

2019 Life Reinsurance Survey Results

June 2020

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.



Overview

Who: Top U.S. and 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 and financial reinsurance

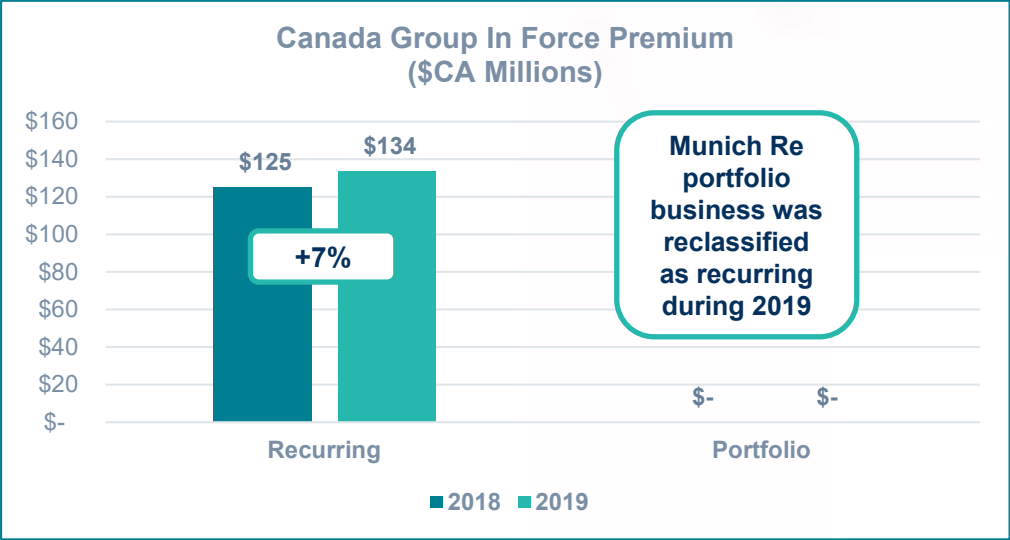
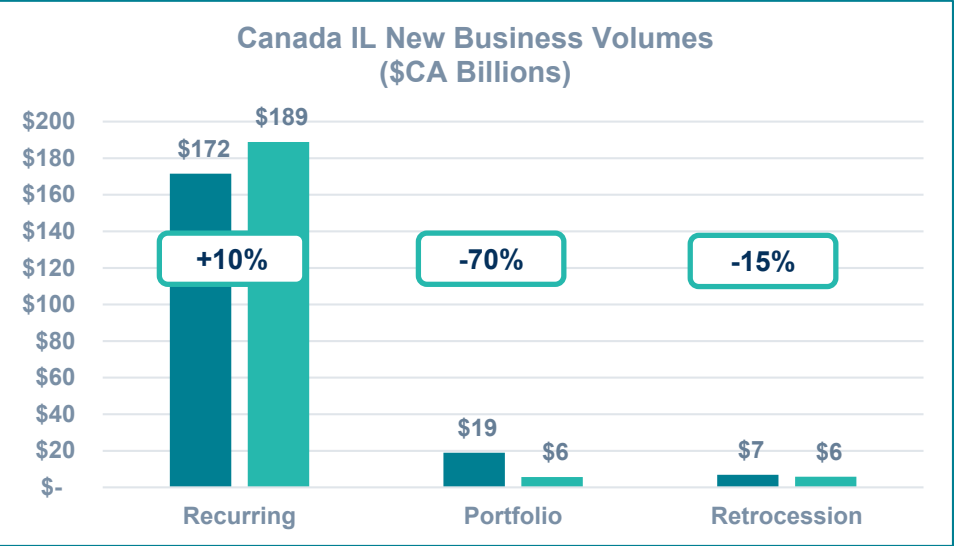
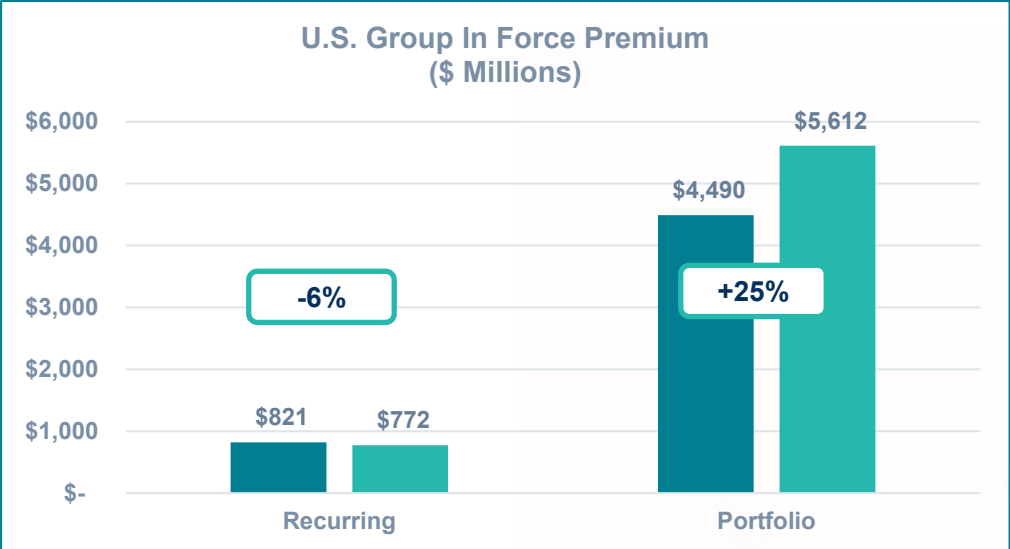
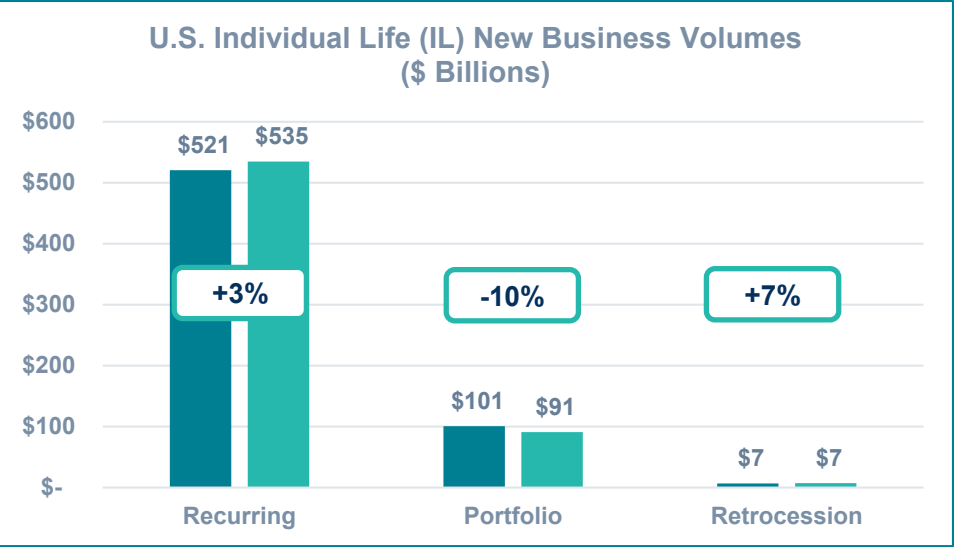
Retrocession: reinsurance not directly written by ceding company

Reinsurance figures for individual life are based on amount (NAR) and group life based on premium

