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Publisher
ELSA
11 St Nicholas Street
Suite 202
Weymouth, Dorset
United Kingdom
DT4 8AA

+44 (0) 203 490 0271
admin@elsa-sls.org

Editorial
Managing Editor
Chris Wells
chris@elsa-sls.org

Contributing Editor
Mark McCord
mark@lminvestor.com

Contributing Editor
Greg Winterton
greg@lminvestor.com

Editorial Assistant
Emilie Horne
emilie@lminvestor.com

Editorial Enquiries
editor@lminvestor.com

Design & Layout
Kieran Reilly
hello@kieranreilly.com

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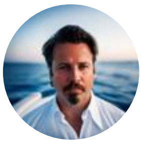

Chris Wells
Managing Editor
Longevity & Mortality Investor

December saw a few developments in the PHL Variable Life Insurance Company rehabilitation story including the Rehabilitator's intention to liquidate the carrier. *Greg Winterton* spoke to **Eddie Stone**, Partner at **Edward Stone Law**, to find out what's next – and how much longer this saga will go on for - in *Busy December in PHL Variable Life Insurance Company Saga but Is the End Now in Sight?*

There is a new superfund from TPT in the UK pension risk transfer market which will enable schemes to pool their assets and run them on, potentially delivering additional surpluses for scheme members. *Mark McCord* spoke to **Bina Mistry**, Head of Corporate Consulting at **WTW** and **TPT** Chief Commercial Officer and Managing Director **Nick Clapp** to get their thoughts on the potential impact of the new solution on the UK PRT space in *TPT Run-on Superfund Seen Widening De-Risking Options as Rules Loosening Promises More Alternatives*.

The comment period for the US Department of Housing and Urban Development's 'Future of the HECM and HMBS Programs and Opportunities for Innovation in Accessing Home Equity' request for information closed in early January. *Greg Winterton* spoke to **Joe Kelly**, Partner at **New View Advisors** to get his thoughts on what needs to happen for the US agency-backed reverse mortgage primary and securitisation markets to truly deliver compelling growth in *Will 2026 Be the Year That the US Agency-Backed Reverse Mortgage Market Finally Gets Its Well-Overdue Reform?*

Last year's Continuous Mortality Investigation model showed an improvement in mortality in England and Wales but also revealed a bifurcation of life expectancies between young people of working age and those over 65. Add to that the growing use of GLP-1 receptor agonist weight-loss medications and the potential to skew mortality experiences and therefore redraw pricing regimes becomes clear. *Mark McCord* spoke to **Stuart McDonald**, Partner at **Lane Clark and Peacock** and **Ashley Campbell**, Director of Actuarial at **Crystallise**, to get their views on the main talking points from last year in UK mortality circles in *CMI_2024's Assumptions and Weight-Loss Drugs' Popularity Point to Changed Mortality Picture*.

The impacts of climate change are becoming increasingly visible and severe. In the UK, this includes record-breaking heatwaves, frequent flooding and drought-driven wildfires. While these immediate effects are alarming, the broader consequences of climate change are more complex and far-reaching, with significant implications for human health, financial systems and the wider economy, explains **Amy Walker**, Actuary and Client Delivery Lead UK at **Club Vita**, in *Still Hot and Bothered?*, a guest article.

The growth of the broader alternative credit ecosystem has meant more choice for sophisticated investors when considering where to allocate capital; that choice means that asset managers have needed to find extra gains to make their return profile more competitive. *Greg Winterton* spoke to **Moritz Roever**, Managing Director at **Vitaro Group**, to get his thoughts on how the servicing function in life settlement portfolios can be additive to alpha generation in this month's *Q&A*.

The 2025 edition of the Life Insurance Fact Book – the American Council of Life Insurers' annual review into the inner workings of US-based life insurance company balance sheets – was published in early November. **Roger Lawrence**, Managing Director at **W L Consulting**, returns with the second of three articles, looking at the US life insurance market ownership, business composition, and size in *Stability Continues in US Life Insurer Ownership and Solvency Metrics*.

I hope you enjoy the latest issue of *Longevity and Mortality Investor*.

Busy December in PHL Variable Life Insurance Company Saga but Is the End Now in Sight?

Author:
Greg Winterton
Contributing Editor
Longevity & Mortality Investor

In early December, Connecticut Superior Court Judge Daniel J. Klau granted the proposals to modify the moratorium order that was originally filed in May 2024 by Andrew Mais, Connecticut's Insurance Commissioner at the time, in respect of the rehabilitation of PHL Variable Life Insurance Company (PHL).

The original order capped the payouts of maturing life insurance policies at $300,000 per individual life (regardless of the number of policies), meaning that policyowners with face value exposure greater than that amount - such as life settlement funds (which tend to buy higher face value policies) - immediately began sitting on a paper loss.

One significant challenge faced by policyowners was that they had to continue to pay the premiums just to keep the policies in force.

> "The first choice is not a choice, and the second choice is a provision in every PHL universal life insurance policy I have reviewed – one that says you can reduce the face amount and pay less. The only real new option is the adjusted surrender value – but so far, the rehabilitator has not spelled out exactly how that is going to be calculated"
> - Eddie Stone, Edward Stone Law

For the life settlement cohort, it was a case of damned if you do, damned if you don't; the former because you're spending money on an asset that has a ceiling of $300,000 per life insured, the latter because if you don't keep the policy in force, you lose the whole thing.

But fast forward to July last year and Mais proposed modifications to the original order.

First, policyholders could keep the status quo. Second, they could reduce the face amount of their death benefits with correspondingly lower cost of insurance or premium payments, and third, convert their policy to a claim for a fixed amount in the rehabilitation proceedings with no ongoing cost of insurance or premium payments.

For Edward Stone, Partner at Edward Stone Law, these options were not as helpful as they seemed on the surface.

"The first choice is not a choice, and the second choice is a provision in every PHL universal life insurance policy I have reviewed – one that says you can reduce the face amount and pay less. These are not really new options. The only real new option is the adjusted surrender value – but so far, the rehabilitator has not spelled out exactly how that is going to be calculated," he said.

The Connecticut Insurance Department did not return an email offering the opportunity to comment prior to publishing.

Still, life settlement funds with PHL policies in their portfolio will soon – if they haven't already – receive an individualised election package asking them to make their selection. They have just 45 days from the date on the letter to do this, as Interim Insurance Commissioner and new Rehabilitator Joshua Hershman (Mais retired at the end of November) will be looking for a more accurate picture of what the actual liabilities will end up being – because he wants to liquidate PHL.

In a report filed on 31st December last year, Hershman concluded that a rehabilitation was not possible because "After receiving refined bids from the parties engaged in the marketing and sale process and the completion of additional due diligence by the Rehabilitator and his advisors, it has become clear that all of PHL's blocks of business are materially impaired". The intent to liquidate comes because Hershman "will not pursue a transaction that will deliver less value than a liquidation of the Companies".

So, for the life settlement market, it's a case of making their selections and seeing what the liquidation looks like. The report says that the Rehabilitator is in negotiations with two parties "that are willing and able to provide limited ongoing coverage or benefits above the guaranty associations' limits, provided that they can reach agreement with the guaranty associations on also providing coverage on the portion of policies within the guaranty associations' limits."

There is little certainty here, however, and a significant haircut for policyholders holding face value beyond the $300,000 limit is on the cards.

While PHL's liquidation will/would be difficult for all policyholders, not only the life settlement cohort – Stone has a client who had a $2m policy on her husband who passed away and only got the $300,000 ("she has kids in high school and hasn't worked in 30 years – this is a concerning situation for real human beings," he said) – the topic of carrier risk will doubtless be front and centre of investor due diligence meetings between life settlement funds and their investor clients.

Life settlement portfolio managers already diversify by carrier, as well as age, state, face value, sex – it's portfolio construction 101 for the industry – but losses still hurt.

