/ Captive/Corporate	Predominant class of liabilities
RiverStone International	Undisclosed	Bermuda	North America	Novation	(Re)insurer	Undisclosed
DARAG	Undisclosed	Cayman Islands	North America	Share Sale	Captive	UK Employers' Liability

About the data

The data used in this publication has been sourced from company announcements and other publicly available information.

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SPS Design RITM16202430 (04/24).

