



Reinsurance Group Of America Reports First Quarter Operating Earnings Increase 15 Percent; Premiums Increase 20 Percent

May 1, 1996

RGA Financial Performance

ST. LOUIS, May 1, 1996 -- Reinsurance Group of America, Incorporated (NYSE:RGA) reported that first quarter operating income rose 15 percent to \$10.2 million, or \$0.60 per share, from \$8.8 million, or \$0.52 per share, the year before. First quarter earnings, including realized capital gains and losses, increased 17 percent to \$10.5 million, or \$0.62 per share, from \$8.9 million, or \$0.53 per share, the year before.

Net premiums increased 20 percent, to \$167.9 million, from \$139.6 million in the first quarter of 1995. This growth rate reflects continued strong production, particularly in U.S. and Canadian operations. Net investment income rose 35 percent, to \$27.9 million from \$20.7 million, due primarily to a larger base of invested assets. That increase in the asset base results in part from some asset-intensive business initiated in the second half of 1995. Total revenues rose 25 percent, to \$200.4 million, from \$160.5 million a year ago.

[A. Greig Woodring](#), president and chief executive officer, commented, "We're pleased to report first quarter results that are an excellent start to what we believe will be another strong year for the company. In particular, we're pleased with the rate of increase in net premiums for our U.S. and Canadian operations, both of which increased more than 20 percent over 1995 levels."

Woodring added, "Premiums for the U.S. segment were up about 22 percent over the prior year, due in part to the premium associated with what was previously the ITT Lyndon business. That business alone contributed about \$7 million to premiums for the first quarter of 1996. Earnings were strong, as the acceleration of premiums more than offset mortality results that were slightly higher than expected."

Woodring also noted, "Our international operations continue to contribute to our strong premium growth rates. Premiums generated by our Canadian segment were up more than 24 percent compared to the first quarter of 1995. Operations in South America and Asia contributed \$14 million in premiums for the first quarter. Overall, we continue to see opportunities in the marketplace, and plan to continue expanding our operations to capitalize on these opportunities.

"We also took what we consider to be a fairly significant step when we issued \$100 million of 7 1/4 percent senior notes that are due in 10 years," Woodring said. "We believed that it was a good time to access the debt market, to give us the maximum flexibility to consider opportunities expected to arise over the next several years."

The board of directors declared a regular quarterly dividend of \$0.07 per share, payable May 31, to shareholders of record May 10.

Reinsurance Group of America, Incorporated, through its subsidiaries, RGA Reinsurance Company and RGA Life Reinsurance Company of Canada, is among the largest providers of life reinsurance in North America. In addition to its North American operations, RGA has subsidiary companies or branch offices in Chile, Argentina, Great Britain, Hong Kong, Japan, Australia, Barbados and Bermuda. Worldwide, RGA has more than \$153 billion of life reinsurance in force. General American Life Insurance Company owns approximately 63 percent of RGA's outstanding shares.