



2015 Annual Review

Creating Solutions





On the Cover

From left: Derek Kueker, Vice President and Actuary, Data Solutions, RGAx; Kathryn Cox, Senior Vice President, Business Development, U.S. Markets.

Opposite Page

From left, from Global Acquisitions: Richard Leblanc, Senior Vice President; Matt Easley, Senior Vice President; Mark Kirsch, Vice President.

Creating Solutions

At RGA, innovative ideas are born from experience, knowledge, and a richly entrepreneurial culture. We leverage our collective expertise to deliver solutions that help our clients function more efficiently and more profitably.

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A. Greig Woodring
CHIEF EXECUTIVE OFFICER

MESSAGE FROM THE CEO

RGA completed another solid year in 2015, generating strong new business development across its range of businesses and achieving operating income of \$8.43 per share¹.

This testifies to the strength and diversity of the RGA franchise, considering that it was a difficult year for U.S. mortality, the largest business under the RGA banner. Since 2012, we have provided intermediate-term operating income per share growth guidance of 5-8%; while some years have finished above or below that guidance, 2015 landed squarely in the center of the projected range.

We believe RGA will continue to deliver strong results given the heightened levels of long-term value added to our existing businesses in recent years. In addition to sustaining organic growth, RGA added several in-force blocks. These covered a wide variety of risks, from mortality to payout annuities, and originated from diverse geographies. We will continue to face the headwinds of low interest rates, increased regulation and a strong U.S. currency, but are confident in our ability to build upon our past successes.

RGA ended the year with \$3 trillion of assumed mortality risk, which represents the company's largest source of earnings. We expect volatility in mortality results and, in 2015, the U.S. experienced substantial adverse mortality. Most of the adverse result, we believe, was due to normal volatility and will even out over

2015 HIGHLIGHTS

Diversification led to solid financial performance

In 2015, RGA's total revenues again surpassed \$10 billion, with net premiums of more than \$8 billion. The company's results reflected significant contributions from ongoing in-force acquisitions and strong performances by all of RGA's international operations. The company posted \$3.0 trillion of life reinsurance in force and assets of \$50.4 billion. RGA maintained excellent financial strength and credit ratings during the year.

\$90 billion in-force mortality block reinsured with Voya Financial


RGA reinsured a block of approximately \$90 billion of life insurance in force from Voya Financial, comprising over 150,000 policies written by Voya between 2008 and 2011. The transaction leveraged RGA's deep expertise and understanding of the U.S. mortality market and the company's long-standing partnership with Voya. In 2014, RGA completed a similar transaction with Voya and reinsured a block of level term policies representing approximately \$104 billion of life insurance in force.

¹ Operating income is a non-GAAP financial measure. See page 41 for a reconciliation of earnings per share from net income to earnings per share from operating income.

MESSAGE FROM THE CEO

Landmark longevity risk agreement signed with Sun Life

RGA completed an agreement to reinsure the longevity risks associated with a significant share of a C\$5 billion block of pension obligations held by Canada's largest communications company, a leading Canadian pension plan sponsor. The syndicated reinsurance transaction, led by Sun Life Assurance Company of Canada, required development of sophisticated pension, insurance, and reinsurance solutions and was the first transaction of its kind in North America.

10% 

5-year increase in book value per share*

*Compounded annual growth rate, 2011-2015

RGA celebrates 20 years in Asia

This year marked the 20th anniversary of the opening of RGA's first two Asian offices, in Hong Kong and Japan. Since entering the Asia Pacific market, RGA has opened offices in 10 countries and become a leader in delivering innovative risk and capital solutions. RGA's net premiums in Asia Pacific in 2015 totaled \$1.6 billion, while total revenues reached \$1.7 billion.

time. We identified that a portion of the excess claims came from policies with older issue ages. This adverse mortality, combined with poor U.S. group long-term disability experience, resulted in a challenging year for U.S. traditional business.

Our U.S. mortality experience proved to be the exception, as our mortality business in other markets generated very good results. Our Canadian mortality business began the year with excess claims consistent with a heavy influenza season. After the first quarter, however, claims reverted to a level substantially better than expected. This drove superior RGA Canada results for the final three quarters and for the year in total. The Canadian operation has diversified successfully over the last decade, but its results remain dominated by its mortality experience. In addition, mortality results in Asia were quite favorable. In small markets, a single large claim can negatively affect an entire year; however, all of RGA's critically-sized mortality blocks outside of the U.S. performed well, partially offsetting the disappointing results from the U.S.

Despite some volatility during the course of 2015, our Australia business ended the year with a strong final quarter and an overall favorable result. We consider 2015 to be another recovery year. Although the Australian market has made progress in addressing deficiencies in the group business, work remains to be done. RGA expects to continue on a steady upward path to return Australia to its former strong contribution levels.

Our Asia Pacific operations, not including Australia, posted another year of strong growth with pre-tax operating income increasing by 6%², and by 12% when compounded over the past three years. With expanding middle classes and favorable attitudes regarding the purchase of life insurance, Asia has been a growth area for organic reinsurance, and RGA, a market leader across the region, has benefited. RGA has operated in Asia for 20 years, establishing strong, talented teams in every operation and a solid reputation in the market. RGA foresees a continuation of recent long-term growth trends, affected at times by short-term market and economic factors.

In recent years, the RGA story in our Europe, Middle East, and Africa (EMEA) operations featured modest organic growth but substantial in-force block opportunities. The same pattern continued last year, as pre-tax operating income

² Pre-tax operating income, a non-GAAP financial measure, for the Asia Pacific operations was \$128 million and \$107 million during 2015 and 2014, respectively. These amounts exclude investment-related losses of \$3 million and \$4 million during 2015 and 2014, respectively. Excluding Australia, Asia Pacific pre-tax operating income was \$107 million and \$101 million during 2015 and 2014, respectively.

rose by 7%³ in the EMEA operations, and by 43% when compounded over the past three years. This reflects not merely growth but excellent mortality experience in EMEA during 2015.

Solvency II, Europe's new capital regime, went into effect in January 2016. European life insurers, therefore, now have a new prism through which to view their businesses. We have likely not seen an end to the increased reinsurance of in-force blocks, with Solvency II providing much of the impetus. This landmark regulation has spawned similar efforts in geographies around the globe and will provide RGA with additional opportunities to assist our clients.

Our Global Financial Solutions, or GFS, business enjoyed another stellar year with pre-tax operating income reaching \$389 million, an increase of 7%⁴ over the prior year. GFS operates globally, in three distinct sublines: asset-intensive reinsurance, financial reinsurance, and longevity reinsurance. All three lines posted strong results once again in 2015, after an outstanding prior year. Asset-intensive business earnings are mostly derived from U.S. treaties but with a noticeably growing international component. Financial reinsurance earnings are originated in all of RGA's geographic divisions. The bulk of GFS' longevity business comes from U.K. risks, but we also accepted some longevity risk in Canada and in continental Europe in 2015. We feel comfortable with our longevity risk, and our experience to this point has been favorable, but longevity risk is a long-tail risk. It diversifies RGA's overall risk portfolio nicely, especially given our large portfolio of mortality risk in force.

RGA deployed capital into several large block acquisitions in 2015, including the acquisition of Aurora National, large mortality blocks from Voya Financial and XL Group in the U.S., and several significant European transactions. As in 2014, RGA was again able to deploy capital through transactions and share repurchases in a balanced way in 2015. We began the year with more than \$1 billion of excess, or redundant, capital and closed the year with \$600 million.

RGA's long tradition of innovation continued in 2015, through the launch of several new efforts and by achieving milestones within established programs. For the third consecutive year, RGA reviewed more than 500,000 individual facultative applications globally, and more than 100,000 in the U.S.

³ Pre-tax operating income, a non-GAAP financial measure, for the EMEA operations was \$146 million and \$136 million during 2015 and 2014, respectively. These amounts exclude investment-related gains of \$11 million and \$25 million during 2015 and 2014, respectively.

⁴ Pre-tax operating income, a non-GAAP financial measure, for GFS was \$389 million and \$362 million during 2015 and 2014, respectively. These amounts exclude investment-related gains (losses), net of deferred acquisition costs, of \$45 million and \$(52) million, and the change in value of embedded derivatives, net of deferred acquisition costs, of \$(84) million and \$113 million during 2015 and 2014, respectively.

Large block of term life reinsurance acquired from XL Group plc

RGA completed a transaction with a subsidiary of XL Group plc to acquire a block of U.S. term life reinsurance. Under the arrangement, a subsidiary of RGA reinsured approximately \$22 billion of life insurance in force, comprising approximately 290,000 policies. The transaction provided an innovative solution to help the client remove risk associated with its run-off life insurance business.

11%



average 5-year operating ROE*

*Average operating return on equity, 2011-2015

RGA repurchased \$375 million in common stock

During 2015, RGA repurchased 4.1 million shares of common stock for \$375 million, under a share repurchase program authorized by RGA's Board of Directors. The repurchased shares have been placed into treasury to be used for general corporate purposes.

MESSAGE FROM THE CEO

Facultative cases exceed 600,000

RGA remained the industry leader in large-amount and substandard risk underwriting, recognized for its rapid turnaround times and superior facultative expertise. In 2015, RGA received more than 600,000 facultative applications.

Facultative cases reviewed by RGA underwriters in 2015:

468,459

International

106,360

United States

41,131

Canada

Facultative business has historically been a key differentiator of RGA operations and we have continued to improve our facultative underwriting services for insurers. Our Automatic Selection and Assessment Program (ASAP), one of many breakthroughs created by RGA's facultative business experts, reached a new milestone of \$25 billion of insured mortality risk in force.

Innovation at RGA was not confined to our underwriting teams, but was evident throughout the company's global operations. RGA associates focused on creating new solutions to address industry challenges. At the outset of 2015, we also launched RGAx, an innovation lab that works with new medical technologies, data sources, underwriting protocols, technology, and alternative distribution. RGAx has launched several interesting new initiatives, and we will undoubtedly have much to say about them in future years.

Late in 2015 we announced the promotion of Anna Manning to President, and that our Board plans to appoint her as CEO late in 2016, upon my retirement. Anna has made significant contributions to RGA's success in a series of executive roles, and will bring her extraordinary talents and experience to help assure the future success of the company. While 2016 will be, in that sense, a transition year, we do not intend to merely mark time; instead, RGA will continue to drive growth and profitability, enhancing an already-strong track record of accomplishment.

RGA's talented, resourceful associates have created a culture defined by strong collaboration, one in which ideas and expertise are shared across borders and business lines, both inside and outside our company. This spirit of partnership leads to the creation of unique, innovative solutions to help our clients and the industry grow and prosper. We wish to thank our valued associates, clients, and business partners for helping to make 2015 a successful year. We look forward to continuing to earn your confidence.

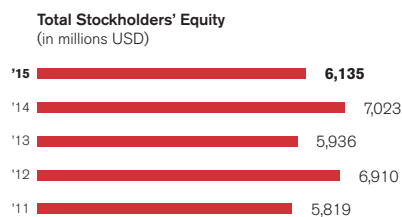
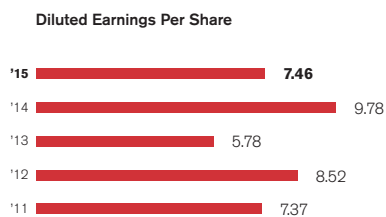
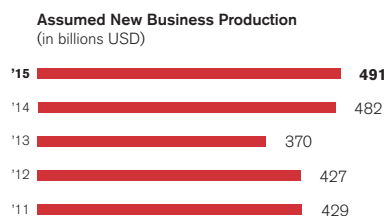
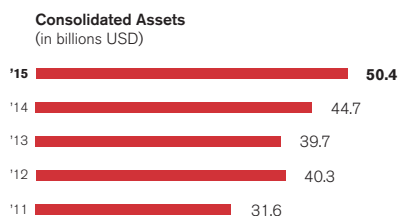
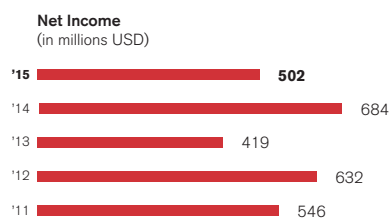
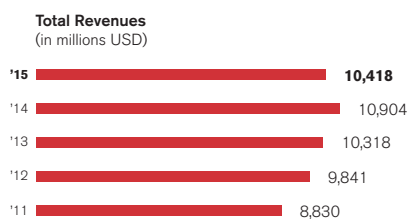
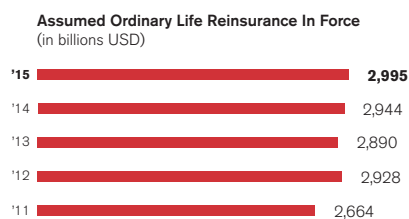
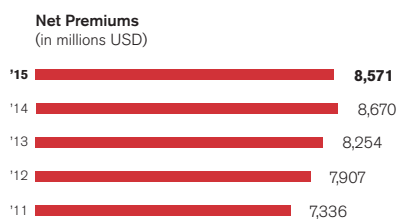


A. Greig Woodring

CHIEF EXECUTIVE OFFICER

2015 Financial Overview

(At December 31, 2015)



Financial Strength Ratings

RGA's U.S.-based operating subsidiary, RGA Reinsurance Company, receives high ratings for its claims-paying ability based on the company's financial condition and earnings. Its current ratings are:

AA- VERY STRONG

Standard & Poor's Insurance Ratings

A+ SUPERIOR

A.M. Best Company

A1 GOOD

Moody's Investors Service

RGA Americas Reinsurance Company, Ltd., RGA Life Reinsurance Company of Canada, RGA Global Reinsurance Company, Ltd., RGA International Reinsurance Company Limited, and RGA Reinsurance Company of Australia Limited each have a financial strength rating of AA- from Standard & Poor's Insurance Ratings.