Note: Some figures may not add due to rounding



Reinsurance Landscape



U.S. Individual Life New Business

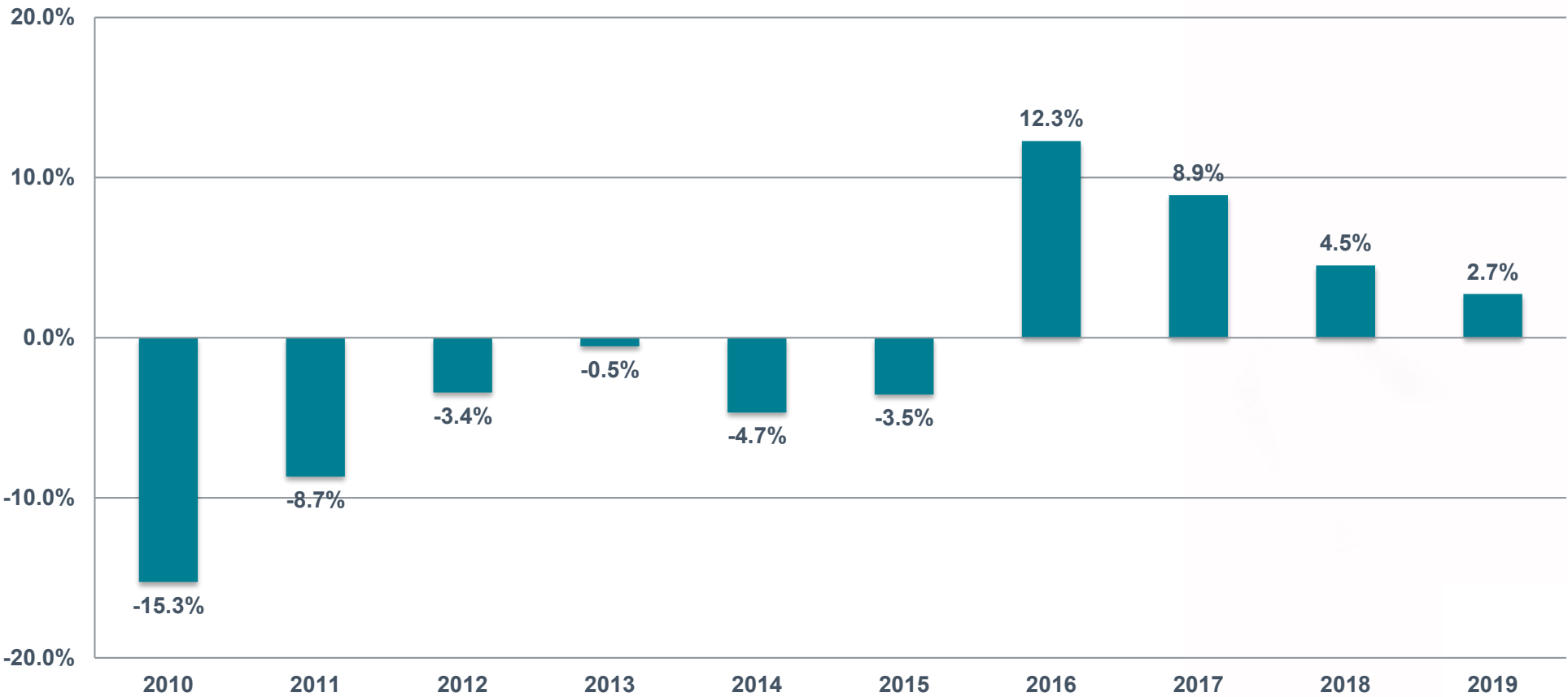
A Brief History...

U.S. Individual Life Recurring New Business

	1986	1995	2005	2019
# of Reinsurers	30	25	15	10
Recurring NB	\$156B	\$268B	\$844B	\$535B
Top Reinsurers	<ul style="list-style-type: none"> Transamerica Occidental (\$28B) Lincoln National Life (\$17B) General Re (\$16B) 	<ul style="list-style-type: none"> Transamerica Re (\$41B) Lincoln National Life (\$34B) RGA Re (\$24B) 	<ul style="list-style-type: none"> RGA Re (\$183B) Scottish Re (\$131B) Transamerica Re (\$130B) 	<ul style="list-style-type: none"> SCOR (\$113B) Swiss Re (\$106B) Munich Re (\$100B) RGA Re (\$96B)

U.S. Individual Life New Business Trend

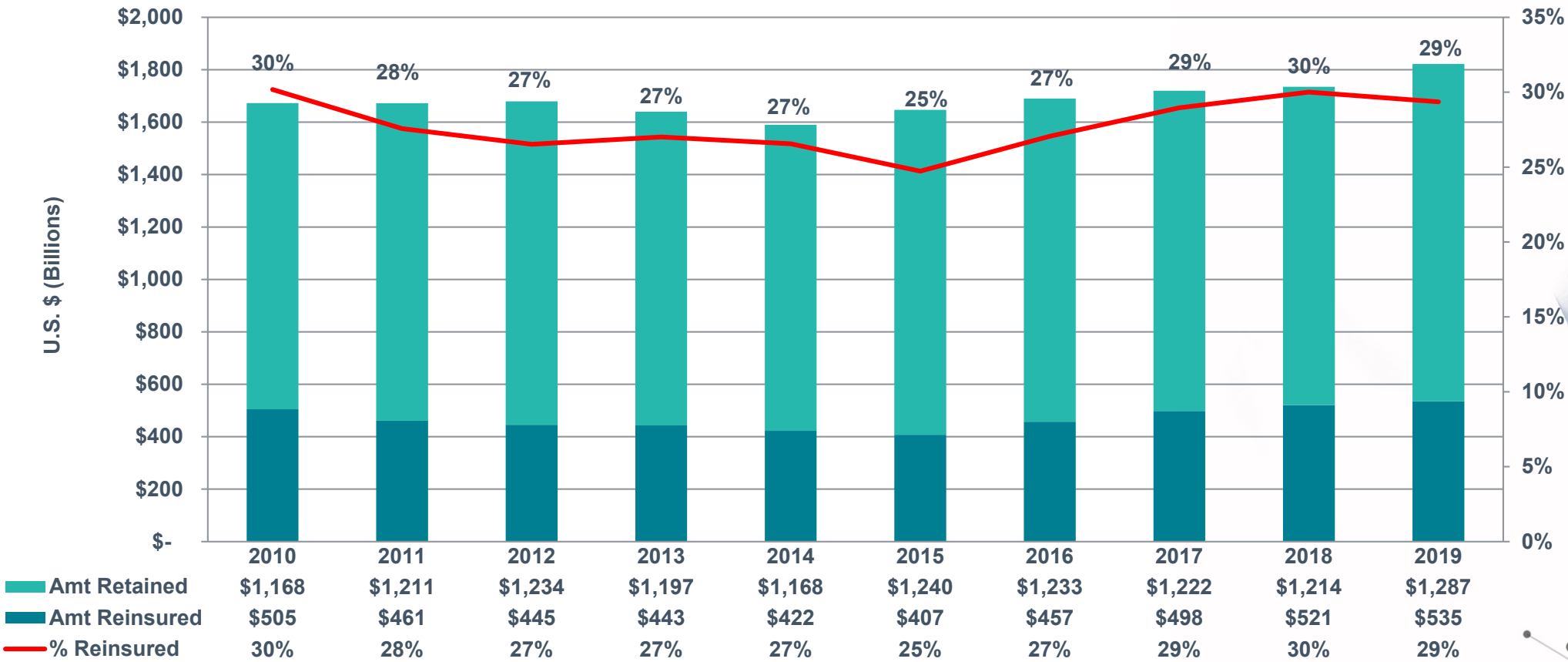
Annual Percentage Change in U.S. Recurring New Business (2010 – 2019)¹



¹ RMA is a new respondent and its figures are included in 2018 and 2019 – RMA represents Korean Re, Toa Re and others and accounts for \$14B and \$21B of recurring new business in 2018 and 2019 respectively.

