



Q1 2023 review

# Non-life insurance run-off deals

May 2023

**Q1 2023 saw a number of super-sized non-life run-off transactions being announced continuing the trend observed in our [2022 year-end Deals review](#). 11 deals in total were disclosed in this period, whilst an estimated combined US\$6.7bn of gross reserves was transferred to legacy market participants. This estimate represents a record high for any one quarter and equates to 83% of the total gross reserves transacted in publicly announced deals in the whole of 2022.**

Of the deals announced in Q1 this year, notably three comprised the transfer of more than \$1bn of reserves each, totalling \$4.7bn in aggregate. The trend towards larger and more complex deals continues to be a consequence of sellers being highly motivated to release capital at scale and optimise opportunities and returns elsewhere in their business through strategic redeployment of the capital released. Furthermore, AM Best recently maintained its negative outlook on the UK's non-life insurance sector citing rising claims costs stemming from high inflation, hardening reinsurance rates and the prolonged period of weak economic conditions as factors squeezing insurer margins. Such conditions are likely to contribute to ongoing deal supply into the run-off market. Also of note is that these three large deals in Q1 involved portfolios containing a wide variety of risks

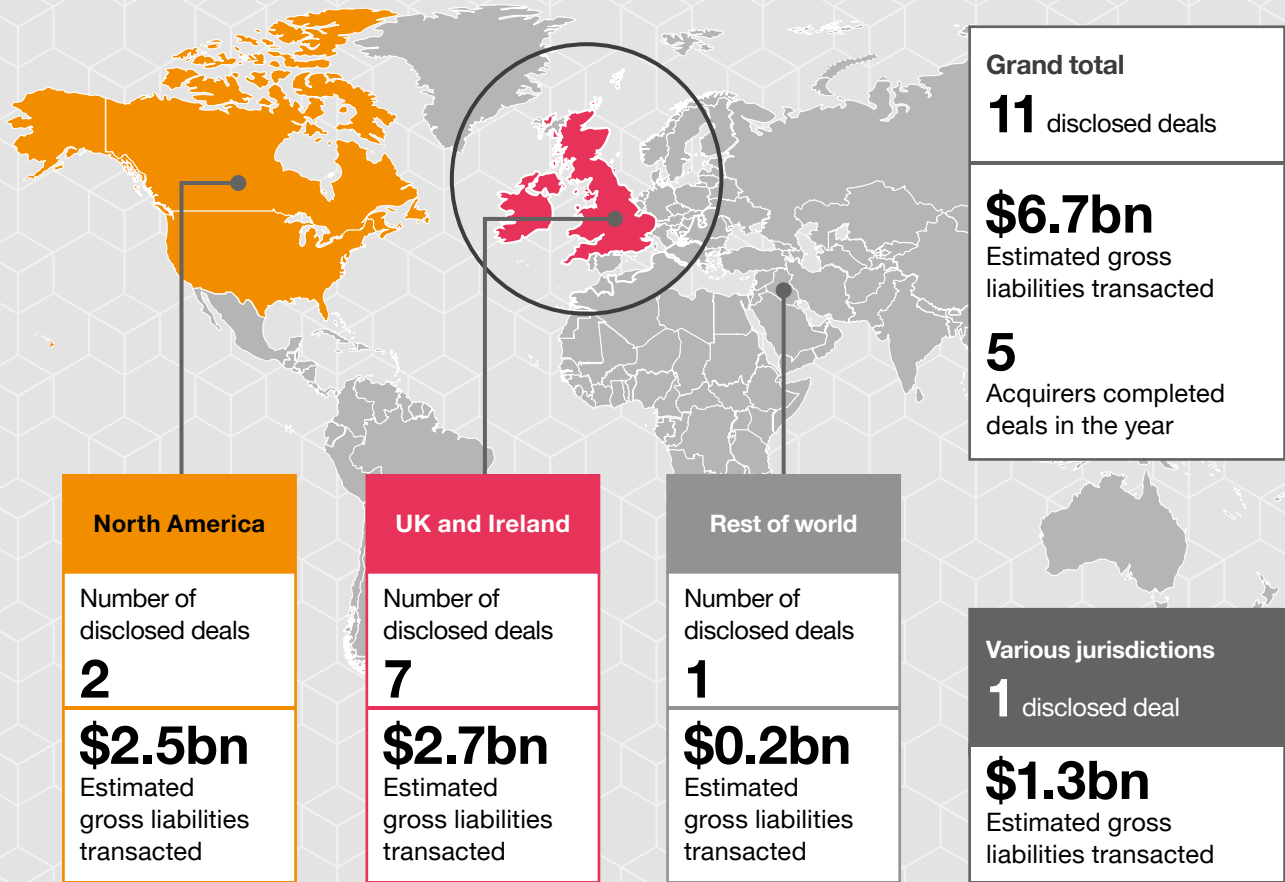
underwritten in major territories with two of the deals, involving Enstar / QBE and Compré / SiriusPoint, comprising both Lloyd's and company market business in the same transaction.

