

Welcome:

Live presentation of the 2013 Life Reinsurance Survey



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FLMI

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Dave Bruggeman,
FSA, MAAA

Sponsor:
Munich American
Reassurance
Company

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- If you need assistance, please email csullivan@munichre.com or text 404-661-2704

2013 LIFE REINSURANCE SURVEY RESULTS

DAVID BRUGGEMAN, FSA, MAAA
MAY 13, 2014



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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 US & 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

Note: Individual life based on amount (NAR), Group based on premium

Life Insurance

**The
Economist**

Captive reinsurance

Life in the shadows

American life-insurers are less robust than they seem

Nov 16th 2013 | NEW YORK | From the print edition



LifeHealthPRO

NY rejects principles-based
reserving for life insurers

Life Reinsurance



SCOR finalises the acquisition of Generali U.S.

Tue Oct 1, 2013 11:39am EDT

Bloomberg

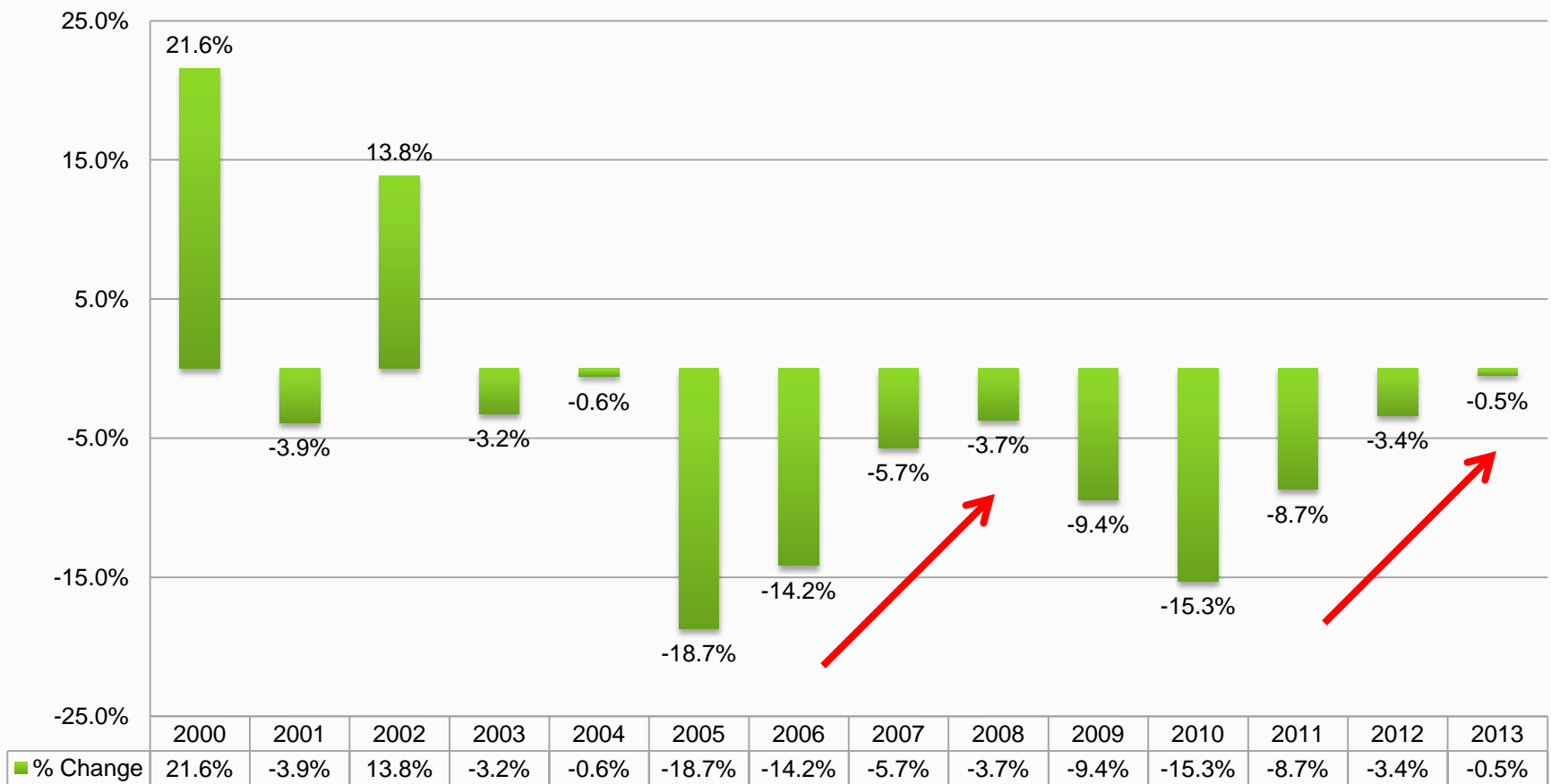
Canada Pension Enters Insurance Business With Wilton Re

