UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 1-11848

REINSURANCE GROUP OF AMERICA, INCORPORATED
(Exact name of Registrant as specified in its charter)

Missouri	**43-1627032**
(State or other jurisdiction of incorporation or organization)	**(IRS employer identification number)**

16600 Swingley Ridge Road
Chesterfield, Missouri 63017
(Address of principal executive offices)
(636) 736-7000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x **No** o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ **No** o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer x **Accelerated filer** o **Non-accelerated filer** o

Smaller reporting company ☐ **Emerging growth company** ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ **No** ☒

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01	RGA	New York Stock Exchange
6.20% Fixed-To-Floating Rate Subordinated Debentures due 2042	RZA	New York Stock Exchange
5.75% Fixed-To-Floating Rate Subordinated Debentures due 2056	RZB	New York Stock Exchange

As of April 30, 2021, 67,985,243 shares of the registrant's common stock were outstanding.

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions, except share data)
(Unaudited)

	March 31, 2021	December 31, 2020
Assets		
Fixed maturity securities available-for-sale, at fair value (amortized cost of $52,229 and $49,548; allowance for credit losses of $22 and $20)	$ 56,426	$ 56,735
Equity securities, at fair value	135	132
Mortgage loans on real estate (net of allowances of $47 and $64)	6,001	5,787
Policy loans	1,253	1,258
Funds withheld at interest	5,459	5,432
Short-term investments	157	227
Other invested assets	2,983	2,829
Total investments	72,414	72,400
Cash and cash equivalents	3,122	3,408
Accrued investment income	546	511
Premiums receivable and other reinsurance balances	2,907	2,842
Reinsurance ceded receivables	1,089	983
Deferred policy acquisition costs	3,617	3,616
Other assets	1,115	896
Total assets	$ 84,810	$ 84,656
Liabilities and Stockholders' Equity		
Future policy benefits	$ 33,675	$ 31,453
Interest-sensitive contract liabilities	23,142	23,276
Other policy claims and benefits	7,077	6,413
Other reinsurance balances	560	598
Deferred income taxes	2,417	3,263
Other liabilities	1,930	1,340
Long-term debt	3,573	3,573
Collateral finance and securitization notes	346	388
Total liabilities	72,720	70,304
Commitments and contingent liabilities (See Note 8)		
Stockholders' Equity:		
Preferred stock – par value $.01 per share, 10,000,000 shares authorized, no shares issued or outstanding	—	—
Common stock – par value $.01 per share, 140,000,000 shares authorized, 85,310,598 shares issued at March 31, 2021 and December 31, 2020	1	1
Additional paid-in-capital	2,411	2,406
Retained earnings	8,235	8,148
Treasury stock, at cost – 17,325,355 and 17,353,697 shares	(1,559)	(1,562)
Accumulated other comprehensive income	3,002	5,359
Total stockholders' equity	12,090	14,352
Total liabilities and stockholders' equity	$ 84,810	$ 84,656

See accompanying notes to condensed consolidated financial statements (unaudited).

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share amounts)
(Unaudited)

	Three months ended March 31,	
	2021	2020
Revenues:		
Net premiums	$ 2,914	$ 2,819
Investment income, net of related expenses	812	594
Investment related gains (losses), net:		
Impairments and change in allowance for credit losses on fixed maturity securities	(2)	(34)
Other investment related gains (losses), net	304	(251)
Total investment related gains (losses), net	302	(285)
Other revenues	91	76
Total revenues	4,119	3,204
Benefits and Expenses:		
Claims and other policy benefits	3,192	2,664
Interest credited	146	146
Policy acquisition costs and other insurance expenses	333	248
Other operating expenses	214	195
Interest expense	45	41
Collateral finance and securitization expense	3	6
Total benefits and expenses	3,933	3,300
Income (loss) before income taxes	186	(96)
Provision for income taxes	47	(8)
Net income (loss)	$ 139	$ (88)
Earnings per share:		
Basic earnings per share	$ 2.04	$ (1.41)
Diluted earnings per share	$ 2.03	$ (1.41)

See accompanying notes to condensed consolidated financial statements (unaudited).

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)
(Unaudited)

	Three months ended March 31,	
	2021	2020
Comprehensive income (loss)		
Net income (loss)	$ 139	$ (88)
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	30	(131)
Net unrealized investment gains (losses)	(2,387)	(1,873)
Defined benefit pension and postretirement plan adjustments	—	(3)
Total other comprehensive income (loss), net of tax	(2,357)	(2,007)
Total comprehensive income (loss)	$ (2,218)	$ (2,095)

See accompanying notes to condensed consolidated financial statements (unaudited).

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in millions except per share amounts)
(Unaudited)

	Common Stock	Additional Paid In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income	Total
Balance, December 31, 2020	$ 1	$ 2,406	$ 8,148	$ (1,562)	$ 5,359	$ 14,352
Adoption of new accounting standards						—
Net income			139			139
Total other comprehensive income (loss)					(2,357)	(2,357)
Dividends to stockholders, $0.70 per share			(48)			(48)
Purchase of treasury stock				(1)		(1)
Reissuance of treasury stock		5	(4)	4		5
Balance, March 31, 2021	$ 1	$ 2,411	$ 8,235	$ (1,559)	$ 3,002	$ 12,090

	Common Stock	Additional Paid In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income	Total
Balance, December 31, 2019	$ 1	$ 1,937	$ 7,952	$ (1,426)	$ 3,137	$ 11,601
Adoption of new accounting standards			(12)			(12)
Net income			(88)			(88)
Total other comprehensive income (loss)					(2,007)	(2,007)
Dividends to stockholders, $0.70 per share			(44)			(44)
Purchase of treasury stock				(156)		(156)
Reissuance of treasury stock		5	(6)	8		7
Balance, March 31, 2020	$ 1	$ 1,942	$ 7,802	$ (1,574)	$ 1,130	$ 9,301

See accompanying notes to condensed consolidated financial statements (unaudited).

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(Unaudited)

	Three months ended March 31,	
	2021	2020
Cash Flows from Operating Activities:		
Net income (loss)	$ 139	$ (88)
Adjustments to reconcile net income to net cash provided by operating activities:		
Change in operating assets and liabilities:		
Accrued investment income	(35)	(27)
Premiums receivable and other reinsurance balances	(93)	2
Deferred policy acquisition costs	7	(88)
Reinsurance ceded receivable balances	(99)	39
Future policy benefits, other policy claims and benefits, and other reinsurance balances	3,064	2,051
Deferred income taxes	(195)	(67)
Other assets and other liabilities, net	37	(57)
Amortization of net investment premiums, discounts and other	(12)	(12)
Depreciation and amortization expense	11	4
Investment related (gains) losses, net	(302)	285
Other, net	(156)	165
Net cash provided by operating activities	2,366	2,207
Cash Flows from Investing Activities:		
Sales of fixed maturity securities available-for-sale	2,738	2,141
Maturities of fixed maturity securities available-for-sale	216	283
Sales of equity securities	1	177
Principal payments on mortgage loans on real estate	164	189
Principal payments on policy loans	10	4
Purchases of fixed maturity securities available-for-sale	(5,293)	(3,157)
Purchases of equity securities	—	(15)
Cash invested in mortgage loans on real estate	(356)	(541)
Cash invested in policy loans	(4)	—
Cash invested in funds withheld at interest, net	(26)	(17)
Purchases of property and equipment	(4)	(6)
Change in short-term investments	64	(58)
Change in other invested assets	(2)	(96)
Net cash used in investing activities	(2,492)	(1,096)
Cash Flows from Financing Activities:		
Dividends to stockholders	(48)	(44)
Repayment of collateral finance and securitization notes	(42)	(19)
Principal payments of long-term debt	(1)	(1)
Purchases of treasury stock	(1)	(156)
Exercise of stock options, net	—	1
Change in cash collateral for derivative positions and other arrangements	(25)	51
Deposits on universal life and other investment type policies and contracts	255	663
Withdrawals on universal life and other investment type policies and contracts	(281)	(188)
Net cash (used in) provided by financing activities	(143)	307
Effect of exchange rate changes on cash	(17)	(47)
Change in cash and cash equivalents	(286)	1,371
Cash and cash equivalents, beginning of period	3,408	1,449
Cash and cash equivalents, end of period	$ 3,122	$ 2,820
Supplemental disclosures of cash flow information:		
Interest paid	$ 36	$ 39
Income taxes paid (received), net of refunds	$ 61	$ (31)

See accompanying notes to condensed consolidated financial statements (unaudited).

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Business and Basis of Presentation

Business

Reinsurance Group of America, Incorporated ("RGA") is an insurance holding company that was formed on December 31, 1992. RGA and its subsidiaries (collectively, the "Company") is engaged in providing traditional reinsurance, which includes individual and group life and health, disability, and critical illness reinsurance. The Company also provides financial solutions, which includes longevity reinsurance, asset-intensive products, primarily annuities, financial reinsurance, capital solutions and stable value products.

Basis of Presentation

The unaudited condensed consolidated financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X of the Securities and Exchange Commission ("SEC"). Accordingly, these condensed consolidated financial statements do not include all of the information and footnotes required by GAAP for complete financial statements and should be read in conjunction with the Company's 2020 Annual Report on Form 10-K filed with the SEC on February 26, 2021 (the "2020 Annual Report").

In the opinion of management, all adjustments, including normal recurring adjustments necessary for a fair presentation have been included. Interim results are not necessarily indicative of the results that may be expected for the year ending December 31, 2021.

Consolidation

These unaudited condensed consolidated financial statements include the accounts of RGA and its subsidiaries and all intercompany accounts and transactions have been eliminated. Entities in which the Company has significant influence over the operating and financing decisions but are not required to be consolidated are reported under the equity method of accounting.

2. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share on net income (in millions, except per share information):

	Three months ended March 31, 2021	Three months ended March 31, 2020
Earnings:		
Net income (loss)	$ 139	$ (88)
Shares:		
Weighted average outstanding shares	68	62
Equivalent shares from outstanding stock awards	—	1
Denominator for diluted calculation	68	63
Earnings per share:		
Basic	$ 2.04	$ (1.41)
Diluted	$ 2.03	$ (1.41)

As a result of the net loss for the three months ended March 31, 2020, the Company is required to use basic weighted average common shares outstanding of 62 million in the calculation of diluted loss per share, since the inclusion of shares for outstanding stock awards of 1 million would have been anti-dilutive to the loss per share calculations. In the absence of the losses, weighted average common shares outstanding and dilutive potential common shares would have totaled 63 million.

The calculation of common equivalent shares does not include the impact of stock appreciation rights having a strike or conversion price that exceeds the average stock price for the earnings period, as the result would be anti-dilutive. The calculation of common equivalent shares also excludes the impact of outstanding performance contingent awards, as the conditions necessary for their issuance have not been satisfied as of the end of the reporting period. The following table presents approximate amounts of stock appreciation rights and performance contingent awards excluded from the calculation of common equivalent shares (in thousands):

	Three months ended March 31,	
	2021	2020
Excluded from common equivalent shares:		
Stock appreciation rights	1,248	1,060
Performance contingent awards	291	150

3. Equity

Common stock

The changes in number of common stock shares issued, held in treasury and outstanding are as follows for the periods indicated:

	Issued	Held In Treasury	Outstanding
Balance, December 31, 2020	85,310,598	17,353,697	67,956,901
Stock-based compensation (1)	—	(28,342)	28,342
Balance, March 31, 2021	85,310,598	17,325,355	67,985,243

	Issued	Held In Treasury	Outstanding
Balance, December 31, 2019	79,137,758	16,481,656	62,656,102
Common Stock acquired	—	1,074,413	(1,074,413)
Stock-based compensation (1)	—	(64,654)	64,654
Balance, March 31, 2020	79,137,758	17,491,415	61,646,343

(1) Represents net shares issued from treasury pursuant to the Company's equity-based compensation programs.

Common Stock Held in Treasury

Common stock held in treasury is accounted for at average cost. Gains resulting from the reissuance of common stock held in treasury are credited to additional paid-in capital. Losses resulting from the reissuance of common stock held in treasury are charged first to additional paid-in capital to the extent the Company has previously recorded gains on treasury share transactions, then to retained earnings.

On January 24, 2019, RGA's board of directors authorized a share repurchase program for up to $400 million of RGA's outstanding common stock. The authorization was effective immediately and does not have an expiration date. In connection with this new authorization, the board of directors terminated the stock repurchase authority granted in 2017. On May 6, 2020, the Company announced that it has suspended stock repurchases until further notice. The resumption and pace of repurchase activity depends on various factors such as the level of available cash, the impact of the ongoing COVID-19 pandemic, an evaluation of the costs and benefits associated with alternative uses of excess capital, such as acquisitions and in force reinsurance transactions, and RGA's stock price. During the three months ended March 31, 2021, RGA did not repurchase any shares of common stock under this program. During the three months ended March 31, 2020, RGA repurchased 1 million shares of common stock under this program for $153 million.

Accumulated Other Comprehensive Income (Loss)

The balance of and changes in each component of accumulated other comprehensive income (loss) ("AOCI") for the three months ended March 31, 2021 and 2020 are as follows (dollars in millions):

	Accumulated Other Comprehensive Income (Loss), Net of Income Tax			
	Accumulated Currency Translation Adjustments	Unrealized Appreciation (Depreciation) of Investments(1)	Pension and Postretirement Benefits	Total
Balance, December 31, 2020	$ (69)	$ 5,500	$ (72)	$ 5,359
Other comprehensive income (loss) before reclassifications	35	(2,947)	(1)	(2,913)
Amounts reclassified to (from) AOCI	—	(113)	1	(112)
Deferred income tax benefit (expense)	(5)	673	—	668
Balance, March 31, 2021	$ (39)	$ 3,113	$ (72)	$ 3,002

	Accumulated Other Comprehensive Income (Loss), Net of Income Tax			
	Accumulated Currency Translation Adjustments	Unrealized Appreciation (Depreciation) of Investments[1]	Pension and Postretirement Benefits	Total
Balance, December 31, 2019	$ (92)	$ 3,299	$ (70)	$ 3,137
Other comprehensive income (loss) before reclassifications	(112)	(2,496)	(5)	(2,613)
Amounts reclassified to (from) AOCI	—	141	1	142
Deferred income tax benefit (expense)	(19)	482	1	464
Balance, March 31, 2020	$ (223)	$ 1,426	$ (73)	$ 1,130

(1) Includes cash flow hedges of $(71) and $(49) as of March 31, 2021 and December 31, 2020, respectively, and $(87) and $(26) as of March 31, 2020 and December 31, 2019, respectively. See Note 5 – "Derivative Instruments" for additional information on cash flow hedges.

The following table presents the amounts of AOCI reclassifications for the three months ended March 31, 2021 and 2020 (dollars in millions):

	Amount Reclassified from AOCI		
	Three months ended March 31,		
Details about AOCI Components	2021	2020	Affected Line Item in Statement of Income
Net unrealized investment gains (losses):			
Net unrealized gains (losses) on available-for-sale securities	$ 157	$ (39)	Investment related gains (losses), net
Cash flow hedges – Interest rate	—	—	(1)
Cash flow hedges – Currency/Interest rate	(2)	—	(1)
Deferred policy acquisition costs attributed to unrealized gains and losses	(42)	(102)	(2)
Total	113	(141)	
Provision for income taxes	(24)	27	
Net unrealized gains (losses), net of tax	$ 89	$ (114)	
Amortization of defined benefit plan items:			
Prior service cost (credit)	$ —	$ —	(3)
Actuarial gains (losses)	(1)	(1)	(3)
Total	(1)	(1)	
Provision for income taxes	—	—	
Amortization of defined benefit plans, net of tax	$ (1)	$ (1)	
Total reclassifications for the period	$ 88	$ (115)	

(1) See Note 5 – "Derivative Instruments" for additional information on cash flow hedges.

(2) This AOCI component is included in the computation of the deferred policy acquisition cost. See Note 8 – "Deferred Policy Acquisition Costs" of the 2020 Annual Report for additional details.

(3) This AOCI component is included in the computation of the net periodic pension cost. See Note 10 – "Employee Benefit Plans" for additional details.

Equity Based Compensation

Equity compensation expense was $5 million for the three months ended March 31, 2021 and 2020. In the first quarter of 2021, the Company granted 200,201 stock appreciation rights at $129.01 weighted average exercise price per share, 167,862 performance contingent awards and 328,725 restricted stock units to employees. Performance contingent awards include both performance contingent shares and performance share units. As of March 31, 2021, 1,644,630 share awards at a weighted average strike price per share of $96.71 were vested and exercisable, with a remaining weighted average exercise period of 4.6 years. As of March 31, 2021, the total compensation cost of non-vested awards not yet recognized in the condensed consolidated financial statements was $73 million. It is estimated that these costs will vest over a weighted average period of 1.2 years.

4. Investments

Fixed Maturity Securities Available-for-Sale

The Company holds various types of fixed maturity securities available-for-sale and classifies them as corporate securities (“Corporate”), Canadian and Canadian provincial government securities (“Canadian government”), residential mortgage-backed securities (“RMBS”), asset-backed securities (“ABS”), commercial mortgage-backed securities (“CMBS”), U.S. government and agencies (“U.S. government”), state and political subdivisions, and other foreign government, supranational and foreign government-sponsored enterprises (“Other foreign government”). RMBS, ABS and CMBS are collectively “structured securities.”

The following tables provide information relating to investments in fixed maturity securities by type as of March 31, 2021 and December 31, 2020 (dollars in millions):

March 31, 2021:	Amortized Cost	Allowance for Credit Losses	Unrealized Gains	Unrealized Losses	Estimated Fair Value	% of Total
Available-for-sale:						
Corporate	$ 32,916	$ 16	$ 2,683	$ 288	$ 35,295	62.5 %
Canadian government	3,253	—	1,423	3	4,673	8.3
RMBS	1,536	—	62	7	1,591	2.8
ABS	3,156	—	25	30	3,151	5.6
CMBS	1,774	1	78	11	1,840	3.3
U.S. government	960	—	23	53	930	1.6
State and political subdivisions	1,240	—	109	14	1,335	2.4
Other foreign government	7,394	5	306	84	7,611	13.5
Total fixed maturity securities	$ 52,229	$ 22	$ 4,709	$ 490	$ 56,426	100.0 %

December 31, 2020:	Amortized Cost	Allowance for Credit Losses	Unrealized Gains	Unrealized Losses	Estimated Fair Value	% of Total
Available-for-sale:						
Corporate	$ 31,963	17	$ 4,356	$ 94	$ 36,208	63.9 %
Canadian government	3,145	—	1,995	—	5,140	9.1
RMBS	1,735	—	84	2	1,817	3.2
ABS	3,099	—	35	42	3,092	5.4
CMBS	1,790	3	102	21	1,868	3.3
U.S. government	1,242	—	196	1	1,437	2.5
State and political subdivisions	1,237	—	157	4	1,390	2.4
Other foreign government	5,337	—	479	33	5,783	10.2
Total fixed maturity securities	$ 49,548	$ 20	$ 7,404	$ 197	$ 56,735	100.0 %

The Company enters into various collateral arrangements with counterparties that require both the pledging and acceptance of fixed maturity securities as collateral. Pledged fixed maturity securities are included in fixed maturity securities available-for-sale in the condensed consolidated balance sheets. Fixed maturity securities received as collateral are held in separate custodial accounts and are not recorded on the Company’s condensed consolidated balance sheets. Subject to certain constraints, the Company is permitted by contract to sell or repledge collateral it receives; however, as of March 31, 2021 and December 31, 2020, none of the collateral received had been sold or repledged. The Company also holds assets in trust to satisfy collateral requirements under derivative transactions and certain third-party reinsurance treaties. The following table includes fixed maturity securities pledged and received as collateral and assets in trust held to satisfy collateral requirements under derivative transactions and certain third-party reinsurance treaties as of March 31, 2021 and December 31, 2020 (dollars in millions):

	March 31, 2021		December 31, 2020	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Fixed maturity securities pledged as collateral	$ 131	$ 139	$ 148	$ 162
Fixed maturity securities received as collateral	n/a	1,751	n/a	1,784
Assets in trust held to satisfy collateral requirements	27,893	29,954	27,675	31,179

The Company monitors its concentrations of financial instruments on an ongoing basis and mitigates credit risk by maintaining a diversified investment portfolio that limits exposure to any one issuer. The Company’s exposure to concentrations of credit risk from single issuers greater than 10% of the Company’s stockholders’ equity included the securities disclosed below, as of

March 31, 2021. The Company's exposure to concentrations of credit risk from single issuers greater than 10% of the Company's stockholders' equity included securities of the U.S. government and its agencies, as well as the securities disclosed below, as of December 31, 2020 (dollars in millions).

	March 31, 2021		December 31, 2020	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Fixed maturity securities guaranteed or issued by:				
Government of Japan	$ 3,366	$ 3,352	$ 1,493	$ 1,491
Canadian province of Quebec	1,337	2,175	1,303	2,474
Canadian province of Ontario	1,081	1,427	1,054	1,528

The amortized cost and estimated fair value of fixed maturity securities classified as available-for-sale as of March 31, 2021, are shown by contractual maturity in the table below (dollars in millions). Actual maturities can differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Structured securities are shown separately in the table below, as they are not due at a single maturity date.

	Amortized Cost	Estimated Fair Value
Available-for-sale:		
Due in one year or less	$ 1,361	$ 1,378
Due after one year through five years	8,345	8,829
Due after five years through ten years	10,956	11,763
Due after ten years	25,101	27,874
Structured securities	6,466	6,582
Total	$ 52,229	$ 56,426

Corporate Fixed Maturity Securities

The tables below show the major sectors of the Company's corporate fixed maturity holdings as of March 31, 2021 and December 31, 2020 (dollars in millions):

March 31, 2021:	Amortized Cost	Estimated Fair Value	% of Total
Finance	$ 12,045	$ 12,906	36.6 %
Industrial	16,819	18,029	51.0
Utility	4,052	4,360	12.4
Total	$ 32,916	$ 35,295	100.0 %

December 31, 2020:	Amortized Cost	Estimated Fair Value	% of Total
Finance	$ 11,785	$ 13,236	36.6 %
Industrial	16,274	18,435	50.9
Utility	3,904	4,537	12.5
Total	$ 31,963	$ 36,208	100.0 %

Allowance for Credit Losses and Impairments – Fixed Maturity Securities Available-for-Sale

As discussed in Note 2 – "Significant Accounting Policies and Pronouncements" of the Company's 2020 Annual Report, allowances for credit losses on fixed maturity securities are recognized in investment related gains (losses), net on the condensed consolidated statements of income. For these securities, the net amount recognized represents the difference between the amortized cost of the security and the net present value of its projected future cash flows discounted at the effective interest rate implicit in the fixed maturity security prior to the allowance for credit losses. Any remaining difference between the fair value and amortized cost is recognized in AOCI.

The following table presents the rollforward of the allowance for credit losses in fixed maturity securities by type for the three months ended March 31, 2021 and 2020 (dollars in millions):

	Three months ended March 31, 2021			
	Corporate	CMBS	Other Foreign Government	Total
Balance, beginning of period	$ 17	$ 3	$ —	$ 20
Credit losses recognized on securities for which credit losses were not previously recorded	—	1	5	6
Reductions for securities sold during the period	(1)	(2)	—	(3)
Additional increases or decreases for credit losses on securities that had an allowance recorded in a previous period	—	(1)	—	(1)
Balance, end of period	$ 16	$ 1	$ 5	$ 22

	Three months ended March 31, 2020		
	Corporate	Other Foreign Government	Total
Balance, beginning of period	$ —	$ —	$ —
Credit losses recognized on securities for which credit losses were not previously recorded	26	7	33
Balance, end of period	$ 26	$ 7	$ 33

Unrealized Losses for Fixed Maturity Securities Available-for-Sale

The following table presents the total gross unrealized losses for the 1,650 and 877 fixed maturity securities as of March 31, 2021 and December 31, 2020, where the estimated fair value had declined and remained below amortized cost by the indicated amount (dollars in millions):

	March 31, 2021		December 31, 2020	
	Gross Unrealized Losses	% of Total	Gross Unrealized Losses	% of Total
Less than 20%	$ 427	87.2 %	$ 133	67.5 %
20% or more for less than six months	28	5.7	42	21.3
20% or more for six months or greater	35	7.1	22	11.2
Total	$ 490	100.0 %	$ 197	100.0 %

The Company's determination of whether a decline in value necessitates the recording of an allowance for credit losses includes an analysis of whether the issuer is current on its contractual payments, evaluating whether it is probable that the Company will be able to collect all amounts due according to the contractual terms of the security and analyzing the overall ability of the Company to recover the amortized cost of the investment.

The following tables present the estimated fair values and gross unrealized losses for fixed maturity securities that have estimated fair values below amortized cost as of March 31, 2021 and December 31, 2020 (dollars in millions). These investments are presented by class and grade of security, as well as the length of time the related fair value has remained below amortized cost.

March 31, 2021:	Less than 12 months				12 months or greater				Total			
	Estimated Fair Value		Gross Unrealized Losses		Estimated Fair Value		Gross Unrealized Losses		Estimated Fair Value		Gross Unrealized Losses	
Investment grade securities:												
Corporate	$	4,794	$	211	$	219	$	10	$	5,013	$	221
Canadian government		29		3		—		—		29		3
RMBS		323		7		—		—		323		7
ABS		793		6		933		12		1,726		18
CMBS		103		2		68		2		171		4
U.S. government		431		53		—		—		431		53
State and political subdivisions		271		9		29		5		300		14
Other foreign government		2,469		50		498		25		2,967		75
Total investment grade securities		9,213		341		1,747		54		10,960		395
Below investment grade securities:												
Corporate		258		45		226		22	$	484	$	67
ABS		—		—		15		12		15		12
CMBS		42		1		44		6		86		7
Other foreign government		86		4		26		5		112		9
Total below investment grade securities		386		50		311		45		697		95
Total fixed maturity securities	$	9,599	$	391	$	2,058	$	99	$	11,657	$	490

December 31, 2020:	Less than 12 months				12 months or greater				Total			
	Estimated Fair Value		Gross Unrealized Losses		Estimated Fair Value		Gross Unrealized Losses		Estimated Fair Value		Gross Unrealized Losses	
Investment grade securities:												
Corporate	$	930	$	29	$	70	$	5	$	1,000	$	34
Canadian government		—		—		—		—		—		—
RMBS		294		2		—		—		294		2
ABS		1,096		17		570		11		1,666		28
CMBS		160		6		—		—		160		6
U.S. government		27		1		—		—		27		1
State and political subdivisions		66		1		16		3		82		4
Other foreign government		973		27		—		—		973		27
Total investment grade securities		3,546		83		656		19		4,202		102
Below investment grade securities:												
Corporate		375		49		81		11		456		60
ABS		20		13		4		1		24		14
CMBS		91		15		—		—		91		15
Other foreign government		36		3		28		3		64		6
Total below investment grade securities		522		80		113		15		635		95
Total fixed maturity securities	$	4,068	$	163	$	769	$	34	$	4,837	$	197

The Company has no intention to sell, nor does it expect to be required to sell, the securities outlined in the table above, as of the dates indicated. However, unforeseen facts and circumstances may cause the Company to sell fixed maturity securities in the ordinary course of managing its portfolio to meet certain diversification, credit quality and liquidity guidelines. Changes in unrealized losses are primarily driven by changes in interest rates.

Investment Income and Investment Related Gains (Loss), Net - Accounting Correction

During the three-months ended March 31, 2021, the Company reclassified approximately $92 million of pre-tax unrealized gains from AOCI to investment income, net of related expenses associated with investments in limited partnerships and private equity funds for which it utilizes the equity method of accounting. The unrealized gains should have been recognized directly in investment income in the same prior periods they were reported by the investees. In addition, the Company recorded approximately $70 million of pre-tax gains in investment related gains (losses), net, associated with investments in limited partnerships considered to be investment companies in order to adjust the carrying value from cost less impairments to a fair value approach, using the net asset value (“NAV”) per share or its equivalent. Had the adjustments been recorded in the years they were reported by the investees, the Company estimates it would have recognized approximately $102 million, $(2) million, $1 million and $10 million of pre-tax income (loss) in the years ended December 31, 2020, 2019, 2018 and 2017, respectively.

Investment Income, Net of Related Expenses

Major categories of investment income, net of related expenses, consist of the following (dollars in millions):

	Three months ended March 31,	
	2021	2020
Fixed maturity securities available-for-sale	$ 495	$ 480
Equity securities	2	2
Mortgage loans on real estate	66	67
Policy loans	14	15
Funds withheld at interest	84	53
Short-term investments and cash and cash equivalents	1	4
Other invested assets	174	(5)
Investment income	836	616
Investment expense	(24)	(22)
Investment income, net of related expenses	812	$ 594

Investment Related Gains (Losses), Net

Investment related gains (losses), net, consist of the following (dollars in millions):

	Three months ended March 31,	
	2021	2020
Fixed maturity securities available-for-sale:		
Impairments and change in allowance for credit losses	$ (2)	$ (34)
Gain on investment activity	167	27
Loss on investment activity	(13)	(8)
Net gains (losses) on equity securities	3	(23)
Other impairment losses and change in mortgage loan provision	18	(13)
Change in fair value of certain limited partnership investments and other, net	111	9
Net gains (losses) on derivatives	18	(243)
Total investment related gains (losses), net	$ 302	$ (285)

Securities Borrowing, Lending and Repurchase Agreements

The following table includes the amount of borrowed securities, loaned securities, and securities received as collateral as part of the securities lending program and repurchased/reverse repurchased securities pledged and received as of March 31, 2021 and December 31, 2020 (dollars in millions).

	March 31, 2021		December 31, 2020	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Borrowed securities	$ 233	$ 257	$ 118	$ 161
Securities lending:				
Securities loaned	94	102	94	105
Securities received	n/a	104	n/a	102
Repurchase program/reverse repurchase program:				
Securities pledged	647	685	653	711
Securities received	n/a	657	n/a	669

The Company held cash collateral for repurchase/reverse repurchase programs of $5 million as of March 31, 2021. There was no cash collateral held for repurchase/reverse repurchase programs as of December 31, 2020. No cash or securities have been pledged by the Company for its securities borrowing and lending programs as of March 31, 2021 and December 31, 2020.

The following tables present information on the Company’s securities lending and repurchase/reverse repurchase transactions as of March 31, 2021 and December 31, 2020 (dollars in millions). Collateral associated with certain borrowed securities is not included within the tables, as the collateral pledged to each counterparty is the right to reinsurance treaty cash flows.

	March 31, 2021				
	Remaining Contractual Maturity of the Agreements				
	Overnight and Continuous	Up to 30 Days	30 – 90 Days	Greater than 90 Days	Total
Securities lending transactions:					
Corporate	$ —	$ —	$ —	$ 102	$ 102
Total	—	—	—	102	102
Repurchase/reverse repurchase transactions:					
Corporate	—	—	—	407	407
Other foreign government	—	—	—	278	278
Total	—	—	—	685	685
Total transactions	$ —	$ —	$ —	$ 787	$ 787
Gross amount of recognized liabilities for securities lending and repurchase/reverse repurchase transactions in preceding table					$ 766
Amounts related to agreements not included in offsetting disclosure					$ 21

	December 31, 2020				
	Remaining Contractual Maturity of the Agreements				
	Overnight and Continuous	Up to 30 Days	30 – 90 Days	Greater than 90 Days	Total
Securities lending transactions:					
Corporate	$ —	$ —	$ —	$ 105	$ 105
Total	—	—	—	105	105
Repurchase/reverse repurchase transactions:					
Corporate	—	—	—	417	417
Other foreign government	—	—	—	294	294
Total	—	—	—	711	711
Total transactions	$ —	$ —	$ —	$ 816	$ 816
Gross amount of recognized liabilities for securities lending and repurchase/reverse repurchase transactions in preceding table					$ 771
Amounts related to agreements not included in offsetting disclosure					$ 45

The Company has elected to offset amounts recognized as receivables and payables resulting from the repurchase/reverse repurchase programs. After the effect of offsetting, the net amount presented on the condensed consolidated balance sheet was a liability of $5 million as of March 31, 2021. After the effect of offsetting, there was no liability presented on the consolidated balance sheet as of December 31, 2020. As of March 31, 2021, the Company recognized payables resulting from cash received as collateral associated with a repurchase/reverse repurchase agreement, as discussed above. As of December 31, 2020, the Company did not have payables resulting from cash received as collateral associated with a repurchase/reverse repurchase agreements. Amounts owed to and due from the counterparties may be settled in cash or offset, in accordance with the agreements.

