Contact: Jake Pringle
Milliman, Inc.
Tel: +1 713 202 0819
jake.pringle@milliman.com

FOR IMMEDIATE RELEASE

Press Release

Milliman analysis: Competitive pension risk transfer cost decreased from 99.9% to 99.7% during September

Competitive bidding process saves about 2.9% of buyout costs as of September 30

SEATTLE – OCTOBER 27, 2026 – Milliman, Inc., a premier global consulting and actuarial firm, today announced the latest results of its Milliman Pension Buyout Index (MPBI). During September, the estimated cost to transfer retiree pension risk to an insurer in a competitive bidding process dropped 20 basis points, from 99.9% to 99.7% of a plan's accounting liabilities (accumulated benefit obligation, or ABO). That means the estimated retiree PRT cost is now 99.7% of a plan's ABO.

During the same time period, the average annuity purchase cost across all insurers in our index decreased by 30 basis points, from 102.9% to 102.6%. The competitive bidding process is estimated to save plan sponsors about 2.9% of PRT costs as of September 30, 2026.

"While we have yet to see a jumbo transaction in 2026, second quarter PRT results from LIMRA show an uptick in contracts sold, as companies looking for smaller and mid-sized deals took advantage of favorable conditions," said Jake Pringle, co-author of the MPBI. "A rise in interest rates and a small drop in the competitive MPBI this month is nice news for plan sponsors with PRT on their agenda."

The MPBI compares the FTSE Above Median AA Curve to the annuity purchase composite interest rates from nine insurers to estimate the competitive and average costs of a PRT annuity de-risking strategy. Individual plan annuity buyouts can vary based on plan size, complexity, and competitive landscape.

View the complete Milliman Pension Buyout Index. To receive regular updates with Milliman's pension buyout analysis, contact us at pensionbuyout@milliman.com.

About Milliman

Milliman leverages deep expertise, actuarial rigor, and advanced technology to develop solutions for a world at risk. We help clients in the public and private sectors navigate urgent, complex challenges—from extreme weather and market volatility to financial insecurity and rising health costs—so they can meet their business, financial, and social objectives. Our solutions encompass insurance, financial services, healthcare, life sciences, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe. Visit us at milliman.com.

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