US RECURRING



Annual percentage change in US recurring new business (2000-2013)

US individual recurring reinsurance



US Recurring by company

US ordinary recurring reinsurance (\$US Millions)

Company	2012		2013		Change in Production
	Assumed Business	Market Share	Assumed Business	Market Share	
SCOR Global Life	76,547	17.2%	125,025	28.2%	63.3%
Swiss Re	81,188	18.2%	86,654	19.6%	6.7%
RGA Re. Company	87,115	19.6%	85,936	19.4%	-1.4%
Generali USA Life Re	63,820	14.3%	Acquired by SCOR		0.0%
Munich Re (US)	62,654	14.1%	67,131	15.2%	7.1%
Hannover Life Re	40,885	9.2%	47,095	10.6%	15.2%
General Re Life	12,696	2.9%	12,313	2.8%	-3.0%
Canada Life	8,668	1.9%	7,677	1.7%	-11.4%
Optimum Re (US)					33.8%
Wilton Re					-34.6%
RGA Re (Canada)	37	0.0%	2	0.0%	-94.6%
Aurigen	0	0.0%	1	0.0%	100.0%
TOTAL	445,418	100%	443,061	100%	-0.5%

Top 5 = 93% Market Share

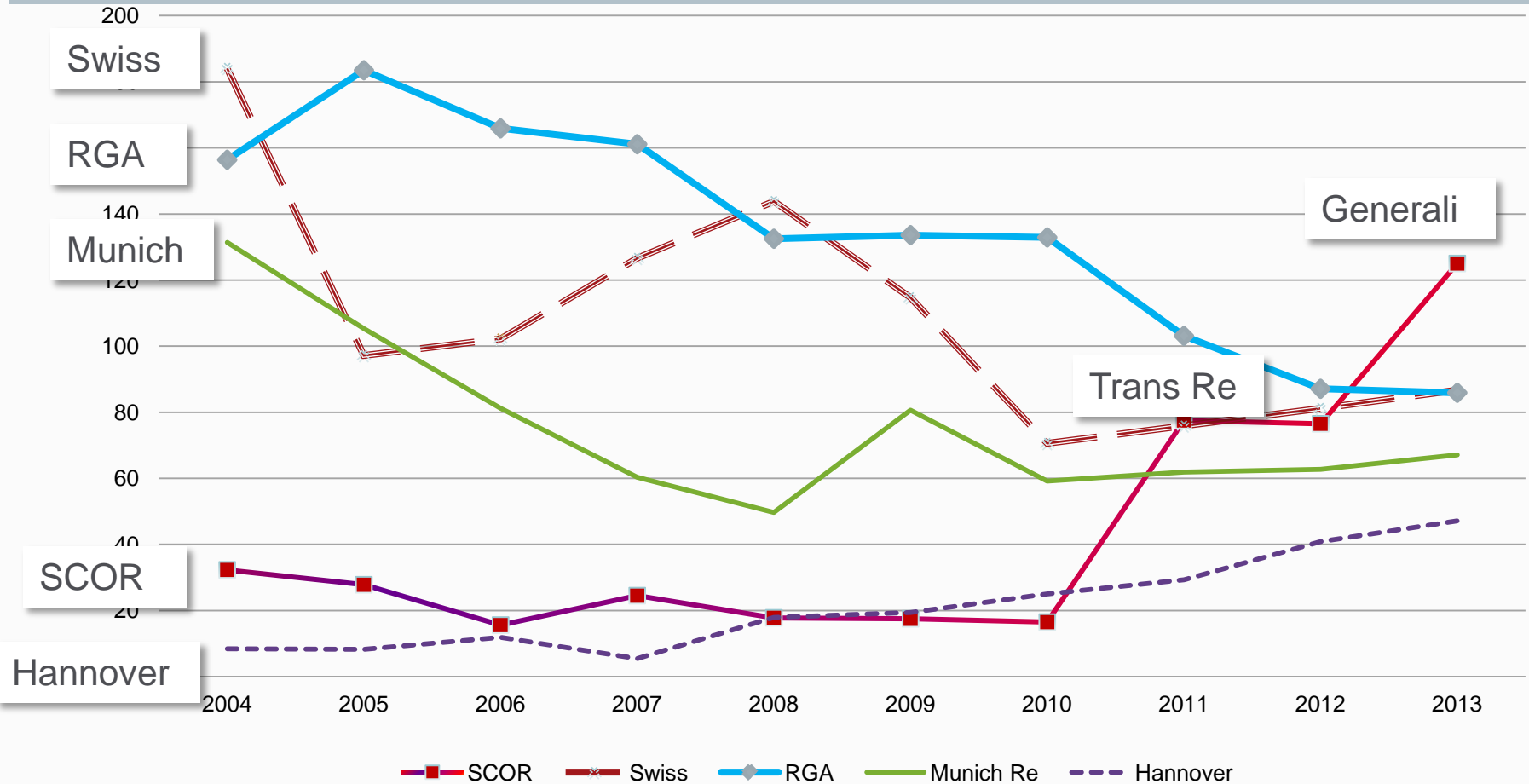
US Recurring by company

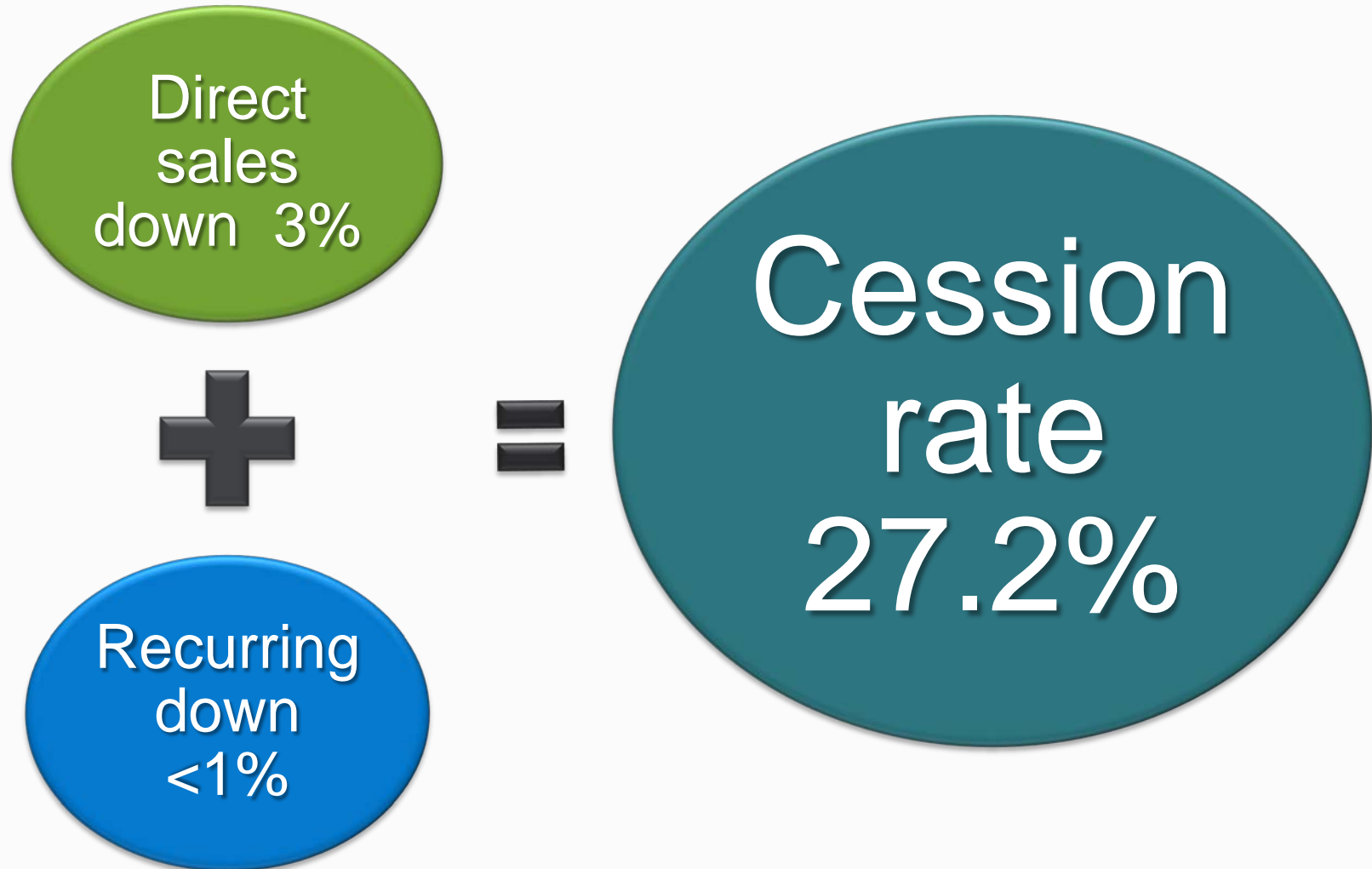
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Canada Life	8,668	1.9%	7,677	1.7%	-11.4%
Optimum Re (US)	5,124	1.2%	6,858	1.5%	33.8%
Wilton Re	6,684	1.5%	4,369	1.0%	-34.6%
RGA Re (Canada)	37	0.0%	2	0.0%	-94.6%
Aurigen	0	0.0%	1	0.0%	100.0%
TOTAL	445,418	100%	443,061	100%	-0.5%

