

PENSION  
**RISK TRANSFER**  
REPORT

MARKET DATA

# Welcome to Eckler's 2023 Canadian Pension Risk Transfer (PRT) Market Report

Our sixth annual PRT report is here! We have gathered market summaries and comparable data from active Canadian insurance companies to keep market participants informed as the market grows and evolves.

*Another record-breaking year!*



2022 had **\$7.8B** in total market sales from **155** transactions (compared to \$7.7B; 149 transactions in 2021)

*We are trailblazing in 2023!*



Eckler's PRT team has facilitated almost **30%** (by value) of annuities placed in Q1-2023

In addition to the enclosed market summary, we are pleased to share our *PRT Insights* series of articles, highlighting relevant and timely PRT market topics, including the following recently released articles:

- *Enhanced protection for member annuities*
- *Pension Protection Act receives royal assent: Time to take a serious look at annuity purchases*
- *Mitigating risk to pension plan members and sponsors during an annuity purchase*
- *Why data work matters*



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# PRT market growth and transformation: 2022 and early 2023

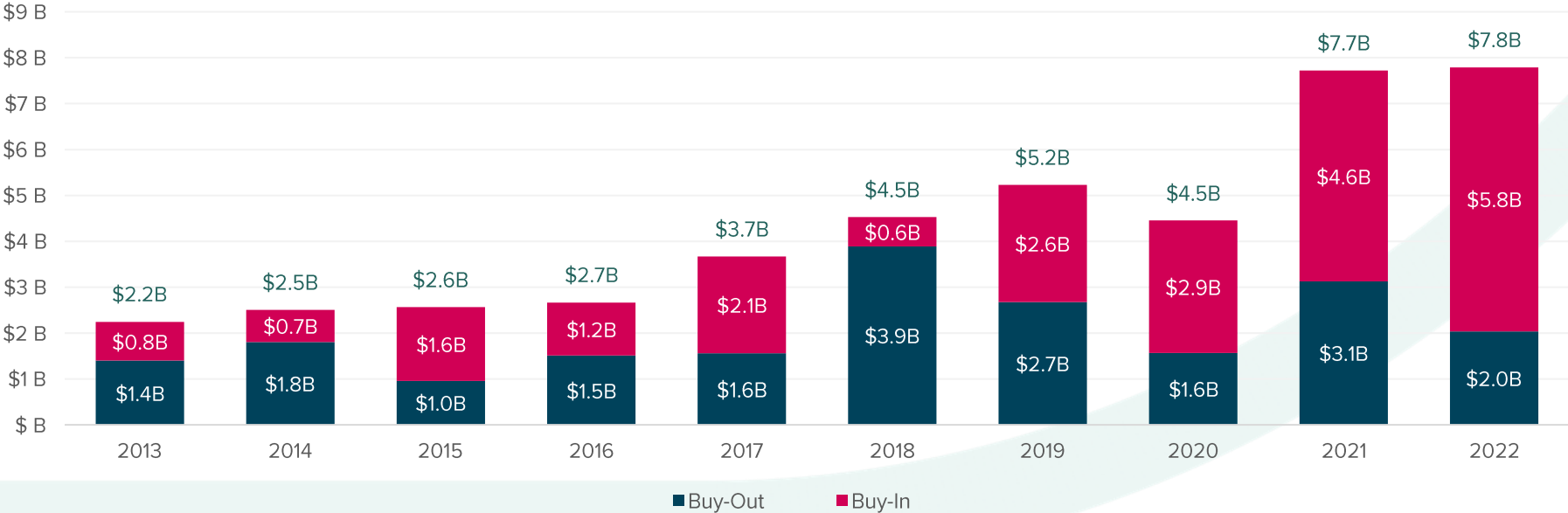
2022 marked some significant developments in the Canadian PRT market:

- Several insurers experienced notable growth in market share, with some increasing staff headcount due to growing demand.
- The Government of Canada implemented seven (7) rate hikes to address inflation during 2022, resulting in discounted annuity pricing for many plans seeking to de-risk.
- The PRT landscape continued to evolve with influences from shifting demographics and regulatory developments that directly impacted the demand for PRT solutions.

We see this trend continuing in 2023. Compared to past years, the market has been more active in the first quarter of 2023. Some insurers have attributed this level of activity to a backlog of plan sponsors looking to come to market in 2022, but who deferred due to capacity constraints. The surge in demand has continued to set a competitive market landscape.

With the influx of plan sponsors coming to the market in Q1, the summer months may experience some slowdown in activity, however the expectation is that 2023 will see a similar amount of risk transferred as the past two years.