Mortgage Loans on Real Estate

As of March 31, 2021, mortgage loans were geographically dispersed throughout the U.S. with the largest concentrations in California (13.9%), Texas (13.6%) and Washington (8.8%), in addition to loans secured by properties in Canada (3.2%) and United Kingdom (1.8%). The recorded investment in mortgage loans on real estate presented below is gross of unamortized deferred loan origination fees and expenses and valuation allowances.

The following table presents the distribution of the Company's recorded investment in mortgage loans by property type as of March 31, 2021 and December 31, 2020 (dollars in millions):

	March 31, 2021		December 31, 2020	
Property type:	Carrying Value	% of Total	Carrying Value	% of Total
Office	$ 1,724	28.5 %	$ 1,702	29.0 %
Retail	1,753	28.9	1,711	29.3
Industrial	1,297	21.4	1,210	20.6
Apartment	856	14.1	808	13.8
Other commercial	428	7.1	430	7.3
Recorded investment	$ 6,058	100.0 %	5,861	100.0 %
Unamortized balance of loan origination fees and expenses	(10)		(10)	
Valuation allowances	(47)		(64)	
Total mortgage loans on real estate	$ 6,001		$ 5,787	

The following table presents the maturities of the Company's recorded investment in mortgage loans as of March 31, 2021 and December 31, 2020 (dollars in millions):

	March 31, 2021		December 31, 2020	
	Recorded Investment	% of Total	Recorded Investment	% of Total
Due within five years	$ 2,478	40.9 %	$ 2,276	38.8 %
Due after five years through ten years	2,674	44.1	2,768	47.3
Due after ten years	906	15.0	817	13.9
Total	$ 6,058	100.0 %	$ 5,861	100.0 %

The following tables set forth certain key credit quality indicators of the Company's recorded investment in mortgage loans as of March 31, 2021 and December 31, 2020 (dollars in millions):

	Recorded Investment					
	Debt Service Ratios					
	>1.20x	1.00x – 1.20x	<1.00x	Construction loans	Total	% of Total
March 31, 2021:						
Loan-to-Value Ratio						
0% – 59.99%	$ 2,877	$ 131	$ 83	$ 26	$ 3,117	51.4 %
60% – 69.99%	2,020	64	3	—	2,087	34.5
70% – 79.99%	494	71	43	—	608	10.0
80% or greater	208	21	17	—	246	4.1
Total	$ 5,599	$ 287	$ 146	$ 26	$ 6,058	100.0 %

	Recorded Investment					
	Debt Service Ratios					
	>1.20x	1.00x – 1.20x	<1.00x	Construction loans	Total	% of Total
December 31, 2020:						
Loan-to-Value Ratio						
0% – 59.99%	$ 2,774	$ 106	$ 17	$ 12	$ 2,909	49.6 %
60% – 69.99%	2,013	62	33	—	2,108	36.0
70% – 79.99%	555	49	13	—	617	10.5
80% or greater	189	21	17	—	227	3.9
Total	$ 5,531	$ 238	$ 80	$ 12	$ 5,861	100.0 %

The following table sets forth credit quality grades by year of origination of the Company's recorded investment in mortgage loans as of March 31, 2021 and December 31, 2020 (dollars in millions):

	Recorded Investment						
	Year of Origination						
	2021	2020	2019	2018	2017	Prior	Total
March 31, 2021:							
Internal credit quality grade:							
High investment grade	$ 230	$ 411	$ 575	$ 451	$ 315	$ 1,494	$ 3,476
Investment grade	116	360	498	388	397	637	2,396
Average	—	—	—	39	19	88	146
Watch list	—	—	—	—	—	4	4
In or near default	—	-	—	—	—	36	36
Total	$ 346	$ 771	$ 1,073	$ 878	$ 731	$ 2,259	$ 6,058

	Recorded Investment						
	Year of Origination						
	2020	2019	2018	2017	2016	Prior	Total
December 31, 2020:							
Internal credit quality grade:							
High investment grade	$ 411	$ 616	$ 493	$ 336	$ 574	$ 1,008	$ 3,438
Investment grade	352	496	399	407	249	368	2,271
Average	—	—	—	19	37	55	111
Watch list	—	—	—	—	—	4	4
In or near default	—	—	—	—	—	37	37
Total	$ 763	$ 1,112	$ 892	$ 762	$ 860	$ 1,472	$ 5,861

The following table presents the current and past due composition of the Company's recorded investment in mortgage loans as of March 31, 2021 and December 31, 2020.

	March 31, 2021	December 31, 2020
Current	$ 6,043	$ 5,846
31 – 60 days past due	15	15
Total	$ 6,058	$ 5,861

The following table presents the recorded investment in mortgage loans, by method of measuring impairment, and the related valuation allowances as of March 31, 2021 and December 31, 2020 (dollars in millions):

	March 31, 2021	December 31, 2020
Mortgage loans:		
Individually measured for impairment	$ 36	$ 37
Collectively measured for impairment	6,022	5,824
Recorded investment	$ 6,058	$ 5,861
Valuation allowances:		
Individually measured for impairment	$ —	$ —
Collectively measured for impairment	47	64
Total valuation allowances	$ 47	$ 64

The following table presents information regarding the Company's loan valuation allowances for mortgage loans for the three months ended March 31, 2021 and 2020 (dollars in millions):

	Three months ended March 31,	
	2021	2020
Balance, beginning of period	$ 64	$ 12
Adoption of new accounting standard, see Note 13	—	14
Provision (release)	(17)	13
Balance, end of period	$ 47	$ 39

The following table presents information regarding the portion of the Company's mortgage loans that were impaired as of March 31, 2021 and December 31, 2020 (dollars in millions):

	Unpaid Principal Balance	Recorded Investment	Related Allowance	Carrying Value
March 31, 2021:				
Impaired mortgage loans with no valuation allowance recorded	$ 36	$ 36	$ —	$ 36
Impaired mortgage loans with valuation allowance recorded	—	—	—	—
Total impaired mortgage loans	$ 36	$ 36	$ —	$ 36
December 31, 2020:				
Impaired mortgage loans with no valuation allowance recorded	$ 37	$ 37	$ —	$ 37
Impaired mortgage loans with valuation allowance recorded	—	—	—	—
Total impaired mortgage loans	$ 37	$ 37	$ —	$ 37

The following table presents the Company's average investment balance of impaired mortgage loans and the related interest income for the periods indicated (dollars in millions):

	Three months ended March 31,			
	2021		2020	
	Average Recorded Investment(1)	Interest Income	Average Recorded Investment(1)	Interest Income
Impaired mortgage loans with no valuation allowance recorded	$ 36	$ —	$ 17	$ —
Impaired mortgage loans with valuation allowance recorded	—	—	—	—
Total impaired mortgage loans	$ 36	$ —	$ 17	$ —

(1) Average recorded investment represents the average loan balances as of the beginning of period and all subsequent quarterly end of period balances.

The Company did not acquire any impaired mortgage loans during the three months ended March 31, 2021 and 2020. The Company had no mortgage loans that were on a nonaccrual status as of March 31, 2021 and December 31, 2020. For the three months ended March 31, 2021, the Company modified the payment terms of one commercial mortgage loan, with a carrying value of approximately $10 million in response to COVID-19. For the year ended December 31, 2020, the Company modified the payment terms of 52 commercial mortgage loans, with a carrying value of approximately $660 million in response to COVID-19. These loans met the criteria established in the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and were not considered a troubled debt restructuring. In accordance with the CARES Act criteria, these loans were not more than 30 days past due at December 31, 2019, and the modifications included deferral or delayed payments of principal or interest on the loan.

Policy Loans

The majority of policy loans are associated with one client. These policy loans present no credit risk as the amount of the loan cannot exceed the obligation due to the ceding company upon the death of the insured or surrender of the underlying policy. The provisions of the treaties in force and the underlying policies determine the policy loan interest rates. The Company earns a spread between the interest rate earned on policy loans and the interest rate credited to corresponding liabilities.

Funds Withheld at Interest

As of March 31, 2021, $3.2 billion of the funds withheld at interest balance is associated with one client. For reinsurance agreements written on a modco basis and certain agreements written on a coinsurance funds withheld basis, assets equal to the net statutory reserves are withheld and legally owned and managed by the ceding company and are reflected as funds withheld at interest. In the event of a ceding company's insolvency, the Company would need to assert a claim on the assets supporting its reserve liabilities. However, the risk of loss to the Company is mitigated by its ability to offset amounts it owes the ceding company for claims or allowances against amounts owed to the Company from the ceding company.

Other Invested Assets

Other invested assets include limited partnership interests, joint ventures (other than operating joint ventures), lifetime mortgages, derivative contracts and fair value option ("FVO") contractholder-directed unit-linked investments. Other invested assets also include FHLB common stock, which is included in Other in the table below. The allowance for credit losses for lifetime mortgages as of March 31, 2021 and December 31, 2020, was $1 million and $2 million, respectively. Carrying values of these assets as of March 31, 2021 and December 31, 2020 are as follows (dollars in millions):

	March 31, 2021	December 31, 2020
Limited partnership interests and real estate joint ventures	$ 1,529	$ 1,367
Lifetime mortgages	958	935
Derivatives	125	140
FVO contractholder-directed unit-linked investments	276	289
Other	95	98
Total other invested assets	$ 2,983	$ 2,829

5. Derivative Instruments

Accounting for Derivative Instruments and Hedging Activities

See Note 2 – "Significant Accounting Policies and Pronouncements" of the Company's 2020 Annual Report for a detailed discussion of the accounting treatment for derivative instruments, including embedded derivatives. See Note 6 – "Fair Value of Assets and Liabilities" for additional disclosures related to the fair value hierarchy for derivative instruments, including embedded derivatives.

Types of Derivatives Used by the Company

Commonly used derivative instruments include, but are not necessarily limited to: credit default swaps, financial futures, equity options, foreign currency swaps, foreign currency forwards, interest rate swaps, synthetic guaranteed investment contracts ("GICs"), consumer price index ("CPI") swaps, other derivatives, and embedded derivatives.

For detailed information on these derivative instruments and the related strategies, see Note 5 – "Derivative Instruments" of the Company's 2020 Annual Report.

Summary of Derivative Positions

Derivatives, except for embedded derivatives, are included in other invested assets or other liabilities, at fair value. Embedded derivative assets and liabilities on modco or funds withheld arrangements are included on the condensed consolidated balance sheets with the host contract in funds withheld at interest, at fair value. Embedded derivative liabilities on indexed annuity and variable annuity products are included on the condensed consolidated balance sheets with the host contract in interest-sensitive contract liabilities, at fair value. The following table presents the notional amounts and gross fair value of derivative instruments prior to taking into account the netting effects of master netting agreements as of March 31, 2021 and December 31, 2020 (dollars in millions):

		March 31, 2021			December 31, 2020		
		Notional	Carrying Value/Fair Value		Notional	Carrying Value/Fair Value	
	Primary Underlying Risk	Amount	Assets	Liabilities	Amount	Assets	Liabilities
Derivatives not designated as hedging instruments:							
Interest rate swaps	Interest rate	$ 1,107	$ 67	$ 3	$ 1,084	$ 93	$ 1
Financial futures	Equity	285	—	—	258	—	—
Foreign currency swaps	Foreign currency	150	—	9	150	—	18
Foreign currency forwards	Foreign currency	475	2	10	347	4	2
CPI swaps	CPI	627	19	12	612	11	19
Credit default swaps	Credit	1,720	32	3	1,517	13	—
Equity options	Equity	443	26	—	395	29	—
Synthetic GICs	Interest rate	16,423	—	—	16,644	—	—
Embedded derivatives in:							
Modco or funds withheld arrangements		—	109	—	—	58	—
Indexed annuity products		—	—	720	—	—	752
Variable annuity products		—	—	136	—	—	155
Total non-hedging derivatives		21,230	255	893	21,007	208	947
Derivatives designated as hedging instruments:							
Interest rate swaps	Foreign currency/Interest rate	878	2	24	802	3	24
Foreign currency swaps	Foreign currency	214	6	1	234	8	1
Foreign currency forwards	Foreign currency	1,141	5	18	1,255	10	15
Other derivatives	Interest rate	114	—	7	—	—	—
Total hedging derivatives		2,347	13	50	2,291	21	40
Total derivatives		$ 23,577	$ 268	$ 943	$ 23,298	$ 229	$ 987

Fair Value Hedges

The Company designates and reports certain foreign currency swaps to hedge the foreign currency fair value exposure of foreign currency denominated assets as fair value hedges when they meet the requirements of the general accounting principles for *Derivatives and Hedging*. The gain or loss on the hedged item attributable to a change in foreign currency and the offsetting gain or loss on the related foreign currency swaps as of March 31, 2021 and 2020 were (dollars in millions):

Type of Fair Value Hedge	Hedged Item	Gains (Losses) Recognized for Derivatives	Gains (Losses) Recognized for Hedged Items
		Investment Related Gains (Losses)	
For the three months ended March 31, 2021:			
Foreign currency swaps	Foreign-denominated fixed maturity securities	$ —	$ 1
For the three months ended March 31, 2020:			
Foreign currency swaps	Foreign-denominated fixed maturity securities	$ (22)	$ 14

Cash Flow Hedges

Certain derivative instruments are designated as cash flow hedges when they meet the requirements of the general accounting principles for *Derivatives and Hedging*. The Company designates and accounts for the following as cash flow hedges: (i) certain interest rate swaps, in which the cash flows of assets and liabilities are variable based on a benchmark rate; (ii) certain interest rate swaps, in which the cash flows of assets are denominated in different currencies, commonly referred to as cross-currency swaps; and (iii) forward bond purchase commitments.

The following table presents the components of AOCI, before income tax, and the condensed consolidated income statement classification where the gain or loss is recognized related to cash flow hedges for the three months ended March 31, 2021 and 2020 (dollars in millions):

	Three months ended March 31,	
	2021	2020
Balance, beginning of period	$ (49)	$ (26)
Gains (losses) deferred in other comprehensive income (loss)	(24)	(61)
Amounts reclassified to investment income	—	—
Amounts reclassified to interest expense	2	—
Balance, end of period	$ (71)	$ (87)

As of March 31, 2021, approximately $6 million of before-tax deferred net losses on derivative instruments recorded in AOCI are expected to be reclassified to interest expense during the next twelve months. For the same time period, there was an immaterial amount of before-tax deferred net gains expected to be reclassified to investment income during the next twelve months.

The following table presents the effect of derivatives in cash flow hedging relationships on the condensed consolidated statements of income and the condensed consolidated statements of comprehensive income for the three months ended March 31, 2021 and 2020 (dollars in millions):

Derivative Type	Gain (Loss) Deferred in OCI	Gain (Loss) Reclassified into Income from OCI	
		Investment Income	Interest Expense
For the three months ended March 31, 2021:			
Interest rate	$ (23)	$ —	$ (2)
Foreign currency/interest rate	(1)	—	—
Total	$ (24)	$ —	$ (2)
For the three months ended March 31, 2020:			
Interest rate	$ (36)	$ —	$ —
Foreign currency/interest rate	(25)	—	—
Total	$ (61)	$ —	$ —

For the three months ended March 31, 2021 and 2020, there were no material amounts reclassified into earnings relating to instances in which the Company discontinued cash flow hedge accounting because the forecasted transaction did not occur by the anticipated date or within the additional time period permitted by the authoritative guidance for the accounting for derivatives and hedging.

Hedges of Net Investments in Foreign Operations

The Company uses foreign currency swaps and foreign currency forwards to hedge a portion of its net investment in certain foreign operations against adverse movements in exchange rates. The following table illustrates the Company's net investments in foreign operations ("NIFO") hedges and the gains (losses) deferred in AOCI for the three months ended March 31, 2021 and 2020 (dollars in millions):

	Derivative Gains (Losses) Deferred in AOCI	
	For the three months ended March 31,	
Type of NIFO Hedge	2021	2020
Foreign currency swaps	$ (1)	$ 15
Foreign currency forwards	(14)	80
Total	$ (15)	$ 95

The cumulative foreign currency translation gain recorded in AOCI related to these hedges was $124 million and $139 million as of March 31, 2021 and December 31, 2020, respectively. If a hedged foreign operation was sold or substantially liquidated, the amounts in AOCI would be reclassified to the condensed consolidated statements of income. A pro rata portion would be reclassified upon partial sale of a hedged foreign operation. There were no sales or substantial liquidations of net investments in foreign operations that would have required the reclassification of gains or losses from accumulated other comprehensive income (loss) into investment income during the periods presented.

Non-qualifying Derivatives and Derivatives for Purposes Other Than Hedging

The Company uses various other derivative instruments for risk management purposes that either do not qualify or have not been qualified for hedge accounting treatment. The gain or loss related to the change in fair value for these derivative instruments is recognized in investment related gains (losses), net in the condensed consolidated statements of income, except where otherwise noted.

A summary of the effect of non-hedging derivatives, including embedded derivatives, on the Company's condensed consolidated statements of income for the three months ended March 31, 2021 and 2020 is as follows (dollars in millions):

		Gain (loss) for the three months ended March 31,	
Type of Non-hedging Derivative	Income Statement Location of Gain (Loss)	2021	2020
Interest rate swaps	Investment related gains (losses), net	$ (70)	$ 106
Financial futures	Investment related gains (losses), net	(10)	44
Foreign currency swaps	Investment related gains (losses), net	9	(13)
Foreign currency forwards	Investment related gains (losses), net	(8)	(3)
CPI swaps	Investment related gains (losses), net	18	(40)
Credit default swaps	Investment related gains (losses), net	20	(24)
Equity options	Investment related gains (losses), net	(10)	53
Subtotal		(51)	123
Embedded derivatives in:			
Modco or funds withheld arrangements	Investment related gains (losses), net	50	(230)
Indexed annuity products	Interest credited	14	6
Variable annuity products	Investment related gains (losses), net	19	(128)
Total non-hedging derivatives		$ 32	$ (229)

Credit Derivatives

The following table presents the estimated fair value, maximum amount of future payments and weighted average years to maturity of credit default swaps sold by the Company at March 31, 2021 and December 31, 2020 (dollars in millions):

	March 31, 2021			December 31, 2020		
Rating Agency Designation of Referenced Credit Obligations[1]	Estimated Fair Value of Credit Default Swaps	Maximum Amount of Future Payments under Credit Default Swaps[2]	Weighted Average Years to Maturity[3]	Estimated Fair Value of Credit Default Swaps	Maximum Amount of Future Payments under Credit Default Swaps[2]	Weighted Average Years to Maturity[3]
AAA/AA+/AA/AA-/A+/A/A-						
Single name credit default swaps	$ 26	$ 492	17.8	$ 11	$ 287	15.0
Subtotal	26	492	17.8	11	287	15.0
BBB+/BBB/BBB-						
Single name credit default swaps	2	230	1.7	2	232	1.6
Credit default swaps referencing indices	1	988	3.7	—	988	3.9
Subtotal	3	1,218	3.3	2	1,220	3.5
BB+/BB/BB-						
Single name credit default swaps	—	10	0.5	—	10	0.7
Subtotal	—	10	0.5	—	10	0.7
Total	$ 29	$ 1,720	7.4	$ 13	$ 1,517	5.6

(1) The rating agency designations are based on ratings from Standard and Poor's ("S&P").

(2) Assumes the value of the referenced credit obligations is zero.

(3) The weighted average years to maturity of the credit default swaps is calculated based on weighted average notional amounts.

Netting Arrangements and Credit Risk

Certain of the Company's derivatives are subject to enforceable master netting arrangements and reported as a net asset or liability in the condensed consolidated balance sheets. The Company nets all derivatives that are subject to such arrangements.

The Company has elected to include all derivatives, except embedded derivatives, in the tables below, irrespective of whether they are subject to an enforceable master netting arrangement or a similar agreement. See Note 4 – "Investments" for information regarding the Company's securities borrowing, lending, and repurchase/reverse repurchase programs.

The following table provides information relating to the netting of the Company's derivative instruments as of March 31, 2021 and December 31, 2020 (dollars in millions):

				Gross Amounts Not Offset in the Balance Sheet		
	Gross Amounts Recognized	Gross Amounts Offset in the Balance Sheet	Net Amounts Presented in the Balance Sheet	Financial Instruments [1]	Cash Collateral Pledged/ Received	Net Amount
March 31, 2021:						
Derivative assets	$ 159	$ (34)	$ 125	$ (33)	$ (81)	$ 11
Derivative liabilities	87	(34)	53	(118)	(43)	(108)
December 31, 2020:						
Derivative assets	$ 171	$ (31)	$ 140	$ (30)	$ (98)	$ 12
Derivative liabilities	80	(31)	49	(146)	(47)	(144)

(1) Includes initial margin posted to a central clearing partner.

The Company may be exposed to credit-related losses in the event of non-performance by counterparties to derivative financial instruments. Generally, the credit exposure of the Company's derivative contracts is limited to the fair value and accrued interest of non-collateralized derivative contracts in an asset position at the reporting date. As of March 31, 2021, the Company had credit exposure of $18 million.

Derivatives may be exchange-traded or they may be privately negotiated contracts, which are referred to as over-the-counter ("OTC") derivatives. Certain of the Company's OTC derivatives are cleared and settled through central clearing counterparties ("OTC cleared") and others are bilateral contracts between two counterparties. The Company manages its credit risk related to OTC derivatives by entering into transactions with creditworthy counterparties, maintaining collateral arrangements and through the use of master netting agreements that provide for a single net payment to be made by one counterparty to another at each due date and upon termination. The Company is only exposed to the default of the central clearing counterparties for OTC cleared derivatives, and these transactions require initial and daily variation margin collateral postings. Exchange-traded derivatives are settled on a daily basis, thereby reducing the credit risk exposure in the event of non-performance by counterparties to such financial instruments.

6. Fair Value of Assets and Liabilities

Fair Value Measurement

General accounting principles for *Fair Value Measurements and Disclosures* define fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. These principles also establish a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value and describes three levels of inputs that may be used to measure fair value:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities. The Company's Level 1 assets and liabilities are traded in active exchange markets.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or market standard valuation techniques and assumptions that use significant inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the related assets or liabilities. Prices are determined using valuation methodologies such as discounted cash flow models and other similar techniques that require management's judgment or estimation in developing inputs that are consistent with those other market participants would use when pricing similar assets and liabilities. Additionally, the Company's embedded derivatives, all of which are associated with reinsurance treaties, are classified in Level 3 since their values include significant unobservable inputs.

For a discussion of the Company's valuation methodologies for assets and liabilities measured at fair value and the fair value hierarchy, see Note 6 – "Fair Value of Assets and Liabilities" in the Notes to Consolidated Financial Statements included in the Company's 2020 Annual Report.

Assets and Liabilities by Hierarchy Level

Assets and liabilities measured at fair value on a recurring basis as of March 31, 2021 and December 31, 2020 are summarized below (dollars in millions):

March 31, 2021:		Fair Value Measurements Using:		
	Total	Level 1	Level 2	Level 3
Assets:				
Fixed maturity securities – available-for-sale:				
Corporate	$ 35,295	$ —	$ 32,194	$ 3,101
Canadian government	4,673	—	4,673	—
RMBS	1,591	—	1,588	3
ABS	3,151	—	2,822	329
CMBS	1,840	—	1,784	56
U.S. government	930	809	108	13
State and political subdivisions	1,335	—	1,326	9
Other foreign government	7,611	—	7,595	16
Total fixed maturity securities – available-for-sale	56,426	809	52,090	3,527
Equity securities	135	81	—	54
Funds withheld at interest – embedded derivatives & other	176	—	—	176
Cash equivalents	1,460	1,434	26	—
Short-term investments	123	3	109	11
Other invested assets:				
Derivatives	125	—	125	—
FVO contractholder-directed unit-linked investments	276	222	54	—
Total other invested assets (1)	401	222	179	—
Total	$ 58,721	$ 2,549	$ 52,404	$ 3,768
Liabilities:				
Interest sensitive contract liabilities – embedded derivatives	$ 856	$ —	$ —	$ 856
Other liabilities:				
Derivatives	53	—	53	—
Total	$ 909	$ —	$ 53	$ 856

(1) Other invested assets included in the fair value hierarchy exclude limited partnership interests that are measured at estimated fair value using the net asset value ("NAV") per share (or its equivalent) as a practical expedient. As of March 31, 2021, the fair value of such investments was $465 million.

December 31, 2020:		Fair Value Measurements Using:		
	Total	Level 1	Level 2	Level 3
Assets:				
Fixed maturity securities – available-for-sale:				
Corporate	$ 36,208	$ —	$ 33,179	$ 3,029
Canadian government	5,140	—	5,140	—
RMBS	1,817	—	1,814	3
ABS	3,092	—	2,896	196
CMBS	1,868	—	1,813	55
U.S. government	1,437	1,312	111	14
State and political subdivisions	1,390	—	1,381	9
Other foreign government	5,783	—	5,766	17
Total fixed maturity securities – available-for-sale	56,735	1,312	52,100	3,323
Equity securities	132	79	—	53
Funds withheld at interest – embedded derivatives & other	114	—	—	114
Cash equivalents	1,478	1,478	—	—
Short-term investments	197	32	150	15
Other invested assets:				
Derivatives	140	—	140	—
FVO contractholder-directed unit-linked investments	289	224	65	—
Total other invested assets	429	224	205	—
Total	$ 59,085	$ 3,125	$ 52,455	$ 3,505
Liabilities:				
Interest-sensitive contract liabilities – embedded derivatives	$ 907	$ —	$ —	$ 907
Other liabilities:				
Derivatives	49	—	49	—
Total	$ 956	$ —	$ 49	$ 907

Quantitative Information Regarding Internally Priced Assets and Liabilities

The following table presents quantitative information about significant unobservable inputs used in Level 3 fair value measurements that are developed internally by the Company as of March 31, 2021 and December 31, 2020 (dollars in millions):

	Estimated Fair Value				Range (Weighted Average)	
	March 31, 2021	December 31, 2020	Valuation Technique	Unobservable Inputs	March 31, 2021	December 31, 2020
Assets:						
Corporate	$ 21	$ 37	Market comparable securities	Liquidity premium	N/A	0-1% (1%)
				EBITDA Multiple	5.2x-7.6x (6.5x)	5.2x-11.2x (7.1x)
ABS	79	87	Market comparable securities	Liquidity premium	1-18% (5%)	1-18% (1%)
U.S. government	13	14	Market comparable securities	Liquidity premium	0-1% (1%)	0-1% (1%)
Equity securities	12	10	Market comparable securities	EBITDA Multiple	6.9x-10.6x (8.1x)	6.9x-10.6x (7.9x)
Funds withheld at interest – embedded derivatives	109	58	Total return swap	Mortality	0-100% (3%)	0-100% (3%)
				Lapse	0-35% (14%)	0-35% (13%)
				Withdrawal	0-5% (3%)	0-5% (3%)
				CVA	0-5% (1%)	0-5% (1%)
				Crediting rate	2-4% (2%)	2-4% (2%)
Liabilities:						
Interest sensitive contract liabilities – embedded derivatives – indexed annuities	720	752	Discounted cash flow	Mortality	0-100% (3%)	0-100% (3%)
				Lapse	0-35% (14%)	0-35% (13%)
				Withdrawal	0-5% (3%)	0-5% (3%)
				Option budget projection	2-4% (2%)	2-4% (2%)
Interest sensitive contract liabilities – embedded derivatives – variable annuities	136	155	Discounted cash flow	Mortality	0-100% (2%)	0-100% (2%)
				Lapse	0-25%(4%)	0-25% (4%)
				Withdrawal	0-7% (5%)	0-7% (5%)
				CVA	0-5% (1%)	0-5% (1%)
				Long-term volatility	0-27% (14%)	0-27% (13%)

Changes in Level 3 Assets and Liabilities

Assets and liabilities transferred into Level 3 are due to a lack of observable market transactions and price information. Transfers out of Level 3 are primarily the result of the Company obtaining observable pricing information or a third-party pricing quotation that appropriately reflects the fair value of those assets and liabilities.

For further information on the Company's valuation processes, see Note 6 – "Fair Value of Assets and Liabilities" in the Notes to Consolidated Financial Statements included in the Company's 2020 Annual Report.

The reconciliations for all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) are as follows (dollars in millions):

For the three months ended March 31, 2021:	Fixed maturity securities – available-for-sale							
	Corporate	Foreign govt	Structured securities	U.S. and local govt	Equity securities	Short-term investments	Funds withheld at interest – embedded derivatives & other	Interest-sensitive contract liabilities embedded derivatives
Fair value, beginning of period	$ 3,029	$ 17	$ 254	$ 23	$ 53	$ 15	$ 114	$ (907)
Total gains/losses (realized/unrealized)								
Included in earnings, net:								
Investment income, net of related expenses	1	—	—	—	—	—	(5)	—
Investment related gains (losses), net	(1)	—	—	—	1	—	50	19
Interest credited	—	—	—	—	—	—	—	13
Included in other comprehensive income	(82)	(1)	(1)	—	—	—	1	—
Purchases(1)	223	—	166	—	—	—	16	(3)
Sales(1)	(1)	—	—	—	—	—	—	—
Settlements(1)	(72)	—	(61)	(1)	—	—	—	22
Transfers into Level 3	4	—	30	—	—	—	—	—
Transfers out of Level 3	—	—	—	—	—	(4)	—	—
Fair value, end of period	$ 3,101	$ 16	$ 388	$ 22	$ 54	$ 11	$ 176	$ (856)
Total gains/losses (realized/unrealized) recorded for the period relating to those Level 3 assets and liabilities that were still held at the end of the period								
Included in earnings, net:								
Investment income, net of related expenses	$ 1	$ —	$ —	$ —	$ —	$ —	$ (5)	$ —
Investment related gains (losses), net	(1)	—	—	—	1	—	50	16
Claims and other policy benefits	—	—	—	—	—	—	—	(8)
Included in other comprehensive income	(82)	(1)	(1)	—	—	—	—	—

For the three months ended March 31, 2020:	Fixed maturity securities – available-for-sale							
	Corporate	Foreign govt	Structured securities	U.S. and local govt	Equity securities	Short-term investments	Funds withheld at interest – embedded derivatives	Interest-sensitive contract liabilities embedded derivatives
Fair value, beginning of period	$ 2,186	$ 720	$ 208	$ 25	$ 77	$ 2	$ 121	$ (930)
Total gains/losses (realized/unrealized)								
Included in earnings, net:								
Investment income, net of related expenses	1	—	—	—	—	—	—	—
Investment related gains (losses), net	(11)	—	—	—	(7)	—	(230)	(128)
Interest credited	—	—	—	—	—	—	—	6
Included in other comprehensive income	(115)	(1)	(27)	1	—	—	—	—
Purchases[1]	231	—	9	—	—	—	—	(11)
Sales[1]	(44)	—	(1)	—	—	—	—	—
Settlements[1]	(52)	—	(13)	(1)	—	—	—	21
Transfers into Level 3	1	—	21	—	—	—	—	—
Transfers out of Level 3	—	(704)	(53)	—	(14)	(1)	—	—
Fair value, end of period	$ 2,197	$ 15	$ 144	$ 25	$ 56	$ 1	$ (109)	$ (1,042)
Total gains/losses (realized/unrealized) recorded for the period relating to those Level 3 assets and liabilities that were still held at the end of the period								
Included in earnings, net:								
Investment income, net of related expenses	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Investment related gains (losses), net	(11)	—	—	—	(7)	—	(230)	(131)
Claims & other policy benefits	—	—	—	—	—	—	—	(15)
Included in other comprehensive income	(140)	(1)	(27)	1	—	—	—	—

(1) The amount reported within purchases, sales and settlements is the purchase price (for purchases) and the sales/settlement proceeds (for sales and settlements) based upon the actual date purchased or sold/settled. Items purchased and sold/settled in the same period are excluded from the rollforward. The Company had no issuances during the period.