U.S. Recurring Cession Rate

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

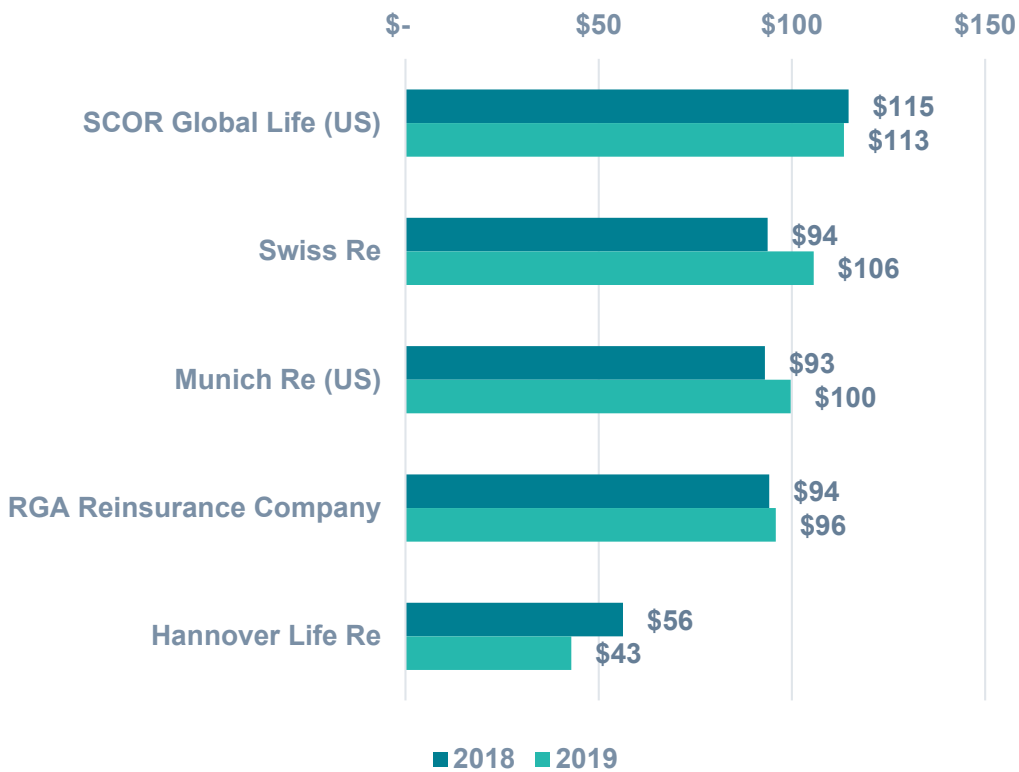


Sources: LIMRA and SOA Life Reinsurance Survey

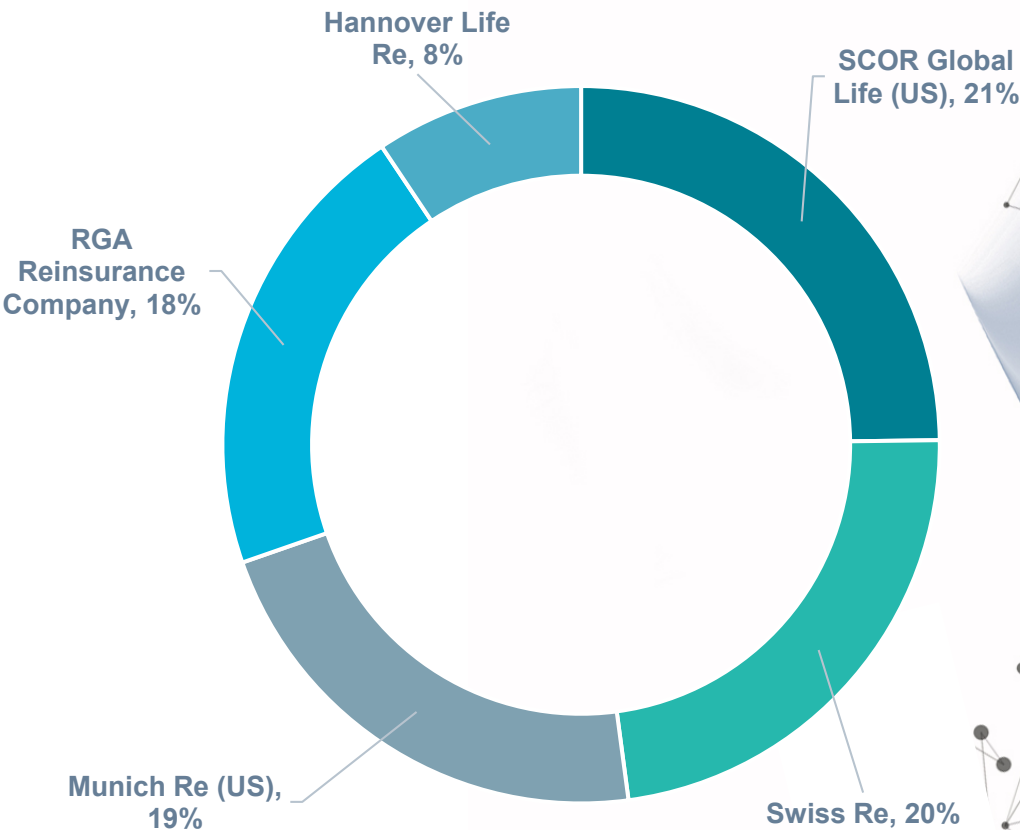
U.S. Recurring By Company – Top Five Companies

(Representing 86% of Total Market Share)

Recurring Business
(\$ billions)