"This is not a systemic issue for the life settlement market. This issue involved one life insurance company. The credit rating for life insurers in the US is generally strong, as is the regulatory environment under which they operate. It remains a benefit to the life settlement market that life insurers are the main counterparty in the space"
- Brian Casey, Troutman Pepper Locke

But if there is a silver lining to be had here, it's that this is an isolated incident as opposed to something more fundamental.

"This is not a systemic issue for the life settlement market. This issue involved one life insurance company. The credit rating for life insurers in the US is generally strong, as is the regulatory environment under which they operate. It remains a benefit to the life settlement market that life insurers are the main counterparty in the space," Troutman Pepper Locke Partner Brian Casey told this magazine last year.

Still, this is a saga that the life settlement market will want to end. For those owning PHL policies, however, it will be tough, and for the industry at large, it is unlikely to be quick.

"First of all, there needs to be a proposed liquidation plan that everyone can see. But there is the whole back and forth with the state guaranty associations and NOLHGA [the National Organization of Life & Health Insurance Guaranty Associations]. They need to figure out how much all of the folks whose claims are over the cap will get. Policyholders also need to understand that all amounts paid by State Guaranty Associations get recouped from remaining estate assets pari passu with policyholder claims, to the extent there are assets remaining after all of the under the cap claims are paid. Once the amount of under the cap claims are sorted, the Plan of Liquidation will address how and when State Guaranty Associations will contribute funds and the extent to which the over the cap claims get reduced," said Stone.

"Given that PHL Variable is reporting negative surplus in excess of $2.2bn, the reductions will be very material and painful for policyholders. We are still only in the middle innings of this one – I'm not sure it gets completely resolved this year."

TPT Run-on Superfund Seen Widening De-Risking Options as Rules Loosening Promises More Alternatives

Author:
Mark McCord
Contributing Editor
Longevity & Mortality Investor

TPT Retirement Solutions' plan to launch a run-on superfund has been welcomed by industry figures for offering a potentially lucrative alternative for defined benefit (DB) pension schemes other than a buy-in/buy-out pension risk transfer solution.

TPT's superfund will enable schemes to pool their assets and run them on, potentially delivering additional surpluses for scheme members. It differs from the only existing superfund, Clara-Pensions, which is designed to provide a bridge to buy-in or buyout for schemes that have pooled their assets.

The announcement comes as proposed changes to pensions regulations look set to provide a further boost to innovation within the scheme consolidation space.

"Choice is good," said Bina Mistry, Head of Corporate Consulting at WTW.

"Each scheme is going to have its specific reasons for why it wants to do a transaction and what it values more, so current and new superfund models in the evolving and innovative DB landscape provides further choice and different outcomes for sponsors and trustees compared to other traditional solutions."

> **"We've started having conversations with consultants about superfunds so they can begin thinking about what is in their pipeline and who this would be relevant for, but we expect the conversations will become more meaningful midway through Q1 next year"**
> **- Nick Clapp, TPT**

The superfund concept emerged in 2018 to help struggling schemes to improve their funding positions by pooling their combined assets and give them the scale to access potentially higher investment returns to help plug funding shortfalls.

In TPT's run-on model, transferred schemes will be eligible for surplus sharing after five years. The proposal has been in preparation for more than a year and is now with regulators. TPT Chief Commercial Officer and Managing Director Nick Clapp said he expects the superfund to gain approval in the next few months.

"We've started having conversations with consultants about superfunds so they can begin thinking about what is in their pipeline and who this would be relevant for, but we expect the conversations will become more meaningful midway through Q1 next year," Clapp said.

TPT anticipates the first transfers to be transacted early in 2027, assuming TPR approves the superfund. Interest has been strong, with a handful of schemes already making inquiries and snowballing interest in its launch hastened the recent announcement.

"Given the progress we have achieved to date, and the interest exhibited by the wider market, now felt like the right time to make our intentions public," added Clapp.

While pensions services provider LCP said the TPT vehicle would add "further momentum to the growth in the superfund market" by "widening the options for schemes," few, including Clapp, expect it to make a huge difference to the UK PRT market.

Superfunds are a niche option with just 3% of trustees surveyed by Standard Life in October saying they are exploring them as a de-risking strategy. (Bulk annuity purchases remained the preferred choice, the report stated.)

Since completing its assessment with TPR four years ago, the Clara-Pensions superfund has attracted a handful of schemes so far, including the 730-member Church Mission Society Pension Scheme, which transferred its £55m in assets in June to become the fund's fourth scheme.

"With two superfunds and considering the capital at their disposal, in all reality, it's not something that's going to shift the dial," said Clapp.

"I don't think that this is necessarily going to make a difference to the bulk purchase annuity providers that will still be writing around £40bn a year."

Government proposals to give sponsors easier access to surpluses, a prospect that makes run-ons more likely, could make superfunds like TPT's more attractive. But experts believe consolidation will get more traction from planned changes to pension rules that are designed to make the establishment of superfunds easier.

The draft Pension Scheme Bill proposes

removing the so-called second "gateway test" of fund eligibility, which limits transfers to schemes that have "no realistic prospect of buy-out in the foreseeable future".

This will make superfund transfers viable for about half of the UK's more-than 5,000 DB funds, according to the LCP commentary.

"As sponsors and trustees evaluate their objectives and endgame options, superfunds will definitely present a viable alternative, which facilitates the removal of balance-sheet risk quickly," said WTW's Mistry.

> **"As sponsors and trustees evaluate their objectives and endgame options, superfunds will definitely present a viable alternative, which facilitates the removal of balance-sheet risk quickly"**
> **- Bina Mistry, WTW**

"The changes to the potential scope of the market that becomes eligible for superfunds and the types of models that may facilitate a 'run-on' share-with-members type to improve benefits means more schemes should consider the full range and fully test which objectives are most important to them."

Clara Pensions superfund transferees – CMS, retailers Sears and Debenhams, and construction company Wates – have ranged in size by assets and membership, with the Sears transaction valued at £590m and with 10,000 beneficiaries. The firms that have shown interest in TPT's proposed scheme have been in the £100m-£400m range, said Clapp.

"That plays to where we thought our target market might be," he said.

The company doesn't expect scheme size to be the only determinant of uptake; covenant strength is also likely to be a differentiator, with schemes under the weakest agreements more likely to consider the TPT route. Industry type may also come into play, with construction-based schemes likely candidates.

Smaller schemes, however, may benefit in the longer term.

"It's going to be quite hard for small schemes initially to fully explore this market until there is some critical mass for a superfund," said Mistry.

"However, once you have significant scale, there will be value in the smaller schemes too and the economics of deals can become attractive to capital providers, especially if the superfund model consolidates assets and liabilities into a single section and there are long periods to extract and share value."

Will 2026 Be the Year That the US Agency-Backed Reverse Mortgage Market Finally Gets Its Well-Overdue Reform?

Author:
Greg Winterton
Contributing Editor
Longevity & Mortality Investor

Two years ago, Ginnie Mae announced that it was "exploring development of a new securitization product as part of its efforts to enhance and expand its existing Home Equity Conversion Mortgage (HECM) mortgage-backed securities (HMBS) program" – nicknamed 'HMBS 2.0' by the industry.

The main change with the new product would have been the acceptance of HECM loans with balances above 98 percent of FHA's Maximum Claim Amount (MCA) into it, a concept designed to address liquidity constraints at the primary market lender level – and avoid another RMF-style bankruptcy.

Indeed, Ginnie Mae got as far as producing a term sheet for HMBS 2.0 in June 2024, but after that, the silence was almost deafening. Nothing public came from Ginnie Mae for more than a year, until 2nd October last year, when the US Department of Housing and Urban Development (HUD, Ginnie Mae's owner) published 'Future of the HECM and HMBS Programs and Opportunities for Innovation in Accessing Home Equity', a request for information (RFI) that "aims to gather market feedback on opportunities to enhance the HECM and HMBS programs and the appropriate role of these programs in facilitating access to home equity for senior homeowners."