## ANNUAL BUY-OUT AND BUY-IN TRANSACTIONS

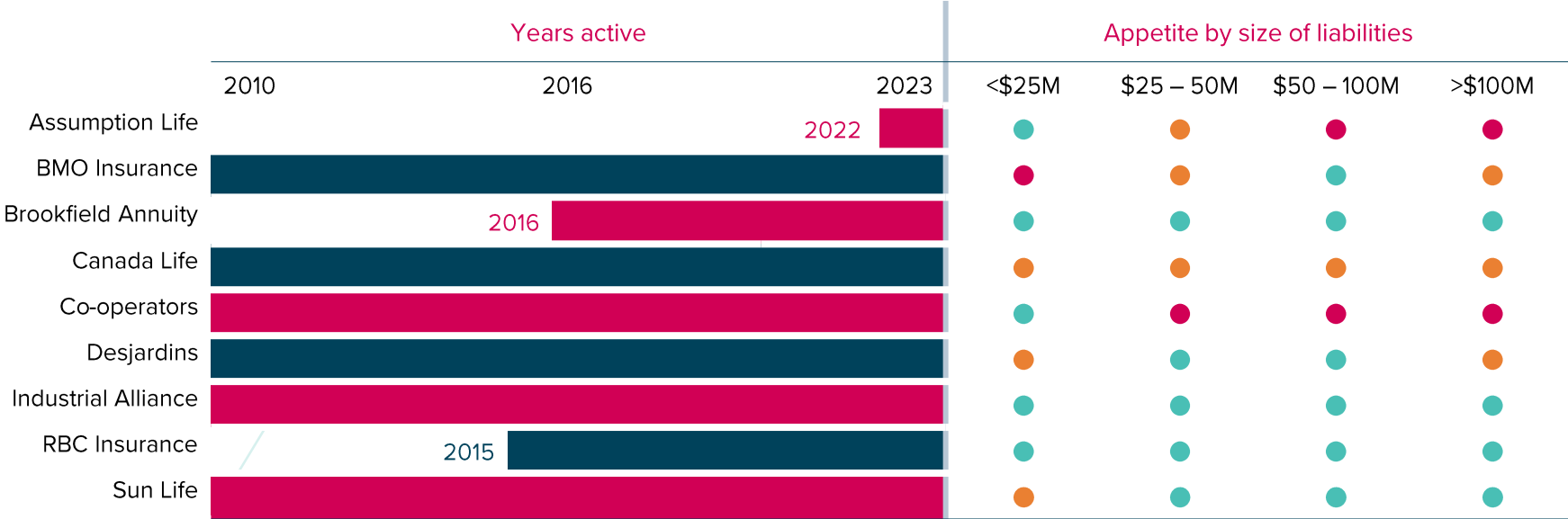


Data sources of the information provided is based on information submitted by each insurance company. Eckler Ltd. has not independently verified the information received.

# The risk takers

Assumption Mutual Life Insurance Company re-entered the market as of January 1, 2022. With no exits in 2022, there are currently nine insurers actively quoting on group annuities as of early 2023.

	Assumption Mutual Life Insurance Company (Assumption Life)		Desjardins Insurance (Desjardins)
	BMO Insurance (BMO)		Industrial Alliance Insurance and Financial Services Inc. (Industrial Alliance or iA)
	Brookfield Annuity Company (Brookfield Annuity)		RBC Life Insurance Company (RBCI)
	The Canada Life Assurance Company (Canada Life)		Sun Life Assurance Company of Canada (Sun Life)
	Co-operators Life Insurance (Co-operators)		



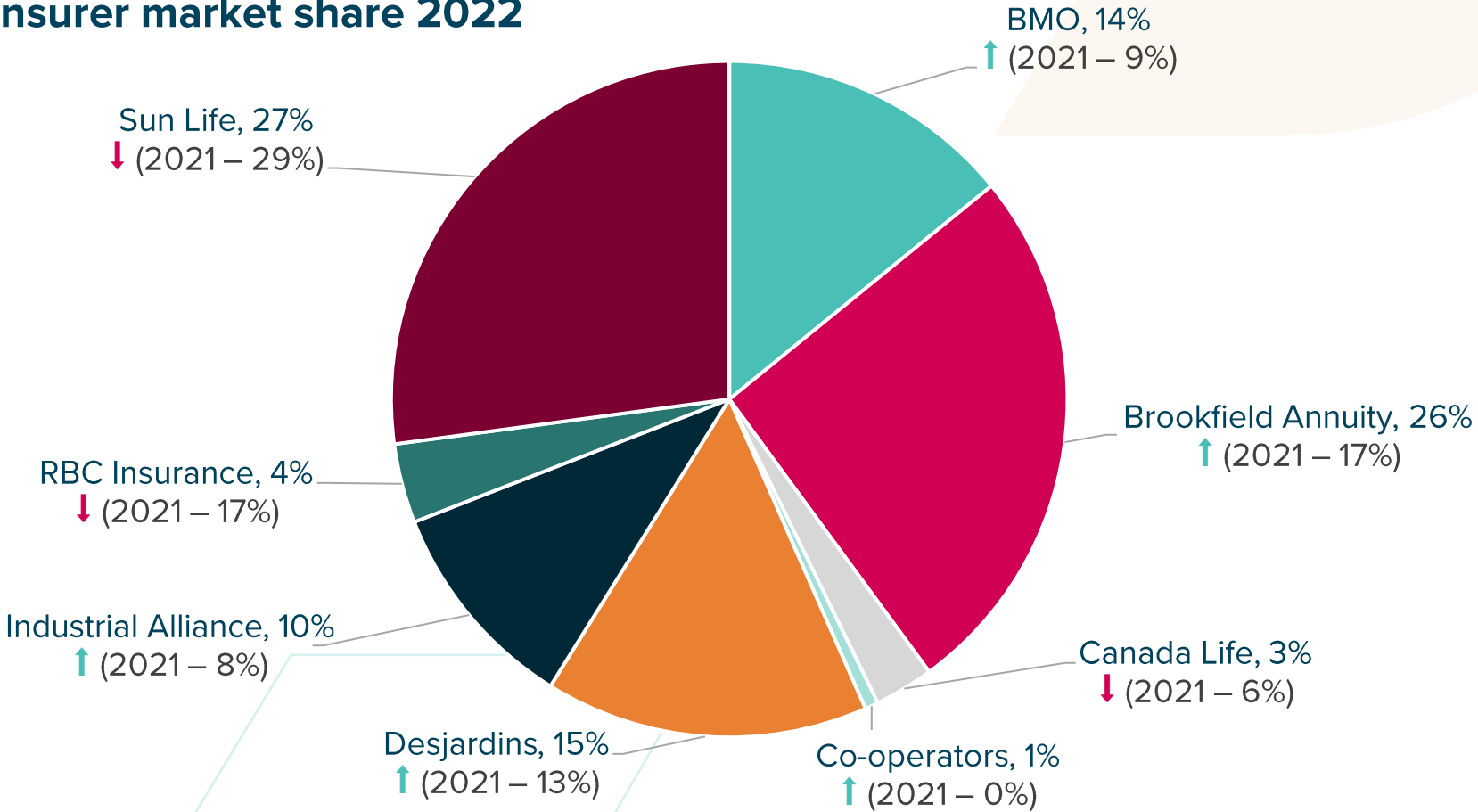
Note: Desjardins Insurance refers to Desjardins Financial Security Life Assurance Company.  
 PENSION RISK TRANSFER REPORT / MARKET DATA / JULY 2023

- Unlikely to bid
- May depend on provisions
- Highly likely

# Insurer market share

2022 was a competitive year and we saw some significant reshuffling of the Canadian insurer market share. While Sun Life continues to dominate the group annuity market with almost 30% of market share, their market share did decline by close to 2% in 2022, as all insurers other than Canada Life and RBC Insurance made some notable increases. Together, Sun Life and Brookfield Annuity now constitute over 50% of the Canadian PRT market.

