



2012 LIFE REINSURANCE SURVEY RESULTS

David Bruggeman, FSA, MAAA
May 16, 2013

Munich Re prepared the survey on behalf of the Society of Actuaries Reinsurance Section as a service to section members. The contributing companies provide the numbers in response to the survey. These numbers are not audited and Munich Re, the Society of Actuaries and the Reinsurance Section take no responsibility for the accuracy of the figures.



- Who: Top U.S. & Canadian reinsurers
- What: Individual & group new business (assumed) and in force
- Definitions
 - **Recurring:** issued in same year as reinsured
 - **Portfolio:** issued prior to year reinsured
 - **Retrocession:** reinsurance not directly written by ceding company

The economy



The reinsurance market

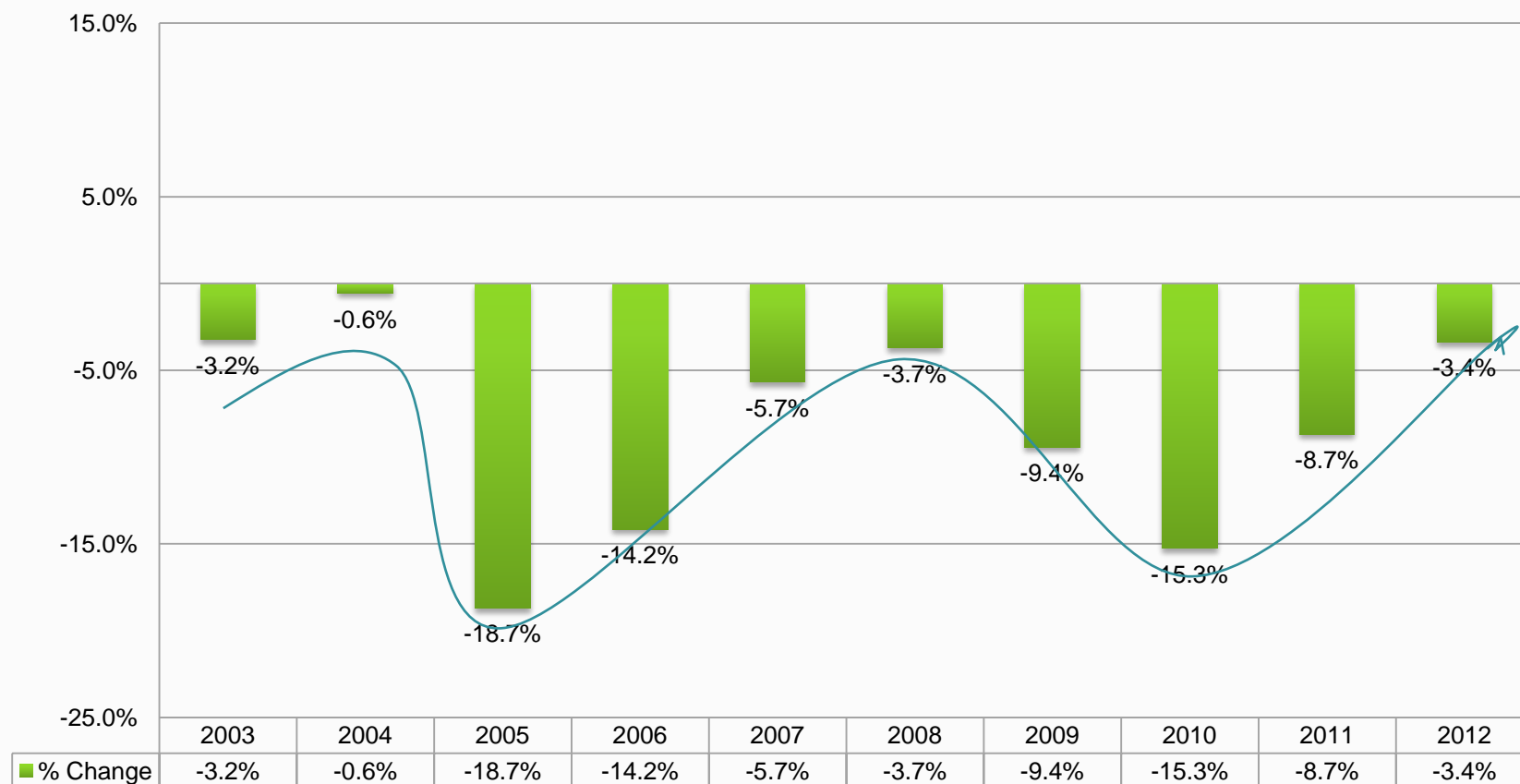
- Generali announces plans to seek a buyer for its U.S. life reinsurance business.
- Swiss Re sells REALIC to Jackson National
- Aurigen makes move into U.S. market