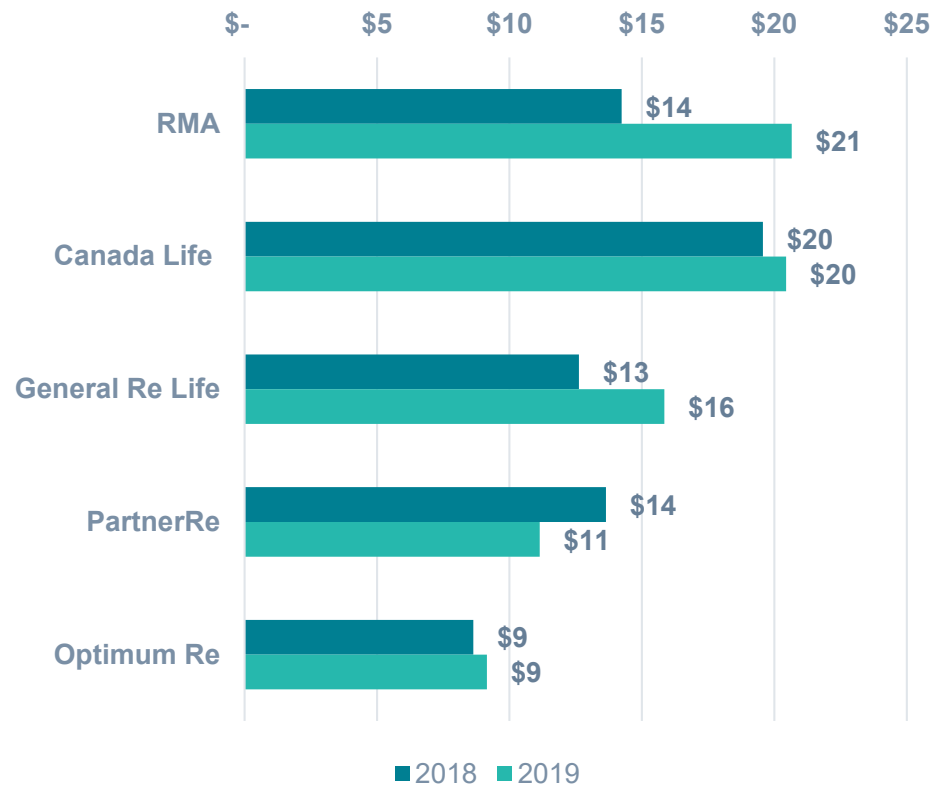


2019 Market Share

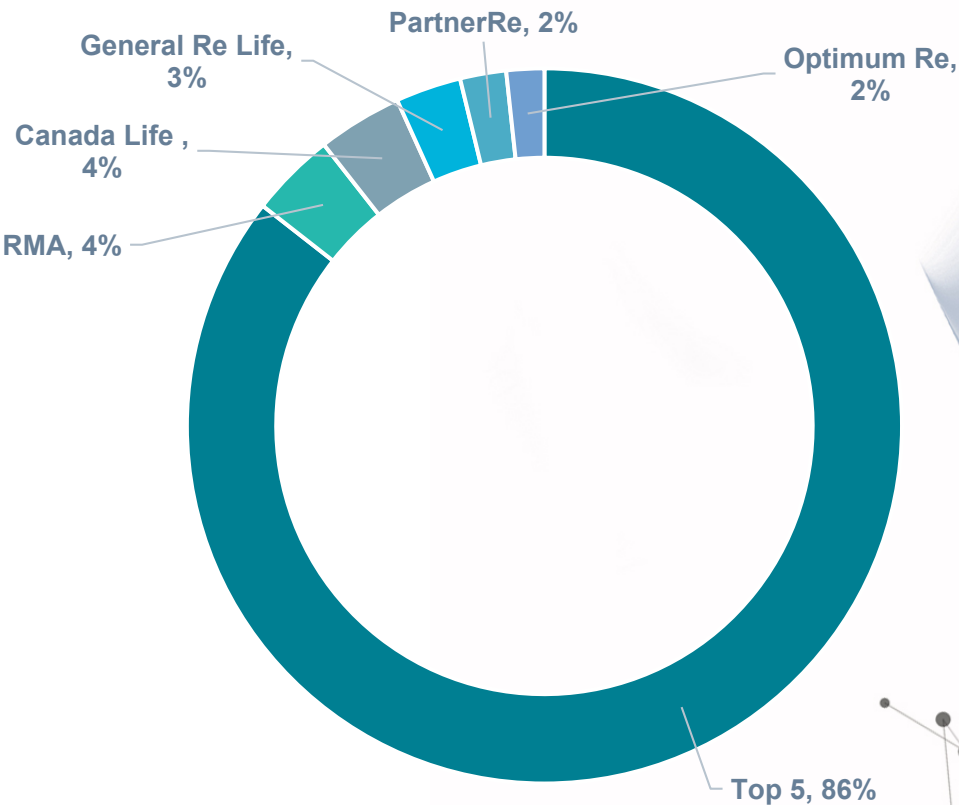


U.S. Recurring By Company – Next Five Companies

Recurring Business
(\$ billions)