RGA Americas Reinsurance Company, Ltd., RGA Life Reinsurance Company of Canada, and RGA Atlantic Reinsurance Company Ltd. each have a financial strength rating of A+ from A.M. Best Company.

2015 News and Highlights

Greig Woodring announced retirement as CEO in 2016; Anna Manning named President

The RGA Board of Directors elected Anna Manning as President of RGA, effective December 1, 2015, succeeding Greig Woodring. Woodring will remain Chief Executive Officer until his planned retirement in late 2016, at which time the Board plans to appoint Manning as CEO.

Manning joined RGA in 2007, and in the years that followed, held significant leadership roles in each of the company's major operating divisions, most recently as Senior Executive Vice President, Structured Solutions. She continues to serve in her Structured Solutions role, leading the company's Global Financial Solutions and Global Acquisitions businesses, as well as Global Analytics and In-Force Optimization teams, while assuming her newer responsibilities as President.

Woodring joined the reinsurance division of General American Life Insurance Company in 1979 as an actuary, and assumed responsibility for General American's reinsurance business in 1986. General American's reinsurance division led to the formation of RGA and its initial public offering in May 1993, when Woodring was named Chief Executive Officer.

Life insurance portfolio acquired from PGGM

RGA Netherlands, in cooperation with insurance subsidiary Leidsche Levensverzekeringen Maatschappij N.V., agreed to acquire the life insurance policy portfolio of PGGM Levensverzekeringen, a Netherlands-based cooperative. The closed-block transaction transferred approximately 75,000 life insurance policies to RGA under a Part 7 portfolio transfer agreement and demonstrated RGA's ability to provide portfolio run-off solutions in the European market.

Elite Sales Processing, Inc. acquired

In August, RGA signed an agreement to acquire Nebraska-based underwriting services provider Elite Sales Processing, Inc. (ESP), a leader in the outsourced underwriting market. Under the terms of the deal, ESP became a wholly owned subsidiary of Reinsurance Group of America, Incorporated, expanding the company's product offerings and ability to develop underwriting solutions for clients.

ASAP new business in force surpassed \$25 billion

RGA's Automatic Selection and Assessment Program (ASAP) exceeded \$25 billion since inception for new business in force, and on January 5, 2016, received its 100,000th case submission. ASAP is a proprietary web-based underwriting process that provides clients with instant reinsurance quotes without requiring submission of complete files for facultative review. Launched in 2002, the program received recognition by the *Best's Review* Innovators Showcase in 2012.

Second Dutch longevity transaction completed

RGA provided a Dutch life insurer with longevity risk protection through a customized structure. The transaction, an innovative liability replication derivative based on the Dutch population mortality results, marked RGA's second such transaction in the Netherlands.

Commercial mortgage loan originations rose by 12%

RGA Reinsurance Company's five-year-old commercial mortgage loan (CML) unit originated \$813 million in CMLs in 2015. This reflects a 12% increase over 2014's \$724 million of originations, resulting in a portfolio of \$3.1 billion in CMLs at the end of 2015. The team follows a regionally focused model, with offices in eight major North American cities (Atlanta; Denver; Phoenix; San Francisco; Seattle; St. Louis; Washington, D.C.; and Toronto), and offers high-touch end-to-end service, from origination, underwriting, and closing, to surveillance and servicing.

RGA recognized by clients and industry associations in 2015

#1 in Business Capability Index

NMG Consulting Studies

In 2015, RGA was ranked #1 on NMG Consulting's Global All Respondent Business Capability Index (BCI), based on feedback from insurance executives in more than 50 countries. Also in 2015, RGA ranked #1 on NMG's All Respondent BCI in Canada, Hong Kong, Indonesia, Japan, Malaysia, Mexico, Singapore, South Africa, South Korea, and Thailand, as well as in each of the Asia and EMEA regions, in aggregate.

Life Transaction of the Year

Trading Risk Awards

RGA's embedded value securitization transaction of December 2014 was recognized.

Best Overall Life Reinsurer

2015 Flaspöhler Survey

RGA was rated "Best Overall Life Reinsurer" in the 2015 Flaspöhler Survey (*Direct Writers Evaluate Reinsurers / Life N.A.*) by cedants. This is the sixth consecutive time RGA has been rated best overall in this biennial survey.

Reinsurance Company of the Year

Middle East Insurance Industry Awards

RGA was recognized for its understanding of the market, innovation in product offerings, and thought leadership.

Licensing approved for new branch office in Singapore

RGA International Reinsurance Company Limited (RGA International) received approval in November from the Monetary Authority of Singapore to operate as a licensed branch office in Singapore. With the branch license, RGA International can now offer individual and group life reinsurance, health reinsurance, and related risk products to the Singaporean insurance market. The branch will also provide product development, underwriting, and claims support to local insurers. RGA International has been an authorized offshore reinsurer in Singapore since 2005.

RGA honored as corporate champion for gender diversity

RGA was honored in November by the Women's Forum of New York as one of the companies leading the way to increase female representation on corporate boards. RGA was among a select group of organizations that have at least 20% female representation on their boards. At the time, RGA's board had 10 directors, two of which are female: Christine Detrick and Joyce A. Phillips. Anna Manning, named President of RGA in November, became RGA's third female board member on January 1, 2016.

Greig Woodring recognized with 2015 International Visionary Award

Greig Woodring, Chief Executive Officer of RGA, was recognized in October by Saint Louis University's John Cook School of Business with the 2015 International Visionary Award. The award is presented annually to an individual who has substantially contributed to advancing the field of international business. Under Woodring's leadership, which spans more than three decades, RGA has become a multinational FORTUNE 300 company with annual revenue of nearly \$11 billion.

Global Insights. Local Solutions.

Across the enterprise, RGA professionals regularly share ideas, experience, and best practices with colleagues. Synergies resulting from this global collaboration help RGA to efficiently deliver more-effective solutions tailored to clients in each local market.



From left: Michael Shin, Chief Executive Officer, RGA Korea, and Chief Marketing Officer, Asia; Jason Ou, Chief Executive Officer, RGA Reinsurance Company, Shanghai Branch; Shih-Nin Low, Chief Executive Officer, RGA Taiwan, and Managing Director, Southeast Asia Markets; Greg Goodflesh, Senior Vice President, Asian Innovation Team; Peter Tan, Chief Operating Officer, Asia.

Since beginning operations in the U.S. in 1973, RGA's worldwide presence has expanded to offices in 26 countries, serving clients in more than 80 markets. That steady growth over more than four decades not only supported insurers' growth in those countries, but also led to greater diversification of RGA's product offerings and reinsurance solutions around the world.

Insurers today face a complex, rapidly changing environment that presents both challenges and opportunities. While economic volatility, persistent low interest rates, changing regulatory requirements, and demographic shifts present detours to growth, RGA partners with insurers to identify strategies to overcome those obstacles and to capitalize on the opportunities within every challenge.

Insights developed by RGA professionals in one market are used as the foundation for solutions adapted to serve clients in other markets. Recent longevity risk transactions exemplify this collaborative problem-solving approach. RGA signed its first longevity risk transfer transaction in the U.K. in 2008, and has

since successfully executed several significant longevity swaps in that market. The resulting expertise in structuring such longevity transactions, de-risking insurance portfolios, and improving capital efficiency for insurers has facilitated expansion of longevity risk transfer solutions to RGA clients in other countries, adapted to the specific needs of those markets.

In 2015, RGA further expanded its global reach to better serve both multinational and local insurers in Asia. After more than 10 years in Singapore as an authorized offshore reinsurer, RGA International Reinsurance Company Limited received licensing approval to establish a branch office in Singapore in November 2015. This branch licensing enables RGA to directly offer life and health reinsurance, product development, and underwriting and claims support to Singaporean clients.

By fostering a culture that supports collaboration and innovation, and encouraging sharing of expertise and best practices among its teams, RGA continues to effectively leverage insights gained in one market to support its clients where they operate worldwide.

WORLDWIDE OPERATIONS



A global network of shared experience and expertise.

Dedicated, knowledgeable RGA associates worldwide work collaboratively across markets to continually improve upon existing assumptions and models, supporting insurers and partners where they do business.

U.S. and Latin America Operations

RGA issued its first reinsurance treaty in the U.S. market in 1973, and since then has assumed a leading rank among life reinsurers in this key market. In 1998, RGA launched operations in Latin America with the opening of its office in Mexico City.

SEE PAGE 12

57%

RGA net premiums derived from U.S. and Latin America operations in 2015

Canada Operations

RGA Life Reinsurance Company of Canada launched in 1992 and today is one of the market's leading life and health reinsurers, serving Canadian clients via offices in Toronto and Montreal.

SEE PAGE 14

10%

RGA net premiums derived from Canada operations in 2015

Asia Pacific Operations

RGA celebrated two decades in the Asia Pacific region in 2015, having opened its Hong Kong and Japan offices in 1995. Today, RGA Asia Pacific is a reinsurance industry leader, with operations in 10 countries in the region.

SEE PAGE 16

18%

RGA net premiums derived from Asia Pacific operations in 2015

EMEA Operations

RGA established its initial European presence in Spain in 1994 and opened offices in the U.K. and South Africa four years later. RGA's EMEA business segment now includes offices in 10 countries, in financial centers from Amsterdam to Cape Town.

SEE PAGE 18

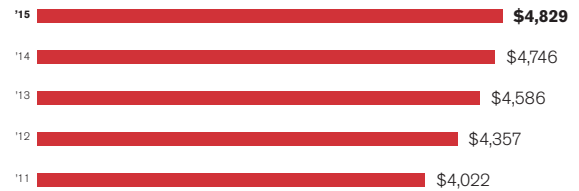
15%

RGA net premiums derived from EMEA operations in 2015

U.S. and Latin America Operations

U.S. and Latin America Operations, RGA's largest operating division, posted \$6.1 billion in total revenue and \$4.8 billion in net premiums in 2015, ending the year with \$1.6 trillion of life reinsurance in force. The division accounted for 57% of the company's net premiums in 2015.

U.S. and Latin America Operations Net Premiums (in millions USD)
(Includes traditional and non-traditional business lines)



Q&A

MIKE EMERSON EXECUTIVE VICE PRESIDENT, HEAD OF U.S., LATIN AND SOUTH AMERICAN MARKETS



How would you characterize RGA's mortality experience in the U.S. in 2015?

We experienced increased older-age claims in 2015, as did other reinsurers and direct writers, with a difficult flu season accounting for much of the increase. Periodic volatility is normal in our business, however, and we expect our experience to even out over time. RGA reinsures one of the largest in-force blocks in the U.S. market and has amassed one of the largest mortality databases. The resulting data and experience enable RGA professionals to better assess long-term trends and help primary insurers successfully navigate occasional market turbulence.



What prospects do you see for the U.S. insurance industry?

Many consider the U.S. market to be mature with limited prospects for growth, but at RGA we see an evolving insurance landscape brimming with possibilities. In fact, industry studies indicate a nationwide mortality protection gap of more than \$16 trillion¹. The U.S. group market continues to respond to opportunities created by the Affordable Care Act; the need for living benefits continues to rise; and innovations in underwriting, distribution, data analysis, and technology offer significant growth opportunities for our life and health reinsurance clients.

¹ LIMRA estimate, 2015.



How is RGA working to educate and train clients in this market?

Initiatives in 2015 included newsletters, webcasts, white papers, articles in industry publications, a co-branded RGA/LOMA certification program, and underwriting classes through RGA University. RGA's annual ROSE[®] Conference, a three-day seminar for health and disability professionals, drew record attendance; RGA's third annual Fraud Conference continued to advance an industry-wide discussion on this important issue; and, for the fourth year in a row, RGA hosted its popular Innovation Series at the 2015 Society of Actuaries Annual Meeting to help companies prepare for the future of our industry.



What makes RGA a reinsurer of choice in the U.S. and Latin America?

RGA's extensive actuarial, underwriting, claims management, product development, and research capabilities rank among the best in the industry. As the industry evolves amid demographic and cultural changes, RGA is adapting these capabilities to benefit insurers through all market cycles and advances in insurance delivery. Our clients know that we are committed to their business growth and profitability, and will continue to create innovative solutions for sustained growth.

RGA was named “Best Overall Life Reinsurer” for the sixth consecutive time in the 2015 Flaspöhler Survey.

U.S. and Latin America Operations comprise traditional individual and group mortality and morbidity reinsurance, asset-intensive risk coverage, and financial reinsurance for life and health products. Despite higher-than-expected individual mortality claims and a challenging year in U.S. group business, the U.S. and Latin America division generated \$204 billion in assumed new business in 2015, a 15% increase over 2014.

RGA was again recognized as the leading facultative underwriter in the U.S. market in 2015. Underwriting teams reviewed more than 100,000 facultative cases for the ninth consecutive year, which represented approximately \$15 billion of new risk amount reinsured. Further broadening its underwriting capabilities, RGA acquired Elite Sales Processing, Inc. (ESP), a Nebraska-based underwriting services provider and a leader in the growing outsourced underwriting market, in August 2015.

Innovation in underwriting tools and practices remained a defining strength of the U.S. team. RGA partnered with TransUnion, a global risk and information provider, to launch TrueRisk® Life (TRL), a model that produces credit-based insurance scores for consumer evaluation and marketing to improve risk segment selection and persistency. RGA's Automatic Selection and Assessment Program (ASAP), which provides instant decisions online on impaired risks, attained

\$25 billion of new business in force since inception, a new milestone for this valued program.