Nonrecurring Fair Value Measurements

The Company has certain assets subject to measurement at fair value on a nonrecurring basis, in periods subsequent to their initial recognition if they are determined to be impaired. During the three months ended March 31, 2021 and 2020, the Company did not have any material assets that were measured at fair value due to impairment.

Fair Value of Financial Instruments

The following table presents the carrying values and estimated fair values of the Company's financial instruments, which were not measured at fair value on a recurring basis, as of March 31, 2021 and December 31, 2020 (dollars in millions). For additional information regarding the methods and significant assumptions used by the Company to estimate these fair values, see Note 6 – "Fair Value of Assets and Liabilities" in the Notes to Consolidated Financial Statements included in the Company's 2020 Annual Report. This table excludes any payables or receivables for collateral under repurchase or reverse repurchase agreements and other transactions. The estimated fair value of the excluded amount approximates carrying value as they equal the amount of cash collateral received/paid.

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March 31, 2021:	Carrying Value (1)	Estimated Fair Value	Fair Value Measurement Using: Level 1	Level 2	Level 3	NAV
Assets:						
Mortgage loans on real estate	$ 6,001	$ 6,231	$ —	$ —	$ 6,231	$ —
Policy loans	1,253	1,253	—	1,253	—	—
Funds withheld at interest	5,264	5,618	—	—	5,618	—
Cash and cash equivalents	1,662	1,662	1,662	—	—	—
Short-term investments	34	34	34	—	—	—
Other invested assets	1,139	1,115	6	86	1,023	—
Accrued investment income	546	546	—	546	—	—
Liabilities:						
Interest-sensitive contract liabilities	$ 18,031	$ 19,470	$ —	$ —	$ 19,470	$ —
Long-term debt	3,573	3,800	—	—	3,800	—
Collateral finance and securitization notes	346	311	—	—	311	—
December 31, 2020:						
Assets:						
Mortgage loans on real estate	$ 5,787	$ 6,167	$ —	$ —	$ 6,167	$ —
Policy loans	1,258	1,258	—	1,258	—	—
Funds withheld at interest	5,292	5,676	—	—	5,676	—
Cash and cash equivalents	1,930	1,930	1,930	—	—	—
Short-term investments	30	30	30	—	—	—
Other invested assets	1,482	1,601	5	89	1,018	489
Accrued investment income	511	511	—	511	—	—
Liabilities:						
Interest-sensitive contract liabilities	$ 18,106	$ 19,683	$ —	$ —	$ 19,683	$ —
Long-term debt	3,573	3,901	—	—	3,901	—
Collateral finance and securitization notes	388	351	—	—	351	—

(1) Carrying values presented herein may differ from those in the Company’s condensed consolidated balance sheets because certain items within the respective financial statement captions may be measured at fair value on a recurring basis.

7. Segment Information

The accounting policies of the segments are the same as those described in Note 2 – “Significant Accounting Policies and Pronouncements” in the Notes to Consolidated Financial Statements included in the Company’s 2020 Annual Report. The Company measures segment performance primarily based on profit or loss from operations before income taxes. There are no intersegment reinsurance transactions and the Company does not have any material long-lived assets.

The Company allocates capital to its segments based on an internally developed economic capital model, the purpose of which is to measure the risk in the business and to provide a basis upon which capital is deployed. The economic capital model considers the unique and specific nature of the risks inherent in the Company’s businesses. As a result of the economic capital allocation process, a portion of investment income is attributed to the segments based on the level of allocated capital. In addition, the segments are charged for excess capital utilized above the allocated economic capital basis. This charge is included in policy acquisition costs and other insurance expenses.

The Company has geographic-based and business-based operational segments. Geographic-based operations are further segmented into traditional and financial solutions businesses. Information related to revenues, income (loss) before income taxes and total assets of the Company for each reportable segment are summarized below (dollars in millions):

	Three months ended March 31,	
Revenues:	2021	2020
U.S. and Latin America:		
Traditional	$ 1,637	$ 1,533
Financial Solutions	318	139
Total	1,955	1,672
Canada:		
Traditional	343	296
Financial Solutions	26	24
Total	369	320
Europe, Middle East and Africa:		
Traditional	457	407
Financial Solutions	146	78
Total	603	485
Asia Pacific:		
Traditional	647	667
Financial Solutions	104	68
Total	751	735
Corporate and Other	441	(8)
Total	$ 4,119	$ 3,204

	Three months ended March 31,	
Income (loss) before income taxes:	2021	2020
U.S. and Latin America:		
Traditional	$ (338)	$ (62)
Financial Solutions	83	(15)
Total	(255)	(77)
Canada:		
Traditional	24	23
Financial Solutions	6	3
Total	30	26
Europe, Middle East and Africa:		
Traditional	(68)	17
Financial Solutions	60	30
Total	(8)	47
Asia Pacific:		
Traditional	41	24
Financial Solutions	28	(25)
Total	69	(1)
Corporate and Other	350	(91)
Total	$ 186	$ (96)

Assets:	March 31, 2021	December 31, 2020
U.S. and Latin America:		
Traditional	$ 20,208	$ 20,071
Financial Solutions	24,426	25,433
Total	44,634	45,504
Canada:		
Traditional	4,937	4,682
Financial Solutions	12	13
Total	4,949	4,695
Europe, Middle East and Africa:		
Traditional	4,855	4,763
Financial Solutions	6,845	7,292
Total	11,700	12,055
Asia Pacific:		
Traditional	8,289	8,197
Financial Solutions	6,682	4,299
Total	14,971	12,496
Corporate and Other	8,556	9,906
Total	$ 84,810	$ 84,656

8. Commitments, Contingencies and Guarantees

Commitments

Funding of Investments

The Company’s commitments to fund investments as of March 31, 2021 and December 31, 2020, are presented in the following table (dollars in millions):

	March 31, 2021	December 31, 2020
Limited partnership interests and joint ventures	$ 713	$ 678
Mortgage loans on real estate	163	199
Bank loans and private placements	269	194
Lifetime mortgages	55	43

The Company anticipates that the majority of its current commitments will be invested over the next five years; however, these commitments could become due any time at the request of the counterparties. Bank loans and private placements are included in fixed maturity securities available-for-sale.

The Company has a liability for expected credit losses associated with unfunded commitments of approximately $1 million and $2 million as of March 31, 2021 and December 31, 2020, which is included in other liabilities on the Company’s condensed consolidated balance sheets.

Contingencies

Litigation

The Company is subject to litigation in the normal course of its business. The Company currently has no material litigation. A legal reserve is established when the Company is notified of an arbitration demand or litigation or is notified that an arbitration demand or litigation is imminent, it is probable that the Company will incur a loss as a result and the amount of the probable loss is reasonably capable of being estimated.

Other Contingencies

The Company indemnifies its directors and officers as provided in its charters and by-laws. Since this indemnity generally is not subject to limitation with respect to duration or amount, the Company does not believe that it is possible to determine the maximum potential amount due under this indemnity in the future.

Guarantees

Statutory Reserve Support

Certain RGA subsidiaries have committed to provide statutory reserve support to third parties, in exchange for a fee, by funding loans if certain defined events occur. Such statutory reserves are required under the U.S. Valuation of Life Policies Model Regulation (commonly referred to as Regulation XXX for term life insurance policies and Regulation A-XXX for universal life secondary guarantees). In addition, certain subsidiaries have also committed to provide capital support to a third party, in exchange for a fee, by agreeing to assume real estate leases in the event of a severe and prolonged decline in the commercial lease market. Upon assumption of a lease, the Company would recognize a right to use asset and lease obligation. As of March 31, 2021, the Company does not believe that it will be required to provide any funding under these commitments as the occurrence of the defined events is considered remote. The following table presents the maximum potential obligation for these commitments as of March 31, 2021 (dollars in millions):

Commitment Period	Maximum Potential Obligation
2034	$ 1,243
2035	2,458
2036	3,599
2037	2,850
2038	2,300
2039	11,351
2046	3,000

Other Guarantees

RGA has issued guarantees to third parties on behalf of its subsidiaries for the payment of amounts due under certain securities borrowing and repurchase arrangements, financing arrangements and office lease obligations, whereby, if a subsidiary fails to meet an obligation, RGA or one of its other subsidiaries will make a payment to fulfill the obligation. Additionally, in limited circumstances, treaty guarantees are granted to ceding companies in order to provide them additional security, particularly in cases where RGA's subsidiary is relatively new, unrated, or not of a significant size, relative to the ceding company. Liabilities supported by the treaty guarantees, before consideration of any legally offsetting amounts due from the guaranteed party are reflected on the Company's condensed consolidated balance sheets in future policy benefits. Potential guaranteed amounts of future payments will vary depending on production levels and underwriting results. Guarantees related to securities borrowing and repurchase arrangements provide additional security to third parties should a subsidiary fail to provide securities when due. RGA's guarantees issued as of March 31, 2021 and December 31, 2020, are reflected in the following table (dollars in millions):

	March 31, 2021	December 31, 2020
Treaty guarantees	$ 2,023	$ 1,934
Treaty guarantees, net of assets in trust	1,092	961
Securities borrowing and repurchase arrangements	134	133

9. Income Tax

For the three months ended March 31, 2021, the Company recorded income tax expense of $47 million on pre-tax income of $186 million, or an effective tax rate of 25.3%. The increase to the effective tax rate over the U.S. statutory income tax rate of 21% was primarily the result of income earned in jurisdictions with tax rates higher than the U.S., global intangible low-taxed income ("GILTI") and Subpart F income primarily generated from earnings in Canada and the United Kingdom ("UK"). For the three months ended March 31, 2020, the Company recorded income tax benefit of $(8) million on pre-tax loss of $(96) million, or an effective tax rate of 8.9%. The effective tax rate on the pre-tax loss was lower than the U.S. Statutory rate of 21% primarily as a result of income earned in jurisdictions with tax rates higher than the U.S. and tax expense related to uncertain tax positions, which was partially offset by valuation allowance releases in various jurisdictions.

10. Employee Benefit Plans

The components of net periodic benefit cost, included in other operating expenses on the Company's condensed consolidated statements of income, for the three months ended March 31, 2021 and 2020 were as follows (dollars in millions):

	Pension Benefits		Other Benefits	
	Three months ended March 31,		Three months ended March 31,	
	2021	2020	2021	2020
Service cost	$ 4	$ 3	$ 1	$ —
Interest cost	1	2	—	1
Expected return on plan assets	(2)	(2)	—	—
Amortization of prior service cost (credit)	—	—	—	—
Amortization of prior actuarial losses	1	1	—	—
Net periodic benefit cost	$ 4	$ 4	$ 1	$ 1

11. Reinsurance

Retrocession reinsurance treaties do not relieve the Company from its obligations to direct writing companies. Failure of retrocessionaires to honor their obligations could result in losses to the Company. Consequently, allowances would be established for amounts deemed uncollectible. At March 31, 2021 and December 31, 2020, no allowances were deemed necessary. The Company regularly evaluates the financial condition of the insurance companies from which it assumes and to which it cedes reinsurance.

Retrocessions are arranged through the Company's retrocession pools for amounts in excess of the Company's retention limit. As of March 31, 2021, all rated retrocession pool participants followed by the A.M. Best Company were rated "A- (excellent)" or better. The Company verifies retrocession pool participants' ratings on a quarterly basis. For a majority of the retrocessionaires that were not rated, security in the form of letters of credit or trust assets has been posted. In addition, the Company performs annual financial reviews of its retrocessionaires to evaluate financial stability and performance.

The following table presents information for the Company's reinsurance ceded receivable assets, including the respective amount and A.M. Best rating for each reinsurer representing in excess of five percent of the total as of March 31, 2021 or December 31, 2020 (dollars in millions):

		March 31, 2021		December 31, 2020	
Reinsurer	A.M. Best Rating	Amount	% of Total	Amount	% of Total
Reinsurer A	A+	$ 463	42.5 %	$ 420	42.7 %
Reinsurer B	A+	222	20.4	216	22.0
Reinsurer C	A	78	7.2	64	6.5
Reinsurer D	A++	66	6.1	55	5.6
Reinsurer E	A+	49	4.5	46	4.7
Other reinsurers		211	19.3	182	18.5
Total		$ 1,089	100.0 %	$ 983	100.0 %

Included in the total reinsurance ceded receivables balance were $216 million and $278 million of claims recoverable, of which $11 million and $10 million were in excess of 90 days past due, as of March 31, 2021 and December 31, 2020, respectively.

12. Policy Claims and Benefits

Rollforward of Claims and Claim Adjustment Expenses

The liability for unpaid claims is reported in future policy benefits and other policy claims and benefits on the Company's condensed consolidated balance sheets. Activity associated with unpaid claims is summarized below (dollars in millions):

	Three months ended March 31,	
	2021	2020
Balance at beginning of year	$ 7,556	$ 6,786
Less: reinsurance recoverable	(641)	(564)
Net balance at beginning of year	6,915	6,222
Incurred:		
Current year	4,097	2,838
Prior years	(59)	11
Total incurred	4,038	2,849
Payments:		
Current year	(164)	(131)
Prior years	(3,196)	(2,342)
Total payments	(3,360)	(2,473)
Other changes:		
Interest accretion	10	9
Foreign exchange adjustments	(51)	(283)
Total other changes	(41)	(274)
Net balance at end of period	7,552	6,324
Plus: reinsurance recoverable	732	580
Balance at end of period	$ 8,284	$ 6,904

Incurred claims associated with prior periods are primarily due to events, related to long-duration business, which were incurred in prior periods but were reported in the current period, and to a lesser extent, the development of short-duration business claims for prior years being different than were anticipated when the liabilities for unpaid claims were originally estimated. These trends have been considered in establishing the current year liability for unpaid claims.

13. New Accounting Standards

Changes to the general accounting principles are established by the Financial Accounting Standards Board ("FASB") in the form of accounting standards updates to the FASB Accounting Standards Codification™. Accounting standards updates not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Company's condensed consolidated financial statements.

Description	Date of Adoption	Effect on the Consolidated Financial Statements
Standards adopted:		
Financial Instruments – Credit Losses This guidance adds to U.S. GAAP an impairment model, known as current expected credit loss ("CECL") model, that is based on expected losses rather than incurred losses. For traditional and other receivables, held-to-maturity debt securities, loans and other instruments entities will be required to use the new forward-looking "expected loss" model that generally will result in earlier recognition of allowance for losses. For available-for-sale debt securities with unrealized losses, entities will measure credit losses similar to what they do today, except the losses will be recognized through an allowance for credit losses and adjusted each period for changes in credit risks. Early adoption is permitted.	January 1, 2020	For asset classes within the scope of the CECL model, this guidance was adopted through a cumulative-effect adjustment to retained earnings (that is, a modified-retrospective approach). For available-for-sale debt securities, this guidance was applied prospectively. The allowance for credit losses increased when this guidance was adopted to include expected losses over the lifetime of commercial mortgages and other loans, including reasonable and supportable forecasts and expected changes in future economic conditions. The overall impact was an approximate $15 million pre-tax increase in the allowance for credit losses. This increase was reflected as a decrease to opening retained earnings, net of income taxes, as of January 1, 2020.
Fair Value Measurement This guidance is part of the FASB's disclosure framework project and eliminates certain disclosure requirements for fair value measurement, requires entities to disclose new information and modifies existing disclosure requirements. Early adoption is permitted.	January 1, 2020	Certain disclosure changes in the new guidance were applied prospectively in the year of adoption. The remaining changes in the new guidance were applied retrospectively to all periods presented in the year of adoption. As of December 31, 2019, the Company early adopted the guidance that removed the requirements relating to transfers between fair value hierarchy levels and certain disclosures about valuation processes for Level 3 fair value measurements. The Company adopted the remainder of the guidance on January 1, 2020. The adoption of the new guidance was not material to the Company's financial position.
Reference Rate Reform This guidance eases the potential burden in accounting for, or recognizing the effects of, reference rate reform on financial reporting. which includes the transition away from the London Interbank Offered Rate ("LIBOR"). The ASU provides optional expedients and exceptions for applying GAAP modification to contracts and hedge accounting relationships affected by reference rate reform on financial reporting. Under the new guidance, a change in the reference rate for a contract that meets certain criteria will be accounted for as a continuation of that contract rather than the creation of a new contract. The new guidance applies to debt, insurance contracts, leases, derivative contracts and other arrangements.	January 1, 2020	The reference rate reform is not expected to have material accounting consequences. The Company has established a team that is currently assessing the effects of the discontinuation of LIBOR on existing contracts that extend beyond 2021 (that is, the date when the Financial Conduct Authority intends to stop persuading or compelling banks to submit LIBOR), by analyzing contractual fallback provisions, evaluating alternative rate ramifications and assessing the effects on current hedging strategies, systems and operations.

Description	Anticipated Date of Adoption	Effect on the Consolidated Financial Statements
Standards not yet adopted:		
Financial Services – Insurance This guidance significantly changes how insurers account for long-duration insurance contracts. The new guidance also significantly expands the disclosure requirements of long-duration insurance contracts. The new guidance will be effective for annual and interim reporting periods beginning January 1, 2023. Below are the most significant areas of change:	January 1, 2023	See each significant area of change below for the method of adoption and expected impact to the Company's results of operations and financial position.
Cash flow assumptions for measuring liability for future policy benefits The new guidance requires insurers to review, and if necessary, update the cash flow assumptions used to measure liabilities for future policy benefits periodically. The change in the liability estimate as a result of updating cash flow assumptions will be recognized in net income.		Cash flow assumptions for measuring liability for future policy benefits The Company will likely adopt this guidance on a modified retrospective basis as of the earliest period presented in the year of adoption. The Company is currently evaluating the impact of this amendment on its results of operations and financial position but anticipates the updated guidance will likely have a material impact.
Discount rate assumption for measuring liability for future policy benefits The new guidance requires insurers to update the discount rate assumption used to measure liabilities for future policy benefits at each reporting period, and the discount rate utilized must be based on an upper-medium grade fixed income instrument yield. The change in the liability estimate as a result of updating the discount rate assumption will be recognized in other comprehensive income.		Discount rate assumption for measuring liability for future policy benefits The Company will likely adopt this guidance on a modified retrospective basis as of the earliest period presented in the year of adoption. The Company is currently evaluating the impact of this amendment on its results of operations and financial position but anticipates the updated guidance will likely have a material impact.
Market risk benefits The new guidance created a new category of benefit features called market risk benefits that will be measured at fair value with changes in fair value attributable to a change in the instrument-specific credit risk recognized in other comprehensive income.		Market risk benefits The Company will adopt this guidance on a retrospective basis as of the earliest period presented in the year of adoption. The Company is currently evaluating the impact of this amendment on its results of operations and financial position but anticipates the updated guidance will likely have a material impact.
Amortization of deferred acquisition costs ("DAC") and other balances The new guidance requires DAC and other balances to be amortized on a constant level basis over the expected term of the related contracts.		Amortization of deferred acquisition costs ("DAC") and other balances The Company will likely adopt this guidance on a modified retrospective basis as of the earliest period presented in the year of adoption. The Company is currently evaluating the impact of this amendment on its results of operations and financial position but anticipates the updated guidance will likely have a material impact.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Note Regarding Forward-Looking Statements

This report 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 future operations, strategies, earnings, revenues, income or loss, ratios, financial performance and growth potential of the Company. Forward-looking statements often contain words and phrases such as "intend," "expect," "project," "estimate," "predict," "anticipate," "should," "believe" and other similar expressions. Forward-looking statements are based on management's current expectations and beliefs concerning future developments and their potential effects on the Company. Forward-looking statements are not a guarantee of future performance and are 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.

The effects of the COVID-19 pandemic and the response thereto on economic conditions, the financial markets and insurance risks, and the resulting effects on the Company's financial results, liquidity, capital resources, financial metrics, investment portfolio and stock price, could cause actual results and events to differ materially from those expressed or implied by forward-looking statements. Additionally, numerous other important factors (whether related to, resulting from or exacerbated by the COVID-19 pandemic or otherwise) could also cause results and events to differ materially from those expressed or implied by forward-looking statements, including, without limitation: (1) adverse changes in mortality, morbidity, lapsation or claims experience, (2) inadequate risk analysis and underwriting, (3) adverse capital and credit market conditions and their impact on the Company's liquidity, access to capital and cost of capital, (4) changes in the Company's financial strength and credit ratings and the effect of such changes on the Company's future results of operations and financial condition, (5) the availability and cost of collateral necessary for regulatory reserves and capital, (6) requirements to post collateral or make payments due to declines in market value of assets subject to the Company's collateral arrangements, (7) action by regulators who have authority over the Company's reinsurance operations in the jurisdictions in which it operates, (8) the effect of the Company parent's status as an insurance holding company and regulatory restrictions on its ability to pay principal of and interest on its debt obligations, (9) general economic conditions or a prolonged economic downturn affecting the demand for insurance and reinsurance in the Company's current and planned markets, (10) the impairment of other financial institutions and its effect on the Company's business, (11) fluctuations in U.S. or foreign currency exchange rates, interest rates, or securities and real estate markets, (12) market or economic conditions that adversely affect the value of the Company's investment securities or result in the impairment of all or a portion of the value of certain of the Company's investment securities, that in turn could affect regulatory capital, (13) market or economic conditions that adversely affect the Company's ability to make timely sales of investment securities, (14) risks inherent in the Company's risk management and investment strategy, including changes in investment portfolio yields due to interest rate or credit quality changes, (15) the fact that the determination of allowances and impairments taken on the Company's investments is highly subjective, (16) the stability of and actions by governments and economies in the markets in which the Company operates, including ongoing uncertainties regarding the amount of U.S. sovereign debt and the credit ratings thereof, (17) the Company's dependence on third parties, including those insurance companies and reinsurers to which the Company cedes some reinsurance, third-party investment managers and others, (18) financial performance of the Company's clients, (19) the threat of natural disasters, catastrophes, terrorist attacks, epidemics or pandemics anywhere in the world where the Company or its clients do business, (20) competitive factors and competitors' responses to the Company's initiatives, (21) development and introduction of new products and distribution opportunities, (22) execution of the Company's entry into new markets, (23) integration of acquired blocks of business and entities, (24) interruption or failure of the Company's telecommunication, information technology or other operational systems, or the Company's failure to maintain adequate security to protect the confidentiality or privacy of personal or sensitive data stored on such systems, (25) adverse litigation or arbitration results, (26) the adequacy of reserves, resources and accurate information relating to settlements, awards and terminated and discontinued lines of business, (27) changes in laws, regulations, and accounting standards applicable to the Company or its business, (28) the effects of the Tax Cuts and Jobs Act of 2017 may be different than expected and (29) other risks and uncertainties described in this document and in the Company's other filings with the Securities and Exchange Commission ("SEC").

Forward-looking statements should be evaluated together with the many risks and uncertainties that affect the Company's business, including those mentioned in this document and described in the periodic reports the Company files with the SEC. These forward-looking statements speak only as of the date on which they are made. The Company does not undertake any obligation to update these forward-looking statements, even though the Company's situation may change in the future. For a discussion of these risks and uncertainties that could cause actual results to differ materially from those contained in the forward-looking statements, you are advised to see Item 1A – "Risk Factors" in the 2020 Annual Report, as may be supplemented by Item 1A – "Risk Factors" in the Company's subsequent Quarterly Reports on Form 10-Q.

Overview

The Company is among the leading global providers of life reinsurance and financial solutions, with $3.4 trillion of life reinsurance in force and assets of $84.8 billion as of March 31, 2021. Traditional reinsurance includes individual and group life and health, disability, and critical illness reinsurance. Financial solutions includes longevity reinsurance, asset-intensive reinsurance, capital solutions, including financial reinsurance and stable value products. The Company derives revenues primarily from renewal premiums from existing reinsurance treaties, new business premiums from existing or new reinsurance treaties, fee income from financial solutions business and income earned on invested assets.

Historically, the Company’s primary business has been traditional life reinsurance, which involves reinsuring life insurance policies that are often in force for the remaining lifetime of the underlying individuals insured, with premiums earned typically over a period of 10 to 30 years. To a lesser extent, the Company also reinsures health business typically reinsured for one to three years. Each year, however, a portion of the business under existing treaties terminates due to, among other things, lapses or voluntary surrenders of underlying policies, deaths of insureds, and the exercise of recapture options by ceding companies. The Company has expanded its financial solutions business, including significant asset-intensive and longevity risk transactions, which allow its clients to take advantage of growth opportunities and manage their capital, longevity and investment risk.

The Company’s long-term profitability largely depends on the volume and amount of death- and health-related claims incurred and the ability to adequately price the risks it assumes. While death claims are reasonably predictable over a period of many years, claims become less predictable over shorter periods and are subject to significant fluctuation from quarter to quarter and year to year. For longevity business, the Company’s profitability depends on the lifespan of the underlying contract holders and the investment performance for certain contracts. Additionally, the Company generates profits on investment spreads associated with the reinsurance of investment type contracts and generates fees from financial reinsurance transactions, which are typically shorter duration than its traditional life reinsurance business. The Company believes its sources of liquidity are sufficient to cover potential claims payments on both a short-term and long-term basis.

As is customary in the reinsurance business, clients continually update, refine, and revise reinsurance information provided to the Company. Such revised information is used by the Company in preparation of its condensed consolidated financial statements and the financial effects resulting from the incorporation of revised data are reflected in the current period.

Segment Presentation

The Company has geographic-based and business-based operational segments. Geographic-based operations are further segmented into traditional and financial solutions businesses. The Company allocates capital to its segments based on an internally developed economic capital model, the purpose of which is to measure the risk in the business and to provide a consistent basis upon which capital is deployed. The economic capital model considers the unique and specific nature of the risks inherent in RGA’s businesses.

As a result of the economic capital allocation process, a portion of investment income is credited to the segments based on the level of allocated capital. In addition, the segments are charged for excess capital utilized above the allocated economic capital basis. This charge is included in policy acquisition costs and other insurance expenses. Segment investment performance varies with the composition of investments and the relative allocation of capital to the operating segments.

Segment revenue levels can be significantly influenced by currency fluctuations, large transactions, mix of business and reporting practices of ceding companies, and therefore may fluctuate from period to period. Although reasonably predictable over a period of years, segment claims experience can be volatile over shorter periods. See “Results of Operations by Segment” below for further information about the Company’s segments.

Critical Accounting Policies

The preparation of financial statements in conformity with GAAP requires the application of accounting policies that often involve a significant degree of judgment. Management, on an ongoing basis, reviews estimates and assumptions used in the preparation of financial statements. If management determines that modifications in assumptions and estimates are appropriate given current facts and circumstances, results of operations and financial position as reported in the condensed consolidated financial statements could change significantly.

Management believes the critical accounting policies relating to the following areas are most dependent on the application of estimates and assumptions:

Premiums receivable;

Deferred acquisition costs;

Liabilities for future policy benefits and incurred but not reported claims;

Valuation of investments and impairments to specific investments;

Valuation of embedded derivatives; and

Income taxes.

A discussion of each of the critical accounting policies may be found in the Company’s 2020 Annual Report under “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies.”

Consolidated Results of Operations

Impacts of the COVID-19 Pandemic

The COVID-19 global pandemic continues to cause increases in the Company’s claims costs, primarily relating to its mortality business. However, the Company cannot reliably predict the future impact of the pandemic on its business, results of operations and financial condition as the impact will largely depend on, among other factors, the impact of new variants of the virus, successful rollout of the vaccination programs globally, country-specific circumstances, measures by public and private institutions, and COVID-19’s impact on all other causes of death. In addition, clients’ ability to write new business in this environment may result in a slowdown in the Company’s new business temporarily; however, much of the Company’s premiums and other revenues are contractually recurring for many years to come.

The ultimate amount and timing of claims the Company will experience as a result of the COVID-19 pandemic will be dependent on many variables and uncertainties. These variables and uncertainties include those discussed above, in addition to age, gender, comorbidities, other insured versus general population characteristics, geography-specific institutional and individual mitigating actions, medical capacity, and other factors. To date, general population COVID-19 deaths have been heavily concentrated in individuals aged 70 and older and with pre-existing comorbidities. The Company’s insured population has lower exposure to older ages than the general population and covers a generally healthier population due to underwriting and socioeconomic factors of those purchasing insurance. In addition, the Company’s longevity business may act as a modest offset to excess life insurance claims.

The Company’s COVID-19 projection and financial impact models continue to be updated and refined based on updated external data and the Company’s claim experience to date and are subject to the many variables and uncertainties noted above. Although it varies from country to country, the overall financial impact of COVID-19 on the Company is currently projected to be within the range of previous estimates for the same level of general population deaths as there continues to be significant differences between general and insured population mortality. The U.S. is the key driver of mortality claim costs followed by the UK, Canada and South Africa. For the three month period ended March 31, 2021, the Company estimates it has incurred approximately $485 million of COVID-19 related life and health claim costs, including amounts incurred but not reported, with approximately $358 million of that amount being associated with the U.S. and Latin America Traditional segment. The Company estimates that every additional 10,000 population deaths in the U.S., UK, or Canada as a result of COVID-19 would result in the following corresponding excess mortality claims of approximately:

- $15 million to $25 million in the U.S.;
- $4 million to $6 million in the UK; and
- $10 million to $15 million in Canada.

While the global financial markets stabilized since the beginning of the pandemic, they continue to be in a state of uncertainty due to COVID-19 mandated economic shutdowns and historically large and rapid central bank and fiscal policies meant to offset the economic impact of the pandemic. The economic weakness and uncertainty caused by these events may also adversely affect the Company’s financial performance. All investments held by the Company, directly or in a funds withheld at interest reinsurance arrangement, are monitored for conformance with the Company's stated investment policy limits as well as any limits prescribed by the applicable jurisdiction's insurance laws and regulations. The current market environment may result in certain investments being downgraded which can affect conformance with these limits. The level of potential impairments will depend on broad economic conditions and the pace at which global economies recover from the effects of COVID-19 and the response thereto. See "Investments" for more information.

The safety and well-being of the Company's employees and clients continues to be a priority. The Company's business continuity plans remain activated and the actions taken during 2020 to protect both employees and clients, such as working from home, restricting travel, conducting meetings remotely, and reinforcing the importance of face coverings, good hygiene and social distancing, also continue. The Company's offices worldwide are at a minimum adhering to local government mandates and guidelines regarding occupancy levels; however, in certain situations the Company's guidelines are more restrictive than those of local governments.