2019 Market Share



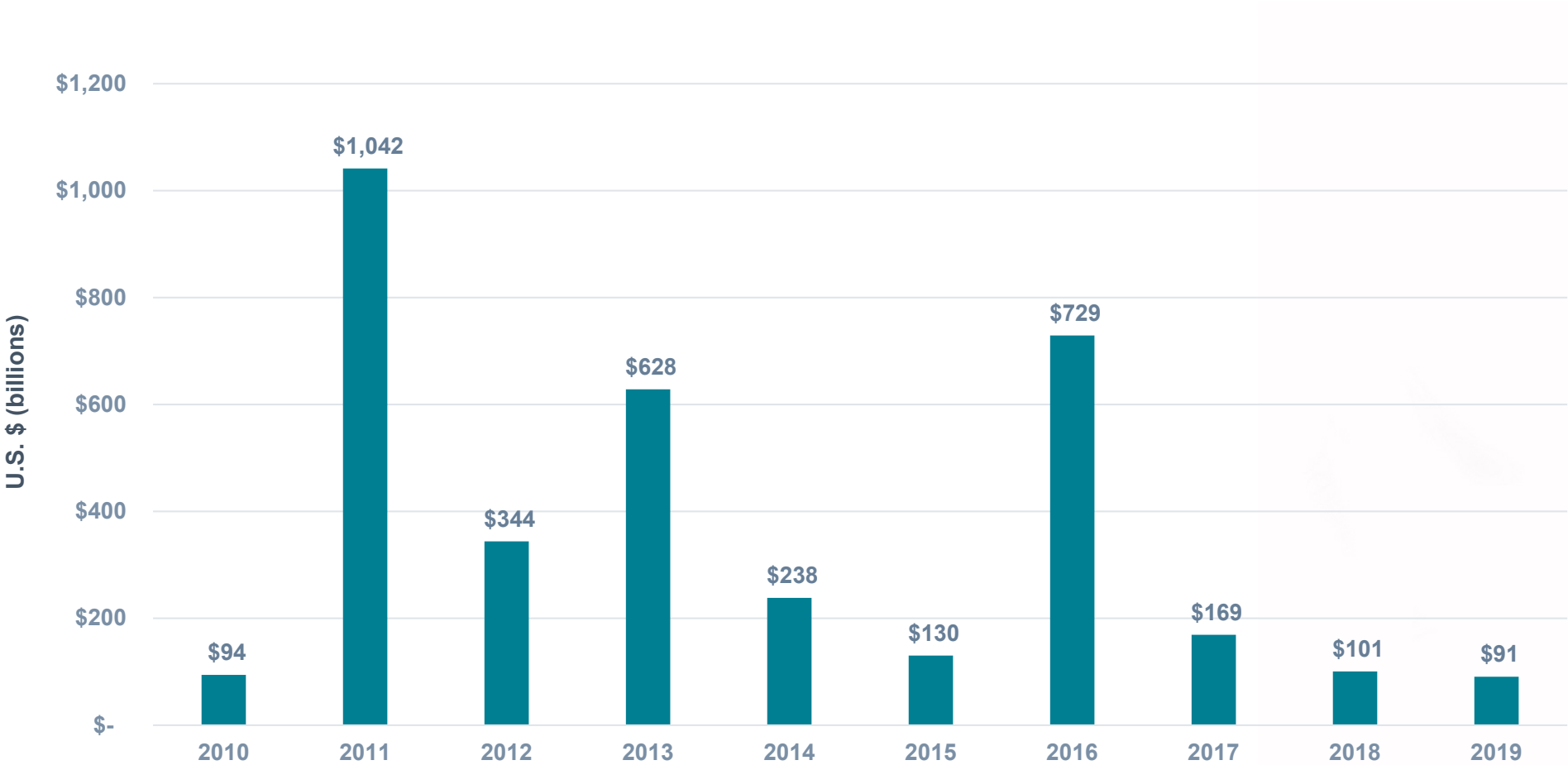
U.S. Recurring By Company

(\$ billions) All Companies

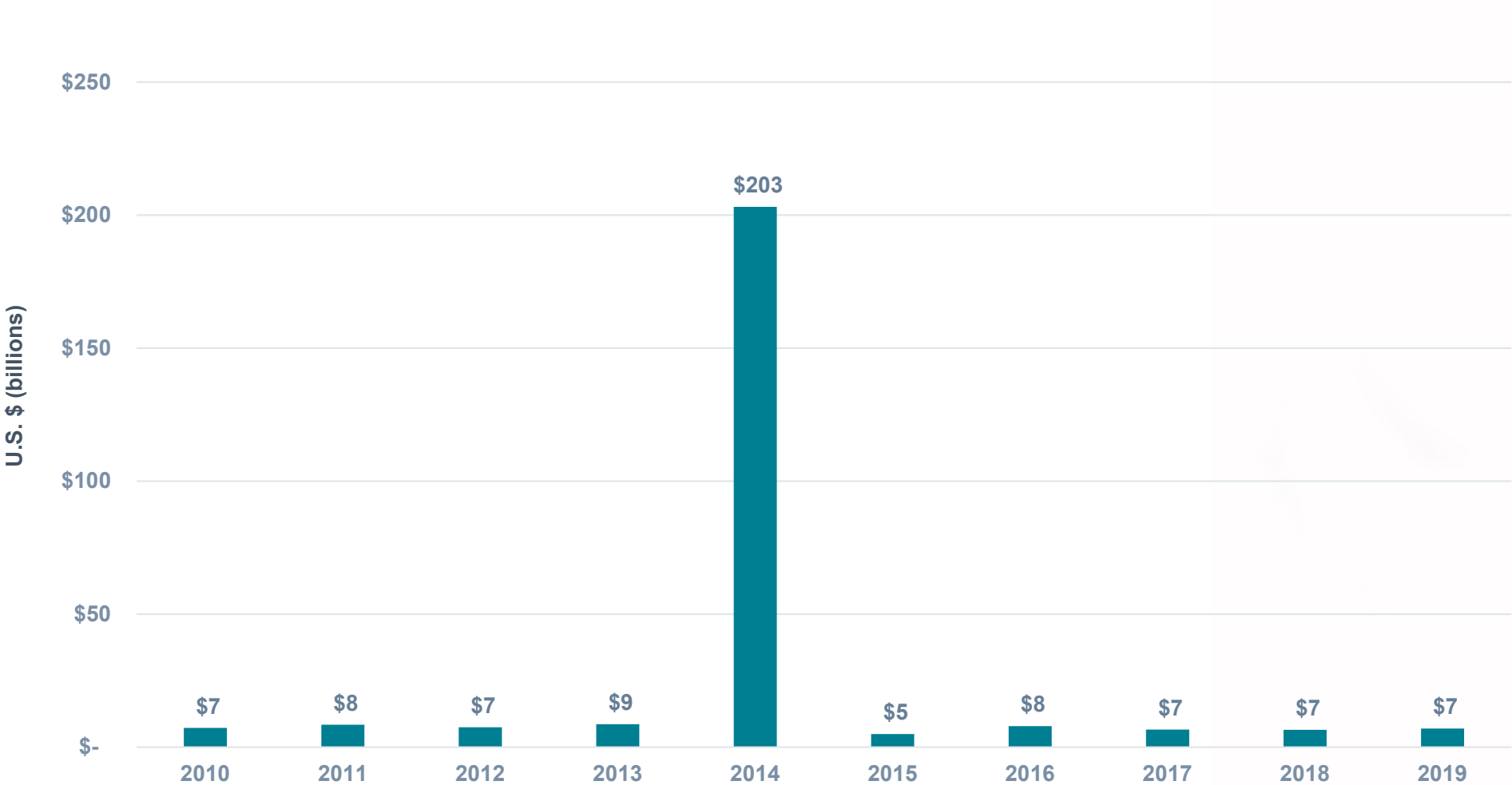
Company	2018		2019		Change from
	Assumed Business	Market Share	Assumed Business	Market Share	2018 to 2019
SCOR Global Life (US)	\$115	22%	\$113	21%	-1%
Swiss Re	\$94	18%	\$106	20%	13%
Munich Re (US)	\$93	18%	\$100	19%	7%
RGA Reinsurance Company	\$94	18%	\$96	18%	2%
Hannover Life Re	\$56	11%	\$43	8%	-24%
RMA	\$14	3%	\$21	4%	45%
Canada Life	\$20	4%	\$20	4%	4%
General Re Life	\$13	2%	\$16	3%	26%
PartnerRe	\$14	3%	\$11	2%	-18%
Optimum Re (US)	\$9	2%	\$9	2%	6%
Total	\$521	100%	\$535	100%	3%

Top five companies now represent 86% of market share

U.S. Portfolio Business (\$ billions)



U.S. Retrocession (\$ billions)



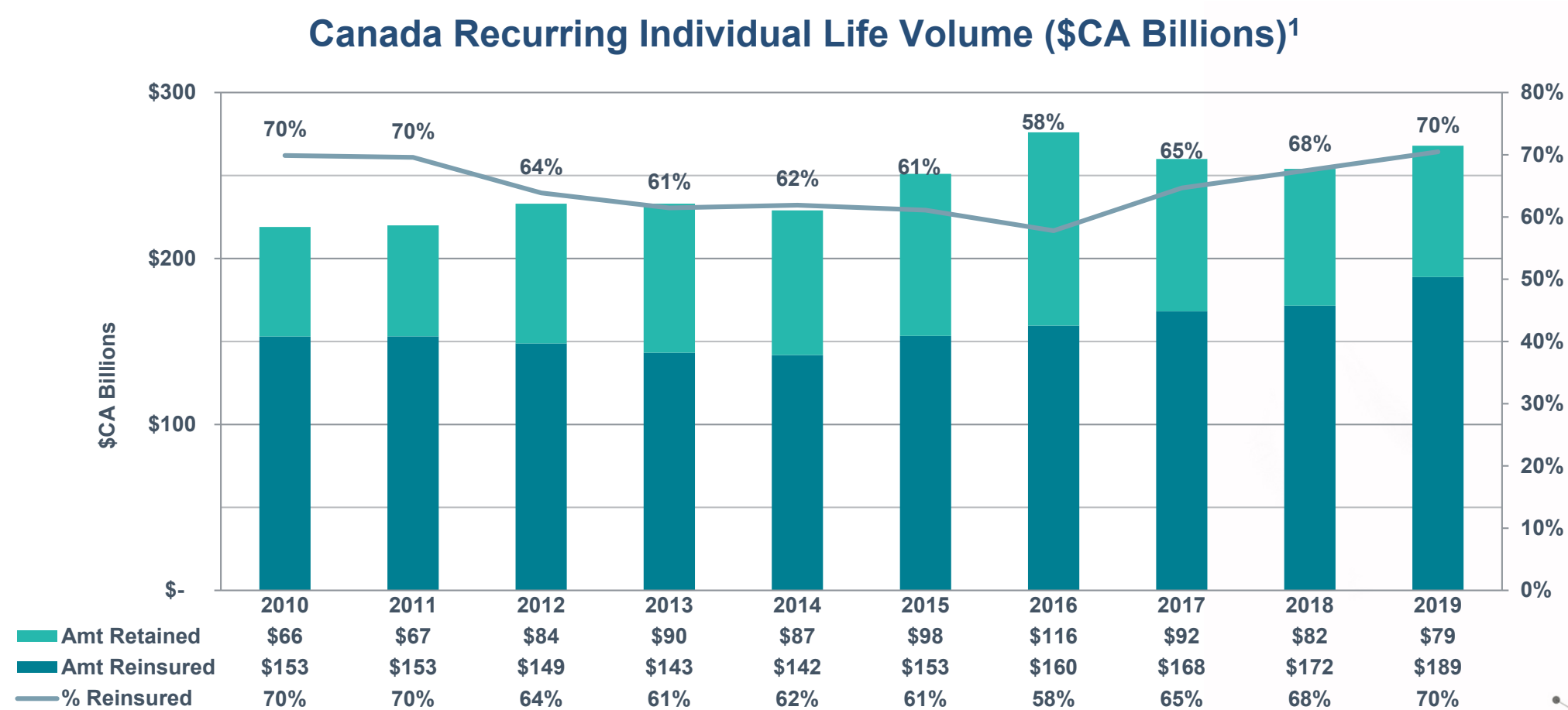
Canada Individual Life New Business

A Brief History...

Canada Individual Life Recurring New Business (\$CA)

	1986	1995	2005	2019
# of Reinsurers	14	14	7	8
Recurring NB	\$9B	\$17B	\$110B	\$189B
Top Reinsurers	<ul style="list-style-type: none"> ▪ Munich Re (\$3B) ▪ Canadian Re (\$2B) ▪ St. Lawrence Re (\$1B) 	<ul style="list-style-type: none"> ▪ Swiss Re (\$4B) ▪ Munich Re (\$4B) ▪ RGA Re (\$3B) 	<ul style="list-style-type: none"> ▪ Munich Re (\$49B) ▪ RGA Re (\$31B) ▪ Swiss Re (\$26B) 	<ul style="list-style-type: none"> ▪ Munich Re (\$54B) ▪ RGA Re (\$46B) ▪ PartnerRe (\$33B)

