



2019
ANNUAL
REVIEW



The security of experience. The power of innovation.



Important Note Regarding the COVID-19 Pandemic

Please note that this 2019 Annual Review was prepared prior to the COVID-19 pandemic of 2020. We present this document as a historic record of accomplishments from 2019 and the people, partnerships, and programs that made those achievements possible.

As of this printing, the COVID-19 pandemic continues to alter the lives of people around the globe. Never before has the responsibility and purpose of the life and health insurance industry been so abundantly clear. Millions of families worldwide rely on the financial protection that insurance companies provide in times of uncertainty, and RGA remains committed to helping our clients fulfill our industry's noble purpose.

We do not know how and when the current crisis will end, nor can we determine with certainty at this point its effects on our business. As this Annual Review attests, however, RGA entered the crisis from a position of strength, developed through nearly 50 years of steady global expansion and diversified growth. Our company is built for the long term – it is the very nature of the reinsurance business. We expect RGA to weather the storm, as it has weathered past storms, and remain a source of stability for the industry.

To our clients and partners, we are grateful for the trust you have placed in RGA throughout our history, and we will continue to work tirelessly every day to uphold that trust, especially as we face unprecedented challenges. Please let this publication serve as a reminder of what we achieved together in 2019 and as motivation for all we will achieve together in the years to come.

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On the Cover

First row, from left: **Arleen Labelle**, Director, Financial Control and Documentation, RGA Canada / **Adela Osman, M.D.**, Chief Medical Research Officer, RGA South Africa. Second row, from left: From RGA Japan: **Hidetoshi Shinagawa**, Executive Director, Business Development; **Jeffrey Chen**, Chief Pricing Actuary; **Kayoko Tsuzuki**, Executive Director, Strategic Initiatives, Business Development; **Takeru Fujisaki**, Director, Business Development / From U.S. Mortality Markets: **Joseph Zhang**, Actuary, Pricing; **Debbie Goodman**, Vice President, Underwriting. Third row: **David Boettcher**, Executive Vice President and Chief Operating Officer, Global Financial Solutions.



“Driving RGA’s achievements is a shared, relentless commitment to pursuing work that matters, to serving an industry with a strong social mission, and to creating durable long-term value for all our stakeholders.”

MESSAGE FROM THE CEO

Reflecting on 2019, I am once again reminded what a privilege it is to lead this great company. Every day, I work with an extraordinary global team that consistently develops innovative solutions for our clients, delivers long-term returns for our investors, and makes a meaningful impact in the communities where we live and work. Driving RGA’s achievements is a shared, relentless commitment to pursuing work that matters, to serving an industry with a strong social mission, and to creating durable long-term value for all our stakeholders.

Life insurers and reinsurers, by the very nature of our business, must withstand short-term ups and downs while looking far into the future because the financial promises we make today must endure for decades. RGA’s proven strategy aligns with the long-term nature of our business and is informed by nearly 50 years of experience, data, and relationships. Our globally diversified platform, deep technical expertise, and commitment to innovation ensure our strategic importance to our clients and fuel our financial growth. RGA demonstrated this once again through strong financial results and recognition by our clients as an industry leader and their reinsurance partner of choice.

Despite our consistent success as an enterprise, we know we cannot move forward alone. For RGA and our clients to continue to succeed well into the next century, we must collectively strive to make the insurance industry itself more resilient, sustainable, and vibrant. Insurance serves an honorable purpose, which is hardcoded in the DNA of the industry. Insurance customers trust us to protect them and their loved ones, and we must endeavor constantly to earn that trust.

To that end, as RGA continues to bring groundbreaking new approaches to risk selection, product design, and data analysis to our clients, we will remain committed to leading by example as good stewards of the industry’s trust. We will promote risk selection practices that are fair, objective, and transparent. We will develop and support affordable products that meet the financial needs of a broad cross-section of society. We will champion the use of technology and data that serves the purpose of the industry and the best interests of the insurance consumer. Our unique place in the life insurance ecosystem positions us to lead, and I look forward to the leadership role RGA will play in shaping the future of the industry.

I would like to acknowledge and thank our employees, clients, shareholders, and other partners for their vital roles in making 2019 such a successful year. I look forward to what we will accomplish together in the years to come.

Anna Manning, President and Chief Executive Officer

A History of Steady Growth

As of December 31, 2019

Total Assets
\$76.7B

+17%

(26-year CAGR since IPO, 1993-2019)

Book Value Per Share
\$185.17

+13%

(26-year CAGR since IPO, 1993-2019)

Market Capitalization
\$10.2B

+13%

(26-year CAGR since IPO, 1993-2019)

Broad-based growth across a diversified global platform delivered positive results in key financial metrics in 2019.

Net Premiums

\$11.3
Billion

Total Assets

\$76.7
Billion

Total Revenues

\$14.3
Billion

Market Capitalization

\$10.2
Billion

Net Income

\$870
Million

Life Reinsurance In Force

\$3.5
Trillion



YEAR IN REVIEW

“Our global operations, strategically diversified by geography, product line, and risk, again demonstrated resilience to market volatility.”



Todd Larson
Senior Executive Vice President and Chief Financial Officer

Proven Strategy Produces Positive Financial Results

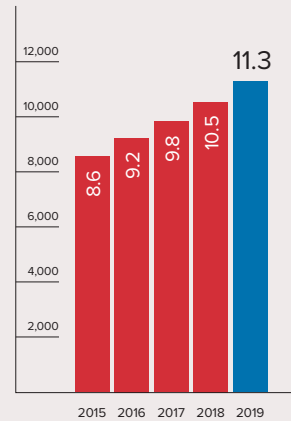
Reinsurance Group of America, Incorporated (NYSE: RGA) delivered a solid year financially in 2019 as robust top-line performance produced strong earnings overall. Record highs in net premiums of \$11.3 billion and total revenues of \$14.3 billion drove an increase in net income of 22% over 2018 to reach \$870 million, or \$13.62 per diluted share.

Our global operations, strategically diversified by geography, product line, and risk, again demonstrated resilience to market volatility. Broad-based earnings – highlighted by excellent results in Global Financial Solutions across all regions and strong overall results in Asia, EMEA, and Canada, as well as U.S. group business – offset underperformance in some areas.

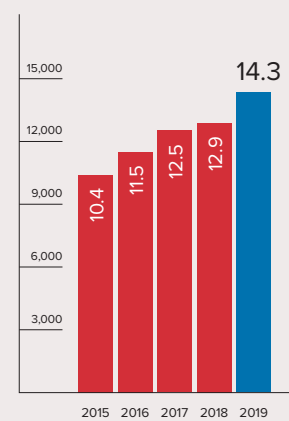
Organic growth of approximately 8% reflected successful execution of our strategy within core business lines. RGA also deployed \$465 million into in-force and other transactions in 2019, making it one of our most active years. We ended the year with an excess capital position of approximately \$900 million.

Amid an evolving industry environment, RGA serves clients as a trusted partner, and we remain firmly grounded in sound business fundamentals.

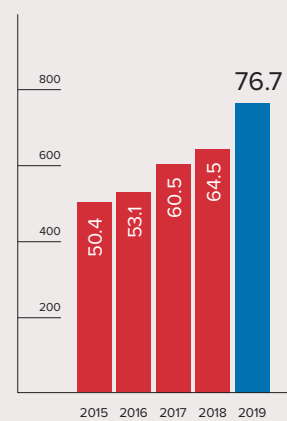
NET PREMIUMS
(in billions USD)



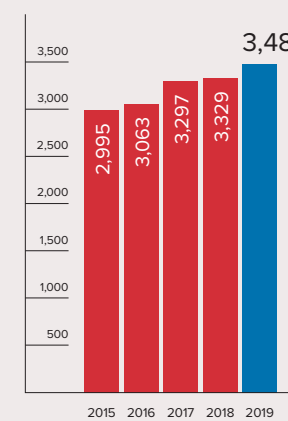
TOTAL REVENUES
(in billions USD)



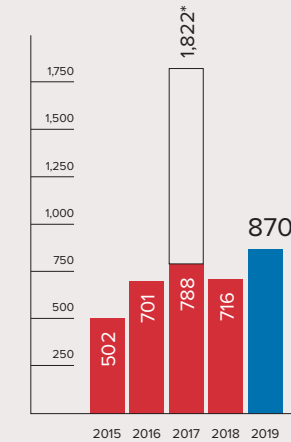
TOTAL ASSETS
(in billions USD)



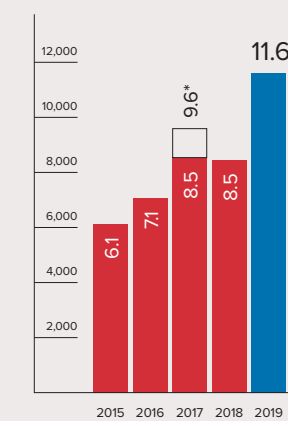
ASSUMED ORDINARY LIFE REINSURANCE IN FORCE
(in billions USD)



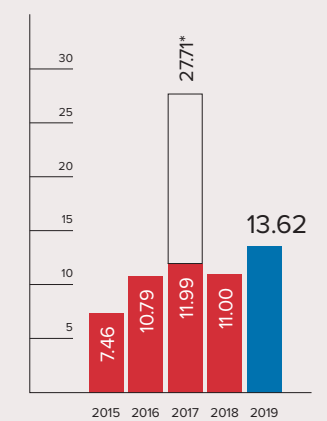
NET INCOME
(in millions USD)



TOTAL STOCKHOLDERS' EQUITY
(in billions USD)



DILUTED EARNINGS PER SHARE
(USD)



* The estimated impact of the U.S. Tax Cuts and Jobs Act of 2017 was recognized in the fourth quarter of 2017, increasing net income and total stockholders' equity by approximately \$1.0 billion, or \$15.72 per diluted share.

Financial Strength Ratings

RGA Reinsurance Company, RGA's U.S.-based operating subsidiary, receives high ratings for its claims-paying ability based on the company's financial condition and earnings. Its ratings as of December 31, 2019:

S&P Global Ratings

Very Strong

AA-

A.M. Best Company

Superior

A+

Moody's Investors Service

Good

A1

RGA Americas Reinsurance Company, Ltd., RGA Life Reinsurance Company of Canada, RGA Global Reinsurance Company, Ltd., RGA International Reinsurance Company dac, RGA Reinsurance Company of Australia Limited, and RGA Reinsurance Company (Barbados) Ltd. each have a financial strength rating of AA- from S&P Global Ratings. Omnilife Insurance Company, Limited has a financial strength rating of A+ from S&P Global Ratings.

RGA Americas Reinsurance Company, Ltd., RGA Life Reinsurance Company of Canada, and RGA Atlantic Reinsurance Company Ltd. each have a financial strength rating of A+ from A.M. Best Company.

Industry Recognition

RGA was recognized by clients and industry associations for superior performance in 2019.

#1 in Business Capability

For the ninth consecutive year, RGA was ranked #1 on NMG Consulting's Global All Respondent Business Capability Index (BCI), based on feedback from insurance executives worldwide.

Life Reinsurer of the Year

RGA was named "Life Reinsurer of the Year" at the 2019 Reactions North America Awards for helping raise industry standards in the region through continual innovation, deep subject matter expertise, and superior client service.

Life Reinsurer of the Year

RGA was recognized as "Life Reinsurer of the Year" at the 2019 Asia Insurance Industry Awards for demonstrating leadership through innovation and thought leadership, and enhancing the stability, security, and image of the industry.

Innovator of the Year

RGA received the silver award for "Innovator of the Year" at the 2019 Efma-Accenture North America Innovation in Insurance Awards for embracing solutions that enable a new level of personalization and convenience for insurance consumers.

Business Transformation

APEXA, a subsidiary of RGA's transformation engine RGAX, received the gold award for Business & Operating Model Transformation at the 2019 Efma-Accenture North America Innovation in Insurance Awards for transforming life advisor screening, contracting, and compliance across the Canadian life insurance industry.

