2017 Life Reinsurance Survey Results

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Munich RE

Disclaimer

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

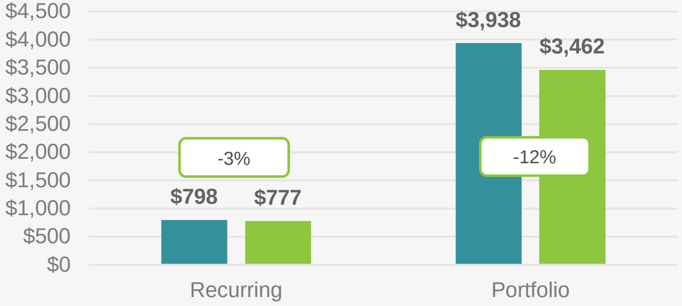
2017 Life Reinsurance Survey results

- Who: top U.S. & Canadian reinsurers
- What: individual and 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
- Reinsurance figures for individual life based on amount (NAR) and group life based on premium
- Note: some figures may not add due to rounding

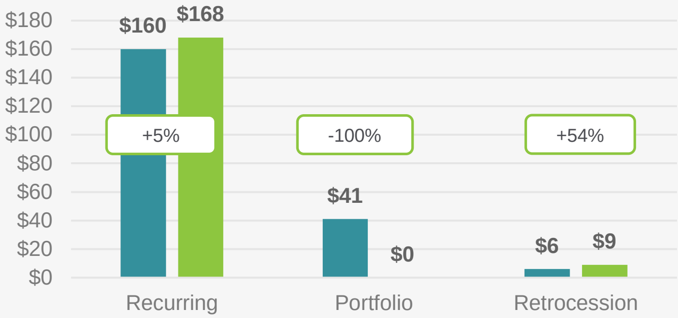
Reinsurance landscape

U.S. IL New Business Volumes ($ Billions)

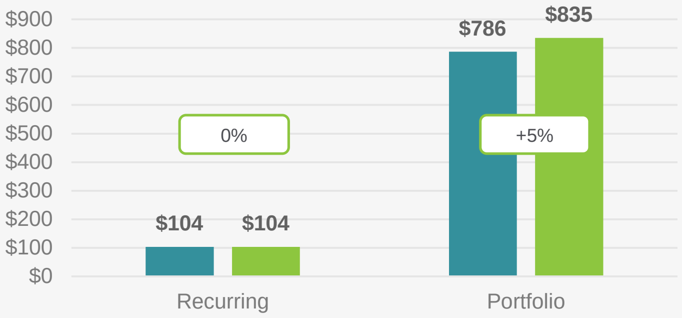
U.S. Group In Force Premium ($ Millions)



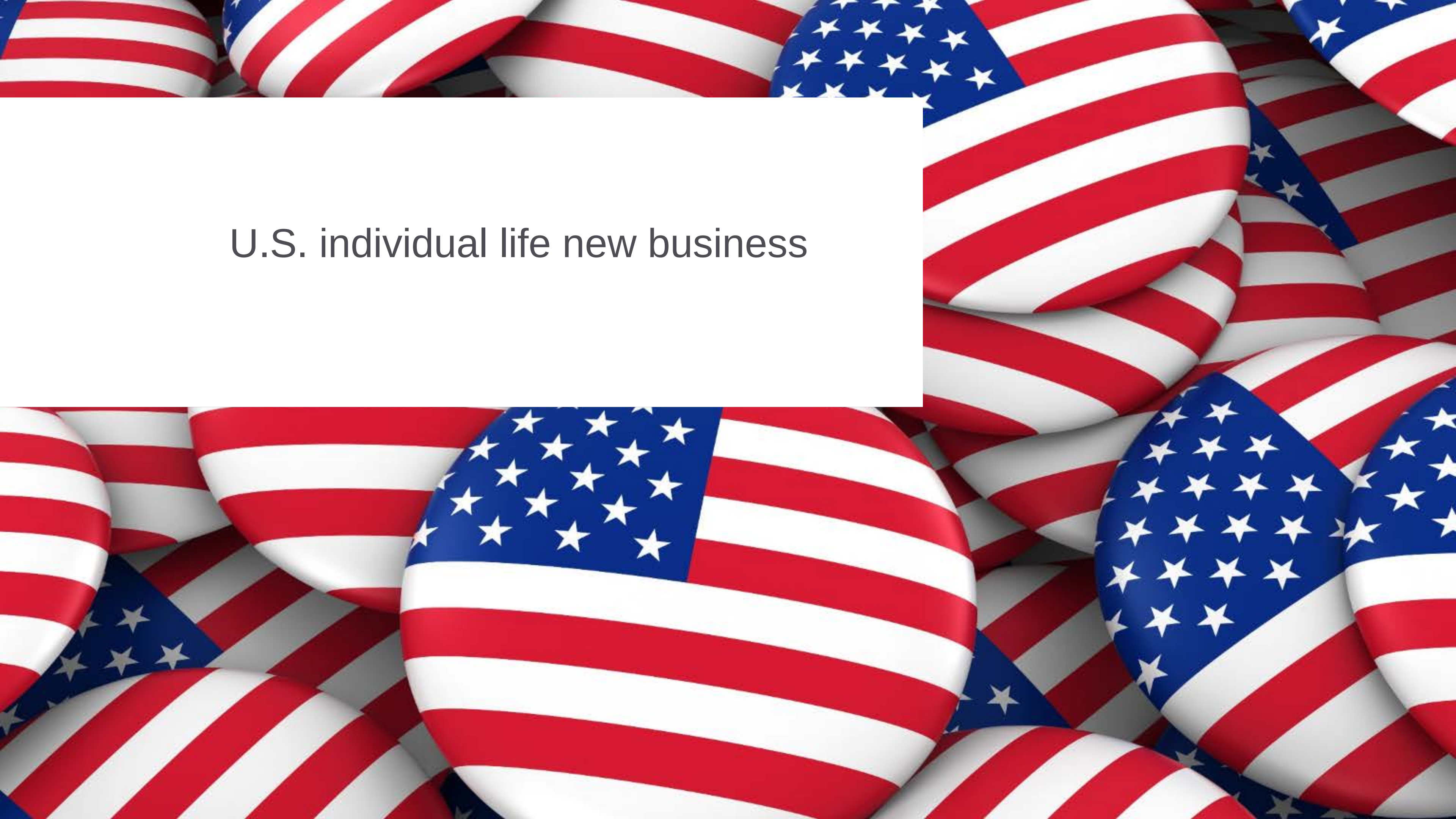
Canada IL New Business Volumes ($CA Billions)



