UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 1998

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER 1-11848

REINSURANCE GROUP OF AMERICA, INCORPORATED
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

MISSOURI	43-1627032
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(IRS EMPLOYER IDENTIFICATION NUMBER)

660 MASON RIDGE CENTER DRIVE
ST. LOUIS, MISSOURI 63141
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(314) 453-7439
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

INDICATE BY CHECK MARK WHETHER THE REGISTRANT (1) HAS FILED ALL REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS.

YES X NO ___

VOTING COMMON STOCK OUTSTANDING ($.01 PAR VALUE) AS OF JULY 31, 1998:
25,240,412 SHARES

NON-VOTING COMMON STOCK OUTSTANDING ($.01 PAR VALUE) AS OF JULY 31, 1998:
4,945,000 SHARES

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES

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REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 1998	December 31, 1997
	(Dollars in thousands)	
ASSETS		
Fixed maturity securities		
Available for sale-at fair value (amortized cost of $3,092,509 and $2,416,308 at June 30, 1998, and December 31, 1997, respectively)	$3,218,245	$2,528,290
Mortgage loans on real estate	214,076	165,452
Policy loans	477,595	480,234
Funds withheld at interest	172,404	165,413
Short-term investments	263,048	277,635
Other invested assets	21,177	16,977
Total investments	4,366,545	3,634,001
Cash and cash equivalents	26,714	37,395
Accrued investment income	62,806	34,377
Premiums receivable	149,798	119,554
Funds withheld	86,667	33,957
Reinsurance ceded receivables	323,456	316,156
Deferred policy acquisition costs	326,411	289,842
Other reinsurance balances	133,603	153,134
Other assets	61,108	55,134
Total assets	$5,537,108	$4,673,550
LIABILITIES AND STOCKHOLDERS' EQUITY		
Future policy benefits	$1,368,972	$1,244,541
Interest sensitive contract liabilities	2,452,584	1,969,270
Other policy claims and benefits	384,350	344,848
Other reinsurance balances	219,095	232,096
Deferred income taxes	132,958	110,763
Other liabilities	103,218	157,616
Long-term debt	108,052	106,830
Total liabilities	4,769,229	4,165,964
Minority interest	7,138	8,265
Commitments and contingent liabilities		
Stockholders' equity:		
Preferred stock (par value $.01 per share; 10,000,000 shares authorized; no shares issued or outstanding)	-	-
Common stock (par value $.01 per share; 75,000,000 shares authorized, 26,049,375 shares issued)	261	261
Non-voting common stock (par value $.01 per share; 20,000,000 shares authorized; 4,945,000 shares issued; no shares issued at December 31, 1997)	49	-
Additional paid in capital	486,915	264,748
Retained earnings	228,784	196,685
Accumulated other comprehensive income	65,596	59,089
Total stockholders' equity before treasury stock	781,605	520,783
Less treasury shares held of 808,963 and 844,535 at cost at June 30, 1998, and December 31, 1997, respectively	(20,864)	(21,462)
Total stockholders' equity	760,741	499,321
Total liabilities and stockholders' equity	$5,537,108	$4,673,550

See accompanying notes to condensed consolidated financial statements.

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	1998	1997	1998	1997
	(Dollars in thousands, except per share data)			
REVENUES:				
Net premiums	$276,535	$201,568	$546,513	$406,940
Investment income, net of related expenses	72,225	45,995	135,904	87,844
Realized investment gains, net	1,797	532	2,719	919
Other revenue	4,101	4,836	10,655	8,991
Total revenues	354,658	252,931	695,791	504,694
BENEFITS AND EXPENSES:				
Claims and other policy benefits	212,774	144,579	430,070	303,339
Interest credited	37,845	22,404	72,357	41,526
Accident and health pool charge	-	-	-	18,000
Policy acquisition costs and other insurance expenses	57,428	47,801	104,362	88,268
Other operating expenses	14,089	12,210	29,553	22,729
Interest expense	2,187	1,956	4,212	3,904
Total benefits and expenses	324,323	228,950	640,554	477,766
Income before income taxes and minority interest	30,335	23,981	55,237	26,928
Provision for income taxes	10,957	8,757	19,797	8,756
Income before minority interest	19,378	15,224	35,440	18,172
Minority interest in earnings of consolidated subsidiaries	(160)	(129)	(313)	(249)
Net income	$ 19,218	$ 15,095	$ 35,127	$ 17,923
Other comprehensive income, net of taxes	(184)	22,019	6,507	3,264
Comprehensive income	$ 19,034	$ 37,114	$ 41,634	$ 21,187
Basic earnings per share	$ 0.72	$ 0.59	$ 1.35	$ 0.70
Diluted earnings per share	$ 0.71	$ 0.59	$ 1.34	$ 0.70
Weighted average number of diluted shares outstanding (in thousands)	26,933	25,657	26,210	25,643

