

LV= sees retirement profit halve as insurer 'not immune' to economic woes

Mutual life insurer LV= has admitted it is “not immune” to economic challenges after revealing profits from its savings and retirement division halved over 2022 and it sunk deeper into a loss.

The insurance and retirement specialist said it made a loss before tax and before member bonuses of £265 million last year, compared with a loss £66 million in 2021.

It also saw its overall trading profit dip compared with the previous year as it faced volatility in the financial markets, which affects investments.

Sales in its pensions products and smoothed managed funds – a pension scheme aimed at reducing investment volatility – in particular suffered a decline as a result of difficult economic conditions, the company said.

It saw a 55% decline in the trading profit of its savings and retirement division.

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High inflation, rising interest rates and low growth are posing challenges for businesses and consumers alike. We are not immune to this

Nevertheless, sales of annuities surged by more than 90%, equity release jumped by a fifth and protection products increased by nearly a tenth.

Its overall trading profit dipped by just 3% to £28 million from £29 million in 2021.

David Hynam, LV's chief executive, said: "There's no doubt that the current economic challenges and uncertainty are affecting businesses around the UK.

"High inflation, rising interest rates and low growth are posing challenges for businesses and consumers alike. We are not immune to this and we know that our members will be no less affected, not least by the rising cost of living.

"Despite these challenges, and as a result of our focused business strategy, the outlook for LV= remains positive.

"Despite difficult market conditions, we have traded well with our protection, equity release and annuities products all exceeding their 2021 sales levels.

"LV= members can be confident that we are doing our utmost to deliver the value for money they rightly expect in tough economic times."

Mr Hynam joined the group from [Bupa](#) in September after former boss Mark Hartigan led its failed attempt to sell itself to a US private equity firm in a £530 million deal.

Mr Hartigan stepped down after facing calls to quit when the deal fell through.

The company has since remained a mutual, and revealed it shared £35 million in bonuses to its eligible members last year.