Reinsurance News

Reinsurance News Legacy Market Roundtable Brighton

2026

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FOREWORD

Welcome to the second Reinsurance News Legacy Market Roundtable, held alongside the annual meeting of the legacy insurance and reinsurance sector in Brighton, UK, in partnership with Swiss Re, one of the world's largest reinsurance companies.

On May 11th, 2026, 13 leaders and experts from across the retrospective ecosystem came together to examine a market in transition and consider whether we are truly witnessing a more strategic legacy market.

During the insightful 90-minute discussion, buyers, sellers, brokers, advisory and legal specialists explored the influence of hard and soft market cycles and M&A on legacy dynamics, as well as the challenges of execution and data quality.

Participants reflected on the role legacy plays within their organisations and where it sits among strategic priorities. Early in the discussion, it became clear that greater awareness and education around legacy solutions remain necessary, alongside earlier engagement in cycle management discussions.

Partnerships, syndication, and broader collaboration also emerged as key themes, with participants considering approaches of the live market, while being cognisant of the unique selling points of legacy, and the market's increased sophistication and ability to ingest complex portfolios.

The discussion also explored what could drive the next wave of activity. Forward exit options, MGAs, and M&A were identified as potential catalysts, as well as being adaptive and being able to bring different solutions to the table.

The overall tone was positive. While participants expressed confidence in both the current state of the legacy sector and its future direction, they also emphasised that continued focus on education, collaboration, and execution will be essential as the market continues to mature.

Luke Gallin
Production Editor,
Reinsurance News

Reinsurance News

(left to right):

Jens Schaefermeier – Hannover Re
Charlotte Pritchard – RiverStone International
Andreas Schäfli – Swiss Re
Janic Schilling – Swiss Re
Andy Hill – Zurich Legacy Solutions
Lu-ling Chng – Guy Carpenter
Jag Jass – Augment Risk
Weneika Steede – QBE Capital
Jennifer Lejeune – AXA Liabilities Managers
Luke Gallin – Reinsurance News
Georg Rindermann – Allianz Re
Alexander Roth – Howden Re
David Bartlett – Norton Rose Fulbright LLP

Not pictured:
Kevin Gill – EY Parthenon & IRLA Representative

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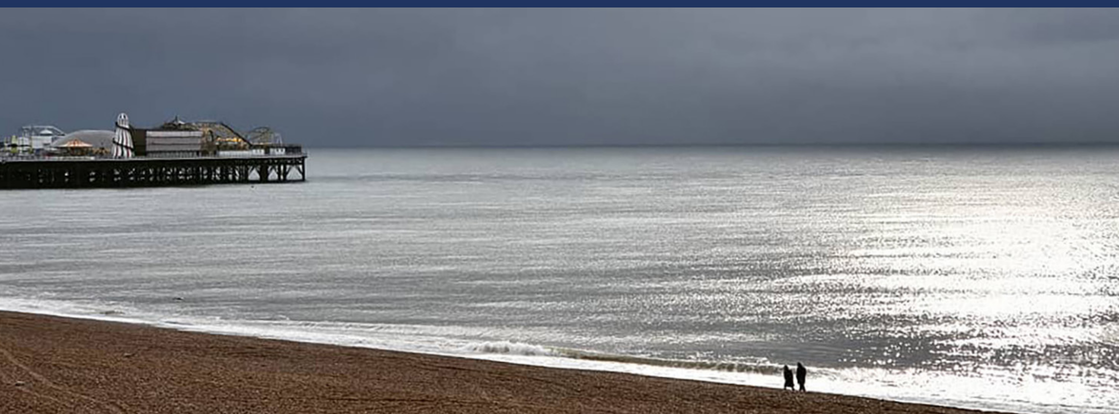

LUKE GALLIN

Let's begin the session with a reality check; legacy is increasingly being positioned as a strategic tool, but is legacy truly being used strategically, or is that just the narrative?

JANIC SCHILLING

The legacy market is in transition. We are increasingly hearing about a more stable and sophisticated market, with solutions evolving to respond to changing and more complex client needs.

There is increased activity when it comes to new endeavours and more innovative transaction structures to address rising complexity across the market. Interestingly, if you combine this with a legacy market that continues to grow by nature, this increased activity is not necessarily translating into a higher number of completed transactions. Does this reflect a more mature market, where execution discipline, strategic alignment, and balancing complexity with resilience are becoming increasingly important?

As we reflect on the broader market environment and focus on 25/26, we are coming out of strong years of underwriting performance, while at the same time seeing a more competitive market in certain area, and capital costs remaining relatively elevated.

In this environment, many of the themes shaping the broader reinsurance market are centred around capital optimisation, strategic focus and portfolio quality. This is exactly where we see legacy solutions playing an increasingly important role - helping clients proactively manage balance sheet resilience while enabling greater focus on strategic areas of the business.

If you compare these broader market trends with the perception of a more stable, sophisticated, and mature legacy market, the key question becomes whether the market is fully positioned to respond to these dynamics.

Janic Schilling – **The legacy market is in transition**

Are we truly seeing a more strategic and more embedded legacy market, or is the broader re/insurance industry still primarily considering legacy as a tactical decision?