The Company has not experienced any significant disruptions to its daily operations, despite most of its workforce working remotely. However, COVID-19 heightened operational risks and related impacts, which may include a reduction in new business volumes from slower sales, impacts to the Company's workforce productivity due to travel restrictions, temporary office closures and increased remote working situations, and potential client delays in paying premiums and reporting claims. Similar to other reinsurers, the Company is heavily reliant on timely reporting from its clients and other third parties. The Company continues to emphasize awareness and training regarding operational risks, including privacy and cybersecurity risks, as such risks are heightened during remote working situations. In addition, the Company continues to monitor its programs, processes and procedures designed to manage these risks.

RGA's operating subsidiaries continue to be well capitalized and the Company continues to monitor its solvency position under multiple capital regimes on a regular basis while considering both its developing experience and economic conditions. In addition, the Company utilizes its internal capital model to assess its ability to meet its long-term obligations under a range of stress scenarios on a consolidated basis. This internal capital model is also used as the capital basis for RGA's consolidated Own Risk and Solvency Assessment.

Results from Operations – 2021 compared to 2020

The following table summarizes net income for the periods presented.

For the three months ended March 31, (Dollars in millions, except per share data)	2021	2020	2021 vs 2020
Revenues:			
Net premiums	$ 2,914	$ 2,819	$ 95
Investment income, net of related expenses	812	594	218
Investment related gains (losses), net:			
Impairments and change in allowance for credit losses on fixed maturity securities	(2)	(34)	32
Other investment related gains (losses), net	304	(251)	555
Total investment related gains (losses), net	302	(285)	587
Other revenues	91	76	15
Total revenues	4,119	3,204	915
Benefits and Expenses:			
Claims and other policy benefits	3,192	2,664	528
Interest credited	146	146	—
Policy acquisition costs and other insurance expenses	333	248	85
Other operating expenses	214	195	19
Interest expense	45	41	4
Collateral finance and securitization expense	3	6	(3)
Total benefits and expenses	3,933	3,300	633
Income (loss) before income taxes	186	(96)	282
Provision for income taxes	47	(8)	55
Net income (loss)	$ 139	$ (88)	$ 227
Earnings per share:			
Basic earnings per share	$ 2.04	$ (1.41)	$ 3.45
Diluted earnings per share	$ 2.03	$ (1.41)	$ 3.44

The increase in income for the three months ended March 31, 2021 was primarily the result of:

- A one-time adjustment of $162 million, pretax, associated with prior periods that includes $92 million, pretax, to correct the accounting for equity method limited partnerships to reflect unrealized gains in investment income, net of related expenses that were previously included in accumulated other comprehensive income, and a $70 million, pretax, correction reflected in other investment related gains (losses), net to adjust the carrying value of certain limited partnerships from cost less impairments to a fair value approach, using the net asset value (“NAV”) per share or its equivalent.

- $144 million, pretax, of capital gains included in other investment related gains (losses), net associated with portfolio repositioning.
- Changes in the fair value of embedded derivatives, associated with modco/funds withheld treaties, increased investment related gains by $50 million for the three month period ended March 31 2021, compared to a decrease of $230 million for the three month period ended March 31, 2020.
- The increases in investment income and investment related gains (losses), net were partially offset by unfavorable mortality claims, primarily in the U.S. and Latin America and EMEA segments.
- As discussed in the “Impacts of the COVID-19 Pandemic” above, the Company estimates it has incurred approximately $485 million, pretax, of COVID-19 related life and health claim costs, including amounts incurred but not reported, with approximately $358 million, pretax, in the U.S. and Latin America segment.

Foreign currency fluctuations can result in variances in the financial statement line items. Foreign currency exchange fluctuation did not have a material impact on income before taxes for the three months ended March 31, 2021. Unless otherwise stated, all amounts discussed below are net of foreign currency fluctuations.

Premiums and business growth

The increase in premiums is primarily due to growth in life reinsurance in force. Consolidated assumed life insurance in force increased to $3,428.6 billion as of March 31, 2021, from $3,412.4 billion as of March 31, 2020, due to new business production and in force transactions offset by an increase in lapses and mortality claims in the current period, primarily attributable to the increased claims as result of the ongoing COVID-19 pandemic. The Company added new business production, measured by face amount of insurance in force, of $77.9 billion, and $94.8 billion during the three months ended March 31, 2021 and 2020, respectively.

Investment income, net of related expenses and investment related gains and losses

The increase in investment income, net of related expenses is primarily attributable to the aforementioned accounting correction associated with equity method limited partnerships, in addition to an increase in the average invested asset base and yield:

- The average invested assets at amortized cost, excluding spread related business, totaled $33.4 billion and $29.7 billion in 2021 and 2020, respectively.
- The average yield earned on investments, excluding spread related business, was 5.67% and 4.08% for the three-month periods ended March 31, 2021 and 2020, respectively.

A continued low interest rate environment, in addition to higher cash and cash equivalents balances held by the Company during the COVID-19 pandemic, is expected to put downward pressure on this yield in future reporting periods. The average yield will vary from year to year depending on several variables, including the prevailing risk-fee interest rate and credit spread environment, prepayment fees and make-whole premiums, changes in the mix of the underlying investments and cash and cash equivalents balances. Variable investment income from joint ventures and limited partnerships, including unrealized gains and losses on certain limited partnerships, will also vary from year to year and can be highly variable based on equity-market performance, the timing of dividends and distributions on certain investments. Investment income is allocated to the operating segments based upon average assets and related capital levels deemed appropriate to support segment operations.

The increase in investment related gains (losses) is primarily attributable to the following:

- During the three months ended March 31, 2021, the Company incurred $2 million of impairments and change in allowance for credit losses on fixed maturities compared to $34 million during the first three months of 2020.
- Changes in the fair value of embedded derivatives, associated with modco/funds withheld treaties, increased investment related gains (losses) by $50 million for the three month period ended March 31 2021, compared to a decrease of $230 million for the three month period ended March 31, 2020.
- During the three months ended March 31, 2021, the Company repositioned its portfolio generating capital gains of $144 million.
- Unrealized gains of $104 million, including the previously mentioned correction of $70 million due to the change in fair value of certain cost method limited partnerships were recognized during the first three months of 2021.

The effective tax rate on a consolidated basis was 25.3% and 8.9% for the three months ended March 31, 2021 and 2020, respectively. See Note 9 – "Income Tax" in the Notes to Consolidated Financial Statements for additional information on the Company's consolidated effective tax rate.

Impact of certain derivatives

The Company recognizes in consolidated income, any changes in the fair value of embedded derivatives on modco or funds withheld treaties, equity index annuities ("EIAs") and variable annuities with guaranteed minimum benefit riders. The Company utilizes freestanding derivatives to minimize the income statement volatility due to changes in the fair value of embedded derivatives associated with guaranteed minimum benefit riders. The following table presents the effect of embedded derivatives and related freestanding derivatives on income before income taxes for the periods indicated (dollars in millions):

	Three months ended March 31,		
	2021	2020	2021 vs. 2020
Modco/Funds withheld:			
Unrealized gains (losses)	$ 50	$ (230)	$ 280
Deferred acquisition costs/retrocession	(17)	113	(130)
Net effect	33	(117)	150
EIAs:			
Unrealized gains (losses)	29	(12)	41
Deferred acquisition costs/retrocession	(15)	8	(23)
Net effect	14	(4)	18
Guaranteed minimum benefit riders:			
Unrealized gains (losses)	19	(128)	147
Related freestanding derivatives, net of deferred acquisition costs costs/retrocession	(54)	164	(218)
Net effect	(35)	36	(71)
Total net effect after freestanding derivatives	$ 12	$ (85)	$ 97

Results of Operations by Segment

U.S. and Latin America Operations

The U.S. and Latin America operations include business generated by the Company's offices in the U.S., Mexico and Brazil. The offices in Mexico and Brazil provide services to clients in other Latin American countries. The U.S. and Latin America operations consist of two major segments: Traditional and Financial Solutions. The Traditional segment primarily specializes in the reinsurance of individual mortality risk, health and long-term care and to a lesser extent, group reinsurance. The Financial Solutions segment consists of Asset-Intensive and Capital Solutions. Asset-Intensive within the Financial Solutions segment includes coinsurance of annuities and corporate-owned life insurance policies and to a lesser extent, fee-based synthetic guaranteed investment contracts, which include investment-only, stable value contracts. Capital Solutions within the Financial Solutions segment primarily involves assisting ceding companies in meeting applicable regulatory requirements by enhancing the ceding companies' financial strength and regulatory surplus position through relatively low risk reinsurance and other transactions. Typically, these transactions do not qualify as reinsurance under GAAP, due to the low-risk nature of the transactions, therefore only the related net fees are reflected in other revenues on the condensed consolidated statements of income.

The following table summarizes income before income taxes for the Company's U.S. and Latin America operations for the periods presented:

For the three months ended March 31, (dollars in millions)	2021	2020	2021 vs 2020
Revenues:			
Net premiums	$ 1,432	$ 1,385	$ 47
Investment income, net of related expenses	465	395	70
Investment related gains (losses), net	—	(167)	167
Other revenues	58	59	(1)
Total revenues	1,955	1,672	283
Benefits and expenses:			
Claims and other policy benefits	1,800	1,420	380
Interest credited	131	148	(17)
Policy acquisition costs and other insurance expenses	231	137	94
Other operating expenses	48	44	4
Total benefits and expenses	2,210	1,749	461
Income (loss) before income taxes	$ (255)	$ (77)	$ (178)

The increase in loss before income taxes was the result of a significant increase in claims and other policy benefits in the U.S. Traditional segment. Partially offsetting the increase in losses was the impact of embedded derivatives in U.S. Financial Solutions as well as higher variable investment income, primarily generated from unrealized gains in the U.S. Traditional segment's investments in limited partnerships. The significant increase in claims was primarily related to an increase in large and non-large claim frequency within the individual mortality business. While the cause of death is not yet available for all claims, the Company believes the excess claim costs are primarily attributable to COVID-19.

Traditional Reinsurance

For the three months ended March 31, (dollars in millions)	2021	2020	2021 vs 2020
Revenues:			
Net premiums	$ 1,419	$ 1,373	$ 46
Investment income, net of related expenses	207	161	46
Investment related gains (losses), net	6	(7)	13
Other revenues	5	6	(1)
Total revenues	1,637	1,533	104
Benefits and expenses:			
Claims and other policy benefits	1,740	1,367	373
Interest credited	17	19	(2)
Policy acquisition costs and other insurance expenses	182	175	7
Other operating expenses	36	34	2
Total benefits and expenses	1,975	1,595	380
Income (loss) before income taxes	$ (338)	$ (62)	$ (276)
Key metrics:			
Life insurance in force	$1,610.2 billion	$1,618.4 billion	
Claims and other policy benefits as a percentage of net premiums (“loss ratios”)	122.6 %	99.6 %	
Policy acquisition costs and other insurance expenses as a percentage of net premiums	12.8 %	12.7 %	
Other operating expenses as a percentage of net premiums	2.5 %	2.5 %	

The increase in loss before income taxes for the U.S. and Latin America Traditional segment was primarily due to unfavorable claims experience within the Individual Mortality business.

Revenues

- The increase in net premiums was primarily due to organic growth as well as new sales. The segment added new life business production, measured by face amount of insurance in force, of $28.5 billion and $34.0 billion during the three months ended March 31, 2021 and 2020, respectively.
- The increase in net investment income was primarily due to higher variable investment income associated with investments in limited partnerships and private equity funds primarily generated from unrealized gains in the underlying investments.

Benefits and expenses

- The increase in the loss ratio for the three months ended March 31, 2021, as compared to the same period in 2020, was primarily due to unfavorable large and non-large claims experience in the individual mortality line of business, attributed primarily to the COVID-19 pandemic. As explained above, while the cause of death is not yet available for all claims, the Company estimates that approximately $358 million of excess claims for the three months ended March 31, 2021, were attributable to COVID-19.

Financial Solutions

For the three months ended March 31,	2021			2020			2021 vs 2020		
	Asset-Intensive	Capital Solutions	Total	Asset-Intensive	Capital Solutions	Total	Asset-Intensive	Capital Solutions	Total
(dollars in millions)									
Revenues:									
Net premiums	$ 13	$ —	$ 13	$ 12	$ —	$ 12	$ 1	$ —	$ 1
Investment income, net of related expenses	257	1	258	233	1	234	24	—	24
Investment related gains (losses), net	(6)	—	(6)	(160)	—	(160)	154	—	154
Other revenues	26	27	53	28	25	53	(2)	2	—
Total revenues	290	28	318	113	26	139	177	2	179
Benefits and expenses:									
Claims and other policy benefits	60	—	60	53	—	53	7	—	7
Interest credited	114	—	114	129	—	129	(15)	—	(15)
Policy acquisition costs and other insurance expenses	47	2	49	(38)	—	(38)	85	2	87
Other operating expenses	9	3	12	7	3	10	2	—	2
Total benefits and expenses	230	5	235	151	3	154	79	2	81
Income before income taxes	$ 60	$ 23	$ 83	$ (38)	$ 23	$ (15)	$ 98	$ —	$ 98

Asset-Intensive Reinsurance

The increase in income before income taxes for the U.S. and Latin America Financial Solutions' Asset-intensive segment was primarily due to higher investment related gains (losses), net in coinsurance portfolios and the increase in fair value of the embedded derivatives related to modco/funds withheld treaties.

The invested asset base supporting this segment decreased to $23.2 billion as of March 31, 2021, from $23.9 billion as of March 31, 2020.

- The decrease in the asset base was primarily due to the run off of existing inforce blocks and fewer blocks reinsured..
- As of March 31, 2021 and 2020, $3.2 billion and $3.4 billion, respectively, of the invested assets were funds withheld at interest, of which greater than 90% was associated with one client.

Impact of certain derivatives

Income from the asset-intensive business tends to be volatile due to changes in the fair value of certain derivatives, including embedded derivatives associated with reinsurance treaties structured on a modco or funds withheld basis, as well as embedded derivatives associated with the Company's reinsurance of EIAs and variable annuities with guaranteed minimum benefit riders. Fluctuations occur period to period primarily due to changing investment conditions including, but not limited to, interest rate movements (including risk-free rates and credit spreads), implied volatility, the Company's own credit risk and equity market performance, all of which are factors in the calculations of fair value. Therefore, management believes it is helpful to distinguish between the effects of changes in these derivatives, net of related hedging activity, and the primary factors that drive profitability of the underlying treaties, namely investment income, fee income (included in other revenues), and interest credited. These fluctuations are considered unrealized by management and do not affect current cash flows, crediting rates or spread performance on the underlying treaties.

The following table summarizes the asset-intensive results and quantifies the impact of these embedded derivatives for the periods presented. Revenues before certain derivatives, benefits and expenses before certain derivatives, and income before income taxes and certain derivatives should not be viewed as substitutes for GAAP revenues, GAAP benefits and expenses, and GAAP income before income taxes.

(dollars in millions)	Three months ended March 31, 2021	2020
Revenues:		
Total revenues	$ 290	$ 113
Less:		
Embedded derivatives – modco/funds withheld treaties	44	(222)
Guaranteed minimum benefit riders and related free standing derivatives	(64)	74
Revenues before certain derivatives	310	261
Benefits and expenses:		
Total benefits and expenses	230	151
Less:		
Embedded derivatives – modco/funds withheld treaties	17	(113)
Guaranteed minimum benefit riders and related free standing derivatives	(29)	38
Equity-indexed annuities	(14)	4
Benefits and expenses before certain derivatives	256	222
Income before income taxes:		
Income (loss) before income taxes	60	(38)
Less:		
Embedded derivatives – modco/funds withheld treaties	27	(109)
Guaranteed minimum benefit riders and related free standing derivatives	(35)	36
Equity-indexed annuities	14	(4)
Income before income taxes and certain derivatives	$ 54	$ 39

Embedded Derivatives – Modco/Funds Withheld Treaties – Represents the change in the fair value of embedded derivatives on funds withheld at interest associated with treaties written on a modco or funds withheld basis. The fair value changes of these embedded derivatives are reflected in revenues, while the related impact on deferred acquisition expenses is reflected in benefits and expenses. The Company’s utilization of a credit valuation adjustment did not have a material effect on the change in fair value of these embedded derivatives for the three months ended March 31, 2021 and 2020.

The change in fair value of the embedded derivatives related to modco/funds withheld treaties, net of deferred acquisition costs increased (decreased) income before income taxes by $27 million and $(109) million for the three months ended March 31, 2021 and 2020, respectively. The increase in income for the three months ended March 31, 2021, was primarily due to tightening credit spreads, partially offset by higher risk free interest rates.

Guaranteed Minimum Benefit Riders – Represents the impact related to guaranteed minimum benefits associated with the Company’s reinsurance of variable annuities. The fair value changes of the guaranteed minimum benefits along with the changes in fair value of the free standing derivatives (interest rate swaps, financial futures and equity options), purchased by the Company to substantially hedge the liability are reflected in revenues, while the related impact on deferred acquisition expenses is reflected in benefits and expenses. The change in fair value of the embedded derivatives on guaranteed minimum benefits are net of an increase (decrease) in investment related gains (losses), net of $(55) million and $99 million for the three months ended March 31, 2021 and 2020, respectively, associated with the Company’s utilization of a credit valuation adjustment.

The change in fair value of the guaranteed minimum benefits, after allowing for changes in the associated free standing derivatives, increased (decreased) income before income taxes by $(35) million and $36 million for the three months ended March 31, 2021 and 2020, respectively. The decrease in income for the three months ended March 31, 2021, was primarily due to a reduction in the credit valuation adjustment which has the impact of increasing the fair value of the guaranteed minimum benefit liability.

Equity-Indexed Annuities – Represents changes in the liability for equity-indexed annuities in excess of changes in account value, after adjustments for related deferred acquisition expenses. The change in fair value of embedded derivative liabilities associated with equity-indexed annuities increased (decreased) income before income taxes by $14 million and by $(4) million for the three months ended March 31, 2021 and 2020, respectively. The increase in income for the three months ended March 31, 2021, was due to an increase in risk free interest rates which has the impact of lowering the fair value of the liability.

The changes in derivatives discussed above are considered unrealized by management and do not affect current cash flows, crediting rates or spread performance on the underlying treaties. Fluctuations occur period to period primarily due to changing investment conditions including, but not limited to, interest rate movements (including benchmark rates and credit spreads), credit valuation adjustments, implied volatility and equity market performance, all of which are factors in the calculations of fair value. Therefore, management believes it is helpful to distinguish between the effects of changes in these derivatives and the primary factors that drive profitability of the underlying treaties, namely investment income, fee income (included in other revenues) and interest credited.

Discussion and analysis before certain derivatives

- Income before income taxes and certain derivatives increased by $15 million for the three months ended March 31, 2021, as compared to the same period in 2020. The increase was primarily due to the impact from improved equity market performance and higher investment related gains (losses), net in coinsurance and funds withheld portfolios.
- Revenue before certain derivatives increased by $49 million for the three months ended March 31, 2021, as compared to the same period in 2020. The increase in the first quarter of 2021 was primarily due to the increases in fair value of equity options associated with the reinsurance of EIAs and higher investment related gains (losses), net in coinsurance portfolios. The effect on investment income related to equity options is substantially offset by a corresponding change in interest credited.
- Benefits and expenses before certain derivatives increased by $34 million for the three months ended March 31, 2021, as compared to the same period in 2020. The increase in the current quarter was primarily due to higher interest credited associated with the reinsurance of EIAs due to improved equity market performance. The effect on interest credited related to equity options is substantially offset by a corresponding increase in investment income.

Capital Solutions

Income before income taxes for the U.S. and Latin America Capital Solutions' business for the three months ended March 31, 2021, was consistent with the three months ended March 31, 2020, as the growth from new transactions was offset by the termination of certain transactions. Fees earned from this business can vary significantly depending on the size of the transactions and the timing of their completion and therefore can fluctuate from period to period.

- As of March 31, 2021 and 2020, the amount of reinsurance assumed from client companies, as measured by pre-tax statutory surplus, risk based capital and other financial structures was $22.0 billion and $18.1 billion, respectively.

Canada Operations

The Company conducts reinsurance business in Canada primarily through RGA Canada, which assists clients with capital management activity and mortality and morbidity risk management. The Canada operations are primarily engaged in Traditional reinsurance, which consists mainly of traditional individual life reinsurance, and to a lesser extent creditor, group life and health, critical illness and disability reinsurance. Creditor insurance covers the outstanding balance on personal, mortgage or commercial loans in the event of death, disability or critical illness and is generally shorter in duration than traditional individual life insurance. The Canada Financial Solutions segment consists of longevity and capital solutions.

For the three months ended March 31, (dollars in millions)	2021	2020	2021 vs 2020
Revenues:			
Net premiums	$ 303	$ 281	$ 22
Investment income, net of related expenses	60	50	10
Investment related gains (losses), net	2	(12)	14
Other revenues	4	1	3
Total revenues	369	320	49
Benefits and expenses:			
Claims and other policy benefits	284	240	44
Interest credited	—	—	—
Policy acquisition costs and other insurance expenses	45	45	—
Other operating expenses	10	9	1
Total benefits and expenses	339	294	45
Income (loss) before income taxes	$ 30	$ 26	$ 4

- The increase in income before income taxes for the three months ended March 31, 2021, as compared to the same period in 2020 is primarily due to increases in net premiums in the Canada Traditional segment and investment related gains. These increases are mostly offset by increased claims and other policy benefits associated with the COVID-19 pandemic.
- While foreign currency fluctuations can result in variances in the financial statement line items, fluctuation in the Canadian dollar did not result in a material change in income before income taxes for the three months ended March 31, 2021. Unless otherwise stated, all amounts discussed below are net of foreign currency fluctuations.

Traditional Reinsurance

For the three months ended March 31, (dollars in millions)	2021	2020	2021 vs 2020
Revenues:			
Net premiums	$ 280	$ 260	$ 20
Investment income, net of related expenses	60	49	11
Investment related gains (losses), net	2	(12)	14
Other revenues	1	(1)	2
Total revenues	343	296	47
Benefits and expenses:			
Claims and other policy benefits	266	220	46
Interest credited	—	—	—
Policy acquisition costs and other insurance expenses	45	45	—
Other operating expenses	8	8	—
Total benefits and expenses	319	273	46
Income (loss) before income taxes	$ 24	$ 23	$ 1
Key metrics:			
Life insurance in force	$460.1 billion	$389.5 billion	
Claims and other policy benefits as a percentage of net premiums (“loss ratios”)	95.0 %	84.6 %	
Policy acquisition costs and other insurance expenses as a percentage of net premiums	16.1 %	17.3 %	
Other operating expenses as a percentage of net premiums	2.9 %	3.1 %	

The increase in income before income taxes for the three months ended March 31, 2021, is primarily due to increases in net premiums and investment related gains (losses), net, offset by less favorable individual life mortality experience as compared to 2020.

Revenues

- The segment added new life business production, measured by face amount of insurance in force, of $14.2 billion, and $12.2 billion during the first three months of 2021 and 2020, respectively.
- The increase in net investment income was primarily due to increased variable investment income and an increase in the invested asset base due to growth in the underlying business volume partially offset by a decline in interest rates. The change in investment related gains (losses) is primarily attributable to an increase in the fair value of credit default derivatives due to the tightening of credit spreads.

Benefits and expenses

- The increase in the loss ratio for the three months ended March 31, 2021, as compared to the same period in 2020, was primarily due to unfavorable claims experience in the individual mortality line of business, attributed primarily to the COVID-19 pandemic. While the cause of death is not yet available for all claims, the Company estimates that approximately $26 million of excess claims for the three months ended March 31, 2021, were attributable to COVID-19 or COVID-19 related factors.

Financial Solutions Reinsurance

For the three months ended March 31, (dollars in millions)	2021	2020	2021 vs 2020
Revenues:			
Net premiums	$ 23	$ 21	$ 2
Investment income, net of related expenses	—	1	(1)
Investment related gains (losses), net	—	—	—
Other revenues	3	2	1
Total revenues	26	24	2
Benefits and expenses:			
Claims and other policy benefits	18	20	(2)
Interest credited	—	—	—
Policy acquisition costs and other insurance expenses	—	—	—
Other operating expenses	2	1	1
Total benefits and expenses	20	21	(1)
Income (loss) before income taxes	$ 6	$ 3	$ 3

The increase in income before income taxes was primarily a result of favorable mortality experience on longevity business for the three months ended March 31, 2021, as compared to the same period in 2020.

Europe, Middle East and Africa Operations

The Europe, Middle East and Africa ("EMEA") operations include business primarily generated by offices in France, Germany, Ireland, Italy, the Middle East, the Netherlands, Poland, South Africa, Spain and the United Kingdom ("UK"). EMEA consists of two major segments: Traditional and Financial Solutions. The Traditional segment primarily provides reinsurance through yearly renewable term and coinsurance agreements on a variety of life, health and critical illness products. Reinsurance agreements may be facultative or automatic agreements covering primarily individual risks and, in some markets, group risks. The Financial Solutions segment consists of reinsurance and other transactions associated with longevity closed blocks, payout annuities, capital management solutions and financial reinsurance.

For the three months ended March 31, (dollars in millions)	2021	2020	2021 vs 2020
Revenues:			
Net premiums	$ 517	$ 443	$ 74
Investment income, net of related expenses	68	47	21
Investment related gains (losses), net	16	(6)	22
Other revenues	2	1	1
Total revenues	603	485	118
Benefits and expenses:			
Claims and other policy benefits	544	387	157
Interest credited	(1)	(17)	16
Policy acquisition costs and other insurance expenses	31	31	—
Other operating expenses	37	37	—
Total benefits and expenses	611	438	173
Income (loss) before income taxes	$ (8)	$ 47	$ (55)

- The decrease in income before income taxes for the three months ended March 31, 2021, as compared to the same period in 2020 was primarily due to unfavorable mortality experience due to the COVID-19 pandemic partially offset by an increase in net premiums, investment income and investment related gains.
- While foreign currency fluctuations can result in variances in the financial statement line items, fluctuations in foreign currency did not have a material impact on income before income taxes for the three months ended March 31, 2021. Unless otherwise stated, all amounts discussed below are net of foreign currency fluctuations.

Traditional Reinsurance

For the three months ended March 31, (dollars in millions)	2021	2020	2021 vs 2020
Revenues:			
Net premiums	$ 438	$ 390	$ 48
Investment income, net of related expenses	20	19	1
Investment related gains (losses), net	—	—	—
Other revenues	(1)	(2)	1
Total revenues	457	407	50
Benefits and expenses:			
Claims and other policy benefits	469	334	135
Interest credited	—	—	—
Policy acquisition costs and other insurance expenses	29	30	(1)
Other operating expenses	27	26	1
Total benefits and expenses	525	390	135
Income (loss) before income taxes	$ (68)	$ 17	$ (85)
Key metrics:			
Life insurance in force	$830.8 billion	$763.1 billion	
Claims and other policy benefits as a percentage of net premiums (“loss ratios”)	107.1 %	85.6 %	
Policy acquisition costs and other insurance expenses as a percentage of net premiums	6.6 %	7.7 %	
Other operating expenses as a percentage of net premiums	6.2 %	6.7 %	

The decrease in income before income taxes for the three months ended March 31, 2021, as compared to the same period in 2020 is primarily due to unfavorable mortality experience, partially offset by an increase in net premiums.

Revenues

- The increase in net premiums was due to an in increase in business volume on new and existing treaties.
- The segment added new life business production, measured by face amount of insurance in force, of $27.6 billion, and $32.9 billion during the three months ended March 31, 2021, and the same period in 2020, respectively.

Benefits and expenses

- The increase in the loss ratio for the first three months of 2021 is due to unfavorable mortality experience primarily attributable to COVID-19. While the cause of death is not available for all claims, the Company estimates that approximately $98 million of excess claims for the three months ended March 31, 2021, were attributable to COVID-19 or COVID-19 related factors.

Financial Solutions

For the three months ended March 31, (dollars in millions)	2021	2020	2021 vs 2020
Revenues:			
Net premiums	$ 79	$ 53	$ 26
Investment income, net of related expenses	48	28	20
Investment related gains (losses), net	16	(6)	22
Other revenues	3	3	—
Total revenues	146	78	68
Benefits and expenses:			
Claims and other policy benefits	75	53	22
Interest credited	(1)	(17)	16
Policy acquisition costs and other insurance expenses	2	1	1
Other operating expenses	10	11	(1)
Total benefits and expenses	86	48	38
Income (loss) before income taxes	$ 60	$ 30	$ 30

The increase in income before income taxes for the first three months was primarily due to new business activity and investment related gains on the investments supporting the segment's payout annuity business.

Revenues

- The increase in net premiums was primarily due to increased volumes of closed longevity block business.
- The increase in net investment income was primarily related to higher income associated with unit-linked policies which fluctuate with market performance and is offset by an increase in interest credited.
- The increase in net investment related gains was primarily due to increases in the fair market value of derivatives.

Benefits and expenses

- The increase in claims and other policy benefits is the result of increased volumes of closed longevity block business and some unfavorable experience from payout annuity business.
- The increase in benefits and expenses is also related to an increase in interest credited. Interest credited in this segment relates to amounts credited to the contract holders of unit-linked products. This amount will fluctuate according to contract holder investment selections, equity returns and interest rates. The effect on interest credited related to unit-linked products is substantially offset by a corresponding change in investment income.

Asia Pacific Operations

The Asia Pacific operations include business generated by its offices principally in Australia, China, Hong Kong, India, Japan, Malaysia, New Zealand, Singapore, South Korea and Taiwan. The Traditional segment's principal types of reinsurance include individual and group life and health, critical illness, disability and superannuation. Reinsurance agreements may be facultative or automatic agreements covering primarily individual risks, and in some markets, group risks. Superannuation is the Australian government mandated compulsory retirement savings program. Superannuation funds accumulate retirement funds for employees, and, in addition, typically offer life and disability insurance coverage. The Financial Solutions segment includes financial reinsurance, asset-intensive and certain disability and life blocks.

For the three months ended March 31, (dollars in millions)	2021	2020	2021 vs 2020
Revenues:			
Net premiums	$ 662	$ 710	$ (48)
Investment income, net of related expenses	61	44	17
Investment related gains (losses), net	11	(33)	44
Other revenues	17	14	3
Total revenues	751	735	16
Benefits and expenses:			
Claims and other policy benefits	564	617	(53)
Interest credited	15	13	2
Policy acquisition costs and other insurance expenses	54	63	(9)
Other operating expenses	49	43	6
Total benefits and expenses	682	736	(54)
Income (loss) before income taxes	$ 69	$ (1)	$ 70

- The increase in income before taxes as compared to the same period in 2020 was the result of favorable claims experience across the segment as compared to the prior year, as well as income from new business growth within the Financial Solutions business.
- Foreign currency fluctuations can result in variances in the financial statement line items. Foreign currency fluctuations resulted in a $2 million increase in income before income taxes during the three months ended March 31, 2021. Unless otherwise stated, all amounts discussed below are net of foreign currency fluctuations.

Traditional Reinsurance

For the three months ended March 31, (dollars in millions)	2021	2020	2021 vs 2020
Revenues:			
Net premiums	$ 609	$ 636	$ (27)
Investment income, net of related expenses	33	27	6
Investment related gains (losses), net	(1)	—	(1)
Other revenues	6	4	2
Total revenues	647	667	(20)
Benefits and expenses:			
Claims and other policy benefits	518	555	(37)
Interest credited	—	—	—
Policy acquisition costs and other insurance expenses	43	49	(6)
Other operating expenses	45	39	6
Total benefits and expenses	606	643	(37)
Income (loss) before income taxes	$ 41	$ 24	$ 17
Key metrics:			
Life insurance in force	$521.0 billion	$635.6 billion	
Claims and other policy benefits as a percentage of net premiums (“loss ratios”)	85.1 %	87.3 %	
Policy acquisition costs and other insurance expenses as a percentage of net premiums	7.1 %	7.7 %	
Other operating expenses as a percentage of net premiums	7.4 %	6.1 %	

The increase in income before income taxes is primarily the result of net favorable claims experience across the segment, partially offset by a decrease in net premiums.