See accompanying notes to condensed consolidated financial statements.

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six months ended June 30,	
	1998	1997
	(Dollars in thousands)	
OPERATING ACTIVITIES:		
Net income	$ 35,127	$ 17,923
Adjustments to reconcile net income to net cash provided by operating activities:		
Change in:		
Accrued investment income	(28,460)	(21,460)
Premiums receivable	(30,846)	(20,433)
Deferred policy acquisition costs	(38,516)	(26,732)
Funds withheld	(52,208)	(7,715)
Reinsurance ceded balances	(10,082)	(22,779)
Future policy benefits, other policy claims and benefits, and other reinsurance balances	246,929	190,207
Deferred income taxes	18,003	5,316
Other assets and other liabilities	(59,696)	22,981
Amortization of goodwill and value of business acquired	839	630
Amortization of net investment discounts	(6,617)	(5,875)
Realized investment gains, net	(2,719)	(919)
Other, net	(936)	(181)
Net cash provided by operating activities	70,818	130,963
INVESTING ACTIVITIES:		
Sales of investments:		
Fixed maturity securities	198,109	101,050
Mortgage loans	-	25,716
Maturities of fixed maturity securites	33,440	124,463
Purchases of fixed maturity securities	(961,386)	(498,727)
Cash invested in:		
Mortgage loans	(56,157)	(41,238)
Policy loans	(6,155)	-
Funds withheld at interest	(6,989)	(28,038)
Principal payments on:		
Mortgage loans	4,076	790
Policy loans	8,794	1,920
Change in short-term and other invested assets	1,492	25,239
Net cash used in investing activities	(784,776)	(288,825)
FINANCING ACTIVITIES:		
Dividends to stockholders	(3,028)	(2,717)
Proceeds from stock offering	221,837	-
Purchase of treasury stock	-	(3,097)
Reissuance of treasury stock	598	450
Minority interest in earnings	313	249
Excess deposits on universal life and other investment type policies and contracts	483,314	162,007
Net cash provided by financing activities	703,034	156,892
Effect of exchange rate changes	243	(284)
Change in cash and cash equivalents	(10,681)	(1,254)
Cash and cash equivalents, beginning of period	37,395	13,145
Cash and cash equivalents, end of period	$ 26,714	$ 11,891

See accompanying notes to condensed consolidated financial statements.

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 1998
(UNAUDITED)

1. BASIS OF PRESENTATION

The accompanying unaudited, condensed, consolidated financial statements of Reinsurance Group of America, Incorporated and Subsidiaries (the "Company") have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring accruals, considered necessary for a fair presentation have been included. Operating results for the six months ended June 30, 1998 are not necessarily indicative of the results that may be expected for the year ending December 31, 1998. For further information, refer to the consolidated financial statements and notes thereto included in the Company's Annual Report for the year ended December 31, 1997.

The Company has reclassified the presentation of certain prior period information to conform to the 1998 presentation.

2. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share (in thousands except per share information):

	THREE MONTHS ENDING JUNE 30,		SIX MONTHS ENDING JUNE 30,	
	1998	1997	1998	1997
Numerator:				
Net income	$19,218	$15,095	$35,127	$17,923
Numerator for basic earnings per share-- income available to common stockholders	19,218	15,095	35,127	17,923
Effect of dilutive securities	-	-	-	-
Numerator for diluted earnings per share-- income available to common stockholders after assumed conversions	$19,218	$15,095	$35,127	$17,923

	THREE MONTHS ENDING JUNE 30, 1998	THREE MONTHS ENDING JUNE 30, 1997	SIX MONTHS ENDING JUNE 30, 1998	SIX MONTHS ENDING JUNE 30, 1997
Denominator:				
Denominator for basic earnings per share--weighted average shares	26,632	25,459	25,925	25,463
Effect of dilutive securities:				
Employee stock plan	301	198	285	180
Denominator for diluted earnings per share--adjusted weighted average shares and assumed conversions	26,933	25,657	26,210	25,643
Basic earnings per share	$0.72	$0.59	$1.35	$0.70
Diluted earnings per share	$0.71	$0.59	$1.34	$0.70

3. COMPREHENSIVE INCOME

In June 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income," effective for years beginning after December 15, 1997. SFAS No. 130 establishes standards for reporting and display of comprehensive income and its components (revenues, expenses, gains and losses) in a full set of general-purpose financial statements. The most significant items of comprehensive income are net income, the change in unrealized gains and losses on securities, and the change in foreign currency translation. Both the change in unrealized gains and losses on securities and the change in foreign currency translation historically have been reported as a component of stockholders' equity. The adoption of SFAS No. 130 does not affect results of operations or financial position, but affects their presentation and disclosure. The Company has adopted SFAS No. 130 as of January 1, 1998, and the following summaries present the components of the Company's comprehensive income, other than net income, for the three and six month periods ending June 30, 1998 and 1997 (dollars in thousands):

FOR THE THREE MONTH PERIOD ENDING JUNE 30, 1998:

	BEFORE-TAX AMOUNT	TAX (EXPENSE) BENEFIT	NET-OF-TAX AMOUNT
Foreign currency translation adjustments	$(2,287)	$ 800	$(1,487)
Unrealized gains on securities:			
Unrealized holding gains arising during period	3,359	(915)	2,444
Less: reclassification adjustment for gains realized in net income	1,797	(656)	1,141
Net unrealized gains	1,562	(259)	1,303
Other comprehensive income	$ (725)	$ 541	$ (184)

FOR THE SIX MONTH PERIOD ENDING JUNE 30, 1998:

	BEFORE-TAX AMOUNT	TAX (EXPENSE) BENEFIT	NET-OF-TAX AMOUNT
Foreign currency translation adjustments	$(2,528)	$ 885	$(1,643)
Unrealized gains on securities:			
Unrealized holding gains arising during period	16,540	(6,666)	9,874
Less: reclassification adjustment for gains realized in net income	2,719	(995)	1,724
Net unrealized gains	13,821	(5,671)	8,150
Other comprehensive income	$11,293	$(4,786)	$ 6,507

FOR THE THREE MONTH PERIOD ENDING JUNE 30, 1997:

	BEFORE-TAX AMOUNT	TAX (EXPENSE) BENEFIT	NET-OF-TAX AMOUNT
Foreign currency translation adjustments	$(1,647)	$ 577	$(1,070)
Unrealized gains on securities:			
Unrealized holding gains arising during period	38,073	(14,646)	23,427
Less: reclassification adjustment for gains realized in net income	532	(194)	338
Net unrealized gains	37,541	(14,452)	23,089
Other comprehensive income	$35,894	$(13,875)	$22,019

FOR THE SIX MONTH PERIOD ENDING JUNE 30, 1997:

	BEFORE-TAX AMOUNT	TAX (EXPENSE) BENEFIT	NET-OF-TAX AMOUNT
Foreign currency translation adjustments	$(3,394)	$ 1,188	$(2,206)
Unrealized gains on securities:			
Unrealized holding gains arising during period	10,734	(4,674)	6,060
Less: reclassification adjustment for gains realized in net income	919	(329)	590
Net unrealized gains	9,815	(4,345)	5,470
Other comprehensive income	$ 6,421	$(3,157)	$ 3,264

The following schedule reflects the change in accumulated other comprehensive income for the period ending June 30, 1998 (dollars in thousands):