Canada Group In Force Premium ($CA Millions)



2016 2017



U.S. individual life new business

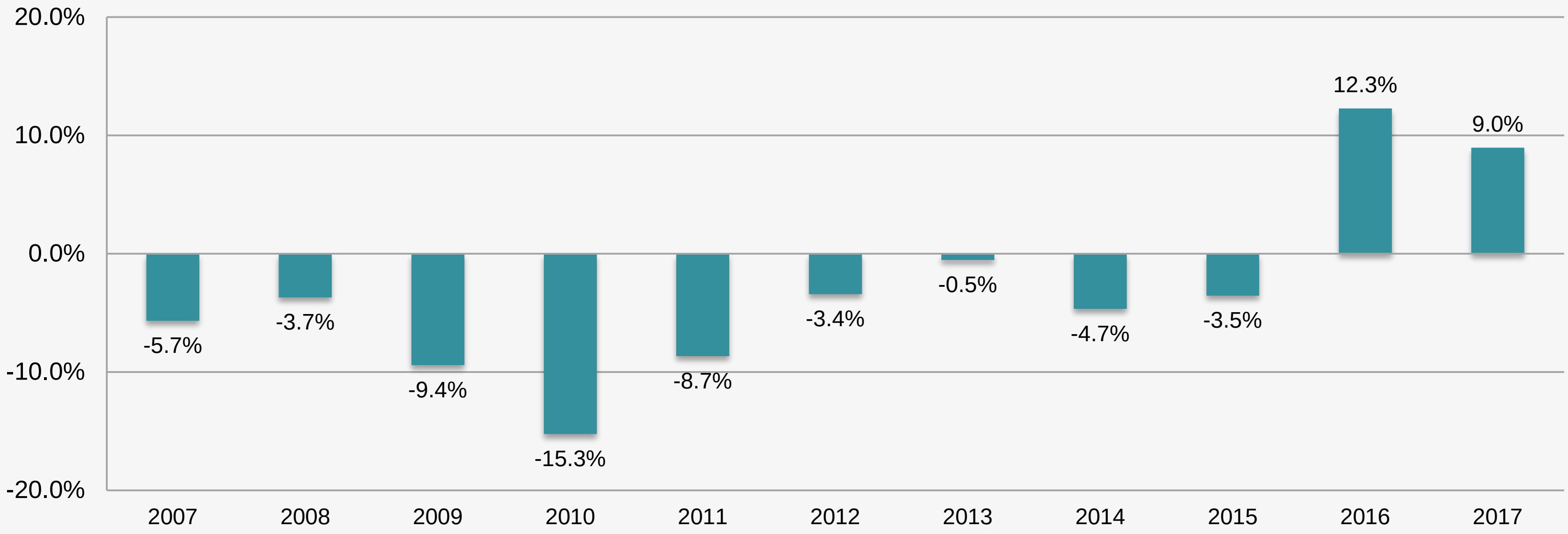
A brief history…

U.S. individual life recurring new business

	1986	1995	2005	2017
# of Reinsurers	30	25	15	9
Recurring NB	$156B	$268B	$844B	$498B
Top Reinsurers	▪ Transamerica Occidental ($28B) ▪ Lincoln National Life ($17B) ▪ General Re ($16B)	▪ Transamerica Re ($41B) ▪ Lincoln National Life ($34B) ▪ RGA Re ($24B)	▪ RGA Re ($183B) ▪ Scottish Re ($131B) ▪ Transamerica Re ($130B)	▪ SCOR ($105B) ▪ Swiss Re ($96B) ▪ Munich Re ($92B)