## Insurer market share 2022



A background network diagram consisting of numerous black dots (nodes) connected by thin black lines, creating a complex web of connections. The nodes are distributed across the page, with a higher density on the left side. The overall background is a light blue color with a subtle gradient.

## Insurer fact sheets

A quick reference guide to the insurers currently active in the Canadian PRT market.

Fact sheets present information provided to Eckler Ltd. by each insurance company; Eckler Ltd. has not independently verified the information received.

# Assumption Mutual Life Insurance Company

## CALENDAR YEAR – 2022

Market share	n/a
Number of transactions	n/a
Average transaction size	n/a

## FROM 2018–2022

Market share	n/a
Value of transactions	n/a
Average transaction size	n/a

## MOST RECENT FINANCIAL STRENGTH RATINGS

S&P	n/a
Moody's	n/a
AM Best	A-
Fitch	n/a
DBRS	n/a

## PROTECTION OF BENEFITS

LICAT ratio	(March 2023) 166%
Assuris	1x

## SIZE OF EXISTING CANADIAN ANNUITY BUSINESS

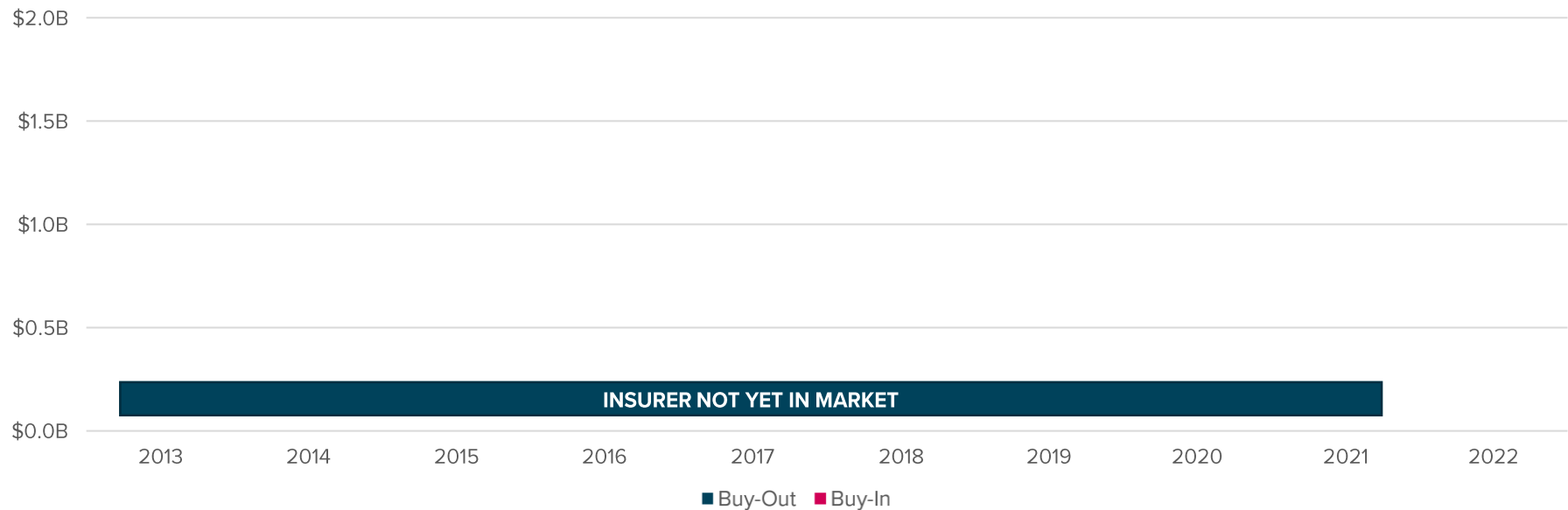
Membership data	Group	Individual
Number of pensioners	1.8K	0.3K
Monthly pension payments	\$2.65M	\$0.2M
Actuarial reserves	Not disclosed	Not disclosed