JAG JASS

We talk about rate softening, and it has been noticeable in property, but primary US casualty hasn't softened as much, it is still early days, and there is a reasonable amount of activity across those lines. I think legacy is definitely becoming a strategic tool but is still reactive, because buyers and sellers are still figuring out what 2023, 2024 and 2025 looks like, and they're being far more considerate about their reinsurance purchase holistically.

CHARLOTTE PRITCHARD

My perspective from the buy side is that it is still quite reactive. The market has moved away from being purely reactive to distressed scenarios and towards capital planning and broader reserve protection, so it is more forward-looking. However, when you refer to using it as a strategic tool, I'm thinking about longer-term strategic planning and tools, forward exit options and so on, and I don't think that is quite there yet. It has evolved, and we are heading in that direction; we're starting to have some conversations in those areas, but it's early days.

LU-LING CHNG

In terms of legacy as a strategic tool, there are pockets of maturity and development across the board. We're not all aligned. We've always had the big global players sat around this table who are at that level of sophistication and have been using legacy for years, both on the buy and sell side, as a strategic and capital tool. But it's not necessarily consistent across all cedents. One of the things that we will come on to is execution and deal complexity, it's still a big undertaking, a legacy or retrospective deal, for the vast majority of cedents.

KEVIN GILL

This market still plays that strategic role. You see with M&A, pre or post deal, there's a need for it. So, there is a well-trodden path there with pre or post deal,

Kevin Gill –
This market still plays that strategic role

just cleaning up what you don't want and just moving on. So, from a strategic point, it definitely plays its part.

ANDY HILL

From a seller's perspective, and one that has been a regular trader with the legacy market, we would like to see more buyers in the larger end of the market. Some of the mid-market players haven't quite been able to step up into that same space that some of the larger, dedicated legacy markets occupy in terms of holistic solutions for deals of $1bn+. Of course, Swiss Re and Berkshire, and certain other rated carriers, can do larger deals, but their risk appetites might be a little narrower for certain classes or in certain geographies.

JENNIFER LEJEUNE

Of course I welcome more big players to add to the competition, but there are legacy needs for players to take on small portfolios as well as billion-plus size books. We need a variety of players and appetites to be able to address all carrier's needs. The diversity of legacy players makes the market efficient.

Last year, we had discussed this issue: does the question of legacy arise at the right time in the strategic decision-making process? Several legacy players regularly contact us to offer their solutions. We are happy to interact with the market on a regular basis. We benefit from brainstorming sessions - exchanging new ideas as well as current challenges, which could lead to opportunities in the future. I find this format effective to collaborate together and learn about all the innovation in the space.

Even though we have trusted relationships with partners, we remain careful when it comes to confidentiality. We operate in a small market where everyone knows each other and information travels quickly.

JAG JASS

We have all seen deals come to market and then fall away after non-binding indication stage, what's the reason for that? In prospective reinsurance, you would generally approach the market with FOTS, with a view of what your client needs. We haven't done that in legacy, we let the market dictate where pricing would be and you get a range of quotes, leaving cedents unsure about how best to proceed. I think we can do a better job as advisors to structure deals and understand what the drivers are. What's their target ROE or performance metric they are tracking? What's the capital benefit they're going to get? Is the motivation primarily adverse development? Then going out to market with as close to FOTS as possible. Especially where we're seeing alternative capital participate in the space, they're going to have different motivations to a traditional legacy acquirer. They're about float and investment yield. How do we structure deals in a better way to make that diligence process far more seamless?

ALEXANDER ROTH

Probably a big weakness of the legacy market is around the long-term relationships a lot of the players have with the cedents. The very traditional prospective markets, they know everything what's going on, they are continuously in discussions. I had to learn a very hard lesson, moving from a legacy player to a broker, when a traditional reinsurer says, 'I'm not doing legacy or retrospective', actually, some will quietly assume retrospective portfolios as part of a prospective relationship. I think this will be very important long term for the legacy market, building these relationships and finding an angle to work together. Because you can see this on the traditional side a lot, what is happening, how they interact. They are also very careful around the transactions they do, and also about price finding. I think it's a very different topic if you are engaging with someone who sits in your prospective panel, then you do a one-time transaction on the retrospective side. This, I think, is a big challenge for the legacy players, to get a similar structure.

ANDREAS SCHÄFLI

There may be a reinsurance market that's hard or soft, but then there's also the insurance market, which can be hard or soft as well, and the two are often counter cyclical. And so, I do think that some of the M&A transactions we've seen in the market recently reflect the fact that some of the larger international insurance groups are focused on delivering strong ROE in the stock market. As a result, they're filtering through the portfolios that they write, and stepping away from business, that might still be performing but perhaps not reaching their hurdles, to focus on others where they see greater opportunity. As a result, we're seeing a lot of these renewal rights transactions that are happening, where I think legacy has a role to play, as it had in recent years. What's also interesting is that there are relatively few capital relief motivated transactions out in the market at the moment, which could be seen as an indicator of a direct insurance hard market.

So, it's really more about: how do I optimise my P&L? How do I optimise my ROE? Rather than 'I'm in the midst of the soft market and I need to boost my solvency ratio'. In that context, I'd say that legacy has clearly arrived and has become a very useful tool for these types of M&A transactions, where the renewal rights are transferred and then another transaction is executed on the back book. At the same time, there is scope for us as a market to do more, it's about continuing raising the bar in terms of what the market can deliver.