The U.S. benefits landscape is shifting, with rising costs and the implementation of the Affordable Care Act among the leading causes. RGA's U.S. Group Reinsurance team recognizes the resulting importance of voluntary benefits and in 2015 provided product development support in exchange for a reinsurance position with several companies. Additional traditional solutions helped clients mitigate risks from healthcare reform and catastrophic claims.

Supporting clients' needs through capital-motivated reinsurance, asset-intensive reinsurance, and longevity reinsurance remained a key focus. RGA's extensive experience in structuring fee-based surplus relief transactions, block acquisitions, and reinsurance of asset-related risks led to the company completing a number of significant transactions.

RGA obtained approval from the Brazilian regulatory authority² to open a branch office in Brazil. That operation, in addition to the company's Mexico City operations base, form an efficient platform from which RGA serves clients in several Latin American countries. For the fifth consecutive year, RGA was ranked #1 by ceding companies on NMG Consulting's 2015 All Respondent Business Capability Index (BCI) in Mexico.

HIGHLIGHTS

\$1.6 trillion

U.S. and Latin America Operations ended 2015 with \$1.6 trillion of life reinsurance in force.

\$6.1 billion

Total revenue exceeded \$6 billion for the third consecutive year.

\$203.9 billion

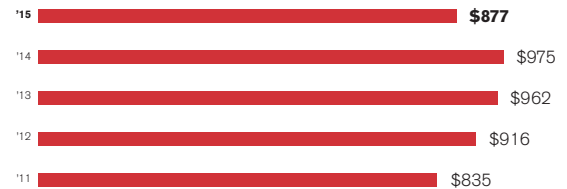
Assumed new business reached \$203.9 billion, a 15% increase over 2014.

² Regulatory approval to operate as an admitted reinsurer was obtained in February 2016.

Canada Operations

RGA Canada recorded \$877 million in net premiums and \$1.1 billion in total revenues in 2015, generating \$138 million in pre-tax income, a 36% increase over 2014. For the ninth consecutive year, RGA wrote the leading share of individual life recurring new business in this key market.

Canada Operations Net Premiums (in millions USD)



Q&A

ALKA GAUTAM, PRESIDENT AND CHIEF EXECUTIVE OFFICER, RGA LIFE REINSURANCE COMPANY OF CANADA



How does RGA maintain its leading share of the Canadian life reinsurance market year after year?

In an industry that, by its nature, may see volatility in the short term, insurers know they can turn to RGA for reliable, long-term solutions. RGA's rich database of mortality risks provides a robust basis for evaluating the effects of selection, determining underwriting criteria, and developing appropriate pricing and modeling of risks. RGA Canada recorded another solid year in 2015 as a direct result of our underwriters, actuaries, and claims professionals applying their accumulated knowledge and expertise on behalf of our clients.



RGA Canada completed a landmark longevity transaction in 2015. Why was it significant?

It was the first transaction of its kind in North America, bringing together pension, insurance, and reinsurance entities, and required an understanding of our client's business, deep expertise in pension risk transfer, and sophisticated execution. Such longevity risk solutions offer pension plan sponsors and insurers a method of transferring long-tail liabilities to achieve more efficient deployment of capital, which is particularly valuable in the current low interest rate environment.



What is RGA doing to address client concerns about renewal lapses of term life insurance products?

In 2015, RGA Canada released the results of our second study on individual life post-renewal term experience, along with our comprehensive analysis of its potential impact on pricing assumptions. We followed that with a webcast on the relationship between the renewal premium increase, lapses, and mortality. We also continue to examine the value of products such as yearly renewable term (YRT) mortality reinsurance and the growing interest of insurers in ceding lapse risk through coinsurance.



How is RGA helping clients succeed in an increasingly competitive Canadian market?

Within Canada's life and health markets, RGA's comprehensive expertise in mortality, health, critical illness, and disability risks offers insurers valuable insight to correctly price and market products to serve customers. RGA Canada's diverse range of offerings also includes longevity risk and capital management solutions, and our annual seminars and forums allow clients to network and stay abreast of developing industry trends. Above all, we help our clients capitalize on opportunities, by applying knowledge, ideas, and insights from our diversified business lines and global operations.

For the seventh consecutive time, RGA Canada was ranked #1 on the Business Capability Index in NMG Consulting's 2015 study of Canadian ceding companies.

Continued strong client relationships and excellent customer service at a competitive price have positioned RGA Life Reinsurance Company of Canada (RGA Canada) as a leader in the life and health reinsurance market, and accelerated the division's growth into related lines of business. RGA Canada provides market-leading individual life reinsurance services, as well as creditor, group life and health, living benefits, and longevity reinsurance.

Robust new business growth and increased persistency within in-force business produced strong mortality results for RGA Canada and drove an increase in pre-tax income of \$36.4 million, or 36%, over 2014. New assumed individual life reinsurance volume reached \$39 billion in 2015, as RGA reinsured close to 20% of all new life insurance in Canada, maintaining its approximate one-third market share.

RGA Canada remained the market leader in individual life reinsurance. The underwriting team processed more than 40,000 facultative applications in 2015, a record high. The division also pursued growth opportunities in individual living benefits, group life and health, and longevity products. These lines generated 31% of total 2015 premiums in Canada. Across all lines,

RGA professionals provided actuarial, claims management, and product development expertise to help client partners capitalize on profitable growth opportunities.

RGA Canada participated in a landmark syndicated reinsurance transaction in 2015, led by Sun Life Assurance Company of Canada, to reinsure only the longevity risks associated with pension obligations held by a leading Canadian pension plan sponsor. The transaction marked the first of its kind in North America, and RGA's expertise in longevity risk was critical in the creation of this innovative risk management solution.

RGA continued its long-standing support of the Canadian insurance industry in 2015. RGA Canada served as key sponsor of the Canadian Institute of Actuaries 50th anniversary celebration and annual general meeting. In addition, as part of RGA Canada's annual seminar for the individual pricing, underwriting, claims, and administration clients, the division hosted key group insurance executives for an in-depth review of pharmacare to explore how to position the Canadian industry for the future.

HIGHLIGHTS

\$333 billion

Canada Operations ended 2015 with \$333 billion of life reinsurance in force.

\$1.1 billion

Total revenue exceeded \$1 billion for the fifth consecutive year.

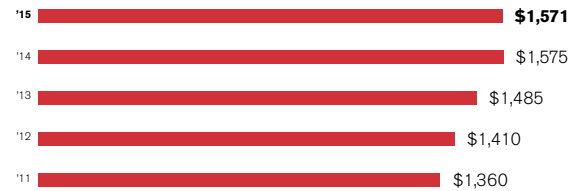
\$138 million

Pre-tax income totaled \$138 million, a 36% increase over 2014.

Asia Pacific Operations

In 2015, Asia Pacific Operations reported net premiums of \$1.6 billion, representing 18% of RGA's net premiums for the year, and revenues of \$1.7 billion. Pre-tax income increased by 22% over 2014, totaling \$125 million.

Asia Pacific Net Premiums (in millions USD)



Q&A

ALLAN O'BRYANT, EXECUTIVE VICE PRESIDENT, HEAD OF ASIA



What opportunities for growth do you see in Asia?

Major demographic changes, such as increases in individual wealth and an expanding middle class, are driving demand for life insurance. Aging populations are increasingly interested in living benefits products, including health, disability, and critical illness coverages. To compete in this dynamic environment, innovative product development is crucial. Direct writers must offer protection and savings products with enhanced consumer benefits. RGA underwriting, actuarial, and claims experts partner with insurers in the region to develop these products, and to explore additional ways to address market needs.



How is RGA using its recognized underwriting expertise to best serve clients in Asian markets?

Specialized services, marketed as "Underwriting as a Business" initiatives, incorporate RGA underwriting expertise into product development and other insurance solutions. Our specialized Advantage program, which utilizes combinations of RGA's proprietary AURA technology and facultative expertise, is drawing greater interest from clients in the region. The Advantage program, specifically designed to help insurers reduce costs and mitigate risk exposures, was a significant contributor to RGA's facultative business in Asia in 2015, primarily in Japan, Korea, and Taiwan.



How does RGA Asia Pacific work with insurers to create innovative solutions?

RGA Asia Pacific takes a three-pronged approach to innovation. At the local level, we respond to market opportunities and work with clients to create new products and processes. At the regional level, we leverage knowledge and best practices gained through RGA's global experience to introduce proven solutions to new markets, often improving upon existing models. Finally, at a broader level, we seek breakthrough innovation by working closely with insurers to develop alternative distribution technologies, predictive modeling tools, and other forward-thinking solutions.



What makes RGA a reinsurer of choice in the region?

In 2015, RGA marked 20 years in Asia. In that time, we have expanded to multiple markets, developed a deep understanding of local insurers, and built strong client partnerships. We have also diversified our product portfolio to encompass a wide range of industry-leading offerings. RGA listens to clients, responds quickly to their needs, and works strategically with them to remain both relevant to their current goals and integral to their future success. This is only possible thanks to a very talented team of people working together to serve our clients.

In 2015, RGA ranked #1 on NMG Consulting's All Respondent Business Capability Index in the Asia region, and in the Hong Kong, Indonesia, Japan, Malaysia, Singapore, South Korea, and Thailand markets.

RGA's Asia Pacific Operations support clients throughout the region, with operations in Australia, New Zealand, Japan, Hong Kong, Taiwan, South Korea, Malaysia, China, India, and Singapore. The segment provides individual and group life reinsurance, living benefits (critical illness, disability income, longevity, health, and long-term care) reinsurance, retakaful, superannuation, annuity reinsurance, and capital-motivated reinsurance.

RGA continued to lead the industry in advanced underwriting solutions. RGA Japan processed more than 70,000 facultative cases in 2015, a new record high, and completed its 10th implementation of AURA, RGA's proprietary e-underwriting platform. Outstanding underwriting and pricing capabilities also led to RGA maintaining a dominant market share in Hong Kong's high-net-worth sector and expanding its expertise in this area to other markets.

Product development remained integral to RGA's growth. Health, cancer, and critical illness (CI) coverage, including staged, scaled, early-pay, and multi-pay options, became increasingly attractive to Asian clients. Notable RGA product introductions in 2015 included a CI product sold to seniors via direct-response TV in Thailand; an early-stage CI product featuring early stages paid out as additional, not accelerated, benefit in Vietnam; and a second-generation multi-pay

CI product with unprecedented whole life coverage in Taiwan. RGA partnered with a key client in Hong Kong to create a diabetic wellness program that will generate the technical insight necessary to develop improved protection products for consumers with this impairment. In Malaysia, RGA worked with several insurers to explore direct-to-consumer term products for purchase online or via mobile apps.

RGA continued to develop resources and activities to support clients and to advance the Asia Pacific insurance industry. RGA Taiwan launched a traditional Chinese translation of RGA's Global Underwriting Manual, and RGA's underwriting team in Korea provided an exclusive one-year training program for senior underwriters from 25 direct insurers.

In Australia, a strong fourth quarter led to a positive year overall for RGA. By focusing on claims management, RGA has taken a leadership role to support recovery in this key market. Benefit design changes and processes are expected to create better outcomes for claims adjudicators, and support sustainable arrangements to help the Australian insurance industry position itself for the future.

HIGHLIGHTS

\$463 billion

Asia Pacific Operations ended 2015 with \$463 billion of life reinsurance in force.

13%

In original currency, net premiums increased 13% over 2014 totals.

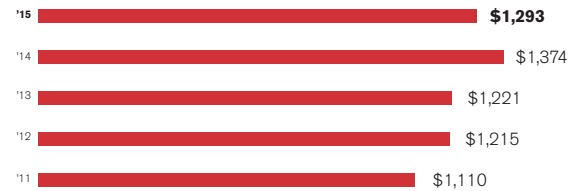
\$125 million

Pre-tax income totaled \$125 million, a 22% increase over 2014.

EMEA Operations

RGA's Europe, Middle East, and Africa (EMEA) Operations posted \$1.5 billion in total revenues and \$1.3 billion in net premiums in 2015, ending the year with \$603 billion of life reinsurance in force. The EMEA segment represented 15% of RGA's net premiums in 2015.

EMEA Operations Net Premiums (in millions USD)



Q&A

OLAV CUIPER EXECUTIVE VICE PRESIDENT, EMEA MARKETS



Where do you see the largest opportunities within the traditional reinsurance market?

Stable biometric business growth is expected in Europe, with South Africa and the Middle East promising stronger growth. In most European countries, opportunities will arise mainly in longevity and living benefits solutions. Demand for retirement products will increase, with the Eurozone population over age 65 around 20% and growing, and social security benefits diminishing. Innovation in product development and distribution is essential, pushed forward by technology and changing consumer needs. We will continue to work with insurers and partners to develop products and new ways to engage customers.



How is RGA helping European insurers meet the requirements of Solvency II?

Solvency II continues to fundamentally reshape the European financial landscape. Insurers are seeking capital efficiency to meet regulatory requirements in the short term, and pursuing strategic realignment for financial stability in the long term. RGA partners with clients to structure innovative capital solutions, including longevity and asset-intensive transactions, as well as portfolio run-off acquisitions. RGA offers clients intrinsic advantages over European reinsurers under Solvency II rules, which complements the expertise of our financial solutions professionals in serving European markets.



How is RGA helping clients to innovate within the traditional EMEA markets?

Modern technology and changing consumer needs are transforming insurance product distribution. RGA is participating in new stages of the insurance value chain, establishing alternative distribution channels throughout the region. We develop turnkey solutions to partner more quickly and cost-effectively with new distribution parties and models, including direct insurers, retailers, aggregators, and social media vendors. Innovation teams throughout the region are also seizing the potential of advanced analytics, predictive modeling, mobile technology, microinsurance, and wellness programs.