## ADMINISTRATION

*Annuitant services staff*

Staff size	6
Location	Moncton, NB
Languages spoken	English / French

## ANNUAL BUY-OUT AND BUY-IN TRANSACTIONS



# BMO Insurance

## CALENDAR YEAR – 2022

Market share	14%
Number of transactions	<5
Average transaction size	\$367M

## FROM 2018–2022

Market share	12%
Value of transactions	\$3.5B
Average transaction size	\$184M

## MOST RECENT FINANCIAL STRENGTH RATINGS

S&P	n/a
Moody's	n/a
AM Best	A
Fitch	n/a
DBRS	n/a

## PROTECTION OF BENEFITS

LICAT ratio	(October 2022) 117%
Assuris	2x

## SIZE OF EXISTING CANADIAN ANNUITY BUSINESS

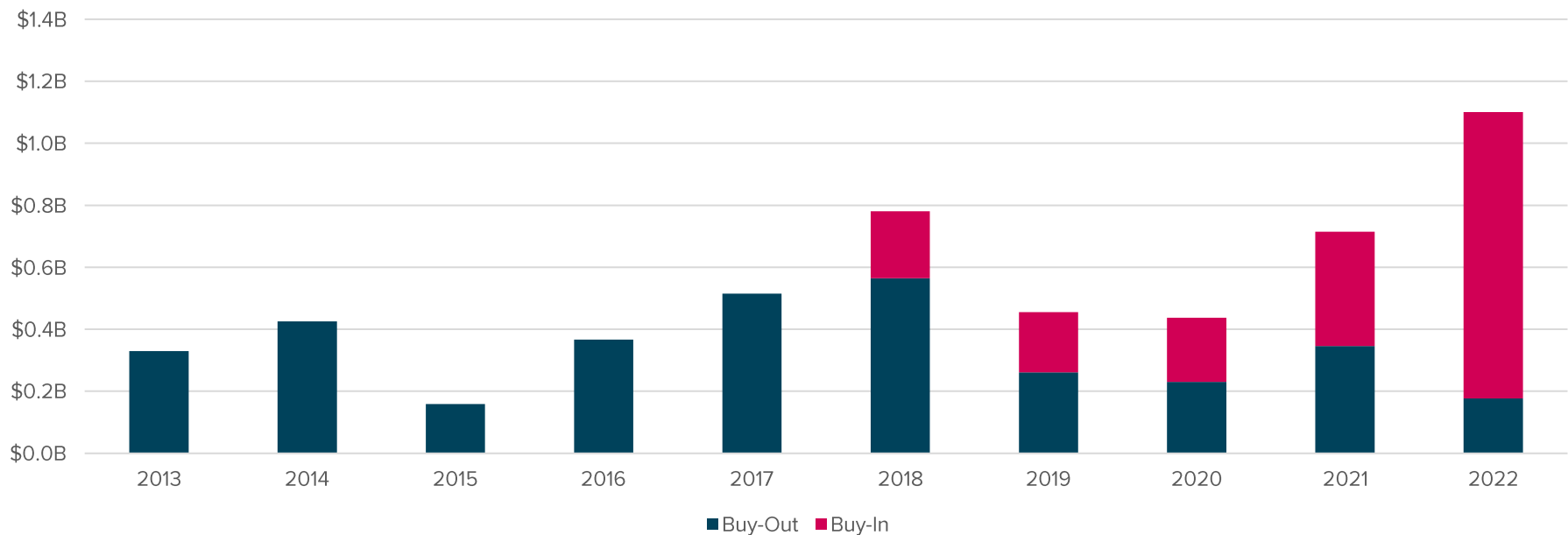
Membership data	Group	Individual
Number of pensioners	30.8K	-
Monthly pension payments	\$32M	-
<b>Actuarial reserves</b>	<b>\$3.6B</b>	<b>\$3.6B</b>

## ADMINISTRATION

*Annuitant services staff*

Staff size	25
Location	Toronto, ON
Languages spoken	English / French

## ANNUAL BUY-OUT AND BUY-IN TRANSACTIONS





# Brookfield Annuity Company

## CALENDAR YEAR – 2022

Market share	26%
Number of transactions	28
Average transaction size	\$72M

## FROM 2018–2022

Market share	16%
Value of transactions	\$4.7B
Average transaction size	\$43M

## MOST RECENT FINANCIAL STRENGTH RATINGS

S&P	n/a
Moody's	n/a
AM Best	A-
Fitch	n/a
DBRS	n/a

## PROTECTION OF BENEFITS

LICAT ratio	(December 2022) 149%
Assuris	Under Review

## SIZE OF EXISTING CANADIAN ANNUITY BUSINESS

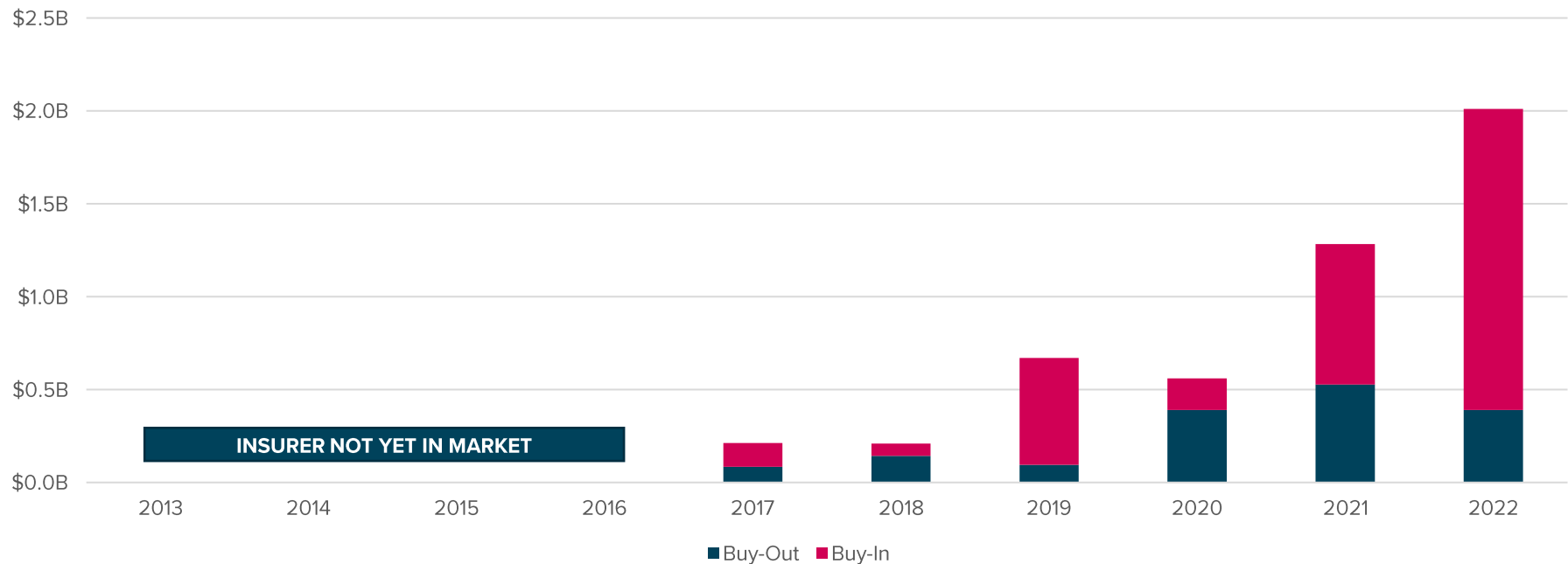
	Group	Individual
<b>Membership data</b>		
Number of pensioners	23.1K	<5
Monthly pension payments	\$30M	Not disclosed
<b>Actuarial reserves</b>	\$3.9B	Not disclosed