US Recurring by company

U.S. Recurring: Top 5 New Business (2004-2013)



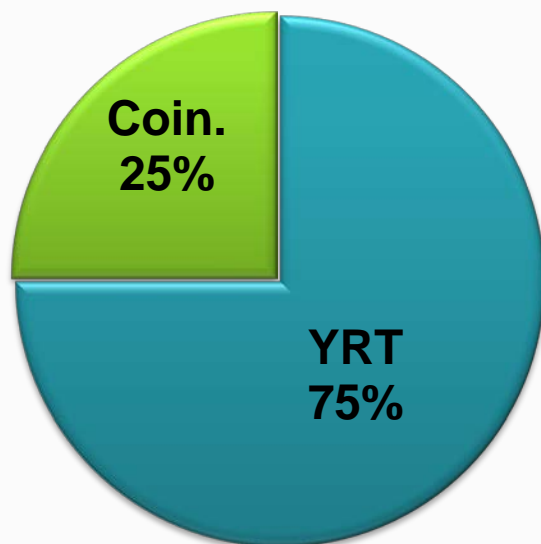


US ordinary individual life insurance sales (2000-2013)

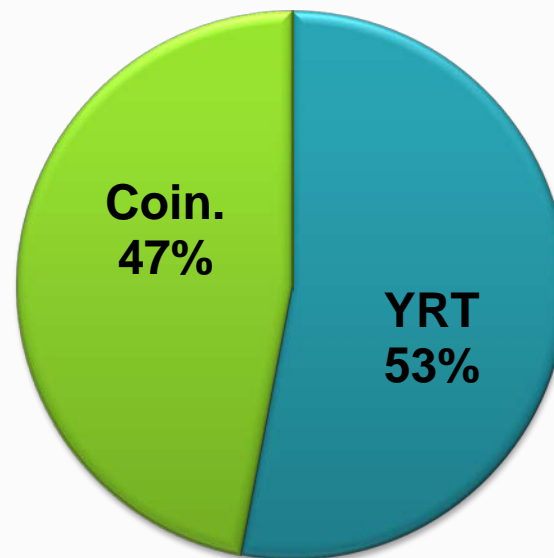


The percentage of coinsurance new business has dropped from 37% in 2009 to 25% in 2013.