PARTNERING FOR CLIENT SUCCESS AND INDUSTRY STRENGTH



Alain Néemeh
Senior Executive Vice President and Chief Operating Officer

RGA's global operations enjoyed a very successful 2019, achieving superior results for our client partners through the talent and hard work of our employees. As insurers' needs evolve, our teams of experts relentlessly innovate to anticipate those needs and deliver ongoing value. In the end, we measure our success through our clients' success.

Insurers today face a range of challenges and opportunities, from regulatory pressures and persistent low interest rates to technological advances and data-driven innovations. Amid this accelerating change, RGA refuses to remain stagnant. We constantly adapt to new challenges and raise the bar to meet the elevated expectations of our clients and stakeholders. Our approach combines established expertise with a sense of urgency to innovate and refine solutions tailored to each client's needs.

This client centricity requires optimizing the breadth and depth of our diversified global platform. RGA teams apply insights learned in one market to develop solutions for clients in other markets. We also build on established capabilities to explore untapped opportunities, combining expertise in risk management, financial solutions, and insurance innovation to create new products and ways of doing business.

In 2019, RGA strengthened our leading presence in key markets as reflected in industry rankings and awards. In addition to serving clients, we worked on behalf of the industry as a whole, collaborating with partners inside and outside of insurance to address critical issues, such as fraud prevention and adoption of new regulatory and accounting standards. By working to ensure the success of our clients and the growth and resilience of the industry, we are also ensuring that life and health insurance continues to play a vital role in the lives of millions of people around the world.

Annual Growth in Total Revenues

Through decades of steady expansion, RGA has grown to become a global life and health reinsurance leader, serving clients in markets worldwide.

+14%

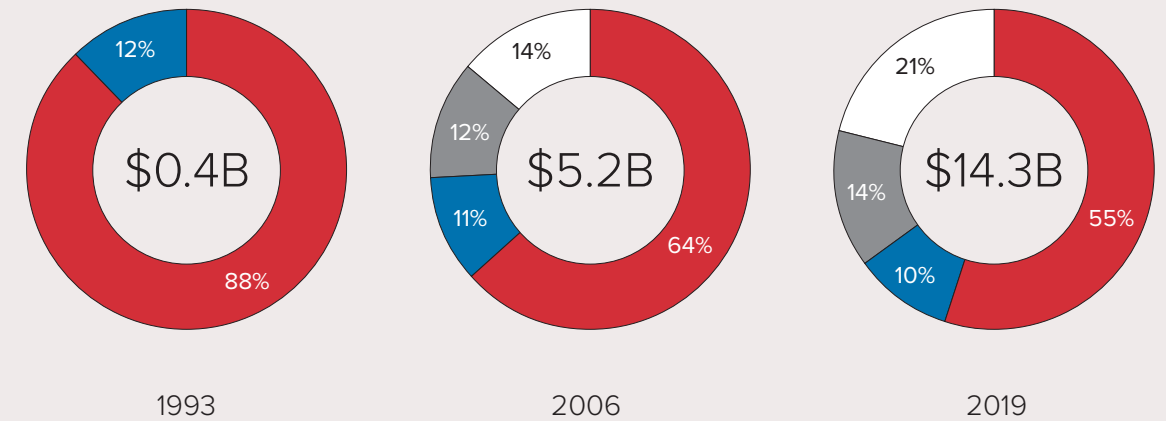
(26-year CAGR since IPO, 1993-2019)

Worldwide Operations



Total Revenues by Region

- U.S. AND LATIN AMERICA
- CANADA
- EMEA
- ASIA PACIFIC



“RGA refuses to remain stagnant. We constantly adapt to new challenges and raise the bar to meet the elevated expectations of our clients and stakeholders.”

- AUSTRALIA
- BARBADOS
- BERMUDA
- BRAZIL
- CANADA
- CHINA
- FRANCE
- GERMANY
- HONG KONG
- INDIA
- IRELAND
- ITALY
- JAPAN
- MALAYSIA
- MEXICO
- NETHERLANDS
- NEW ZEALAND
- POLAND
- SINGAPORE
- SOUTH AFRICA
- SOUTH KOREA
- SPAIN
- TAIWAN
- UNITED ARAB EMIRATES
- UNITED KINGDOM
- UNITED STATES

U.S. AND LATIN AMERICA

RGA solidified its position as a reinsurance and financial solutions partner of choice in the region, producing record-high revenues and solid earnings overall.



ST. LOUIS, USA



MINNEAPOLIS, USA

Life Reinsurance In Force

\$1.6T

Total Revenues

\$7.8B

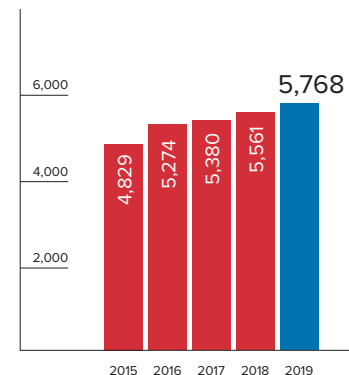
Net Premiums

\$5.8B



From left: **Jennifer Strong**, Vice President, Client and Marketing Services, U.S. and Latin American Markets; **Kathryn Cox**, Senior Vice President, Business Development, U.S. Mortality Markets; **Brian Sibley**, Vice President, Business Development, U.S. Mortality Markets.

U.S. AND LATIN AMERICA OPERATIONS NET PREMIUMS (in millions USD)



Robust new business growth, a strong rebound in group business, and exceptional financial solutions results helped generate \$663 million in pre-tax income for U.S. and Latin America operations in 2019, a 24% increase over the previous year. In a year of higher-than-expected individual mortality claims, this significant earnings growth demonstrates the strength and resilience to market volatility built into RGA's diversified portfolio of business. Principal business lines in this operating segment, RGA's largest, include individual life and health; group life, health, and disability; and asset-intensive, capital-solutions, and longevity reinsurance.

Assumed new business volume totaled \$119 billion in the region overall, a 12% increase over 2018. Industry leadership in facultative underwriting accounted for more than \$16 billion in life reinsurance placed as U.S. underwriters reviewed more than 100,000 facultative cases for the 13th consecutive year.

RGA solidified its position as the market's risk assessment leader with the launch of innovative data-driven solutions. A breakthrough Digital Health Data (DHD) Risk Scoring service offered clients a real-time platform to derive actionable underwriting risk scores from structured electronic medical records and medical claims data. The U.S. team also brought a new prescription history risk scoring model to market in 2019. Both solutions were integrated into RGA's RiskDimensionsSM portfolio of risk assessment tools, which work together to provide clients with a more comprehensive view of an applicant's risk profile.

In U.S. group business, RGA's strong partnerships and value-added services remained a competitive advantage. Active portfolio management in response to market changes produced a solid year financially, with healthcare and disability excess lines delivering improved underwriting results. The Healthcare Stop Loss Turnkey solution launched in 2018 added multiple clients while generating significant cross-sell opportunities.

Global Financial Solutions (GFS) enjoyed unprecedented success in the U.S. in 2019, achieving a record-high \$398 million in pre-tax income, an increase of 59% over 2018. Clients' capital optimization and business growth needs required innovative financial solutions RGA was uniquely equipped to deliver. Earnings reflected excellent results in both new and in-force business, particularly within asset-intensive blocks. After executing the first-ever U.S. longevity swap in 2018, RGA continued to develop capabilities in the emerging U.S. pension risk transfer reinsurance market. Through additional data sources and dedicated resources, GFS is exploring opportunities to leverage RGA's global expertise in longevity risk management.

Latin America operations' traditional reinsurance business surpassed \$100 million in total annual revenues for the first time in 2019. Innovation continued to drive new business as the team integrated digital tools into new products to help reach underserved consumers. Health initiatives, from condition-specific protection products to employer stop loss solutions, provided business expansion opportunities for clients and positioned RGA for continued growth in the region.



Mike Emerson
Executive Vice President,
Head of U.S. and Latin American Markets

How is RGA positioned to meet the needs of insurers moving forward?

The industry continues to converge in a number of ways, bringing exciting possibilities. Tech startups are converging with incumbent carriers to develop a new generation of insurance products; the individual life and group life sectors are converging to share expertise and leverage innovation; traditional mortality data is converging with new data sources to create powerful underwriting insights – and that is just to name a few examples. RGA brings a decades-long commitment to client success, established expertise in diversified lines of business, and leading-edge capabilities in data science, technology integration, and risk assessment to help insurers navigate this convergence and capitalize on emerging opportunities.

In what ways is RGA working on behalf of the industry?

We continue to improve and expand our client education programs – through events, webinars, online resources, research, and customized trainings – to address industry challenges. Our seventh annual Fraud Conference, for example, drew record attendance in 2019 and remains the premier cross-discipline fraud event for the industry. We also continue to advocate for the industry with regulators and other government agencies. Above all, RGA leads by example. Our industry is built on trust, and as new data sources, technologies, and ways of doing business emerge, we remain relentless in moving forward carefully, transparently, and ethically with consumers' best interest our primary consideration.

How does your team measure success?

While we appreciate industry recognition – RGA was named Life Reinsurer of the Year at the 2019 Reactions North America Awards and ranked #1 on NMG Consulting's 2019 All Respondent Business Capability Index in both the U.S. and Mexico – we focus more on the number of clients who choose to partner with us year after year. Together with our clients, RGA helps provide financial security to tens of millions of people in the region. We believe the impact our work has on all those planning their retirement, dealing with a serious illness, or enduring the loss of a loved one is the truest measure of our success.

CANADA

Excellent financial results in Canada reflected successful execution of RGA's growth strategy and continued momentum across all business lines.



TORONTO, CANADA



MONTREAL, CANADA

Life Reinsurance In Force

\$417B

Total Revenues

\$1.4B

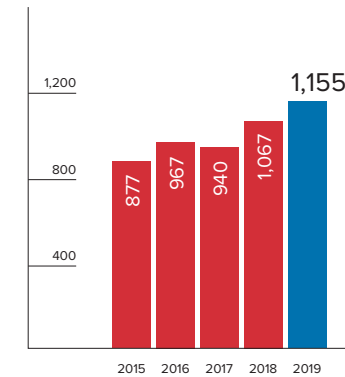
Net Premiums

\$1.2B



From left, from RGA Canada: **Jean-Pierre Cormier**, Vice President, Product Development and Pricing, Individual Life; **Élizabeth Boulanger**, Senior Vice President and Chief Financial Officer; **James Ciamarro**, Vice President, Longevity; **Marc-André Harvey**, Director and Actuary, Reinsurance Optimization Solutions.

CANADA OPERATIONS
NET PREMIUMS
(in millions USD)



RGA Canada engages primarily in traditional individual life reinsurance, while also providing leading creditor, group life and health, individual health, critical illness, disability, and longevity reinsurance products and services. In 2019, annual net premiums in Canada surpassed \$1.1 billion, increasing 8% over 2018. Favorable claims experience drove pre-tax income of \$183 million, a 50% increase over the previous year. RGA Canada remains the recognized market leader: Ceding companies ranked RGA #1 in NMG Consulting's 2019 All Respondent Business Capability Index in Canada for the 11th consecutive survey.

RGA Canada continued to enhance its client engagement framework in 2019, which meaningfully contributed to sustained business growth. This relationship-focused, goal-oriented approach to doing business provided a deeper strategic understanding of clients' business objectives and needs. More-informed partnerships enabled RGA to better prioritize services, integrate product lines, and create impactful solutions for clients.

RGA remained the leading facultative reinsurer in Canada, where underwriters reviewed a record 44,516 facultative cases in 2019. Facultative business represented 16% of RGA's share of new business production. The year also saw one of Canada's leading carriers implement AURA®, RGA's automated underwriting decision-management solution, and two other insurers upgrade to the re-architected version of this advanced risk assessment platform. Ongoing underwriting digitalization and modernization initiatives solidified RGA's position as a business partner of choice for the evolution of underwriting.