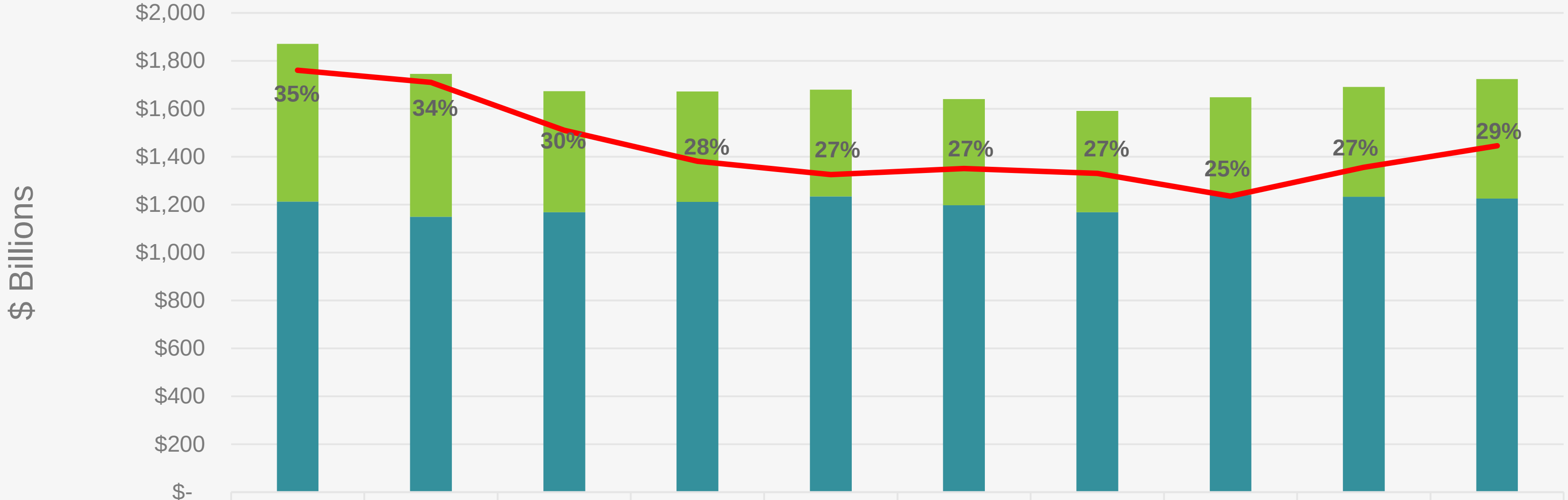
U.S. individual life new business trend

Annual Percentage Change in U.S. Recurring new Business



U.S. recurring cession rate

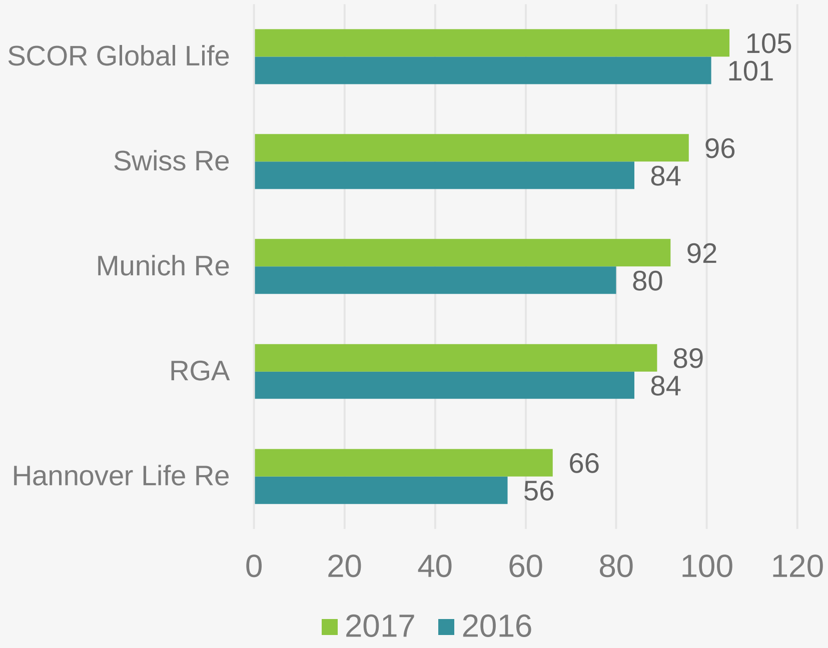
U.S. Individual Life Insurance Sales (Face Amount)



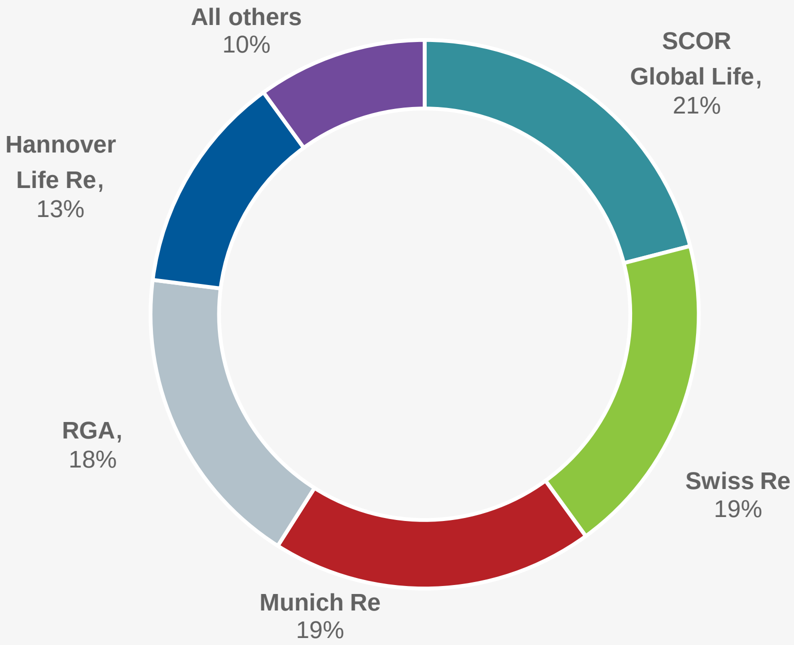
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Amt Reinsured	$658	$596	$505	$461	$445	$443	$422	$407	$457	$498
Amt Retained	$1,212	$1,149	$1,168	$1,211	$1,234	$1,197	$1,168	$1,240	$1,233	$1,225
% Reinsured	35%	34%	30%	28%	27%	27%	27%	25%	27%	29%

U.S. recurring by company – top five companies

Recurring Business ($ billions)

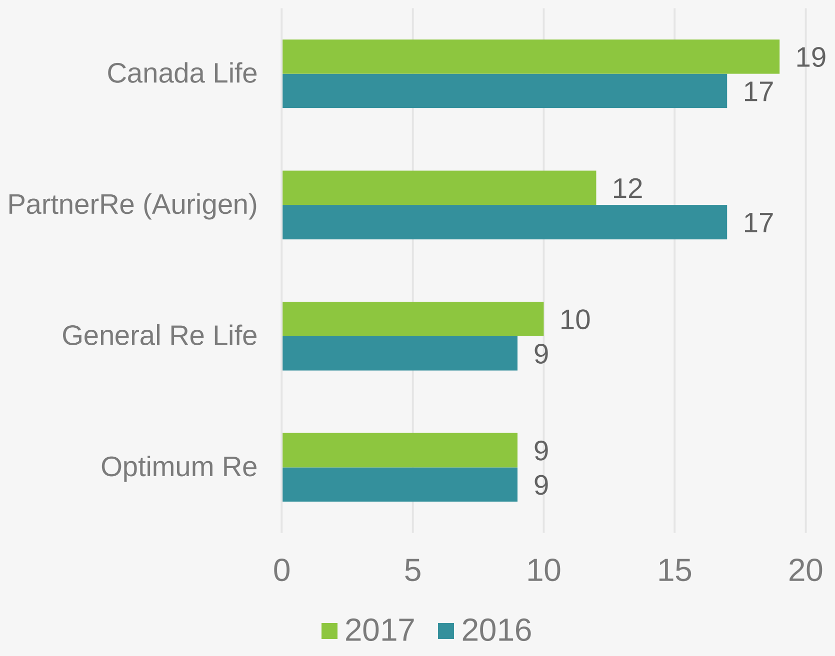


2017 Market Share

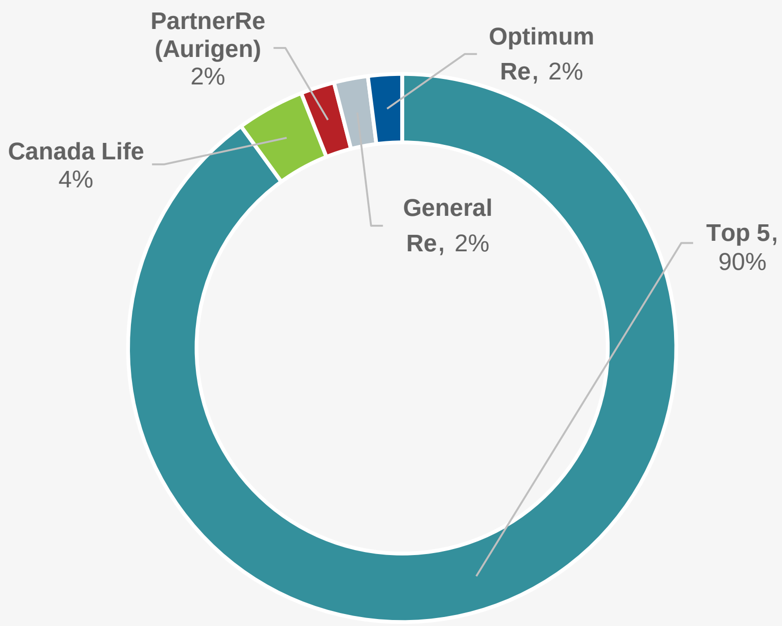


U.S. recurring by company – next four companies

Recurring Business ($ billions)