The RITC season at Lloyd's also contributed to Q1 activity, with RiverStone International in particular executing five transactions, headlining its activity with a c.\$1.5bn RITC / LPT of MS Amlin's syndicate business. Marco also grew its Lloyd's platform in the period, taking on a UK motor book from Markel containing a mix of settled periodic payment orders ("PPOs") and unsettled potential PPOs.

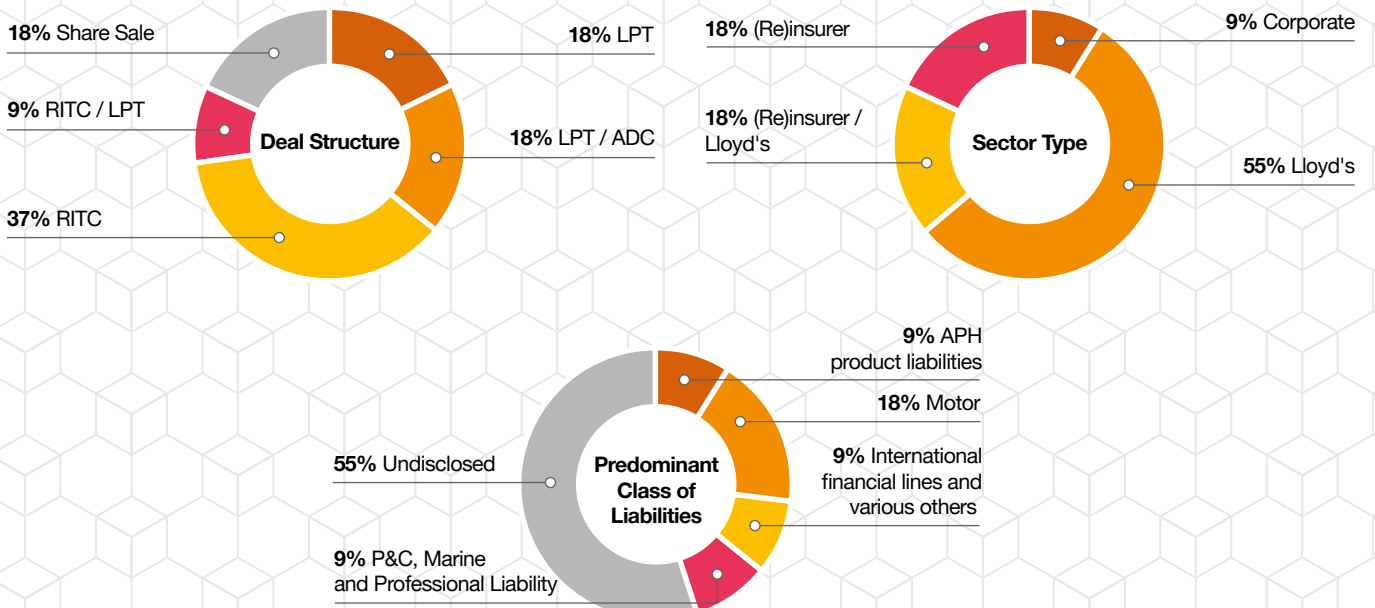
Whilst capital efficiency and optimisation is rightfully at the forefront of participants' minds, with transaction complexity increasing, there are wider considerations for sellers and buyers alike to really drive value out of transactions executed. We are increasingly being asked to provide not only comprehensive deal process management and pricing advice, but also specific support around transaction planning, corporate restructuring, information presentation, accounting and tax implications, regulatory interactions, resource and people issues, systems/data migration and integration as well as achieving operational efficiencies post-transaction, for example through the use of developing technologies.