	FOREIGN CURRENCY ITEMS	UNREALIZED GAINS ON SECURITIES	ACCUMULATED OTHER COMPREHENSIVE INCOME
Balance at December 31, 1997	$(8,201)	$67,290	$59,089
Current period change	(1,643)	8,150	6,507
Balance at June 30, 1998	$(9,844)	$75,440	$65,596

4. SEGMENT INFORMATION

In June 1997, the Financial Accounting Standards Board issued SFAS No. 131, "Disclosure about Segments of an Enterprise and Related Information," effective for years beginning after December 15, 1997. SFAS No. 131 requires that a public company report financial and descriptive information about its reportable operating segments pursuant to criteria that differ from current accounting practice. Operating segments, as defined, are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision-maker in deciding how to allocate resources and in assessing performance. The adoption of SFAS No. 131 will not affect the Company's results of operations or financial position, but will affect the disclosure of segment information. The Company plans to adopt SFAS No. 131 during 1998, however SFAS No. 131 need not be applied to interim financial information in the initial year of its application.

5. STOCK OFFERING

In June 1998, the Company completed a public offering in which it sold 4,945,000 shares of non-voting common stock traded on the New York Stock Exchange under the symbol RGA.A. The offering was priced to the public at $47.00 per share and provided net proceeds of approximately $221.8 million.

6. DIVIDENDS AND OPTIONS

The Board of Directors of Reinsurance Group of America, Incorporated (RGA) recently declared a cash dividend of $0.07 per share of common stock. The dividend will be paid on August 28, 1998 to shareholders of record as of August 7, 1998.

In July 1998, the Board of Directors of RGA approved an additional grant of 100,000 options to non-executive management. These options are for non-voting common shares and will have similar vesting schedules as the most recent grants under the RGA Flexible Stock Plan.

Also in July, the Board of Directors of RGA approved a stock repurchase program to accumulate non-voting shares in anticipation of exercise of these options.

7. NEW ACCOUNTING STANDARDS AND DISCLOSURE REQUIREMENTS

In February 1998, the Financial Accounting Standards Board issued SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits," effective for fiscal years beginning after December 15, 1997. SFAS No. 132 does not change the measurement or recognition of pension and other postretirement benefit plans, but standardizes the disclosure requirements. The adoption of this standard has no impact on the financial results of the Company.

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," effective for fiscal years beginning after June 15, 1999 and is effective for interim periods in the initial year of adoption. SFAS No. 133 requires companies to record derivatives on the balance sheet as assets or liabilities, measured at fair value. It also requires that gains or losses resulting from changes in the values of those derivatives be reported depending on the use of the derivative and whether it qualifies for hedge accounting. The Company has not yet determined the effect, if any, of the implementation of SFAS No. 133 on the results of operation, financial position, or liquidity.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following tables reflect the net income before income taxes and minority interest for the Company's primary operational divisions (dollars in thousands):

U.S. OPERATIONS

FOR THE THREE MONTH PERIOD ENDING JUNE 30, 1998

	TRADITIONAL	NON-TRADIITONAL ASSET-INTENSIVE	NON-TRADIITONAL FINANCIAL REINSURANCE	TOTAL U.S.
REVENUES:				
Net premiums	$174,162	$ 687	$ -	$174,849
Investment income, net of related expenses	32,447	29,909	-	62,356
Realized investment gains, net	819	596	-	1,415
Other revenue	(522)	-	3,751	3,229
Total revenues	206,906	31,192	3,751	241,849
BENEFITS AND EXPENSES:				
Claims and other policy benefits	128,620	2,277	-	130,897
Interest credited	11,974	25,606	-	37,580
Policy acquisition costs and other insurance expenses	34,304	1,567	2,826	38,697
Other operating expenses	5,909	-	-	5,909
Total benefits and expenses	180,807	29,450	2,826	213,083
Income before income taxes and minority interest	$ 26,099	$ 1,742	$ 925	$ 28,766