The Canadian team continued to strengthen and diversify its portfolio of products and services by leveraging the breadth and depth of RGA's global enterprise. A living benefits initiative brought together RGA Canada and experts from other markets to apply best practices and develop new solutions in this line of business. Collaboration with RGAX generated a range of new innovations and growth opportunities, including MedScore, a data-driven analytical tool to aid in risk assessment and improve pricing in group business.

Global Financial Solutions (GFS) produced another solid year in Canada and increased pre-tax income by 50% over 2018. As the Canadian insurance industry continued to adapt to new capital requirements, GFS worked with clients to execute transactions that optimize capital efficiency and provide access to the value of in-force blocks of business. The team's efforts to help insurers prepare for upcoming changes to accounting standards further established RGA as a trusted partner and financial solutions leader.



Alka Gautam
President and Chief Executive Officer,
RGA Canada

What is RGA doing to advance the Canadian insurance industry?

Through active participation in industry organizations, events, publications, and initiatives, RGA is helping address the most urgent challenges facing insurers. We took a leading role at international industry events in Toronto in 2019. We also hosted our first RGAX Technovote Lab in Montreal and conducted a five-city "roadshow" to bring claims and underwriting thought leadership to clients. RGAX became a founding sponsor of ACCESS 2022, an initiative to improve Canadians' access to their personal health information and to digitally delivered healthcare. We understand the vital role insurance plays in Canada's economy and society and are dedicated to promoting the industry's long-term sustainability.

How is RGA Canada helping clients meet the needs of today's insurance customer?

Changing demographics and consumer expectations are driving insurers to adapt processes and innovate to reach new customers and simplify the buying experience. While new data sources, digital technologies, and distribution channels have opened exciting possibilities, bringing workable solutions to market often proves challenging. RGA, in coordination with RGAX, facilitates this process by providing data analytics, risk assessment, and innovation expertise, and by connecting our clients to insurtechs and other forward-thinking partners. Together, we are creating solutions to accelerate the underwriting process and streamline the customer journey.

What is your long-term vision for RGA in Canada?

We will continue to execute our proven strategy and proactively identify and pursue accretive growth opportunities with our clients. As regulatory, accounting, and economic changes drive demand for new solutions, our team's deep market knowledge, subject matter expertise, and demonstrated ability to execute fuel RGA's ability to strengthen long-term and multi-level partnerships. The industry's digital and data-driven transformation is underway, and RGA is combining established capabilities with new knowledge and skill sets to serve as clients' partner of choice in the insurance innovation ecosystem. We are the market leader in Canada, and we intend to extend and expand that leadership in the years to come.

ASIA PACIFIC

RGA strengthened its position as an industry leader in the region as continued innovation across all lines of business generated new growth opportunities.



SEOUL, SOUTH KOREA



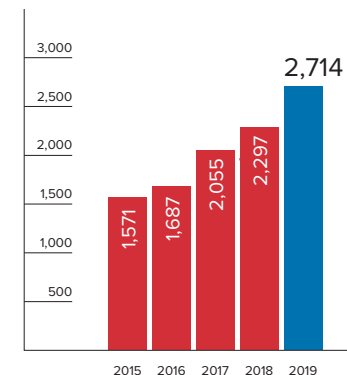
TOKYO, JAPAN

Life Reinsurance In Force
\$662B
 Total Revenues
\$2.9B
 Net Premiums
\$2.7B



From left, from RGA China: **Lynn Ling**, Manager of Business Development; **Ava Zhang**, Compliance Officer and Chief Risk Officer; **Jason Ou**, Chief Executive Officer; **Colin Cai**, Head of Finance.

ASIA PACIFIC OPERATIONS
 NET PREMIUMS
 (in millions USD)



Asia Pacific operations delivered a solid year overall in 2019, with robust business growth in Asia driving an increase in revenues of 18% over 2018. Pre-tax income of \$128 million reflected strong earnings in Asia's traditional and financial solutions business lines mitigating a loss in Australia operations. For the third consecutive year, RGA was named "Life Reinsurer of the Year" at the 2019 Asia Insurance Industry Awards. The Asia Pacific segment serves clients throughout the region from offices in Australia, China, Hong Kong, India, Japan, Malaysia, New Zealand, Singapore, South Korea, and Taiwan. Primary reinsurance products include individual and group life, living benefits, health, high net worth, Retakaful, superannuation, annuity, and financial solutions.

Product innovation remained a primary focus in Asia as RGA partnered with clients to meet evolving consumer needs, from family-focused to senior-targeted coverage. Growing demand for holistic critical illness (CI) solutions drove the development of dozens of market-first products, including a comprehensive CI offering in Malaysia in response to that market's liberalization of its CI definition. Two solutions RGA created with clients earned product-of-the-year awards in 2019: a CI product targeting people with chronic conditions in Singapore and a hospital cash product for cancer survivors in Taiwan.

RGA leveraged established underwriting expertise, advanced data analytics capabilities, and strategic insurtech partnerships to accelerate the insurance process and launch innovative digital solutions throughout the region. Examples include a digitally distributed cancer product in Vietnam with only one underwriting question, an online offering for seniors in China with health check-up services and a wellness feature, and data-driven risk assessment initiatives in India. The Japan office strengthened its market leadership in underwriting by applying artificial intelligence (AI) and other technologies to digitize processes and deliver faster, more accurate underwriting decisions.

Building on sustained momentum over recent years, Asia's Global Financial Solutions (GFS) business produced strong results in 2019, generating a record-high \$23 million in pre-tax income. The GFS team solidified RGA's position as a regional financial solutions leader, executing transactions in its core markets while exploring emerging opportunities throughout the region. Growth drivers included an ongoing focus on asset-intensive business and development of hybrid reinsurance solutions in collaboration with RGA's traditional reinsurance team.

The Australian insurance industry faced ongoing adverse claims experience along with persistent regulatory and economic challenges in 2019. Amid this difficult market environment, RGA continued to help clients address shared challenges and develop new solutions, while also working to remediate in-force business and improve earnings results. Ceding companies in Australia ranked RGA #1 on NMG Consulting's 2019 All Respondent Business Capability Index.



Tony Cheng
 Executive Vice President,
 Head of Asia

How do RGA's hybrid solutions meet clients' needs?

Our hybrid strategy combines RGA expertise in product development and financial solutions to integrate capital relief structures into traditional reinsurance products. This innovative approach reduces capital strain associated with new products, enabling coverage to be offered at more competitive premium rates. After introducing hybrid solutions in Hong Kong in 2018, we successfully migrated the strategy throughout Asia in 2019 by exploring other markets. Though each market introduction brought unique challenges, our cross-functional teams worked with clients and regulators to make expansion possible. Hybrid solutions generated meaningful premium in 2019, and we look to build on that success in the years ahead.

How does RGA work with insurtechs in Asia?

As players inside and outside the industry continue to pour resources into the insurtech sector, RGA maintains a specific focus in this area: Apply technology to improve risk management, pricing, and product development. In other words, we seek to do what we have always done, but leverage new tools to do it better. Together with our RGAX colleagues, we connect tech startups with insurers and bring expertise, capacity, and perspective as a global reinsurer. The result is a win-win-win: Our startup partners gain access to the industry, our clients receive enhanced products and capabilities, and RGA reaps the business and relationship rewards of bringing it all together.

Describe your team's approach to innovation.

We take a "blank page" view of the industry, allowing our teams to think beyond standard solutions. Before finding answers, we first try to ask the right questions – our goal for innovation is to seek out the big problems rather than be content with addressing the ones we know we can solve. This enables us to be strategic and to predict where new data sources, technologies, and business practices could lead the industry. While not all predictions will be entirely correct, the process of making them forces us to gather all relevant information and understand challenges at a much deeper level. From there, our team's technical expertise and knowledge of local markets empowers meaningful innovation.

EMEA

RGA built on stability in EMEA operations to strengthen core business lines and pursue emerging opportunities for future growth.



MILAN, ITALY



CAPE TOWN, SOUTH AFRICA

Life Reinsurance In Force

\$776B

Total Revenues

\$2.0B

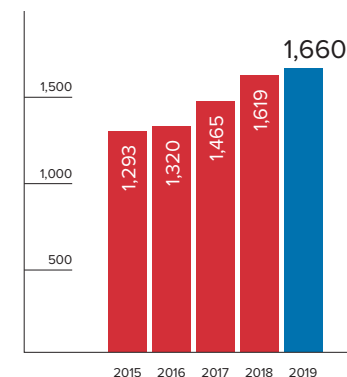
Net Premiums

\$1.7B



From left, from RGA South Africa: **Marc Burgess**, Research and Development Actuary; **Anja Kuys**, Research and Development Actuary; **Jared Godwin**, Business Development Actuary; **Ola Oyekan, Ph.D.**, Microinsurance Specialist.

EMEA OPERATIONS
NET PREMIUMS
(in millions USD)



RGA's Europe, Middle East, and Africa (EMEA) operations serve clients from offices in France, Germany, Ireland, Italy, the Netherlands, Poland, South Africa, Spain, the United Arab Emirates, and the United Kingdom. The segment's principal areas of focus include individual and group life, credit life and living benefits, health, distribution, longevity, and capital solutions.

EMEA operations enjoyed a successful year, generating pre-tax income of \$303 million, a 20% increase over 2018. Diversified earnings growth featured strong contributions from both traditional and financial solutions lines. For the seventh consecutive year, ceding companies ranked RGA #1 on NMG Consulting's 2019 All Respondent Business Capability Index (BCI) for the EMEA region in aggregate. RGA also ranked #1 on NMG's All Respondent BCI in Continental Europe, Italy, the Netherlands, Poland, South Africa (for the 10th consecutive year), and the U.K.

The EMEA team delivered consistent growth in traditional business lines in 2019. With a spike in re-tendering activity among insurers in the U.K., RGA worked to garner a leading share of expected new market premium and maintained its position as the market leader in new mortality business. In Italy, RGA built on recent years' momentum, particularly in credit life and health reinsurance, and was named Best Reinsurer for Life & Health Protection at the 2019 Italy Protection Awards & Forum. Health was also a major growth driver in the Middle East as insurers adjusted to compulsory coverage and other healthcare reforms. The French team created new opportunities through innovation, such as employing robotic process automation (RPA) to improve underwriting efficiency.

Two market milestones – RGA's 10th anniversary in the Netherlands and 20th in South Africa – accompanied strong performances by both offices. The Dutch team produced an exceptional year as transactions in both traditional and longevity businesses fueled earnings alongside ongoing organic growth. In South Africa, RGA strengthened its leadership position, building on sustained business momentum and executing a number of capital relief transactions, as well as a large distribution arrangement with an affinity partner.

New business acquired through transactions in 2019 and solid performance from existing blocks produced another strong year for Global Financial Solutions (GFS) in EMEA. In Ireland, RGA executed its first euro-denominated asset-intensive transaction and, in the process, developed capabilities to facilitate similar transactions moving forward. Increased need for pension risk transfer solutions drove longevity business, primarily in the U.K. and the Netherlands, and RGA continued to work with clients in structuring capital-solutions transactions to help meet solvency requirements. At year-end, the GFS transaction pipeline in EMEA remained active, fueled by demand for longevity risk solutions and capital optimization strategies.



Olav Cuiper
Executive Vice President,
Head of EMEA

How does RGA's life and health focus benefit clients?

RGA is the only global reinsurer focused exclusively on life and health, which means our clients benefit from the best of both worlds: the breadth in capabilities and resources of a global enterprise and the depth of subject matter expertise that comes with industry specialization. In EMEA, our life and health concentration increasingly sets us apart. Consistent focus prevents distraction by other priorities and drives us to relentlessly improve what we already do well and to conceive and test bold new ideas. As a result, life and health insurers receive expertly developed, customized solutions to meet their unique needs.