JENS SCHAEFERMEIER

If you look at the market, primary and reinsurance, capital is not an issue, everyone has lots of capital. The question is not so much if you want to be important at this point in time, which I think is quite difficult, because the amount of transactions, the size of transactions, doesn't move the dial, in fact. So, what I think is most important, when I'm looking at legacy as a buyer, is that you position yourself in your company to be strategic in the future. And how can you achieve that best? I think the big issue which we all have, is data. There are solutions when it comes to data, there are new ways to work on the data you have in your company. It used to be difficult for a lot of insurance and reinsurance companies when there were large transactions going on, data was coming from all sides, it wasn't really filtered. There was no common source. Then you, as a legacy buyer, needed to sort out everything, which was quite difficult. But now, technology is changing, and if you want to be important in the future, you should work on the data.

JANIC SCHILLING

Jennifer, you mentioned that you're bringing market participants together through brainstorming sessions. What's the focus of these discussions? Is it mainly about raising awareness and articulating the value of legacy solutions?

JENNIFER LEJEUNE

At Swiss Re, you have done an excellent job in helping to strengthen and energize the network of legacy stakeholders. Meetings like today's in Brighton as well as hosting forums as done in Switzerland allow us to get to know each other better, to engage in discussions, and to foster exchanges on a regular basis. I enjoy sharing with you and my peers and continue to believe that each party around the table provides value to this industry.

CHARLOTTE PRITCHARD

In the conversations you're having, are you the one initiating them, or are you finding that buyers are coming to you for those early conversations? The reason I ask is that I think we could probably do more to talk about the solutions we can offer, particularly in relation to the strategic angle we have just discussed.

JENNIFER LEJEUNE

Buyers frequently ask: 'Are there any opportunities for us? Can we take a look at your legacy business to try and structure solutions?' However, many large companies are concerned about sharing too much information with the market too early.

We benefit from regular exchanges with all market players. I believe that greater market transparency regarding the number and format of deals generates industry comfort around legacy transactions. There is still progress to be made, but as an industry, we are marketing our business, our expertise and its benefits more effectively.

LU-LING CHNG

Over the last 12 months, the legacy players themselves have been a lot more active in proactively reaching out around some of these forward exit options, but also actively seeking long term partnerships. And I think all of that helps. We may not necessarily love it as intermediaries, but even direct marketing in terms of just building awareness, familiarity with the product, definitely helps.

CHARLOTTE PRITCHARD

As a company, we've certainly been trying to be much more proactive. The market may have seen that shift with our new Group CEO coming in. However, we continue to work very closely with brokers and they continue to be our primary source of deals.

ANDREAS SCHÄFLI

Often some of the biggest innovations result from a pain point from something else not working. Given the number of new and innovative ideas, does that indicate there is an issue in the pipeline of traditional deals? Or on the contrary, is it a positive sign of a market that is evolving, becoming more sophisticated and building on success?

KEVIN GILL

The legacy market has actually realised it's got a cost base, capital base, knowledge base that it can do something with. It's looking at different things to do. So, at Swiss Re, you have the luxury of seeing it on a prospective basis, you can see what's going on. These guys need to get close to the marketplace. So, some of these forward exit solutions allow them to get closer to the market, closer to the cedent, to see what's going on and get some knowledge. That's quite clever doing that in that regard.

Ultimately, they just have a cost base they need to do something with, because if they're quiet, what else do you do with that capital, in the broader sense? And these are just good things you can do with that capital base. There's legacy players that are taking different approaches, doing different things with it, which is no bad thing. So, at least then you're trying to seem relevant and get closer to the marketplace.

JAG JASS

There's a lot more underwriting discipline, so deals are becoming far more structured. It's not just a vanilla LPT anymore, we're seeing corridors, we're seeing sub limits. A lot of the time cedents are unwilling to accept those sorts of structures for obvious reasons, and that's where deal flow gets halted. But then second to that, with the rise of alternative capital within the casualty space, the legacy industry could be a pillar of stability and underwriting discipline five years from now. As an example, and somewhat related, you see the redemption requests in traditional private credit, that's partly due to LPs wanting liquidity. The legacy market can provide that liquidity to private credit firms who also invest in casualty insurance. I think there is a huge pillar of opportunity there.

JENNIFER LEJEUNE

There is a real need for full finality solutions. Unfortunately, sometimes transactions are not executed due to structuring considerations like sub limits or limitations on structured solutions.

To address this problem, I'd like the industry to consider partnering more with traditional reinsurers. These partnerships would allow for the implementation of more comprehensive finality solutions. I strongly believe this is an area to be developed in the future.

Alexander Roth – **A strength of the legacy market is finding ways, left or right, how it can adjust**

ALEXANDER ROTH

On this topic, we spent a lot of time over the last 18 months to be able to place multiple of these retrocession agreements between a legacy player and traditional markets.

I also don't see many capital relief transactions, but nevertheless, I think there is a big shift from the past with heavy, operationally driven deals to financial engineering around ROE optimisation and dividends. And this is, again, now where we see a lot of the traditional reinsurers becoming interested. So, we really have a panel of top rated reinsurers who have never done a legacy deal before. And as soon it becomes heavily structured, they are super interested. Of course, they prefer being out-the-money, so we combined them with more asset management focused reinsurers.

