

Non-life insurance run-off deals

May 2025

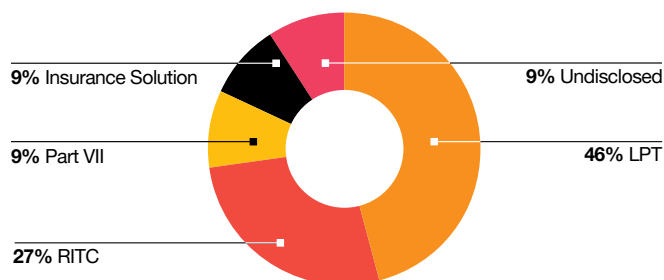


The first quarter of 2025 saw 8 acquirers publicly announce 11 deals, with 9 disclosing transferred reserves totalling nearly US\$1bn*. The UK and Ireland dominated with 9 of these disclosed deals, highlighting the sustained momentum of legacy activity in the region following a strong 2024.

In contrast, deal activity across North America and the Rest of the World was relatively subdued in Q1. That said, conversations with market participants suggest that pipelines remain healthy in these territories, with brokers broadly optimistic about legacy deal flow increasing during the course of 2025. Many (re)insurers reported strong 2024 earnings and underwriting results, bolstered by robust capital positions, which have alleviated the need to optimise capital through legacy solutions. Consequently, recent legacy transactions appear increasingly driven by strategic and restructuring considerations, rather than solely by capital relief.

As we predicted in our year-end 2024 market update, Lloyd's legacy activity picked up notably in Q1 2025, with one loss portfolio transfer ("LPT") and three reinsurance-to-close ("RITC") transactions – which were the first public Lloyd's RITCs since 2023. Buyers of Lloyd's portfolios in 2025 have also navigated newly implemented, pre-transaction review and approval protocols, effective from 1 January 2025. This framework introduces additional scrutiny at the diligence stage, designed to enhance transparency and more closely align legacy oversight with that of the live market. Early market feedback on these additional compliance and reporting requirements has been positive, with no reported delays to transaction timelines. It will be interesting to observe how these requirements may influence the bidding landscape for deals going forward.

Deal Structure Q1 2025



Challenging Dynamics in Legacy Deals

Legacy opportunities brought to market are increasingly including greener underwriting years, as sellers seek to transact those years which are often the most capital intensive. From the sellers' perspective, these years may contain profit built up in reserves set during a hard market. Conversely, from the buyers' perspective, these years may introduce greater pricing uncertainty due to limited data. Despite buyers, sellers and intermediaries becoming increasingly creative and dynamic in deal structuring, pricing mismatches remain a persistent hurdle.

There has also been a rise in diversified portfolios coming to market, for example the Enstar/Atrium transaction and the DARAG/Wefox Group transaction in Q1, necessitating more robust due diligence from acquirers. These portfolios can often include emerging risks that challenge traditional pricing methods.

As deal drivers continue to evolve with the turbulent global economy, capital release appears to be playing a less central role in deal motivation than at the height of the hard reinsurance market. Many of the deals in the UK appear to be driven with legal finality in mind, adding to wider restructuring activity. This in turn, is resulting in an uptick in Part VIIs. However, as we begin to see signs of the market softening, we expect capital optimisation will resume as a key driver of legacy deal activity.

Gen AI in Legacy

AI is beginning to play a more visible role in the insurance space, particularly in streamlining due diligence and opportunity triage. While adoption is still in its early-stage, particularly in the legacy market, these capabilities have the potential to sharpen bid decisions and improve efficiency – especially for complex, multi-line portfolios. The legacy market needs to act swiftly to ensure it keeps up with the live market. PwC is testing products such as an AI-driven data room summarisation tool. We also have claims management and assessment tools which provide efficiencies through empowering claims handlers in reducing their manual review burden and driving more consistent claims outcomes. For further information or a demonstration of the tools PwC has developed, please get in touch.

Tariff Disruption

The US administration's April 2025 tariff announcements have introduced macroeconomic headwinds, particularly for insurers with transatlantic exposure. Claims inflation is likely to emerge in key lines such as motor and property due to increased repair costs, while discretionary personal lines, such as travel, are facing demand pressures. Where challenges exist, so do opportunities and we are currently supporting a new, unique re-insurance proposition aimed at delivering significant regulatory capital relief to corporate captives whose parents may be feeling the impact of these headwinds.

With London Market business exposed to the US, insurers are bracing for potential knock-on effects from disrupted supply chains, volatile investment returns, and dampened infrastructure investment. Pricing recalibration and supply chain diversification are emerging as key strategies for managing this volatility, and it will be interesting to see how this flows through to the legacy market. For further insight on the US tariff uncertainty for insurers, please see PwC UK's recent article: [Global Trade Redefined: Insurance](#).

We look forward to speaking with many of you at IRLA Congress in May, where we will also be releasing the questions for our latest iteration of the **Global Insurance Run-Off Survey**.