FOR THE THREE MONTH PERIOD ENDING JUNE 30, 1997

	TRADITIONAL	NON-TRADIITONAL ASSET-INTENSIVE	NON-TRADIITONAL FINANCIAL REINSURANCE	TOTAL U.S.
REVENUES:				
Net premiums	$135,086	$ -	$ -	$135,086
Investment income, net of related expenses	25,671	10,705	-	36,376
Realized investment gains, net	245	213	-	458
Other revenue	(24)	-	4,416	4,392
Total revenues	160,978	10,918	4,416	176,312
BENEFITS AND EXPENSES:				
Claims and other policy benefits	93,267	194	-	93,461
Interest credited	12,136	9,922	-	22,058
Policy acquisition costs and other insurance expenses	28,124	309	3,590	32,023
Other operating expenses	5,581	-	-	5,581
Total benefits and expenses	139,108	10,425	3,590	153,123
Income before income taxes and minority interest	$ 21,870	$ 493	$ 826	$ 23,189

CANADIAN OPERATIONS

FOR THE THREE MONTH PERIOD ENDING JUNE 30,	1998	1997
REVENUES:		
Net premiums	$24,328	$17,495
Investment income, net of related expenses	5,386	3,843
Realized investment gains, net	381	110
Other revenue	98	(2)
Total revenues	30,193	21,446
BENEFITS AND EXPENSES:		
Claims and other policy benefits	21,216	13,609
Interest credited	216	329
Policy acquisition costs and other insurance expenses	2,639	3,360
Other operating expenses	1,597	1,474
Total benefits and expenses	25,668	18,772
Income before income taxes and minority interest	$ 4,525	$ 2,674

OTHER INTERNATIONAL

FOR THE THREE MONTH PERIOD ENDING JUNE 30, 1998

	LATIN AMERICA		ASIA PACIFIC	OTHER MARKETS	TOTAL INTERNATIONAL
	Direct	Reinsurance			
REVENUES:					
Net premiums	$12,123	$12,057	$12,953	$ 1,638	$38,771
Investment income, net of related expenses	2,264	462	633	24	3,383
Realized investment gains, net	-	-	1	-	1
Other revenue	(121)	-	592	150	621
Total revenues	14,266	12,519	14,179	1,812	42,776
BENEFITS AND EXPENSES:					
Claims and other policy benefits	11,407	11,634	9,603	1,183	33,827
Interest credited	49	-	-	-	49
Policy acquisition costs and other insurance expenses	1,009	586	2,790	484	4,869
Other operating expenses	1,750	465	1,261	1,172	4,648
Interest expense	-	-	121	38	159
Total benefits and expenses	14,215	12,685	13,775	2,877	43,552
Income / (loss) before income taxes and minority interest	$ 51	$ (166)	$ 404	$(1,065)	$ (776)

OTHER INTERNATIONAL (continued)

FOR THE THREE MONTH PERIOD ENDING JUNE 30, 1997

	LATIN AMERICA Direct	LATIN AMERICA Reinsurance	ASIA PACIFIC	OTHER MARKETS	TOTAL INTERNATIONAL
REVENUES:					
Net premiums	$13,366	$6,725	$ 8,642	$ 173	$28,906
Investment income, net of related expenses	2,906	417	601	57	3,981
Other revenue	63	-	-	9	72
Total revenues	16,335	7,142	9,243	239	32,959
BENEFITS AND EXPENSES:					
Claims and other policy benefits	12,633	6,260	5,371	165	24,429
Interest credited	17	-	-	-	17
Policy acquisition costs and other insurance expenses	1,803	154	3,611	15	5,583
Other operating expenses	2,306	(11)	1,469	531	4,295
Interest expense	-	-	123	-	123
Total benefits and expenses	16,759	6,403	10,574	711	34,447
(Loss) / income before income taxes and minority interest	$ (424)	$ 739	$(1,331)	$(472)	$(1,488)

ACCIDENT AND HEALTH

FOR THE THREE MONTH PERIODS ENDING JUNE 30,	1998	1997
REVENUES:		
Net premiums	$38,587	$20,081
Investment income, net of related expenses	417	317
Other revenue	226	374
Total revenues	39,230	20,772
BENEFITS AND EXPENSES:		
Claims and other policy benefits	26,834	13,080
Policy acquisition costs and other insurance expenses	11,223	6,835
Other operating expenses	1,685	551
Total benefits and expenses	39,742	20,466
(Loss) / income before income taxes and minority interest	$ (512)	$ 306