U.S. RECURRING



Annual percentage change in U.S. recurring new business

U.S. individual recurring reinsurance



U.S. ordinary recurring reinsurance (\$US Millions)

Company	2011		2012		Change in Production
	Assumed Business	Market Share	Assumed Business	Market Share	
RGA Re. Company	103,108	22.4%	87,115	19.5%	-15.5%
Swiss Re	75,912	16.5%	81,188	18.2%	7.0%
SCOR Global Life (US)	77,505	16.8%	76,547	17.2%	-1.2%
Generali USA Life Re	74,993	16.3%	63,820	14.3%	-14.9%
Munich Re (US)	61,922	13.4%	62,654	14.1%	1.2%
Hannover Life Re	29,275	6.3%	40,885	9.2%	39.7%
General Re Life	12,696	2.8%	12,961	2.9%	2.1%
Canada Life	15,543	3.4%	8,668	1.9%	-44.2%
Wilton Re	4,826	1.0%	6,684	1.5%	38.5%
Optimum Re (US)	5,002	1.1%	5,124	1.1%	2.4%
RGA Re (Canada)	392	0.1%	37	0.0%	-90.6%
TOTAL	461,174	100%	445,683	100%	-3.4%

U.S. recurring by company

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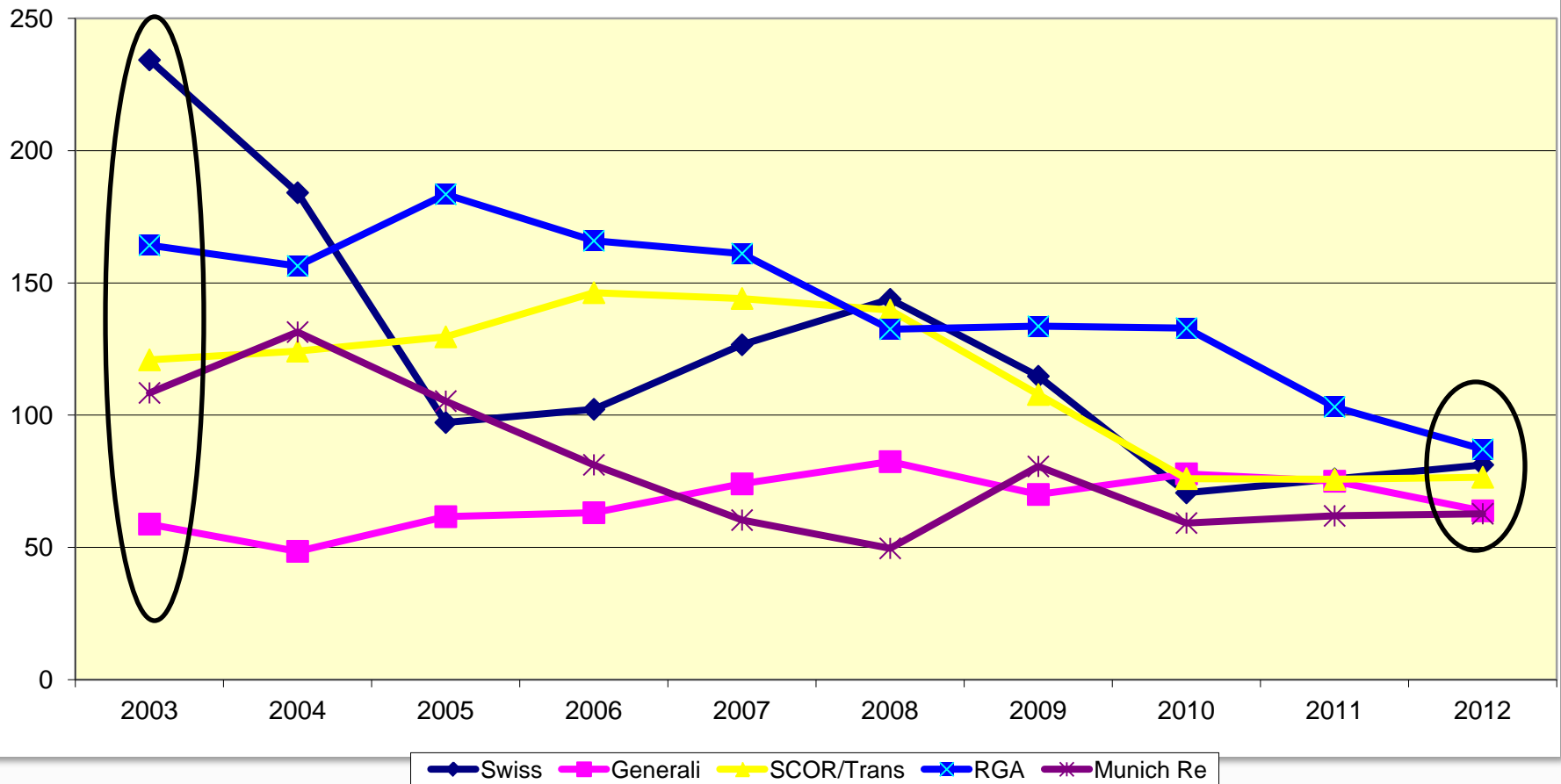
U.S. recurring by company