How does RGAX help advance the work of RGA in EMEA?

As RGAX has grown and taken a broader regional approach throughout EMEA, we have continued to integrate the work of our teams in pursuit of shared goals. While most of our markets are mature, reaching underserved consumers remains a universal challenge and requires new ways to bring products to market and accelerate the insurance process. RGA and RGAX together are uniquely positioned to connect insurers, technology companies, and distribution channels. In Spain and Germany, for example, we are applying digital tools to diverse distribution networks – from brokers to banks to retail stores – to expand the insurance ecosystem and facilitate the customer journey.

What is your team's vision for RGA EMEA in the years ahead?

Our core business lines have successfully matured and now provide stability and consistent results for our clients, year after year. As we work to strengthen this foundation, we also look to the future and are partnering with clients to anticipate – and help lead – the evolution of the industry. In 2019, the EMEA team developed a strategic vision to guide and align our efforts moving forward. With people and resources now dedicated specifically to creating forward-thinking solutions, we are better equipped to execute new opportunities as they arise and to build tomorrow's growth engines for RGA and our client partners.

RISK SOLUTIONS

A global operating platform and dedicated focus on life, health, and living benefits reinsurance uniquely positions RGA to help insurers worldwide effectively and profitably manage risk. In 2019, RGA combined established capabilities and expertise with innovative new approaches to create customized risk management solutions for client partners.

RGA Builds on Leadership in Mortality Business

RGA continued to serve the industry as a global leader in mortality reinsurance in 2019, ending the year with \$3.5 trillion of life reinsurance in force. A growing portfolio of mortality products included individual and group-issued term life, whole life, universal life, and joint and last survivor life, among other coverages developed in response to evolving market needs. Multidisciplinary teams partnered with clients to reach underinsured populations and to integrate streamlined processes – from digital distribution to automated claims adjudication – into the life insurance customer journey.

Risk assessment expertise remained a core strength and a competitive advantage as RGA underwriters achieved a new milestone in 2019: more than 8 million facultative cases reviewed worldwide since tracking began in 1979. Underwriters also collaborated with RGA's Global Research and Data Analytics (GRDA) team to create data-driven, technology-enabled risk assessment solutions and adapt market-specific innovations to serve clients worldwide. GRDA expanded efforts to help lead clients – and the industry – into a new era of data literacy and advanced analytics, championing strategic and responsible data use and applying behavioral science expertise to generate new insights.

An enterprise-wide focus on existing and emerging client needs fueled ongoing service refinement. RGA completed the worldwide rollout of its redesigned and re-platformed Global Underwriting Manual in 2019 to provide clients instant online access to risk classification information and help underwriters make fair and knowledgeable decisions. A revamped Global Claims Guide similarly provided new tools and enhanced resources to streamline claims processing. In the



From left: **Mario Valero**, Process Change Consultant, Global Shared Services Administration Operations; **Jeff Birkholz**, Senior Vice President, Head of Administration Operations, U.S. Mortality Markets and Group; **Ann Riley**, Vice President, Claims and Treaty Development Services, U.S. Mortality Markets Operations; **Karen Lipka**, Executive Director, Financial Control and Client Audit, U.S. Mortality Markets Operations.

U.S., SUP (Strategic Underwriting Program) reviewed a near-record number of cases and, to complement existing support from RGA underwriters, added staffing assistance from RGA medical directors. Additional locally targeted solutions enabled clients to reduce costs, increase efficiency, and better serve customers in markets around the world.

Group Team Creates New Growth Opportunities

RGA supports group insurers through a range of customized products and services, including life, disability, healthcare, accident, critical illness, and catastrophe coverage. In 2019, group reinsurance experts partnered with clients to serve customers in target markets within every region in which RGA operates.

In addition to supporting group carriers with traditional reinsurance services, RGA leveraged data analytics, digital technologies, and advances in medicine to explore new consumer engagement opportunities, including integrated wellness programs. Collaborative teams worked to adapt innovations developed on the individual side, such as data-driven risk scoring models, and broaden their application within the group space. For group carriers seeking to differentiate themselves, RGA's value-added services provided a competitive advantage and new paths to growth across the insurance value chain.

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A Breakthrough in Scoring Digital Health Data

BY **SUE WEHRMAN**
Vice President, EHR Initiatives,
U.S. Mortality Markets



“RGA’s comprehensive, purpose-built platform consumes structured DHD from clinical and claims data and assigns severity scores according to the RGA underwriting philosophy.”

For decades, RGA has served the industry as an underwriting leader. As new datasets and digital capabilities have emerged, we have applied that underwriting expertise – along with expertise in data science, information technology, and other disciplines – to bring advanced risk assessment solutions to market. In 2019, RGA took a landmark step forward with the launch of the industry's first digital health data (DHD) scoring solution.

RGA began exploring DHD, which includes both electronic health records (EHR) and healthcare claims data, more than 10 years ago. In 2011, we instituted a monthly DHD newsletter, which now boasts nearly 500 subscribers, to update clients and colleagues on new developments. The knowledge gained and foundational work undertaken over the years has positioned RGA at the forefront in transforming complex DHD records into actionable underwriting insights.

DHD consists of hundreds of thousands of codes from multiple code sets and various medical vocabularies. Effective underwriting with DHD requires a deep understanding of risk associated with each code and careful analysis. RGA's comprehensive, purpose-built platform consumes structured

DHD from clinical and claims data and assigns severity scores according to the RGA underwriting philosophy. The end result: reams of indecipherable information converted into a readily applicable underwriting risk score.

The DHD scoring solution is part of RGA's RiskDimensionsSM portfolio of risk assessment tools, which also added a new prescription history risk scoring model in 2019. The components of this sophisticated toolset work together to deliver a more

holistic view of applicants. Insurers benefit from improved mortality risk assessment and the ability to accelerate the underwriting process with more confidence. Consumers meanwhile receive an improved buying experience and – most importantly – a greater likelihood they will acquire the coverage they need.



From left, from Business Initiatives, U.S. Markets: **Sue Wehrman**, Vice President, EHR Initiatives; **Michael Cusumano**, Vice President and Actuary; **Bob Borgstede**, Project Manager; **Janet Smith**, Product Manager; **Mark Ma**, Vice President and Managing Actuary; **Dianne Schuetz**, Vice President of Business Initiatives.

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From left, from U.S. Group Reinsurance: **Patrick Hurley**, Vice President and Actuary, Life, Accident, and Special Risk; **Alden Skar**, Senior Vice President and Chief Actuary; **Jeffrey Schuh**, Vice President and Actuary, Disability and Critical Illness.

U.S. Group Reinsurance produced solid results both for RGA and for clients in 2019. The Life and Disability team continued to pioneer the application of predictive analytics in the group space to aid in risk selection, including the development of a new prescription scoring model. On the healthcare side, RGA's comprehensive portfolio – excess of loss, quota share, and self-funded turnkey solutions – provided end-to-end services to meet an expanding variety of market needs. This unique “one healthcare” approach was received enthusiastically by clients seeking flexibility within a dynamic health insurance environment.

RGA's ROSE® Consulting Group, a nurse-led medical risk advisory program, saved U.S. health insurers \$19.8 million in 2019, bringing total client savings to more than \$420 million since 1984. Through a targeted client engagement program, ROSE consultants traveled to carrier partners to conduct specialized trainings and cost-containment education events. The ROSE team also continued to develop resources, including a new specialty pharmacy management tool, to help clients manage complex claims and increase operational efficiency.

Global Health Delivers Sustainable Solutions

Building on a commitment to health as a long-term strategic priority, RGA made forward-looking investments in systems, processes, and people in 2019. The Global Health team expanded efforts to build out digital and technological infrastructure as well as data analytics capabilities in support of next-generation client solutions, including claims automation. Amid dynamic healthcare, regulatory, and consumer environments around the globe, RGA proactively innovated

to help carriers increase consumer engagement, reduce cost of care, and bring sustainable health solutions to market.

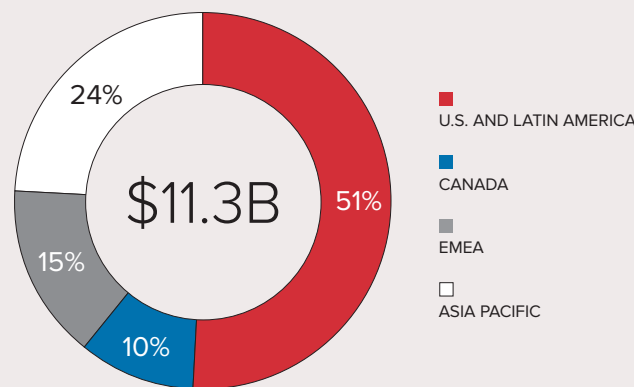
In addition to partnering with multinational insurers, Global Health worked with local RGA teams to develop customized client solutions. RGA helped address the need for senior medical products in China, leveraged market leadership in Indonesia to explore additional opportunities in Southeast Asia, and supported the continued implementation of compulsory private health insurance in the Middle East. The Italy office was recognized for product innovation at the 2019 Health & Medmal Insurance Summit for solutions ranging from a bank-distributed, cancer-only medical reimbursement product to Italy's first health product featuring a fully digital customer journey. In Mexico, RGA developed a groundbreaking new digital product for launch in 2020 covering the market's underserved diabetic population. The offering wraps diabetes coverage within a comprehensive lifestyle and disease management platform to improve consumer health outcomes.

The U.S. Individual Health (long-term care) team applied advanced technical expertise, disciplined quality assurance, and strategic portfolio management to strengthen client relationships and generate solid earnings in 2019. As insurers navigated a challenging industry environment to serve a growing elderly population, RGA continued to explore emerging opportunities and worked to bring new product concepts to market.



From left, from RGA Italy: **Silvana Surlas**, Head of Health; **Adriano de Matteis**, Managing Director, RGA Italy and Chief Marketing Officer, RGA EMEA; **Roberto Rizzo**, Head of Life Business Development; **Roberta D'Ascenzi**, Head of Operations.

Net Premiums by Region



+14%

(26-year CAGR since IPO, 1993-2019)

Medical Expertise Driving Innovation in Asia and Around the World

BY **HEATHER LUND, M.D.**,
Regional Chief Medical Officer,
RGA Asia



“These innovations make a difference in people’s lives, serving cohorts traditionally ineligible for insurance coverage and supporting them when they need it most.”

As fast as the insurance industry is evolving, the medical field is racing ahead even faster. New technologies, new treatments, and new ways of understanding disease and disease risk are transforming our knowledge of human health. As a result, the role of medical directors at life and health insurers and reinsurers is rapidly evolving to keep pace.

In addition to providing specialized underwriting and claims insights for challenging cases, RGA's medical directors have become integral to the entire insurance process. We now collaborate with underwriters, actuaries, and experts from other disciplines to provide our medical perspective in developing innovative new solutions. One day could bring a work session to explore possible use cases for a new data source, while the next might include a meeting to brainstorm ways to incorporate medical advancements into meaningful and forward-looking products to benefit consumers. RGA's culture of collaboration facilitates this powerful cross-pollination of expertise.

In Asia, the pace of change is particularly swift. Asia's regional diversity – featuring both established and emerging markets with a range of disease burdens – coupled

with changing demographics creates an environment ripe for innovation. Product development, especially for critical illness solutions, is a major business driver in the region, and RGA applies a multi-disciplinary approach that incorporates medical science into the process. This has resulted in a long line of market-first products and recognition of RGA Asia as a product development leader.

This leadership was in full display in 2019. Dozens of product launches included

an award-winning hospital cash product for cancer survivors in Taiwan, a triple-protection product for children with developmental disorders in Hong Kong, and a joint life-critical illness plan to safeguard multiple generations in the Philippines. Ultimately, these innovations make a difference in people's lives, serving those traditionally ineligible for insurance coverage and supporting them when they need it most. As a medical doctor, I am inspired every day to contribute to this life-changing work.