What industry trends do you see driving business in the years ahead?

Reinsurance will continue to become more capital-driven. An increasing number of primary insurers recognize that reinsurance can provide not only traditional risk management, but also intelligent and flexible capital solutions. A second driving force will be the need for innovative insurance delivery models using modern technologies, and developed using big data analysis and predictive underwriting. The most successful insurers will be those who connect with younger, often underserved populations, rather than simply competing for existing customers.

RGA's EMEA business segment is a recognized industry leader in traditional life and health reinsurance, structured capital solutions, and client-focused innovation in the many markets it serves.

RGA's EMEA, or Europe, Middle East, and Africa, segment operates from offices in France, Germany, Ireland, Italy, the Netherlands, Poland, South Africa, Spain, the United Arab Emirates, and the United Kingdom. Primary services include individual and group life reinsurance; critical illness, credit life, and living benefits coverages; longevity reinsurance; and capital management.

In 2015, insurers in the region faced ongoing low interest rates and new capital requirements generated by the implementation of Solvency II. RGA professionals engaged with clients and partners through strategic diversification into new products and new lines of business, offering effective capital management solutions and innovative approaches to reaching the region's younger consumers.

In the U.K., the EMEA segment's largest market, RGA continued to develop an increasingly diversified mortality and morbidity portfolio in a highly competitive environment, attaining the largest market share for new business, and third-largest for reinsurance in force. The requirements of Solvency II and related de-risking of pension funds increased demand for capital-motivated transactions in EMEA, particularly in the U.K. and Ireland. RGA completed several significant longevity swaps, asset-intensive transactions, and enhanced annuity agreements.

Insurers in Continental Europe also sought to free up capital from in-force blocks in response to Solvency II, and RGA professionals assisted clients with the effects of regulatory change. In the Netherlands, RGA provided additional longevity risk protection and capital benefit on reserves for a key client using an innovative structure based on liability replication of the risks within the insured block. In another transaction, RGA executed an agreement to acquire a portfolio of approximately 75,000 life insurance policies from PGGM, a large Netherlands-based pension provider.

Organic business growth was accelerated through product innovation, including alternative distribution strategies, as primary carriers targeted new segments of the population. As an example, RGA South Africa partnered with Inclusivity Solutions, experts in creating inclusive digital insurance markets. RGA supports Inclusivity Solutions through capital investment, reinsurance capacity, and technical support, drawing on global expertise in relevant markets.

In 2015, cedants ranked RGA #1 on NMG Consulting's Business Capability Index (BCI) in South Africa for the sixth consecutive year. RGA strengthened its market position in the Middle East as well, and in 2015 was named "Reinsurance Company of the Year" by the second-annual Middle East Insurance Industry Awards.

HIGHLIGHTS

\$603 billion

EMEA Operations ended 2015 with \$603 billion of life reinsurance in force.

5%

RGA's total revenues in the EMEA region increased 5% over 2014 in original currency.

#1

Founded on a consistent performance across a diverse grouping of regions, RGA was ranked highest on NMG Consulting's All Respondent BCI for EMEA in aggregate, which is defined as the U.K. & Ireland, Continental Europe, South Africa, and the countries of the GCC (Gulf Cooperation Council).

Evolving Industry. Emerging Opportunities.

With changing consumer behavior and a dynamic insurance landscape fueling the need for innovative solutions, RGA works collaboratively with clients and partners to meet today's challenges and capitalize on tomorrow's opportunities.



From left, from Global Financial Solutions: David Addison, Senior Vice President, Head of Business Development; Mark Renetzky, Vice President, Head of Marketing and Transactions Services; Dustin Hetzler, Senior Vice President and Chief Pricing Actuary.

Global insurance markets are evolving, and trends indicate this evolution will not only continue, but accelerate. To grow, companies must embrace change and seek opportunities to diversify and innovate. At RGA, seasoned professionals build on foundational expertise in mortality risk management to develop new products, expand into new lines of business, and design fresh approaches to reach underinsured populations.

RGA ended the year with \$3 trillion of life reinsurance in force, one of the largest in-force blocks in the industry. The biometric experience gleaned from this vast database forms a robust basis upon which RGA teams effectively analyze and apply data using proven underwriting, actuarial, and case management capabilities. As client needs evolve within a rapidly changing environment, RGA adapts resources and skills to support growth and deliver next-generation solutions.

Ongoing regulatory change and more restrictive capital requirements, coupled with the de-risking of the financial services industry, have created a growing market for solvency

and capital management solutions. RGA's established capabilities in mortality and longevity risk assessment allow for a successful transition into these non-traditional lines of business and provide a distinct advantage in structuring innovative approaches to improve clients' capital efficiency and effectiveness. In 2015, RGA's non-traditional business generated \$227 million in net income.

RGA's diversification is extending beyond reinsurance as associates explore new ways to serve existing and future clients. This requires seeking partners with complementary capabilities to create synergistic solutions and investigate entirely new possibilities in big-data analysis, predictive modeling, alternative distribution, and emerging technologies. In addition to risk management, RGA is developing fee-based services to improve client efficiency and profitability. In 2015, this process was accelerated through increased investment in multiple innovation initiatives around the globe.

Innovation is part of RGA's DNA. The company's entrepreneurial business ethos enables RGA associates to anticipate trends and respond effectively in a dynamic environment.



Tony Cheng, Executive Vice President, Asian Markets.



From top: Simon Wainwright, Managing Director, RGA UK; Robert Mallette, Senior Vice President, Chief Product and Pricing Officer, RGA Canada.



Jaime Correa, Senior Vice President, Head of Underwriting, U.S. Mortality Markets.

A balanced, intelligent approach to sustained growth.

RGA's innovative, yet disciplined approach to its business growth capitalizes on opportunities across all product offerings, balancing traditional, non-traditional, and emerging lines of business.

Risk Solutions

Traditional life reinsurance remains RGA's primary line of business. The company's established mortality expertise and massive database form a solid foundation upon which RGA develops and delivers related risk solutions in healthcare and living benefits reinsurance, including critical illness and long-term care products.

SEE PAGE 22

Capital Solutions

To help clients meet regulatory reserve requirements, de-risk existing financial portfolios, and promote greater capital efficiency, RGA professionals apply extensive knowledge and experience to create and offer asset-intensive, longevity, and capital-motivated reinsurance solutions; execute large block acquisitions; and optimize in-force business.

SEE PAGE 26

Future Solutions

RGA's reputation as an industry innovator is widely recognized and trusted. RGA teams combine proven approaches with forward-thinking strategies to create innovations in products, services, and execution, all designed to help clients generate new business today and position themselves for the insurance marketplace of tomorrow.

SEE PAGE 30

Strength Through Diversification

Expansion into multiple lines of business gives RGA added protection against volatility in life and health insurance markets. In 2015, higher-than-expected claims in U.S. mortality, the company's largest business line in its largest market, were balanced by very strong performance from virtually every other part of the business.

Risk Solutions

As one of the world's largest life and health reinsurers, RGA partners with insurers around the globe to enable them to more effectively and profitably manage risk. In 2015, RGA strengthened its position as an industry leader in individual life, individual living benefits, and group reinsurance by enhancing capabilities and expanding product offerings worldwide.

With \$3.0 trillion of life reinsurance in force, mortality risk reinsurance is RGA's primary business line. Products including term life, whole life, universal life, joint and last survivor life, corporate-owned life insurance, bank-owned life insurance, simplified issue assumed on a yearly renewable term or coinsurance basis, and underwritten annuities represent the majority of RGA's mortality reinsurance.

An extensive database of mortality information and seasoned professionals expertly skilled at analyzing that data form the basis of the company's leadership in facultative underwriting – the process of underwriting large-amount and substandard insurance applications on a case-by-case basis. In 2015, RGA underwriters reviewed more than 600,000 facultative cases, a new record, and responded to submissions with rapid, industry-leading turnaround times.



From left: Lisa Renetzky, Senior Vice President and Chief Actuary, U.S. Mortality Markets; Paula Boswell-Beier, Senior Vice President, Chief Operations Officer, U.S. Operations; Ann Riley, Vice President, Claims and Treaty Development Services, U.S. Operations; Dave Wheeler, Executive Vice President, Head of U.S. Mortality Markets.

RGA's established Strategic Underwriting Program (SUP) remained an effective, valued service for direct insurers facing overwhelming underwriting demand during exceptionally busy periods. In 2015, SUP provided expert review and risk assessment of more than 14,600 new cases. Also in 2015, RGA acquired Elite Sales Processing, Inc. (ESP), a well-known and highly respected underwriting services provider, further enhancing its ability to provide efficient underwriting solutions for clients.

Advances in underwriting technology continued to improve clients' operational efficiency. RGA launched an updated version of its AURA[®] (Automated Underwriting and Risk Analysis[®]) platform to further enable clients to place policies, capture information, improve consistency, and reduce costs. Available in 10 languages, AURA provided e-underwriting and management for approximately four million life, health, and annuity applications from clients in



Doug Knowing, Senior Vice President, Head of Global Support Team.

17 countries in 2015. RGA's FAC Console® (Facultative Application Console®), a proprietary underwriting technology tool, allowed insurers to submit facultative applications to multiple reinsurers simultaneously, again building greater efficiencies into decisioning for ceding companies. Since its launch in 2002, RGA's

ASAP (Automatic Selection and Assessment Program), has become an increasingly valued and reliable program through which RGA provides instant decisions online on impaired risks to its clients. In 2015, ASAP achieved a new milestone, attaining \$25 billion of new business in force since inception.

Group reinsurance complements RGA's individual reinsurance business and supports clients with workplace and additional group insurance products, including life, disability, medical, accident, and critical illness, as well as catastrophe coverage. In 2015, RGA's Group Reinsurance team brought innovative risk management tools and services to group insurance carriers worldwide.

In the U.S., RGA's Group Reinsurance team continued to respond to market conditions with customized Provider Excess Loss (PEL) services, voluntary benefits product support, and additional risk mitigation solutions for group health insurers. RGA also solidified its position as a leader in group life, disability, and accident reinsurance in North America with a range of customized solutions, including support of critical illness and other voluntary worksite products. Globally, RGA professionals helped group insurers capitalize on emerging opportunities in employer-provided plans and the growing voluntary benefits market.

RGA also provided primary insurers with new insights via conferences, seminars, publications, and additional educational outreach, as well as conducting 29 market surveys to help clients benchmark processes and standards. To promote efficiency and enhanced customer service, RGA launched an updated version of Raptor, the company's proprietary group administrative system.

RGA continued to bring innovative reinsurance products and services to the group market. One example for U.S. group health clients was RGA's exclusive ROSE® (Reinsurance Outcomes and Service Experts) Program, a nurse-led consulting service and the nation's foremost reinsurance-based case management consulting program. For the past decade, the ROSE program has saved clients an average of 17% of their reinsurance premium each year; in 2015, clients' savings totaled \$31 million. Also in 2015, ROSEBUD®, the ROSE specialty perinatal and neonatal case management program, received a prestigious three-year accreditation from the

TrueRisk® Life Credit Scoring Model Improves Risk Selection

RGA is a recognized leader in applying data analysis to develop industry-advancing life insurance insights and solutions. Notable achievements include a prescription history query tool that improves insurers' ability to assess life insurance risk, and a motor vehicle records study that enables better quantification of applicants' mortality risk based on their driving records. In 2015, RGA partnered with TransUnion, a global risk and information provider, to launch TrueRisk® Life, a highly predictive, credit-based behavioral index to improve policyholder risk selection.

Credit-based scoring has long been used to facilitate the process of selling a car, insuring a house, or issuing a credit card. Leveraging the strengths of both organizations, RGA and TransUnion partnered to understand the value of credit data within the life insurance industry. In a study of 92 million lives, the team proved the hypothesis that credit attributes are correlated to life expectancy. RGA data experts then further tested the concept on insured lives to validate the model.

The result: TransUnion TrueRisk® Life, a credit-based score that stratifies policyholder risk within multiple cohorts, including fully underwritten business, preferred classes, simplified-issue business, and traditional credit scores.

TrueRisk Life scores range from 1 to 100, with 1 being the lowest risk score and 100 being the highest. With TrueRisk Life, insurers receive not only a valuable new piece of evidence for evaluating risk and predicting lapses, but also an effective means of reducing underwriting costs and improving efficiency. This sustainable predictive tool helps carriers execute a range of operations, including dynamic underwriting (underwriting triage), fully underwritten and simplified-issue risk selection, batch segmentation for preapprovals or lead generation, and in-force management.

National Committee for Quality Assurance (NCQA). The annual ROSE Conference, a three-day seminar for health and disability professionals, drew record attendance from attendees seeking information on improving healthcare outcomes and managing claims costs.

RGA's global health reinsurance professionals support clients in key markets with underwriting, actuarial, product development, and claims management capabilities and deliver accurate, cost-effective assessment of health coverages. Local market experts work closely and collaboratively with international colleagues to leverage information and insight gained from serving health insurance markets around the world.

Focus on Claims Management Increases Sustainable Business

Improving claims management standards and processes represented a significant area of focus for RGA in 2015. As part of an ongoing industry trend, legal changes limited insurers' ability to investigate and challenge claims during the year. New legislation in India, for example, appears to mandate that a claim cannot be challenged for fraud outside of a defined contestable period. Similar laws in other markets introduced restrictions for claims assessors. Along with these new challenges, however, came substantial opportunities for carriers willing to adopt a proactive, disciplined approach to claims management.