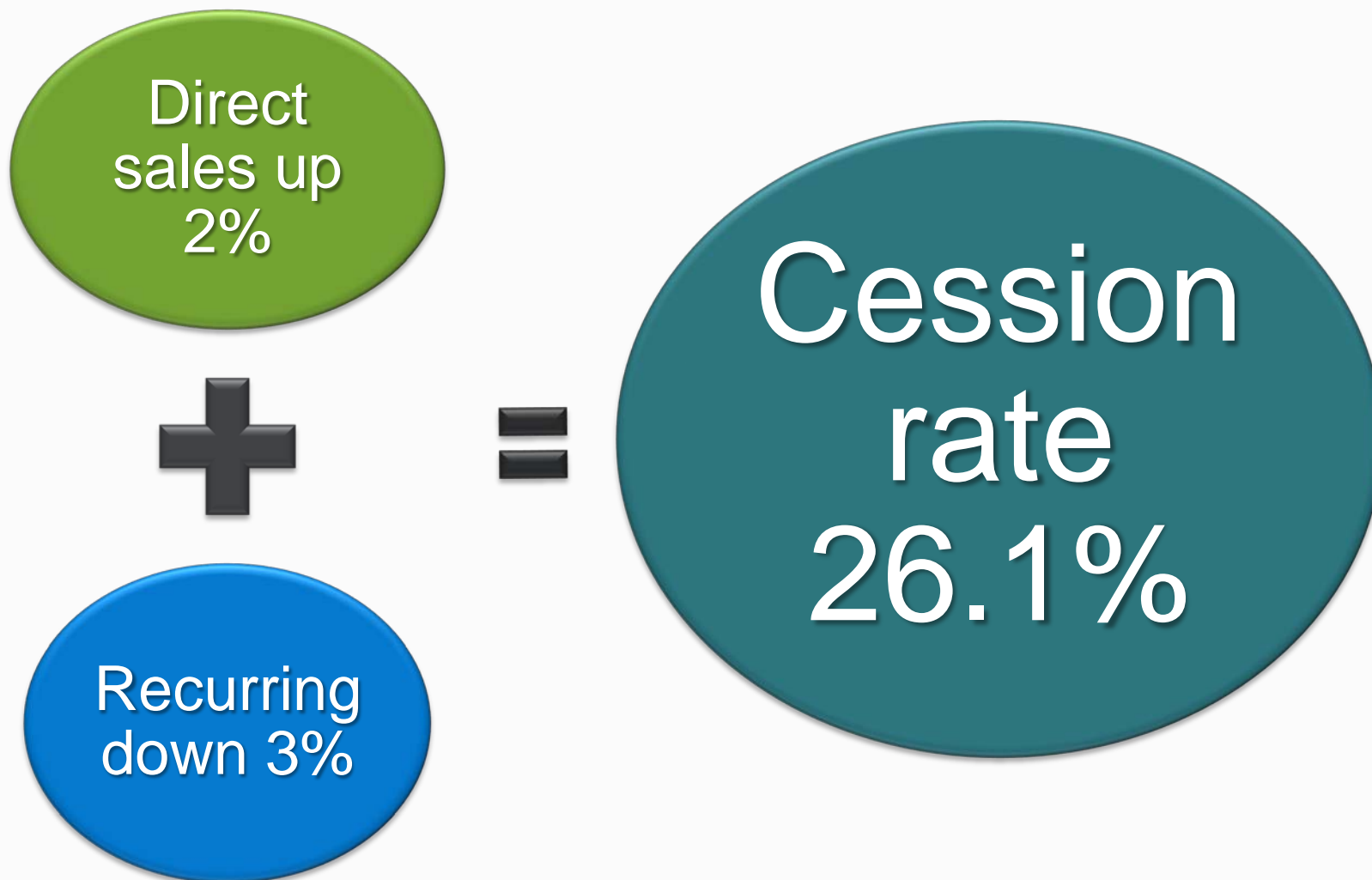
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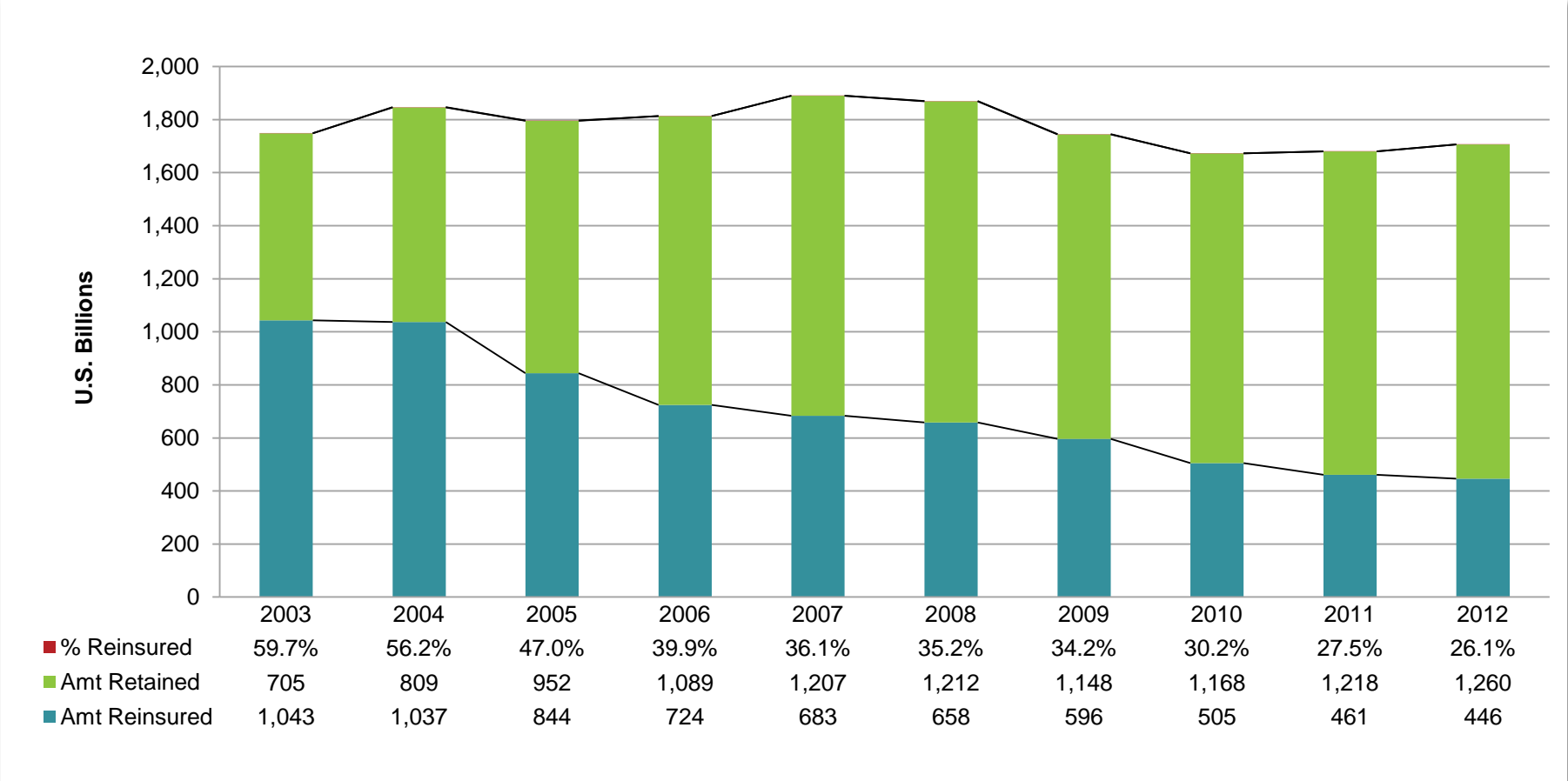
U.S. recurring: top five new business (2003-2012)