> **"If there are instead wholesale changes to the program - especially no more 98% MCA buyouts/ assignments - then there would be no need for HMBS 2.0, except as an off-ramp for HMBS issued before such a change"**
> **- Joe Kelly, New View Advisors**

Origination volumes in the primary market have been falling for a while due to a multitude of factors – higher interest rates, high up-front (and ongoing charges) through the Mortgage Interest Premium (MIP) fee being two of the main ones. While primary market activity was up in the most recent US government fiscal year, the increase came off of a historically low floor.

Consequently, the HMBS market has also shrunk. Advisory firm New View Advisors said in December last year that the aggregate value of outstanding HMBS decreased $50.4m to just $56.59bn, the 30th decrease in the last 34 months. However, more tellingly, "The decline in HMBS understates the true story in outstanding HMBS and HECMs because negative amortization of underlying HECM loans mitigates dropping HMBS balances. While HMBS balances declined 2.4% and 4.0% over the last one and two years respectively, loan count dropped 7.0% and 13.1% over those same timeframes."

So, the reset presents a significant opportunity for HUD/Ginnie Mae to make adjustments to both the HECM and HMBS programs to drive growth – something, clearly, that is desperately needed.

But HMBS 2.0 was welcomed in the industry. If enacted, it would have lowered the potential liquidity risk to the primary market lenders and provided investors with a government-backed securitisation product for loans that exceeded the 98% MCA limit. Why not just resurrect it?

"We haven't changed our minds that the HMBS 2.0 product would be a good idea within the current HECM/HMBS program structure. But it would be necessarily a complex securitization program, a lot of work between concept and execution," said Joe Kelly, Partner at New View Advisors.

"If there are instead wholesale changes to the program - especially no more 98% MCA buyouts/ assignments - then there would be no need for HMBS 2.0., except as an off-ramp for HMBS issued before such a change."

Indeed, New View Advisors said that the HMBS 2.0 product would have doubled industry volumes. But that would not have helped the primary market, which many commentators say is in need of reform.

And it's the MIP that the industry has most control over.

The way this charge is structured has been a bone of contention within the market for many years. In its response to HUD, for example, Mutual of Omaha, one of the primary market's largest lenders, said "the current flat, front-loaded structure creates affordability barriers and unintended risk concentration. The existing model discourages lower-risk borrowers who only need limited access to home equity but face high upfront costs."

Kelly agrees; New View Advisors' own response to the RFI said that they think the initial MIP should be based on the initial principal limit and the percentage should be lowered to 1% from the current 2% (or less).

"The reduction in the initial MIP is necessary to grow consumer acceptance," Kelly said.

> **"Returning to sale accounting would bring back banks and other larger, more established lending institutions, which would support more origination volume"**
> **- Joe Kelly, New View Advisors**

In its RFI, HUD also asked about barriers to entry into the reverse mortgage market. Some 'brand name' high street banks – Bank of America and Wells Fargo, for example – previously played in the space, but an accounting change in 2011, where banks had to put reverse mortgages back onto their balance sheets – and therefore, hold regulatory capital against them – effectively eliminated their interest in the market.

This is another area where Kelly thinks change could make a difference.

"The program needs to allow for true sale accounting under GAAP when a mortgage loan is securitised. If/when a loan hits the 98% MCA limit, instead of the lender having to take it back, HUD should move it to the FHA without the involvement of the servicer. This is what drove Wells Fargo, Bank of America, and MetLife out of the business, and it prevents banks and other financial institutions from becoming HMBS issuers. Returning to sale accounting would bring back banks and other larger, more established lending institutions, which would support more origination volume," he said.

The original RFI provided for a 60-day comment period which ended on 1st December. On 10th December, HUD re-opened the comment period until 6th January. HMBS issuers, intermediaries and investors will all be waiting with bated breath for the next announcement but as with many processes where the government is involved, this might take time, and even if it's quick, getting significant change requires jumping through many hoops.

Waiting, however, is something that the agency-backed reverse mortgage market is used to.

"Many in the industry have been pushing for changes for years," said Kelly. "We were encouraged by the HMBS 2.0 program, but this reset is arguably a better opportunity to make some of the structural changes that both the HECM and HMBS markets need to grow. The demand for HMBS products is there - there is plenty of capital that wants to be allocated to this space. It's just that significant change is needed and it's encouraging that HUD is clearly taking this seriously and looking at the entire industry."

CMI Model Changes and Weight-Loss Drug Popularity Point to Changed Mortality Picture

Author:
Mark McCord
Contributing Editor
Longevity & Mortality Investor

The past 12 months have seen significant developments that are likely to shape mortality models among defined benefit pensions scheme managers and sponsors alike, and possibly even have an impact on the pricing of de-risking deals.

The updated Continuous Mortality Investigation (CMI) model (CMI_2024) showed an improvement in longevity overall in the year to January but also revealed a bifurcation of life expectancies between young people of working age and those over 65 in England and Wales.

A new approach to factoring the continued impact of Covid-19 on life expectancy was also built into last year's update, seeking to provide a clearer picture of the disease's future impact on life expectancy.

And the use of GLP-1 receptor agonist weight-loss medications grew, which has the potential to skew mortality experiences and therefore redraw pricing regimes.

> **"Delays accessing emergency care have a bigger impact on younger age groups than they do on older age groups, in relative terms... because death rates are ordinarily low for younger age groups. So, the additional risk arising from the delay is quite large relative to baseline mortality risk for a young working age adult, but it's smaller relative to baseline risk for an older individual that's more likely to die from other causes"**
> **- Stuart McDonald, Lane Clark & Peacock**

CMI_2024 was published in the summer, departing substantially from its previous iterations to allow for a more granular breakdown of mortality by age groups.

The CMI model, updated annually since its introduction in 2009, underpins the life expectancy models that defined benefit (DB) pension schemes build to calculate their funding positions into the future. Sponsors use them to calculate their schemes' financial positions on their balance sheet, and they are also factored into valuation frameworks for insurers as well as pricing models for annuities and protection products. Participants will use them as the basis for their own models, which they tweak with their own observed mortality experience data.

The overall mortality rates showed by CMI_2024 are 4% lower than in 2023, the lowest on record.

But the rosy picture is not an even one. Life expectancy among the over 65 cohort increased by three months for men and by two weeks for women but shortened by about five months for men and women aged around 35.

"For the working-age population, you've got trends pushing in opposite directions, essentially," said Stuart McDonald, Partner at Lane Clark & Peacock.

"It is worth being aware, though, that life expectancy calculations depend on not just the age someone is today, but all the ages they're going to be through the remainder of their lifetime."

Whether these changes are reflected in pricing for pension risk transfer (PRT) deals depends on a host of factors. Transaction prices tend to fall if insurers think people will die younger because it would mean fewer of the fixed benefit payouts will be issued to scheme members.

WTW estimates that liabilities might increase slightly among schemes that adopt the CMI_2024.

But experts point to market influences, such as scheme funding levels, as being greater determinants of price, especially when the longevity risk is pulling in different directions across age groups.

"In practice, the impact of working age mortality data on pricing deferred members in UK PRT transactions is very small," said Ashley Campbell, Director of Actuarial at Crystallise.

"Even for deferred lives, the value of the liability is driven overwhelmingly by mortality assumptions at older ages because that is where the future cashflows, and therefore the risk, actually sits."

According to analysis by Barnett Waddingham, external factors such as accidental deaths – including from traffic incidents and drugs overdose – as well as suicide, were the leading causes of deaths that suppressed life expectancy among younger workers. While cancer and other illnesses were the principal killers among older cohorts, improvements in treatment meant that their impact has lessened over time.

Commentators have said the significance of the decline in younger people can't yet be properly assessed until full annual datasets are available. Also, declining performance within the UK's public health service makes statistical conclusions difficult to reach.