Revenues

- The decrease in net premiums was primarily due to premium reductions in Australia group business as a result of the non-renewal of two large group treaties effective June 30, 2020.
- The segment added new life business production, measured by face amount of insurance in force, of $7.6 billion, and $15.7 billion during the three months ended March 31, 2021 and 2020, respectively, due to new business production and in force transactions offset by lapses, recaptures and non-renewal of two large group treaties in Australia.

Benefits and expenses

- The decrease in the loss ratio for the three months ended March 31, 2021, as compared to the same period in 2020 was primarily due to favorable claims experience across the segment. While the cause of death is not yet available for all claims, the Company estimates that approximately $5 million of claims for the three months ended March 31, 2021, were attributable to COVID-19 or COVID-19 related factors, primarily in India.

Financial Solutions

For the three months ended March 31, (dollars in millions)	2021	2020	2021 vs 2020
Revenues:			
Net premiums	$ 53	$ 74	$ (21)
Investment income, net of related expenses	28	17	11
Investment related gains (losses), net	12	(33)	45
Other revenues	11	10	1
Total revenues	104	68	36
Benefits and expenses:			
Claims and other policy benefits	46	62	(16)
Interest credited	15	13	2
Policy acquisition costs and other insurance expenses	11	14	(3)
Other operating expenses	4	4	—
Total benefits and expenses	76	93	(17)
Income (loss) before income taxes	$ 28	$ (25)	$ 53

The increase in income before income taxes is primarily due to favorable fluctuations in the fair value of derivatives and continued growth and favorable experience on existing asset-intensive business in Asia. The amount of reinsurance assumed from client companies, as measured by pre-tax statutory surplus, risk based capital and other financial reinsurance structures was $1.6 billion and $3.8 billion for the three months ended March 31, 2021 and 2020, respectively. Fees earned from this business can vary significantly depending on the size, complexity and timing of the transactions and, therefore, can fluctuate from period to period.

Revenues

- The decrease in net premiums is attributable to a lower contribution from single premium asset-intensive transactions in the three months ended March 31, 2021, as compared to the same period in 2020.
- The increase in investment related gains (losses), net is primarily due to favorable fluctuations in the fair value of derivatives due to tightening credit spreads and higher future inflation expectations.

Benefits and expenses

- The decrease in claims and other policy benefits is the result of a lower reserve impact from single premium asset-intensive transactions in the three months ended March 31, 2021, as compared to the same period in 2020.

Corporate and Other

Corporate and Other revenues primarily include investment income from unallocated invested assets, investment related gains and losses and service fees. Corporate and Other expenses consist of the offset to capital charges allocated to the operating segments within the policy acquisition costs and other insurance income line item, unallocated overhead and executive costs, interest expense related to debt, and the investment income and expense associated with the Company's collateral finance and securitization transactions and service business expenses. Additionally, Corporate and Other includes results from certain wholly-owned subsidiaries, such as RGAX, and joint ventures that, among other activities, develop and market technology, and provide consulting and outsourcing solutions for the insurance and reinsurance industries. The Company has increased its investment and expenditures in this area in an effort to both support its clients and accelerate the development of new solutions and services to increase consumer engagement within the life insurance industry and hence generate new future revenue streams.

For the three months ended March 31, (dollars in millions)	2021	2020	2021 vs 2020
Revenues:			
Net premiums	$ —	$ —	$ —
Investment income, net of related expenses	158	58	100
Investment related gains (losses), net	273	(67)	340
Other revenues	10	1	9
Total revenues	441	(8)	449
Benefits and expenses:			
Claims and other policy benefits	—	—	—
Interest credited	1	2	(1)
Policy acquisition costs and other insurance income	(28)	(28)	—
Other operating expenses	70	62	8
Interest expense	45	41	4
Collateral finance and securitization expense	3	6	(3)
Total benefits and expenses	91	83	8
Loss before income taxes	$ 350	$ (91)	$ 441

The increase in income before income taxes is primarily due to an increase in total revenues.

Revenues

- The increase in net investment income includes a reclassification of approximately $92 million of pre-tax unrealized gains on certain limited partnerships, for which the Company uses the equity method of accounting, from AOCI to net investment income. The unrealized gains should have been recognized directly in net investment income in the same prior periods they were reported as earnings by the investees. The remaining increase is attributable to higher investment income on Corporate invested assets due to a higher asset base and higher yield.

- The increase in investment related gains (losses), net, includes $104 million of changes in the carrying value of investments in limited partnerships considered to be investment companies, $70 million of which relates to an adjustment to the carrying value from cost less impairments to a fair value approach, using the net asset value ("NAV") per share or its equivalent, which should have been recognized in prior periods. The remaining increase is attributable to gains on sales of fixed maturity securities of $144 million, a decrease in the valuation allowance on mortgage loans, as a result of assumption updates due to the improving view of the impact of the COVID-19 pandemic, and favorable changes in the fair value of derivatives.

Liquidity and Capital Resources

Overview

The Company believes that cash flows from the source of funds available to it will provide sufficient cash flows for the next twelve months to satisfy the current liquidity requirements of the Company under various scenarios that include the potential risk of early recapture of reinsurance treaties, market events and higher than expected claims associated with the pandemic. Given the uncertainty associated with the COVID-19 pandemic and the related volatility in the financial markets, the Company continues to maintain a higher cash and cash equivalent balance than its historical balances. The Company performs periodic liquidity stress testing to ensure its asset portfolio includes sufficient high quality liquid assets that could be utilized to bolster its liquidity position under stress scenarios. These assets could be utilized as collateral for secured borrowing transactions with various third parties or by selling the securities in the open market if needed. The Company's liquidity requirements have been and will continue to be funded through net cash flows from operations. However, in the event of significant unanticipated cash requirements, see "the COVID-19 Pandemic" for more information, the Company has multiple liquidity alternatives available based on market conditions and the amount and timing of the liquidity need. These alternatives include borrowings under committed credit facilities, secured borrowings, the ability to issue long-term debt, preferred securities or common equity and, the sale of invested assets subject to market conditions.

Current Market Environment

The Company's average investment yield, excluding spread business, for the three months ended March 31, 2021, was 5.67%, 159 basis points above the same period in 2020. The increase in average yield is primarily attributable to the aforementioned accounting correction associated with equity method limited partnerships, and an increase in the average invested asset base and overall yield. However, the current interest rate environment continues to put downward pressure on the Company's investment yield. The Company's insurance liabilities, in particular its annuity products, are sensitive to changing market factors. Gross unrealized gains on fixed maturity securities available-for-sale decreased from $7.4 billion at December 31, 2020, to $4.7 billion at March 31, 2021, due to tightening credit spreads. Additionally, gross unrealized losses increased from $0.2 billion at December 31, 2020, to $0.5 billion at March 31, 2021.

The Company continues to be in a position to hold any investment security showing an unrealized loss until recovery, provided it remains comfortable with the credit of the issuer. As indicated above, gross unrealized gains on fixed maturity securities of $4.7 billion remain well in excess of gross unrealized losses of $0.5 billion as of March 31, 2021. The Company does not rely on short-term funding or commercial paper and to date it has experienced no liquidity pressure, nor does it anticipate such pressure in the foreseeable future.

The Company projects its reserves to be sufficient, and it would not expect to write down deferred acquisition costs or be required to take any actions to augment capital, even if interest rates remain at current levels for the next five years, assuming all other factors remain constant. While the Company has felt the pressures of sustained low interest rates and volatile equity markets and may continue to do so, its business and results of operations are not overly sensitive to these risks. Mortality and morbidity risks continue to be the most significant risk for the Company. Although management believes the Company's current capital base is adequate to support its business at current operating levels, it continues to monitor new business opportunities and any associated new capital needs that could arise from the changing financial landscape.

The Holding Company

RGA is an insurance holding company whose primary uses of liquidity include, but are not limited to, the immediate capital needs of its operating companies, dividends paid to its shareholders, repurchase of common stock and interest payments on its indebtedness. The primary sources of RGA's liquidity include proceeds from its capital-raising efforts, interest income on undeployed corporate investments, interest income received on surplus notes with RGA Reinsurance, RCM and Rockwood Re and dividends from operating subsidiaries. The following tables provide comparative information for RGA (dollars in millions):

	Three months ended March 31,	
	2021	2020
Interest expense	$ 52	$ 50
Capital contributions to subsidiaries	4	15
Dividends to shareholders	48	44
Repurchases of treasury stock	—	153
Interest and dividend income	32	226

	March 31, 2021	December 31, 2020
Cash and invested assets	$ 1,176	$ 1,308

See Item 15, Schedule II – "Condensed Financial Information of the Registrant" in the 2020 Annual Report for additional financial information related to RGA.

The undistributed earnings of substantially all of the Company's foreign subsidiaries have been reinvested indefinitely in those non-U.S. operations, as described in Note 9 – "Income Tax" in the Notes to Consolidated Financial Statements in the 2020 Annual Report. As U.S. Tax Reform generally eliminates U.S. federal income taxes on dividends from foreign subsidiaries, the Company does not expect to incur material income taxes if these funds are repatriated.

RGA endeavors to maintain a capital structure that provides financial and operational flexibility to its subsidiaries, credit ratings that support its competitive position in the financial services marketplace, and shareholder returns. As part of the Company's capital deployment strategy, it has in recent years repurchased shares of RGA common stock and paid dividends to RGA shareholders, as authorized by the board of directors. On January 24, 2019, RGA's board of directors authorized a share repurchase program for up to $400 million of RGA's outstanding common stock. The authorization was effective immediately and does not have an expiration date. On May 6, 2020, the Company announced that it has suspended stock repurchases until further notice. The resumption and pace of repurchase activity depends on various factors such as the level of available cash, the impact of the ongoing COVID-19 pandemic, an evaluation of the costs and benefits associated with alternative uses of excess capital, such as acquisitions and in force reinsurance transactions, and RGA's stock price.

Details underlying dividend and share repurchase program activity were as follows (in millions, except share data):

	Three months ended March 31,	
	2021	2020
Dividends to shareholders	$ 48	$ 44
Repurchases of common stock	—	153
Total amount paid to shareholders	$ 48	$ 197
Number of shares repurchased	—	1,074,413
Average price per share	$ —	$ 142.05

In April 2021, RGA's board of directors declared a quarterly dividend of $0.70 per share. All future payments of dividends are at the discretion of RGA's board of directors and will depend on the Company's earnings, capital requirements, insurance regulatory conditions, operating conditions, and other such factors as the board of directors may deem relevant. The amount of dividends that RGA can pay will depend in part on the operations of its reinsurance subsidiaries. See Note 3 – "Equity" in the Notes to Condensed Consolidated Financial Statements for information on the Company's share repurchase program.

Debt

Certain of the Company's debt agreements contain financial covenant restrictions related to, among others, liens, the issuance and disposition of stock of restricted subsidiaries, minimum requirements of consolidated net worth, maximum ratios of debt to capitalization and change of control provisions. The Company is required to maintain a minimum consolidated net worth, as defined in the debt agreements, of $5.3 billion, calculated as of the last day of each fiscal quarter. Also, consolidated indebtedness, calculated as of the last day of each fiscal quarter, cannot exceed 35% of the sum of the Company's consolidated indebtedness plus adjusted consolidated stockholders' equity. A material ongoing covenant default could require immediate payment of the amount due, including principal, under the various agreements. Additionally, the Company's debt agreements contain cross-default covenants, which would make outstanding borrowings immediately payable in the event of a material uncured covenant default under any of the agreements, including, but not limited to, non-payment of indebtedness when due for an amount in excess of the amounts set forth in those agreements, bankruptcy proceedings, or any other event that results in the acceleration of the maturity of indebtedness.

As of March 31, 2021 and December 31, 2020, the Company had $3.6 billion, in outstanding borrowings under its debt agreements and was in compliance with all covenants under those agreements. As of March 31, 2021 and December 31, 2020, the average interest rate on long-term debt outstanding was 4.54%. The ability of the Company to make debt principal and interest payments depends on the earnings and surplus of subsidiaries, investment earnings on undeployed capital proceeds, available liquidity at the holding company, and the Company's ability to raise additional funds.

The Company enters into derivative agreements with counterparties that reference either the Company's debt rating or its financial strength rating. If either rating is downgraded in the future, it could trigger certain terms in the Company's derivative agreements, which could negatively affect overall liquidity. For the majority of the Company's derivative agreements, there is a termination event should the long-term senior debt ratings drop below either BBB+ (S&P) or Baa1 (Moody's) or the financial strength ratings drop below either A- (S&P) or A3 (Moody's).

The Company may borrow up to $850 million in cash and obtain letters of credit in multiple currencies on its revolving credit facility that matures in August 2023. As of March 31, 2021, the Company had no cash borrowings outstanding and $21 million in issued, but undrawn, letters of credit under this facility.

On June 9, 2020, RGA issued 3.15% Senior Notes due June 15, 2030, with a face amount of $600 million. This security has been registered with the Securities and Exchange Commission. The net proceeds were approximately $593 million and will be used in part to repay the Company's $400 million 5.00% Senior Notes due in 2021, and the remainder will be used for general corporate purposes. Capitalized issue costs were approximately $5 million.

Based on the historic cash flows and the current financial results of the Company, management believes RGA's cash flows will be sufficient to enable RGA to meet its obligations for at least the next 12 months.

Credit and Committed Facilities

At March 31, 2021, the Company maintained an $850 million syndicated revolving credit facility in addition to committed letter of credit facilities aggregating $1.2 billion. See Note 13 – "Debt" in the Notes to Consolidated Financial Statements in the 2020 Annual Report for further information about these facilities.

The Company has obtained bank letters of credit in favor of various affiliated and unaffiliated insurance companies from which the Company assumes business. These letters of credit represent guarantees of performance under the reinsurance agreements and allow ceding companies to take statutory reserve credits. Certain of these letters of credit contain financial covenant restrictions similar to those described in the "Debt" discussion above. At March 31, 2021, there were approximately $23 million of outstanding bank letters of credit in favor of third parties. Additionally, in accordance with applicable regulations, the Company utilizes letters of credit to secure statutory reserve credits when it retrocedes business to its affiliated subsidiaries. The Company cedes business to its affiliates to help reduce the amount of regulatory capital required in certain jurisdictions, such as the U.S. and the UK. The Company believes the capital required to support the business in the affiliates reflects more realistic expectations than the original jurisdiction of the business, where capital requirements are often considered to be quite conservative. As of March 31, 2021, $1.5 billion in letters of credit from various banks were outstanding, but undrawn, backing reinsurance between the various subsidiaries of the Company.

Cash Flows

The Company's principal cash inflows from its reinsurance operations include premiums and deposit funds received from ceding companies. The primary liquidity concerns with respect to these cash flows are early recapture of the reinsurance contract by the ceding company and lapses of annuity products reinsured by the Company. The Company's principal cash inflows from its invested assets result from investment income and the maturity and sales of invested assets. The primary liquidity concerns with respect to these cash inflows relates to the risk of default by debtors and interest rate volatility. The Company manages these risks very closely. See "Investments" and "Interest Rate Risk" below.

Additional sources of liquidity to meet unexpected cash outflows in excess of operating cash inflows and current cash and equivalents on hand drawing funds under a revolving credit facility, under which the Company had availability of $829 million as of March 31, 2021. The Company also has $349 million of funds available through collateralized borrowings from the FHLB as of March 31, 2021. As of March 31, 2021, the Company could have borrowed these additional amounts without violating any of its existing debt covenants.

The Company's principal cash outflows relate to the payment of claims liabilities, interest credited, operating expenses, income taxes, dividends to shareholders, purchases of treasury stock, and principal and interest under debt and other financing obligations. The Company seeks to limit its exposure to loss on any single insured and to recover a portion of benefits paid by ceding reinsurance to other insurance enterprises or reinsurers under excess coverage and coinsurance contracts (See Note 2 – "Significant Accounting Policies and Pronouncements" in the Notes to Consolidated Financial Statements in the 2020 Annual Report). The Company performs annual financial reviews of its retrocessionaires to evaluate financial stability and performance. The Company has never experienced a material default in connection with retrocession arrangements, nor has it experienced any difficulty in collecting claims recoverable from retrocessionaires; however, no assurance can be given as to the future performance of such retrocessionaires nor to the recoverability of future claims. The Company's management believes its recent action to increase cash and cash equivalents along with its current sources of liquidity are adequate to meet its cash requirements for the next 12 months, despite the uncertainty associated with the pandemic.

Summary of Primary Sources and Uses of Liquidity and Capital

The Company's primary sources and uses of liquidity and capital are summarized as follows:

	For the three months ended March 31,	
	2021	2020
	(Dollars in millions)	
Sources:		
Net cash provided by operating activities	2,366	2,207
Exercise of stock options, net	—	1
Change in cash collateral for derivative positions and other arrangements	—	51
Cash provided by changes in universal life and other investment type policies and contracts	—	475
Total sources	2,366	2,734
Uses:		
Net cash used in investing activities	2,492	1,096
Dividends to stockholders	48	44
Repayment of collateral finance and securitization notes	42	19
Principal payments of long-term debt	1	1
Purchases of treasury stock	1	156
Change in cash collateral for derivative positions and other arrangements	25	—
Cash used for changes in universal life and other investment type policies and contracts	26	—
Effect of exchange rate changes on cash	17	47
Total uses	2,652	1,363
Net change in cash and cash equivalents	(286)	1,371

Cash Flows from Operations – The principal cash inflows from the Company's reinsurance activities come from premiums, investment and fee income, annuity considerations and deposit funds. The principal cash outflows relate to the liabilities associated with various life and health insurance, annuity and disability products, operating expenses, income tax payments and interest on outstanding debt obligations. The primary liquidity concern with respect to these cash flows is the risk of shortfalls in premiums and investment income, particularly in periods with abnormally high claims levels.

Cash Flows from Investments – The principal cash inflows from the Company's investment activities come from repayments of principal on invested assets, proceeds from maturities of invested assets, sales of invested assets and settlements of freestanding derivatives. The principal cash outflows relate to purchases of investments, issuances of policy loans and settlements of freestanding derivatives. The Company typically has a net cash outflow from investing activities because cash inflows from insurance operations are reinvested in accordance with its asset/liability management discipline to fund insurance liabilities. The Company closely monitors and manages these risks through its credit risk management process. The primary liquidity concerns with respect to these cash flows are the risk of default by debtors and market disruption, which could make it difficult for the Company to sell investments.

Financing Cash Flows – The principal cash inflows from the Company's financing activities come from issuances of RGA debt and equity securities, and deposit funds associated with universal life and other investment type policies and contracts. The principal cash outflows come from repayments of debt, payments of dividends to stockholders, purchases of treasury stock, and withdrawals associated with universal life and other investment type policies and contracts. A primary liquidity concern with respect to these cash flows is the risk of early contractholder and policyholder withdrawal.

Contractual Obligations

There were no material changes in the Company's contractual obligations from those reported in the 2020 Annual Report.

Asset / Liability Management

The Company actively manages its cash and invested assets using an approach that is intended to balance quality, diversification, asset/liability matching, liquidity and investment return. The goals of the investment process are to optimize after-tax, risk-adjusted investment income and after-tax, risk-adjusted total return while managing the assets and liabilities on a cash flow and duration basis.

The Company has established target asset portfolios for its operating segments, which represent the investment strategies intended to profitably fund its liabilities within acceptable risk parameters. These strategies include objectives and limits for effective duration, yield curve sensitivity and convexity, liquidity, asset sector concentration and credit quality.

The Company's asset-intensive products are primarily supported by investments in fixed maturity securities reflected on the Company's balance sheet and under funds withheld arrangements with the ceding company. Investment guidelines are established to structure the investment portfolio based upon the type, duration and behavior of products in the liability portfolio so as to achieve targeted levels of profitability. The Company manages the asset-intensive business to provide a targeted spread between the interest rate earned on investments and the interest rate credited to the underlying interest-sensitive contract liabilities. The Company periodically reviews models projecting different interest rate scenarios and their effect on profitability. Certain of these asset-intensive agreements, primarily in the U.S. and Latin America Financial Solutions operating segment, are generally funded by fixed maturity securities that are withheld by the ceding company.

The Company's liquidity position (cash and cash equivalents and short term investments) was $3.3 billion and $3.6 billion at March 31, 2021 and December 31, 2020, respectively. Given the uncertainty associated with the COVID-19 pandemic and the related volatility in the financial markets, the Company has increased its liquidity position. Liquidity needs are determined from valuation analyses conducted by operational units and are driven by product portfolios. Periodic evaluations of demand liabilities and short-term liquid assets are designed to adjust specific portfolios, as well as their durations and maturities, in response to anticipated liquidity needs.

See "Securities Borrowing, Lending and Other" in Note 4 – "Investments" in the Notes to Condensed Consolidated Financial Statements for information related to the Company's securities borrowing, lending and repurchase/reverse repurchase programs. In addition to its security agreements with third parties, certain RGA's subsidiaries have entered into intercompany securities lending agreements to more efficiently source securities for lending to third parties and to provide for more efficient regulatory capital management.

The Company is a member of the FHLB and holds $86 million of FHLB common stock, which is included in other invested assets on the Company's condensed consolidated balance sheets. The Company has entered into funding agreements with the FHLB under guaranteed investment contracts whereby the Company has issued the funding agreements in exchange for cash and for which the FHLB has been granted a blanket lien on the Company's commercial and residential mortgage-backed securities and commercial mortgage loans used to collateralize the Company's obligations under the funding agreements. The Company maintains control over these pledged assets, and may use, commingle, encumber or dispose of any portion of the collateral as long as there is no event of default and the remaining qualified collateral is sufficient to satisfy the collateral maintenance level. The funding agreements and the related security agreements represented by this blanket lien provide that upon any event of default by the Company, the FHLB's recovery is limited to the amount of the Company's liability under the outstanding funding agreements. The amount of the Company's liability for the funding agreements with the FHLB under guaranteed investment contracts was $1.8 billion at March 31, 2021 and December 31, 2020, which is included in interest sensitive contract liabilities on the Company's condensed consolidated balance sheets. The advances on these agreements are collateralized primarily by commercial and residential mortgage-backed securities, commercial mortgage loans, and U.S. Treasury and government agency securities. The amount of collateral exceeds the liability and is dependent on the type of assets collateralizing the guaranteed investment contracts.

Investments

Management of Investments

The Company's investment and derivative strategies involve matching the characteristics of its reinsurance products and other obligations and to seek to closely approximate the interest rate sensitivity of the assets with estimated interest rate sensitivity of the reinsurance liabilities. The Company achieves its income objectives through strategic and tactical asset allocations, security and derivative strategies within an asset/liability management and disciplined risk management framework. Derivative strategies are employed within the Company's risk management framework to help manage duration, currency, and other risks in assets and/or liabilities and to replicate the credit characteristics of certain assets.

The Company's portfolio management groups work with the Enterprise Risk Management function to develop the investment policies for the assets of the Company's domestic and international investment portfolios. All investments held by the Company, directly or in a funds withheld at interest reinsurance arrangement, are monitored for conformance with the Company's stated investment policy limits as well as any limits prescribed by the applicable jurisdiction's insurance laws and regulations. See Note 4 – "Investments" in the Notes to Condensed Consolidated Financial Statements for additional information regarding the Company's investments.

Effects of COVID-19

Credit markets continued to recover during the first three months of 2021 following the disruption in the global financial markets caused by the COVID-19 pandemic. The Company has exposure to some of the asset classes and industries most affected by the COVID-19 pandemic such as commercial mortgage loans, emerging market debt, energy, and airlines; however, the Company's primary exposure in these asset classes is of high quality assets. During the quarter, the Company decreased its valuation allowance on its commercial mortgage loan portfolio by approximately $17 million to reflect the updated outlook from the COVID-19 pandemic. The Company continues to monitor and evaluate the impact of the COVID-19 pandemic on its investment portfolio and is working closely with its borrowers to evaluate any short-term cash flow issues.

Portfolio Composition

The Company had total cash and invested assets of $75.5 billion and $75.8 billion as of March 31, 2021 and December 31, 2020, respectively, as illustrated below (dollars in millions):

	March 31, 2021	% of Total	December 31, 2020	% of Total
Fixed maturity securities, available-for-sale	$ 56,426	74.7 %	$ 56,735	74.8 %
Equity securities	135	0.2	132	0.2
Mortgage loans on real estate	6,001	7.9	5,787	7.6
Policy loans	1,253	1.7	1,258	1.7
Funds withheld at interest	5,459	7.2	5,432	7.2
Short-term investments	157	0.2	227	0.3
Other invested assets	2,983	4.0	2,829	3.7
Cash and cash equivalents	3,122	4.1	3,408	4.5
Total cash and invested assets	$ 75,536	100.0 %	$ 75,808	100.0 %

Investment Yield

The following table presents consolidated average invested assets at amortized cost, net investment income, investment yield, variable investment income ("VII"), and investment yield excluding VII, which can vary significantly from period to period (dollars in millions). The table excludes spread related business. Spread related business is primarily associated with contracts on which the Company earns an interest rate spread between assets and liabilities. To varying degrees, fluctuations in the yield on other spread related business is generally subject to corresponding adjustments to the interest credited on the liabilities.

	Three months ended March 31,		
	2021	2020	Increase/ (Decrease)
Average invested assets at amortized cost	$ 33,367	$ 29,728	$ 3,639
Net investment income	$ 463	$ 299	$ 164
Annualized investment yield (ratio of net investment income to average invested assets at amortized cost)	5.67 %	4.08 %	159 bps
VII (included in net investment income)	$ 162	$ 3	$ 159
Annualized investment yield excluding VII (ratio of net investment income, excluding VII, to average invested assets, excluding assets with only VII, at amortized cost)	3.79 %	4.19 %	(40) bps

Investment yield increased for the three months ended March 31, 2021, in comparison to the same period in the prior year, primarily due to increased variable income from limited partnerships and real estate joint ventures, which are included in other invested assets on the condensed consolidated balance sheets. Investment yield excluding variable investment income decreased for the three months ended March 31, 2021, in comparison to the same period in the prior year, primarily due to the continued low interest rate environment.

Fixed Maturity Securities Available-for-Sale

See “Fixed Maturity Securities Available-for-Sale” in Note 4 – “Investments” in the Notes to Condensed Consolidated Financial Statements for tables that provide the amortized cost, allowance for credit losses, unrealized gains and losses and estimated fair value of these securities by type as of March 31, 2021 and December 31, 2020.

The Company holds various types of fixed maturity securities available-for-sale and classifies them as corporate securities (“Corporate”), Canadian and Canadian provincial government securities (“Canadian government”), residential mortgage-backed securities (“RMBS”), asset-backed securities (“ABS”), commercial mortgage-backed securities (“CMBS”), U.S. government and agencies (“U.S. government”), state and political subdivisions, and other foreign government, supranational and foreign government-sponsored enterprises (“Other foreign government”). RMBS, ABS, and CMBS are collectively “structured securities.” As of March 31, 2021 and December 31, 2020, approximately 93.7% and 94.0%, respectively, of the Company’s consolidated investment portfolio of fixed maturity securities were investment grade.

Important factors in the selection of investments include diversification, quality, yield, call protection and total rate of return potential. The relative importance of these factors is determined by market conditions and the underlying reinsurance liability and existing portfolio characteristics. The Company owns floating rate securities that represent approximately 5.3% and 5.6% of the total fixed maturity securities as of March 31, 2021 and December 31, 2020, respectively. These investments have a higher degree of income variability than the other fixed income holdings in the portfolio due to fluctuations in interest payments. The Company holds floating rate investments to match specific floating rate liabilities primarily reflected in the condensed consolidated balance sheets as collateral finance notes, as well as to enhance asset management strategies.

The largest asset class in which fixed maturity securities were invested was corporate securities, which represented approximately 62.5% and 63.9% of total fixed maturity securities as of March 31, 2021 and December 31, 2020, respectively. See “Corporate Fixed Maturity Securities” in Note 4 – “Investments” in the Notes to Condensed Consolidated Financial Statements for tables showing the major sector types, which comprise the corporate fixed maturity holdings as of March 31, 2021 and December 31, 2020.

As of March 31, 2021, the Company’s investments in Canadian government securities represented 8.3% of the fair value of total fixed maturity securities compared to 9.1% of the fair value of total fixed maturities as of December 31, 2020. These assets are primarily high quality, long duration provincial strip bonds, the valuation of which is closely linked to the interest rate curve. These assets are longer in duration and held primarily for asset/liability management to meet Canadian regulatory requirements.

The Company references rating agency designations in some of its investments disclosures. These designations are based on the ratings from nationally recognized statistical rating organizations, primarily Moody’s, S&P and Fitch. Structured securities held by the Company’s insurance subsidiaries that maintain the NAIC statutory basis of accounting utilize the NAIC rating methodology. The NAIC assigns designations to publicly traded as well as privately placed securities. The designations assigned by the NAIC range from class 1 to class 6, with designations in classes 1 and 2 generally considered investment grade (BBB or higher rating agency designation). NAIC designations in classes 3 through 6 are generally considered below investment grade (BB or lower rating agency designation).

The quality of the Company's available-for-sale fixed maturity securities portfolio, as measured at fair value and by the percentage of fixed maturity securities invested in various ratings categories, relative to the entire available-for-sale fixed maturity securities portfolio, as of March 31, 2021 and December 31, 2020 was as follows (dollars in millions):

		March 31, 2021			December 31, 2020		
NAIC Designation	Rating Agency Designation	Amortized Cost	Estimated Fair Value	% of Total	Amortized Cost	Estimated Fair Value	% of Total
1	AAA/AA/A	$ 31,323	$ 34,096	60.4 %	$ 29,770	$ 34,589	60.9 %
2	BBB	17,402	18,799	33.3	16,440	18,751	33.1
3	BB	2,622	2,704	4.8	2,480	2,588	4.6
4	B	695	669	1.2	713	697	1.2
5	CCC and lower	170	145	0.3	131	102	0.2
6	In or near default	17	13	—	14	8	—
	Total	$ 52,229	$ 56,426	100.0 %	$ 49,548	$ 56,735	100.0 %

The Company's fixed maturity portfolio includes structured securities. The following table shows the types of structured securities the Company held as of March 31, 2021 and December 31, 2020 (dollars in millions):

	March 31, 2021			December 31, 2020		
	Amortized Cost	Estimated Fair Value	% of Total	Amortized Cost	Estimated Fair Value	% of Total
RMBS:						
Agency	$ 659	$ 701	10.7 %	$ 686	$ 744	11.0 %
Non-agency	877	890	13.4	1,049	1,073	15.8
Total RMBS	1,536	1,591	24.1	1,735	1,817	26.8
ABS:						
Collateralized loan obligations ("CLOs")	1,603	1,593	24.2	1,707	1,689	24.9
ABS, excluding CLOs	1,553	1,558	23.7	1,392	1,403	20.7
Total ABS	3,156	3,151	47.9	3,099	3,092	45.6
CMBS	1,774	1,840	28.0	1,790	1,868	27.6
Total	$ 6,466	$ 6,582	100.0 %	$ 6,624	$ 6,777	100.0 %

The Company's RMBS portfolio includes agency-issued pass-through securities and collateralized mortgage obligations. Agency-issued pass-through securities are guaranteed or otherwise supported by the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, or the Government National Mortgage Association. The principal risks inherent in holding RMBS are prepayment and extension risks, which will affect the timing of when cash will be received and are dependent on the level of mortgage interest rates. Prepayment risk is the unexpected increase in principal payments from the expected, primarily as a result of owner refinancing. Extension risk relates to the unexpected slowdown in principal payments from the expected. In addition, non-agency RMBS face credit risk should the borrower be unable to pay the contractual interest or principal on their obligation. The Company monitors its mortgage-backed securities to mitigate exposure to the cash flow uncertainties associated with these risks.