2017 Market Share



U.S. recurring by company ($ billions)
All companies

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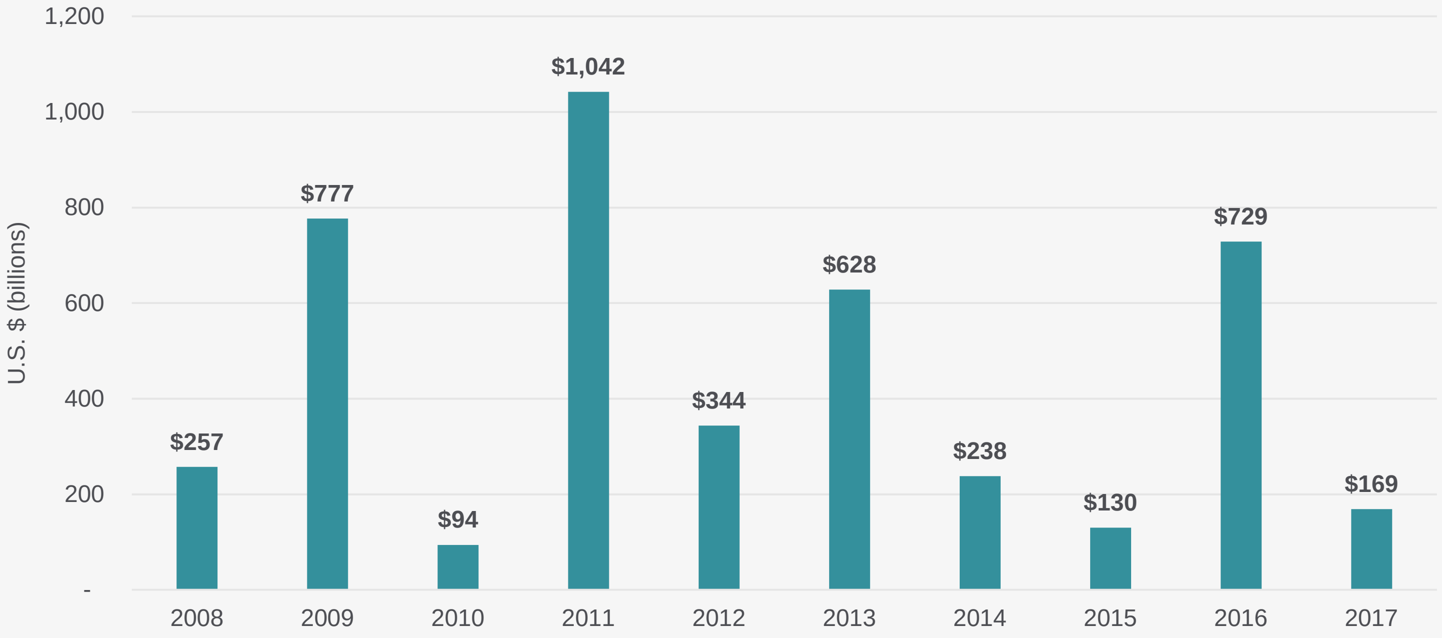
Company	2016		2017		Change from 2016 to 2017
	Assumed Business	Market Share	Assumed Business	Market Share	
SCOR Global Life	101	22%	105	21%	4%
Swiss Re	84	18%	96	19%	13%
Munich Re	80	17%	92	19%	16%
RGA	84	18%	89	18%	6%
Hannover Life Re	56	12%	66	13%	18%
Canada Life Re	17	4%	19	4%	12%
PartnerRe (Aurigen)	17	4%	12	2%	-33%
General Re Life	9	2%	10	2%	15%
Optimum Re	9	2%	9	2%	8%
Total	**457**	**100%**	**498**	**100%**	**9%**

Top five companies now represent 90% of market share

U.S. portfolio business ($ billions)

U.S. portfolio business



U.S. retrocession ($ billions)