"Delays accessing emergency care have a bigger impact on younger age groups than they do on older age groups, in relative terms... because death rates are ordinarily low for younger age groups," said McDonald.

"So, the additional risk arising from the delay is quite large relative to baseline mortality risk for a young working age adult, but it's smaller relative to baseline risk for an older individual that's more likely to die from other causes."

> **"GLP-1 agonists offer genuinely meaningful and clinically observable improvements in population health, and their long-term potential should not be understated. If GLP-1 therapies continue to improve, become more affordable and achieve sustained adherence, they have the potential to reverse the adverse mortality trends that have built up over decades"**
> **- Ashley Campbell, Crystallise**

The CMI_2024 model was well received by market participants with very few minor changes requested between its proposal early in the year and publication in June. One aspect that was widely welcomed was the replacement of an adaptation that sought to account for the impact of the Covid-19 pandemic on life expectancy.

Until this year, modellers were permitted to place a lower weighting on mortality data obtained during the years when Covid-19 was rife in a bid to expose the underlying mortality rate. The new CMI model, instead, introduces a data overlay that halves each year to more explicitly model the disease's run-off.

"In terms of acute mortality shock, the Covid-19 pandemic is largely behind us," said Campbell.

"From a strictly mortality-modelling perspective, this means the direct Covid-19 effect should now be treated as part of the baseline, rather than as a separate structural feature."

Another key development of 2025 that could impact mortality rates was the increased prescription of GLP-1 agonists. Marketed under brand names such as Ozempic, Wegovy and Rybelsus, their use in the UK has taken off with almost a million prescriptions signed by National Health Service doctors by the first quarter of last year, triple that of a year earlier. While that equates to about 190,000 people, it's thought that when private prescriptions are included, the number of users soars to 1.4 million.

The drugs, designed initially to treat diabetes, have shown in clinical trials the ability to bring a 20% reduction in weight. Swiss Re estimates they could reduce all-cause mortality in the UK by more than 5% by 2045.

In a country where 64% of the adult population was overweight or obese in 2024, the drugs' potential benefits seem huge.

"GLP-1 agonists offer genuinely meaningful and clinically observable improvements in population health, and their long-term potential should not be understated," said Campbell.

Crystallise's own estimates suggest that obesity, which has a direct influence on diabetes, liver diseases and cardiovascular dysfunction, has contributed to a 5%-10% increase in mortality among the over 65s.

"If GLP-1 therapies continue to improve, become more affordable and achieve sustained adherence, they have the potential to reverse the adverse mortality trends that have built up over decades," Campbell said.

How this will impact mortality-linked pricing is difficult to predict. As the drugs come off patent and begin being sold in pill form, rather than the injectable form, their uptake will probably increase. The drugs will become more affordable, and the NHS will likely be prepared to dispense more of them.

However, their efficacy has not yet been fully assessed.

"The main unknowns are 'will we see the same results in real world evidence as we see in the clinical trials?'" said McDonald.

"This will be affected by things like whether people stay on them and how disciplined they are and so on. And of course, how big will the uptake be?"

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Still Hot and Bothered?

Author:
Amy Walker
Actuary and Client Delivery Lead UK
Club Vita

"Many of the climate-related events and health impacts we now face have never happened before and will not be captured by simply projecting historical trends. This is where narrative-based scenario modelling becomes essential"

The impacts of climate change are becoming increasingly visible and severe. In the UK, this includes record-breaking heatwaves, frequent flooding and drought-driven wildfires. While these immediate effects are alarming, the broader consequences of climate change are more complex and far-reaching, with significant implications for human health, financial systems and the wider economy.

The regulators' view: from nice-to-know to need-to-comply

UK regulators are increasing pressure on pension funds and (re)insurers to address climate-related risks, requiring them to use scenario analysis where possible. The IFoA has also issued multiple Risk Alerts for actuaries, most recently warning that "the climate may change more quickly than some models predict". Climate change has shifted from "nice-to-know" to a regulatory requirement for decision-making and planning.

Scenario modelling: exploring uncertain futures

Many of the climate-related events and health impacts we now face have never happened before and will not be captured by simply projecting historical trends. This is where narrative-based scenario modelling becomes essential. It is one of the most powerful tools we have to make sense of uncertainty. By exploring the impact of possible future events, we can stress test our assumptions while understanding how these events might play out over time. For longevity in particular, crafting scenarios can help us grapple with big-picture forces like climate change, shifting demographics, and evolving public health trends, all of which unfold over decades with little historical precedent.

(Re)introducing our scenarios

When we published our first *Hot and Bothered?* paper we highlighted the potential impacts of climate change on longevity. Since then, the industry has made significant progress in developing a shared understanding of plausible climate futures, supported by frameworks like the Representative Concentration Pathways ('RCPs'), Shared Socioeconomic Pathways ('SSPs'), and Network for Greening the Financial Systems ('NGFS') Scenarios.

In response to this evolving thinking, we've updated and reframed our own longevity-related scenarios to better align with these widely recognised pathways. This ensures they remain relevant, credible, and compatible with broader climate and financial risk assessment.

For further information on how each of our scenarios relate to the RCPs, SSPs and NGFS Scenarios, please read our full research paper at https://www.clubvita.net/uk/news-and-insights/still-hot-and-bothered

These scenarios, when considered alongside other risks can help pension funds and (re)insurers integrate the issues of climate change and resource constraints into their broader risk management frameworks. Please note that the scenarios are designed to help stress test risk management plans. We have not assigned any probabilities to these scenarios and the middle scenario should not be taken as a view on the 'most likely' or central scenario. Nor do we suggest that this is the full range of potential outcomes.

Scenario 1: Sustained stagnation

This is our most pessimistic scenario, where limited adaptation and mitigation lead to severe global impacts. Initially, there is a lack of response to resource and environmental risks until they cause significant societal harm. By the time the world reacts, climate change has caused crop failures and food shortages.

Extreme temperature fluctuations and prolonged heatwaves lead to increased mortality, especially among the elderly, many of whom are pushed beyond their 'frailty point', where heat exhaustion accelerates morbidity. Although current cancer vaccines show promise, their impact is hindered by manufacturing constraints and diet changes due to food scarcity. This results in an upward trend in both cancer and cardiovascular disease. Meanwhile, antibiotic resistance rises. Despite initial drug breakthroughs using artificial intelligence, the development of new antibiotics remains limited.

Warmer climates also bring new infectious diseases to the UK, increasing infection rates back to levels not seen in over a century. Pandemics like COVID-19 become common, exacerbated by strained resources that undermine NHS capacity. As a result, the quality of care for age-related conditions, such as frailty and neurodegenerative diseases like Alzheimer's, deteriorates further.

"Warmer climates also bring new infectious diseases to the UK, increasing infection rates back to levels not seen in over a century. Pandemics like COVID-19 become common, exacerbated by strained resources that undermine NHS capacity"

Scenario 2: Turbulent times

In this scenario, some adaptation occurs but progress is too slow to fully offset the limitations of finite resources and the climate impacts already locked into the system. This scenario can be viewed as largely following the current course, where political will for adaptation and mitigation exists, but progress moves slowly.

This gradual pace of change leads to a range of consequences, including rising fuel prices and intensified competition for resources. In the UK, these pressures translate into financial strain and funding limitations for the NHS. At the same time, reduced access to and higher costs of imported food stocks negatively affect public health. Lower-income groups face challenges affording their basic needs, leading to stagnating life expectancy.