The Company's ABS portfolio primarily consists of CLOs, single-family rentals, container leasing, railcar leasing, aircraft and student loans. The principal risks in holding ABS are structural, credit, capital market and interest rate risks. Structural risks include the securities' cash flow priority in the capital structure and the inherent prepayment sensitivity of the underlying collateral. Credit risks include the adequacy and ability to realize proceeds from the collateral. Credit risks are mitigated by credit enhancements that include excess spread, over-collateralization and subordination. Capital market risks include general level of interest rates and the liquidity for these securities in the marketplace.

The Company's CMBS portfolio primarily consists of large pool securitizations that are diverse by property type, borrower and geographic dispersion. The principal risks in holding CMBS are structural and credit risks. Structural risks include the securities' cash flow priority in the capital structure and the inherent prepayment sensitivity of the underlying collateral. Credit risks include the adequacy and ability to realize proceeds from the collateral. The Company focuses on investment grade rated tranches that provide additional credit support beyond the equity protection in the underlying loans. These assets are viewed as an attractive alternative to other fixed income asset classes.

As of March 31, 2021 and December 31, 2020, the Company had $490 million and $197 million, respectively, of gross unrealized losses related to its fixed maturity securities. The Company monitors its fixed maturity securities to determine impairments in value and evaluates factors such as financial condition of the issuer, payment performance, compliance with covenants, general market and industry sector conditions, current intent and ability to hold securities, and various other subjective factors. Based on management's judgment, securities determined to have expected credit losses will record an allowance for credit losses in the amount that the fair value is less than the amortized cost.

Mortgage Loans on Real Estate

The Company's mortgage loan portfolio consists of U.S., Canada and UK based investments primarily in commercial offices, light industrial properties and retail locations. The mortgage loan portfolio is diversified by geographic region and property type as discussed further under "Mortgage Loans on Real Estate" in Note 4 – "Investments" in the Notes to Condensed Consolidated Financial Statements. Most of the mortgage loans in the Company's portfolio range in size up to $30 million, with the average mortgage loan investment as of March 31, 2021, totaling approximately $10 million. For the quarter ended March 31, 2021, the Company decreased its valuation allowance on its commercial mortgage loan portfolio by approximately $17 million to reflect the updated outlook from the COVID-19 pandemic. The Company continues to monitor and evaluate the impact of COVID-19 pandemic on its investment portfolio and is working closely with its borrowers to evaluate any short-term cash flow issues. For the three months ended March 31, 2021, the Company modified the payment terms of one commercial mortgage loan, with a carrying value of approximately $10 million in response to COVID-19. For the year ended December 31, 2020, the Company modified the payments terms of approximately 52 commercial mortgage loans, with a carrying value of approximately $660 million in response to COVID-19. These loans met the criteria established in the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and were not considered a troubled debt restructuring. In accordance with the CARES Act criteria, these loans was not more than 30 days past due at December 31, 2019, and the modifications included deferral or delayed payments of principal or interest on the loan.

As of March 31, 2021 and December 31, 2020, the Company's mortgage loans, gross of unamortized deferred loan origination fees and expenses and valuation allowances, were distributed geographically as follows (dollars in millions):

	March 31, 2021		December 31, 2020	
	Recorded Investment	% of Total	Recorded Investment	% of Total
U.S. Region:				
West	$ 2,317	38.3 %	$ 2,253	38.5 %
South	2,097	34.6	2,040	34.8
Midwest	1,055	17.4	1,027	17.5
Northeast	287	4.7	277	4.7
Subtotal - U.S.	5,756	95.0	5,597	95.5
Canada	194	3.2	188	3.2
United Kingdom	108	1.8	76	1.3
Total	$ 6,058	100.0 %	$ 5,861	100.0 %

See "Allowance for Credit Losses and Impairments" in Note 2 – "Significant Accounting Policies and Pronouncements" of the Company's 2020 Annual Report for information regarding the Company's policy for valuation allowances and impairments on mortgage loans.

See "Mortgage Loans on Real Estate" in Note 4 – "Investments" in the Notes to Condensed Consolidated Financial Statements for information regarding valuation allowances and impairments.

Impairments and Allowance for Credit Losses

The Company's determination of whether a decline in value necessitates the recording of an allowance for credit losses includes an analysis of whether the issuer is current on its contractual payments, evaluating whether it is probable that the Company will be able to collect all amounts due according to the contractual terms of the security and analyzing the overall ability of the Company to recover the amortized cost of the investment. See "Allowance for Credit Losses and Impairments" in Note 2 – "Significant Accounting Policies and Pronouncements" of the Company's 2020 Annual Report for additional information. The table below summarizes impairments and changes in allowance for credit losses on fixed maturity securities, other impairment losses and changes in the mortgage loan provision for the three months ended March 31, 2021 and 2020 (dollars in millions).

	Three months ended March 31,	
	2021	2020
Impairments and change in allowance for credit losses	$ 2	$ 34
Other impairment losses and changes in provision	(1)	—
Change in mortgage loan provision	(17)	13
Total	$ (16)	$ 47

The change in mortgage loan provision for the three months ended March 31, 2021, was primarily due to a decrease in the mortgage loan valuation allowance to reflect the updated outlook from the COVID-19 pandemic. The impairments and change in allowance for credit losses on fixed maturity securities for the three months ended March 31, 2020, were primarily related to high-yield securities as a result of the uncertainty in the global markets due to the COVID-19 pandemic. In addition, the change in mortgage loan provision for the three months ended March 31, 2020, was primarily due to an increase in the mortgage loan valuation allowance to reflect the estimated impact from the COVID-19 pandemic.

See “Unrealized Losses for Fixed Maturity Securities Available-for-Sale” in Note 4 – “Investments” in the Notes to Condensed Consolidated Financial Statements for tables that present the estimated fair value and gross unrealized losses for securities that have estimated fair values below amortized cost by class and grade, as well as the length of time the related estimated fair value has remained below amortized cost as of March 31, 2021 and December 31, 2020.

As of March 31, 2021 and December 31, 2020, the Company classified approximately 6.3% and 5.9%, respectively, of its fixed maturity securities in the Level 3 category (refer to Note 6 – “Fair Value of Assets and Liabilities” in the Notes to Condensed Consolidated Financial Statements for additional information). These securities primarily consist of private placement corporate securities, bank loans, and Canadian provincial strip bonds with inactive trading markets.

See “Securities Borrowing, Lending and Repurchase Agreements” in Note 4 – “Investments” in the Notes to Condensed Consolidated Financial Statements for information related to the Company’s securities borrowing, lending, and repurchase/reverse repurchase programs.

Policy Loans

The majority of policy loans are associated with one client. These policy loans present no credit risk because the amount of the loan cannot exceed the obligation due to the ceding company upon the death of the insured or surrender of the underlying policy. The provisions of the treaties in force and the underlying policies determine the policy loan interest rates. The Company earns a spread between the interest rate earned on policy loans and the interest rate credited to corresponding liabilities.

Funds Withheld at Interest

For reinsurance agreements written on a modified coinsurance basis and certain agreements written on a coinsurance basis, assets equal to the net statutory reserves are withheld and legally owned and managed by the ceding company, and are reflected as funds withheld at interest on the Company’s condensed consolidated balance sheets. In the event of a ceding company’s insolvency, the Company would need to assert a claim on the assets supporting its reserve liabilities. However, the risk of loss to the Company is mitigated by its ability to offset amounts it owes the ceding company for claims or allowances against amounts owed by the ceding company. Interest accrues to the total funds withheld at interest assets at rates defined by the treaty terms. The Company is subject to the investment performance on the withheld assets, although it does not directly control them. These assets are primarily fixed maturity investment securities and pose risks similar to the fixed maturity securities the Company owns. To mitigate this risk, the Company helps set the investment guidelines followed by the ceding company and monitors compliance. Ceding companies with funds withheld at interest had an average financial strength rating of “A” as of March 31, 2021 and December 31, 2020. Certain ceding companies maintain segregated portfolios for the benefit of the Company.

Other Invested Assets

Other invested assets include limited partnership interests, joint ventures (other than operating joint ventures), lifetime mortgages, derivative contracts, fair value option (“FVO”) contractholder-directed unit-linked investments, and FHLB common stock. See “Other Invested Assets” in Note 4 – “Investments” in the Notes to Condensed Consolidated Financial Statements for a table that presents the carrying value of the Company’s other invested assets by type as of March 31, 2021 and December 31, 2020.

The Company utilizes derivative financial instruments to protect the Company against possible changes in the fair value of its investment portfolio as a result of interest rate changes, to hedge against risk of changes in the purchase price of securities, to hedge liabilities associated with the reinsurance of variable annuities with guaranteed living benefits and to manage the portfolio’s effective yield, maturity and duration. In addition, the Company utilizes derivative financial instruments to reduce the risk associated with fluctuations in foreign currency exchange rates. The Company uses exchange-traded, centrally cleared, and customized over-the-counter derivative financial instruments.

See Note 5 – “Derivative Instruments” in the Notes to Condensed Consolidated Financial Statements for a table that presents the notional amounts and fair value of investment related derivative instruments held as of March 31, 2021 and December 31, 2020.

The Company may be exposed to credit-related losses in the event of non-performance by counterparties to derivative financial instruments. Generally, the credit exposure of the Company’s derivative contracts is limited to the fair value and accrued interest of non-collateralized derivative contracts in an asset position at the reporting date. As of March 31, 2021, the Company had credit exposure of $18 million.

The Company manages its credit risk related to over-the-counter derivatives by entering into transactions with creditworthy counterparties, maintaining collateral arrangements and through the use of master agreements that provide for a single net payment to be made by one counterparty to another at each due date and upon termination. As exchange-traded futures are affected through regulated exchanges, and positions are marked to market on a daily basis, the Company has minimal exposure to credit-related losses in the event of nonperformance by counterparties. See Note 5 – “Derivative Instruments” in the Notes to Condensed Consolidated Financial Statements for more information regarding the Company’s derivative instruments.

The Company holds $958 million and $935 million, of lifetime mortgages, net of valuation allowances, as of March 31, 2021 and December 31, 2020, respectively, in beneficial interests in lifetime mortgages in the UK. Investment income includes $13 million and $10 million in interest income earned on lifetime mortgages for the three months ended March 31, 2021 and 2020, respectively. Lifetime mortgages represent loans provided to individuals 55 years of age and older secured by the borrower’s residence. Lifetime mortgages are comparable to a home equity loan by allowing the borrower to utilize the equity in their home as collateral. The amount of the loan is dependent on the appraised value of the home at the time of origination, the borrower's age and interest rate. Unlike a home equity loan, no payment of principal or interest is required until the death of the borrower or sale of the home. Lifetime mortgages may also be either fully funded at origination, or the borrower can request periodic funding similar to a line of credit. Lifetime mortgages are subject to risks, including market, credit, interest rate, liquidity, operational, reputational and legal risks.

New Accounting Standards

See Note 13 – “New Accounting Standards” in the Notes to Condensed Consolidated Financial Statements.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk of fluctuations in the value of financial instruments as a result of absolute or relative changes in interest rates, foreign currency exchange rates, equity prices or commodity prices. To varying degrees, the Company products and services, and the investment activities supporting them, generate exposure to market risk. The market risk incurred, and the Company’s strategies for managing this risk, vary by product. As of March 31, 2021, there have been no material changes in the Company’s economic exposure to market risk or the Company’s Enterprise Risk Management function from December 31, 2020, a description of which may be found in its Annual Report on Form 10-K, for the year ended December 31, 2020, Item 7A, “Quantitative and Qualitative Disclosures about Market Risk,” filed with the Securities and Exchange Commission.

ITEM 4. Controls and Procedures

The Chief Executive Officer and the Chief Financial Officer have evaluated the effectiveness of the design and operation of the Company’s disclosure controls and procedures as defined in Exchange Act Rule 13a-15(e) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that these disclosure controls and procedures were effective.

There was no change in the Company’s internal control over financial reporting as defined in Exchange Act Rule 13a-15(f) during the quarter ended March 31, 2021, that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting. As a result of the COVID-19 pandemic, the majority of the Company’s workforce began working remotely in March 2020. These changes to the working environment did not have a material effect on internal controls over financial reporting during the most recent quarter. The Company continues to monitor and assess the COVID-19 situation on its internal controls to minimize the impact on their design and operating effectiveness.

PART II - OTHER INFORMATION

ITEM 1. Legal Proceedings

The Company is subject to litigation in the normal course of its business. The Company currently has no material litigation. A legal reserve is established when the Company is notified of an arbitration demand or litigation or is notified that an arbitration demand or litigation is imminent, it is probable that the Company will incur a loss as a result and the amount of the probable loss is reasonably capable of being estimated.

ITEM 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in the Company's 2020 Annual Report.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The following table summarizes RGA's repurchase activity of its common stock during the quarter ended March 31, 2021:

	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plan or Program
January 1, 2021 – January 31, 2021	8,600	$ 111.17	—	$ 167,573,148
February 1, 2021 – February 29, 2021	3,834	$ 114.24	—	$ 167,573,148
March 1, 2021 – March 31, 2021	1,355	$ 128.09	—	$ 167,573,148

(1) RGA had no repurchases of common stock under its share repurchase program during January, February and March 2021. The Company net settled – issuing 24,675, 14,015 and 3,441 shares from treasury and repurchasing from recipients 8,600, 3,834 and 1,355 shares in January, February and March 2021, respectively, in settlement of income tax withholding requirements incurred by the recipients of equity incentive awards.

On January 24, 2019, RGA's board of directors authorized a share repurchase program for up to $400 million of RGA's outstanding common stock. The authorization was effective immediately and does not have an expiration date. In connection with this authorization, the board of directors terminated the stock repurchase authority granted in 2017. On May 6, 2020, the Company announced that it has suspended stock repurchases until further notice. The resumption and pace of repurchase activity depends on various factors such as the level of available cash, the impact of the ongoing COVID-19 pandemic, an evaluation of the costs and benefits associated with alternative uses of excess capital, such as acquisitions and in force reinsurance transactions, and RGA's stock price.

ITEM 6. Exhibits

See index to exhibits.

INDEX TO EXHIBITS

Exhibit Number	Description
3.1(i)	Amended and Restated Articles of Incorporation, effective as of May 21, 2020, incorporated by reference to Exhibit 3.1(i) to Current Report on Form 8-K filed on May 22, 2020 (File No. 1-11848)
3.1(ii)	Certificate of Designation Termination, effective as of May 21, 2020, incorporated by reference to Exhibit 3.1(ii) to Current Report on Form 8-K filed on May 22, 2020 (File No. 1-11848)
3.2	Amended and Restated Bylaws, effective as of May 23, 2018, incorporated by reference to Exhibit 3.2 to Current Report on Form 8-K filed on May 24, 2018 (File No. 1-11848)
10.1	Form of Performance Contingent Share Agreement under RGA Flexible Stock Plan, as amended and restated effective May 23, 2017*
10.2	Form of Restricted Stock Unit Agreement under RGA Flexible Stock Plan, as amended and restated effective May 23, 2017*
10.3	Form of Stock Appreciation Right Award Agreement under RGA Flexible Stock Plan, as amended and restated effective May 23, 2017*
10.4	Form of Non-Qualified Stock Option Agreement under RGA Flexible Stock Plan, as amended and restated effective May 23, 2017*
10.5	Form of Performance Share Unit Agreement under RGA Flexible Stock Plan, as amended and restated effective May 23, 2017*
10.6	Form of Restricted Share Unit Agreement under RGA Flexible Stock Plan, as amended and restated effective May 23, 2017*
31.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document

101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibits 101).

* Represents a management contract or compensatory plan or arrangement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Reinsurance Group of America, Incorporated

Date: May 7, 2021	By:	/s/ Anna Manning Anna Manning President & Chief Executive Officer (Principal Executive Officer)
Date: May 7, 2021	By:	/s/ Todd C. Larson Todd C. Larson Senior Executive Vice President & Chief Financial Officer (Principal Financial and Accounting Officer)

REINSURANCE GROUP OF AMERICA, INCORPORATED
FLEXIBLE STOCK PLAN

PERFORMANCE CONTINGENT SHARE AGREEMENT

Reinsurance Group of America, Incorporated, a Missouri corporation (the “Company”), and ________________________ (“Employee”), hereby agree as follows:

SECTION 1
GRANT OF PERFORMANCE SHARES

Pursuant to the Reinsurance Group of America, Incorporated Flexible Stock Plan, as amended and restated effective May 23, 2017 (the “Plan”), and pursuant to action of the Committee charged with the Plan’s administration, the Company has granted to Employee, effective _____________ (the “Date of Grant”), subject to the terms, conditions and limitations stated in this Performance Contingent Share Agreement (this “Agreement”), the Plan and the Company’s Executive Compensation Recoupment Policy (as discussed in Section 6(c)), an award of performance contingent shares with respect to ____________ shares of Common Stock (the “Target Grant”). The performance contingent shares awarded to Employee in this Agreement are referred to herein as “Performance Shares.”

SECTION 2
TERMS OF GRANT

1. Vesting and Performance Periods. The vesting period for this award is the three (3) year period beginning January 1 of the year of the Date of Grant, and ending December 31 of the second year following the year of the Date of Grant (i.e., year 3) (the “Vesting Period”). The performance period for this award is the two (2) year period beginning January 1 of the year of the Date of Grant, and ending December 31 of the first year following the year of the Date of Grant (i.e., year 2) (the “Performance Period”).

2. Payment.

i. Performance Shares Payable In Common Stock. Subject to early termination of this Agreement pursuant to Sections 4 or 5 below, as soon as practicable following the end of the Performance Period, the Company shall determine the Adjusted Operating Return on Equity (as defined in Section 3(c)), Adjusted Operating Income (as defined in Section 3(d)) and Book Value Per Share, Excluding AOCI (as defined in Section 3(e)) over each of the first and second years of the Performance Period. The Company shall then adjust the number of Performance Shares constituting the Target Grant as provided in Section 3 to determine the number of Performance Shares earned hereunder. On or after January 1 but no later than December 31 following the last day of the Vesting Period, the Company will deliver to Employee one (1) share of the Company’s Common Stock for each Performance Share earned under this Agreement; provided, however, that any fractional Performance Share shall be paid in cash equal to such fraction of the Fair Market Value of a share of Common Stock on the date of payment; provided, further, that the Committee shall have the discretion to reduce or eliminate the number of shares of Common Stock delivered hereunder.

ii. Dividend Equivalents. Performance Shares shall not include dividend equivalent payments or dividend credit rights.

SECTION 3
PERFORMANCE CRITERIA AND ADJUSTMENTS

i. Performance Criteria. The measures and weights for the grant of Performance Shares subject to this Agreement are set forth in a memorandum (the "Memorandum") provided to Employee by the Company.

b. Adjustment of Target Grant. As specified in the Memorandum, the number of Performance Shares in the Target Grant will be adjusted at the end of the Performance Period as determined by the Committee as follows:

a. Thirty-three and one-half percent (33.5%) of the number of Performance Shares in the Target Grant will increase or decrease based upon the Company's Adjusted Operating Return on Equity over the Performance Period;

b. Thirty-three and one-half percent (33.5%) of the number of Performance Shares in the Target Grant will increase or decrease based upon the Company's Adjusted Operating Income over the Performance Period; and

c. Thirty-three percent (33%) of the number of Performance Shares in the Target Grant will increase or decrease based upon the Company's Book Value Per Share, Excluding AOCI over the Performance Period.

In no event will Employee be entitled to receive a total number of shares of Common Stock with respect to Performance Shares in excess of 200% of the Target Grant, even if the Company's Adjusted Operating Return on Equity, Adjusted Operating Income and/or Book Value Per Share, Excluding AOCI during the Performance Period exceeds the maximum values established for any such measure(s).

2. Adjusted Operating Return on Equity. "Adjusted Operating Return on Equity" for the applicable year is the adjusted operating income for the year divided by average adjusted stockholders' equity, as may be adjusted as provided in Section 3(f). Adjusted stockholders' equity represents total stockholders' equity excluding accumulated other comprehensive income. The average of adjusted stockholders' equity will use monthly data points during the one-year evaluation period. Adjusted Operating Return on Equity, adjusted operating income and adjusted stockholders' equity are non-GAAP financial measures.

3. Adjusted Operating Income. "Adjusted Operating Income" for the applicable year is net income excluding items approved by the Committee that are not indicative of the Company's ongoing operations, as may be adjusted as provided in Section 3(f). Such items

include, but are not limited to, substantially all of the after-tax effects of net investment related gains and losses, changes in the fair value of certain embedded derivatives and related deferred acquisition costs, any net gain or loss from discontinued operations, the cumulative effect of any accounting changes and certain tax related items. Adjusted Operating Income is a non-GAAP financial measure.

4. Book Value Per Share, Excluding AOCI. "Book Value Per Share, Excluding AOCI" for the applicable year is the Company's adjusted stockholders' equity divided by the end of period outstanding shares of Common Stock, as may be adjusted as provided in Section 3(f). Book Value Per Share, Excluding AOCI and adjusted stockholders' equity are non-GAAP financial measures.

5. Potential Adjustment. Each of Adjusted Operating Return on Equity, Adjusted Operating Income and Book Value Per Share, Excluding AOCI may be adjusted by the Committee from time to time following the date of this Agreement to account for the effects of unusual or non-recurring accounting impacts or changes in accounting standards or treatment or any other unusual or extraordinary items as determined by the Committee from time to time.

SECTION 4
CONDITIONS AND LIMITATIONS ON RIGHT TO RECEIVE PERFORMANCE SHARES OR COMMON SHARES

1. Demotion or Transfer. If Employee is demoted or transferred to a position with the Company or any of its Affiliates in which Employee is not eligible to participate in the Plan prior to the expiration of the Vesting Period, as determined by the Committee, this Agreement will terminate and be of no further force or effect and the Performance Shares awarded to Employee hereunder shall be forfeited.

2. Termination of Employment.

a. Death or Disability. If Employee ceases to be employed by the Company or any of its Affiliates prior to the expiration of the Vesting Period due to death or Disability, Employee (or, upon Employee's death, the legal representative of Employee's estate or revocable living trust) shall receive a pro rata proportion of the shares of Common Stock that would have been issued to Employee under this Agreement, determined by multiplying such shares by a fraction, the numerator of which is the number of calendar months in the Vesting Period during which Employee's employment continued, and the denominator of which is 36. Such pro rata proportion shall be paid to Employee (or, upon Employee's death, the legal representative of Employee's estate or revocable living trust) at the same time and in the same manner as specified in Section 2(b) above. Employment for any portion of a calendar month shall be deemed employment for that calendar month. For purposes of this Agreement, "Disability" shall mean disability as defined in any long-term disability plan maintained by the Company or an Affiliate which covers Employee or, in the absence of any such plan, the physical or mental condition of Employee arising during the Vesting Period, which in the opinion of a qualified physician chosen by the Company prevents Employee from continuing employment with the Company and its Affiliates.

b. Retirement. If Employee ceases to be a full-time employee of the Company or any of its Affiliates (as may be determined by the Company or such Affiliate from time to time) at any time during the first year of the Vesting Period due to Retirement, this Agreement will terminate and be of no further force or effect and the Performance Shares awarded to Employee hereunder shall be forfeited, unless otherwise determined by the Committee.

If Employee ceases to be employed by the Company or any of its Affiliates at any time during the second or third year of the Vesting Period due to Retirement, Employee (or, upon Employee’s death following Retirement, the legal representative of Employee’s estate or revocable living trust) shall receive the shares of Common Stock that would have been issued to Employee under this Agreement had the Retirement not occurred, payable as set forth in Section 2(b) above; provided, however, that (i) Employee must maintain full-time equivalent employment status (as may be determined by the Company or such Affiliate) through December 31 of the first year of the Vesting Period and (ii) if, following any such Retirement, Employee is employed by or associated with an organization that competes with the Company or any of its Affiliates as determined by the Committee, this Agreement will terminate and be of no further force or effect and the Performance Shares awarded to Employee hereunder shall be forfeited, unless otherwise determined by the Committee.

For purposes of this Agreement, “Retirement” shall mean termination of employment with the Company and its Affiliates after Employee has attained a combination of age and years of service that equals at least sixty-five (65); provided that, (A) Employee has been employed by the Company and its Affiliates for at least five (5) years and (B) the maximum number of years of service credited for purposes of this calculation shall be ten (10).

c. Other Termination. If Employee’s employment with the Company and its Affiliates is terminated prior to payment of the shares of Common Stock as specified in Section 2(b) above, whether voluntarily or involuntarily, for any reason other than death, Disability or Retirement, this Agreement will terminate and be of no further force or effect and the Performance Shares awarded to Employee hereunder shall be forfeited, unless otherwise determined by the Committee.

SECTION 5
CHANGE OF CONTROL

Notwithstanding anything herein to the contrary, if a Change of Control occurs during the Vesting Period prior to Employee’s death, Disability, Retirement or other termination of employment, the number of Performance Shares in the Target Grant shall not be adjusted at the end of the Performance Period as provided in Section 3(b) and Employee shall instead be deemed to have earned the number of Performance Shares constituting the Target Grant. The number of shares of Common Stock due following a Change of Control determined in accordance with Sections 1 and 2(b) and this Section 5 (and, upon Employee's death, Disability or Retirement prior to the end of the Vesting Period, Section 4(b)) shall be delivered to Employee (or, upon Employee's death, the legal representative of Employee's estate or revocable living trust) at the same time and in the same manner as specified in Section 2(b) above. Section 4(b)(3) shall not apply in the case of involuntary termination of Employee's employment by the Company or an Affiliate following a Change of Control other than for cause. For purposes of this Section, "cause" shall mean (a) any conduct, act or omission that is contrary to Employee's duties as an officer or employee of the Company or any of its Affiliates, or that is inimical or in any way contrary to the best interests of the Company or any of its Affiliates, or (b) employment of Employee by or association of Employee with an organization that competes with the Company or any of its Affiliates, in each case as determined by the Committee.

SECTION 6
MISCELLANEOUS

(a) Rights in Shares Prior to Issuance. Prior to issuance of shares of Common Stock in accordance with Section 2(b), neither Employee nor his or her legatees, personal representatives or distributees (i) shall be deemed to be a holder of any shares of Common Stock represented by the Performance Shares awarded hereunder or (ii) have any voting rights with respect to any such shares.

(b) Non-assignability. The Performance Shares shall not be transferable by Employee other than by will or by the laws of descent and distribution; provided that, Employee may transfer the Performance Shares during his or her lifetime to a revocable living trust of which Employee is grantor, or to another form of trust indenture of which Employee is a grantor or a beneficiary.

(c) Recoupment. The awards granted pursuant to this Agreement are subject to the terms and conditions contained in the Company's Executive Compensation Recoupment Policy (the "Recoupment Policy"), which permits the Company to recoup all or a portion of awards made to certain employees upon the occurrence of any Recoupment Event (as defined in the Recoupment Policy).

(d) Securities Law Requirements. The Company shall not be required to issue shares of Common Stock pursuant to this Agreement unless and until (i) such shares have been duly listed upon each stock exchange on which the Company's Common Stock is then registered and (ii) a registration statement under the Securities Act of 1933, as amended, with respect to such shares is then effective.

(e) Designation of Beneficiaries. Employee may file with the Company a written designation of a beneficiary or beneficiaries to receive, upon Employee's death, the shares of Common Stock determined in accordance with Section 4(b) and subject to all of the provisions of this Agreement. An Employee may from time to time revoke or change any such designation of beneficiary and any designation of beneficiary under the Plan shall be controlling over any other disposition, testamentary or otherwise; provided, however, that if the Committee shall be in doubt as to the right of any such beneficiary to receive shares of Common Stock, the Committee may recognize only receipt of such shares by the personal representative of the estate of Employee, in which case the Company, the Committee and the members thereof shall not be under any further liability to anyone.

(f) Changes in Capital Structure. If there is any change in the Common Stock by reason of any extraordinary dividend, stock dividend, spinoff, splitup, spinout, recapitalization, warrant or rights issuance or combination, exchange or reclassification of shares, merger, consolidation, reorganization, sale of substantially all assets or, as determined by the Committee, other similar or relevant event, then the number, kind and class of shares of Common Stock available for Performance Shares and the number, kind and class of shares of Common Stock subject to outstanding Performance Shares, as applicable, shall be appropriately adjusted by the Committee. The issuance of shares of Common Stock for consideration and the issuance of rights with respect to Common Stock shall not be considered a change in the Company's capital structure. No adjustment provided for in this Section shall require the issuance of any fractional shares.

(g) Right to Continued Employment. Nothing in this Agreement shall confer on Employee any right to continued employment or interfere with the right of an employer to terminate Employee's employment at any time.

(h) Tax Withholding. Employee must pay, or make arrangements acceptable to the Company for the payment of any and all federal, state and local tax withholding that in the opinion of the Company is required by law. Unless Employee satisfies any such tax withholding obligation by paying the amount in cash or by check, the Company will withhold shares of Common Stock having a Fair Market Value on the date of withholding equal to the tax withholding obligation.

(i) Copy of Plan. By signing this Agreement, Employee acknowledges receipt of a copy of the Plan and any offering circular related to the Plan.

(j) Choice of Law; Venue. This Agreement will be governed by the laws of the State of Missouri, without giving regard to the conflict of law provisions thereof. Any legal action arising out of this Agreement may only be brought in the Circuit Court in St. Louis County and/or the United States District Court in St. Louis, Missouri.

(k) Execution. An authorized representative of the Company has signed this Agreement, and Employee has signed this Agreement to evidence Employee's acceptance of the award on the terms specified in this Agreement and the Plan, all as of the Date of Grant.

(l) Section 409A. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Employee on account of non-compliance with Section 409A of the Code. Notwithstanding anything herein to the contrary, if Employee is determined to be a specified employee within the meaning of Section 409A of the Code, any payment on account of termination of employment shall be made on the first payroll date which is more than six months following the date of Employee's termination of employment to the extent required to avoid any adverse tax consequences under Section 409A of the Code. To the extent necessary for compliance with Code Section 409A, references to termination of employment under this Agreement shall mean a "separation from service" within the meaning of Section 409A of the Code.

SECTION 7
TERMS OF THE PLAN

This award is granted under and is expressly subject to all the terms and provisions of the Plan, which terms are incorporated herein by reference. The Plan and this Agreement are administered by the Committee. Any determination under the Plan or this Agreement made by the Committee shall be at the Committee's sole discretion. Capitalized terms used and not otherwise defined in this Agreement shall have the same meanings ascribed to them in the Plan.

Signature page follows.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of this ___ day of ________, ____.

Reinsurance Group of America, Incorporated

By: _____________________________
Anna Manning
President & Chief Executive Officer

Employee

____
Name: __________________________

REINSURANCE GROUP OF AMERICA, INCORPORATED
FLEXIBLE STOCK PLAN

RESTRICTED STOCK UNIT AGREEMENT

Reinsurance Group of America, Incorporated, a Missouri corporation (the "Company"), and _________________________ ("Employee"), hereby agree as follows:

SECTION 1
GRANT OF RSUs

Pursuant to the Reinsurance Group of America, Incorporated Flexible Stock Plan, as amended and restated effective May 23, 2017 (the "Plan"), and pursuant to action of the Committee charged with the Plan's administration, the Company has granted to Employee, effective ___________ (the "Date of Grant"), subject to the terms, conditions and limitations stated in this Restricted Stock Unit Agreement (this "Agreement"), the Plan and the Company's Executive Compensation Recoupment Policy (as discussed in Section 5(c)), an award of restricted stock units ("RSUs") with respect to ___________ shares of Common Stock.