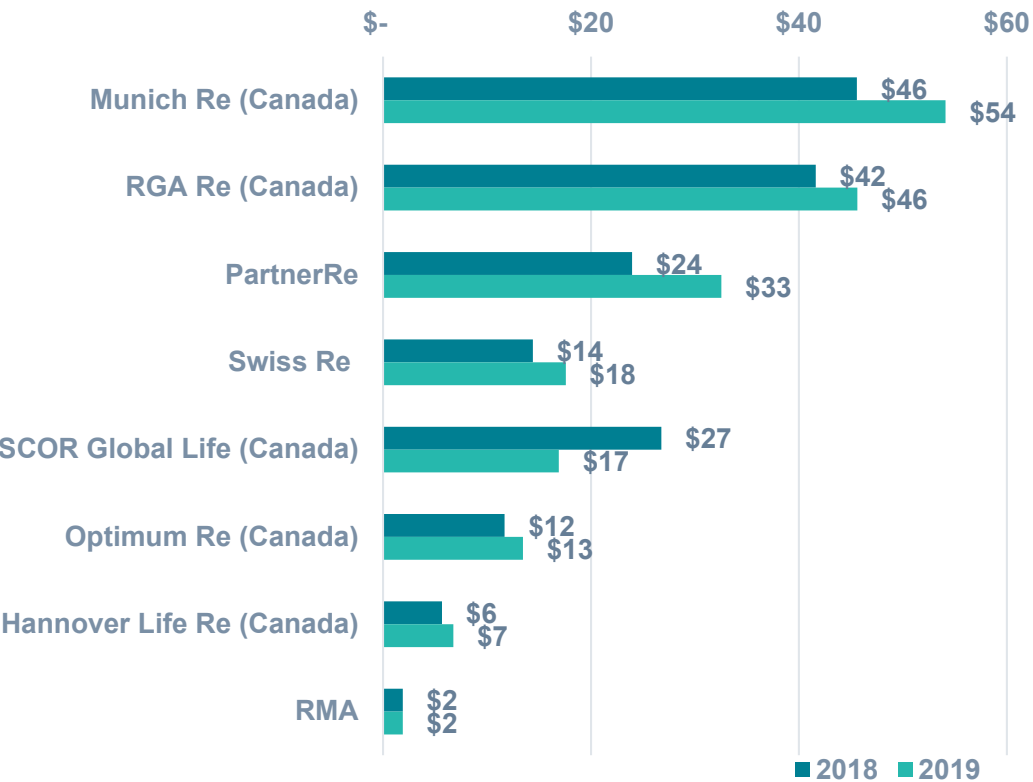
Canada Recurring Cession Rate



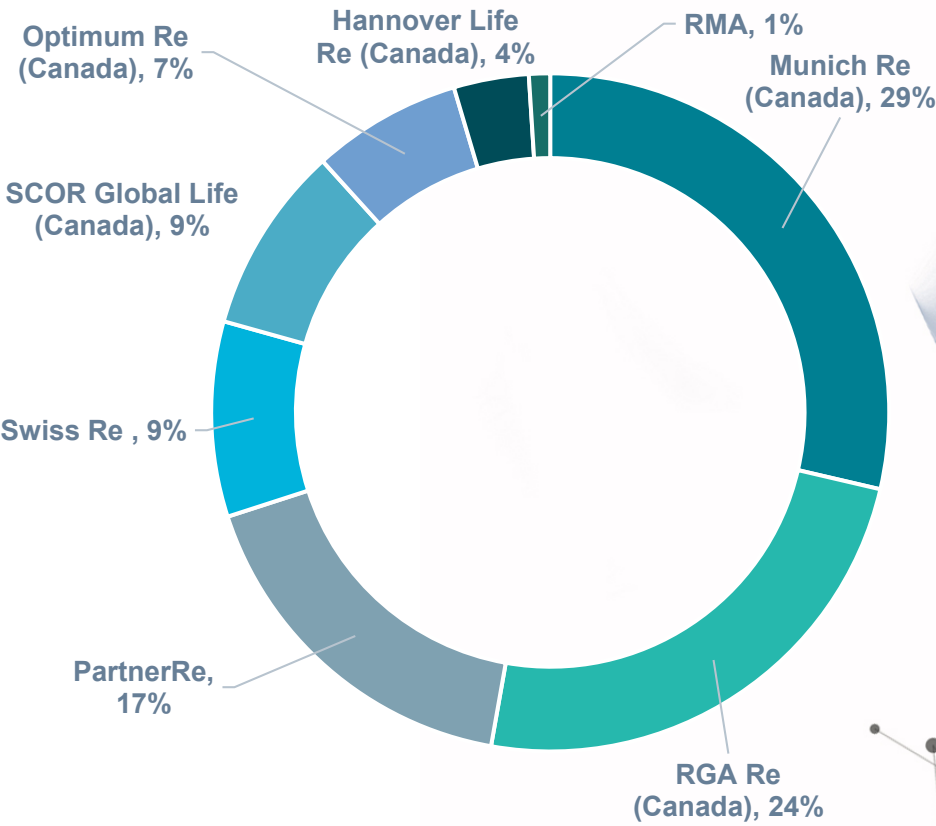
¹ RMA is a new respondent and its figures are included in 2018 and 2019 – RMA represents Korean Re, Toa Re and others and accounts for \$2B and \$2B of recurring new business in 2018 and 2019 respectively.

Canada Recurring By Company (All Companies)

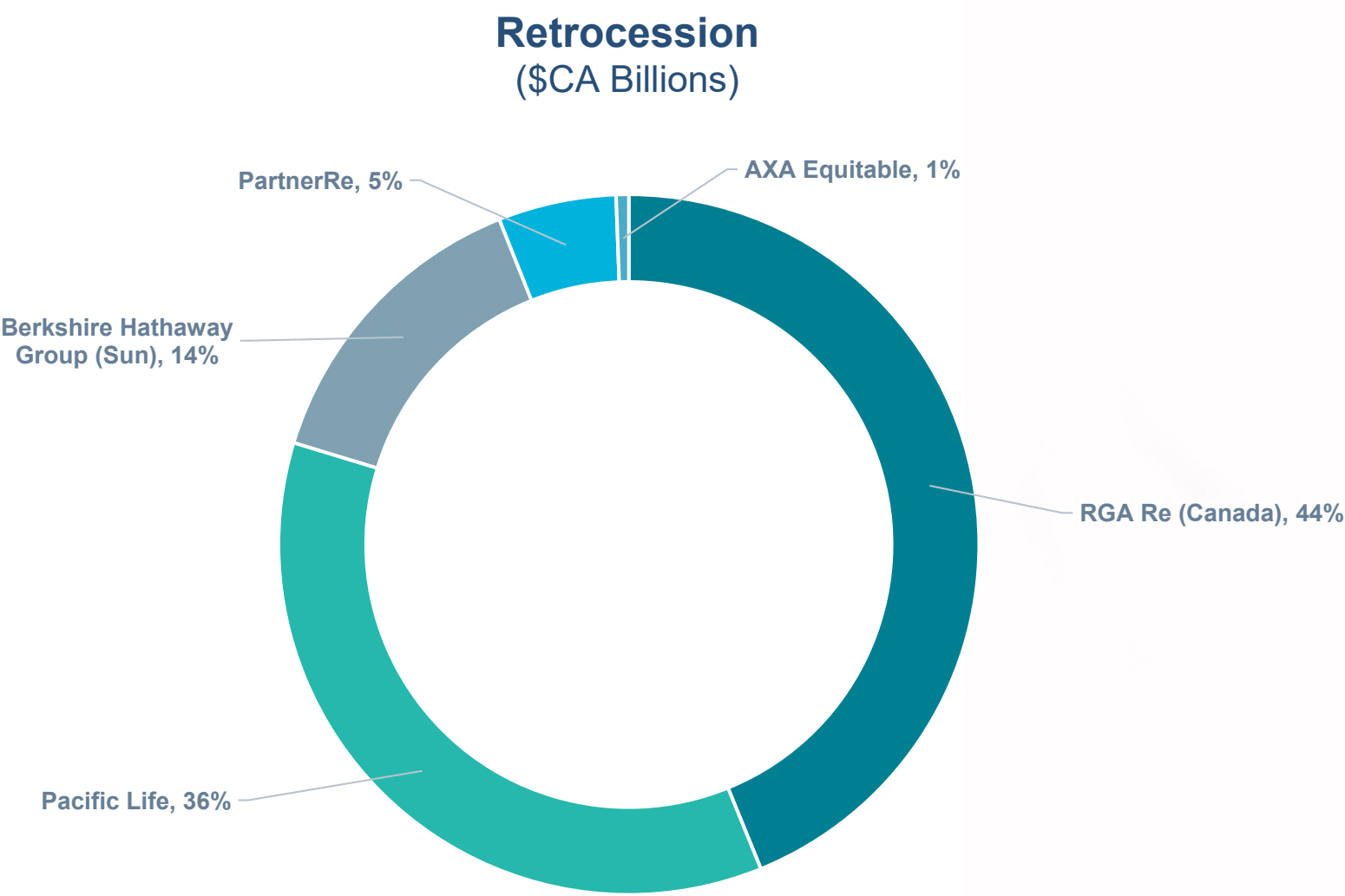
Recurring Business
(\$CA billions)