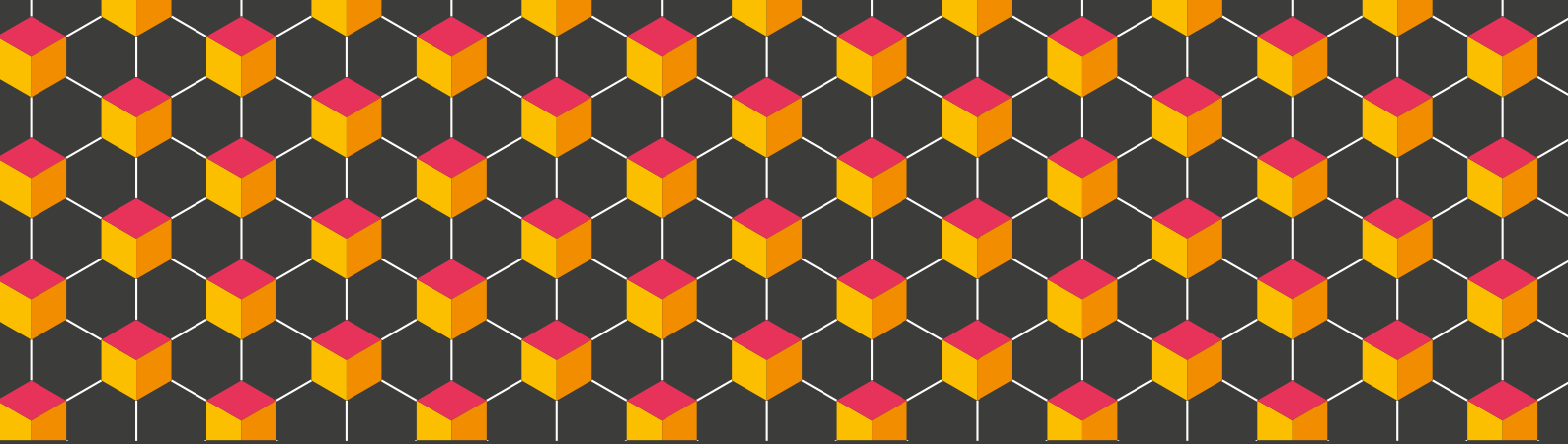
Careful planning is therefore needed before and right through the transaction process and our experience and breadth of expertise has added significant value across the transaction lifecycle. So whether you are considering a transaction, at the deal process management stage or are contemplating how to drive value from your deals, please get in touch with us.

# Q1 2023 Deal Activity by Region



## Transactions by volume:





## Deals in Q1 2023

Acquirer Group	Target	Country of Target	Predominant Territory	Type of deal	(Re)insurer/ Lloyds/ Captive/ Corporate	Predominant class of liabilities
Compre	SiriusPoint Ltd	Undisclosed	Undisclosed	LPT	(Re)insurer / Lloyd's	Undisclosed
Enstar	QBE Insurance Group Limited	USA	North America	LPT / ADC	(Re)insurer / Lloyd's	International financial lines business, US discontinued programs and inwards reinsurance business
Enstar	RACQ Insurance Limited	Australia	Rest of World	LPT / ADC	(Re)insurer	Motor
Marco	Navigators International Insurance Company ("NIIC")	UK	UK & Ireland	Share Sale	(Re)insurer	Property & Casualty, Marine and Professional Liability insurance
Marco	Markel	UK	UK & Ireland	LPT	Lloyd's	Motor
R&Q and Obra Capital Joint Venture	MSA Safety Incorporated	USA	North America	Share Sale	Corporate	APH product liabilities
RiverStone International	MS Amlin	UK	UK & Ireland	RITC / LPT	Lloyd's	Undisclosed
RiverStone International	Undisclosed	UK	UK & Ireland	RITC	Lloyd's	Undisclosed
RiverStone International	Undisclosed	UK	UK & Ireland	RITC	Lloyd's	Undisclosed
RiverStone International	Undisclosed	UK	UK & Ireland	RITC	Lloyd's	Undisclosed
RiverStone International	Undisclosed	UK	UK & Ireland	RITC	Lloyd's	Undisclosed

# How we can support our clients

The non-life insurance run-off deals team has access to more than 200 specialists who can provide expert support throughout the deal lifecycle, including:

 Commercial, financial, regulatory and operational due diligence	 Deal feasibility studies and strategic options analysis	 Transaction structuring advice	 Preparation of marketing materials and running of disposal process	 Bidder identification and deal negotiation support	 Actuarial support including deal pricing, reserving and capital optimisation	 Post-transaction separation and migration advice
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## Further information on the non-life run-off insurance market on pwc.com



[Non-life insurance run-off deals 2022 in review](#)



[Global Insurance Survey 2022](#)



[Non-life insurance run-off deals Q3 2022](#)



[Non-life insurance run-off deals H1 2022](#)

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### About the data

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