SECTION 2
TERMS OF GRANT

1. Vesting Period. The vesting period for this award is the three (3) year period beginning January 1 of the year of the Date of Grant, and ending December 31 of the second year following the year of the Date of Grant (i.e., year 3) (the "Vesting Period").

2. Payment.

i. RSUs Payable In Common Stock. Subject to early termination of this Agreement pursuant to Sections 3 or 4 below, on or after January 1 but no later than December 31 following the last day of the Vesting Period, the Company will deliver to Employee one (1) share of the Company's Common Stock for each RSU granted under this Agreement; provided, however, that any fractional RSU shall be paid in cash equal to such fraction of the Fair Market Value of a share of Common Stock on the date of payment; provided, further, that the Committee shall have the discretion to reduce or eliminate the number of shares of Common Stock delivered hereunder.

ii. Dividend Equivalents. RSUs shall not include dividend equivalent payments or dividend credit rights.

SECTION 3
CONDITIONS AND LIMITATIONS ON RIGHT TO RECEIVE
RSUs OR COMMON SHARES

1. Demotion or Transfer. If Employee is demoted or transferred to a position with the Company or any of its Affiliates in which Employee is not eligible to participate in the Plan prior to the expiration of the Vesting Period, as determined by the Committee, this Agreement

will terminate and be of no further force or effect and the RSUs awarded to Employee hereunder shall be forfeited.

2. Termination of Employment.

a. Death or Disability. If Employee ceases to be employed by the Company or any of its Affiliates prior to the expiration of the Vesting Period due to death or Disability, Employee (or, upon Employee's death, the legal representative of Employee's estate or revocable living trust) shall receive a pro rata proportion of the shares of Common Stock that would have been issued to Employee under this Agreement, determined by multiplying such shares by a fraction, the numerator of which is the number of calendar months in the Vesting Period during which Employee's employment continued, and the denominator of which is 36. Such pro rata proportion shall be paid to Employee (or, upon Employee's death, the legal representative of Employee's estate or revocable living trust) at the same time and in the same manner as specified in Section 2(b) above. Employment for any portion of a calendar month shall be deemed employment for that calendar month. For purposes of this Agreement, "Disability" shall mean disability as defined in any long-term disability plan maintained by the Company or an Affiliate which covers Employee or, in the absence of any such plan, the physical or mental condition of Employee arising during the Vesting Period, which in the opinion of a qualified physician chosen by the Company prevents Employee from continuing employment with the Company and its Affiliates.

b. Retirement. If Employee ceases to be a full-time employee of the Company or any of its Affiliates (as may be determined by the Company or such Affiliate from time to time) at any time during the first year of the Vesting Period due to Retirement, this Agreement will terminate and be of no further force or effect and the RSUs awarded to Employee hereunder shall be forfeited, unless otherwise determined by the Committee.

If Employee ceases to be employed by the Company or any of its Affiliates at any time during the second or third year of the Vesting Period due to Retirement, Employee (or, upon Employee's death following Retirement, the legal representative of Employee's estate or revocable living trust) shall receive the shares of Common Stock that would have been issued to Employee under this Agreement had the Retirement not occurred, payable as set forth in Section 2(b) above; provided, however, that (i) Employee must maintain full-time equivalent employment status (as may be determined by the Company or such Affiliate) through December 31 of the first year of the Vesting Period and (ii) if, following any such Retirement, Employee is employed by or associated with an organization that competes with the Company or any of its Affiliates as determined by the Committee, this Agreement will terminate and be of no further force or effect and the RSUs awarded to Employee hereunder shall be forfeited, unless otherwise determined by the Committee.

For purposes of this Agreement, "Retirement" shall mean termination of employment with the Company and its Affiliates after Employee has attained a combination of age and years of service that equals at least sixty-five (65); provided that, (A) Employee has been employed by the Company and its Affiliates for at least five (5) years and (B) the maximum number of years of service credited for purposes of this calculation shall be ten (10).

c. Other Termination. If Employee's employment with the Company and its Affiliates is terminated prior to payment of the shares of Common Stock as specified in Section 2(b) above, whether voluntarily or involuntarily, for any reason other than death, Disability or Retirement, this Agreement will terminate and be of no further force or effect and the RSUs awarded to Employee hereunder shall be forfeited, unless otherwise determined by the Committee.

SECTION 4
CHANGE OF CONTROL

Following any Change of Control, the number of shares of Common Stock determined in accordance with Sections 1 and 2(b) (and, upon Employee's death, Disability or Retirement prior to the end of the Vesting Period, Section 3(b)) shall be delivered to Employee (or, upon Employee's death, the legal representative of Employee's estate or revocable living trust) at the same time and in the same manner as specified in Section 2(b) above. Section 3(b)(3) shall not apply in the case of involuntary termination of Employee's employment by the Company or an Affiliate following a Change of Control other than for cause. For purposes of this Section, "cause" shall mean (a) any conduct, act or omission that is contrary to Employee's duties as an officer or employee of the Company or any of its Affiliates, or that is inimical or in any way contrary to the best interests of the Company or any of its Affiliates, or (b) employment of Employee by or association of Employee with an organization that competes with the Company or any of its Affiliates, in each case as determined by the Committee.

SECTION 5
MISCELLANEOUS

a. Rights in Shares Prior to Issuance. Prior to issuance of shares of Common Stock in accordance with Section 2(b), neither Employee nor his or her legatees, personal representatives or distributees (i) shall be deemed to be a holder of any shares of Common Stock represented by the RSUs awarded hereunder or (ii) have any voting rights with respect to any such shares.

1. Non-assignability. The RSUs shall not be transferable by Employee other than by will or by the laws of descent and distribution; provided that, Employee may transfer the RSUs during his or her lifetime to a revocable living trust of which Employee is grantor, or to another form of trust indenture of which Employee is a grantor or a beneficiary.

2. Recoupment. The awards granted pursuant to this Agreement are subject to the terms and conditions contained in the Company's Executive Compensation Recoupment Policy (the "Recoupment Policy"), which permits the Company to recoup all or a portion of awards

made to certain employees upon the occurrence of any Recoupment Event (as defined in the Recoupment Policy).

3. Securities Law Requirements. The Company shall not be required to issue shares of Common Stock pursuant to this Agreement unless and until (i) such shares have been duly listed upon each stock exchange on which the Company's Common Stock is then registered and (ii) a registration statement under the Securities Act of 1933 with respect to such shares is then effective.

(e) Designation of Beneficiaries. Employee may file with the Company a written designation of a beneficiary or beneficiaries to receive, upon Employee's death, the shares of Common Stock determined in accordance with Section 3(b) and subject to all of the provisions of this Agreement. An Employee may from time to time revoke or change any such designation of beneficiary and any designation of beneficiary under the Plan shall be controlling over any other disposition, testamentary or otherwise; provided, however, that if the Committee shall be in doubt as to the right of any such beneficiary to receive shares of Common Stock, the Committee may recognize only receipt of such shares by the personal representative of the estate of Employee, in which case the Company, the Committee and the members thereof shall not be under any further liability to anyone.

(f) Changes in Capital Structure. If there is any change in the Common Stock by reason of any extraordinary dividend, stock dividend, spinoff, splitup, spinout, recapitalization, warrant or rights issuance or combination, exchange or reclassification of shares, merger, consolidation, reorganization, sale of substantially all assets or, as determined by the Committee, other similar or relevant event, then the number, kind and class of shares of Common Stock available for RSUs and the number, kind and class of shares of Common Stock subject to outstanding RSUs, as applicable, shall be appropriately adjusted by the Committee. The issuance of shares of Common Stock for consideration and the issuance of rights with respect to Common Stock shall not be considered a change in the Company's capital structure. No adjustment provided for in this Section shall require the issuance of any fractional shares.

(g) Right to Continued Employment. Nothing in this Agreement shall confer on Employee any right to continued employment or interfere with the right of an employer to terminate Employee's employment at any time.

(h) Tax Withholding. Employee must pay, or make arrangements acceptable to the Company for the payment of any and all federal, state and local tax withholding that in the opinion of the Company is required by law. Unless Employee satisfies any such tax withholding obligation by paying the amount in cash or by check, the Company will withhold shares of Common Stock having a Fair Market Value on the date of withholding equal to the tax withholding obligation.

(i) Copy of Plan. By signing this Agreement, Employee acknowledges receipt of a copy of the Plan and any offering circular related to the Plan.

(j) Choice of Law; Venue. This Agreement will be governed by the laws of the State of Missouri, without giving regard to the conflict of law provisions thereof. Any legal action arising out of this Agreement may only be brought in the Circuit Court in St. Louis County and/or the United States District Court in St. Louis, Missouri.

(k) Execution. An authorized representative of the Company has signed this Agreement, and Employee has signed this Agreement to evidence Employee's acceptance of the award on the terms specified in this Agreement and the Plan, all as of the Date of Grant.

(l) Section 409A. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Employee on account of non-compliance with Section 409A of the Code. Notwithstanding anything herein to the contrary, if Employee is determined to be a specified employee within the meaning of Section 409A of the Code, any payment on account of termination of employment shall be made on the first payroll date which is more than six months following the date of Employee's termination of employment to the extent required to avoid any adverse tax consequences under Section 409A of the Code. To the extent necessary for compliance with Code Section 409A, references to termination of employment under this Agreement shall mean a "separation from service" within the meaning of Section 409A of the Code.

SECTION 6
TERMS OF THE PLAN

This award is granted under and is expressly subject to all the terms and provisions of the Plan, which terms are incorporated herein by reference. The Plan and this Agreement are administered by the Committee. Any determination under the Plan or this Agreement made by the Committee shall be at the Committee's sole discretion. Capitalized terms used and not otherwise defined in this Agreement shall have the same meanings ascribed to them in the Plan.

Signature page follows.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of this ___ day of ________, ____.

Reinsurance Group of America, Incorporated

By: _____________________________
Anna Manning
President & Chief Executive Officer

Employee

____
Name: __________________________

REINSURANCE GROUP OF AMERICA, INCORPORATED
FLEXIBLE STOCK PLAN

STOCK APPRECIATION RIGHT AWARD AGREEMENT

Reinsurance Group of America, Incorporated, a Missouri corporation (the "Company"), and ___________________________ ("Employee") hereby agree as follows:

SECTION 1
GRANT OF STOCK APPRECIATION RIGHT

Pursuant to the Reinsurance Group of America, Incorporated Flexible Stock Plan, as amended and restated effective May 23, 2017 (the "Plan"), and pursuant to action of the Committee charged with the Plan's administration, the Company has granted to Employee, effective ___________ (the "Date of Grant"), subject to the terms, conditions and limitations stated in this Stock Appreciation Right Award Agreement (this "Agreement"), the Plan and the Company's Executive Compensation Recoupment Policy (as discussed in Section 8(c)), a stock appreciation right ("SAR"), which is granted with respect to _________ shares (each, a "SAR Share") of Common Stock. The SAR is exercisable as provided in Section 3.

SECTION 2
EXERCISE PRICE PER SAR SHARE

The "Exercise Price Per SAR Share" shall be $______ which is the Fair Market Value of one share of Common Stock as of the Date of Grant.

SECTION 3
EXERCISE OF SAR

(a) Right to Exercise. This SAR is exercisable at any time prior to the Expiration Date, but only to the extent vested on the date of such exercise.

(b) Terms of Exercise. Upon exercise of any vested portion of the SAR in accordance with this Section 3, Employee or the individual, trust or entity authorized to exercise such SAR as provided herein (collectively, the "Exercisor") shall be entitled to receive the excess of (i) the Fair Market Value of the specified number of SAR Shares as of the date of exercise (which shall be determined by multiplying the number of SAR Shares being exercised by the Fair Market Value of one share of Common Stock on the date of exercise) over (ii) an amount equal to the Exercise Price Per Share multiplied by the number of SAR Shares being exercised. Such excess, if any, shall be paid either (x) in whole shares of Common Stock, the number of which shall be determined using the Fair Market Value of one share of Common Stock as of the date of exercise, disregarding any fractional shares, or (y) in cash, with such method of payment to be determined by the Committee from time to time.

(c) Method of Exercise. The SAR may be exercised in whole or in part by the Exercisor at any time or from time to time in accordance with procedures established by the Committee. As promptly as practicable after such exercise of the SAR, the Company shall issue the number of shares of Common Stock or pay the amount of cash, as applicable, determined pursuant to Section 3(b) above to the Exercisor. Each exercised SAR will be cancelled.

SECTION 4
CONDITIONS AND LIMITATIONS ON RIGHT TO EXERCISE SAR

(a) Vesting. Subject to paragraph (b) of this Section and subject to Sections 6 and 7, this SAR shall vest in four (4) equal annual installments of 25% commencing December 31 of the year of the Date of Grant. The SAR must be exercised, if at all, no later than ten (10) years from the Date of Grant (the "Expiration Date"). The SAR may be exercised in full or in part pursuant to this vesting schedule at any time prior to the Expiration Date. Upon a partial exercise of this SAR, the number of SAR Shares available for future exercise shall be reduced by the portion of the SAR so exercised.

Date	Cumulative Percentage of SAR Shares That Are Vested
December 31, ____	25%
December 31, ____	50%
December 31, ____	75%
December 31, ____	100%

(b) Exercise if No Longer an Employee.

(1) Termination. Except as provided in paragraphs (2) or (3) below, the SAR may be exercised only by Employee while serving as an officer or employee of the Company or any of its Affiliates or within 30 days following termination of employment.

Notwithstanding the foregoing, Employee may exercise the SAR following termination only to the extent the SAR was vested and had not been exercised prior to termination, and in no event may the SAR be exercised after the Expiration Date.

An approved leave of absence shall not constitute a termination for purposes of this Section so long as Employee's right to re-employment is guaranteed either by statute, local law, contract or pursuant to any Company policy. Where re-employment is not so guaranteed, termination shall be deemed to occur on the first day after the end of such approved period of leave.

(2) Disability or Death. Notwithstanding the vesting schedule set forth in Section 4(a) above, if Employee ceases to be employed by the Company or any of its Affiliates prior to the Expiration Date due to Disability or death, the SAR shall become immediately 100% vested with respect to the portion of the SAR not exercised prior to

the date of Disability or death, and the SAR may be exercised at any time within five (5) years following the earlier to occur of death or Disability, but in no event later than the Expiration Date. Should this Section 4(b)(2) become operative because of Employee's death, or should Employee die after Employee's Disability, then the SAR may be exercised by: (i) a legatee or legatees of Employee under Employee's last will; (ii) Employee's personal representative(s) under Employee's last will or, if Employee died without a will, the executor of Employee's probate estate; or (iii) the trustee(s) of Employee's revocable living trust or of a trust indenture of which Employee is a grantor or a beneficiary.

For purposes of this Agreement, "Disability" means disability as defined in any long-term disability plan maintained by the Company or an Affiliate which covers Employee or, in the absence of any such plan, the physical or mental condition of Employee arising prior to the Expiration Date, which in the opinion of a qualified physician chosen by the Company prevents Employee from continuing employment with the Company and its Affiliates.

(3) Retirement. If Employee ceases to be a full-time employee of the Company or any of its Affiliates (as may be determined by the Company or such Affiliate) at any time on or prior to December 31 of the year of the Date of Grant due to Retirement, this Agreement will terminate and be of no further force or effect and the SAR awarded to Employee hereunder shall be forfeited, unless otherwise determined by the Committee.

Upon Employee's Retirement following December 31 of the year of the Date of Grant but prior to the Expiration Date, the SAR shall continue to vest following such Retirement as provided in Section 4(a) above and shall remain exercisable as if Employee had continued his or her employment with the Company or its Affiliates following such Retirement, subject to Section 7 below; provided, however, that Employee must maintain full-time equivalent employment status (as may be determined by the Company or such Affiliate) through December 31 of the year of the Date of Grant. Notwithstanding the vesting schedule set forth in Section 4(a) above, upon Employee's death following any such Retirement referred to in the immediately preceding sentence but prior to the Expiration Date, the SAR shall become immediately 100% vested with respect to the portion of the SAR not exercised prior to Employee's death. The SAR may be exercised at any time within five (5) years following Employee's death (but in no event later than the Expiration Date) by: (i) a legatee or legatees of Employee under Employee's last will; (ii) Employee's personal representative(s) under Employee's last will or, if Employee died without a will, the executor of Employee's probate estate; or (iii) the trustee(s) of Employee's revocable living trust or of a trust indenture of which Employee is a grantor or a beneficiary. In no event may any portion of this SAR be exercised after the Expiration Date.

For purposes of this Agreement, "Retirement" shall mean termination of employment with the Company and its Affiliates after Employee has attained a combination of age and years of service that equals at least sixty-five (65); provided that, (A) Employee has been employed by the Company and its Affiliates for at least five (5) years and (B) the maximum number of years of service credited for purposes of this calculation shall be ten (10).

(c) Dividend Equivalents. SARs shall not include dividend equivalent payments or dividend credit rights.

SECTION 5
DELIVERY OF SHARES

The Company shall not be required to issue or deliver any shares of Common Stock, if applicable, upon the exercise of this SAR prior to (a) the admission of such shares to listing on any stock exchange on which the Company's Common Stock may then be listed, (b) the completion of any registration and/or qualification of such shares under any state or federal laws (including without limitation the Securities Act of 1933, as amended) or rulings or regulations of any governmental regulatory body, which the Company shall determine to be necessary or advisable, or (c) if the Company so requests, the filing with the Company by the Exercisor of a representation in writing at the time of such exercise that it is such Exercisor's present intention to acquire the shares being purchased for investment and not for resale or distribution.

SECTION 6
CHANGE OF CONTROL

Notwithstanding the vesting schedule set forth in Section 4(a), upon a Change of Control prior to Employee's termination, Retirement, Disability or death (as described in Section 4(b)), the SAR shall become immediately 100% vested with respect to the portion of the SAR not exercised prior to the Change of Control (but in no event may Employee exercise any portion of the SAR after the Expiration Date).

SECTION 7
CANCELLATION

Notwithstanding anything herein to the contrary, this Agreement shall be cancelled and the SAR granted hereby shall be forfeited, without any further action by the Committee, as a result of Employee's Malfeasance. Upon such cancellation, all rights of Employee hereunder shall terminate, irrespective of whether the SAR is otherwise vested, and the shares of Common Stock reserved for use hereunder shall be available for future grant in accordance with the Plan. "Malfeasance" means (1) any conduct, act or omission that is contrary to Employee's duties as an officer or employee of the Company or any of its Affiliates, or that is inimical or in any way contrary to the best interests of the Company or any of its Affiliates, or (2) employment of Employee by or association of Employee with an organization that competes with the Company or any of its Affiliates, in each case as determined by the Committee.

SECTION 8
MISCELLANEOUS

(a) Rights in Shares Prior to Issuance. Prior to issuance of shares of Common Stock in accordance with Section 3, neither Employee nor his or her legatees, personal representatives or distributees (i) shall be deemed to be a holder of any shares of Common Stock subject to this SAR or (ii) have any voting rights with respect to any such shares.

(b) Non-assignability. This SAR shall not be transferable by Employee other than by will or by the laws of descent and distribution; provided that, Employee may transfer the SAR during his or her lifetime to a revocable living trust of which Employee is grantor, or to another form of trust indenture of which Employee is a grantor or a beneficiary. This SAR may be exercised during Employee’s lifetime only by: Employee; Employee’s guardian, power of attorney, or legal representative; or the trustee of Employee’s revocable living trust or of a trust indenture of which Employee is a grantor or a beneficiary.

(c) Recoupment. The awards granted pursuant to this Agreement are subject to the terms and conditions contained in the Company’s Executive Compensation Recoupment Policy (the “Recoupment Policy”), which permits the Company to recoup all or a portion of awards made to certain employees upon the occurrence of any Recoupment Event (as defined in the Recoupment Policy).

(d) Designation of Beneficiaries. Employee may file with the Company a written designation of a beneficiary or beneficiaries to exercise, upon Employee’s death, the SAR granted hereunder, subject to all of the provisions of this Agreement. An Employee may from time to time revoke or change any such designation of beneficiary and any designation of beneficiary under the Plan shall be controlling over any other disposition, testamentary or otherwise; provided, however, that if the Committee shall be in doubt as to the right of any such beneficiary to exercise the SAR, the Committee may recognize only an exercise by the personal representative of the estate of Employee, in which case the Company, the Committee and the members thereof shall not be under any further liability to anyone.

(e) Changes in Capital Structure. If there is any change in the Common Stock by reason of any extraordinary dividend, stock dividend, spinoff, splitup, spinout, recapitalization, warrant or rights issuance or combination, exchange or reclassification of shares, merger, consolidation, reorganization, sale of substantially all assets or, as determined by the Committee, other similar or relevant event, then the number, kind and class of shares of Common Stock available for SARs and the number, kind and class of shares of Common Stock subject to outstanding SARs and the exercise price thereof, as applicable, shall be appropriately adjusted by the Committee. The issuance of shares of Common Stock for consideration and the issuance of rights with respect to Common Stock shall not be considered a change in the Company’s capital structure. No adjustment provided for in this Section shall require the issuance of any fractional shares.

(f) Right to Continued Employment. Nothing in this Agreement shall confer on Employee any right to continued employment or interfere with the right of an employer to terminate Employee's employment at any time.

(g) Tax Withholding. Employee must pay, or make arrangements acceptable to the Company for the payment of any and all federal, state and local tax withholding that in the opinion of the Company is required by law. Unless Employee satisfies any such tax withholding obligation by paying the amount in cash or by check, the Company will withhold shares of Common Stock having a Fair Market Value on the date of withholding equal to the tax withholding obligation.

(h) Copy of Plan. By signing this Agreement, Employee acknowledges receipt of a copy of the Plan and any offering circular related to the Plan.

(i) Choice of Law; Venue. This Agreement will be governed by the laws of the State of Missouri, without giving regard to the conflict of law provisions thereof. Any legal action arising out of this Agreement may only be brought in the Circuit Court in St. Louis County and/or the United States District Court in St. Louis, Missouri.

(j) Execution. An authorized representative of the Company has signed this Agreement, and Employee has signed this Agreement to evidence Employee's acceptance of the award on the terms specified in this Agreement and the Plan, all as of the Date of Grant.

SECTION 9
TERMS OF THE PLAN

This award is granted under and is expressly subject to all the terms and provisions of the Plan, which terms are incorporated herein by reference. The Plan and this Agreement are administered by the Committee. Any determination under the Plan or this Agreement made by the Committee shall be at the Committee's sole discretion. The Committee shall have the discretion to reduce or eliminate any unvested portion of the SARs outstanding hereunder. Capitalized terms used and not otherwise defined in this Agreement shall have the same meanings ascribed to them in the Plan.

Signature page follows.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of this ___ day of ________, ____.

"Company"
Reinsurance Group of America, Incorporated

By: ____________
Name: Anna Manning
Title: President & Chief Executive Officer

"Employee"

____
Name: ______________________________

REINSURANCE GROUP OF AMERICA, INCORPORATED
FLEXIBLE STOCK PLAN

NON-QUALIFIED STOCK OPTION AGREEMENT

Reinsurance Group of America, Incorporated, a Missouri corporation (the "Company"), and ______________________ ("Employee") hereby agree as follows:

SECTION 1
GRANT OF OPTION

Pursuant to the Reinsurance Group of America, Incorporated Flexible Stock Plan, as amended and restated effective May 23, 2017 (the "Plan"), and pursuant to action of the Committee charged with the Plan's administration, the Company has granted to Employee, effective __________ (the "Date of Grant"), subject to the terms, conditions and limitations stated in this Non-Qualified Stock Option Agreement (this "Agreement"), the Plan and the Company's Executive Compensation Recoupment Policy (as discussed in Section 8(c)), an option ("Option") to purchase, at the price specified in Section 2, __________ shares (each, an "Option Share") of Common Stock. The Option is exercisable as provided in Section 3.

SECTION 2
OPTION PRICE

The purchase price per Option Share shall be $______ (the "Purchase Price"), which is the Fair Market Value of one share of Common Stock as of the Date of Grant.

SECTION 3
EXERCISE OF OPTION

(a) Right to Exercise. This Option is exercisable at any time prior to the Expiration Date, but only to the extent vested on the date of such exercise.

(b) Method of Exercise. The Option may be exercised in whole or in part by Employee or any other individual, trust or entity authorized pursuant to the terms of this Agreement to exercise the Option (collectively, the "Exercisor") at any time or from time to time in accordance with procedures established by the Committee. As promptly as practicable after such exercise of the Option, the Company shall issue the number of shares of Common Stock pursuant to Section 3(c) or, at the option of the Exercisor, pay the amount of cash determined pursuant to Section 3(d) to the Exercisor.

(c) Terms of Exercise. Upon exercise of any vested portion of the Option in accordance with this Section 3, the Exercisor shall pay to the Company an amount equal to the Purchase Price multiplied by the number of Option Shares being exercised. As promptly as practicable after such exercise of the Option, the Company shall issue the specified number of shares of Common Stock to the Exerciser. Each exercised Option will be cancelled.

(d) Net Settlement. The Exercisor may, at its sole discretion, exercise an Option by way of "net settlement" as provided in Section 12.1(d) of the Plan. In order to exercise an Option by way of "net settlement," the Exercisor must provide written notice to the Company and designate the number of Options subject to the "net settlement" election. The Exercisor shall surrender the Option in exchange for a consideration equal to the excess of (i) the Fair Market Value of the specified number of Option Shares as of the date of exercise (which shall be determined by multiplying the number of Option Shares subject to the Option being exercised by the Fair Market Value of one share of Common Stock on the date of exercise) over (ii) an amount equal to the Purchase Price multiplied by the number of Option Shares subject to the Option being exercised (such excess, the "Option Value"). The Option Value (if a positive value) shall be paid in shares of Common Stock. The number of shares of Common Stock to be issued is equal to the Option Value divided by the Fair Market Value of one share of Common Stock on the date of exercise. Fractional shares will be paid in cash. Each exercised Option will be cancelled.

If the Exercisor elects to exercise an Option by way of "net settlement," subject to the requirements of the Income Tax Act (Canada) (the "Act"), and if the Employee is subject to taxation in Canada, the Company hereby agrees that it will elect under Subsection 110(1.1) of the Act, in the prescribed manner, that neither the Company, nor any person not dealing at arm's length with the Company, will deduct any amount in computing its income for a taxation year in respect of any amount to or for the benefit of Employee for the surrender of rights under this Agreement.

SECTION 4
CONDITIONS AND LIMITATIONS ON RIGHT TO EXERCISE OPTION

(a) Vesting. Subject to paragraph (b) of this Section and subject to Sections 6 and 7, this Option shall vest in four (4) equal annual installments of 25% commencing December 31 of the year of the Date of Grant. The Option must be exercised, if at all, no later than ten (10) years from the Date of Grant (the "Expiration Date"). The Option may be exercised in full or in part pursuant to this vesting schedule at any time prior to the Expiration Date. Upon a partial exercise of this Option, the number of Option Shares available for future exercise shall be reduced by the portion of the Option so exercised.

Date	Cumulative Percentage of Option Shares That Are Vested
December 31, ____	25%
December 31, ____	50%
December 31, ____	75%
December 31, ____	100%

(b) Exercise if No Longer an Employee.

(1) Termination. Except as provided in paragraphs (2) or (3) below, the Option may be exercised only by Employee while actually and actively serving as an officer or employee of the Company or any of its Affiliates or within 30 days following termination of employment.

Notwithstanding the foregoing, Employee may exercise the Option following termination of employment only to the extent the Option was vested and had not been exercised prior to such termination, and in no event may the Option be exercised after the Expiration Date.

For the purposes of this Agreement, an Employee’s termination of employment shall be deemed to occur on the Employee’s last day of actual and active employment, whether such date is chosen by the Employee, the Company or any of its Affiliates, or otherwise; provided that, an approved leave of absence shall not constitute a termination of employment for purposes of this Section so long as Employee’s right to re-employment is guaranteed either by statute, local law, contract or pursuant to any Company policy. Where re-employment is not so guaranteed, termination of employment of an employee on a leave of absence shall be deemed to occur on the first day after the end of such approved period of leave for the purposes of this Option.

For greater certainty, except as specifically required by statute, no period of notice, if any, or payment in lieu of notice, that is or ought to be given under applicable law or contract to the Employee upon termination of the Employee’s employment that follows or is in respect of a period that follows the Employee’s last day of actual and active employment shall be considered as extending the Employee’s period of employment for the purposes of determining the Employee’s rights under this Option.

The Employee shall have no entitlement to damages or other compensation arising from or related to not receiving any shares of Common Stock or cash which would have been granted or paid to the Employee after the Employee’s last day of active and actual employment. However, nothing herein is intended to limit any statutory entitlements on termination and such statutory entitlements shall, if required, apply despite any language to the contrary.

(2) Disability or Death. Notwithstanding the vesting schedule set forth in Section 4(a) above, if Employee ceases to be employed by the Company or any of its Affiliates prior to the Expiration Date due to Disability or death, the Option shall become immediately 100% vested with respect to the portion of the Option not exercised prior to the date of Disability or death, and the Option may be exercised at any time within five (5) years following the earlier to occur of death or Disability, but in no event later than the Expiration Date. Should this Section 4(b)(2) become operative because of Employee’s death, or should Employee die after Employee’s Disability, then the Option

may be exercised by: (i) a legatee or legatees of Employee under Employee's last will; (ii) Employee's personal representative(s) under Employee's last will or, if Employee died without a will, the executor of Employee's probate estate; or (iii) the trustee(s) of Employee's revocable living trust or of a trust indenture of which Employee is a grantor or a beneficiary.

For purposes of this Agreement, "Disability" means disability as defined in any long-term disability plan maintained by the Company or an Affiliate which covers Employee or, in the absence of any such plan, the physical or mental condition of Employee arising prior to the Expiration Date, which in the opinion of a qualified physician chosen by the Company prevents Employee from continuing employment with the Company and its Affiliates.

(3) Retirement. If Employee ceases to be a full-time employee of the Company or any of its Affiliates (as may be determined by the Company or such Affiliate) at any time on or prior to December 31 of the year of the Date of Grant due to Retirement, this Agreement will terminate and be of no further force or effect and the Option awarded to Employee hereunder shall be forfeited, unless otherwise determined by the Committee.

Upon Employee's Retirement following December 31 of the year of the Date of Grant but prior to the Expiration Date, the Option shall continue to vest following such Retirement as provided in Section 4(a) above and shall remain exercisable as if Employee had continued his or her employment with the Company or its Affiliates following such Retirement, subject to Section 7 below; provided, however, that Employee must maintain full-time equivalent employment status (as may be determined by the Company or such Affiliate) through December 31 of the year of the Date of Grant. Notwithstanding the vesting schedule set forth in Section 4(a) above, upon Employee's death following any such Retirement referred to in the immediately preceding sentence but prior to the Expiration Date, the Option shall become immediately 100% vested with respect to the portion of the Option not exercised prior to Employee's death. The Option may be exercised at any time within five (5) years following Employee's death (but in no event later than the Expiration Date) by: (i) a legatee or legatees of Employee under Employee's last will; (ii) Employee's personal representative(s) under Employee's last will or, if Employee died without a will, the executor of Employee's probate estate; or (iii) the trustee(s) of Employee's revocable living trust or of a trust indenture of which Employee is a grantor or a beneficiary. In no event may any portion of this Option be exercised after the Expiration Date.