A strength of the legacy market is finding ways, left or right, how it can adjust. You have these players now who go for a prospective structure, or you have the players who say, 'okay, for me, it's more servicing.' Some legacy market participants may look to broaden their service offering to remain competitive as new entrants arrive, though the leading players are well-positioned to compete on their existing strengths. Those entering from outside the legacy space tend to focus on financial engineering and capital relief structures; they are not typically seeking legal finality or operational solutions involving claims handling transfer.

JENS SCHAEFERMEIER

Do you think the new players in the market are here to stay, or is it a function of the overflow of capital?

ALEXANDER ROTH

They have now, of course, an appetite to look at these structured deals, if they stay. So, the question is how it will develop for them. But of course, as it is a lot more heavily structured, I think they have a lot more downside protection around these transactions than the traditional legacy market had, because a lot of us have assumed these deals more or less partially with unlimited exposure.

And this is, of course, not what these people have. They limit the downside very heavily; they even structure the limit itself with co-participations. So, it's a very different approach. But if you do this for pure capital relief purposes, that's also what these players are looking for. They look for long term partners, again, where they structure something for pure capital relief, which is then, for example, also cancelled and rewritten every year. So, there is no intention to have this until finality. This is just built to more or less move with the development to provide capital relief, but not being at high risk to be hit.

ANDY HILL

To the points Jennifer and Alex just mentioned about not finding the right solutions, I feel we have probably benefited from greater flexibility on structure and/or pricing by undertaking multiple transactions with certain, trusted counterparties.

If I draw a comparison to the live market, where you may have a longer term relationship between cedent and reinsurer with the aim of navigating the various phases of the market cycle together, I think there's some value in creating longer term relationships in the legacy market too whereby both parties achieve beneficial outcomes in the long term.

LUKE GALLIN

Let's move on to the role of legacy within your organisations. Where does legacy sit today among your priorities? And where should it sit?

WENEIKA STEEDE

At QBE Capital, we've done two large legacy transactions in the market over the last 3-4 years. In terms of priorities and where legacy should sit, it should be considered a key strategic option. I see more knowledge sharing on legacy solutions within the organisation so that it does become a vehicle that the divisions can look to as an option.

Most conventional lifecycle materials stop at claims administration. In my opinion, the lifecycle has evolved to include run-off and legacy; run-off for claims management and legacy for active balance sheet intervention. Having the knowledge and awareness in the early phases of the lifecycle is important as it could lead to proper insights and planning; kickstarting early intervention where necessary.

DAVID BARTLETT

Has the market seen a change over the last couple years as a result of the PRA's solvent exit analysis requirements, which come into effect on 30 June 2026? These rules now make consideration of retrospective solutions a board-level agenda item, with a senior manager directly accountable for planning and readiness around winding down operations in stressed scenarios. This has the potential to be a great tailwind for the legacy market which will hopefully create impetus for discussions that can increase understanding and awareness of retrospective solutions, at a time where a softening live market and adverse deterioration on casualty lines could generate more transactional opportunities for the legacy market.

KEVIN GILL

I have done many Solvent Exit Analysis for clients, and the PRA has been helpful with this, saying things like, 'yes, you can run-off to expiry, actually, but that's not the solution, you're going to exit earlier. You want to offload, and this way you've offloaded to this market better. Suddenly, you have got a higher profile at CRA level, at board level, because of the Solvent Exit Analysis. So, it's certainly helpful in this industry what the PRA have done.

DAVID BARTLETT

We are continuing to see a lot of investment from private capital into the insurance sector and these capital sources are looking to scale and achieve enhanced returns on equity. We are also seeing these investors increasingly explore how structured reinsurance transactions can drive that. Making sure these more recent participants in the market are aware of, and increasingly familiar with, the range of retrospective solutions on offer is important. As others have mentioned, M&A activity can be a real source of opportunity for the legacy market and these investors are engines for that activity so it is important the market is getting its foot in the door in connection with these transactions, whether early in the process to structure reinsurance solutions that can smooth volatility of earnings before a transaction comes to market or repositioning afterwards as part of integration.

JAG JASS

It really depends on your audience. When speaking to the underwriting team, it can be a difficult conversation to say maybe you should consider an LPT, and with the CEO it is a different conversation. One approach we've taken is to say, 'If you recycle this capital, think about how much more GWP you can write.' To the CEO, it's, 'this is the benefit to your ROE and to your book value per share'. To the COO, it's more about the operational perspective, how you streamline and optimise internal processes. So, tailoring the conversation depending on the audience is important, and it's our job to do that.

LU-LING CHNG

We find that we don't necessarily talk about legacy anymore, we just talk about retrospective or reserve, because it's a huge span. All of us around this table are maybe saying legacy, but really what we're meaning is, there's a huge variety of underlying motivation structures.

ALEXANDER ROTH

You still have to explain legacy across much of the market. I'm not saying this is just smaller, medium sized companies, it's also really top players where there are CFOs who tell you a problem, and they never thought about a retrospective deal. I have spoken recently with the Group CEOs of a sizeable insurance carrier where it quickly becomes clear that retrospective solutions have not yet been fully explored at senior level. This reflects how much education and awareness-building is still needed.