## ADMINISTRATION

*Annuitant services staff*

Staff size	144
Location	Toronto, ON
Languages spoken	English / French

## ANNUAL BUY-OUT AND BUY-IN TRANSACTIONS



# The Canada Life Assurance Company



### CALENDAR YEAR – 2022

Market share	3%
Number of transactions	29
Average transaction size	\$8M

### FROM 2018–2022

Market share	7%
Value of transactions	\$2.0B
Average transaction size	\$21M

### MOST RECENT FINANCIAL STRENGTH RATINGS

S&P	AA
Moody's	Aa3
AM Best	A+
Fitch	AA
DBRS	AA

### PROTECTION OF BENEFITS

LICAT ratio	(March 2023) 127%
Assuris	1x

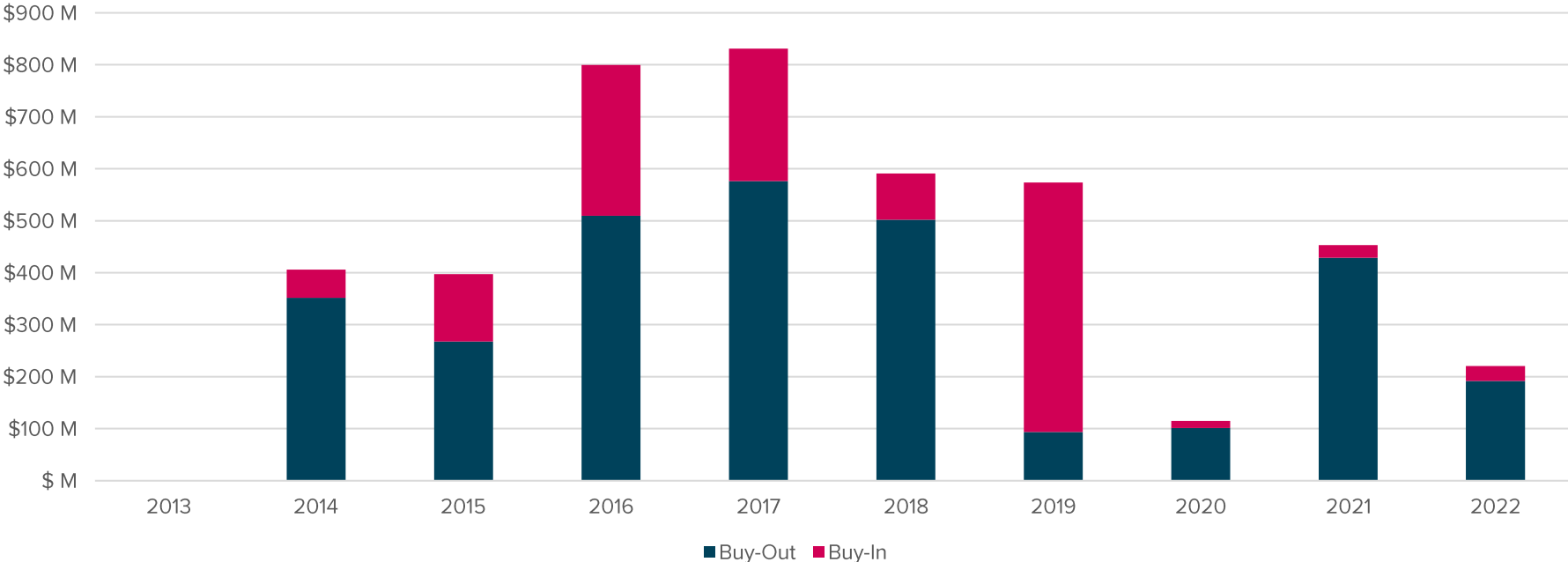
### SIZE OF EXISTING CANADIAN ANNUITY BUSINESS

	Group	Individual
<b>Membership data</b>		
Number of pensioners	80K	55.5K
Monthly pension payments	\$45M	\$29M
<b>Actuarial reserves</b>	\$5.5B	\$3.4B

### ADMINISTRATION

<i>Annuitant services staff</i>	
Staff size	15
Location	London, ON
Languages spoken	English / French