For purposes of this Agreement, "Retirement" shall mean termination of employment with the Company and its Affiliates after Employee has attained a combination of age and years of service that equals at least sixty-five (65); provided that, (A) Employee has been employed by the Company and its Affiliates for at least five (5) years and (B) the maximum number of years of service credited for purposes of this calculation shall be ten (10).

(c) Dividend Equivalents. This Option shall not include dividend equivalent payments or dividend credit rights.

SECTION 5
DELIVERY OF SHARES

The Company shall not be required to issue or deliver any shares of Common Stock, if applicable, upon the exercise of this Option prior to (a) the admission of such shares to listing on any stock exchange on which the Company's Common Stock may then be listed, (b) the completion of any registration and/or qualification of such shares under any state or federal laws (including without limitation the Securities Act of 1933, as amended) or rulings or regulations of any governmental regulatory body, which the Company shall determine to be necessary or advisable, or (c) if the Company so requests, the filing with the Company by the Exercisor of a representation in writing at the time of such exercise that it is such Exercisor's present intention to acquire the shares being purchased for investment and not for resale or distribution.

SECTION 6
CHANGE OF CONTROL

Notwithstanding the vesting schedule set forth in Section 4(a), upon a Change of Control prior to Employee's termination, Retirement, Disability or death (as described in Section 4(b)), the Option shall become immediately 100% vested with respect to the portion of the Option not exercised prior to the Change of Control (but in no event may Employee exercise any portion of the Option after the Expiration Date).

SECTION 7
CANCELLATION

Notwithstanding anything herein to the contrary, this Agreement shall be cancelled and the Option granted hereby shall be forfeited, without any further action by the Committee, as a result of Employee's Malfeasance. Upon such cancellation, all rights of Employee hereunder shall terminate, irrespective of whether the Option is otherwise vested, and the shares of Common Stock reserved for use hereunder shall be available for future grant in accordance with the Plan. "Malfeasance" means (1) any conduct, act or omission that is contrary to Employee's duties as an officer or employee of the Company or any of its Affiliates, or that is inimical or in any way contrary to the best interests of the Company or any of its Affiliates, or (2) employment of Employee by or association of Employee with an organization that competes with the Company or any of its Affiliates, in each case as determined by the Committee.

SECTION 8
MISCELLANEOUS

(a) Rights in Shares Prior to Issuance. Prior to issuance of shares of Common Stock in accordance with Section 3, neither Employee nor his or her legatees, personal representatives or distributees (i) shall be deemed to be a holder of any shares of

Common Stock subject to this Option or (ii) have any voting rights with respect to any such shares.

(b) Non-assignability. This Option shall not be transferable by Employee other than by will or by the laws of descent and distribution; provided that, Employee may transfer the Option during his or her lifetime to a revocable living trust of which Employee is grantor, or to another form of trust indenture of which Employee is a grantor or a beneficiary. This Option may be exercised during Employee's lifetime only by Employee; Employee's guardian, power of attorney, or legal representative; or the trustee of Employee's revocable living trust or of a trust indenture of which Employee is a grantor or a beneficiary.

(c) Recoupment. The awards granted pursuant to this Agreement are subject to the terms and conditions contained in the Company's Executive Compensation Recoupment Policy (the "Recoupment Policy"), which permits the Company to recoup all or a portion of awards made to certain employees upon the occurrence of any Recoupment Event (as defined in the Recoupment Policy).

(d) Designation of Beneficiaries. Employee may file with the Company a written designation of a beneficiary or beneficiaries to exercise, upon Employee's death, the Option granted hereunder, subject to all of the provisions of this Agreement. An Employee may from time to time revoke or change any such designation of beneficiary and any designation of beneficiary under the Plan shall be controlling over any other disposition, testamentary or otherwise; provided, however, that if the Committee shall be in doubt as to the right of any such beneficiary to exercise the Option, the Committee may recognize only an exercise by the personal representative of the estate of Employee, in which case the Company, the Committee and the members thereof shall not be under any further liability to anyone.

(e) Changes in Capital Structure. If there is any change in the Common Stock by reason of any extraordinary dividend, stock dividend, spinoff, splitup, spinout, recapitalization, warrant or rights issuance or combination, exchange or reclassification of shares, merger, consolidation, reorganization, sale of substantially all assets or, as determined by the Committee, other similar or relevant event, then the number, kind and class of shares of Common Stock available for Options and the number, kind and class of shares of Common Stock subject to outstanding Options and the exercise price thereof, as applicable, shall be appropriately adjusted by the Committee. The issuance of shares of Common Stock for consideration and the issuance of rights with respect to Common Stock shall not be considered a change in the Company's capital structure. No adjustment provided for in this Section shall require the issuance of any fractional shares.

(f) Right to Continued Employment. Nothing in this Agreement shall confer on Employee any right to continued employment or interfere with the right of an employer to terminate Employee's employment at any time.

(g) Option Not An Incentive Stock Option. This Option is not, and will not be treated as, an Incentive Stock Option under Section 422 of the Code.

(h) Tax Withholding. Employee must pay, or make arrangements acceptable to the Company for the payment of any and all federal, state and local tax withholding that in the opinion of the Company is required by law. Unless Employee satisfies any such tax withholding obligation by paying the amount in cash or by check, the Company will withhold shares of Common Stock having a Fair Market Value on the date of withholding equal to the tax withholding obligation.

(i) Copy of Plan. By signing this Agreement, Employee acknowledges receipt of a copy of the Plan and any offering circular related to the Plan.

(j) Choice of Law; Venue. This Agreement will be governed by the laws of the State of Missouri, without giving regard to the conflict of law provisions thereof. Any legal action arising out of this Agreement may only be brought in the Circuit Court in St. Louis County and/or the United States District Court in St. Louis, Missouri.

(k) Execution. An authorized representative of the Company has signed this Agreement, and Employee has signed this Agreement to evidence Employee's acceptance of the award on the terms specified in this Agreement and the Plan, all as of the Date of Grant.

(l) Language. The parties acknowledge that it is their express wish that this Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English. *Les parties reconnaissent avoir exigé la redaction en anglais de cette convention ainsi que de tous documents exécutés, avis donnés et procedures judiciaries intentées, directement ou indirectement, relativement à la présente convention*.

SECTION 9
TERMS OF THE PLAN

This award is granted under and is expressly subject to all the terms and provisions of the Plan, which terms are incorporated herein by reference. The Plan and this Agreement are administered by the Committee. Any determination under the Plan or this Agreement made by the Committee shall be at the Committee's sole discretion. The Committee shall have the discretion to reduce or eliminate any unvested portion of the Option outstanding hereunder. Capitalized terms used and not otherwise defined in this Agreement shall have the same meanings ascribed to them in the Plan.

Signature page follows.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of this ___ day of ________, ____.

"Company"
Reinsurance Group of America, Incorporated

By: ____________
Name: Anna Manning
Title: President & Chief Executive Officer

"Employee"

____
Name: _________________________

80238

REINSURANCE GROUP OF AMERICA, INCORPORATED
FLEXIBLE STOCK PLAN

PERFORMANCE SHARE UNIT AGREEMENT

Reinsurance Group of America, Incorporated, a Missouri corporation (the "Company"), and ___________________ ("Employee"), hereby agree as follows:

SECTION 1
GRANT OF PERFORMANCE SHARES

Pursuant to the Reinsurance Group of America, Incorporated Flexible Stock Plan, as amended and restated effective May 23, 2017 (the "Plan"), and pursuant to action of the Committee charged with the Plan's administration, the Company has granted to Employee, effective March 11, 2021 (the "Date of Grant"), subject to the terms, conditions and limitations stated in this Performance Share Unit Agreement (this "Agreement"), the Plan and the Company's Executive Compensation Recoupment Policy (as discussed in Section 6(c)), an award of performance share units with respect to ____________ shares of Common Stock. The performance share units awarded to Employee in this Agreement are referred to herein as "Performance Shares."

SECTION 2
TERMS OF GRANT

1. Vesting Date. Subject to the provisions of Sections 3 and 4, the vesting date for this award is December 31, 2022 (the "Vesting Date").

2. Performance Period. The performance period for this award is the two (2) year period beginning January 1 of the year of the Date of Grant, and ending December 31 of the year following the year of the Date of Grant (i.e., year 2) (the "Performance Period").

3. Payment.

i. Performance Shares Payable In Common Stock. Subject to early termination of this Agreement pursuant to Sections 4 or 5 below, as soon as practicable following the end of the Performance Period, the Company shall determine the Company's performance of the following six measures: Adjusted Operating Return on Equity (as defined in Section 3(b)) for 2021; Adjusted Operating Return on Equity for 2022; Adjusted Operating Income (as defined in Section 3(c)) for 2021; Adjusted Operating Income for 2022; Book Value Per Share, Excluding AOCI (as defined in Section 3(d)) for 2021; and Book Value Per Share, Excluding AOCI for 2022. If the Committee determines that at least two of these performance measures have been attained as described in Section 3, on or after January 1 but no later than December 31 following the last day of the Performance Period, the Company will deliver to Employee one (1) share of the Company's Common Stock for each Performance Share granted under this Agreement; provided, however, that any fractional Performance Share shall be paid in cash equal to such fraction of the Fair Market Value of a share of Common Stock on the date of payment; provided, further, that the Committee shall have the discretion to reduce or eliminate the number of shares of Common Stock delivered hereunder depending on the payout of other awards granted to Employee under the Plan.

ii. Dividend Equivalents. Performance Shares shall not include dividend equivalent payments or dividend credit rights.

SECTION 3
PERFORMANCE CRITERIA

i. Performance Criteria. The measures for the grant of Performance Shares subject to this Agreement are set forth in a memorandum provided to Employee by the Company.

2. Adjusted Operating Return on Equity. "Adjusted Operating Return on Equity" for the applicable year is the adjusted operating income for the year divided by average adjusted stockholders' equity, as may be adjusted as provided in Section 3(e). Adjusted stockholders' equity represents total stockholders' equity excluding accumulated other comprehensive income. The average of adjusted stockholders' equity will use monthly data points during the one-year evaluation period. Adjusted Operating Return on Equity, adjusted operating income and adjusted stockholders' equity are non-GAAP financial measures.

3. Adjusted Operating Income. "Adjusted Operating Income" for the applicable year is net income excluding items approved by the Committee that are not indicative of the Company's ongoing operations, as may be adjusted as provided in Section 3(e). Such items include, but are not limited to, substantially all of the after-tax effects of net investment related gains and losses, changes in the fair value of certain embedded derivatives and related deferred acquisition costs, any net gain or loss from discontinued operations, the cumulative effect of any accounting changes and certain tax related items. Adjusted Operating Income is a non-GAAP financial measure.

4. Book Value Per Share, Excluding AOCI. "Book Value Per Share, Excluding AOCI" for the applicable year is the Company's adjusted stockholders' equity divided by the end of period outstanding shares of Common Stock, as may be adjusted as provided in Section 3(e). Book Value Per Share, Excluding AOCI and adjusted stockholders' equity are non-GAAP financial measures.

5. Potential Adjustment. Each of Adjusted Operating Return on Equity, Adjusted Operating Income and Book Value Per Share, Excluding AOCI may be adjusted by the Committee from time to time following the date of this Agreement to account for the effects of unusual or non-recurring accounting impacts or changes in accounting standards or treatment or any other unusual or extraordinary items as determined by the Committee from time to time.

SECTION 4
CONDITIONS AND LIMITATIONS ON RIGHT TO RECEIVE PERFORMANCE SHARES OR COMMON SHARES

1. Termination of Employment.

a. Death or Disability. If Employee ceases to be employed by the Company or any of its Affiliates prior to the Vesting Date due to death or Disability, Employee (or, upon Employee's death, the legal representative of Employee's estate or revocable living trust) shall receive a pro rata proportion of the shares of Common Stock that would have been issued to Employee under this Agreement, determined by multiplying such shares by a fraction, the numerator of which is the number of calendar months elapsed from January 1, 2021 during which Employee's employment continued, and the denominator of which is 24. Such pro rata proportion shall be paid to Employee (or, upon Employee's death, the legal representative of Employee's estate or revocable living trust) at the same time and in the same manner as specified in Section 2(c) above. Employment for any portion of a calendar month shall be deemed employment for that calendar month. For purposes of this Agreement, "Disability" shall mean disability as defined in any long-term disability plan maintained by the Company or an Affiliate which covers Employee or, in the absence of any such plan, the physical or mental condition of Employee arising prior to the Vesting Date, which in the opinion of a qualified physician chosen by the Company prevents Employee from continuing employment with the Company and its Affiliates.

b. Retirement. If Employee ceases to be a full-time employee of the Company or any of its Affiliates (as may be determined by the Company or such Affiliate from time to time) at any time prior to December 31, 2021 due to Retirement, this Agreement will terminate and be of no further force or effect and the Performance Shares awarded to Employee hereunder shall be forfeited, unless otherwise determined by the Committee.

If Employee ceases to be employed by the Company or any of its Affiliates at any time during calendar year 2022 due to Retirement, Employee (or, upon Employee's death following Retirement, the legal representative of Employee's estate or revocable living trust) shall receive the shares of Common Stock that would have been issued to Employee under this Agreement had the Retirement not occurred, payable as set forth in Section 2(c) above; provided, however, that (i) Employee must maintain full-time equivalent employment status (as may be determined by the Company or such Affiliate) through December 31, 2021 and (ii) if, following any such Retirement, Employee is employed by or associated with an organization that competes with the Company or any of its Affiliates as determined by the Committee, this Agreement will terminate and be of no further force or effect and the Performance Shares awarded to Employee hereunder shall be forfeited, unless otherwise determined by the Committee.

For purposes of this Agreement, "Retirement" shall mean termination of employment with the Company and its Affiliates after Employee has attained a combination of age and years of service that equals at least sixty-five (65); provided that, (A) Employee has been employed by the Company and its Affiliates for at least five (5) years and (B) the maximum number of years of service credited for purposes of this calculation shall be ten (10).

c. Other Termination. If Employee's employment with the Company and its Affiliates is terminated prior to payment of the shares of Common Stock as specified in Section 2(c) above, whether voluntarily or involuntarily, for any reason other than death, Disability or Retirement, this Agreement will terminate and be of no further force or effect and the Performance Shares awarded to Employee hereunder shall be forfeited, unless otherwise determined by the Committee.

SECTION 5
CHANGE OF CONTROL

Notwithstanding anything herein to the contrary, if a Change of Control occurs prior to the Vesting Date and prior to Employee's death, Disability, Retirement or other termination of employment, Employee shall be deemed to have earned all of the Performance Shares granted hereunder. The number of shares of Common Stock due following a Change of Control determined in accordance with Sections 1 and 2(c) and this Section 5 (and, upon Employee's death, Disability or Retirement prior to the Vesting Date, Section 4(a)) shall be delivered to Employee (or, upon Employee's death, the legal representative of Employee's estate or revocable living trust) at the same time and in the same manner as specified in Section 2(c) above. Section 4(a)(3) shall not apply in the case of involuntary termination of Employee's employment by the Company or an Affiliate following a Change of Control other than for cause. For purposes of this Section, "cause" shall mean (a) any conduct, act or omission that is contrary to Employee's duties as an officer or employee of the Company or any of its Affiliates, or that is inimical or in any way contrary to the best interests of the Company or any of its Affiliates, or (b) employment of Employee by or association of Employee with an organization that competes with the Company or any of its Affiliates, in each case as determined by the Committee.

SECTION 6
MISCELLANEOUS

(a) Rights in Shares Prior to Issuance. Prior to issuance of shares of Common Stock in accordance with Section 2(c), neither Employee nor his or her legatees, personal representatives or distributees (i) shall be deemed to be a holder of any shares of Common Stock represented by the Performance Shares awarded hereunder or (ii) have any voting rights with respect to any such shares.

(b) Non-assignability. The Performance Shares shall not be transferable by Employee other than by will or by the laws of descent and distribution; provided that, Employee may transfer the Performance Shares during his or her lifetime to a revocable living trust of which Employee is grantor, or to another form of trust indenture of which Employee is a grantor or a beneficiary.

(c) Recoupment. The awards granted pursuant to this Agreement are subject to the terms and conditions contained in the Company's Executive Compensation Recoupment Policy (the "Recoupment Policy"), which permits the Company to recoup all or a portion of awards made to certain employees upon the occurrence of any Recoupment Event (as defined in the Recoupment Policy).

(d) Securities Law Requirements. The Company shall not be required to issue shares of Common Stock pursuant to this Agreement unless and until (i) such shares have been duly listed upon each stock exchange on which the Company's Common Stock is then registered and (ii) a registration statement under the Securities Act of 1933, as amended, with respect to such shares is then effective.

(e) Designation of Beneficiaries. Employee may file with the Company a written designation of a beneficiary or beneficiaries to receive, upon Employee's death, the shares of Common Stock determined in accordance with Section 4(a) and subject to all of the provisions of this Agreement. An Employee may from time to time revoke or change any such designation of beneficiary and any designation of beneficiary under the Plan shall be controlling over any other disposition, testamentary or otherwise; provided, however, that if the Committee shall be in doubt as to the right of any such beneficiary to receive shares of Common Stock, the Committee may recognize only receipt of such shares by the personal representative of the estate of Employee, in which case the Company, the Committee and the members thereof shall not be under any further liability to anyone.

(f) Changes in Capital Structure. If there is any change in the Common Stock by reason of any extraordinary dividend, stock dividend, spinoff, splitup, spinout, recapitalization, warrant or rights issuance or combination, exchange or reclassification of shares, merger, consolidation, reorganization, sale of substantially all assets or, as determined by the Committee, other similar or relevant event, then the number, kind and class of shares of Common Stock available for Performance Shares and the number, kind and class of shares of Common Stock subject to outstanding Performance Shares, as applicable, shall be appropriately adjusted by the Committee. The issuance of shares of Common Stock for consideration and the issuance of rights with respect to Common Stock shall not be considered a change in the Company's capital structure. No adjustment provided for in this Section shall require the issuance of any fractional shares.

(g) Right to Continued Employment. Nothing in this Agreement shall confer on Employee any right to continued employment or interfere with the right of an employer to terminate Employee's employment at any time.

(h) Tax Withholding. Employee must pay, or make arrangements acceptable to the Company for the payment of any and all federal, state and local tax withholding that in the opinion of the Company is required by law. Unless Employee satisfies any such tax withholding obligation by paying the amount in cash or by check, the Company will withhold shares of Common Stock having a Fair Market Value on the date of withholding equal to the tax withholding obligation.

(i) Copy of Plan. By signing this Agreement, Employee acknowledges receipt of a copy of the Plan and any offering circular related to the Plan.

(j) Choice of Law; Venue. This Agreement will be governed by the laws of the State of Missouri, without giving regard to the conflict of law provisions thereof. Any legal action arising out of this Agreement may only be brought in the Circuit Court in St. Louis County and/or the United States District Court in St. Louis, Missouri.

(k) Execution. An authorized representative of the Company has signed this Agreement, and Employee has signed this Agreement to evidence Employee's acceptance of the award on the terms specified in this Agreement and the Plan, all as of the Date of Grant.

(l) Section 409A. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Employee on account of non-compliance with Section 409A of the Code. Notwithstanding anything herein to the contrary, if Employee is determined to be a specified employee within the meaning of Section 409A of the Code, any payment on account of termination of employment shall be made on the first payroll date which is more than six months following the date of Employee's termination of employment to the extent required to avoid any adverse tax consequences under Section 409A of the Code. To the extent necessary for compliance with Code Section 409A, references to termination of employment under this Agreement shall mean a "separation from service" within the meaning of Section 409A of the Code.

SECTION 7
TERMS OF THE PLAN

This award is granted under and is expressly subject to all the terms and provisions of the Plan, which terms are incorporated herein by reference. The Plan and this Agreement are administered by the Committee. Any determination under the Plan or this Agreement made by the Committee shall be at the Committee's sole discretion. Capitalized terms used and not otherwise defined in this Agreement shall have the same meanings ascribed to them in the Plan.

Signature page follows.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of this ___ day of ________, 2021.

Reinsurance Group of America, Incorporated

By: ______________________________
Anna Manning
President & Chief Executive Officer

Employee

____
Name: ___________________________

REINSURANCE GROUP OF AMERICA, INCORPORATED
FLEXIBLE STOCK PLAN

<u>RESTRICTED SHARE UNIT AGREEMENT</u>

Reinsurance Group of America, Incorporated, a Missouri corporation (the "Company"), and _________________ ("Employee"), hereby agree as follows:

SECTION 1
<u>GRANT OF RSUs</u>

Pursuant to the Reinsurance Group of America, Incorporated Flexible Stock Plan, as amended and restated effective May 23, 2017 (the "Plan"), and pursuant to action of the Committee charged with the Plan's administration, the Company has granted to Employee, effective March 11, 2021 (the "Date of Grant"), subject to the terms, conditions and limitations stated in this Restricted Share Unit Agreement (this "Agreement"), the Plan and the Company's Executive Compensation Recoupment Policy (as discussed in Section 5(c)), an award of restricted stock units ("RSUs") with respect to _____________ shares of Common Stock.

SECTION 2
<u>TERMS OF GRANT</u>

1. <u>Vesting Date</u>. Subject to the provisions of Section 3, the vesting date for this award is December 31, 2022 (the "Vesting Date").

2. <u>Payment</u>.

i. <u>RSUs Payable In Common Stock</u>. Subject to early termination of this Agreement pursuant to Sections 3 or 4 below, on or after January 1 but no later than December 31 following the Vesting Date, the Company will deliver to Employee one (1) share of the Company's Common Stock for each RSU granted under this Agreement; provided, however, that any fractional RSU shall be paid in cash equal to such fraction of the Fair Market Value of a share of Common Stock on the date of payment; provided, further, that the Committee shall have the discretion to reduce or eliminate the number of shares of Common Stock delivered hereunder depending on the payout of other awards granted to Employee under the Plan.

ii. <u>Dividend Equivalents</u>. RSUs shall not include dividend equivalent payments or dividend credit rights.

SECTION 3
<u>CONDITIONS AND LIMITATIONS ON RIGHT TO RECEIVE</u>
<u>RSUs OR COMMON SHARES</u>

1. <u>Termination of Employment</u>.

a. <u>Death or Disability</u>. If Employee ceases to be employed by the Company or any of its Affiliates prior to the Vesting Date due to death or Disability, Employee (or, upon Employee's death, the legal representative of Employee's estate or revocable living trust) shall receive a pro rata proportion of the shares of Common Stock that would have been issued to Employee under this Agreement, determined by multiplying such shares by a fraction, the numerator of which is the number of calendar months elapsed from January 1, 2021 during which Employee's employment continued, and the denominator of which is 24. Such pro rata proportion shall be paid to Employee (or, upon Employee's death, the legal representative of Employee's estate or revocable living trust) at the same time and in the same manner as specified in Section 2(b) above. Employment for any portion of a calendar month shall be deemed employment for that calendar month. For purposes of this Agreement, "Disability" shall mean disability as defined in any long-term disability plan maintained by the Company or an Affiliate which covers Employee or, in the absence of any such plan, the physical or mental condition of Employee arising prior to the Vesting Date, which in the opinion of a qualified physician chosen by the Company prevents Employee from continuing employment with the Company and its Affiliates.

b. Retirement. If Employee ceases to be a full-time employee of the Company or any of its Affiliates (as may be determined by the Company or such Affiliate from time to time) at any time prior to December 31, 2021 due to Retirement, this Agreement will terminate and be of no further force or effect and the RSUs awarded to Employee hereunder shall be forfeited, unless otherwise determined by the Committee.

If Employee ceases to be employed by the Company or any of its Affiliates at any time during calendar year 2022 due to Retirement, Employee (or, upon Employee's death following Retirement, the legal representative of Employee's estate or revocable living trust) shall receive the shares of Common Stock that would have been issued to Employee under this Agreement had the Retirement not occurred, payable as set forth in Section 2(b) above; provided, however, that (i) Employee must maintain full-time equivalent employment status (as may be determined by the Company or such Affiliate) through December 31, 2021 and (ii) if, following any such Retirement, Employee is employed by or associated with an organization that competes with the Company or any of its Affiliates as determined by the Committee, this Agreement will terminate and be of no further force or effect and the RSUs awarded to Employee hereunder shall be forfeited, unless otherwise determined by the Committee.

For purposes of this Agreement, "Retirement" shall mean termination of employment with the Company and its Affiliates after Employee has attained a combination of age and years of service that equals at least sixty-five (65); provided that, (A) Employee has been employed by the Company and its Affiliates for at least five (5) years and (B) the maximum number of years of service credited for purposes of this calculation shall be ten (10).

c. Other Termination. If Employee's employment with the Company and its Affiliates is terminated prior to payment of the shares of Common Stock as specified in Section 2(b) above, whether voluntarily or involuntarily, for any reason other than death, Disability or Retirement, this Agreement will terminate and be of no further force or effect and the RSUs awarded to Employee hereunder shall be forfeited, unless otherwise determined by the Committee.

SECTION 4
CHANGE OF CONTROL

Following any Change of Control, the number of shares of Common Stock determined in accordance with Sections 1 and 2(b) (and, upon Employee's death, Disability or Retirement prior to the Vesting Date, Section 3(a)) shall be delivered to Employee (or, upon Employee's death, the legal representative of Employee's estate or revocable living trust) at the same time and in the same manner as specified in Section 2(b) above. Section 3(a)(3) shall not apply in the case of involuntary termination of Employee's employment by the Company or an Affiliate following a Change of Control other than for cause. For purposes of this Section, "cause" shall mean (a) any conduct, act or omission that is contrary to Employee's duties as an officer or employee of the Company or any of its Affiliates, or that is inimical or in any way contrary to the best interests of the Company or any of its Affiliates, or (b) employment of Employee by or association of Employee with an organization that competes with the Company or any of its Affiliates, in each case as determined by the Committee.

SECTION 5
MISCELLANEOUS

a. Rights in Shares Prior to Issuance. Prior to issuance of shares of Common Stock in accordance with Section 2(b), neither Employee nor his or her legatees, personal representatives or distributees (i) shall be deemed to be a holder of any shares of Common Stock represented by the RSUs awarded hereunder or (ii) have any voting rights with respect to any such shares.

1. Non-assignability. The RSUs shall not be transferable by Employee other than by will or by the laws of descent and distribution; provided that, Employee may transfer the RSUs during his or her lifetime to a revocable living trust of which Employee is grantor, or to another form of trust indenture of which Employee is a grantor or a beneficiary.

2. Recoupment. The awards granted pursuant to this Agreement are subject to the terms and conditions contained in the Company's Executive Compensation Recoupment Policy (the "Recoupment Policy"), which permits the Company to recoup all or a portion of awards made to certain employees upon the occurrence of any Recoupment Event (as defined in the Recoupment Policy).

3. Securities Law Requirements. The Company shall not be required to issue shares of Common Stock pursuant to this Agreement unless and until (i) such shares have been duly listed upon each stock exchange on which the Company's Common Stock is then registered and (ii) a registration statement under the Securities Act of 1933 with respect to such shares is then effective.

(e) Designation of Beneficiaries. Employee may file with the Company a written designation of a beneficiary or beneficiaries to receive, upon Employee's death, the shares of Common Stock determined in accordance with Section 3(a) and subject to all of the provisions of this Agreement. An Employee may from time to time revoke or change any such designation of beneficiary and any designation of beneficiary under the Plan shall be controlling over any other disposition, testamentary or otherwise; provided, however, that if the Committee shall be in doubt as to the right of any such beneficiary to receive shares of Common Stock, the Committee may recognize only receipt of such shares by the personal representative of the estate of Employee, in which case the Company, the Committee and the members thereof shall not be under any further liability to anyone.

(f) Changes in Capital Structure. If there is any change in the Common Stock by reason of any extraordinary dividend, stock dividend, spinoff, splitup, spinout, recapitalization, warrant or rights issuance or combination, exchange or reclassification of shares, merger, consolidation, reorganization, sale of substantially all assets or, as determined by the Committee, other similar or relevant event, then the number, kind and class of shares of Common Stock available for RSUs and the number, kind and class of shares of Common Stock subject to outstanding RSUs, as applicable, shall be appropriately adjusted by the Committee. The issuance of shares of Common Stock for consideration and the issuance of rights with respect to Common Stock shall not be considered a change in the Company's capital structure. No adjustment provided for in this Section shall require the issuance of any fractional shares.

(g) Right to Continued Employment. Nothing in this Agreement shall confer on Employee any right to continued employment or interfere with the right of an employer to terminate Employee's employment at any time.

(h) Tax Withholding. Employee must pay, or make arrangements acceptable to the Company for the payment of any and all federal, state and local tax withholding that in the opinion of the Company is required by law. Unless Employee satisfies any such tax withholding obligation by paying the amount in cash or by check, the Company will withhold shares of Common Stock having a Fair Market Value on the date of withholding equal to the tax withholding obligation.

(i) Copy of Plan. By signing this Agreement, Employee acknowledges receipt of a copy of the Plan and any offering circular related to the Plan.

(j) Choice of Law; Venue. This Agreement will be governed by the laws of the State of Missouri, without giving regard to the conflict of law provisions thereof. Any legal action arising out of this Agreement may only be brought in the Circuit Court in St. Louis County and/or the United States District Court in St. Louis, Missouri.

(k) Execution. An authorized representative of the Company has signed this Agreement, and Employee has signed this Agreement to evidence Employee's acceptance of the award on the terms specified in this Agreement and the Plan, all as of the Date of Grant.

(l) Section 409A. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Employee on account of non-compliance with Section 409A of the Code. Notwithstanding anything herein to the contrary, if Employee is determined to be a specified employee within the meaning of Section 409A of the Code, any payment on account of termination of employment shall be made on the first payroll date which is more than six months following the date of Employee's termination of employment to the extent required to avoid any adverse tax consequences under Section 409A of the Code. To the extent necessary for compliance with Code Section 409A, references to termination of employment under this Agreement shall mean a "separation from service" within the meaning of Section 409A of the Code.

SECTION 6
TERMS OF THE PLAN

This award is granted under and is expressly subject to all the terms and provisions of the Plan, which terms are incorporated herein by reference. The Plan and this Agreement are administered by the Committee. Any determination under the Plan or this Agreement made by the Committee shall be at the Committee's sole discretion. Capitalized terms used and not otherwise defined in this Agreement shall have the same meanings ascribed to them in the Plan.

Signature page follows.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of this ___ day of ________, 2021.

Reinsurance Group of America, Incorporated

By: ____________________________

Anna Manning
President & Chief Executive Officer

Employee

____

Name: _________________________

Exhibit 31.1

CEO CERTIFICATION

I, Anna Manning, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Reinsurance Group of America, Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 7, 2021

/s/ Anna Manning
Anna Manning
President & Chief Executive Officer

Exhibit 31.2

CFO CERTIFICATION

I, Todd C. Larson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Reinsurance Group of America, Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2021

/s/ Todd C. Larson
Todd C. Larson
Senior Executive Vice President
& Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Reinsurance Group of America, Incorporated and subsidiaries, (the “Company”), for the quarterly period ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Anna Manning, Chief Executive Officer of the Company, certifies, to her best knowledge and belief, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2021

/s/ Anna Manning
Anna Manning
President & Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Reinsurance Group of America, Incorporated and subsidiaries, (the “Company”), for the quarterly period ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Todd C. Larson, Chief Financial Officer of the Company, certifies, to his best knowledge and belief, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2021

/s/ Todd C. Larson
Todd C. Larson
Chief Financial Officer
& Senior Executive Vice President