JENS SCHAEFERMEIER

There are a lot of things that we can bring to the table. Underwriters are very much looking forward into the future. I work for a very, very underwriting focused company, but the good thing about us is we're also very cost conscious. So, if you say I can close you this portfolio and reduce the cost, it raises an eyebrow, you get attention. There are different things we can put to the table, which is very important.

ANDY HILL

From a carrier perspective, I think it's unlikely that legacy would typically be on a group board agenda unless the company is perhaps distressed or there's a particular strategic objective being discussed for which legacy solutions play a part. That said, legacy solutions are tools that can support numerous parts of the Board's agenda, for instance growth (via capital relief), earnings volatility protection or simplification, but it's likely to be secondary to the main objectives.

Jens Schaefermeier – **There are a lot of things that we can bring to the table**

JANIC SCHILLING

Essentially, we are all saying that the need for legacy solutions is clearly there, yet the reality is that it's a topic that is currently not discussed enough at management board level. This raises the question of how we can bring retrospective solutions higher up the strategic agenda.

This also connects to the point raised earlier around partnerships, syndication and broader collaboration. To get to that level of engagement, the transaction needs to be sufficiently meaningful and really move the needle for the company.

Take for example one of the +1billion-dollar transactions, which includes a certain level of complexity with various risks and jurisdictions entailed for which clients could be interested in leveraging capabilities from several players. Do you think we could adopt approaches from the live market that enables clients to leverage the whole breadth of the market, such as risk sharing concepts and syndication, for example?

LU-LING CHNG

From our perspective, we've never said absolutely no. We've always been open, and we would always recommend that when a transaction, unless it is on an exclusive basis, that there are multiple counterparties that are still in the process right until the closing. But in practice, we haven't necessarily been able to convince either the cedent or necessarily the market, that actually syndication is the right approach. But we have talked quite seriously about, maybe not side by side syndication, but a market on the retrocession side, standing a little bit further back, a bit more remote. So, that kind of risk sharing, yes.

JAG JASS

Syndication is possible. And to Alex's earlier point, alternative capital, the primary motivation is float, and applying an asset strategy to reflect the profile of the liabilities under management. However, a traditional legacy player would be focused on underwriting expertise and claims management. So, I think syndication and collaboration is possible there. But where you see only a handful of players now, who can do deals in excess of say $200 to 300 million, there may be minimal motivation to syndicate?

ALEXANDER ROTH

We have also not seen syndication, or have not done syndication between legacy players, because at the end of the day, you bring two parties together, everyone thinks he knows it better, and everyone does the same. Where we were very successful, is bringing different parties together. So, a legacy player who has the more operational know how assuming the portfolio, then we implemented an asset management driven player into the structure, who brings the asset management know how. And then we have structures above an ADC with a traditional market who was interested in retrospective, but preferred to sit high up to more or less take the real downside risk. And so, everyone brought something to the table where they say, 'okay, this makes absolutely sense to work together.' And then it was also phased. So, the legacy player assessed its deal, in a later phase we brought in the asset management guys, and then at the end, we placed the other layer above, and there that made sense.

KEVIN GILL

I've had a situation where we've gone to the market for something, and one of the buyers didn't want something. So, I said, 'go and work with somebody else to take that piece and come back to me with an answer, don't give it back to my client, they don't want it.' And actually, I think they could have gone to another partner, probably another legacy player who is comfortable with that risk, got it priced reasonably well, it could have been competitive in the pricing. But they just didn't bother, and I think they missed an opportunity there to find a solution.

JENNIFER LEJEUNE

One of the reasons why opportunities are missed could be timing. If a legacy provider realises that it cannot take the totality of a risk, it is already well advanced in its due diligence process. Perhaps it is too late in the process to begin working with an external reinsurer, as the reinsurer will also want to conduct its own due diligence. These kinds of tight deadlines do not allow for an easy collaboration. However, fostering these relationships early could bridge this gap and at the same time, offer more appealing and complete solutions to a carrier.

CHARLOTTE PRITCHARD

It comes back to having early conversations, before you even delve into the due diligence. If you're having an open conversation about what you might be looking for, we can talk about what we can offer, and then you learn very early on whether that might work or whether syndication could be an option.

ANDREAS SCHÄFLI

We had two very practical instances where we partnered on deals. The first was a relatively sizable LPT where we and another rated market player each took a 50/50 share. It was a transaction that was handled quite discreetly. The second example involved a legacy player. We looked at one part of the opportunity and liked it, but we didn't like another part, while the legacy player reached the opposite conclusion. We then partnered up. And at the beginning, there was some scepticism from the broker, but in the end our joint offer was the most compelling. Unfortunately, in the end, the client decided not to pursue the deal.

To me, these were two valuable lessons learned. One is that having multiple, rated reinsurers working together can work, as we look at things differently from the rest of the market; there are no collateral discussions, and syndicating risk is in our DNA. The second lesson is from the view of the seller's side. If I'm putting myself in the seller's shoes, with every additional party that comes in, there's higher execution risk. And so, the initial reaction may well be negative. However, if more parties create a more complete offering, it could actually be the best fit for the client.

LUKE GALLIN

Is there a capacity issue with large transactions that would force risk sharing at that level? Or is it really a pricing point around there is appetite to do a deal, but not at a price the market will accept, and maybe reinsurance can help that price?