RGA worked with clients to review operations, clarify treaty provisions, and develop new products to successfully navigate claims

requirements from market to market. Support services included an online claims manual and fraud calculator, dedicated claims training, and case management assistance. RGA's comprehensive approach enabled insurers to write sustainable and profitable business while providing customers with dependable and prompt claims service. In 2015, RGA was ranked #1 globally on NMG's Business Capability Index as cited by claims managers at ceding companies for the fourth consecutive year.

In 2013, the Australian market experienced an unprecedented increase in Total and Permanent Disability (TPD) claims in the group business line, resulting from a weakened definition under the default cover available as part of the country's compulsory



From left, from RGA Australia: Roy Johnson, Head of Claims; Nadine Gooderick, Chief Operating Officer; Ben Lynch, State Claims Manager, Victoria and Queensland; Marnie McConnell, Managing Legal Counsel.

superannuation plans. At the time, the Australian market faced a general shortage of claims assessors and lack of adequate investment in claims management capabilities. RGA became a leading voice on TPD reform in Australia, focused on strategic claims management to help insurers place sustainable and profitable business.

The Australian team launched Claims Management Paradigm Shift, a major initiative to raise the standards of disability assessment, produce improved outcomes for

claims adjudicators, and help stabilize the market moving forward. RGA claims and legal experts educated insurers through published articles and industry presentations, and worked directly with clients' claims professionals to implement best practices and sustainable arrangements. As the Claims Management Paradigm Shift progresses, RGA Australia continues to work with clients to further improve the metrics on disability claims management across the industry.

In 2015, RGA worked with insurers to implement and support traditional health insurance products while partnering to bring innovative solutions to market. Product offerings ranged from quota share arrangements to large claim (excess of loss) and volatility protection. In the United Arab Emirates, RGA launched a product for that nation's large population of imported labor that provided continuation of coverage when workers returned to their home country. In Italy, RGA focused its activities on new dental and

outpatient product development, enabling the insured to avoid long waiting periods and to benefit from convenient network prices. Additional innovations worldwide included products related to cancer medical reimbursements, no-list surgery, and wellness initiatives.

RGA's Global Health Products team completed a landmark transaction in December 2015 covering International Private Medical Insurance (IPMI). It marked the largest international health transaction in RGA history and required an innovative structured approach. IPMI is the sixth-largest health insurance market globally and serves both the expat market worldwide and high-net-worth consumers in developing nations, who may need to access healthcare outside their home country.

At the end of 2015, U.S. individual health (long-term care) reinsurance represented a small but significant business line for RGA, accounting for \$420 million in net premiums.

RGA adopts a disciplined approach to the challenging long-term care market in the U.S., selectively reinsuring business based on sound pricing and design. Working closely with clients, RGA develops and supports sustainable products that align with insurers' objectives to meet the needs of aging populations and to mitigate increasing longevity risks.



From left: Steve Abood, Senior Vice President, Quota Share Healthcare Reinsurance, U.S. Group Reinsurance; Michelle Fallahi, Senior Vice President, Excess Healthcare Reinsurance, U.S. Group Reinsurance; Alan Watts, Head of Global Health Products.

RGA Broadens Capabilities in Insurance Medicine

In today's competitive industry landscape, primary insurers require quick, accurate risk assessment from reinsurers. At the same time, the accelerating digitization of health records and resulting accumulation of medical data require a higher degree of sophistication within the underwriting process. To support clients within this dynamic environment, RGA strengthened its capacity to provide medical underwriting solutions for insurers by expanding its medical team and the range of specialties they represent. At the end of 2015, the RGA medical staff included 30 medical doctors, full-time and part-time, in 14 offices around the world.

RGA doctors share information and expertise among markets and work closely with underwriters and actuaries to develop solutions tailored to each client. Collaboration among geographic teams and specialties enabled the medical team to review more than 85,700 facultative cases in 2015.

The range of specialties among RGA doctors gives clients access to expert advice across a spectrum of medical issues. With added expertise in both neurology and geriatrics, for example, RGA enhanced its ability to provide unique insight into Alzheimer's disease and the challenges it presents to insurers. Accurate medical information supports RGA's underwriters' assessments of low standard cases, cases involving rare syndromes, and cases that have been declined by other insurers.

RGA's medical underwriters reviewed hundreds of referrals every day in 2015 and, in most cases, returned evaluations within minutes. Working closely with actuaries and business development leaders, RGA medical experts also provided extensive research and advice on multiple new product offerings, including life, critical illness, and other insurance products.



From left: Dan Zimmerman, M.D., Vice President and Medical Director, Global Underwriting; Dave Rengachary, M.D., Vice President and Medical Director, U.S. Mortality Markets.

As the pace of medical advances and knowledge continues to accelerate, insurers must be proactive in their approach to designing, pricing and underwriting products, and adjudicating claims. By equipping clients with a deeper understanding of mortality, morbidity, and healthcare trends and supporting them with exceptional service and execution, RGA helps insurers deliver competitive, affordable insurance products in every market.

Generating Insights for Longer, Healthier Lives

For the 17th consecutive year, RGA provided funding and direction for the Longer Life Foundation (LLF), a unique partnership between RGA and the Washington University School of Medicine, a world leader in medical research. The not-for-profit foundation supports innovative research by scientists, academicians, medical doctors, and public health experts to make discoveries that will enhance longevity and promote healthier lives.

Since the LLF's founding in 1998, 92 investigations have been funded, and 98 peer-reviewed research

articles have been published, citing LLF support. LLF also funds the Longevity Research Program, which studies the physiological effects of ongoing calorie restriction upon the human body, and analyzes the implications of its findings for aging and longevity. In 2015, eight LLF grants funded research into topics of global importance, from using anti-viral biomarkers to predict breast cancer aggressiveness, to snoRNAs and long-term risk of diabetic complications. For more information on the Longer Life Foundation, visit www.longerlife.org.

Capital Solutions

Extensive mortality risk experience, deep analytical capabilities, and a reputation for responsive execution have formed a solid foundation for RGA's growth and diversification into related business lines. Over the past two decades, the company has expanded into structured transactional business, including capital-motivated, asset-intensive, and longevity reinsurance, and also closed-block acquisitions and in-force optimization.

RGA has pioneered market-specific strategies to support clients facing ongoing changes in regulatory and financial reporting requirements. Its Global Financial Solutions (GFS) business line has become a strong contributor to RGA's ongoing success, and represented a growing share of the company's operating earnings in 2015.



David Boettcher, Executive Vice President and Chief Operating Officer, Global Financial Solutions.

RGA entered the financially motivated reinsurance business in 1995, and completed the first capital-motivated reinsurance treaty in Japan three years later. Since then, RGA teams around the world have developed a deep understanding of the underlying risks within such transactions, and have made the company a recognized industry leader in structuring capital solutions. RGA provides reliable, flexible, and cost-effective means to improve insurers' capital efficiency, equipping clients to offer competitive pricing, develop new products, meet solvency requirements, and achieve target returns.

In 2015, companies remained focused on de-risking and de-leveraging their businesses in response to ongoing economic pressures and increasing regulatory demands, including AXXX/XXX regulations in the U.S. and Solvency II in Europe. RGA's GFS teams explored strategies to leverage their analytical, investment, and risk-management expertise to offset challenges to insurers' balance sheets and business expansion. Successful implementation of capital-motivated reinsurance solutions contributed to RGA's income growth.

Insurers faced not only strain and volatility from capital requirements, but also sensitivity to depressed interest rates in 2015. RGA's asset-intensive reinsurance solutions helped clients mitigate investment-related risks, including fixed and variable annuity exposures, and payout annuities. They also offset risks in

interest-sensitive products such as universal life, corporate-owned life insurance, and bank-owned life insurance. The company's extensive knowledge of investment markets and products, proven ability to accept and retain biometric and investment risks, and established skill in analyzing associated exposures supported its sustained advantage in this increasingly competitive arena.

Longevity reinsurance provides RGA with additional diversification and income. For insurers, the transfer of longevity risk offers relief from the capital requirements associated with life annuities and pension obligations. RGA initially developed its longevity reinsurance business to assume risk liabilities within the U.K.'s \$2 trillion defined benefit pension market. The company has since completed more than 30 longevity transactions in the U.K., reinsuring more than \$30 billion in longevity risk coverage.



From left, from RGA Canada: James Ciamarro, Vice President, Longevity; Mai-Khoi Lam, Senior Legal Counsel.

In recent years, RGA expanded this expertise across borders to structure longevity reinsurance transactions in other markets. In 2015, RGA completed an agreement to reinsure the longevity risks associated with pension obligations of one of Canada's leading pension plan sponsors. In the Netherlands, an innovative liability replication derivative based on the Dutch population mortality results helped mitigate a portion of a client's longevity risk. RGA has established an approved longevity pricing basis in approximately 20 countries, and continues to develop longevity reinsurance solutions globally. The company is seeing more opportunities to take on investment risk together with longevity risk, and is working with clients to capitalize on those opportunities.

RGA entered the stable value wraps market in 2012, applying its ability to evaluate and manage tail risk exposures from both economic factors and policyholder behavior in annuities and similar products. In 2015, the company's dedicated stable

Commercial Mortgage Loan Team Builds Portfolio, Enhances Services

Over the past five years, ReCap, RGA's commercial real estate team, has established itself as an emerging leader in the commercial mortgage loan (CML) marketplace. The company's robust North American operation now consists of eight dedicated origination offices: Atlanta, Denver, Phoenix, Seattle, St. Louis, Toronto, and Washington, D.C., with San Francisco opening in 2016. RGA's regionally focused model has allowed the ReCap team to build brand recognition, access a wide range of real estate investments, and support portfolio growth. At the end of 2015, RGA's mortgage loan portfolio totaled \$3.1 billion, reflecting 15% growth from 2014's year-end total of \$2.7 billion.

Commercial mortgage loans are an important component of RGA's diversified investment strategy, offering significant yield advantages over investment-grade

corporate bonds. In 2015, the unit's investments in multi-family, industrial, retail, and office properties resulted in commercial mortgage loan originations of \$813 million, a 12% increase over 2014's \$724 million, and a 33% increase over loan production two years ago.

These results reflect, in part, the completion of a four-year insourcing process. RGA now provides a full complement of commercial mortgage loan services: acquisition, underwriting, closing, surveillance, portfolio and asset management, and loan servicing. In 2015, RGA enhanced its analytical and reporting capabilities by launching a state-of-the-art portfolio management system that allows the company to serve as a third-party manager of CML portfolios.

value team again enabled 401(k) plan participants to preserve principal while achieving steady, positive return on investment. RGA reported another year of strong results in this area, increasing the notional amount of its stable value portfolio to \$7.1 billion as of December 31, 2015.

While proactive risk and capital management lead many insurers to divest a portion of their assumed risks, other insurers also evaluate full divestitures of in-force blocks. RGA's Global Acquisitions team supports clients with customized solutions to divest such in-force blocks in whole or in part. These customized solutions leverage RGA's global market position, as well as strengths in structuring, capital management, investment strategies, and biometric risk assessment.

Investment Team Expands Asset Management Capabilities

With block acquisitions and capital-intensive business representing an increasing share of RGA's global business activities, the company's established capabilities in investment management are critical to its overall effectiveness. RGA strengthened its capacity in portfolio management, asset liability management, and strategic asset allocation in 2015 to better support the goals of the organization. The size and scope of its Investments team grew to more than 100 investment professionals in dedicated offices in eight cities around the globe. These individuals manage both private and public securities, and also originate and service commercial mortgage loans. Assets under management at the end of the year topped \$40 billion, a 12% increase over the previous year.

The Investments team continues to expand its management, analytic, and consultative capabilities to meet in-force and new business needs. In 2015, four analysts were added to the credit team to improve coverage of the more than 800 corporate issuers included in RGA portfolios. The real estate group, ReCap, added its first international associate in Toronto to originate loans denominated in Canadian dollars.

In early 2016, the group realigned into six functional areas – Portfolio Management, Public Bonds, Private Transactions, Real Estate, Investment Solutions, and Investment Operations – to better position itself for future success in supporting RGA's business activity. In particular, the Investment Solutions group was formed to build a team of associates fully dedicated to supporting new transaction



From left, from Investments: Anil Patel, Senior Portfolio Manager, U.K.; Ann Bryant, Vice President, Senior Portfolio Manager, Investment Solutions; Dan Furtwengler, Vice President, Senior Portfolio Manager, Investment Solutions.

activity. This team works with RGA's reinsurance specialists to design asset strategies that help the company earn new business. Investment Solutions professionals are not only expert in all asset classes, they must also have a thorough understanding of the regulatory, accounting, capital, and asset-liability issues required in structuring a portfolio.

The Investments group's expanded presence and expertise in London enabled the completion of several large block transactions in Europe in 2015. The team in London, comprised of four investment professionals, manages more than \$5.4 billion of assets denominated in sterling, euro, and rand. A key indicator of the team's ability was the insourcing in 2015 of \$2 billion in externally managed assets, resulting in significant cost savings.

Supporting all investment activity is the Investment Operations group, which handles trade operations, compliance, and reporting. A key focus of Investment Operations is Project TRADE, a foundational multi-year effort to improve management of securities, derivatives, and collateral. Project TRADE includes the development of a data warehouse that will greatly enhance analysis and reporting of investment data.

In 2015, market conditions and regulatory changes again led many insurers to consider exiting a block or line of business to reallocate resources and assign capital to other strategic areas. RGA remained selective in the risks it assumed, then sought and capitalized on opportunities based on their fit within RGA's risk philosophy, capabilities, and competitive positioning. In April, RGA closed the acquisition of Aurora National including the transfer of the direct policy administration. In August, RGA's Netherlands life insurance subsidiary, Leidsche Levensverzekering Maatschappij N.V., executed

a Part 7 portfolio transfer agreement to acquire the life insurance policy portfolio of PGGM Levensverzekering, a Netherlands-based cooperative. Through that closed-block transaction, RGA acquired approximately 75,000 life insurance policies from PGGM, also assuming direct policy administration of the block.