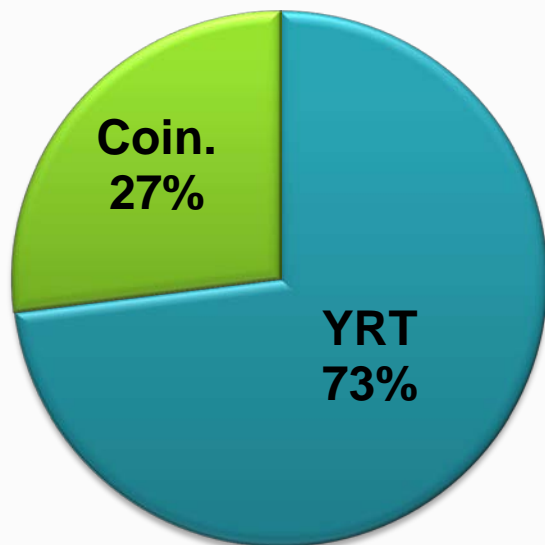


U.S. ordinary individual life insurance sales (2003-2012)

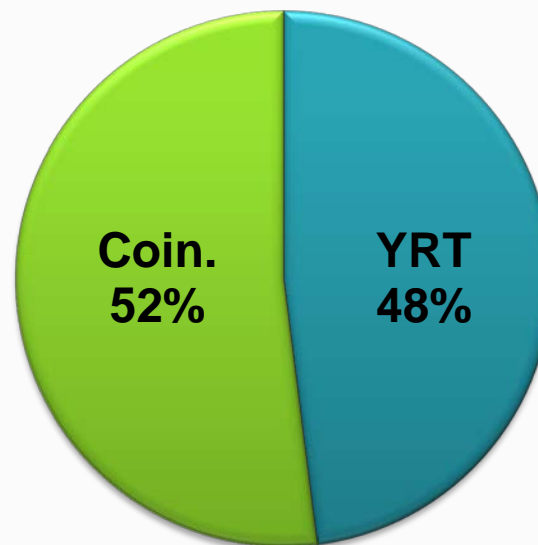


The percentage of coinsurance new business has dropped from 37% in 2009 to 27% in 2012.