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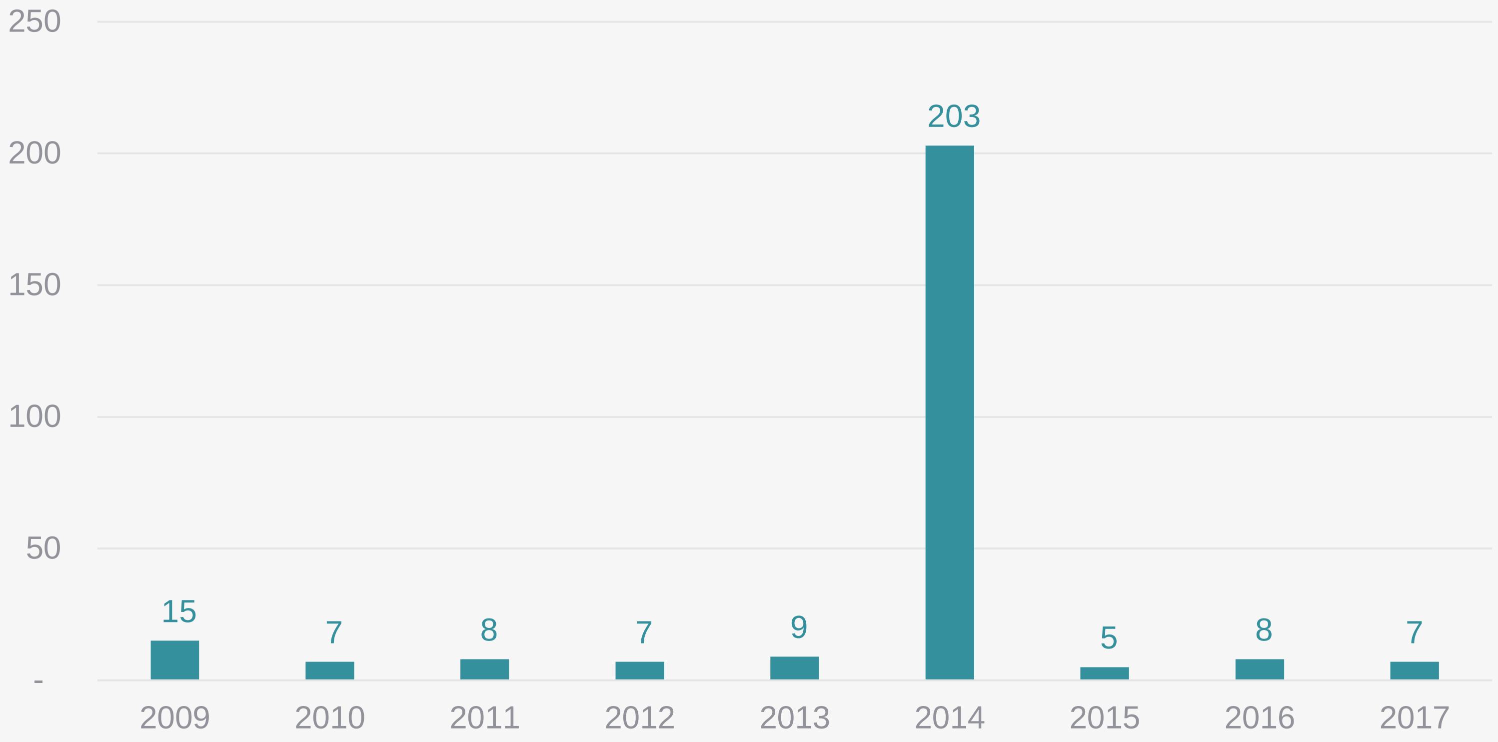


Canada individual life new business

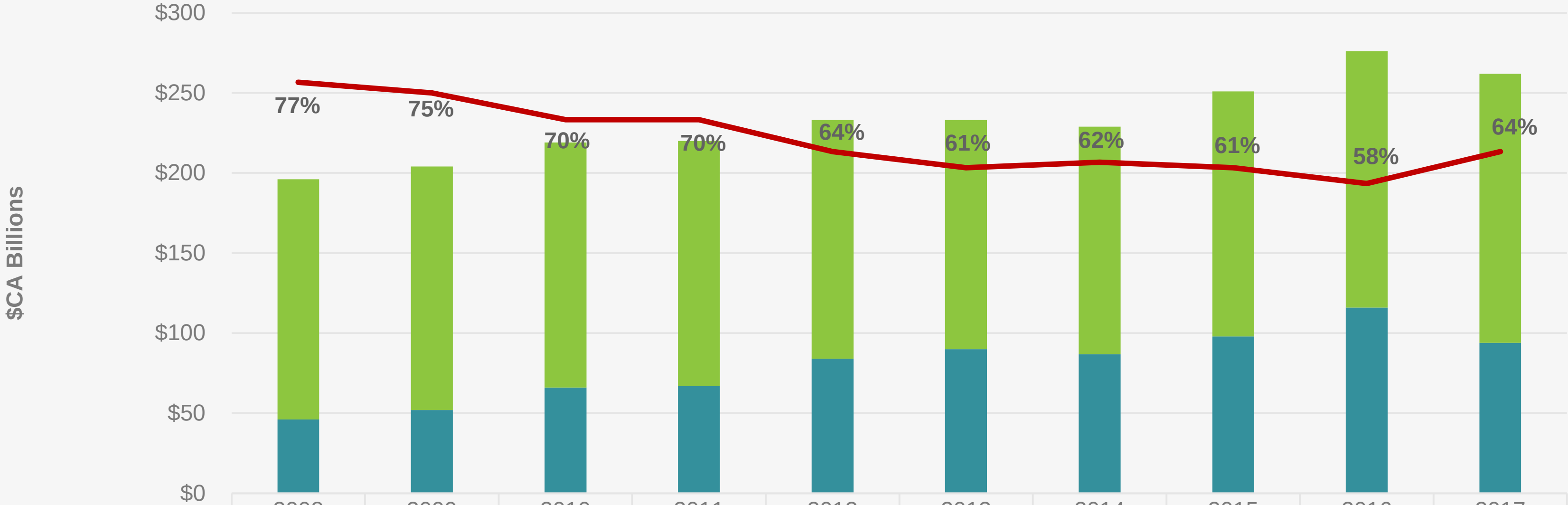
A brief history …

Canada individual life recurring new business ($CA)

	1986	1995	2005	2017
# of Reinsurers	14	14	7	7
Recurring NB	$9B	$17B	$110B	$168B
Top Reinsurers	▪ Munich Re ($3B) ▪ Canadian Re ($2B) ▪ St. Lawrence Re ($1B)	▪ Swiss Re ($4B) ▪ Munich Re ($4B) ▪ RGA Re ($3B)	▪ Munich Re ($49B) ▪ RGA Re ($31B) ▪ Swiss Re ($26B)	▪ RGA Re ($44B) ▪ Munich Re ($42B) ▪ Swiss Re ($28B)

Canada recurring cession rate

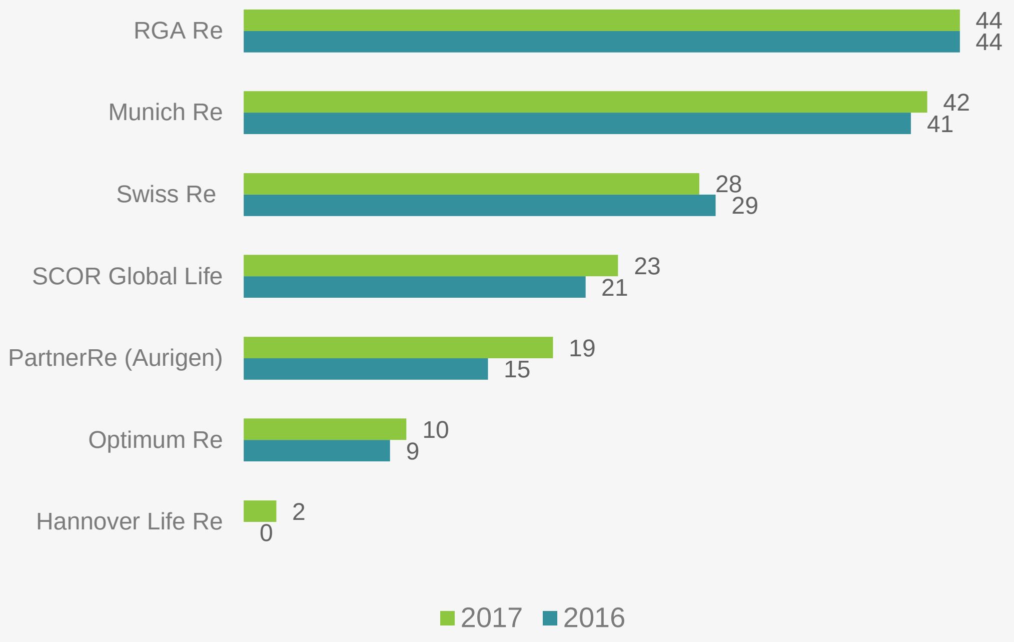
Canada Recurring Individual Life Volume ($CA Billions)



