



July 2025

# Non-life insurance run-off deals

Q2 2025 review



**Q2 2025 saw a steady stream of activity in the non-life run-off market**, with 10 publicly disclosed transactions bringing the H1 total to 22 deals. While volumes dipped slightly from Q1, the strategic use of legacy solutions remains a constant feature across geographies.

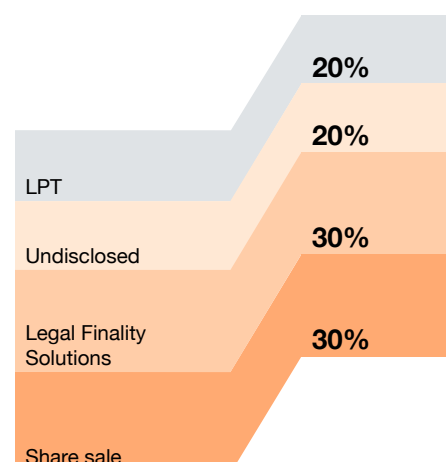
## Continued momentum with shifting regional dynamics

A notable development this quarter was the resurgence of Continental European transactions, following a quieter 2024. This reaffirms the growing regulatory familiarity and commercial acceptance of run-off structures outside the UK and North America. Both DARAG and Compre were active in the region, with transactions including a Danish workers' compensation book and a Belgian motor and casualty portfolio, respectively.

In the US, corporate liability activity continued with FARA Pacific Holdings' acquisition of Todd Shipyards LLC, which housed legacy asbestos liabilities and associated insurance assets from Vigor Industrial. The deal illustrates a continued trend of corporates seeking to isolate and exit long-tail exposures, particularly those linked to environmental or industrial liabilities.

Also of note, Marco Capital completed its second acquisition from the R&Q estate, acquiring R&Q Gamma, primarily comprising Occupational Disease and Workers' Compensation liabilities. This transaction reflects ongoing interest in targeted acquisitions from sellers where secondary market transactions make strategic sense for both buyer and seller.

## Deal Structure Q2 2025



## Market drivers and thematic developments

Strategic motivations for run-off transactions continue to evolve. Many transactions are now driven by portfolio simplification, jurisdictional exits or legal finality, rather than capital release alone. This shift is especially visible in the UK and US, where strong underwriting results across 2024 and early 2025 have reduced the urgency of capital-driven divestments. Nevertheless, the rising cost of regulatory capital, particularly under Solvency II frameworks, means optimisation remains an important theme, especially in Continental Europe.

In parallel, increasing M&A activity in the live P&C market is reinforcing the strategic relevance of legacy. As insurers and acquirers pursue growth via transformation and diversification, legacy platforms are playing a more active role both pre- and post-acquisition. Tail liabilities are being offloaded ahead of M&A execution, while acquired reserves are increasingly carved out post-close to minimise capital drag and enhance strategic focus. These shifts are contributing to greater complexity in deal structures and a tilt towards scaled, agile platforms with cross-border capabilities. Strategic diversification also appears to be on the agendas of legacy acquirers with service businesses of particular interest. PwC UK is currently advising a number of clients on the sale of legacy and

non-core operations, including a motor insurer in run-off and a UK claims handling business, which is expected to attract interest from several legacy consolidators amongst other potential suitors.

## Macro landscape and investor sentiment

The sector continues to navigate a macro environment marked by uneven inflation, trade disruptions, and interest rate uncertainty. The April 2025 US tariff changes are adding cost pressures in lines such as motor and property, which may drive run-off decisions in affected portfolios.

Whilst interest rates have stabilised in some markets, persistent inflationary stickiness continues to influence reserve assumptions and discounting methodologies – both of which play into deal pricing dynamics.

Despite this, investor sentiment remains broadly positive. Reports of potential new entrants have been noted, including a major global asset manager, reflecting continued appetite for legacy as a scalable, long-duration asset class.

Meanwhile, technology adoption continues but is slow, with platforms experimenting with AI-assisted tools for diligence, data summarisation and portfolio triage – a gradual but growing trend in deal execution.



**Outlook:** With 2025 now at the halfway point, the run-off market appears well-positioned to maintain its current pace.

**Deal flow remains healthy, particularly in the UK and US, and interest is expanding in Continental Europe and in targeted corporate sectors.**

As regulatory scrutiny increases, the market softens in some areas and macro uncertainty persists, run-off is increasingly being viewed not just as a solution for capital or claims management, but as a broader strategic lever for insurers and corporates alike.



