Non-life insurance run-off deals

H1 2026 review

Two non-life run-off transactions were publicly disclosed in Q2 2026 with cumulative gross liabilities transacted of approximately $50m. This represents a slowdown in deal announcements from Q1, where 11 deals were disclosed by five acquirers. When compared with H1 2025, overall deal count in H1 2026 (13) is lower than the same period in 2025 (23), whilst the estimated cumulative gross liabilities transacted in H1 2026 is $780m, compared with $1,537m in H1 2025.

At face value, these lower cumulative deal numbers might suggest a cooling of market appetite for legacy solutions. However, our conversations with market participants indicate that the legacy sector continues to benefit from robust demand, with most acquirers exploring a range of opportunities and a significant volume of liabilities currently being assessed in active sale or restructuring processes. It is also worth noting that not all activity is visible; a notable proportion of legacy deal flow takes place through bilateral negotiations, and not all such transactions are publicly disclosed.

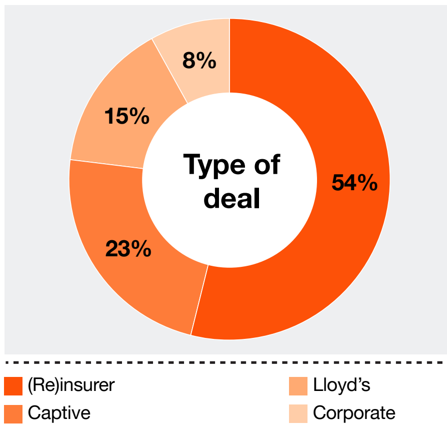
Several transactions are understood to be progressing through contracting and due diligence, with execution timelines extending in some cases as parties work through increasingly complex structures and governance requirements. Consequently, we expect a number of significant transactions to be announced during the second half of 2026.

Both publicly announced transactions in Q2 involved captives. Riverstone Group completed the acquisition of an undisclosed captive insurer in North America, predominantly comprising workers' compensation liabilities. Swiss Re also executed a novation of a captive portfolio in Continental Europe, following the four transactions it announced in Q1. In the UK, the PRA and FCA are currently consulting on a new UK captive regime. When introduced, it will be interesting to see what level of captive activity the proposed regime creates in the UK and what that might mean for existing captive operations elsewhere. The legacy market has provided exit solutions to captive insurers and their corporate parents for a long time and could see renewed deal flow in this space as a result of the new UK legislation.

Taking H1 2026 as a whole, the geographic spread of activity has been broad, with a significant proportion of liabilities transacted stemming from Continental Europe and the Rest of the World relative to North America, which we typically observe as the predominant territory.

During the first half of 2026, we have continued to see the (re)insurance market soften, with the effect more pronounced in property lines than in casualty.

Deal types in H1 2026



As economic returns compress, the need for capital optimisation and balance sheet efficiency is becoming an increasingly prominent consideration for (re)insurers seeking to protect returns on equity. This heightened focus on portfolio efficiency is already prompting cedants to reassess their legacy exposures more proactively than in previous cycles. Historically, there has been a notable lag between the onset of softening market conditions and an uptick in run-off deal volume. However, with legacy solutions now more firmly established as strategic tools for capital management, insurers seem more willing to act earlier in the cycle, which appears to be resulting in a more immediate impact on the run-off transaction pipeline for acquirers.

We expect other key dynamics in the insurance market to support a growing pipeline of run-off transactions. These include:

1 A focus on portfolio optimisation at Lloyd's

The Lloyd's market has been relatively quiet in terms of legacy transactions since 2023, despite significant GWP and capital growth across the market. However, as rate adequacy deteriorates in certain classes, even if in the aggregate combined ratios are expected to likely hold up, we expect syndicates to take more decisive action to address underperforming portfolios.

2 Casualty reserve uncertainty

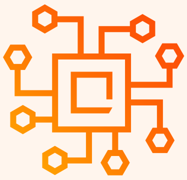
Casualty reserve uncertainty remains a significant driver of legacy market activity, with pressure on capital efficiency and managing volatility continuing to support demand for both retrospective and prospective solutions. Continued uncertainty around long-tail casualty exposures, including PFAS, remains relevant for insurers with historical exposure to general liability, product liability and environmental classes.

3 Innovative solutions and structures

Forward flow deals, renewable covers and other long-term partnership arrangements are giving cedants greater flexibility over how and when they transfer risk. Rather than viewing legacy as a one-off event, an increasing number of insurers are exploring it as an ongoing strategic tool, which, if providers can successfully develop solutions that address future reserve uncertainty, has the potential to considerably expand the addressable market.

The PwC Insurance team will be attending Monte Carlo Rendez-Vous de Septembre, where we will be hosting a session: "The Deals Environment: From Live to Legacy". The session will explore how current state and future possibilities within the live insurance market are changing the face of the legacy sector. We will bring together diverse perspectives from across the live and legacy space including sellers, buyers and advisors.

Looking ahead, we believe the intersection of current market conditions including a softening underwriting cycle, ongoing casualty reserve uncertainty and compressing reinsurance returns alongside broader structural developments within the legacy market, point to a market that remains well positioned to generate meaningful run-off deal activity through the remainder of the year and into 2027.



Technology and AI adoption continues to accelerate across the legacy sector. PwC is currently working with a number of insurers and legacy market participants on technology strategy; helping to embed AI within core processes and decision making at scale to drive tangible operational and commercial impact.