From left, from RGA Asia: **Peter Tan**, Chief Operating Officer; **Heather Lund, M.D.**, Regional Chief Medical Officer.

FINANCIAL SOLUTIONS

Amid ongoing economic, regulatory, and accounting changes, RGA's Global Financial Solutions (GFS) team partners with clients to optimize capital, increase profitability, and fuel business growth. In 2019, GFS built on established industry leadership to deliver an exceptional year for RGA and its clients.

Strategic Execution Produces Strong Year

GFS strengthened its position as a financial solutions partner of choice in 2019, generating a record-high \$659 million in pre-tax income, a 46% increase over the previous year. Earnings were broad-based, reflecting strong performance of existing blocks of business as well as new business acquired through structured transactions executed across a range of product types and markets. RGA deployed \$465 million into in-force and other transactions in 2019, making it one of the company's most active years, while maintaining a disciplined, selective approach in a highly competitive environment.

Relentless strategic execution across all product lines – including capital solutions, asset-intensive, and longevity – drives GFS's success. Since executing its first capital-solutions transaction in 1995, RGA has become an industry leader in providing surplus relief, solvency capital relief, and structured financing to help clients meet regulatory requirements and grow their businesses. The asset-intensive line, which produced an exceptional year in 2019, provides creative solutions to reduce clients' capital strain from, and improve their returns on, savings- and retirement-oriented products, such as fixed and variable annuities, payout annuities, and interest-sensitive life insurance. To support client products offered to pension plans and individual annuitants, GFS delivers highly tailored longevity reinsurance solutions, including longevity-only, asset-intensive longevity, tail risk, and other innovative structures.



From left, from Global Financial Solutions: **André de Vries**, Vice President, Business Development, EMEA; **Nimmie Veerappen**, Vice President and Actuary, Risk Management; **Patrick Cheung**, Vice President and Actuary, Longevity Pricing; **Laura Hardy**, Vice President, Business Development, U.K.

North America Team Sets New Standard

In the U.S., a dynamic regulatory and business environment produced an active market for financial transactions in 2019. Despite increased competition, GFS successfully leveraged its strong market position to capitalize on emerging opportunities and achieve a record-high \$398 million in pre-tax income, an increase of 59% over 2018. Asset-intensive business was particularly active as RGA successfully executed a number of in-force transactions and also supported clients on a flow reinsurance basis.

Following the U.S. market-first longevity swap executed by RGA in 2018, GFS continued to build out its U.S. longevity business in 2019, investing in resources and infrastructure to facilitate long-term growth. Expertise in longevity transactions globally positions RGA as a solutions leader in the U.S. pension risk transfer reinsurance marketplace. As U.S. insurers continue to support buyouts of pension liabilities, the GFS team has identified longevity as a strategic growth priority and an opportunity to bring added value to client partners.

The stable value team, which provides wrap coverage to 401(k) and other defined benefit plans in the U.S., navigated an evolving market environment to acquire \$1.5 billion in new business in 2019. RGA entered the stable

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Proven Approach Delivers Industry-Leading Solutions

BY LARRY CARSON
Executive Vice President,
Global Financial Solutions



“Our strong counterparty, seasoned expertise, and innovative culture, combined with RGA's global reach and product breadth and depth, provide distinct advantages for our clients. Above all, we deliver results.”

RGA's GFS team enjoyed an outstanding year in 2019, generating a record-high \$659 million in pre-tax income. Strong results across all product lines and regions contributed to balanced, diversified growth.

Most importantly, we helped our clients achieve their business goals, whether freeing up capital for an acquisition, divesting a block of business, financing redundant reserves or capital, or supporting a growing line of business. Reinsurance is a very long-term business, and we understand that our success depends on fostering strong, long-lasting partnerships. Our success in 2019 was the latest manifestation of a relentless client focus that has fueled our business since the very beginning.

In a growing field of competitors, which now includes traditional reinsurers, private equity-backed firms, and asset accumulators, RGA proudly stands apart from the pack. Some companies focus on acquiring assets, but lack expertise in reinsurance liabilities; others understand mortality and longevity, but lack the appetite to take on market risk. RGA delivers on both, developing creative, holistic solutions

for biometric and investment risk as clients' needs dictate.

Our strong counterparty, seasoned expertise, and innovative culture, combined with RGA's global reach and product breadth and depth, provide distinct advantages for our clients. Above all, we deliver results. For insurers facing a fast-changing environment, the value of RGA's execution certainty – doing what we say we are going to do, on time, the right way, each and every time – cannot be overstated. Repeat business from delighted clients is how we know we're succeeding.

Looking ahead, we anticipate a growing need for reinsurance support worldwide. We expect continued opportunities to deploy capital into attractive blocks of business and flow transactions to remain a source of high-quality, stable earnings for RGA. As always, discipline will be key as we seek to work with the right partners, on the right transactions, for the right reasons. In short, RGA is prepared to build on our vital role as a financial solutions leader for the industry.



From left, from Global Financial Solutions: **Gary Seifert**, Senior Vice President, North America; **Richard Leblanc**, Senior Vice President, Global Acquisitions; **Hamish Galloway**, Senior Vice President, Head of Global Financial Solutions, EMEA; **Gaston Nossiter**, Senior Vice President, Asia Pacific.



From left, from Global Financial Solutions: **Cormac Galvin**, Senior Vice President, Business Development, U.K. and Ireland; **Paul Sauvé**, Senior Vice President, EMEA; **Hamish Galloway**, Senior Vice President, Head of Global Financial Solutions, EMEA; **Gary Finkelstein**, Senior Vice President, Head of Structuring, EMEA; **Emma Ferris**, Senior Vice President, Acquisitions, EMEA.

Continued from page 23

value business in 2012 and has since selectively increased the number of provider partners and the types of defined benefit plans covered. As of December 31, 2019, the notional amount of RGA's stable value wrap portfolio was \$13.8 billion, a 3% increase over the previous year.

For GFS in Canada, sustained momentum produced an increase in pre-tax income of 50% over 2018. As the market continued to adapt to solvency requirements under the Life Insurance Capital Adequacy Test (LICAT) regime, the team pursued opportunities to leverage RGA's balance sheet in support of clients' long-term growth strategies. RGA also proactively worked with clients to address their unique challenges related to upcoming changes to accounting standards (IFRS 17) and to begin to develop reinsurance solutions.

Client Focus Drives Growth in EMEA and Asia

Strong in-force performance and new business growth generated solid earnings for GFS in EMEA: Pre-tax income totaled \$223 million in 2019, compared with \$197 million the prior year. In the U.K., an active pension risk transfer market drove longevity business as GFS experts employed innovative solutions such as small-scheme flow structures to earn business amid intense competition. Pension risk activity accelerated on the Continent as well, particularly in the Netherlands, where RGA executed its first longevity swap. In Ireland, RGA completed its first euro-denominated asset-intensive transaction, developing

new capabilities in the process and opening up a significant new market for the EMEA team. Throughout the region, GFS created capital relief structures as clients' financial and business needs dictated, including continued activity with lapse-focused transactions in South Africa.

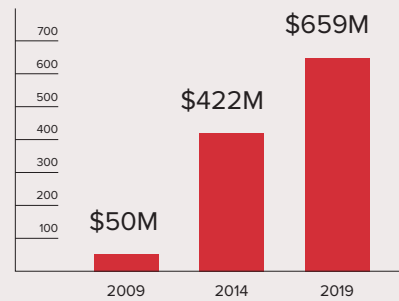
The GFS team in Asia enjoyed a landmark 2019 as accelerating momentum produced record highs in new business, total revenues, and net income. Maturing markets, changing regulations, and ongoing low interest rates drove insurers in Asia to seek opportunities to optimize both new and in-force business and to free up capital. Asset-intensive business remained the central pillar of GFS's growth strategy in the region, and the team leveraged its established presence to execute a growing number of larger transactions. Continued innovation in response to client needs created new opportunities for growth. "Just in time" structures, for example, allowed clients to access capital when needed in response to changing interest rates. Overall, a strong year solidified RGA's position as a financial solutions leader in the region.



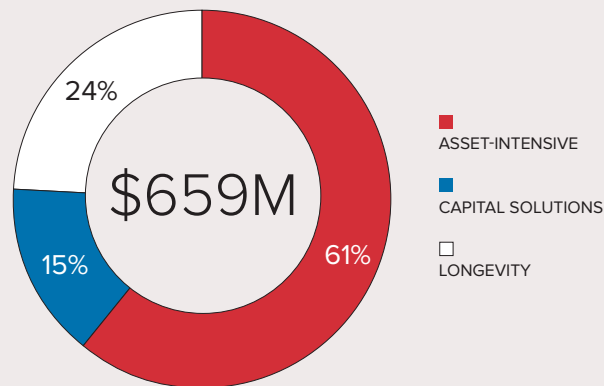
From left, from Global Financial Solutions, Asia Pacific: **Ivo Bloodworth**, Executive Director, Pricing; **Ge Liu**, Executive Director, Business Development, China; **Simon Armand-Smith**, Executive Director, Business Development, Japan; **Shuji Shimamoto**, Vice President, Pricing; **Lisa Ramsey**, Transaction Facilitator, Business Development.

GFS Pre-Tax Income

STRONG GROWTH



DIVERSIFIED EARNINGS AND RISK



Partnering to Develop Lifetime Income Solutions

BY JOHN LAUGHLIN
Executive Vice President



"At RGA, we understand the role we play in ensuring people's long-term financial security and are committed to expanding that role to meet the needs of aging populations."

Globally, people are living longer, placing unsustainable pressure on government systems and employer-sponsored pension plans to support aging populations. Individuals are increasingly left to finance their own retirement – but too often coming up short. According to the World Economic Forum, in the U.S. alone the retirement savings gap – between what people have and should have – grows \$3 trillion every year and is projected to reach an alarming \$137 trillion by 2050.

The life insurance industry has an enormous opportunity and, more importantly, a responsibility to help ameliorate the decline of traditional pension plans. Consider this: The American Council of Life Insurers reports that the life insurance industry in the U.S. paid out \$2.1 billion every day in 2018, compared to \$2.7 billion paid out by Social Security. This includes \$1.1 billion of annuity payments. The vital role our industry already serves is therefore clear and the obligation to do even more an inevitability.

Life insurers and reinsurers bring the right combination of capabilities to address the central issue of people outliving their funds: an unmatched knowledge of mortality and longevity trends and deep investment expertise. We understand the

liabilities associated with both biometric and investment risk. Unsurprisingly, pension fund assets have begun migrating to the insurance sector, and this transfer promises to accelerate in the near future.

At RGA, our GFS team partners with clients to deliver pension risk transfer solutions. With asset-intensive longevity transactions, for example, RGA takes on future annuity payments in exchange for a single, upfront premium, thus safeguarding the assets and ensuring guaranteed lifetime income for annuitants. The team has executed numerous such transactions in the U.K., U.S., and elsewhere over the past five years totaling billions of dollars.

GFS helps secure retirement income in other ways as well. Our longevity business supports employers by mitigating risk associated with life annuities and pension obligations, and our stable value team in the U.S. provides wrap coverage to 401(k) and other defined benefit plans, preserving principal and achieving steady returns for participants. At RGA, we understand the role we play in ensuring people's long-term financial security and are committed to expanding that role to meet the needs of aging populations.



David Lipovics,
Vice President, U.S. Pension Risk Solutions, Global Financial Solutions.

RGAX

Propelled by advances in technology, data analytics, and new ways of thinking, RGAX partnered with innovators inside and outside the insurance industry in 2019 to help close the global insurance coverage gap, improve consumer engagement, and make insurance an integral part of people's lives.