THREE MONTHS ENDED JUNE 30, 1998 AND 1997

RESULTS OF OPERATIONS

Consolidated income before income taxes and minority interest increased $6.4 million in the second quarter of 1998, compared to the same period in 1997. Diluted earnings per share were $0.71 for the second quarter of 1998 compared with $0.59 for the same period in 1997. Consolidated net income before realized capital gains and losses increased to $18.1 million in the second quarter of 1998 from $14.8 million in the same period in 1997.

The increase in the U.S. operations income before income taxes and minority interest in the second quarter of 1998 compared to the same period in 1997 was due to increased earnings on asset-intensive business and continued growth in the traditional business, where premiums increased 29.0%. The increase in the Canadian operations income before income taxes and minority interest in the second quarter of 1998 compared to the same period in 1997 was a result of growth in premiums of 39.0% primarily for renewal business related to blocks of business added in December 1997 and more favorable mortality experience. The other international operations lost $0.8 million before income taxes and minority interest in the second quarter of 1998 compared to a $1.5 million loss in the same period in 1997. The Latin American and Asia Pacific business showed continued revenue growth. However, reserve strengthening in the Latin American business and costs associated with the development of new business in several other international markets contributed to the overall international loss. The decrease in the accident and health operations income before income taxes and minority interest in the second quarter of 1998 compared to the same period in 1997 was due primarily to the write-off of the excess of purchase price over the fair value of net assets acquired when put options for the minority interest in the accident and health subsidiaries were settled during the period.

Net Premiums. Consolidated net premiums increased $74.9 million, or 37.2%, to $276.5 million in the second quarter of 1998, compared to $201.6 million for the same period in 1997. Renewal premiums from the existing block of business, along with new business premiums from facultative and automatic treaties contributed to the premium increase. Business premium levels are significantly influenced by large transactions and reporting practices of ceding companies and therefore fluctuate from period to period.

The U.S. operations net premiums in the second quarter of 1998 increased 29.4% to $174.8 million from the same period in prior year. This was attributed to premium growth on the existing block of business and combined with strong new business premium for blocks of business added since the second quarter of 1997.

Net premiums in the Canadian operations in the second quarter of 1998 increased 39.1% to $24.3 million in 1998. New business premiums increased $0.2 million, while renewal premiums increased $6.6 million compared to the second quarter of 1997. Several of the treaties produced in December 1997 related to in force blocks of business with large renewal premiums.

The Company's other international operations reported premiums of $38.8 million for the second quarter of 1998 compared to $28.9 million for the same period in 1997. The 1998 premiums represented approximately $24.2 million from Latin America, of which approximately $12.1 million was direct premium generated in Argentina and Chile. Latin American premiums grew 20.4%, which resulted from growth in reinsurance of privatized pensions in Argentina as well as in direct universal life business in Argentina. Direct premiums from Chilean single premium annuities decreased from prior year due to less favorable market conditions in Chile during 1998. The Asia Pacific operations and other markets generated $14.6 million of premiums, an increase of 49.9% compared to the second quarter in the prior year, predominantly through the Hong Kong contact office and the subsidiary in Australia.

Accident and health operations net premiums increased 92.2% to $38.6 million in the second quarter of 1998. The increase resulted from premiums on new contracts initiated and the renewal of existing contracts in the second half of 1997. The Company estimates that 1998 accident and health premiums compared to 1997 premiums will increase as a result of the contracts executed immediately prior to the decision to exit the market. The Company currently estimates reporting approximately $110.0 million of accident and health premiums for the current year, with significantly lower levels in 1999 and beyond.