## ANNUAL BUY-OUT AND BUY-IN TRANSACTIONS



# Co-operators Life Insurance Company

### CALENDAR YEAR – 2022

Market share	1%
Number of transactions	11
Average transaction size	\$5M

### FROM 2018–2022

Market share	<1%
Value of transactions	\$142M
Average transaction size	\$4M

### MOST RECENT FINANCIAL STRENGTH RATINGS

S&P	n/a
Moody's	n/a
AM Best	A
Fitch	n/a
DBRS	A

### PROTECTION OF BENEFITS

LICAT ratio	(December 2022) 148%
Assuris	1x

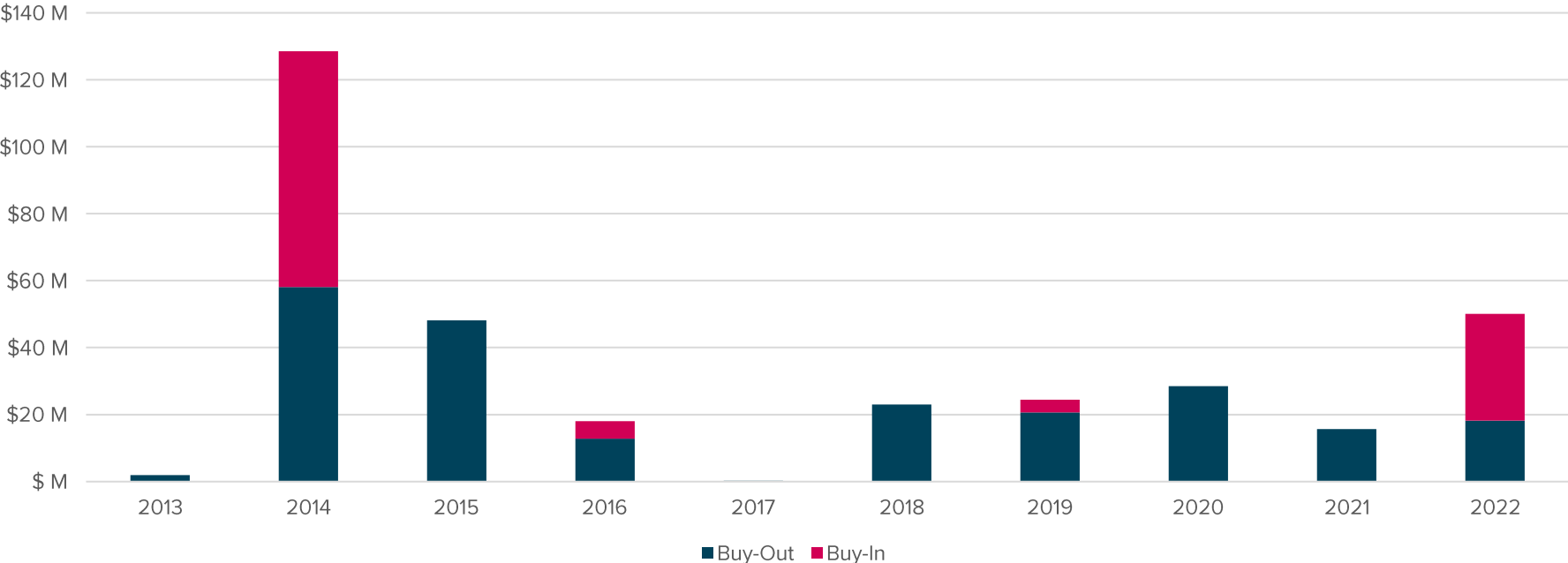
### SIZE OF EXISTING CANADIAN ANNUITY BUSINESS

	Group	Individual
<b>Membership data</b>		
Number of pensioners	2.3K	3.4K
Monthly pension payments	\$2M	\$3M
<b>Actuarial reserves</b>	\$343M	\$362M

### ADMINISTRATION

<i>Annuitant services staff</i>	
Staff size	10
Location	Regina, SK
Languages spoken	English / French

## ANNUAL BUY-OUT AND BUY-IN TRANSACTIONS



# Desjardins Insurance



### CALENDAR YEAR – 2022

Market share	15%
Number of transactions	32
Average transaction size	\$38M

### FROM 2018–2022

Market share	9%
Value of transactions	\$2.8B
Average transaction size	\$25M

### MOST RECENT FINANCIAL STRENGTH RATINGS

S&P	A+
Moody's	Aa2
AM Best	n/a
Fitch	AA
DBRS	AA

### PROTECTION OF BENEFITS

LICAT ratio	(December 2022) 130%
Assuris	1x

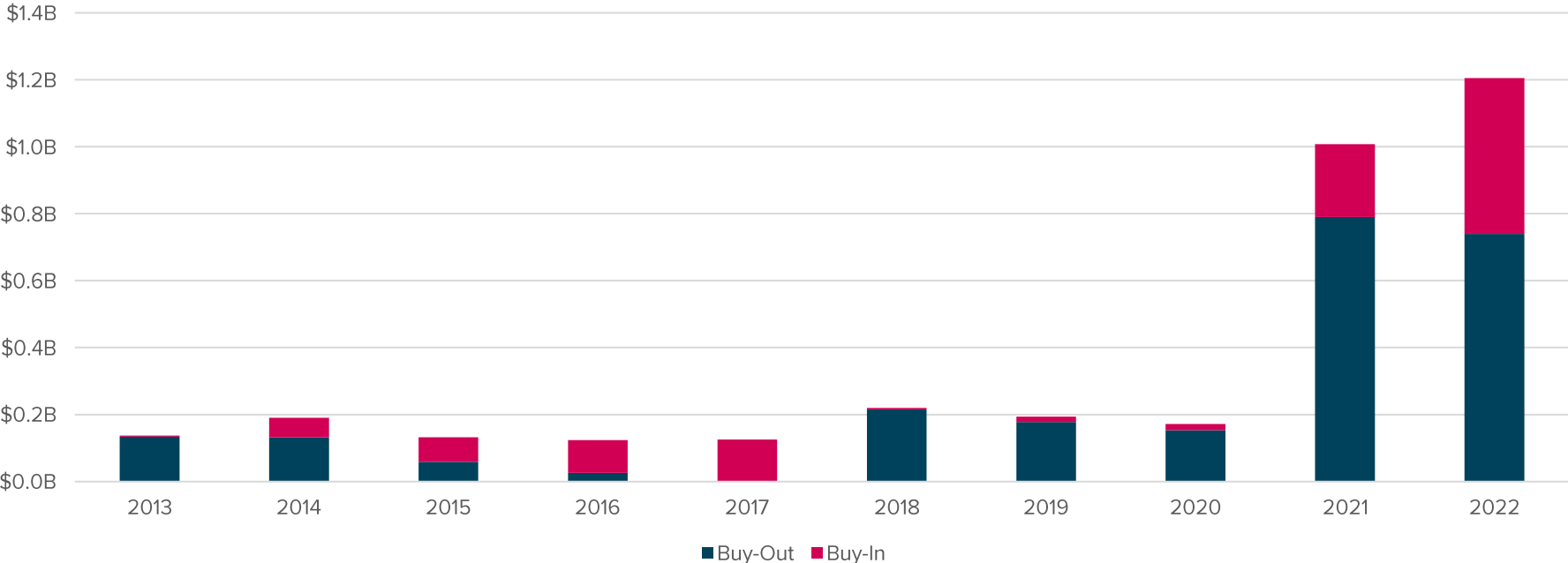
### SIZE OF EXISTING CANADIAN ANNUITY BUSINESS

	Group	Individual
<b>Membership data</b>		
Number of pensioners	32K	10.7K
Monthly pension payments	\$23M	\$7M
<b>Actuarial reserves</b>	\$4.2B	\$844M

### ADMINISTRATION

<i>Annuitant services staff</i>	
Staff size	60
Location	Quebec City, QC
Languages spoken	English / French

## ANNUAL BUY-OUT AND BUY-IN TRANSACTIONS



Note: Desjardins Insurance refers to Desjardins Financial Security Life Assurance Company.