2012 New Business



2012 In Force

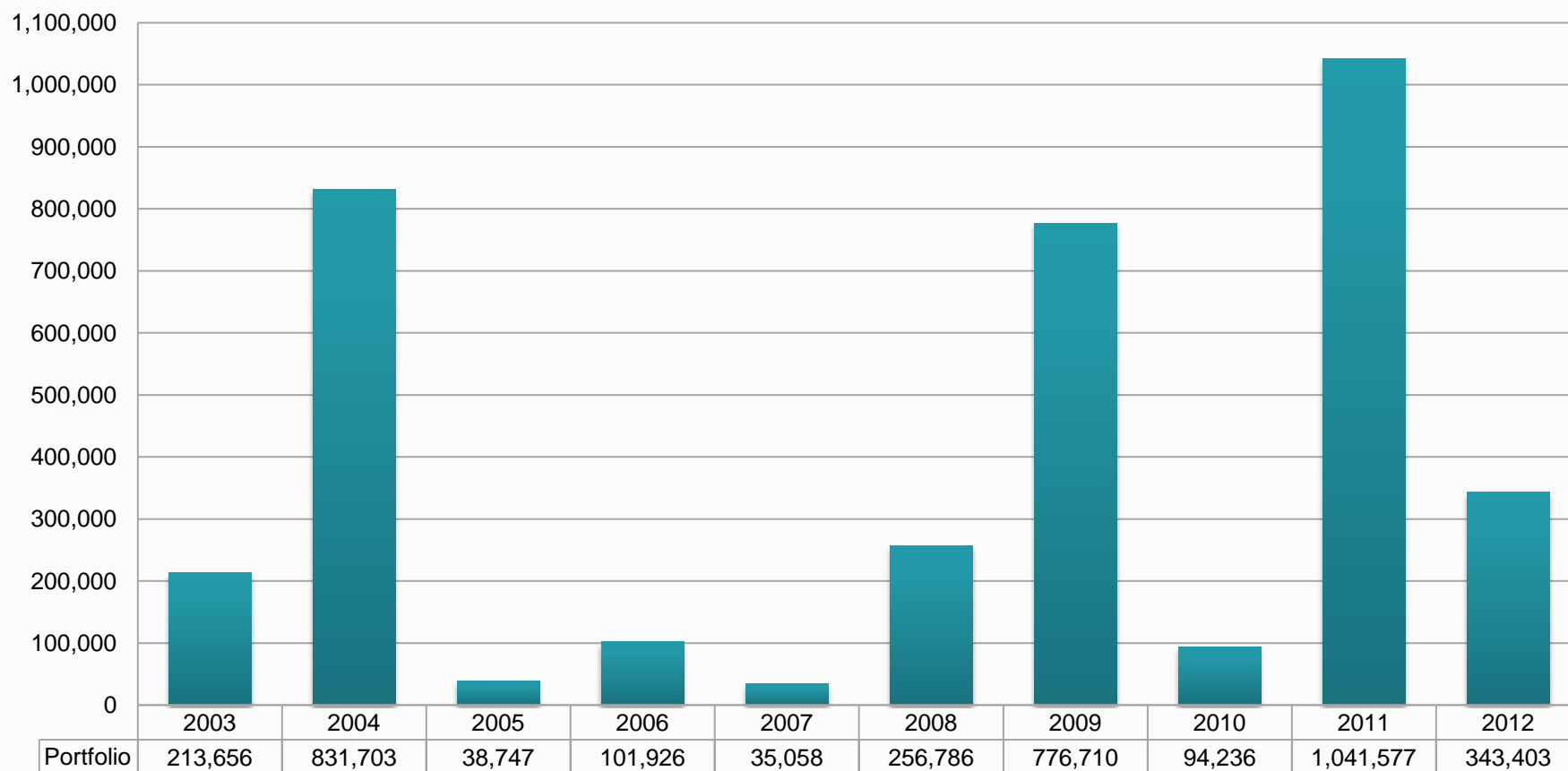