Also in 2015, RGA and Voya Financial, Inc. completed a transaction in the U.S. under which RGA reinsured a block of approximately 155,000 in-force term insurance policies representing approximately

Solvency II Increases Demand for Capital Efficiency in Europe

As European insurers and multinational insurers doing business in Europe prepared for Solvency II's implementation on January 1, 2016, RGA's Global Financial Solutions teams were equipped with new transaction structures and solutions to provide relief for the risks generating the largest capital requirements under the new regime — investment, longevity, and lapse risks. Solvency II regulations have been in development for nearly two decades. The regulations stipulate new supervision, reporting, and transparency requirements for insurers, and govern the amount of capital an insurer must hold to avoid insolvency.

RGA has long understood that even a regime as complex as Solvency II does not meet the



Paul Sauvé, Senior Vice President, Global Financial Solutions, EMEA.

individual requirements of all insurers. Since 2006, the RGA Global Financial Solutions teams have assisted clients as they prepared to optimize capital to comply with these regulations. Broad and deep understanding of clients' specific capital needs, as well as extensive knowledge of European markets and global best practices, uniquely position RGA

to develop solutions that meet insurers' immediate requirements and promote their long-term stability and growth.

In 2015, against an already-challenging low-interest-rate environment and the potential for additional capital volatility under the coming Solvency II requirements, RGA's expertise in formulating capital-motivated reinsurance solutions prepared clients to manage their capital more effectively and to support their future growth. RGA's tailored solutions reduced and stabilized capital requirements, allowing clients to address their requirements under the new regime.

To address the capital pressure points of investment, longevity, and lapse risks, RGA completed asset-intensive transactions, longevity risk solutions, and large block acquisitions with several key European clients. In one example, RGA provided longevity risk protection to a key client through an efficient liability replication

derivative structure based on population mortality results, a new risk-mitigating format permitted by Solvency II. The transaction drew heavily upon RGA's extensive knowledge of biometric risks and structuring expertise, and is considered an innovative longevity derivative structure.

Now implemented, the Solvency II regulatory regime continues to transform the European insurance and financial services landscape. Companies are seeking to manage their business lines through sustainable and capital-efficient processes that can more effectively reflect their long-term strategies and risk profiles. With established success in helping clients meet the requirements of the new regime, RGA is empowering local and multinational insurers, whether mutual or stock companies, to absorb the burdens of Solvency II and leverage the new regulations into a competitive advantage.



From left: Gary Finkelstein, Senior Vice President, European Acquisitions; Hamish Galloway, Senior Vice President, Global Financial Solutions, U.K.

\$90 billion of life insurance in force. The transaction marked the second such transaction completed with Voya, with the first executed in 2014. In another significant block acquisition executed by RGA in the U.S., the company acquired a block of term life reinsurance from XL Group plc, representing approximately 290,000 policies and \$22 billion of life insurance in force. Both U.S. transactions reflected RGA's capabilities in this arena and deep understanding of the U.S. life reinsurance market.

RGA expects continuing economic and regulatory pressures to lead to additional opportunities for such transactions, both in North America and in other global markets, and is well-positioned to take advantage of market dislocations while providing meaningful value to clients.

As RGA has grown in size and complexity, the company is placing a stronger focus on analytics and in-force management to enhance its risk-adjusted performance, to improve underperforming blocks of business, and to drive consistency in analytics across the RGA organization.

At the end of 2014, RGA announced a large retrocession of a block of U.S. individual life business, releasing capital to be deployed into other, more profitable opportunities. Various analyses and structures were investigated throughout 2015 to improve performance, maximize scale, and optimize risk and capital usage. RGA expects continued in-force optimization activity to support the company's strategies for growth.

Future Solutions

Advancing innovation remained integral to RGA's business in 2015. Improvements in systems and processes, and creative new initiatives produced promising opportunities within traditional, non-traditional, and emerging business lines.

2015 saw accelerated transformation of the insurance sector, as direct writers faced both increased challenges and fresh areas of opportunity. Economic growth flourished in some emerging markets, but declined or remained static in others. Market demographics continued to shift, with some insurers facing the effects of larger aging populations, while others competed to penetrate a significantly underserved, rapidly growing middle market. Technological improvements led to new methods of risk scoring, enhanced analytical capabilities, and greater accuracy and speed of underwriting decisions on simplified products.



From left, from UK Ventures: Jonathan Hughes, Director of Strategic Development; Richard Verdin, Managing Director and Global Head of Wellness; Sara Cobbett, Head of Business Initiatives.

RGA's immense technical skillset and deep experience in mortality risk supported the development of groundbreaking products, research, and solutions to help insurers manage risk and capitalize on the changing business environment. Ongoing review of RGA's underwriting, claims, and actuarial models produced new ways to reduce clients' expenses and improve their overall profitability. Electronic underwriting, data analytics, and fully integrated processes promoted efficient, streamlined risk assessment.

The use of data to evaluate and classify risk has transformed the way the insurance industry evaluates applications, prices policies, and manages its business. In 2015, RGA applied intelligent filters to its experience, employing qualitative analysis to extract actionable insights from quantifiable data subsets. This approach resulted in improved risk management solutions and innovative product development.

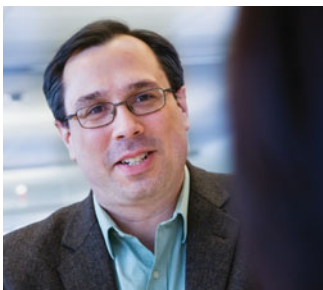
In Korea, for example, RGA introduced eight specialized reinsurance products in 2015 after launching 12 such products in 2014, further solidifying the company's position as a product development leader in that market. The process of new product development at RGA differs



From left, from RGAX: Julianne Callaway, Actuary, Strategic Research Services; Stephanie Grass, Vice President and Senior Actuary, Business Initiatives; Farron Blanc, Vice President, Innovation Studio; Michael Goffe, Senior Project Manager; Sandra Hubert, Vice President, Strategic Planning and Execution; Tim Rozar, Chief Executive Officer.

among countries based on capital, risk, regulatory, demographic, and other factors. RGA has invested in the resources, the processes, and, above all, the people necessary to make new product solutions a natural outcome of its forward-thinking business model.

Life underwriting, a core RGA competency and fundamental to its ongoing success, is evolving. In 2015, improvements to existing tools and capabilities helped to streamline the application process and identify inconsistent data immediately. Alternative data sources,



Tim Rozar, Chief Executive Officer, RGAX.

such as personal biometric information from wellness devices, electronic health records, prescription histories, motor vehicle records, and credit scoring delivered improved analytics and predictive modeling of risks. Digital underwriting solutions allowed RGA clients to access data more rapidly

for more-accurate and thorough point-of-sale underwriting decisions, and provided deeper insights in more-complex facultative case assessments.

RGAX's strong commitment to innovation and entrepreneurialism was evident in several new transformative business platforms in 2015, designed to drive new business opportunities within the insurance sector.

In January, Reinsurance Group of America, Incorporated launched RGAX, a new wholly owned subsidiary and innovation accelerator. The mandate of RGAX is to identify, test, commercialize, and scale opportunities that may lie outside of RGA's traditional reinsurance business. Its underlying mission is to remove friction in the customer journey and enhance trust and transparency in the insurance delivery process. Several pilot projects were underway at the close of 2015, testing feasibility of new ideas to drive business opportunities for RGA and its clients. These include Life Stages, a social media platform that uses content and communication to engage with consumers regarding life insurance topics, and Rgility,

Predictive Modeling Offers New Insights, Competitive Advantages

In recent years, RGA has established itself as an industry leader in predictive modeling, which is the process of forecasting an outcome or probability using historical facts and data. The company brings together one of the world's largest mortality databases, deep capabilities in analytics and statistical processes, and exceptional technical talent to create accurate, reliable models. RGA's resulting insurance solutions include value-added services along every step in the value chain, from pre-sales and underwriting to in-force optimization and claims management.

RGA data scientists combine expert judgment with the rigor of advanced statistical algorithms to get the most benefit from the



Peter Banthorpe, Senior Vice President, Global Head of Research and Development.

company's own extensive data assets, as well as the assets of its business partners. In 2015, strategic global partnerships enabled RGA to use predictive models derived from shared data to bring innovative new products to market. The company also updated one of its most successful predictive-model-based products, which is generating an estimated

7% increase to the bottom line for a key client, to provide added benefit for that client.

By applying predictive modeling to underwriting, RGA improves upon a traditionally reactive process reliant only on data provided by the customer, applying large data sets plus analytics to proactively segment customers according to risk. Instead of using the same underwriting approach for all lives, applications are routed individually or in subsets based on predicted risk. RGA advanced its industry-leading work in dynamic underwriting in 2015, with the U.S. market in particular experiencing high demand for these services.

Risk insights derived from predictive modeling were also used to help clients develop more-accurate pricing, as well as to better target consumer segments for marketing and sales initiatives. In Asia, for example, RGA launched cross-selling and upselling campaigns based on robust predictive models to meet insurers' needs. In India,

the company's global team used data-driven analytics to explore effective tools against fraudulent claims. Supported by a research team deployed globally and focused regionally, RGA was able to complete predictive modeling projects across the insurance value chain on four continents.

RGA takes a three-pronged strategic approach to predictive modeling: developing processes to improve the company's own internal operations, tailoring solutions that deliver accretive value to our clients, and promoting approaches to move the entire industry forward. The most successful companies in the years ahead will be those that not only can access big data, but also can convert that data to working, profitable solutions. By pioneering advances in predictive modeling and analytics, RGA is able to deliver richer, more-precise models covering varied business objectives, improve assessment of diverse risks, and create greater value for its clients.

an end-to-end digital underwriting platform based on RGA's AURA technology that provides a single, seamless experience for the insurance consumer.

RGAx seeks out partners with specialized and complementary knowledge, data, technology, or skills to create synergistic, breakthrough solutions. A partnership with global risk and information provider TransUnion, for example, leveraged the



From left: Sean Gilday, Vice President, Strategic Partnerships, RGAx; Eva Goldstein, Assistant Vice President, Program Manager, RGAx; Chris Fung, Assistant Actuary, Group Pricing, RGA Canada.

knowledge and expertise of both organizations to produce TrueRisk[®] Life, an innovative credit-based behavior index to help insurers improve risk selection (see article on page 23). While initially focused on transformative opportunities within the U.S., RGAx is collaborating with colleagues across the RGA enterprise to accelerate development of models and platforms in other markets.

UK Ventures, RGA's innovation program in the U.K. market, pursued a variety of initiatives to create growth opportunities for RGA and its clients. These initiatives, covering areas as diverse as wealth management platforms, smartphone life insurance journeys, micro life insurance for mature markets, robo-advice, and m-health apps, share one common feature: they are digital means of attracting current non-consumers to a mature life insurance market. Initial experiments that went live in 2015 were encouraging, and the UK Ventures team is excited by the prospect of seeing further initiatives emerge.

In Asia, a highly focused innovation initiative is drawing on the skills of RGA's associates throughout the region, as well as leveraging information, practices, and knowledge of the company's global experts. The initiative, called "Blue Sky," has been set up to give RGA associates the tools and support they need to execute on

Reinventing Insurance Distribution Methods to Reach Underserved Populations

Changes in demographics and consumer purchasing behavior, as well as changes in legacy agency networks, have led the insurance industry to explore and adopt alternative distribution strategies designed to increase the sale of protection and financial products.

Traditional distribution channels for life and related insurance – insurance brokers, insurance agents, and bancassurance – remain the leading conduits for consumer purchase of protection products. Global insurance carriers, for the most part, remain committed to the traditional distribution channels. Technology-driven alternatives, however, are increasingly and effectively competing for a greater share of the consumer market. Channels such as internet websites, online application portals, smartphone and tablet apps, social media networks, and SMS/e-mail marketing campaigns have captured the interest of younger prospects.

In South Africa, RGA's alternative distribution team established a new company, RGA Ventures (Pty) Ltd., to explore and develop new methods of supporting regional insurers and consumers through more-efficient, meaningful insurance products, services, and distribution methods, thereby playing a positive role in developing insurance markets.



From left: Johann Van Niekerk, General Manager, RGA Ventures; Nontuthuzelo Thomas, Chief Medical Research Officer, RGA South Africa; Lynne Molloy, Business Development Actuary, RGA South Africa; Leza Wells, Chief Pricing Actuary, RGA South Africa.

RGA Ventures partnered with a third-party expert in mobile-sold microinsurance to create a new business, Inclusivity Solutions, in 2015. Inclusivity Solutions works with mobile operators, insurance companies, and other distribution partners to design and deliver digital insurance solutions to meet the needs of consumers in emerging markets. The Inclusivity Solutions team is focusing on strategy, product and process design, and implementation support via agile technology platforms that link distribution partners and insurance companies with the emerging consumer markets. Digital channels, such as mobile phones, are being used within a comprehensive strategy to introduce and grow digital insurance, and build sustainable, inclusive insurance markets.

RGA Ventures, and other forward-thinking teams within RGA, are also exploring other mechanisms for selling insurance to underserved populations. Such alternative distribution strategies may include upselling/cross-selling initiatives, often bundled with property and casualty insurance offers, or commercial marketing of life products via direct marketing, retail outlets, or home shopping networks.

local innovation initiatives. The newly formed regional Blue Sky team seeks to partner closely with universities, the global start-up community, and other regional labs to bring continued innovation to the life and health market in Asia.