# Industrial Alliance Insurance and Financial Services Inc.



### CALENDAR YEAR – 2022

Market share	10%
Number of transactions	25
Average transaction size	\$32M

### FROM 2018–2022

Market share	10%
Value of transactions	\$3.1B
Average transaction size	\$37M

### MOST RECENT FINANCIAL STRENGTH RATINGS

S&P	AA-
Moody's	n/a
AM Best	A+
Fitch	n/a
DBRS	AA

### PROTECTION OF BENEFITS

LICAT ratio	(March 2023) 149%
Assuris	1x

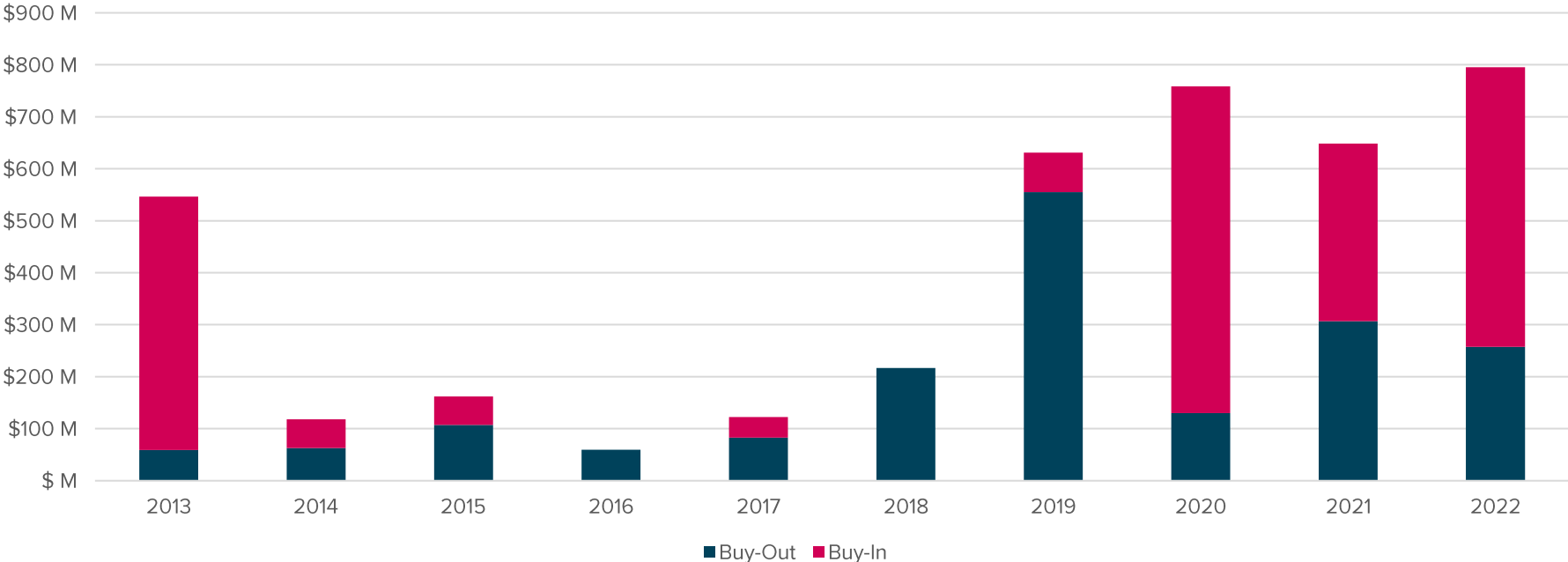
### SIZE OF EXISTING CANADIAN ANNUITY BUSINESS

	Group	Individual
<b>Membership data</b>		
Number of pensioners	51K	Not disclosed
Monthly pension payments	\$35M	Not disclosed
<b>Actuarial reserves</b>	\$5.1B	\$260M

### ADMINISTRATION

<i>Annuitant services staff</i>	
Staff size	16
Location	Quebec City, QC
Languages spoken	English / French