U.S. PORTFOLIO AND RETROCESSION



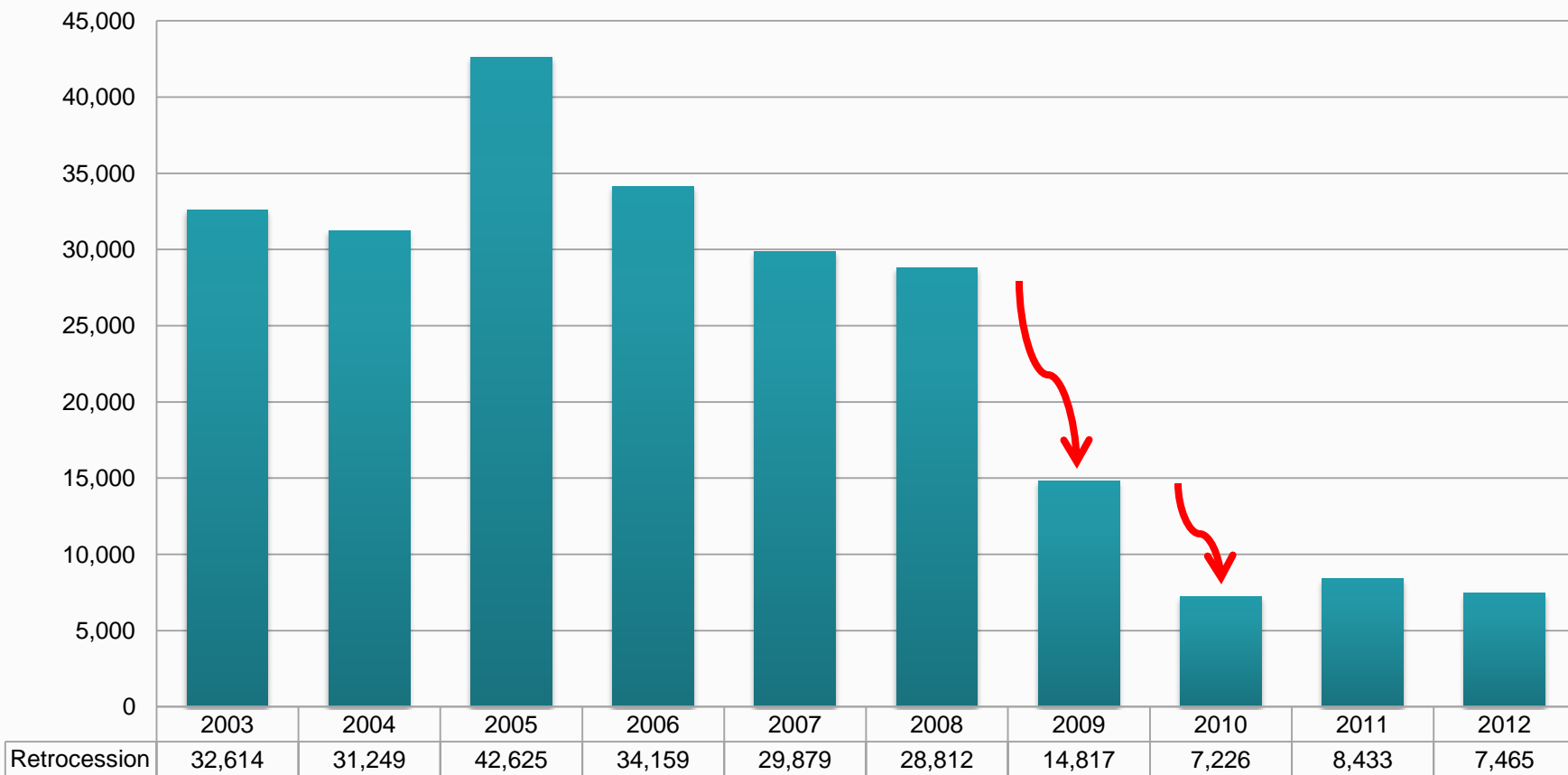
U.S. portfolio (2003 – 2012)