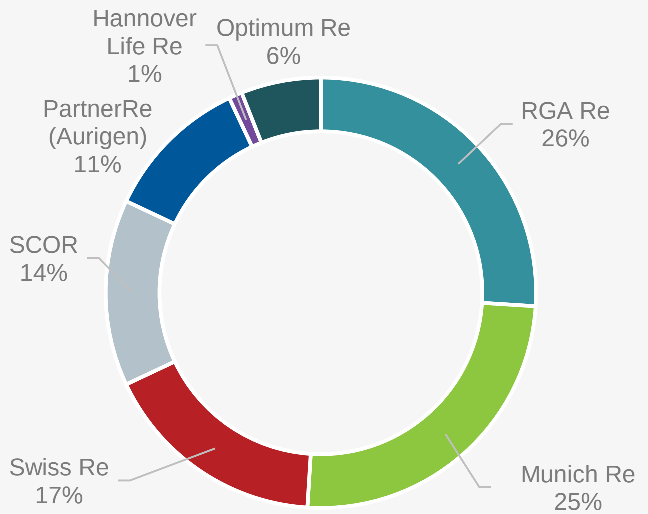
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Amt Reinsured	$150	$152	$153	$153	$149	$143	$142	$153	$160	$168
Amt Retained	$46	$52	$66	$67	$84	$90	$87	$98	$116	$94
% Reinsured	77%	75%	70%	70%	64%	61%	62%	61%	58%	64%

Canada recurring by company

Recurring Business ($CA Billions)

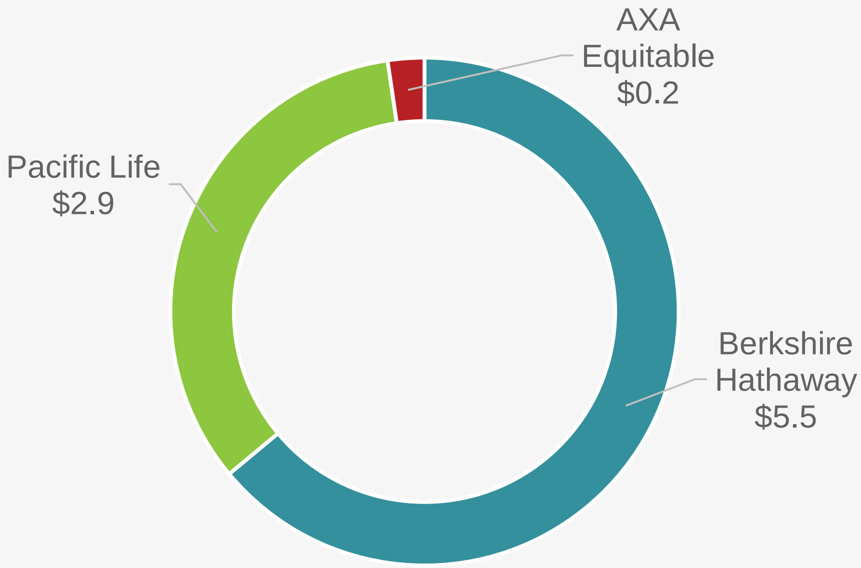


2017 Market Share



Canada portfolio and retrocession

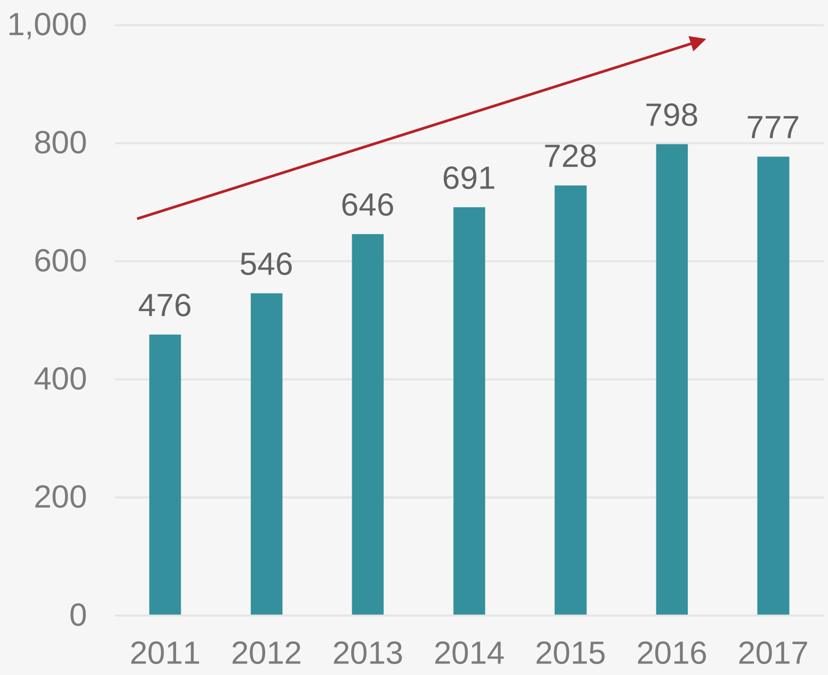
Retrocession ($CA Billions)