## ANNUAL BUY-OUT AND BUY-IN TRANSACTIONS



# RBC Life Insurance Company



### CALENDAR YEAR – 2022

Market share	4%
Number of transactions	6
Average transaction size	\$49M

### FROM 2018–2022

Market share	12%
Value of transactions	\$3.6B
Average transaction size	\$59M

### MOST RECENT FINANCIAL STRENGTH RATINGS

S&P	AA-
Moody's	Aa1
AM Best	A+
Fitch	AA
DBRS	AA

### PROTECTION OF BENEFITS

LICAT ratio	(January 2023) 134%
Assuris	1x

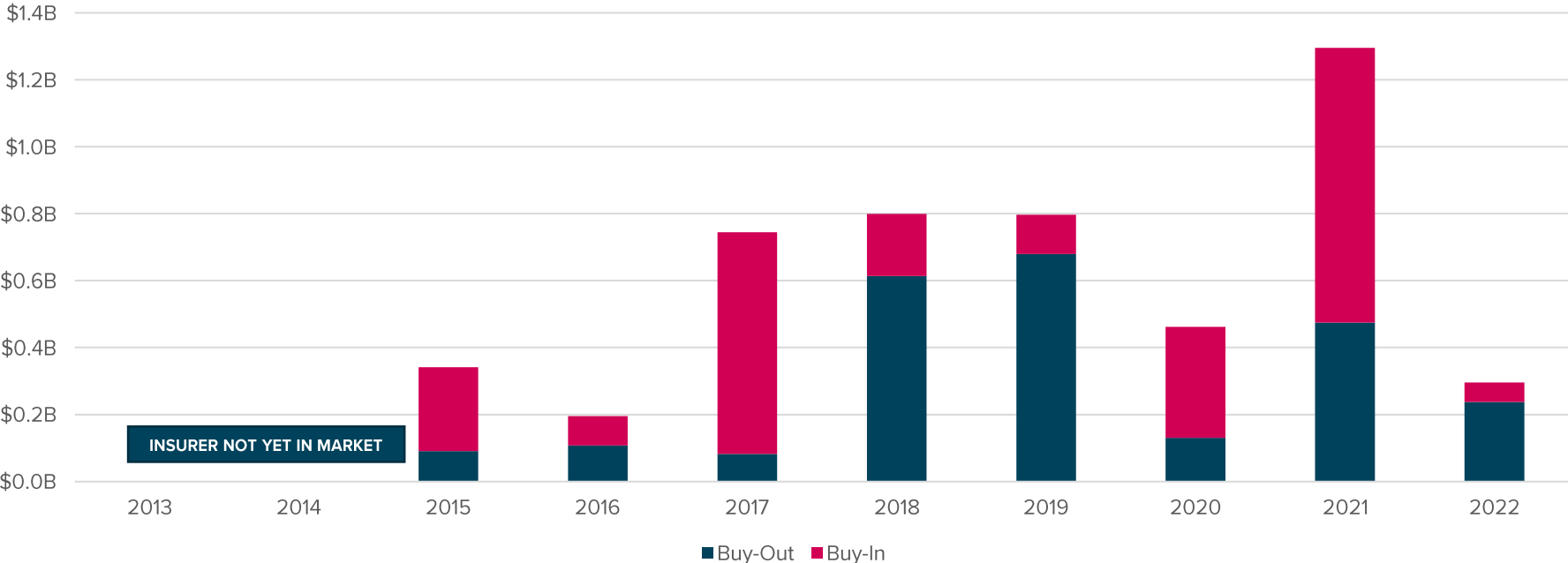
### SIZE OF EXISTING CANADIAN ANNUITY BUSINESS

	Group	Individual
<b>Membership data</b>		
Number of pensioners	22K	Not disclosed
Monthly pension payments	\$28M	Not disclosed
<b>Actuarial reserves</b>	\$3.7B	Not disclosed

### ADMINISTRATION

<i>Annuitant services staff</i>	
Staff size	50
Location	Mississauga, ON
Languages spoken	English / French

## ANNUAL BUY-OUT AND BUY-IN TRANSACTIONS



# Sun Life Assurance Company of Canada



## CALENDAR YEAR – 2022

Market share	27%
Number of transactions	20
Average transaction size	\$106M

## FROM 2018–2022

Market share	33%
Value of transactions	\$9.8B
Average transaction size	\$100M

## MOST RECENT FINANCIAL STRENGTH RATINGS

S&P	AA
Moody's	Aa3
AM Best	A+
Fitch	n/a
DBRS	AA

## PROTECTION OF BENEFITS

LICAT ratio	(March 2023) 144%
Assuris	1x

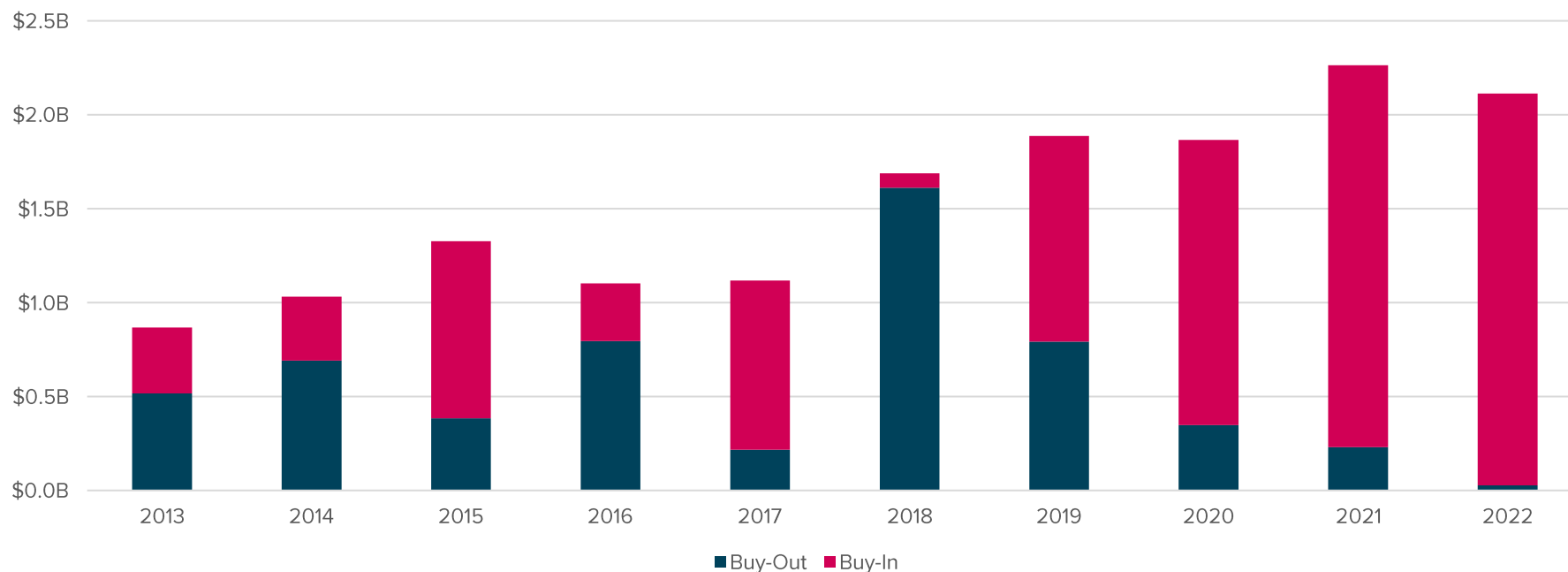
## SIZE OF EXISTING CANADIAN ANNUITY BUSINESS

Membership data	Group	Individual
Number of pensioners	121K	61.7K
Monthly pension payments	\$100M	Not disclosed
Actuarial reserves	\$14.6B	\$3.6B

## ADMINISTRATION

<i>Annuitant services staff</i>	
Staff size	40
Location	Canada
Languages spoken	English / French <i>(additional translation services available)</i>

## ANNUAL BUY-OUT AND BUY-IN TRANSACTIONS



Note: Number of group pensioners includes only buy-in, buy-out and longevity insurance contract.