Portfolio (\$US Millions)



U.S. retrocession (2003-2012)

Retrocession (\$US Millions)



CANADA RECURRING



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- Recurring fell 2.8% in 2012 (\$148.8 billion reported)
 - LIMRA estimates Canadian direct sales rose 5% in 2012
 - Canadian cession rate drops in 2012, but still way above US
 - 96.5% reinsured on a YRT basis, only 3.5% coinsured.

Canada ordinary recurring reinsurance (\$CAN Millions)

Company	2011		2012		Change in Production
	Assumed Business	Market Share	Assumed Business	Market Share	
RGA Re (Canada)	49,122	32.1%	49,290	33.1%	0.3%
Munich Re (Canada)	48,131	31.4%	42,439	28.5%	-11.8%
Swiss Re	33,762	22.1%	29,466	19.8%	-12.7%
SCOR Global Life (Canada)	10,814	7.1%	12,867	8.6%	19.0%
Optimum Re (Canada)	5,791	3.8%	7,446	5.0%	28.6%
Aurigen	5,465	3.6%	7,317	4.9%	33.9%
TOTALS	153,085	100%	148,825	100.0%	-2.8%



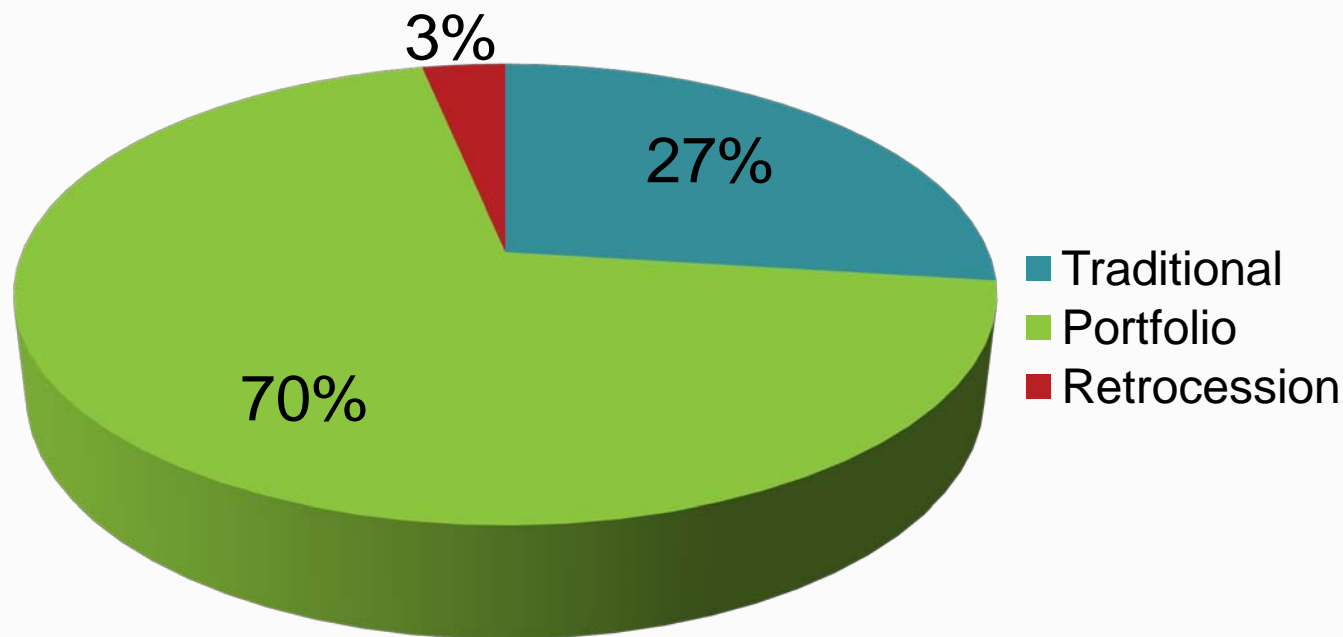
- Portfolio: \$748 million
- Retrocession: \$883 million.

U.S. GROUP





Total U.S. group in force premium rose 11.0% in 2012.