2019 Market Share



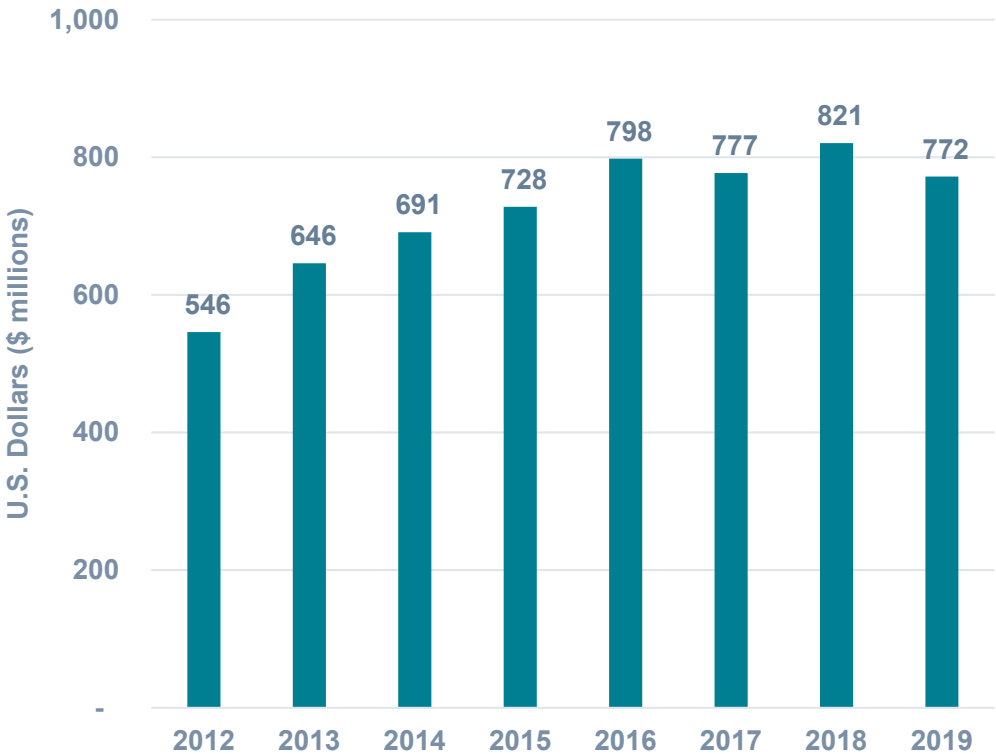
Canada Portfolio and Retrocession



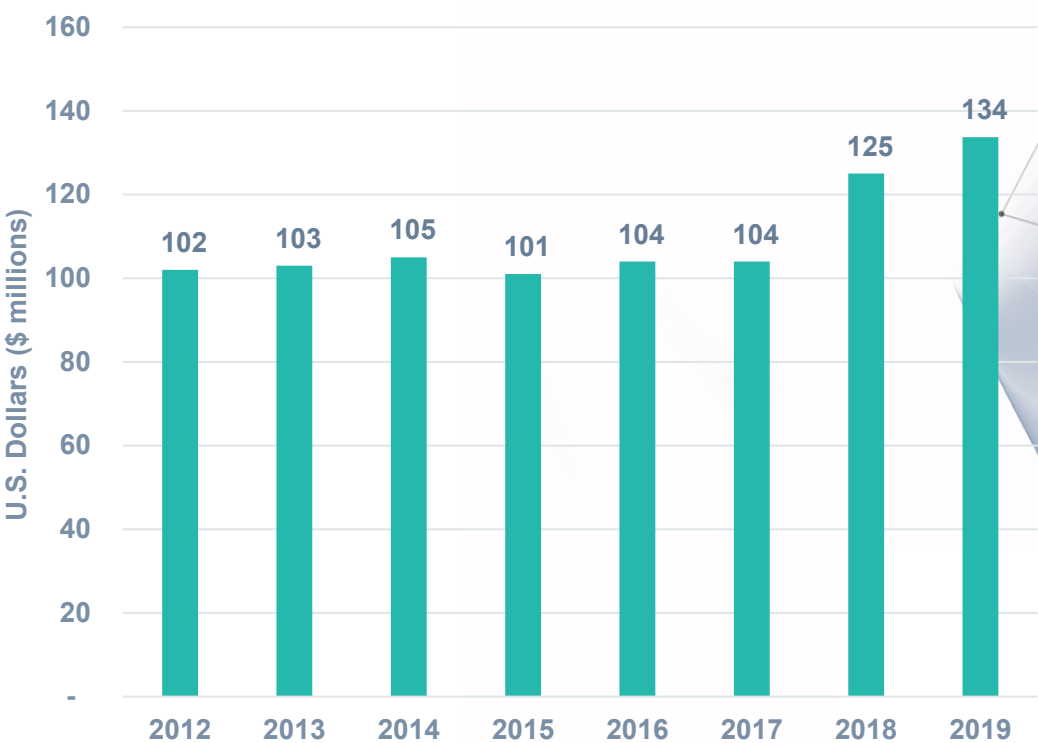
Group Business

Group Business – Traditional Inforce Premium¹

U.S. Inforce Premiums
(\$ millions USD)



Canada Inforce Premiums
(\$ millions CA)



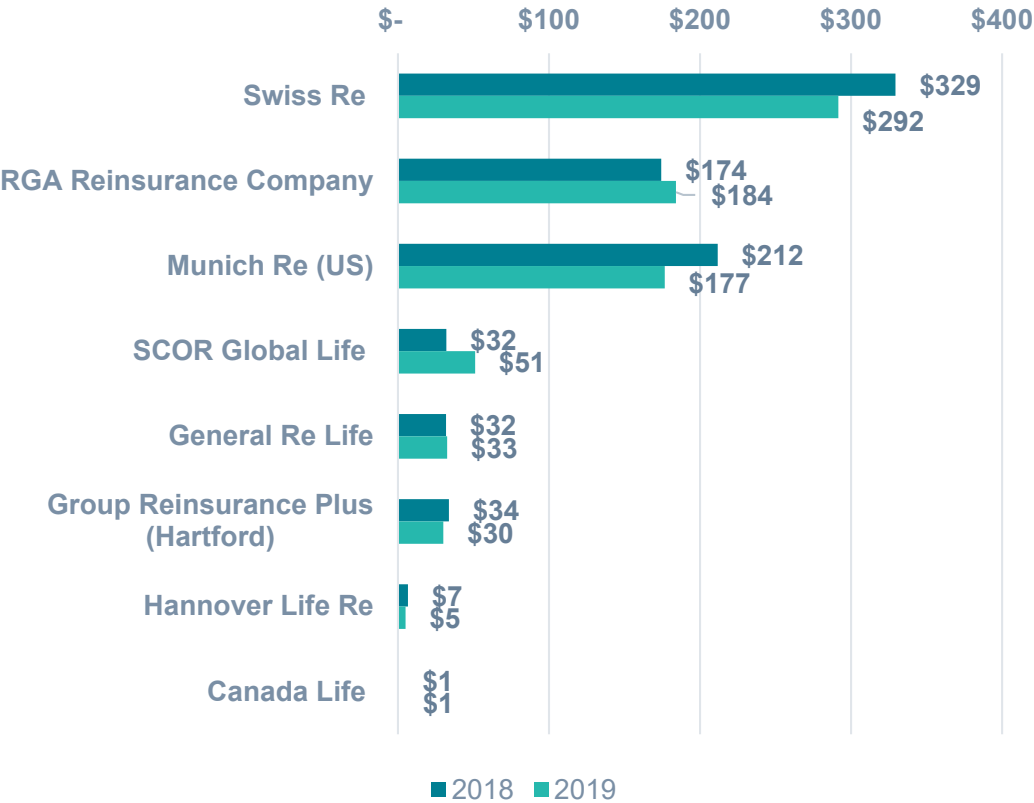
Note: The increase in 2018 is due to a reclassification by Munich Re of their Portfolio business to Recurring