LU-LING CHNG

It would almost be reversed in the sense that, with the largest portfolios, like a Zurich portfolio, it may get to a point where actually there's too much concentration risk with some of the large players, and then actually you have to bring in other markets as well to force the other point, rather than the other way. There are probably always pricing aspects that would encourage syndication.

LUKE GALLIN

Moving on to awareness and internal alignment, how well is legacy understood beyond core teams? And when do legacy solutions typically enter the conversation?

GEORG RINDERMANN

I see some similarities in the approach to managing legacy between Allianz and other insurance companies, such as QBE. Allianz Re is the reinsurance carrier of Allianz Group, providing reinsurance to Group companies, and legacy management is one tool that we offer internally to our organisation. Today, we are operating in something of a niche. Some people know what we do and where we can offer support. However, awareness and understanding of the mechanics and potential added value are still limited. This is a challenge, and we are trying to create more awareness and visibility within the wider organisation.

It is good to share experiences when something has worked well. For example, a case study from a legacy transaction involving one entity may inspire colleagues from another entity and thus create further benefits for the organisation.

We host internal education events on a regular basis to create more awareness and know-how about legacy within the organisation. With a better understanding, some colleagues may become more proactive and approach us to discuss their specific challenges. All in all, we have had some good experiences with this approach, but it also takes time.

ANDY HILL

Our team sits as part of the Group Finance function, for which the leadership team has a good awareness of the legacy market and the potential application of various transaction structures. That said, we're continually seeking to raise awareness in our organisation, for instance by recently publishing a series of articles internally regarding the outcomes of our recent transactions, be it operationally, capital perspective, or simplification perspective. But there's always more we can do to raise awareness in the organisation.

LUKE GALLIN

Shifting to execution and deal complexity. David, based on your experience from the legal side, where do you see the biggest barriers today? What are some of the most common reasons deals don't get completed or do not come to market? And at what stage do transactions typically break down?

DAVID BARTLETT

From our perspective, the main barrier to deals progressing to execution, beyond the awareness point we have discussed that can stop transactions coming to market in the first place, is a mismatch in pricing expectations, the bid-ask spread being too wide, or concerns around data quality that impact the bidders' ability or willingness to price the portfolio with sufficient certainty. We have seen that be the case on several processes over recent years.

However, where there is broad alignment on structure and pricing terms, it would be relatively unusual for a transaction to fall over after that stage. Where there is that alignment, we see counterparties work collaboratively to get transactions over the line.

We are also seeing increased complexity in structure, as others have mentioned. In particular, transactions that are primarily structured for capital relief purposes and intended to operate as longer-term partnerships with cancel and replace features. This complexity can make transactions take longer to negotiate but that remains manageable.

JENNIFER LEJEUNE

Our job is to handle the complexity and we can play a role in this space – by finding solutions to complex problems. Our value lies in our ability to respond to the challenges of each transaction, each of which is bespoke and unique. While regulation takes time and patience and adds on another layer of complexity, we have to be comfortable managing and steering through complexity.

JANIC SCHILLING

David, you talked about legal finality, legal transfers and capital management, and I think it's really interesting how this can differ between jurisdictions and in some cases between different regions.

DAVID BARTLETT

We're quite lucky in the UK to have a very powerful process in the Part VII Transfer mechanism, where the court order can transfer not only the insurance policies themselves but also outwards reinsurance contracts and a whole host of ancillary contracts, including relating to investments and collateral. While the process itself takes time and investment, which can be painful for both counterparties at times from an operational perspective, it is well-understood in the market and an effective process to deliver legal finality.

In Europe, the Solvency II Directive creates a framework for legal finality through insurance portfolio transfers but the process is generally in most

Jennifer Lejeune – **Our value lies in our ability to respond to the challenges of each transaction**

European jurisdictions a regulatory rather than legal process and each regulator has a different approach to reviewing and assessing those processes, as well as different views on the legacy market itself. This fragmentation of approach can make execution slightly more difficult than expected. For example, our insurance team in Milan advised that only recently in Italy has it become possible to transfer by way of insurance portfolio transfer a portfolio where there is no outstanding premium to be collected. That would not have been a consideration for someone used to dealing with the UK process and shows the importance of taking local advice at an early stage as the parameters of the process can be very different. To give another example, in Germany the regulator will require a positive declaration from the management board of both the transferor and transferee that the transfer will not be to the detriment of the policyholders, making the management board directly accountable to BaFin.

Notwithstanding these nuances, we are seeing increasing interest in legal finality transactions in Europe, although reinsurance remains the primary de-risking tool.

KEVIN GILL

Fundamentally, a legacy retrospective transaction is closer to an M&A transaction than it is to a prospective reinsurance transaction. You've got people, operations and so on, you have so many more complications as well. And you've got a lot of data as well; you've got all the history in the book to get through. So, there's a lot to look at, and it just takes time.

CHARLOTTE PRITCHARD

As Jennifer was saying, it's the unique selling point of legacy. And from the buy side, that's what we pride ourselves on. It would usually be price that prevents us from doing a deal, or where we can't agree on a reserve pick. Complexity, generally, is not something we're concerned about from an operational perspective or otherwise. We'll work that out later and try to make it as easy as possible for those on the sell side. That's generally what we look to do.