Client Focus Creates Solutions for Today and Tomorrow

Following a transformational year of strategic acquisitions and organizational realignment in 2018, RGAX applied shared expertise and capabilities in 2019 to strengthen core services, expand existing programs, and launch strategic new initiatives. A dedicated focus on client needs – both immediate and emerging – drove business activity and collaboration across markets and business lines.

RGAX's portfolio of insurance services companies produced a strong year – entering new markets, adding new clients, and increasing revenues. Officially announced in 2020, TAI (Tindall Associates, Inc.), the U.S. market leader in reinsurance software and consulting services, expanded into South Africa and the U.K., where the TAI platform launched its first longevity reinsurance administration system. SALT Associates, a U.S. claims management consulting firm, experienced significant business growth and worked to expand internationally as well.

Through recommitments and new client additions in multiple markets, AURA® (Automated Underwriting and Risk Analysis®), a SaaS (software as a service) based underwriting decision management platform, increased revenues by 45% compared to 2018 to establish a new record high. The recently re-architected platform combines RGA's expertise in underwriting and predictive analytics with advanced functionality and a user-friendly interface to deliver a powerful multivariate risk assessment tool and a bridge to the future of underwriting.

In its first full year of operation, the Global Emerging Solutions team advanced the work of RGAX across the globe in key focus areas. Team members responded to growing demand



From left, from RGAX: **Stephanie Bahr**, Executive Director, Global Operations; **Patrick Garrett**, Vice President, Digital Distribution Lead.

for solutions in eldercare, wellness, and other challenging areas and worked to incorporate new technologies, such as artificial intelligence (AI) and distributed ledger technology (blockchain), into the insurance ecosystem. The team also collaborated with RGA colleagues enterprise-wide to prepare for the future of insurance, exploring new ideas in fields such as genetics and anticipating the needs of tomorrow's insurance customer.

Together, RGA and RGAX leadership established the Global Product Portfolio Management team in 2019, bringing together product and technology expertise from within and outside of the insurance industry. The team rolled out a global product framework across the RGA enterprise to create a common approach to innovation exploration and to scale product development. This strategic alignment enhanced global connectivity, enabling RGA to innovate and launch scalable solutions faster and more successfully with partners and clients.

RGAX Americas Strengthens Innovation Capabilities

RGAX Americas continued to strengthen and align its extensive portfolio of companies and capabilities to better serve clients at every step in the insurance value chain. With an increased need for outsourced underwriting services, for example, RGAX subsidiaries LOGiQ³ Corp in Canada and Elite Sales Processing (ESP) in the U.S. leveraged shared expertise and best practices to help clients supplement their underwriting staffs. Business units throughout RGAX – ESP, AURA, Greenhouse Life Insurance Company (an innovation accelerator), and others – collaborated with RGA reinsurance experts to provide a carrier partner with an end-to-end automated term life product targeting younger consumers.

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Connecting People and Ideas to Accelerate Innovation

BY EMMANUEL DJENGUE
Innovation Director,
RGAX EMEA



“RGAX understands that engaging the entire insurance ecosystem, from incumbent carriers to insurtech startups, is the most effective way to bring meaningful solutions to market.”

As evidenced by significant advances in recent years, the life insurance industry offers transformative opportunities to better serve consumers. At RGAX, we are working to seize those opportunities. RGAX understands that engaging the entire insurance ecosystem, from incumbent carriers to insurtech startups, is the most effective way to bring meaningful solutions to market. To facilitate this process, we have implemented uniquely collaborative approaches and programs devoted to shared innovation.

Life Design Sprints are focused sessions designed to tackle the industry's biggest challenges. Groups of 8-12 colleagues from varied disciplines – sometimes even from competing companies – conceive new ideas, select those most likely to work, build prototypes, and learn from results with real customers. Rooted in design thinking, Life Design Sprints help RGAX partners produce concrete, tested output in days rather than weeks or months. In 2019, RGAX expanded these sessions globally and hosted sprints in several markets, taking on bancassurance in the Middle East, customer engagement in Madrid, and insurance's potential role in suicide prevention in the U.K., among others.

Big Ideas, an RGAX program launched in 2017, invites entrepreneurs, technologists, students, and innovators to compete for prize money by proposing solutions to enhance life and health insurance products and services. After semifinals in five countries culminating in a final in Paris, we crowned two winners in 2019: a service that promotes early recognition of skin cancer via smartphone and an AI-driven virtual assistant for patients enrolled in clinical trials. We see clear opportunities to incorporate such innovations into insurance offerings and make insurance more integral to everyday life.

Moving forward, RGAX will continue to expand these innovation programs and leverage them together to fuel even bigger thinking. In 2020, for example, we plan to submit select output from Life Design Sprints to the Big Ideas program and then present Big Ideas winners at RGA Technovate Labs, events that showcase promising insurtech startups. Our goal through it all: enhance people's perception of the value of insurance, generate greater consumer engagement, improve the end-to-end customer journey, and – above all – help people live healthier, happier lives.



From left, from RGAX: **Jonathan Hughes**, Managing Director, EMEA; **Stephen Goldstein**, Vice President, Client eXperience Lead.



From left, from LOGIQ³ Corp: **Miguel Ceron**, Business Development Manager; **Karen McLeod**, Senior Underwriter and Learning Specialist.

Continued from page 27

RGAX innovations were launched throughout the region in 2019, from a digitally delivered final expense whole life product to blockchain-enabled smart contracts for processing long-term care reinsurance transactions. Meanwhile, established initiatives achieved new milestones. APEXA, a centralized online solution to simplify, automate, and standardize advisor contracting and compliance, became the mandatory platform for processing advisor contracts throughout the Canadian market. APEXA also earned the gold award for Business & Operating Model Transformation at the 2019 Efma-Accenture North America Innovation in Insurance Awards. RGAX partner Everplans, a digital legacy planning service, added multiple new carrier clients seeking to improve consumer engagement and took steps to expand outside the U.S.

EMEA and Asia Pacific Teams Embrace the Future

RGAX EMEA engaged clients and partners throughout the region in 2019 to identify gaps in the insurance ecosystem and develop creative solutions to address them. RGAX's unique position as an innovation engine within a leading reinsurer enabled access to companies' senior leadership and facilitated meaningful collaboration among insurers, distribution companies, and tech startups.

The EMEA team advanced a range of forward-thinking initiatives throughout the year, helping accelerate the digitization of the industry. An app-led, gamified group life insurance platform launched with tech partner yulife in 2018 gained traction among

users throughout 2019 and earned an industry innovation award. UnderwritingPal applied behavioral science and AURA technology to deliver an optimized, mobile-friendly user experience and lower costs for small- to mid-sized policies. Working with RGA reinsurance colleagues, RGAX helped a U.K. insurer leverage a digital life insurance platform to double their local sales by entering a new channel, and also enabled that carrier's retail partner to launch a new direct-to-consumer product.

In the Asia Pacific region, RGAX collaborated with RGA colleagues, insurtech partners, and carrier clients to strengthen the insurance ecosystem and modernize the insurance customer journey. An RGAX partner in China launched an online health insurance product developed and reinsured by RGA that provides an all-digital interaction with a focus on consumer education. In Japan, RGAX worked with a Silicon Valley startup to apply optical character recognition technology to digitize that country's backlog of tens of millions of paper health checks. A range of ongoing initiatives throughout the region, from digital distribution in Southeast Asia to AI-powered underwriting in India, moved forward in 2019, and RGAX took the lead in bringing new ideas to insurance, such as cryptographic technology that enables secure authentication of sensitive data. RGAX also became a co-founder of the AsiaPac InsurTech Lab (APIL), a cooperative focused on advancing innovation in the region's insurance industry.



From left: **Charlie Mathews**, Director, Market Development, RGAX Asia Pacific; **Arthur Ozeki**, Chief Executive Officer, RGA Japan and Senior Vice President, China Market and RGAX Asia Pacific; **Sandi Hubert**, Senior Vice President, Chief Operating Officer, RGAX; **Ming Chen**, Head of RGAX China.

RGAX Lines of Business

DATA ANALYTICS	
DIGITAL DISTRIBUTION	
CONSUMER ENGAGEMENT	
INSURANCE SERVICES	

An Uncompromising Commitment to Data Privacy

BY **JORDAN DURLESTER**
Executive Director,
Data Strategy, Global Research
and Data Analytics



“At RGA, we believe our industry has a professional and moral duty to act in a responsible and ethical manner in storing, accessing, and applying people’s data.”

The ever-expanding data landscape continued to generate new and exciting opportunities in 2019 across the entire insurance lifecycle, from marketing through claims analysis. While blue-sky ideation may seem limitless, however, it is critical we view every new idea through a strict lens of data privacy and protection. At RGA, we believe our industry has a professional and moral duty to act in a responsible and ethical manner in storing, accessing, and applying people's data.

When people think of the pitfalls and dangers of data, most of us picture bad actors with malicious intent. This is certainly an important consideration and something our industry must remain vigilant in working to prevent. At the same time, we must also strive to prevent accidental misuse of data. In fact, in their Q3 2019 Data Breach Report, cyber security firm Risk Based Security found: “While malicious actors have been responsible for most incidents, it is accidental exposure of data on the internet that has put the most records at risk.”

RGA works proactively and relentlessly to combat the threat of accidental exposure. We have developed and deployed advanced platforms and processes that limit the amount of accessible data, the number of people

with access to it, and the time during which it can be accessed. This helps ensure that only those data specialists with a pre-approved, specific use case can access a given dataset, and only for a predetermined amount of time. RGA's ongoing efforts to protect consumer information – which continued to advance and expand in 2019 – are integral to the work of the Global Research and Data Analytics team and part of an enterprise-wide commitment to data security.

The insurance industry is founded on trust, and our commitment to safeguarding

that trust must be unwavering. As we continue to innovate via data and analytics, we must ensure that security remains an ongoing priority and that any use of data ultimately be directed to improving the lives of the people we serve.



From left, from Global Research and Data Analytics: **Tao Huang**, Assistant Actuary; **Jake Maynard**, Senior Actuarial Assistant; **Rosmary Cruz**, Senior Data Scientist; **Nicholas Kocisak**, Senior Actuarial Assistant.

EXPANDING INVESTMENT CAPABILITIES TO INCREASE BUSINESS OPPORTUNITIES



Leslie Barbi
Executive Vice President and Chief Investment Officer

At RGA, our investment mission is to drive stable investment income over the long term, pursuing value while managing risk to support RGA's financial strength. Investments is an integral strategic partner in developing client solutions and enabling business growth globally. The largest portion of the Investments team is based in St. Louis, with additional key members located in London, Singapore, and our nine regional real estate offices in the U.S. and Canada. We also access a stable of external managers to supplement broad internal capabilities.

In 2019, RGA Investments successfully delivered on a multi-year plan to expand capacity and capabilities globally. In our London office, for example, the team took significant steps to strengthen operations and establish a more substantial, sustainable base from which to achieve long-term goals in the EMEA region, including increasing RGA's access to mortgages and infrastructure assets in the U.K. and Continental Europe.

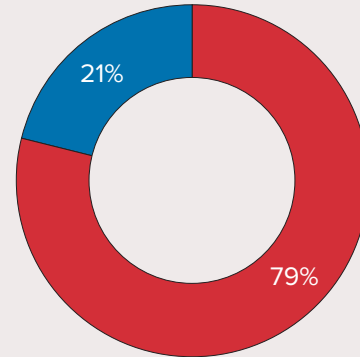
Ultimately, expansion of our investment platform is directed toward one primary goal: empowering RGA's ability to deliver client solutions. To that end we have built dedicated in-house real estate and private debt and equity platforms to gain direct access to those private markets. We have also applied our existing expertise in new ways, opening up new opportunities for RGA's financial solutions business. For example, in 2019, when a leading insurer in Canada sought to execute a complex real estate-related capital-solutions transaction, our commercial real estate team provided critical expertise and due diligence to successfully close the transaction.