RGA's Wellness team, part of its Global Research and Development group, launched an internal study to analyze use of wearable technology, and the associated benefits that may be derived by insurance companies when accessing data from such devices. The study, launched in December 2015, will continue into 2016, and is believed to be one of the largest such studies ever conducted by a reinsurance company. Based on the premise that the "quantified self" movement offers opportunities for consumers to better understand

their own health and to motivate them to make better health decisions, RGA believes insurers and reinsurers may benefit as well by seeing reductions in the frequency and extent of claims activity.

RGA's culture embraces entrepreneurship and innovation, in an environment that supports continuous collaboration and sharing of ideas. Drawing upon their collective experience and expertise, RGA's global teams constantly reevaluate and improve upon their underwriting, claims, and actuarial modeling processes to better support insurers and industry partners today, and prepare them for long-term success in the insurance industry of tomorrow.

Selected Consolidated Financial and Operating Data

As of or For the Years Ended December 31, (in millions, except per share and operating data)	2015	2014	2013	2012	2011
Income Statement Data					
Revenues:					
Net premiums	\$ 8,570.7	\$ 8,669.9	\$ 8,254.0	\$ 7,906.6	\$ 7,335.7
Investment income, net of related expenses	1,734.5	1,713.7	1,699.9	1,436.2	1,281.2
Investment related gains (losses), net:					
Other-than-temporary impairments on fixed maturity securities	(57.4)	(7.8)	(12.7)	(15.9)	(30.9)
Other-than-temporary impairments on fixed maturity securities transferred to (from) accumulated other comprehensive income	—	—	(0.2)	(7.6)	3.9
Other investment related gains (losses), net	(107.3)	194.0	76.9	277.6	(9.1)
Total investment related gains (losses), net	(164.7)	186.2	64.0	254.1	(36.1)
Other revenues	277.7	334.4	300.5	244.0	248.7
Total revenues	10,418.2	10,904.2	10,318.4	9,840.9	8,829.5
Benefits and expenses:					
Claims and other policy benefits	7,489.4	7,406.7	7,304.3	6,666.0	6,225.2
Interest credited	337.0	451.0	476.5	379.9	316.4
Policy acquisition costs and other insurance expenses	1,127.5	1,391.4	1,300.8	1,306.5	990.1
Other operating expenses	554.0	538.4	466.7	451.8	419.3
Interest expense	142.9	96.7	124.3	105.3	102.6
Collateral finance and securitization expense	22.6	11.5	10.5	12.2	12.4
Total benefits and expenses	9,673.4	9,895.7	9,683.1	8,921.7	8,066.0
Income before income taxes	744.8	1,008.5	635.3	919.2	763.5
Provision for income taxes	242.6	324.5	216.4	287.3	217.5
Net income	\$ 502.2	\$ 684.0	\$ 418.9	\$ 631.9	\$ 546.0
Earnings Per Share					
Basic earnings per share	\$ 7.55	\$ 9.88	\$ 5.82	\$ 8.57	\$ 7.42
Diluted earnings per share	7.46	9.78	5.78	8.52	7.37
Weighted average diluted shares, in thousands	67,292	69,962	72,461	74,153	74,108
Dividends per share on common stock	\$ 1.40	\$ 1.26	\$ 1.08	\$ 0.84	\$ 0.60
Balance Sheet Data					
Total investments	\$ 41,978.3	\$ 36,696.1	\$ 32,441.1	\$ 32,912.2	\$ 24,964.6
Total assets ¹	50,383.2	44,654.3	39,652.4	40,338.1	31,615.8
Policy liabilities ²	37,370.8	30,892.2	28,386.1	27,886.6	21,139.7
Long-term debt ¹	2,297.5	2,297.7	2,196.1	1,798.8	1,403.2
Collateral finance and securitization notes ¹	899.2	774.0	480.9	646.1	645.4
Total stockholders' equity	6,135.4	7,023.5	5,935.5	6,910.2	5,818.7
Total stockholders' equity per share	94.09	102.13	83.87	93.47	79.31
Operating Data (in billions)					
Assumed ordinary life reinsurance in force	\$ 2,995.1	\$ 2,943.5	\$ 2,889.9	\$ 2,927.6	\$ 2,664.4
Assumed new business production	491.0	482.0	370.4	426.6	428.9

¹ Prior period balances have been updated to conform with current period presentation for the adoption of the accounting standard update "Simplifying the Presentation of Debt Issuance Costs."

² Policy liabilities include future policy benefits, interest-sensitive contract liabilities, and other policy claims and benefits.

Leadership

RGA Executive Council



A. Greig Woodring
Chief Executive Officer



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President



Donna H. Kinnaird
Senior Executive Vice President
and Chief Operating Officer



Jack B. Lay
Senior Executive Vice President
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Alain P. Néemeh
Senior Executive Vice President,
Global Life and Health Markets



Scott D. Cochran
Executive Vice President,
Global Acquisitions



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Arnoud W. A. Boot
Director
Professor of Corporate
Finance and Financial
Markets, University of
Amsterdam; Director,
Amsterdam Center for
Law & Economics

John F. Danahy
Director
Retired Chairman and
Chief Operating Officer,
May Merchandising Company
and May Department Stores
International

Christine Detrick
Director
Former Director and
Head of Americas
Financial Services Practice,
Bain & Company, Inc.

Alan C. Henderson
Director
Retired President and
Chief Executive Officer,
RehabCare Group, Incorporated

Anna Manning
Director
President,
Reinsurance Group of
America, Incorporated

Joyce A. Phillips
Director
Chief Executive Officer,
Global Wealth, Group
Managing Director, and
Management Board Member,
Australia and New Zealand
Banking Group Limited (ANZ)

Frederick J. Sievert
Director
Retired President,
New York Life
Insurance Company

Stanley B. Tulin
Director
Retired Vice Chairman and
Chief Financial Officer,
AXA Financial, Inc. and
AXA Equitable Life
Insurance Company

A. Greig Woodring
Director
Chief Executive Officer,
Reinsurance Group of
America, Incorporated

Worldwide Locations

WORLD HEADQUARTERS

Reinsurance Group of America, Incorporated
Greig Woodring, Chief Executive Officer
Anna Manning, President
16600 Swingley Ridge Road
Chesterfield, Missouri 63017-1706
U.S.A.
T 636.736.7000
toll-free 1.888.736.5445

AUSTRALIA

RGA Reinsurance Company of Australia Limited
Mark Stewart, Managing Director
Grosvenor Place
Level 23
225 George Street
Sydney NSW 2000
Australia
T 61.2.8264.5800
F 61.2.8264.5999

Suite 1, Level 6
276 Flinders Street
Melbourne VIC 3000
Australia
T 61.2.8264.5800
F 61.2.8264.5999

BARBADOS

RGA Atlantic Reinsurance Company Ltd.
RGA Reinsurance Company (Barbados) Ltd.
RGA Worldwide Reinsurance Company, Ltd.
Orena
St. Lawrence Main Road
Christ Church, BB15029, Barbados
West Indies
T 246.418.9768
F 246.418.0246

BERMUDA

RGA Americas Reinsurance Company, Ltd.
RGA Global Reinsurance Company, Ltd.
Victoria Hall
11 Victoria Street
Hamilton, Bermuda HM 11
T 441.292.4402
F 441.294.1698

BRAZIL

RGA Global Reinsurance Company, Ltd. – Escritório de Representação no Brasil Ltda.
Ronald Poon-Affat, Chief Executive Officer
Av. das Nações Unidas, 14.171 - 15º Andar - Marble Tower
São Paulo, SP 04794-000
Brazil
T 55.11.3568.2125
F 55.11.3568.2200

CANADA

RGA Life Reinsurance Company of Canada
Alka Gautam, President and Chief Executive Officer
161 Bay Street, Suite 4220
Toronto, Ontario M5J 2S1
Canada
T 416.682.0000
F 416.777.9526
toll-free 1.800.433.4326

RGA Life Reinsurance Company of Canada

1981 McGill College Avenue, 13th Floor
Montréal, Québec H3A 3A8
Canada
T 514.985.5260
F 514.985.3066
toll-free 1.800.985.4326

RGA International Corporation*

Paul Nitsou, Chief Executive Officer
77 King Street West, Suite 2200
Toronto Dominion Centre
Toronto, Ontario M5K 1H6
Canada
T 416.943.6770
F 416.943.0880

CENTRAL AND EASTERN EUROPE

RGA International Reinsurance Company Limited
Poland Branch Office
Klaus Mattar, Managing Director
Deloitte House
Al. Jana Pawła II, 19
00-854 Warsaw
Poland
T 48.22.370.1220
F 48.22.370.1221

CHINA

RGA Reinsurance Company
Shanghai Branch
Jason Ou, Chief Executive Officer
Unit E&F, 10F
Mirae Asset Tower
No. 166 Lu Jia Zui Ring Road
Shanghai 200120
China
T 86.21.2067.0666
F 86.21.2067.0601

RGA Reinsurance Company
Beijing Representative Office
Zhibin Zhang, Chief Representative
Unit 1504, 15F
Office Tower W1
Oriental Plaza
No. 1 East Chang An Avenue
Dong Cheng District
Beijing 100738
China
T 86.10.8518.2528
F 86.10.8518.2532

EUROPE, MIDDLE EAST, AND AFRICA (EMEA) REGION

RGA International Reinsurance Company Limited
Olav Cuijper, Executive Vice President, EMEA Markets
WTC Amsterdam, Tower H
Zuidplein 168
1077 XV Amsterdam
T 31.20.333.9001

*Services company only; not licensed to enter into reinsurance agreements

FRANCE AND BELGIUM**RGA International Reinsurance Company Limited****Branch Office for France**

Lionel Périnel, Managing Director
31-33 rue de la Baume, 6th floor
75008 Paris

France

T 33.1.55.0797.80

F 33.1.55.0780.96

GERMANY**RGA International Reinsurance Company Limited****German Branch Office**

Klaus Mattar, Managing Director
Kaiser-Wilhelm-Ring 15
50672 Cologne

Germany

T 49.221.9649.980

F 49.221.9649.9899

HONG KONG AND SOUTHEAST ASIA**RGA Reinsurance Company****Hong Kong Branch**

Amit Punchhi, Chief Executive Officer, Hong Kong Branch, and General Manager, Hong Kong, Singapore, India and Asia High Net Worth Markets

Shih-Nin Low, Managing Director, Southeast Asia Markets

4/F. Cambridge House
Taikoo Place

979 King's Road

Hong Kong

T 852.2511.8688

F 852.2511.8827

INDIA**RGA Services India Private Limited**

Thomas Mathew, Managing Director and Chief Executive Officer

302, Akrutii Center Point

MIDC Central Road

Andheri (East)

Mumbai 400 093

India

T 91.22.6709.2590

F 91.22.6709.2551

IRELAND**RGA International Reinsurance Company Limited**

Enda Murphy, Executive Vice President and Global Head of Operations

Patricia Kavanagh, Managing Director

3rd Floor, Block C

Central Park

Leopardstown, Dublin 18

Ireland

T 353.1.290.2900

F 353.1.290.2901

ITALY AND TURKEY**RGA International Reinsurance Company Limited****Branch Office for Italy**

Arkadiusz Bandos, Managing Director

Piazzetta Maurilio Bossi, 3

20121 Milan

Italy

T 39.02.88.21.0501

F 39.02.76.01.8353

JAPAN**RGA Reinsurance Company****Japan Branch**

Midtown Tower 41F

9-7-1 Akasaka Minato-Ku

Tokyo 107-6241

Japan

T 813.3479.7191

F 813.3479.7196

MALAYSIA**RGA Global Reinsurance Company, Ltd. Labuan Branch**

Peter Tan, Principal Officer, Labuan Branch
c/o ZICOLaw Trust Limited

Unit Level 13(A), Main Office Tower

Financial Park Labuan

Jalan Merdeka

87000 Federal Territory of Labuan

Malaysia

T 60.87.45.1688

F 60.87.45.3688

RGA Global Reinsurance Company, Ltd.**Labuan Branch (KL Co-located Office)**

Unit No. A-15-13, Level 15, Tower A

Menara UOA Bangsar

No. 5 Jalan Bangsar Utama 1

59000 Bangsar

Kuala Lumpur

Malaysia

T 603.2712.0007

Malaysian Life Reinsurance Group Berhad

Pek Hin Liew, Chief Executive Officer

Unit 39-A-6, Level 39, Tower A

Menara UOA Bangsar

No. 5 Jalan Bangsar Utama 1

59000 Bangsar

Kuala Lumpur

Malaysia

T 603.2780.6611

F 603.2780.6622

MEXICO**RGA Reinsurance Company****Oficina de Representación en México**

Jorge Campa, Managing Director

Torre Reforma 342, Av. Paseo de la Reforma 342

Piso 23-B

Col. Juárez

06600 México, D.F.

T 52.55.2881.7200

F 52.55.2881.7216

WORLDWIDE LOCATIONS

MIDDLE EAST**RGA Reinsurance Company
Middle East Limited**

Ashraf Al-Azzouni, Managing Director
31st Floor, Office No. 3101 Tower-II
Al Fattan Currency House
Dubai International Financial Centre
Dubai
United Arab Emirates
T 971.4.3896000
F 971.4.3896001

NETHERLANDS AND NORDIC REGION**RGA International Reinsurance
Company Limited
Branch Office for the Netherlands**

Johan Tuijp, Managing Director
WTC Amsterdam, Tower H
Zuidplein 168
1077 XV Amsterdam
T 31.20.333.9001

NEW ZEALAND**RGA Reinsurance Company of
Australia Limited
New Zealand Branch**

Mark Stewart, Managing Director
Level 13, Resimac House
45 Johnston Street
Wellington 6011
New Zealand
T 64.4.4738868