DAVID BARTLETT

From what we see from our vantage point, the market's ability to ingest and integrate these portfolios, where claims handling and other services are being transferred, has become a lot more sophisticated in the past decade. The operational integration and migration is a part of a transaction that sometimes gets overlooked in the negotiation phase but can take up a lot of management time and operational resource on the cedent side in the implementation phase, which can impact the cedent's willingness to transact in future. Reducing friction here is an important part of the market's proposition to protection buyers.

ANDREAS SCHÄFLI

Going back to the original question around barriers to execution, in my experience these are mostly not related to the transaction itself – but rather connected to the level of focus and commitment behind the transaction.

There are obviously sellers in the market with dedicated legacy teams and a very clear strategic approach to portfolio optimisation. But in many organisations, legacy is still something that is handled by a team that basically

Andreas Schäfli – The market today is sophisticated enough to execute complex solutions

covers everything and then legacy gets added on top. The CFO suddenly says, “try to sell this book,” and then two months later another priority or another crisis emerges, and the process loses momentum before it has really started.

Interestingly, once a transaction actually reaches a more advanced stage — the data room is established, diligence is progressing, objectives are aligned — execution risk is often relatively low. The market today is sophisticated enough to execute complex solutions.

The challenge is much more at the beginning: moving from initial interest to real strategic commitment. That is where many processes still struggle.

In many ways, this goes back to the broader question around the maturity of the legacy market itself. If legacy is increasingly viewed as a strategic tool for capital optimisation and portfolio management, then it also requires a more embedded and consistent commitment from organisations. Otherwise, the market risks remaining caught between seeing legacy as strategically important, while still treating it tactically internally.

JENS SCHAEFERMEIER

Looking at it from the underwriting side, as an underwriter, the projects, treaties you look at, you do a deal and then go on to the next deal, and so on and so forth. And then you have the legacy person coming to you and saying, ‘I have an idea’, and then you talk about the portfolio, and start to calculate and do the number crunching. Two months later, he comes back and says, ‘yes, this is the status, nothing is done, come back when you’re ready.’ So, what I’m saying is the biggest problem for me on the execution side, is time.

ANDY HILL

Sometimes, when reviewing certain legacy portfolios in depth and utilising more specific actuarial techniques, for instance, you might come up with numbers that differ from those booked by the organisation. It’s crucial to understand this in advance of going to market to manage expectations regarding pricing and structure.

The other thing I’d highlight is accounting for retrospective reinsurance transactions under IFRS 17. Whilst the overall economics and cashflows are obviously unchanged, the headline P&L figures just aren’t as attractive for cedents on these deals, which makes execution more challenging.

ALEXANDER ROTH

I agree, and just from a very simple perspective, IFRS 17 has already killed deals. But also, regulatory regime, capital models and so on, this is just bringing everything together. What’s currently going on doesn’t make it easier.

But also, I agree that time to market is a real challenge for us. Transaction timelines with clients have become notably lengthy – many of the mandates we are working on have already run to 10, 12 or 14 months before reaching board level. And when they do reach the board, the feedback is often that other priorities take precedence: ‘sorry, we have so many projects already in the pipeline, let’s revisit this later.’ Because legacy and retrospective solutions are not always fully understood at that level, they can find themselves lower down the priority list.

JAG JASS

To add, data quality as well. We are still not at that point where data’s presented in a way which is acceptable to reinsurers. And as brokers, we try and do the best we can to present something adequate that a reinsurer can price and quote on, but we’re so far behind in terms of data quality, and I think there’s a huge opportunity there.

JANIC SCHILLING

Jens, on the data point, were you referring more to your own legacy systems, and the challenges associated with extracting data and achieving the desired level of granularity out of these systems? Or were you referring to what you’re receiving from the sellers’ side.

JENS SCHAEFERMEIER

If I’m looking at this as a buyer, I can say that we are working on one system. Still, the data on that system is not so granular, you have to work through it. It makes life difficult. So, I’m thinking about the complexity of a company where it’s had several mergers and acquisitions, all different data sources, and then you need to do something with it. It takes ages, and people lose interest very quickly. We live in a society, a world, which is just very, very fast paced, and if our deals take 12 to 14 months, people just disappear.

LUKE GALLIN

For the brokers in the room: when you know there are challenges involved, but you don’t want to make a deal sound overly complex while you’re selling the possibility of a solution, how do you strike that balance?

LU-LING CHNG

The balance is critical. From our experience, we have to manage expectations and make sure they have a realistic view of both expected pricing and what will be required from them. Sometimes it can take 12 months of work getting to market on the broking side to make sure it's in decent shape before it even gets to market. For us, execution, deal complexity, a lot of stuff falls down when the cedents' motivation wanes, or gets caught elsewhere, or it's certainly not a priority. The balance with these legacy deals are very complicated. They take a fair amount of internal education at the cedents, etc, getting the data decent. But at the same time, they don't get better with age. So, if they take it to market and there's still a bit of uncertainty, then there's likelihood of it closing, it needs a bit of momentum to keep it going.