Moving forward, RGA investment professionals will continue to collaborate with reinsurance experts to optimize in-force business, reallocate assets in acquired portfolios, and facilitate new transactions. We remain committed to strengthening and diversifying our investment operations to make delivering these solutions possible.

Management of Assets

As of December 31, 2019

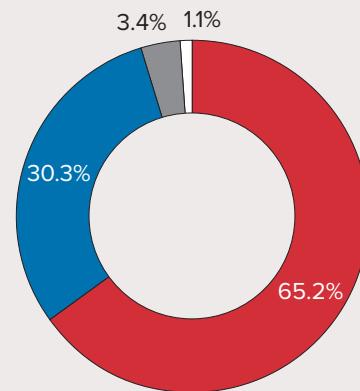
- RGA INVESTMENTS
- EXTERNAL MANAGERS



Fixed-Maturity Securities Credit Rating Distribution

As of December 31, 2019

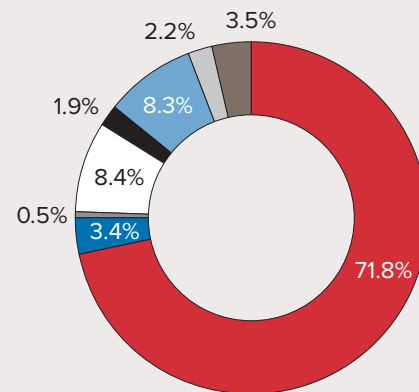
- AAA/AA/A
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Asset Allocation

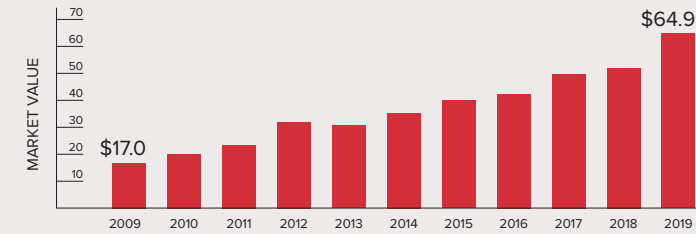
As of December 31, 2019

- INVESTMENT-GRADE BONDS
- HIGH-YIELD BONDS
- EQUITY SECURITIES
- MORTGAGE LOANS ON REAL ESTATE
- POLICY LOANS
- FUNDS WITHHELD AT INTEREST
- SHORT-TERM/CASH AND EQUIVALENTS
- OTHER INVESTED ASSETS



Annualized Growth in Assets Under Management (in billions USD)

+14.3%
(10-year CAGR, 2009-2019)



“Ultimately, expansion of our investment platform is directed toward one primary goal: empowering RGA’s ability to deliver client solutions.”

RGA Builds Strength in Private Asset Classes



From left, from Private Debt & Equity: **Bhabya Tewari**, Senior Associate; **Nicholas Careklas**, Senior Associate; **Ryan Roepke**, Director; **Samuel Panke**, Director.



From left, from Real Estate Investments: **Brooks Colvin**, Vice President, Credit Risk Management; **Nichole Rosenberger**, Assistant Asset Manager, Commercial Real Estate; **Jeff Deters**, Vice President, Midwest Regional Manager.

Private Debt & Equity

Steven Myers, Vice President, Co-Head of Private Debt & Equity, Investments



Launched in 2013, RGA's Private Debt & Equity (PD&E) team applies deep in-house credit and equity investment expertise to develop custom financial solutions for our private equity partners across a wide spectrum of industries. By providing capital to

help finance entrepreneur-led companies' growth and expansion projects, PD&E advances RGA's investment strategy in two important ways: diversifying investments through a less accessible asset class and increasing the yield on RGA's overall portfolio.

Consistent focus and broad experience in the lower middle market enables our team to identify unique investment opportunities. Building on private equity fund investments and sponsor relationships, our skilled investment professionals leverage deep buyout sector expertise in our target markets to help craft flexible capital structures for our partners through an array of credit and equity solutions, including senior and subordinated loans.

In 2019, PD&E closed \$330 million of new loans and made commitments to lower middle market private equity buyout funds totaling \$167 million. Through a consistent commitment to building strong client relationships, our team has built a recognized brand and ended 2019 with a portfolio of more than \$1 billion in assets under management.

Commercial Real Estate

Daniel Wieman Vice President, Real Estate Credit Risk Management, Investments



After years of sustained growth since launching in 2011, ReCap, RGA's commercial mortgage loan and real estate team, consists of more than 50 associates located in our home office in St. Louis and across nine regional offices in the U.S. and Canada.

Commercial mortgage loans have long been a core investment for life insurance companies due to their stability and strong relative value. RGA's regional office model further enhances investment returns, combining local real estate expertise with investment class benefits to deliver more than 100 basis points of excess return as compared to corporate bonds of similar credit quality and tenor. These returns are optimized through ongoing growth in our mortgage portfolio, which exceeded \$5.7 billion at the end of 2019.

Our team also leverages expertise to generate meaningful returns via joint venture partnerships. At the end of 2019, RGA held 41 real estate investments in 18 states and 24 metropolitan areas, a portfolio totaling more than \$547 million and targeting internal rates of return in the mid-teens.



“At RGA, we fundamentally believe the experience employees have within the organization directly translates to the experience they will offer clients. Our culture is built around this belief, and industry awards and client survey rankings illustrate that our approach works.”

RGA's comprehensive professional development programs empower employees at all levels of the organization to achieve their career goals. Clockwise, from the Leadership Development Program: **Dhiraj Goud, M.D.**, Executive Director, Regional Underwriting and Business Solutions, RGA Asia; **Priscilla Merriweather**, Executive Director, Retrocession Administration, Global Shared Services; **Ryan Barker**, Head of Information Technology, EMEA.



From left, from the New Graduate Development Program: **Lexi Gu**, Senior Financial Risk Analyst, Global Financial Solutions; **Rerun Guo**, Senior Analyst, Investments.



AN ORGANIZATION BUILT ON TRUST



Gay Burns
Executive Vice President and Chief Human Resources Officer

From the beginning, RGA was built on trust. Nearly 50 years later, trusted relationships – starting with our employees and extending to our clients, partners, and investors – remain the foundation of our success. In 2019, RGA's company-wide engagement survey emphatically demonstrated our employees' trust in what we do:

- Trust throughout the global workforce at RGA rates higher than 90% of the hundreds of other companies participating in the survey, which was conducted by a globally recognized workforce consulting firm. We honor our commitments to employees, who in turn enable RGA to honor commitments to clients, shareholders, and society.
- Employees believe in our brand promise to provide expert solutions and serve our clients as a long-term value creator; fewer than 1% disagreed with the statement that RGA lives up to that promise. Their belief translates into action, and RGA's client-focused approach continues to strengthen partnerships and fuel business growth.
- On a 100-point scale, RGA exceeded the financial services industry average by a remarkable 26 points in how employees rate the company's support for the development of new and innovative ideas. Our employees understand that innovation is a core value at RGA, that our clients rely on us to innovate, and that continued innovation is central to the direction and future of the enterprise.
- Survey results show that collaboration within and among RGA teams significantly exceeds all norms. People feel respected, know their opinion counts, and know their managers will hold people accountable for performance. Our rewards programs are heavily geared toward the team, driving our ability to deliver results around the globe and across business lines.

The insurance industry is undergoing transformative change, and to stay ahead of the evolution occurring outside of RGA, our relationships within the organization must also grow and evolve. The trust we have fostered as an organization provides our ballast, ensuring people are aware of any changes, understand why they are occurring, and contribute to their successful execution. Respect, mutual understanding, and flexibility are the keys to our long-term sustainability.

At RGA, we fundamentally believe the experience employees have within the organization directly translates to the experience they will offer clients. Our culture is built around this belief, and industry awards and client survey rankings illustrate that our approach works. We will continue to innovate, collaborate, and celebrate along with our client partners as we strive to build the future of insurance together.

Commitment

94%

RGA's average annual employee voluntary retention rate (2016-2019)

98%

New employees who stay at RGA for at least one year (2016-2019)

93%

Average retention rate since 2017 for millennial employees (born between 1980-2000)

Experience

25 years

Average industry experience on RGA's Executive Committee

Expertise

34%

RGA employees in actuarial, underwriting, or medical roles

LEADERSHIP

RGA Executive
Committee

Anna Manning
President and
Chief Executive Officer

Todd C. Larson
Senior Executive Vice President and
Chief Financial Officer

Alain P. Néemeh
Senior Executive Vice President and
Chief Operating Officer



Leslie Barbi
Executive Vice President and
Chief Investment Officer

Dennis Barnes, Jr.
Executive Vice President,
Chief Executive Officer, RGAX

Gay Burns
Executive Vice President and
Chief Human Resources Officer

Lawrence S. Carson
Executive Vice President,
Global Financial Solutions



Tony Cheng
Executive Vice President and
Head of Asia

Olav Cuiper
Executive Vice President and
Head of EMEA

Michael L. Emerson
Executive Vice President and
Head of U.S. and Latin American
Markets



Alka Gautam
President and Chief Executive Officer,
RGA Canada

John P. Laughlin
Executive Vice President

Jonathan Porter
Executive Vice President and
Global Chief Risk Officer

Timothy L. Rozar
Senior Vice President and
Chief of Staff to the CEO

Board of Directors

J. Cliff Eason
Chairman of the Board
Retired President and Chief Executive
Officer, Southwestern Bell Telephone,
SBC Communications, Inc.

Pina Albo
Director
Chief Executive Officer,
Hamilton Insurance Group

Christine Detrick
Director
Former Director and Head of Americas
Financial Services Practice,
Bain & Company, Inc.

John J. Gauthier
Director
Retired Chief Investment Officer,
Allied World Assurance Company
Holdings, AG and Retired President,
Allied World Financial Services
Company, Inc.

Patricia L. (Tricia) Guinn
Director
Retired Managing Director, Risk and
Financial Services, Towers Watson

Anna Manning
Director
President and Chief Executive Officer,
Reinsurance Group of America,
Incorporated

Hazel M. McNeillage
Director
Former Regional Managing Director,
EMEA, Northern Trust Corporation's
Asset Management division (NTAM)

Frederick J. Sievert
Director
Retired President, New York Life
Insurance Company

Stanley B. Tulin
Director
Retired Vice Chairman and Chief
Financial Officer, AXA Financial, Inc.
and AXA Equitable Life Insurance
Company

Steven C. Van Wyk
Director
Chief Information Officer and Head
of Technology & Innovation,
PNC Financial Services Group, Inc.