Scenario 3: Rapid response

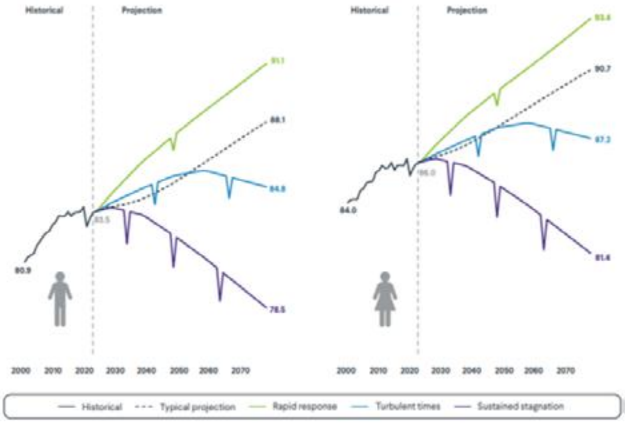
This more optimistic scenario envisions rapid (but plausible) response to climate change, driven by public awareness, technological innovation, and decisive legislative action.

These efforts lead to meaningful environmental improvements and health benefits. Increased adoption of electric vehicles, public transport, and active travel methods (such as walking and cycling) lead to better health and cleaner air. At the same time, significant improvements in green energy availability and healthier diets also reduce greenhouse gas emissions. The UK invests in better protection against extreme temperatures, enhancing crop security and home insulation. This results in fewer cold and heat-related deaths, as well as more efficient emergency services. Improved diet, exercise, and air quality lead to lower incidences of cancer, cardiovascular disease, dementia, and respiratory diseases. Overall, these factors contribute to a smooth projection of longevity, consistent with a fast and orderly transition to a sustainable future including life expectancy increases.

Impact on period life expectancy

The future pathway for longevity varies markedly under our three climate-related longevity scenarios. The charts below show this based on the widely used measure of 'period' life expectancy, under each of the three scenarios and for males and females. These are life expectancies based on the observed mortality rates at each age for a given year and apply to the England and Wales population.

Historic and projected period life expectancy at age 65



The 'typical projection' is based on the core CMI 2024 model with a long-term rate of 1.5% p.a. Effects between different socio-economic groups are shown later in this paper. The sudden drops in these charts relate to pandemics. We have allowed for a plausible frequency and severity of pandemics in each scenario.

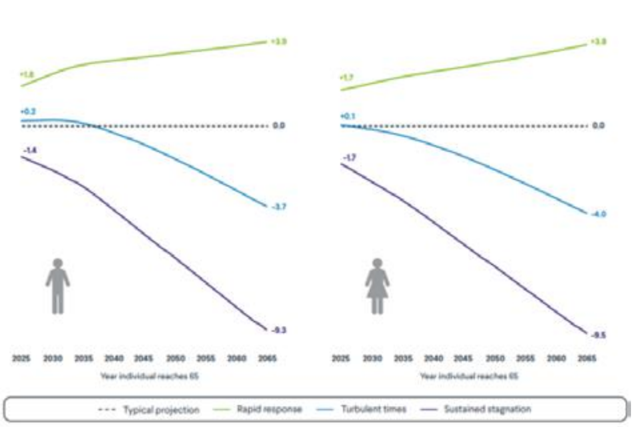
> "Period life expectancies are objective and widely used in national statistics. However, they are a 'snapshot' of mortality at a single point in time. For example, the 2025 period life expectancy assumes that an individual will experience the mortality rates observed in 2025 for the rest of their life, without accounting for future changes such as medical advances or the resolution of a pandemic"

Period life expectancies are objective and widely used in national statistics. However, they are a 'snapshot' of mortality at a single point in time. For example, the 2025 period life expectancy assumes that an individual will experience the mortality rates observed in 2025 for the rest of their life, without accounting for future changes such as medical advances or the resolution of a pandemic. As a result, period life expectancies are highly sensitive to short-term shocks like COVID-19 and do not reflect how long someone alive in that year is actually expected to live.

Impact on cohort life expectancy

A more relevant measure of life expectancy for pension funding is 'cohort' life expectancy – a measure of the expected future lifetime of an individual allowing for the impacts of climate change over their lifetime. The charts below show the impact on cohort life expectancy from age 65 for different generations. This is shown relative to a typical assumption currently used by many pension schemes.

Impact on cohort life expectancy at age 65 (relative to a typical projection[12])



These charts show the generational impact of plausible climate change scenarios. As expected, the most optimistic outlook (in terms of life expectancy) emerges under the rapid response scenario, where proactive measures lead to steadily improving longevity outcomes. In contrast, the sustained stagnation scenario shows a worsening picture over time, highlighting the long-term consequences of failing to address climate risks.

What might the liability impact be for a typical pension scheme?

The figures below provide a broad estimate of the impact on liabilities under each scenario. This is based on the typical age/socio-demographic profile of a closed, mature defined benefit pension scheme.

> "When stress testing risk management plans, it is important for pension funds and (re)insurers to consider the broader impact of these scenarios across all risks. The events described in the longevity scenarios are also likely to affect key financial and operational areas, including asset values, interest rates, inflation and sponsor covenant strength. Even in scenarios where longevity assumptions appear favourable, broader economic distress may still result in significant challenges for pension funds and (re) insurers"

Impacts are shown relative to the 'typical projection' which is based on the core CMI 2024 model with a long-term rate of 1.5% p.a.. Liabilities are calculated based on a typical set of assumptions and using a 2% net discount rate.

Whilst our sustained stagnation and turbulent times scenarios both reduce the liabilities of the pension scheme looking at longevity in isolation, it is important to appreciate that these scenarios are likely to be accompanied by different outlooks for interest rates and asset values.

Beyond longevity: broader impacts on pension scheme risk

This article is focused on how climate change and resource constraints could affect UK longevity. However, when stress testing risk management plans, it is important for pension funds and (re)insurers to consider the broader impact of these scenarios across all risks. The events described in the longevity scenarios are also likely to affect key financial and operational areas, including asset values, interest rates, inflation and sponsor covenant strength. Even in scenarios where longevity assumptions appear favourable, broader economic distress may still result in significant challenges for pension funds and (re) insurers.

To wrap up

Scenario analysis is an effective way to try to quantify the potential impact of risk associated with climate change. It also provides a more accessible way of visualising the possible future effect of longevity risk and is a useful way to stress test risk management plans. We hope the scenarios presented in this article foster meaningful discussion around climate-related risks and support a more effective integration of longevity risk into broader risk management strategies. Even if these future longevity events do not represent a best estimate of the future, they should not be ignored – in risk management, preparing for what could happen is more important than trying to predict what will happen.

You can read the full research paper at https://www.clubvita.net/uk/news-and-insights/still-hot-and-bothered

Amy Walker is Actuary and Client Delivery Lead UK at **Club Vita**

Footnotes:

1. *https://actuaries.org.uk/media/ue4hdq3l/risk-alert-climate-change-scenario-analysis.pdf*
2. *https://www.ipcc.ch/report/sixth-assessment-report-cycle/*
3. *https://www.sciencedirect.com/topics/earth-and-planetary-sciences/shared-socioeconomic-pathways*
4. *https://www.ngfs.net/ngfs-scenarios-portal/explore*

This article is an abridged version of the original, Still Hot and Bothered?, the full version of which (including the relevant reliances and limitations) can be found here https://www.clubvita.net/uk/news-and-insights/still-hot-and-bothered)

Any views expressed in this article are those of the author(s) and may not necessarily represent those of Longevity and Mortality Investor or its publisher, the European Life Settlement Association

Q&A

Moritz Roever
Managing Director, Vitaro Group

Author:
Greg Winterton
Contributing Editor
Longevity & Mortality Investor

The growth of the broader alternative credit ecosystem has meant more choice for sophisticated investors when considering where to allocate capital; that choice means that asset managers have needed to find extra gains to make their return profile more competitive. Greg Winterton spoke to Moritz Roever, Managing Director at Vitaro Group, to get his thoughts on how the servicing function in life settlement portfolios can be additive to alpha generation.

GW: Moritz, let's start with premium optimisation, arguably one of the most important tasks in the servicing ecosystem. What should investors be asking life settlement asset managers during the due diligence process here?