JAG JASS

We tend not to focus on legacy as the only solution for Augment clients, because we understand what the client needs, whether it's capital optimisation, earnings smoothing, or managing adverse development. Depending on their motivation, we can determine whether an LPT/ADC or a prospective solution is the right product for them. Often, it comes down to capital relief, which can be achieved through a quota share, an aggregate stop loss, or other mechanisms. We only approach legacy when we know there is a motivated buyer, ensuring everyone's time is used efficiently, across the value chain.

LUKE GALLIN

Moving on to discuss innovation versus need. Where have you seen new approaches add value in practice? What can the legacy market learn from the live market?

JANIC SCHILLING

From our perspective, the question is more about, whether within a reserve transaction, regardless of its size, is there an opportunity to take 10%, 15%, 20%, or even more of these placement approaches embedded in legacy?

If you think about this in terms of client needs that are evolving around greener or newer years in the portfolios, there may be an opportunity to move the needle even more from a capital management perspective, by combining retrospective with prospective solutions. To achieve this however, obviously, it's very important that you can cover both elements with the required capabilities.

CHARLOTTE PRITCHARD

From my view, and this was mentioned before, it is about making sure we don't get left behind by the live market. I'm hearing a lot about what they're doing in the claims area, but also in underwriting. Claims, of course, are so critical to what we do. We are seeing fewer deals with claims control, but it is still a core part of our business, and I think we are mindful of not getting left behind.

ANDY HILL

For Zurich, it is key to partner with legacy experts who bring the right customer focus and take a certain level of care and attention in their approach to claims handling.

Something we're also thinking about is how we work together with certain markets who bring specific knowledge or appetite to a challenge we're trying to solve for. Not every situation requires a broad market process to achieve the best outcomes for the cedent.

Charlotte Pritchard – **Being more adaptive and bringing different solutions is really critical**

LUKE GALLIN

As the market continues to evolve, what will drive the next wave of legacy activity, and what needs to change to support it?

CHARLOTTE PRITCHARD

When I hear 'wave', I think of Decile 10, and I personally can't see anything like that on the horizon. Hopefully, it will be steadier. But I do still think, as was mentioned previously, that we follow the hardening and softening market, so there are waves coming. Whether it will be quite as big as what we saw in 2021, 2022 and 2023, I don't know.

I think being more forward thinking, considering those forward exit options, being more adaptive and bringing different solutions is really critical.

JAG JASS

If you look at MGAs today compared to 10 years ago, the market has changed significantly. MGAs are now writing $200–500 million of premium, particularly in the US, and have often been incubated by fronts that retain minimal risk. These portfolios have developed over time, and the MGA market is growing strongly. There is also an influx of alternative capital prospectively within that space, which naturally creates significant opportunity in the legacy market. As a result, we are seeing a lot of activity in this area, and MGAs are now highly sophisticated. We are having conversations when placing quota shares, where reinsurers or capital market players ask about the tail and are looking to crystallise a profit commission at three years rather than seven. They will ask whether an LPT or a novation can be used to achieve this.

JENNIFER LEJEUNE

I am very optimistic about the evolution of the market. Most participants at the 2026 IRLA Congress are quite positive, with talks of full pipelines of opportunities. This makes the atmosphere different from last year, much more bullish. Now we need to focus on getting these potential transactions to translate to executed deals.

KEVIN GILL

Going back to the live market, we still have a softening market. There will be live M&A going on, because people look to grow through M&A, that almost then leads to legacy transactions, either pre or post. So, live M&A will drive a wave of activity as well.

LUKE GALLIN

Do you think the current softening market will be shorter than previous soft cycles given the macroeconomic environment?

ANDREAS SCHÄFLI

I'm not in a position to speculate on where the market goes from here. But if you look at the results of the large reinsurers, they're all still pretty good and healthy. At the same time, there is pressure on premiums. Traditional reinsurers tend to be disciplined. There's always an element of randomness in the results in terms of the underlying volatility, and recent years have been relatively benign. How long it takes for that to change, and how much of that new and alternative capital that's come into the market remains available once losses emerge, remains to be seen.

JENS SCHAEFERMEIER

There's softening going on, certainly, but you're looking at a very high plateau still, so it's good business. As an industry, I think we all could focus more on what is coming in the next two to three years. We sometimes lose sight of that. So, we have to look into the future and say, 'okay, what's the market like in two to three years? And if there are no such things like three, four, five major hurricane, the market will go down, and then we are in a soft market, potentially. The question for us on the legacy side is, we need to be prepared for that important time when the balance sheets come under pressure. Right now, no one really has a problem on the balance sheet side, so everyone's quite happy.

LUKE GALLIN

To end, Janic, Andreas, what are the key legacy related challenges you face today? And if you could change one thing, internally or in the market, what would it be?

JANIC SCHILLING

How we can become involved earlier in the cycle management discussions, particularly when it's about recycling capital for new strategic initiatives, portfolio steering and portfolio quality. Ultimately, earlier involvement will enable us to realise the full benefits of legacy transactions.

ANDREAS SCHÄFLI

One thing we've probably not discussed enough, maybe because it's a bit of the elephant in the room, is US casualty. There's a lot of demand for legacy solutions in US casualty, but the supply of capacity remains limited. It feels like, if that could be resolved, if US casualty could become quantifiable, and the liability crisis in the US could be resolved, that would really have an impact on this market quite quickly. And in that case, we're not just talking about a new wave of deals; it's more like a tsunami.

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