¹ Traditional inforce premiums exclude portfolio and retrocession premium

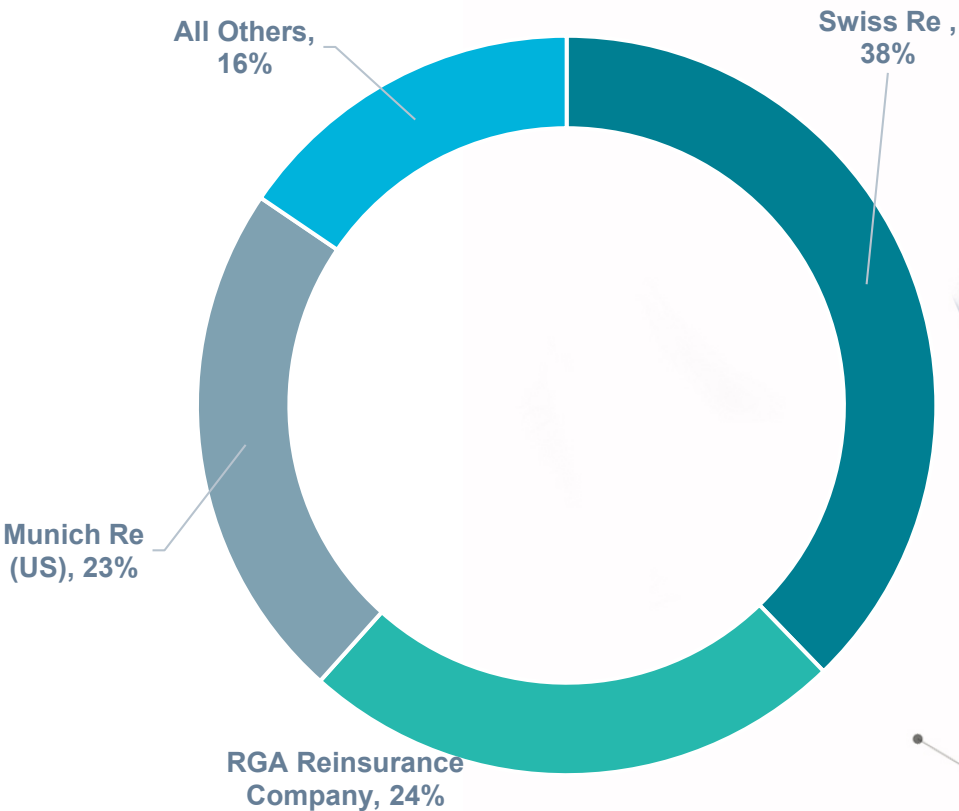
U.S. Group Life Traditional Inforce Premiums

(Top 3 Account For 84% of Market)

Inforce Premiums
(\$ millions)



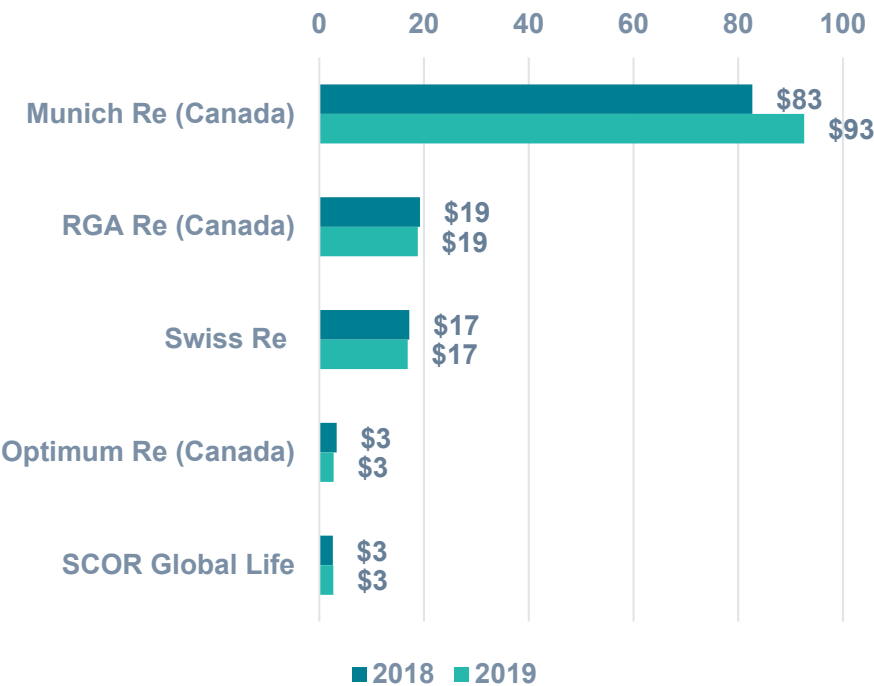
2019 Market Share



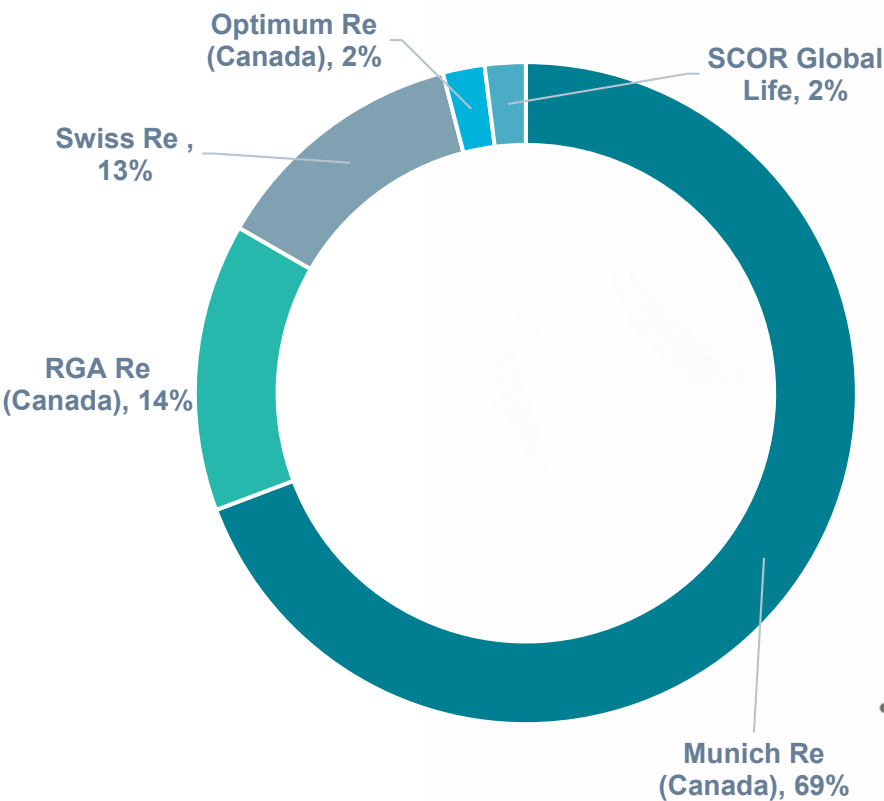
Canada Group Life Traditional Inforce Premiums

(Top 3 account for 96% of market)

Inforce Premiums
(\$ millions CA)



2019 Market Share



Looking Ahead

Many Factors Will Influence Future Life Reinsurance Volumes

- Continued trend evolution in Individual Life sales due to COVID-19
- The continued expansion of accelerated underwriting programs
- Emerging needs for insurability of those currently uninsured or underinsured
- Continued aging of the population and changing consumer preferences
- Level of product agility as carriers make investments to address technology burden and develop innovative customer solutions
- Continued regulatory uncertainty as carriers deal with PBR, IFRS17 and GAAP LDTI among other regulatory regimes