SELECTED CONSOLIDATED FINANCIAL AND OPERATING DATA

As of or For the Years Ended December 31,
(in millions, except per share and operating data)

	2019	2018	2017	2016	2015
Income Statement Data					
Revenues:					
Net premiums	\$ 11,297	\$ 10,544	\$ 9,841	\$ 9,249	\$ 8,571
Investment income, net of related expenses	2,520	2,139	2,155	1,912	1,734
Investment related gains (losses), net:					
Other-than-temporary impairments on fixed maturity securities	(31)	(28)	(43)	(39)	(57)
Other investment related gains (losses), net	122	(142)	211	133	(108)
Total investment related gains (losses), net	91	(170)	168	94	(165)
Other revenues	392	363	352	267	278
Total revenues	14,300	12,876	12,516	11,522	10,418
Benefits and expenses:					
Claims and other policy benefits	10,197	9,319	8,519	7,993	7,489
Interest credited	697	425	502	365	337
Policy acquisition costs and other insurance expenses	1,204	1,323	1,467	1,311	1,127
Other operating expenses	868	786	710	645	554
Interest expense	173	147	146	138	143
Collateral finance and securitization expense	29	30	29	26	23
Total benefits and expenses	13,168	12,030	11,373	10,478	9,673
Income before income taxes	1,132	846	1,143	1,044	745
Provision for income taxes ⁽¹⁾	262	130	(679)	343	243
Net income	\$ 870	\$ 716	\$ 1,822	\$ 701	\$ 502
Earnings Per Share					
Basic earnings per share	\$ 13.88	\$ 11.25	\$ 28.28	\$ 10.91	\$ 7.55
Diluted earnings per share	13.62	11.00	27.71	10.79	7.46
Weighted average diluted shares, in thousands	63,882	65,094	65,753	64,989	67,292
Dividends per share on common stock	\$ 2.60	\$ 2.20	\$ 1.82	\$ 1.56	\$ 1.40
Balance Sheet Data					
Total investments	\$ 66,555	\$ 54,204	\$ 51,691	\$ 44,841	\$ 41,978
Total assets	76,731	64,535	60,515	53,098	50,383
Policy liabilities ⁽²⁾	57,094	48,933	43,583	37,874	37,371
Long-term debt	2,981	2,788	2,788	3,089	2,298
Collateral finance and securitization notes	598	682	784	841	899
Total stockholders' equity	11,601	8,450	9,570	7,093	6,135
Total stockholders' equity per share	185.17	134.53	148.48	110.31	94.09
Operating Data (in billions)					
Assumed ordinary life reinsurance in force	\$ 3,480	\$ 3,329	\$ 3,297	\$ 3,063	\$ 2,995
Assumed new business production	377	407	395	405	491

(1) 2017 reflects adjustments related to the initial adoption of the U.S. Tax Cuts and Jobs Act of 2017. See Note 9 - "Income Tax" in the Notes to Consolidated Financial Statements of RGA's Annual Report on Form 10-K for additional information.

(2) Policy liabilities include future policy benefits, interest-sensitive contract liabilities, and other policy claims and benefits.

GLOSSARY OF TERMS

Accelerated underwriting

A form of underwriting designed to be both less invasive and faster from the time of application to issue. This approach relies on more non-traditional techniques, including the use of predictive models and new data sources, to rate certain applicants.

Actuary

A specialist in the mathematics of risk, especially as relates to such insurance calculations as premiums, reserves, dividends, and insurance and annuity rates.

Allowance

An amount paid by the reinsurer to the ceding company to help cover the ceding company's acquisition and other costs, especially commissions. Allowances are usually calculated as a large percentage (often 100%) of the first-year premiums reinsured and account for smaller percentages of renewal premiums reinsured.

Annuity

A contract that provides for income payments to an insured at regular intervals, either for a specific period or for the lifetime of the insured, in exchange for premiums.

Asset-intensive reinsurance

A transaction for which the key element is often performance of the underlying assets, more so than any mortality risk. The transaction is usually for coinsurance or funds withheld, and often involves reinsurance of annuities.

Assumed reinsurance

Insurance risk that a reinsurer accepts (assumes) from a ceding company.

Attending Physician Statement (APS)

A report by the treating physician or medical facility regarding the medical condition of a patient who applies for insurance. This is one of the most common sources of medical background information used in underwriting.

Automatic reinsurance

Reinsurance arrangement whereby the ceding company and reinsurer agree that all business of a certain description will be ceded to the reinsurer. Under this arrangement, the ceding company performs underwriting decision-making within agreed-upon parameters for all business reinsured.

Bancassurance

The provision of insurance and banking products and services through a common distribution channel and/or to the same client base.

Capital-solutions reinsurance

Reinsurance for which the primary purpose is to enhance the cedant's capital position. Also commonly known as financial reinsurance or surplus relief, this type of reinsurance satisfies all regulatory requirements for risk transfer and is often designed to provide tail risk protection in exchange for a fee paid to the reinsurer based on the amount of capital relief provided.

Captive insurer

An insurance or reinsurance entity designed to provide insurance or reinsurance coverage for risks of the entity or entities by which it is owned or with which it is affiliated.

Ceding company

(also known as *cedant*)
An insurer that transfers, or cedes, risk to a reinsurer.

Cession

The insurance risk associated with a policy that is reinsured from an insurer to a reinsurer.

Claim

Demand on an insurer or reinsurer for payment under the terms of an insurance policy.

Closed-block acquisition

The acquisition of a block of insurance products that are discontinued but still have active policyholders.

Coinsurance

(also known as *original terms reinsurance*)
A form of reinsurance under which the ceding company shares its premiums, death claims, surrender benefits, dividends, and policy loans with the reinsurer, and the reinsurer pays expense allowances to reimburse the ceding company for a share of its expenses.

Counterparty

A party to a contract requiring or offering the exchange of risk.

Counterparty risk

The risk that a party to an agreement will be unable to fulfill its contractual obligations.

Critical illness (CI) insurance
(also known as *dread disease insurance*)

Insurance that provides a guaranteed fixed sum upon diagnosis of a specified illness or condition, such as cancer, heart disease, or permanent total disability. The coverage can be offered on a stand-alone basis or as an add-on to a life policy.

Data analytics

The process of examining and evaluating datasets to discover trends, inform conclusions, and support more knowledgeable decision-making. In life and health insurance, data analytics can reveal more-complex patterns and trends related to mortality, morbidity, fraudulent behavior, and the propensity of insurance consumers to purchase or retain protection products.

Data privacy

(also known as *information privacy*)
An area of information technology (IT) that addresses security issues and how much, or how little, personally identifiable information can be held in a computer system or shared with third parties.

Digital Health Data (DHD)

A term referring to medical information conveyed through millions of unique medical codes and now accessible via electronic health records (EHR) and healthcare claims data.

Enterprise Risk Management (ERM)

An enterprise-wide framework used by a firm to assess all risks facing the organization, manage mitigation strategies, monitor ongoing risks, and report to interested audiences.

Excess of loss reinsurance

A form of non-proportional reinsurance in which the reinsurer indemnifies a ceding company for losses exceeding a specified limit.

Expected mortality

Number of deaths predicted to occur in a defined group of people.

Face amount

Amount payable at the death of the insured or at the maturity of the policy.

Facultative reinsurance

A type of reinsurance in which the reinsurer underwrites an individual risk submitted by the ceding company for a risk that is unusual, large, highly substandard, or not covered by an automatic reinsurance treaty. Such risks are typically submitted to multiple reinsurers for competitive offers.

Group life insurance

Insurance policy under which the lives of a group of people, most commonly employees of a single company, are insured in accordance with the terms of one master contract.

Guaranteed issue life insurance

Insurance products that are guaranteed upon application, regardless of past health conditions.

IFRS

International Financial Reporting Standards.

Impaired life

An applicant who represents an underwritten risk for life insurance that is higher than an underwritten risk at standard rates. An applicant can be considered "impaired" due to medical condition, hazardous activities, or other reasons.

In-force sum insured

A measure of insurance in effect at a specific date.

Individual life insurance

An insurance policy that insures the life of usually one individual, and sometimes two or more related individuals, rather than a group of people.

Insurance-linked wellness program

An insurance program designed to promote improved health and customer engagement. Health tracking often relies on data from wearable devices and biometric screenings to monitor progress. Typically participants are offered premium discounts, cash rewards, or other incentives to participate.

Insurtech

A collection of companies and technologies seeking to streamline the insurance application and claims management processes, enhance the consumer experience, and increase competition.

Living benefits

A life insurance benefit enabling the policy owner to access the cash value and/or death benefit of a policy while still living, generally when the insured faces terminal, critical, or chronic illness or disability.

Longevity product

An insurance product that mitigates longevity risk by providing a stream of income for the duration of the policyholder's life.

Longevity swap

An insurance, reinsurance, or derivative contract designed to exchange ("swap") a fixed payment stream for a variable payment stream that is dependent on the longevity or survival of a defined group of lives. For example, the variable payment stream can be defined as the benefit payments to be paid under a defined benefit pension plan, or as the benefits paid to the annuitant under an insurance contract. The fixed payment stream would be the expected payment stream plus a margin.

Modified coinsurance

A variant on coinsurance in which the ceding company retains all the reserves, as well as assets backing reserves, and pays the reinsurer interest on the reinsurer's share of the reserves.

Morbidity

A measure of the incidence of sickness or disease within a specific population group.

Mortality experience

Actual number of deaths occurring in a defined group of people.

Mortality risk reinsurance

Removing some of the major mortality or lapse risk associated with life insurance from the client company.

Novation

The act of replacing one participating member of a contract with another, with all rights, duties and terms being transferred to the new party upon consent of all parties affected.

Original terms reinsurance

See *coinsurance*.

Portfolio

The totality of risks assumed by an insurer or reinsurer.

**Predictive modeling
(also known as *predictive analytics*)**

A process employing algorithms and statistics by which current or historical facts are used to create predictions about future events or behaviors.

Preferred risk coverage

Coverage designed for applicants who represent a better-than-average risk to an insurer.

Premium

Amount paid to insure a risk.

**Primary insurance
(also known as *direct insurance*)**

Insurance business related to contracts directly between insurers and policyholders. The insurance company is directly responsible to the policyholder.

**Quota share
(also known as *'first dollar' quota share*)**

A reinsurance arrangement in which the reinsurer receives a certain percentage of each risk reinsured.

Reinsurance

The transfer of insurance risk from an insurer, referred to as the ceding company, to a reinsurer, in conjunction with the payment of a reinsurance premium. Through reinsurance, a reinsurer "insures" an insurer.

Reserves

The amount required to be carried as a liability in the financial statement of an insurer or reinsurer to provide for future commitments under outstanding policies and contracts.

Retakaful

A form of reinsurance that is acceptable within Islamic law. See *Takaful*.

Retention limit

The maximum amount of risk a company will insure on one life. Any amount in excess of the retention limit must be reinsured.

Retrocession

A transfer of reinsurance risk from a reinsurer to another reinsurer, referred to as the retrocessionaire, in conjunction with the payment of a retrocession premium. Through retrocession, a retrocessionaire reinsures a reinsurer.

Retrocessionaire

A reinsurer that reinsures another reinsurer. See *retrocession*.

Securitization

The structuring of financial assets as collateral against which securities can be issued to investors.

Simplified issue life insurance

Insurance products with limited face amounts that require no or minimal underwriting.

Stable value wraps

Contracts within a stable value fund that provide a limited guarantee on a high-quality, diversified portfolio of fixed income assets. These contracts, combined with the fixed income assets, provide principal protection. While offering returns similar to short-term bond funds, these investment portfolios have protective qualities similar to money market funds.

Statutory capital

The excess of statutory assets over statutory reserves, both of which are calculated in accordance with standards established by insurance regulators.

Takaful

A form of insurance that is acceptable within Islamic law and that is devised upon the principles of mutual advantage and group security.

Treaty**(also known as a *contract*)**

A reinsurance agreement between a reinsurer and a ceding company. The three most common methods of accepting reinsurance are automatic, facultative, and facultative-obligatory. The three most common types of reinsurance treaties are yearly renewable term (YRT), coinsurance, and modified coinsurance.

Underwriting

The process by which a company assesses the risk inherent in an application for insurance prior to acceptance of the policy.

Valuation

The periodic calculation of reserves, the funds that insurance companies are required to hold to make good on all future insurance obligations.

Variable life insurance

A form of whole life insurance under which the death benefit and the cash value of the policy fluctuate according to the performance of an investment fund. Most variable life insurance policies guarantee that the death benefit will not fall below a specified minimum.

Disclaimers

This 2019 Annual Review contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including, among others, statements relating to projections of the strategies, earnings, revenues, income or loss, ratios, future financial performance, and growth potential of RGA (which we refer to as "we," "us," or "our"). The words "intend," "expect," "project," "estimate," "predict," "anticipate," "should," "believe," and other similar expressions also are intended to identify forward-looking statements. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Future events and actual results, performance, and achievements could differ materially from those set forth in, contemplated by, or underlying the forward-looking statements. See "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Cautionary Note Regarding Forward-Looking Statements" of RGA's Annual Report on Form 10-K.

RGA's 2019 Form 10-K is available for download via our website: www.rgare.com

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