2013 New Business



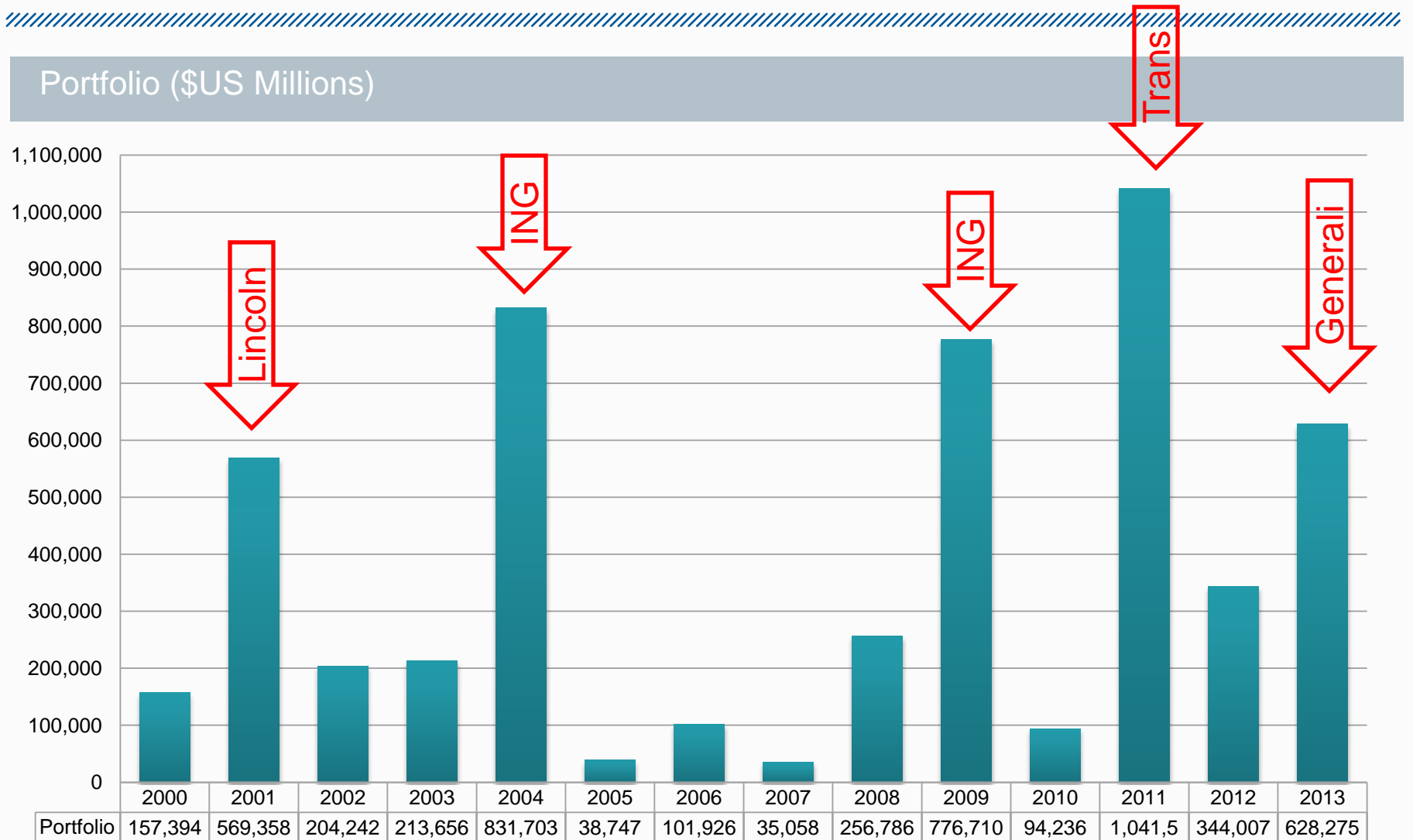
2013 In Force



US PORTFOLIO AND RETROCESSION

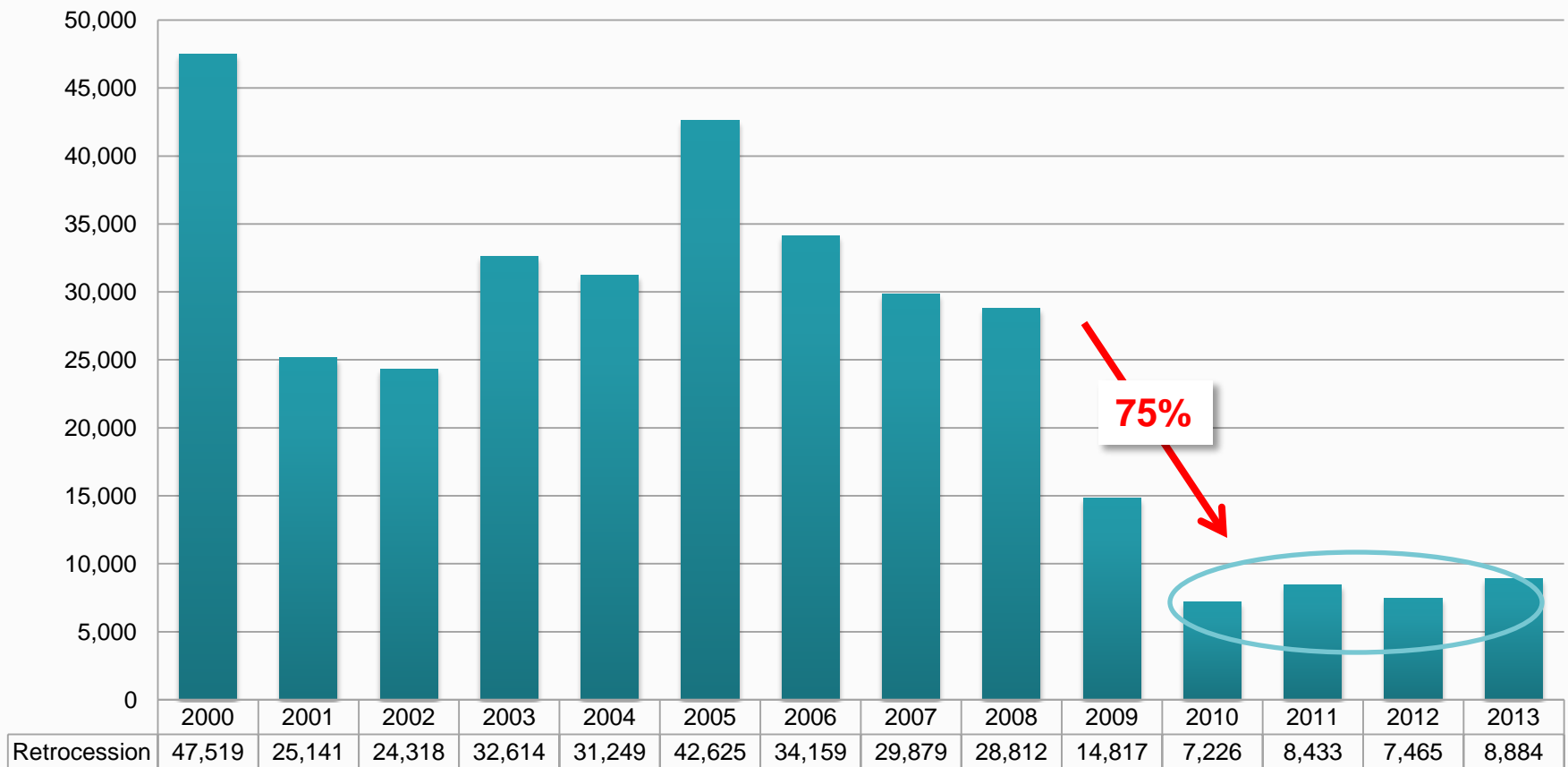


US portfolio (2000 – 2013)



U.S. retrocession (2003-2012)

Retrocession (\$US Millions)



CANADA RECURRING



-
- Recurring fell 3.8% in 2013 (\$143.2 billion reported)
 - LIMRA estimates Canadian direct sales stable in 2013
 - Canadian cession rate drops in 2013, but still way above US
 - 98.5% reinsured on a YRT basis, only 1.5% coinsured.

Canada recurring by company

Canada ordinary recurring reinsurance (\$CAN Millions)

Company	2012		2013		Change in Production
	Assumed Business	Market Share	Assumed Business	Market Share	
RGA Re (Canada)	49,290	33.1%	45,763	32.0%	-7.2%
Munich Re (Canada)	42,439	28.5%	42,593	29.7%	0.4%
Swiss Re	29,466	19.8%	28,095	19.6%	-4.7%
SCOR Global Life (Canada)	12,867	8.6%	13,968	9.8%	8.6%
Aurigen	7,317	4.9%	6,668	4.7%	-8.9%
Optimum Re (Canada)	7,446	5.0%	6,104	4.3%	-18.0%
TOTALS	148,825	100%	143,191	100%	-3.8%

Top 3 = 81% Market Share



- Portfolio: \$0!
- Retrocession: \$960 million.