MR: Premium optimization is important, yes. However, nearly all sophisticated asset managers and servicers perform this function, and all of the models used work the same way. Premium optimisation is a performance driver and therefore, a risk if it's done incorrectly. Effective premium optimisation minimises the cash exposure of a life settlement portfolio which in turn can have an impact on the NAV of the fund in the short term and distributions in the medium to long term. Investors should be asking managers whether they perform this function in house or externally, how they manage the process and how they deal with more complex products for which bespoke modelling may be necessary. Investors need to understand that there is a significant amount of work that goes into managing a life settlement portfolio after a policy has been purchased; it's about as far from 'set it and forget it' as you can get in alternative credit investing.

GW: What's the sales pitch to use an external servicer?

MR: It's the independent analysis angle – a similar reason as to why an investor might require an external fund administrator to perform that function on a hedge fund or private equity fund. An under-performing servicing function can lead to all sorts of issues including either overmarking or undermarking the value of the portfolio, improper monitoring of insureds, perpetuation of deficiencies in documentation, and potential lapse of policies. Given that auditors will require a fair market value and a valid basis and methodology to determine fair value to sign off their work, a proficient and independent servicer provides validity and credibility to these considerations — provided the servicer is truly independent. A good servicer should be able to provide these things to the manager in an unbiased, independent way, which in turn gives the investor the most accurate picture of the value of their allocation.

GW: What are some of the other functions provided by a servicer and what is their importance?

MR: The main ones are ensuring that the premiums are paid – critical, obviously, for keeping the policy in-force - and monitoring the insureds' status. The asset manager needs to know when a policy in their portfolio matures, but they also need to know how the insured lives covered by the policies in the portfolio are progressing. We believe the "life component" of each asset should be more of a focus than it has been traditionally. There are more labour-intensive tasks tied to managing the lives that underpin the portfolio that are just as crucial, perhaps more so, than the task related to the policies involved. A good servicer will have processes and procedures that are rigorously followed to ensure that nothing slips through the net; every detail matters. I can't stress enough the extent to which experience matters here. We believe a focus on the insured is an even more important function that most asset managers need. Tracking is critical, yes, but so is continual observation of the insured's health from an underwriting perspective. Most asset managers do not proactively (or correctly) manage the lives to which their performance is tied - directly.

GW: What, if anything, has changed in your world in the past, say, five years or so? And is there any scope for innovation in what you do?

MR: I'm not sure about 'changed' but I will say 'increased in focus'. Cybersecurity risk has grown, and consequently, providing clients with more secure portals - especially given the sensitive personal data that our market uses – has grown in importance and asset managers are increasingly focused on this. In terms of innovation, then obviously artificial intelligence is the buzzword, but we need to be careful about how we integrate it into our systems largely because of the sensitivity of the data and the considerable degree of contextual analysis the asset class and our marketplace requires. Also, some of the services we provide genuinely benefit from human involvement, such as contacting the insured and their contacts. In these instances, we're dealing with issues like privacy, bereavement, and financial security. These are sensitive and personal topics, so discretion has real meaning in our role. I also think it's important to acknowledge that the overall pace at which the market operates does not yet lend itself to the acceleration of one step in a more comprehensive process. In other words, unless all the steps in a given process can be automated correctly and without sacrificing critical considerations, accelerating parts of such processes with AI may not have a meaningful impact and overall, the process as a whole may not be meaningfully improved.

GW: Lastly, Moritz, how do you see the life settlement market in the next 12-24 months, both in terms of your corner of the space, and the industry overall?

MR: I think it's well documented that 2024 delivered a pull back in the number of policies transacted in the secondary market and consequently we're all hoping that we'll see significant growth when the numbers get published later in the spring/early summer. I think they can, based on the conversations I've had in the past year and the activity we've seen. That's the rising tide that supports our business and the industry overall. But I've frequently said that our market needs more investment in the businesses operating in life settlements, not just the assets. You do see a few sophisticated investors allocating more to asset managers, which is good – that's our version of trickle-down economics. But there is a huge gap between the number of policies transacted annually in the life settlement market, and the potential. If we doubled the number of transactions in the secondary market each year to 6,000 from the roughly 3,000 today, then our market would be twice the size it is today and we would still only be barely scratching the surface of the potential we have. So, I think that unless a large firm (or group of such firms) makes a big splash and induces real market-wide change - an impetus for true growth - then we'll continue to grow, which is great for everybody, but slowly. Right now, the growth rate of the secondary market might max out at a growth rate of perhaps 10% a year tops - even in a good year.

Moritz Roever is a Managing Director at **Vitaro Group**

Stability Continues in US Life Insurer Ownership and Solvency Metrics

Author:
Roger Lawrence
Managing Director
W L Consulting

In early November last year, industry group the American Council of Life Insurers (ACLI) published its annual Life Insurers Fact Book, the organisation's deep dive into a range of sub-categories of the US life insurance industry. In December, we looked at 2024's developments in surrenders, new business and solvency; this month, as was the case last year, we're taking a look at the US life insurance market as a whole: Its ownership, business composition, and size.

Ownership Trends

Last year's report once again shows a continuing decline in numbers of individual life insurance issuing entities, from 719 in 2023 to 711 in 2024[1] – and a 47% reduction since 2001[2]. The change continues to be gradual but cost pressures and regulatory overhead means smaller firms find their operating environment increasingly challenging. With their limited potential consumer base, it is to be expected that Fraternal insurers would be under pressure but it is notable that their decline is marginally smaller than full stock companies, from 117 in 2001 to 65 in 2024 (-44%) for the Fraternals, and 986 in 2001 to 530 for the full-stock firms (in the UK, the equivalent are either Friendly Societies or Occupation-based insurers, such as teachers or post office workers, and these have all but been swallowed up by larger firms, or mutuals).

It is easy to point the finger at regulatory creep for causing consolidation, and there has also been a steady drift towards using offshore havens for domicile (Figure 2). Bermuda has become the location of choice, more than doubling in just five years from 14 to 30,[3] because the regulatory approach is sufficiently robust to maintain confidence of domestic regulators, albeit, under a close watching brief. Much of the increasing Bermudan influence is from alternative asset managers using their reinsurers to access the primary market.

Canadian ownership is stable but for other countries there are some notable changes with Japanese ownership rising (from 16 in 2020 to 20 in 2024) and UK and Netherlands ownership falling.

> "Last year's report once again shows a continuing decline in numbers of individual life insurance issuing entities... The change continues to be gradual but cost pressures and regulatory overhead means smaller firms find their operating environment increasingly challenging"

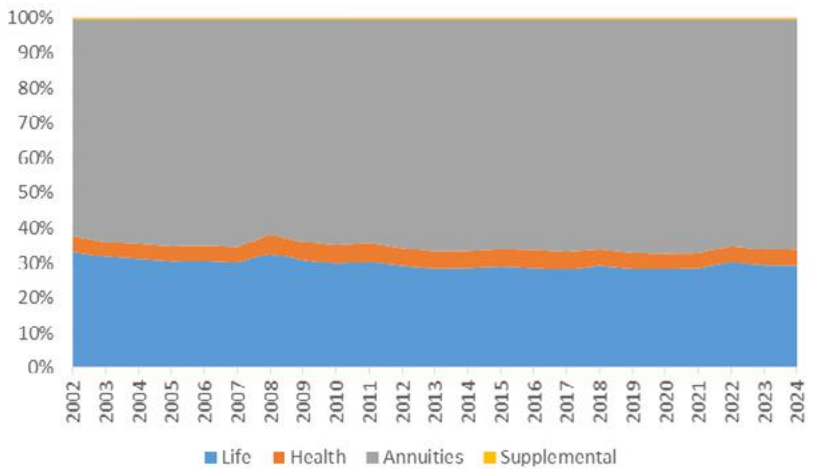
Business Composition

In 2024 total liabilities rose 6.1%, life insurance policy reserves grew by 4.1%, health insurance by just 0.67% and annuities grew by 4.7%. Each of the growth rates for specific product groups' reserves are lower than the figure for companies as a whole and the biggest contributor to the excess is a small subdivision pertaining to deposit-type contracts. Here, liabilities rose 10.7%.