**We have taken gross liabilities where disclosed and, where these are not disclosed, we have used net liabilities as a proxy figure.*

11 deals

8 acquirers have publicly announced deals in Q1 2025

Grand total

\$0.98bn

Estimated gross liabilities transacted

North America

UK and Ireland

Continental Europe

\$0.20bn

Estimated gross liabilities transacted

1 deal

\$0.73bn

Estimated gross liabilities transacted

9 deals

\$0.05bn

Estimated gross liabilities transacted

1 deal

Deals in Q1 2025					
Acquirer group	Seller/cedant	Predominant territory	Type of deal	(Re)insurer/ Lloyd's/Captive/ Corporate	Predominant class of liabilities
Carrick Group Limited	Undisclosed	UK & Ireland	Undisclosed	Undisclosed	Undisclosed
DARAG Group	Wefox Group	Continental Europe	LPT	(Re)insurer	Motor and Third Party Liability, Private Liability and Property
DARAG Group	Soteria Insurance Limited	UK & Ireland	LPT	(Re)insurer	Disease Asbestos portfolio
Enstar (Syndicate 2008)	Atrium Syndicate 609	UK & Ireland	LPT	(Re)insurer/ Lloyd's	Marine Treaty and Property Treaty Reinsurance and US General Liability
Hampden Group	Telent Limited	UK & Ireland	Insurance solution	Corporate	Industrial Disease Liabilities
Marco Capital (Syndicate 1254)	Coverys Syndicate 1975	UK & Ireland	RITC	Lloyd's	Medical Professional Liability
Quest Group	Pinnacle Insurance Plc	UK & Ireland	Part VII	(Re)insurer	Motor (including warranty and GAP) and Household business
RiverStone International	Undisclosed	UK & Ireland	RITC	Lloyd's	Undisclosed
RiverStone International	Pacific Valley Insurance Company	North America	LPT	(Re)insurer	Commercial Auto Liability
RiverStone International (Syndicate 3500)	Hampden Risk Partners (HRP) Syndicate 2689	UK & Ireland	RITC	Lloyd's	Undisclosed
Swiss Re	Ageas	UK & Ireland	LPT	(Re)insurer	Commercial Lines

How we can support our clients

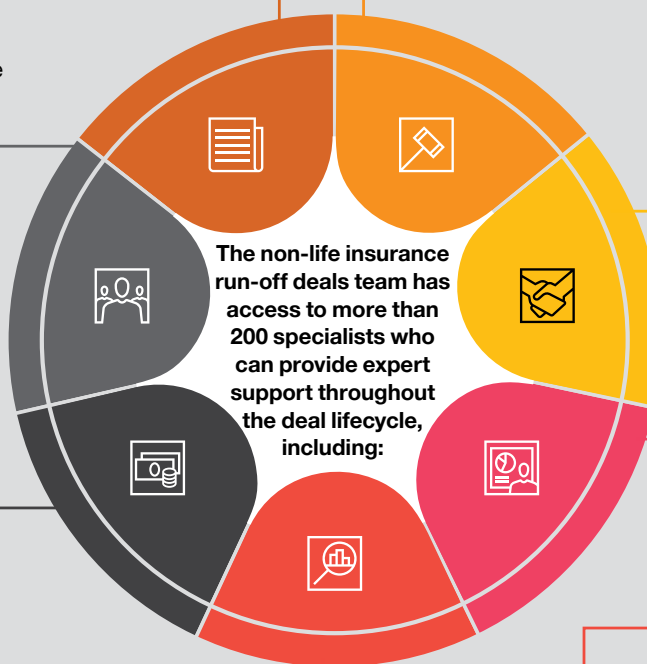
PwC offers solutions across the lifecycle of a legacy transaction. We have a strong track record in all types of transactions, both simple and complex, successfully completing deals to the full satisfaction of our clients.

We deliver our services through a multi-disciplined, dedicated and integrated team of professionals and experts with decades of experience and are able to manage complex projects within tight timeframes and execute transactions in line with all stakeholders' needs.

Strategic options analysis and deal feasibility studies – utilising our global network and outreach and transactions service capabilities

Transaction structuring advice – through our specialist market knowledge and wealth of experience, we know what acquirers want to see and how they interpret data, allowing us to pre-empt questions to provide a smooth transaction process

Actuarial support – including pre-deal analysis and pricing, reserving and capital optimisation and negotiation support throughout the deal



Bidder identification and running of sales processes – we have a detailed project management methodology to run tightly controlled and efficient disposal transactions to the satisfaction of all stakeholders

Commercial, financial, regulatory and tax due diligence – we bring unrivalled technical expertise to the transactions process and can leverage this every step of the way to add value to deals

Financial & Tax structuring – we can integrate specialist services into our offering to support both the transaction and how it best fits into the business and operations

Post-transaction support – supporting migration and separation post deal, we also offer managed service and outsourcing options to our clients

Contact the team

Corporate Liability Restructuring		AI & Modelling	
Andrew Ward M: +44 (0) 7902 792216 E: ward.andrew@pwc.com	Rebecca Wilkinson M: +44 (0) 7808 030283 E: rebecca.wilkinson@pwc.com	Hannah Vaughan M: +44 (0) 7850 516301 E: hannah.m.vaughan@pwc.com	Nick Watford M: +44 (0) 7595 610487 E: nick.r.watford@pwc.com
Robbie Kerr M: +44 (0) 7841 786570 E: robert.d.kerr@pwc.com	Lauren D'Costa M: +44 (0) 7483 348525 E: lauren.dcosta@pwc.com	Philip Jacob M: +44 (0) 7718 981867 E: philip.e.jacob@pwc.com	Hatty Sharp M: +44 (0) 7506 660283 E: hatty.sharp@pwc.com
Louis Isaacson M: +44 (0) 7805 235949 E: louis.isaacson@pwc.com	Freya Mainee M: +44 (0) 7484 012595 E: freya.maine@pwc.com	Stephanie Robb M: +44 (0) 7483 911924 E: stephanie.robb@pwc.com	Charan Maheswaran M: +44 (0) 7841 074638 E: charan.x.maheswaran@pwc.com

If you have any feedback about the content of our quarterly deals updates, please provide your comments using this [form](#).

About the data

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

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