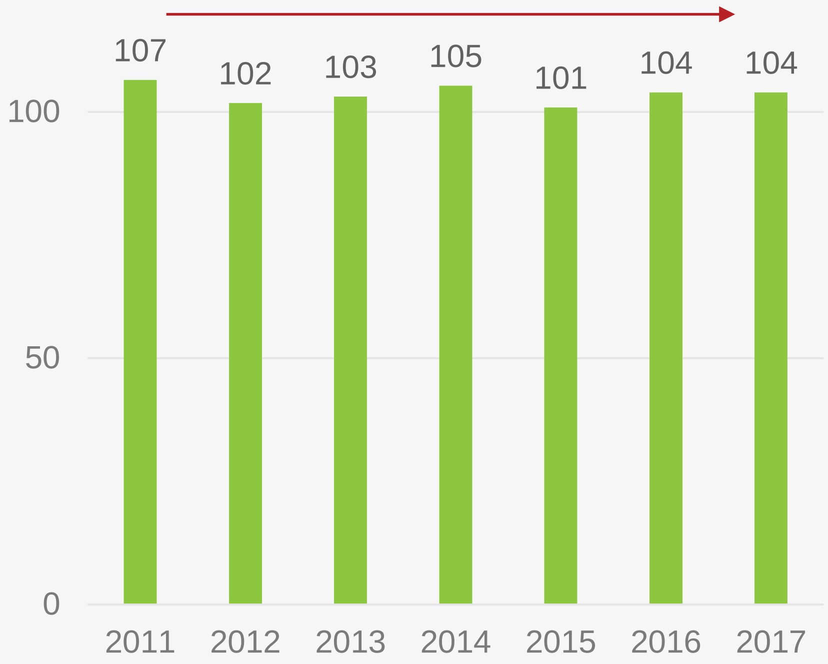
Group business

Group business – recurring business

U.S. Inforce Premiums ($ millions USD)

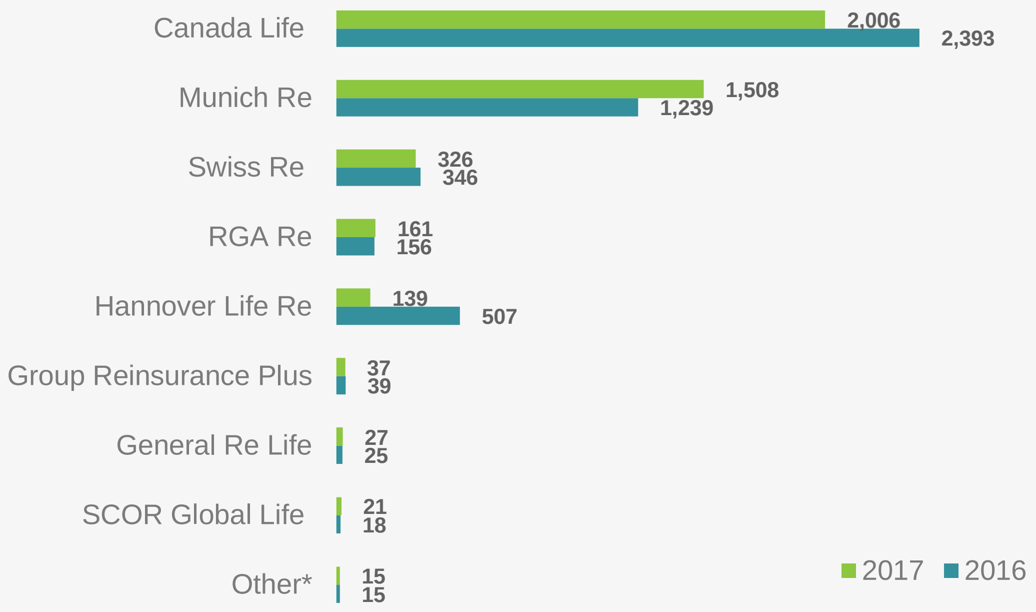


Canada Inforce Premiums ($ millions CA)

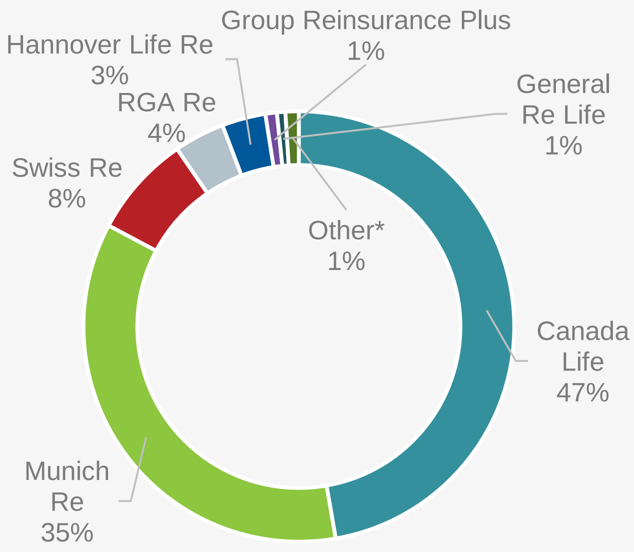


U.S. group life in force premiums

Inforce Premiums ($ millions)



2017 Market Share



Note: Other includes Scottish Re, Berkshire Hathaway Group, Optimum Re and Pacific Life

Canada group life in force premiums ($CA millions)