US GROUP



US group life


Premium in \$US Thousands

Company	Group Reinsurance New Business (Premium)							
	2012				2013			
	Trad	Port	Retro	Total	Trad	Port	Retro	Total
Aurigen	0	8,050	0	8,050	4,927	2,133	0	7,060
Group Reinsurance Plus	5,877	0	0	5,877	10,300	0	0	10,300
Hannover Life Re	3,833	0	0	3,833	1,875	0	0	1,875
Munich Re (US)	4,241	0	0	4,241	143,792	0	0	143,792
Pacific Life	0	0	115	115	0	0	64	64
RGA Re	28,200	0	0	28,200	3,912	0	0	3,912
Swiss Re	158,763	0	0	158,763	271,632	0	0	271,632
TOTALS	200,914	8,050	115	209,079	436,438	2,133	64	438,635

Company	Group Reinsurance In Force (Premium)							
	2012				2013			
	Trad	Port	Retro	Total	Trad	Port	Retro	Total
Aurigen	0	8,050	0	8,050	4,927	2,133	0	7,060
Berkshire Hathaway Group	0	0	65,894	65,894	0	0	66,836	66,836
Canada Life	950	896,551	0	897,501	998	955,951	0	956,949
Employers Re. Corp.	0	0	0	0	0	0	0	0
General Re Life	21,624	0	0	21,624	24,257	0	0	24,257
Generali USA Life Re	16,201	47,839	0	64,040	Acquired by SCOR			
Group Reinsurance Plus	32,590	0	0	32,590	33,100	0	0	33,100
Hannover Life Re	5,800	463,947	0	469,747	7,095	513,135	0	520,230
Munich Re (US)	39,919	0	0	39,919	170,452	0	0	170,452
Optimum Re (US)	12,036	0	0	12,036	3,926	0	0	3,926
Pacific Life	0	0	115	115	0	0	64	64
RGA Re	85,900	0	0	85,900	93,882	0	0	93,882
SCOR Global Life	0	0	0	0	14,099	43,266	0	57,365
Scottish Re	0	2,328	0	2,328	0	1,022	0	1,022
Swiss Re	330,593	0	0	330,593	293,188	0	0	293,188
TOTALS	545,613	1,418,715	66,009	2,030,337	645,924	1,515,507	66,900	2,228,331

CANADA GROUP





Premium in \$CAN

- 2013 new business premium: \$10.6 million
- 2013 in force premium: \$1.37 billion
- Top NB Writers: Munich Re, Swiss Re and SCOR

Premium in \$CAN (thousands)

Company	Group Reinsurance New Business (Premium)							
	2012				2013			
	Trad	Port	Retro	Total	Trad	Port	Retro	Total
Munich Re (Canada)	4,506	0	0	4,506	5,818	0	0	5,818
RGA Re (Canada)	3,158	0	0	3,158	0	0	0	0
SCOR Global Life	978	0	0	978	165	0	0	165
Swiss Re	1,982	0	0	1,982	4,116	0	0	4,116
TOTALS	10,624	0	0	10,624	10,099	0	0	10,099

Company	Group Reinsurance In Force (Premium)							
	2012				2013			
	Trad	Port	Retro	Total	Trad	Port	Retro	Total
Berkshire Hathaway Group	0	0	60	60	0	0	26	26
Munich Re (Canada)	49,472	1,274,552	0	1,324,024	50,342	1,262,701	0	1,313,043
Optimum Re (Canada)	5,662	0	0	5,662	5,157	0	0	5,157
RGA Re (Canada)	17,115	0	0	17,115	20,570	0	0	20,570
SCOR Global Life	6,819	0	0	6,819	2,949	0	0	2,949
Swiss Re	22,769	0	0	22,769	24,132	0	0	24,132
TOTALS	101,837	1,274,552	60	1,376,449	103,150	1,262,701	26	1,365,877