Type	2011	2012	2012 Share	Change
Traditional	475,640	545,613	27.0%	14.7%
Portfolio	1,279,392	1,410,002	69.7%	10.2%
Retrocession	65,699	65,894	3.3%	0.3%
Total	1,820,731	2,021,509	100.0%	11.0%

U.S. group life

Premium in \$US Thousands

Company	Group Reinsurance New Business (Premium)							
	2011				2012			
	Trad	Port	Retro	Total	Trad	Port	Retro	Total
Generali USA Life Re	841	0	0	841	0	0	0	0
Group Reinsurance Plus	3,869	0	0	3,869	5,877	0	0	5,877
Hannover Life Re	401	0	0	401	3,833	0	0	3,833
Munich Re (US)	4,964	0	0	4,964	4,241	0	0	4,241
Optimum Re (US)	4,889	0	0	4,889	0	0	0	0
Pacific Life	0	0	15	15	0	0	115	115
RGA Re. Company	1,600	0	0	1,600	28,200	0	0	28,200
Swiss Re	128,676	0	0	128,676	158,763	0	0	158,763
TOTALS	145,240	0	15	145,255	200,914	0	115	201,029

Company	Group Reinsurance In Force (Premium)							
	2011				2012			
	Trad	Port	Retro	Total	Trad	Port	Retro	Total
Berkshire Hathaway Group	0	0	65,699	65,699	0	0	65,894	65,894
Canada Life	9,262	761,460	0	770,722	950	896,551	0	897,501
Employers Re. Corp.	0	0	0	0	0	0	0	0
General Re Life	20,992	0	0	20,992	21,624	0	0	21,624
Generali USA Life Re	14,213	40,646	0	54,859	16,201	47,839	0	64,040
Group Reinsurance Plus	32,142	0	0	32,142	32,590	0	0	32,590
Hannover Life Re	2,856	474,269	0	477,125	5,800	463,947	0	469,747
Munich Re (US)	63,979	0	0	63,979	39,919	0	0	39,919
Optimum Re (US)	12,335	0	0	12,335	12,036	0	0	12,036
Pacific Life	0	0	15	15	0	0	115	115
RGA Re. Company	55,100	0	0	55,100	85,900	0	0	85,900
Scottish Re	0	3,017	0	3,017	0	1,665	0	1,665
Swiss Re	264,761	0	0	264,761	330,593	0	0	330,593
TOTALS	475,640	1,279,392	65,714	1,820,746	545,613	1,410,002	66,009	2,021,624

CANADA GROUP



Premium in \$CAN

- 2012 new business premium: \$10.6 million
- 2012 in force premium: \$1.38 billion
- Top Writers: Munich Re, RGA, Swiss Re and SCOR

Premium in \$CAN (thousands)

Company	Group Reinsurance New Business (Premium)							
	2011				2012			
	Trad	Port	Retro	Total	Trad	Port	Retro	Total
Munich Re (Canada)	4,755	635,710	0	640,465	4,506	0	0	4,506
RGA Re (Canada)	2,958	0	0	2,958	3,158	0	0	3,158
SCOR Global Life	1,266	0	0	1,266	978	0	0	978
Swiss Re	4,208	0	0	4,208	1,982	0	0	1,982
TOTALS	13,187	635,710	0	648,897	10,624	0	0	10,624

Company	Group Reinsurance In Force (Premium)							
	2011				2012			
	Trad	Port	Retro	Total	Trad	Port	Retro	Total
Berkshire Hathaway Group	0	0	376	376	0	0	60	60
Munich Re (Canada)	49,962	1,253,911	0	1,303,873	49,472	1,274,552	0	1,324,024
Optimum Re (Canada)	9,659	0	0	9,659	5,662	0	0	5,662
RGA Re (Canada)	14,754	0	0	14,754	17,115	0	0	17,115
SCOR Global Life	7,021	0	0	7,021	6,819	0	0	6,819
Swiss Re	25,128	0	0	25,128	22,769	0	0	22,769
TOTALS	106,524	1,253,911	376	1,360,811	101,837	1,274,552	60	1,376,449

SUMMARY



Individual life reinsurance new business production

U.S. figures in \$US Millions, Canadian figures in \$CD Millions

	U.S.			Canadian		
	2011	2012	Change	2011	2012	Change
Ordinary Life						
Recurring	\$461,173	\$445,683	-3.4%	\$153,085	\$148,825	-2.8%
Portfolio	1,041,577	343,403	-67.0%	56,270	748	-98.7%
Retrocession	8,433	7,465	-11.5%	1,410	883	-37.4%
Total Ordinary	1,511,183	796,551	-47.3%	210,765	150,456	-28.6%

A LOOK AHEAD



For more information

- Complete results: www.marclife.com under “Publications”
- Contact the author: dbruggeman@munichre.com