This group of products is significant in as much as they represent more than 10% of total policy reserves and are comprised of Guaranteed Investment Contracts (GICs), annuities certain, structured settlements and premium and other deposit type funds. In 2024, premium and other deposit funds remained the largest category of the deposit-type business with $267bn in deposits, $265bn in payments, and $358bn in reserves at year-end. GICs received $143bn from policyholders and paid out $103bn in 2024, leaving a reserve of $352bn at year's end.

For basic product types, annuities still dominate, but life insurance is now growing at a similar rate to annuities which is promising for the future of secondary markets.

Figure 1a: Composition of US Life Insurance (by value of policy liabilities) 2003-2024



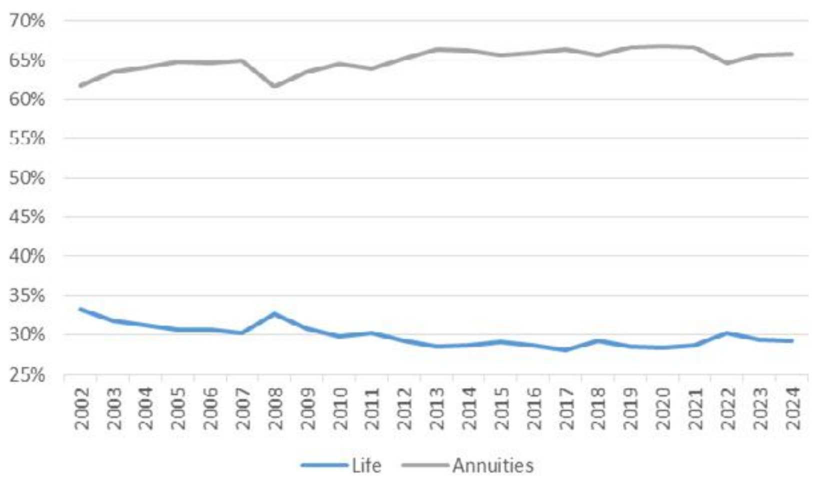
Source: ACLI Life Insurer's Fact Book, 2025 Edition

"Annuities continue to represent the lion's share of policy liabilities and, even if there were no further sales, this would persist for many years. However, whilst annuities rose from 62% of the mix in 2002 to 67% by 2021, in recent years this has flattened out"

The chart above shows that annuities continue to represent the lion's share of policy liabilities and, even if there were no further sales, this would persist for many years. However, whilst annuities rose from 62% of the mix in 2002 to 67% by 2021, in recent years this has flattened out. In fact, in 2022 onwards there has been a drop of approximately 1% - this looks like a technical change when interest rates and bond yields started to rise in 2022 (we are measuring relative size by liabilities here, so rising bond yields would be expected to lower annuity liabilities, especially those of a fixed nature rather than index-linked in some way.

Showing just annuities and life, the picture is clearer as can be seen in Figure 1b below.

Figure 1b: Composition of US Life Insurance (by value of policy liabilities) 2003-2024 (Life and Annuity only)

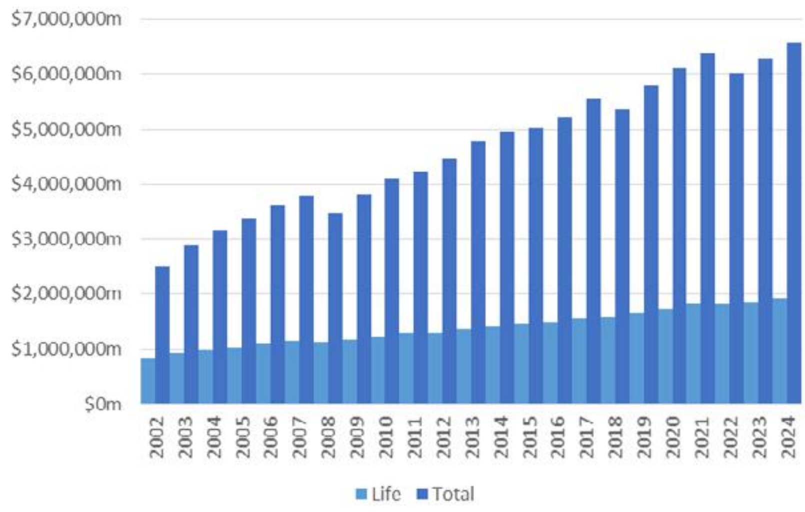


Source: ACLI Life Insurer's Fact Book, 2025 Edition

US Life Insurance Market Size (by Liabilities)

An updated figure 2 below gives greater clarity in monetary terms. In 2022 policy liabilities fell, largely because of a rise in bond yields increasing valuation discount rates. The step-up in 2023 and 2024 from 2022 in the total liabilities looks very similar to the step-up between 2020 and 2021 arising from additional business rather than a change in valuation discount rate as discussed above.

Figure 2: Insurance Liabilities 2002 to 2024



Source: ACLI Life Insurer's Fact Book, 2025 Edition

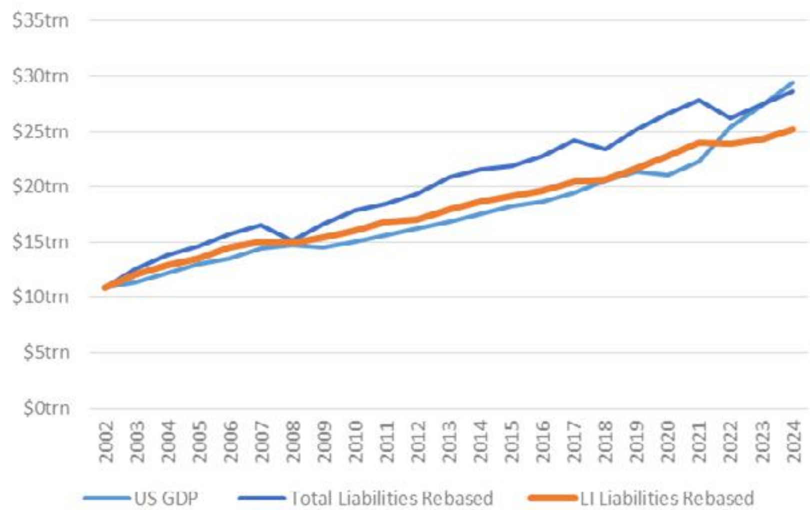
"The growth in reserves for the life insurance component alone had tailed off in 2023 but has once again started rising in 2024. Part of this is the technical effect whereby higher discount rates suppressed reserve growth in 2022, but we can also see that they have now grown in 2024 compared to 2023"

You can also see that the growth in reserves for the life insurance component alone had tailed off in 2023 but has once again started rising in 2024. Part of this is the technical effect described above, whereby higher discount rates suppressed reserve growth in 2022, but we can also see that they have now grown in 2024 compared to 2023. This is clear from the rise in life policy liabilities from 1.7% in 2023 to 4.1% in 2024.

This does look like a return to trend with the hiatus in 2023 being down to a modest rate of new policy sales in 2023 and, in particular, a very high rate of cancellation.

Comparing the insurance liability totals with US GDP, we continue to see a strong correlation, as shown in Figure 3 below.

Figure 3: Total Insurance Liabilities (rebased 2002) and US GDP (2002 to 2024)



Source: ACLI Life Insurer's Fact Book, 2025 Edition

Figure 3 tells whether insurance products are diminishing in importance within the US relative to total GDP. The orange line shows just life insurance products whereas the dark blue line includes annuities. US GDP has been on a noticeable expansion trajectory since the Covid-19 blip and life insurance products alone do appear to be slowly falling out of fashion. This might be just a cyclical effect, or a sign that in the US GDP expansion may not have been as broadly spread as politicians might have hoped and concentrated in one or two areas such as technology. When annuities are included, there is a stronger correlation to GDP, albeit that this may well not represent a sustainable trend as old defined benefit schemes are replaced with "cheaper" retirement provision.