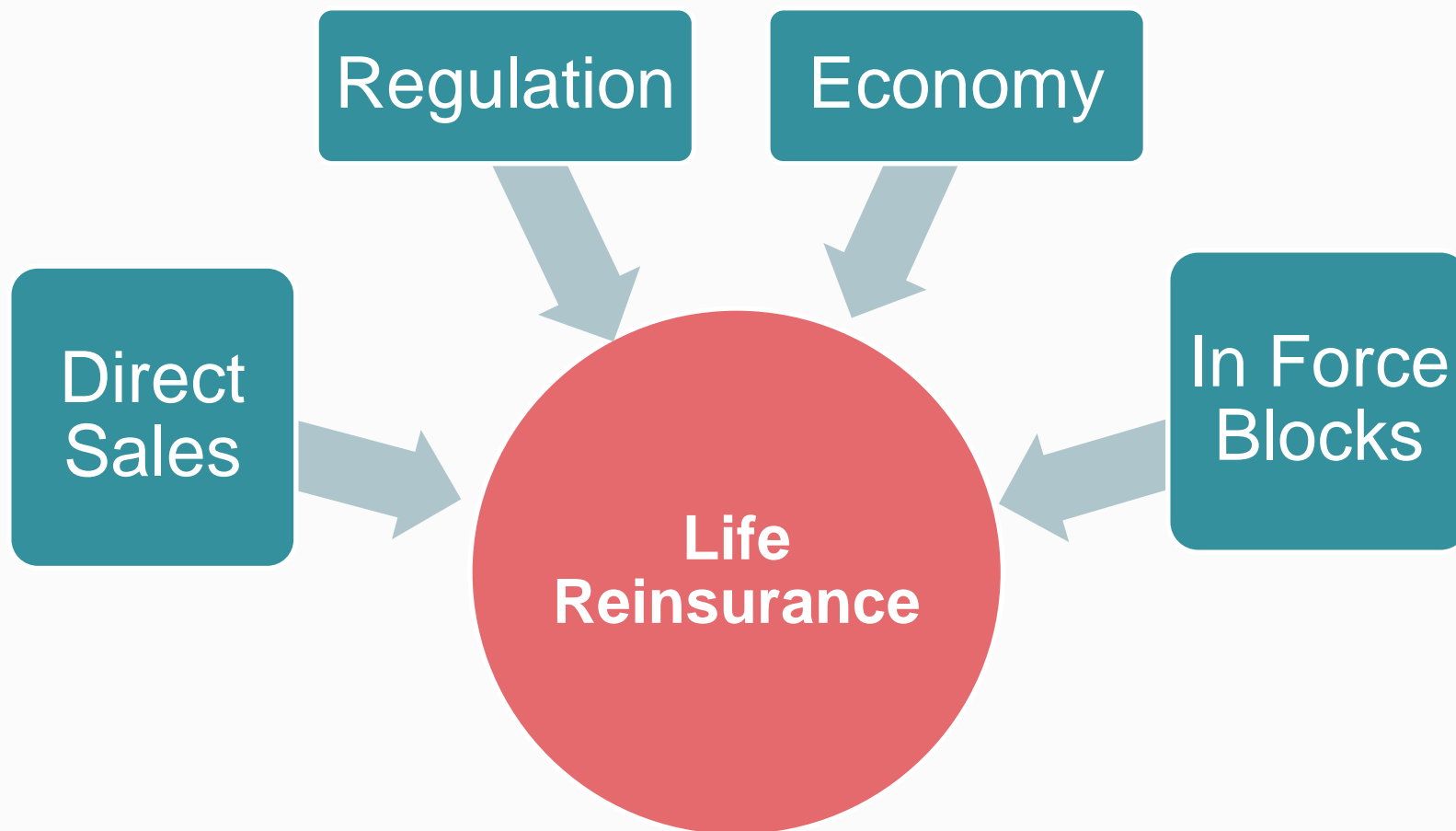
SUMMARY



Individual life reinsurance new business production

US figures in \$US Millions, Canadian figures in \$CD Millions

	U.S.			Canadian		
	2012	2013	Change	2012	2013	Change
Ordinary Life						
Recurring	\$445,418	\$443,061	-0.5%	\$148,825	\$143,191	-3.8%
Portfolio	344,007	628,275	82.6%	748	0	-100.0%
Retrocession	7,465	8,884	19.0%	883	960	8.7%
Total Ordinary	796,890	1,080,220	35.6%	150,456	144,151	-4.2%



For more information

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