If you would like to discuss how AI can support your legacy operations or transaction activity, please do not hesitate to get in touch with a member of the team.

H1 2026 deals activity by region

13 deals

6 acquirers have publicly announced deals in H1 2026

Grand total

$780m*

Estimated gross liabilities transacted in H1 2026

North America

H1 2026 deals activity

$110m

Disclosed liabilities transacte

5 deals

Q1: 4 deals
Liabilities: **$67m**

Q2: 1 deal
Liabilities: **$43m**

UK & Ireland

H1 2026 total

Undisclosed

Disclosed liabilities transacted

2 deals

Q1: 2 deals
Liabilities: **Undisclosed**

Q2: 0 deals
Liabilities: **$nil**

Continental Europe

H1 2026 deals activity

$390m

Disclosed liabilities transacted

4 deals

Q1: 3 deals
Liabilities: **$383m**

Q2: 1 deal
Liabilities: **$7m**

Rest of the World

H1 2026 deals activity

$280m

Disclosed liabilities transacted

2 deals

Q1: 2 deals
Liabilities: **$280m**

Q2: 0 deals
Liabilities: **$nil**

* The cumulative estimated gross liabilities transacted figure for H1 2026 does not include c.$4.8bn of gross technical provisions per AF Group's most recent public filings, that are expected to be transferred to Enstar upon closing of Enstar's acquisition of AF Group.

H1 Deals 2026

Acquirer group	Target group	Predominant territory	Type of deal	(Re)insurer/ Lloyd's/Captive/ Corporate	Predominant class of liabilities
Compre Group	Undisclosed	Continental Europe	ADC with renewable mechanism	Re/insurer	Motor, engineering and liability business.
Compre Group / Syndicate 1994	Apollo Syndicates 1971 and 1969	UK & Ireland	LPT	Lloyd's	General Liability and Occupational Accident
Fara Recovery Affiliate	Undisclosed	North America	Share Sale	Corporate	Environmental and other corporate legacy liabilities
Quest Group	Undisclosed	North America	Share Sale	Re/insurer	Workers' Compensation
Riverstone Group	Undisclosed	North America	Share sale	Captive	Workers' Compensation
RiverStone International	Zurich Australia Insurance Limited	Rest of the World	LPT followed by Division 3A	Re/insurer	Professional indemnity, general liability and workers' compensation
RiverStone International	Boral Insurance Pty Limited (RiverStone International Australia Limited)	Rest of the World	Acquisition	Captive	Undisclosed
Swiss Re	Undisclosed	North America	Novation	Re/insurer	Workers' Compensation
Swiss Re	Undisclosed	North America	LPT	Re/insurer	Professional Liability (Dentist)
Swiss Re	Undisclosed	Continental Europe	LPT	Re/insurer	Motor
Swiss Re	Undisclosed	Continental Europe	LPT/ADC & prospective	Re/insurer	Motor
Swiss Re	Undisclosed	Continental Europe	Novation	Captive	Retail Liability
Undisclosed	Nephila Syndicate 2357	UK & Ireland	LPT followed by RITC	Lloyd's	Undisclosed

How we can support our clients

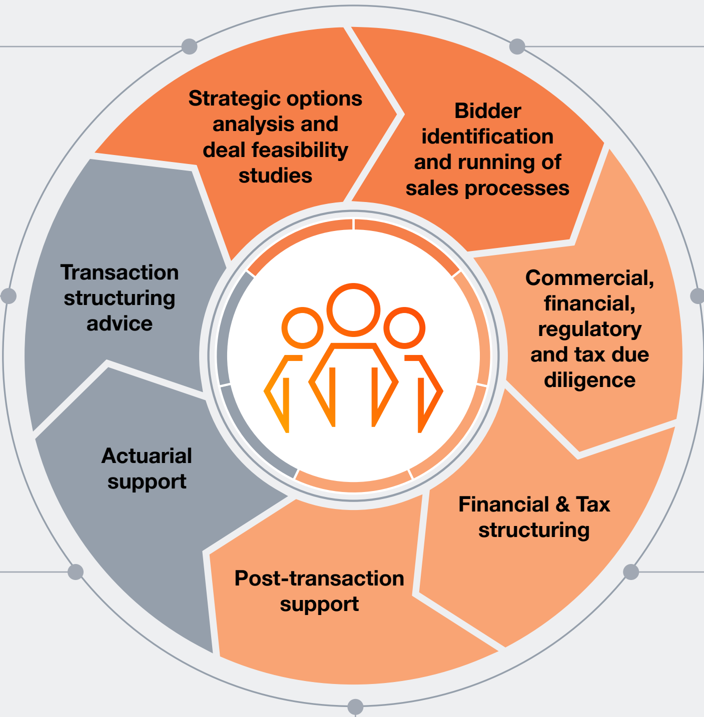
PwC offers solutions across the lifecycle of a legacy transaction. We have a strong track record in all types of transactions, both simple and complex, successfully completing deals to the full satisfaction of our clients.

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.

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:

Utilising our global network and outreach and transactions service capabilities.

We have a detailed project management methodology to run tightly controlled and efficient disposal transactions to the satisfaction of all stakeholders.



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.

We bring unrivalled technical expertise to the transactions process and can leverage this every step of the way to add value to deals.

Including pre-deal analysis and pricing, reserving and capital optimisation and negotiation support throughout the deal.

We can integrate specialist services into our offering to support both the transaction and how it best fits into the business and operations.

Supporting migration and separation post deal, we also offer managed service and outsourcing options to our clients.

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.

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