It is tempting to think that were the US economy to fall into some form of recession, the chart lines might become more realigned, but the fear is that such economic contraction - or at least, economic pausing - would induce a further wave of policy cancellations and surrenders as we witnessed in 2023.

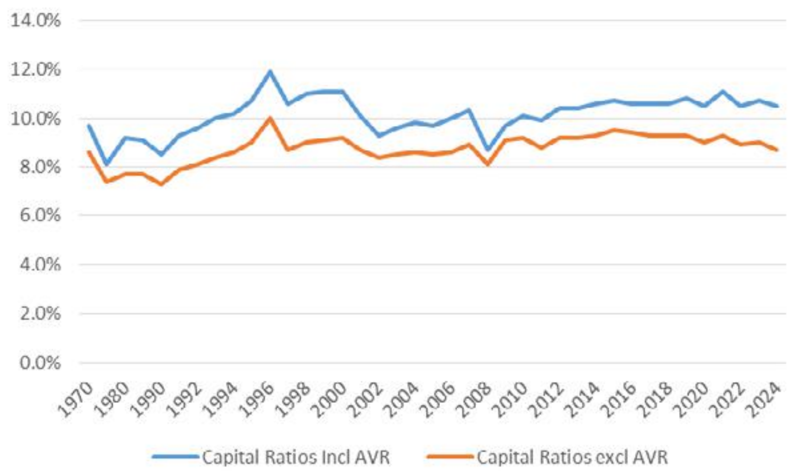
Solvency

The health of insurers is of vital importance to both secondary market investors as well as giving confidence to individuals wanting to buy new policies for protection - and needing their insurer to be there when the fateful moment arrives.

Here, the ACLI Life Insurers Fact Books provide a historic record of aggregate solvency levels for the industry. Solvency can be measured in numerous ways, with different measures of surplus capital and different benchmarks to compare against. The simplest are insurers' capital ratios. The Asset Valuation Reserve (AVR) - which smooths against temporarily depressed or over-cooked market values of assets either being included or excluded – is an insurer's own capital and surplus and divided by their general account reserves.

"A growing AVR can arise from strong equity markets offsetting weak bond markets, but a crash in equity markets might not precipitate weaker capital ratios if bond prices were to rise consequently. In 2025 we saw further growth in equity markets and only a limited rise in bond markets so it will be interesting to see if the AVR widens next year"

Figure 4: Broad Capital Ratios 1970 - 2024



Source: ACLI Life Insurer's Fact Book, 2025 Edition

Figure 4 shows a mixed picture of continuing financial health but also a decline in the broad capital ratios in 2024. Notably, after a period of improving headline ratios (including the AVR as part of the available capital during the period whilst QE was holding interest rates down) the ratio excluding the AVR has now dipped to its lowest value since 2008.

A growing AVR can arise from strong equity markets offsetting weak bond markets, but a crash in equity markets might not precipitate weaker capital ratios if bond prices were to rise consequently. In 2025 we saw further growth in equity markets and only a limited rise in bond markets so it will be interesting to see if the AVR widens next year. Overall, though, these weakening ratios don't appear to be out of the long-term range.

A real sign of any stress emerging is to look at the Risk Based Capital Ratios, which measure the amount of headroom over the regulatory minimum required capital before insurers must start implementing a program for restoration.

> "US life insurer ownership and business composition trends remain at similar levels to recent years, albeit with small, but observable, trends. And solvency metrics appear to be solid. All in all, as counterparties for longevity and mortality risk investors, US life insurers remain strong"

Figure 5: RBC ratios 2002-2024

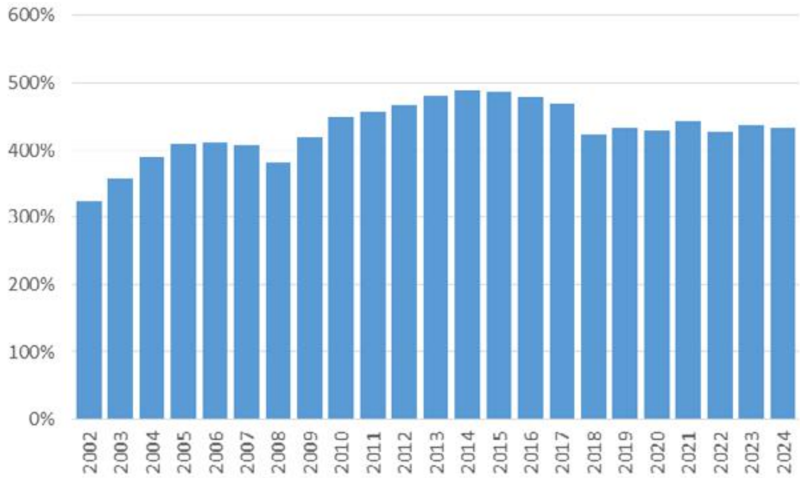
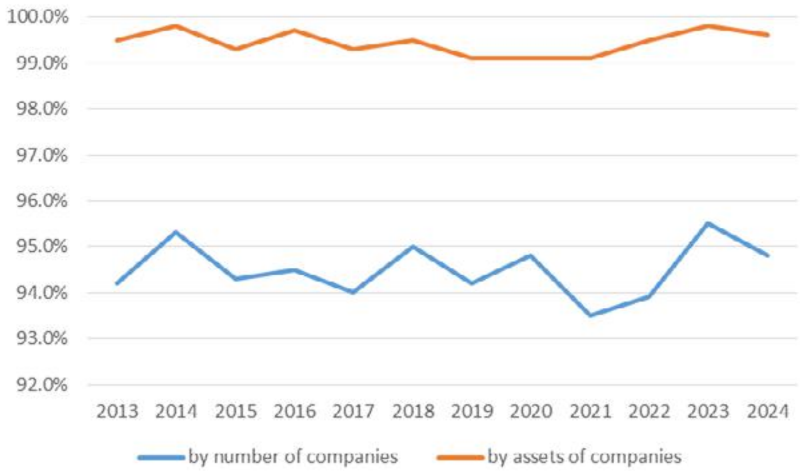


Figure 6 below shows the ratio of available capital to the minimum capital required and whilst the 2024 average ratio of 434% is below that observed in 2023, it is in the middle of the range of values since 2017; this does not indicate an industry with problems immediately emerging.

The shortcoming of using averages is that they hide spread. However, the ACLI does provide a distribution of insurers' RBC ratios.

Figure 6: Percentage of Companies whose RBC Ratio Exceeds 200% 2013-2024



Source: ACLI Life Insurer's Fact Book, 2025 Edition

As with all the various measures of solvency in 2024, there is a marginal downtick but nothing that looks to be outside the normal year-on-year noise.

The number of companies below 200% is 36 (2023: 32) and, as can be seen by the much smaller percentage below 200% measured by assets, the weaker companies are generally the much smaller institutions. Of that 36, there are 8 falling below 100%. This does not make them insolvent, but financially fragile, however they are likely to be special companies with unusual characteristics and therefore unlikely to be of much concern to secondary market investors.

As was the case last year, the overall message here is one of consistency. US life insurer ownership and business composition trends remain at similar levels to recent years, albeit with small, but observable, trends. And solvency metrics appear to be solid. All in all, as counterparties for longevity and mortality risk investors, US life insurers remain strong.

Roger Lawrence is Managing Director at **W L Consulting**

Any views expressed in this article are those of the author(s) and may not necessarily represent those of Longevity and Mortality Investor or its publisher, the European Life Settlement Association

Footnotes:

1. *ACLI Life Insurers Fact Book, Page 3, Table 1.1*
2. *ACLI Life Insurers Fact Book, Page 7, Table 1.7*
3. *ACLI Life Insurers Fact Book, Page 6, Table 1.6*

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Editorial Enquiries
editor@lminvestor.com
+44 (0) 20 3490 0271