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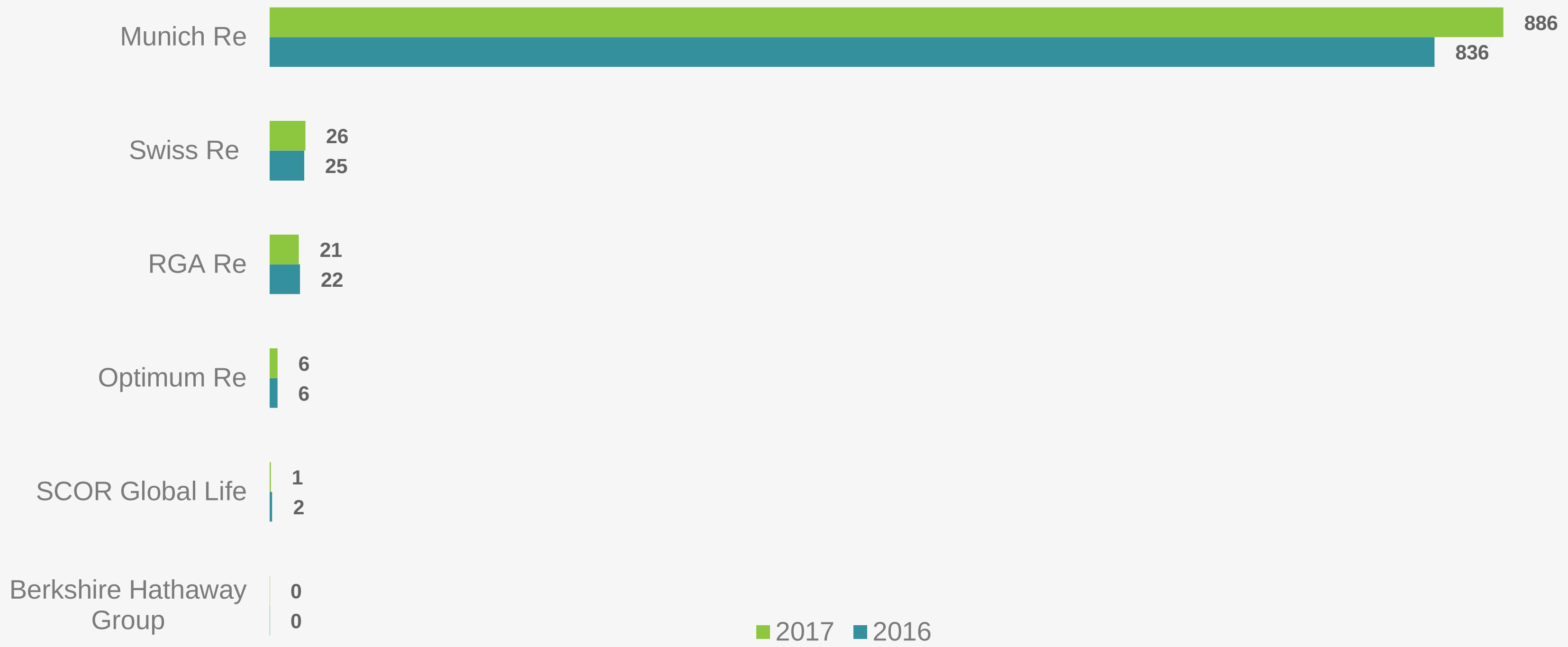
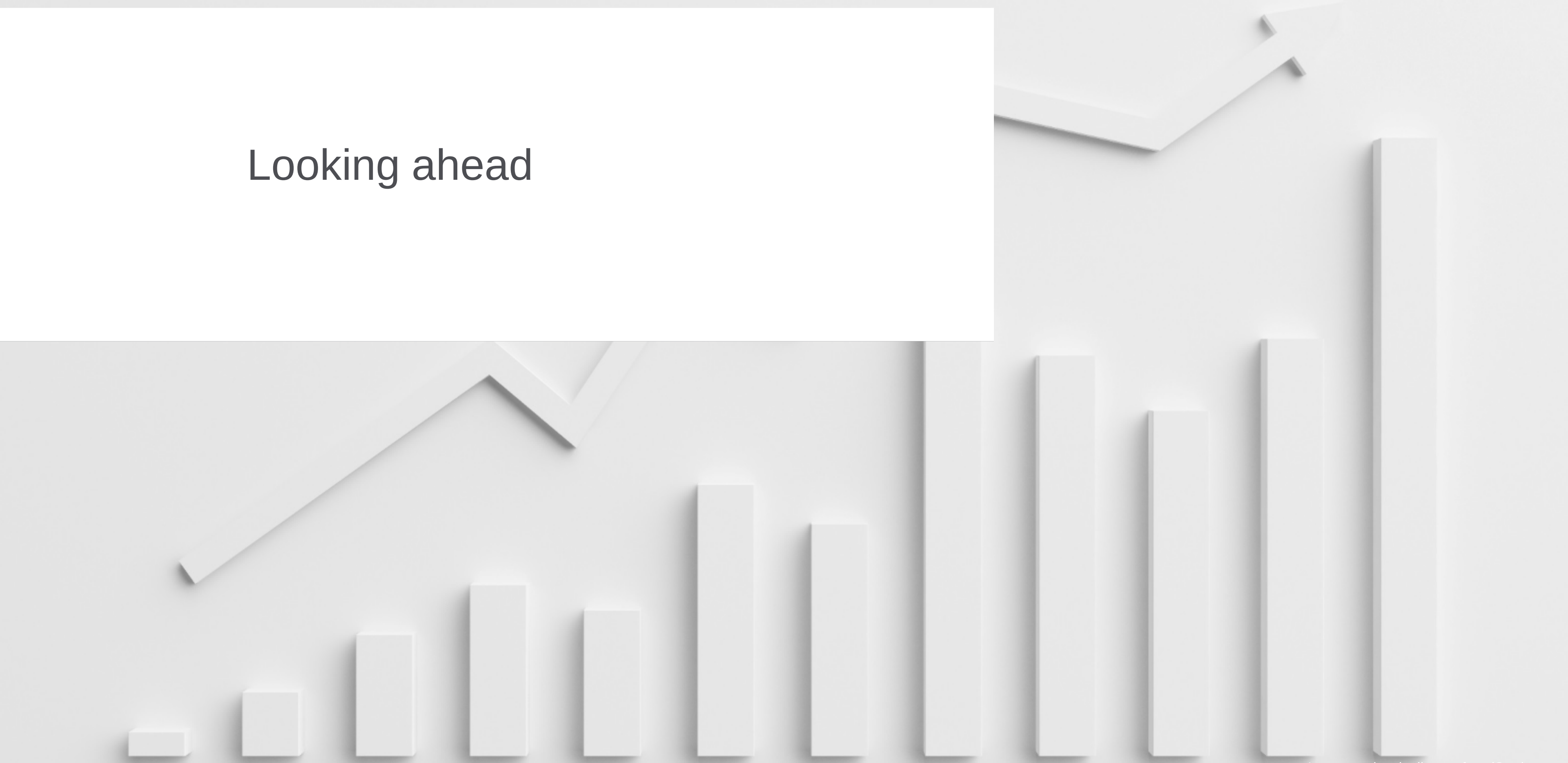


Looking ahead



Many factors will influence future life reinsurance volumes

- Direct life sales, the economy and regulation, in addition to the reinsurance ceding practices
- Direct writers' appetite for financial reinsurance and reinsurance of in force blocks is not expected to wane in 2018
- In the U.S., Principle-Based Reserving still presents some uncertainty in terms of how this reserve regulation will impact life reinsurance
- Life insurers continue to look for ways to expand insurability to those that are uninsured or underinsured through the use of streamlined or accelerated underwriting programs and technology
  - Reinsurers with expertise in these areas are well-positioned to capitalize on the new life sales generated by these programs