SINGAPORE**RGA International Reinsurance
Company Limited
Singapore Branch**

René Cotting, Chief Executive
5 Temasek Boulevard
#04-03 Suntec Tower Five
Singapore 038985
T 65.6692.9380
F 65.6692.9370

SOUTH AFRICA AND SOUTHERN AFRICA**RGA Reinsurance Company of
South Africa Limited**

Tjaart Esterhuysen, Managing Director
7th Floor, The Terraces
Black River Park
2 Fir Street
Observatory, 7925
Cape Town
South Africa
T 27.21.486.1700
F 27.21.486.1800

1st Floor, Sentinel House
Sunnyside Office Park
32 Princess of Wales Terrace
Parktown, 2193
Johannesburg
South Africa
T 27.11.484.0577
F 27.11.484.0734

SOUTH KOREA**RGA Reinsurance Company
Korea Branch**

Michael Shin, Chief Executive Officer, RGA
Korea, and Chief Marketing Officer, Asia
Seoul Finance Center 9F, 136, Sejong-daero,
Jung-gu, Seoul, 04520
Korea
T 82.2.6730.1350
F 82.2.6730.1370

SPAIN AND PORTUGAL**RGA International Reinsurance
Company Limited**

Sucursal en España
Enrique Ruiz Martin, Managing Director
Paseo de Recoletos, 16. Planta 5
28001 Madrid
Spain
T 34.91.640.4340
F 34.91.640.4341

TAIWAN**RGA Global Reinsurance Company, Ltd.
Taiwan Branch**

Shih-Nin Low, Chief Executive Officer
Room 2008, 20F, No. 333
Sec. 1, Keelung Road
Taipei 110
Taiwan, R.O.C.
T 886.2.8789.2217
F 886.2.8789.6018

UNITED KINGDOM**RGA International Reinsurance
Company Limited**

UK Branch Office
Simon Wainwright, Managing Director
16th Floor
5 Aldermanbury Square
London EC2V 7HR
United Kingdom
T 44.20.7710.6700
F 44.20.7710.6890

UNITED STATES**RGA Reinsurance Company**

Mike Emerson, President and
Chief Executive Officer
16600 Swingley Ridge Road
Chesterfield, Missouri 63017-1706
U.S.A.
T 636.736.7000
toll-free 1.888.736.5445

100 Washington Avenue South, Suite 1400
Minneapolis, Minnesota 55401-1908
U.S.A.

T 612.217.6000
F 612.217.6111

Glossary of Terms

Actuary

A specialist in the mathematics of risk, especially as it relates to insurance calculations such as premiums, reserves, dividends, and insurance and annuity rates.

Allowance

An amount paid by the reinsurer to the ceding company to help cover the ceding company's acquisition and other costs, especially commissions. Allowances are usually calculated as a large percentage (often 100%) of first-year premiums reinsured and smaller percentages of renewal premiums reinsured.

Annuity

Contract that provides for income payments to an insured at regular intervals, either for a specific period or for the lifetime of the insured, in exchange for premiums.

ASEAN

Association of Southeast Asian Nations.

Asset-intensive reinsurance

A transaction (usually coinsurance or funds withheld, and often involving reinsurance of annuities) where performance of the underlying assets, more so than any mortality risk, is a key element.

Assumed reinsurance

Insurance risk that a reinsurer accepts (assumes) from a ceding company.

Automatic reinsurance

Reinsurance arrangement whereby the ceding company and reinsurer agree that all business of a certain description will be ceded to the reinsurer. Under this arrangement, the ceding company performs underwriting decision-making within agreed-upon parameters for all business reinsured.

Bancassurance

The provision of insurance and banking products and services through a common distribution channel and/or to the same client base.

Capital-motivated reinsurance

Reinsurance, including financial reinsurance, whose primary purpose is to enhance the cedant's capital position.

Captive insurer

An insurance or reinsurance entity designed to provide insurance or reinsurance coverage for risks of the entity or entities by which it is owned or to which it is affiliated.

Ceding company

(also known as cedant)
An insurer that transfers, or cedes, risk to a reinsurer.

Cession

The insurance risk associated with a policy that is reinsured from an insurer to a reinsurer.

Claim

Demand on an insurer or reinsurer for payment under the terms of an insurance policy.

Coinsurance

(also known as original terms reinsurance)
A form of reinsurance under which the ceding company shares its premiums, death claims, surrender benefits, dividends, and policy loans with the reinsurer and the reinsurer pays expense allowances to reimburse the ceding company for a share of its expenses.

Coinsurance funds-withheld

A variant on coinsurance, in which the ceding company withholds assets equal to reserves and shares investment income on those assets with the reinsurer.

Counterparty

A party to a contract requiring or offering the exchange of risk.

Counterparty risk

The risk that a party to an agreement will be unable to fulfill its contractual obligations.

Critical illness (CI) insurance

(also known as dread disease insurance)
Insurance that provides a guaranteed fixed sum upon diagnosis of a specified illness or condition such as cancer, heart disease or permanent total disability. The coverage can be offered on a standalone basis or as an add-on to a life policy.

Enterprise Risk Management (ERM)

An enterprise-wide framework used by a firm to assess all risks facing the organization, manage mitigation strategies, monitor ongoing risks, and report to interested audiences.

Expected mortality

Number of deaths predicted to occur in a defined group of people.

Face amount

Amount payable at the death of the insured or at the maturity of the policy.

Facultative reinsurance

A type of reinsurance in which the reinsurer underwrites an individual risk submitted by the ceding company for a risk that is unusual, large, highly substandard, or not covered by an automatic reinsurance treaty. Such risks are typically submitted to multiple reinsurers for competitive offers.

Financial reinsurance

(also known as financially motivated reinsurance)
A form of capital-motivated reinsurance that satisfies all regulatory requirements for risk transfer and is often designed to produce very predictable reinsurer profits as a percentage of the capital provided.

GAAP

(Generally Accepted Accounting Principles)
A set of financial accounting principles that companies follow when preparing financial statements for reporting results to stockholders.

Group life insurance

Insurance policy under which the lives of a group of people, most commonly employees of a single company, are insured in accordance with the terms of one master contract.

Guaranteed issue life insurance

Insurance products that are guaranteed upon application, regardless of past health conditions.

IFRS

(International Financial Reporting Standards)
Standards and interpretations adopted by the International Accounting Standards Board (IASB).

In force sum insured

A measure of insurance in effect at a specific date.

Individual life insurance

An insurance policy that insures the life of usually one and sometimes two or more related individuals, rather than a group of people.

Initial Public Offering (IPO)

The first sale to the public of shares of common stock issued by a private company. IPOs are often issued by smaller companies seeking the capital to expand, but can also be used by large mutual or privately owned companies seeking to become publicly traded.

GLOSSARY

Longevity product

An insurance product that mitigates longevity risk by providing a stream of income for the duration of the policyholder's life.

Modified coinsurance

A variant on coinsurance in which the ceding company retains all the reserves, as well as assets backing reserves, and pays the reinsurer interest on the reinsurer's share of the reserves.

Morbidity

A measure of the incidence of sickness or disease within a specific population group.

Mortality experience

Actual number of deaths occurring in a defined group of people.

Mortality risk reinsurance

Removing some of the major mortality or lapse risk associated with life insurance from the client company.

Non-traditional reinsurance

Usually synonymous with *capital-motivated reinsurance*, but includes any reinsurance agreement that is other than coinsurance or YRT.

Novation

The act of replacing one participating member of a contract with another, with all rights, duties, and terms being transferred to the new party upon consent of all parties affected.

Original terms reinsurance

See *coinsurance*.

Portfolio

The totality of risks assumed by an insurer or reinsurer.

Preferred risk coverage

Coverage designed for applicants who represent a better-than-average risk to an insurer.

Primary insurance

(*also known as direct insurance*) Insurance business relating to contracts directly between insurers and policyholders. The insurance company is directly responsible to the policyholder.

Premium

Amount paid to insure a risk.

Production

New business produced during a specified period.

Quota share

(*also known as 'first dollar' quota share*)

A reinsurance arrangement in which the reinsurer receives a certain percentage of each risk reinsured.

Recapture

The right of the ceding company to cancel reinsurance under certain conditions.

Reinsurance

The transfer of insurance risk from an insurer, referred to as the ceding company, to a reinsurer, in conjunction with the payment of a reinsurance premium. Through reinsurance, a reinsurer 'insures' an insurer.

Reserves

The amount required to be carried as a liability in the financial statement of an insurer or reinsurer to provide for future commitments under outstanding policies and contracts.

Retakaful

A form of reinsurance that is acceptable within Islamic law. See *Takaful*.

Retention limit

The maximum amount of risk a company will insure on one life. Any amount in excess of the retention limit must be reinsured.

Retrocession

A transfer of reinsurance risk from a reinsurer to another reinsurer, referred to as the retrocessionaire, in conjunction with the payment of a retrocession premium. Through retrocession, a retrocessionaire reinsures a reinsurer.

Retrocessionaire

A reinsurer that reinsures another reinsurer; see *Retrocession*.

Securitization

The structuring of financial assets as collateral against which securities can be issued to investors.

Simplified issue life insurance

Insurance products with limited face amounts that require no or minimal underwriting.

Solvency II

A European Union (EU) legislative program implemented in all 28 member states, including the U.K., which went into effect on January 1, 2016. The legislation introduced a new EU-wide insurance regulatory regime aimed at enhancing consumer protection. The Solvency II framework has three main areas: quantitative requirements; governance and risk management requirements; and disclosure and transparency requirements.

Statutory capital

The excess of statutory assets over statutory reserves, both of which are calculated in accordance with standards established by insurance regulators.

Takaful

A form of insurance that is acceptable within Islamic law, and that is devised upon the principles of mutual advantage and group security.

Tele-underwriting

A telephone interview process, during which an applicant's qualifications to be insured are assessed.

Treaty

(*also known as a contract*)

A reinsurance agreement between a reinsurer and a ceding company. The three most common methods of accepting reinsurance are automatic, facultative, and facultative-obligatory. The three most common types of reinsurance treaties are YRT (yearly renewable term), coinsurance, and modified coinsurance.

Underwriting

The process by which a company assesses the risk inherent in an application for insurance prior to acceptance of the policy.

Valuation

The periodic calculation of reserves, the funds that insurance companies are required to hold in order to make good on all future insurance obligations.

Variable life insurance

A form of whole life insurance under which the death benefit and the cash value of the policy fluctuate according to the performance of an investment fund. Most variable life insurance policies guarantee that the death benefit will not fall below a specified minimum.

Yearly Renewable Term (YRT)

1. A type of reinsurance which covers only mortality risk, with each year's premium based on the current amount of risk.
2. A level term life insurance product with annually increasing premiums, commonly known as annually renewable term (ART).

Disclaimers

This 2015 Annual Review 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 strategies, earnings, revenues, income or loss, ratios, future financial performance, and growth potential of the Company. The words "intend," "expect," "project," "estimate," "predict," "anticipate," "should," "believe," and other similar expressions also are intended to identify forward-looking statements. Forward-looking statements are inherently 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. See "Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations – Forward Looking and Cautionary Statements" of the Company's Annual Report on Form 10-K.

Reconciliation of Consolidated Income to Operating Income

(in millions, except per share data)

	2015	2014	2013	2012	2011
Net income	\$ 502.2	\$ 684.0	\$ 418.8	\$ 631.9	\$ 546.0
Less non-operating income (loss):					
Capital gains (losses), derivatives and other, net	(19.3)	73.5	(64.9)	32.2	218.4
Change in fair value of embedded derivatives	(77.6)	45.2	189.3	113.4	(231.9)
Deferred acquisition cost offset, net	32.0	(72.7)	(64.0)	(30.1)	73.9
Total non-operating income (loss)	(64.9)	46.0	60.4	115.5	60.4
Operating income	\$ 567.1	\$ 638.0	\$ 358.4	\$ 516.4	\$ 485.6
Operating return on equity	11%	13%	7%	12%	12%
Net diluted earnings per share (EPS)	\$ 7.46				
Less non-operating EPS (loss)	(0.97)				
Operating EPS	\$ 8.43				
Average diluted shares outstanding (in millions)	67.3				

Reconciliation of Book Value Per Share to Book Value Per Share Excluding Accumulated Other Comprehensive Income (AOCI)

	2015	2010
Book value per share	\$ 94.05	\$ 64.96
Less effect of AOCI:		
Accumulated currency translation adjustments	(2.78)	3.48
Unrealized appreciation of securities	14.35	8.88
Pension and postretirement benefits	(0.75)	(0.20)
Book value per share excluding AOCI	\$ 83.23	\$ 52.80

Reconciliation of Stockholders' Average Equity to Stockholders' Average Equity Excluding AOCI

(in millions)

	2015	2014	2013	2012	2011
Stockholders' average equity	\$ 6,606.1	\$ 6,515.7	\$ 6,308.9	\$ 6,328.0	\$ 5,140.1
Less average accumulated other comprehensive income (AOCI):					
Accumulated currency translation adjustments	(53.7)	158.5	216.8	252.3	249.1
Unrealized appreciation of securities	1,362.4	1,282.3	1,290.2	1,636.9	914.6
Pension and postretirement benefits	(48.1)	(26.6)	(32.4)	(31.2)	(17.4)
Stockholders' average equity excluding AOCI	\$ 5,345.5	\$ 5,101.5	\$ 4,834.3	\$ 4,470.0	\$ 3,993.8

RGA's 2015 Form 10-K is available for download via our website:
www.rgare.com/about/Pages/annual-report.aspx

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Reinsurance Group of America, Incorporated®
16600 Swingley Ridge Road
Chesterfield, Missouri 63017-1706 U.S.A.

www.rgare.com