We look forward to speaking with many of you at Monte Carlo Rendez-Vous in September, where we will be launching the sixteenth edition of **PwC's Global Insurance Run-Off Survey.**

## Deals in Q2 2025

# 10 deals

6 acquirers have publicly announced deals in Q2 2025

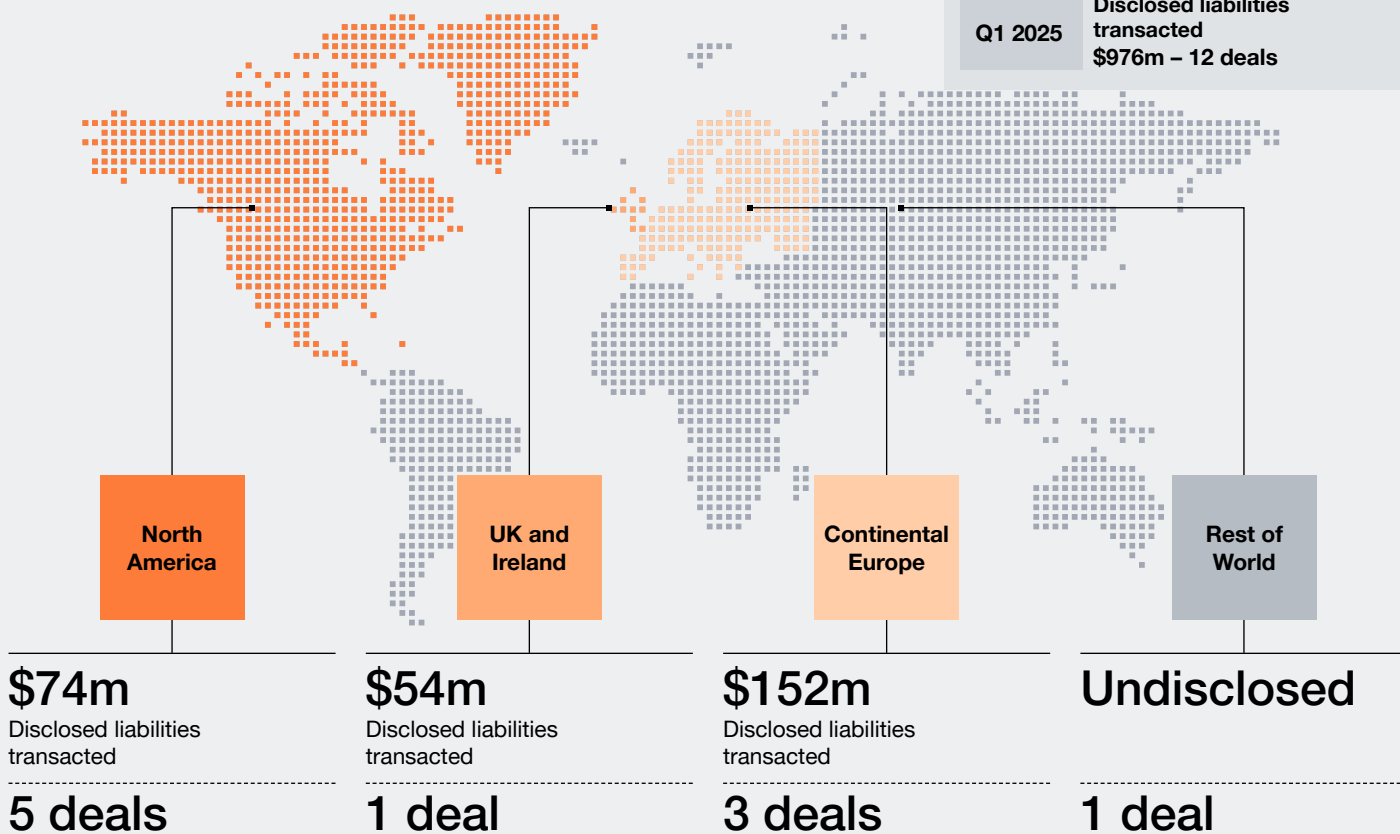
Grand total

# \$280m

Estimated gross liabilities transacted

Q1 2025

Disclosed liabilities  
transacted  
\$976m – 12 deals



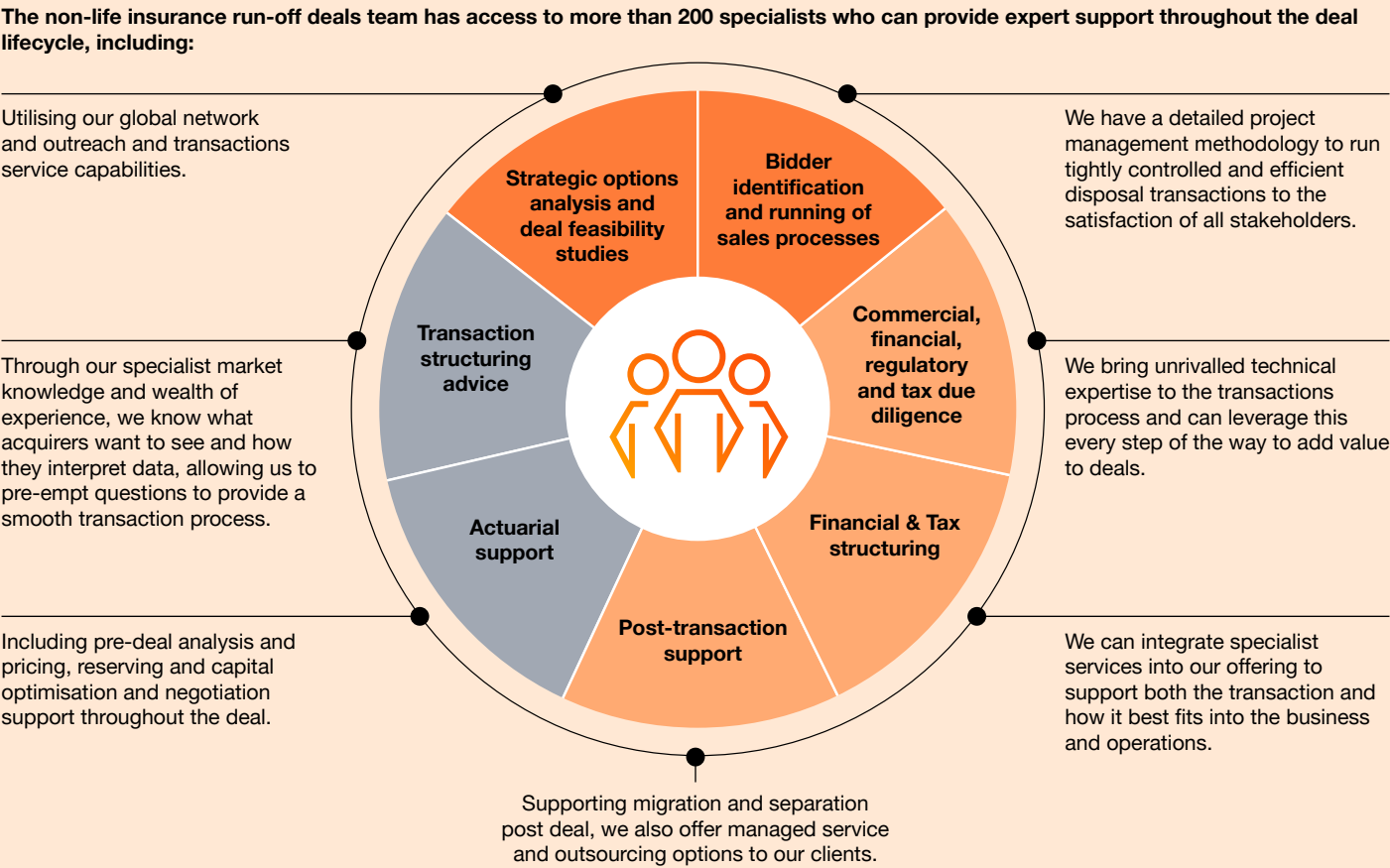
### Deals in Q2 2025

Acquirer group	Target	Predominant territory	Type of deal	(Re)insurer/ Lloyd's/ Captive/ Corporate	Predominant class of liabilities
Compre Group	CSE Group	North America	Share sale	(Re)insurer	Personal Lines
Compre Group	Ethias	Continental Europe	IBT	(Re)insurer	Motor and Casualty Liabilities
DARAG Group	Protector Forsikring ASA	Continental Europe	PTA (Legal Finality Solution)	(Re)insurer	Workers' Compensation
DARAG Group	Undisclosed	Continental Europe	LPT	(Re)insurer	Undisclosed
FARA Pacific Holdings	Todd Shipyards LLC	North America	Share sale	Undisclosed	Corporate Asbestos and other legacy liabilities
Marco Capital	R&Q Gamma	UK & Ireland	Share sale	(Re)insurer	Occupational Disease and Workers' Compensation
Riverstone Group	Undisclosed	North America	Undisclosed	Captive	Workers' Compensation
Riverstone Group	Undisclosed	North America	Undisclosed	Captive	Workers' Compensation
Swiss Re	Undisclosed	Rest of World	Legal Finality Solution	Undisclosed	Undisclosed
Swiss Re	CAA Insurance Company	North America	LPT/ADC	(Re)insurer	Motor

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.



Contact the team

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**About the data**

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