Net Investment Income. Consolidated net investment income increased 57.0% to $72.2 million, in the second quarter of 1998 from the same period in 1997. The cost basis of fixed maturity securities increased $1.3 billion from the second quarter of 1997. The increase in invested assets was a result of an increase in operating cash flows, reinsurance transactions involving deposits for asset-intensive products from ceding companies, primarily stable value product deposits, and the proceeds from the Company's non-voting common stock offering. The Company's stable value reinsurance is assumed from General American Life Insurance Company ("General American"), which indirectly owns approximately 64% of the Company's voting common stock. The amount of future reinsurance of the stable value product is dependent on General American's claims-paying rating. Earnings credited and paid to ceding companies are included in interest credited.

Realized Investment Gains, Net. Consolidated net realized investment gains increased $1.3 million to $1.8 million in the second quarter of 1998 from $0.5 million for the same period in the prior year. Net realized investment gains resulted from normal activity within the Company's investment portfolios.

Other Revenue. Consolidated other revenue decreased $0.7 million in the second quarter of 1998 to $4.1 million. Other revenue includes items such as profit and risk fees associated with financial reinsurance, treaty recapture fees as well as earnings in unconsolidated subsidiaries, management fee income, and other miscellaneous income. During the second quarter of 1998, financial reinsurance treaties in the U.S. operations resulted in $3.1 million in financial reinsurance fees which were partially offset by $2.8 million of fees paid to retrocessionaires, which is included in policy acquisition costs and other insurance expenses. The Company's strategy involves the assumption and subsequent retrocession of most of these financial reinsurance treaties which resulted in amounts of $116.4 million and $120.4 million being included in other reinsurance assets and liabilities, respectively, on the Company's consolidated balance sheets at June 30, 1998. Other revenue also included $0.7 million and $0.4 million in earnings in unconsolidated subsidiaries for the second quarter of 1998 and 1997, respectively.

Claims and Other Policy Benefits. Consolidated claims and other policy benefits increased 47.2% to $212.8 million, in the second quarter of 1998. For the second quarter of 1998, total claims and other policy benefits represented 76.9% of total net premiums compared to 71.7% for the same period in 1997. This fluctuation was primarily a result of higher benefits and reserves in the U.S. and Canadian operations in the second quarter of 1998 compared to the same period in 1997. The Company expects mortality to fluctuate somewhat from period to period but believes it is fairly constant over longer periods of time. The Company continues to monitor mortality trends to determine the appropriateness of reserve levels.

U.S. operations claims and other policy benefits increased 40.1% in the second quarter of 1998, primarily as a result of increases from new business production and higher claims experience during such period compared to the same period in 1997. Claims and other policy benefits for traditional reinsurance, as a percentage of net premiums, increased to 73.9% in the second quarter of 1998 from 69.0% in the same period in 1997. The current quarter percentage of net premiums was comparable to the 73.6% of net premiums for the entire year ended December 31, 1997. The quarter to quarter fluctuation was primarily due to reserves established for new and renewal blocks of business as well as the timing of claims reported. Also, the percentage is affected by the timing of premium receipts.

Canadian operations claims and other policy benefits increased 55.9% in the second quarter of 1998. Claims and other policy benefits as a percentage of net premiums increased to 87.2% in the second quarter of 1998 from 77.8% in the same period in 1997. The current quarter percentage was comparable to the 89.7% for the entire year ended December 31, 1997. This increase as a percent of premiums from the same quarter of prior year was related to the 1997 in force blocks of business as well as new business. The Company will continue to monitor the appropriateness of reserve levels.

The claims and other policy benefits of the other international business in the second quarter of 1998 increased 38.5% from the same period in the prior year. Claims and other policy benefits as a percentage of net premiums increased to 87.3% from 84.5%. This increase was primarily the result of reserve and policyholder benefit increases on business from Latin American ventures and blocks of mortality risk reinsurance of $4.1 million. In addition, although direct premiums from Chilean annuities have decreased from prior year, claims and other policy benefits, specifically Chilean annuity payments have continued to increase in the normal course of business. The Asia Pacific operations reflected an increase of $4.2 million resulting primarily from business written in Australia and Japan.

Accident and health operations claims and other policy benefits increased $13.8 million in the second quarter of 1998 compared to the same period in 1997. As a percentage of net premiums, claims and other policy benefits increased to 69.5% in the second quarter of 1998 from 65.1% in the same period of 1997. The accident and health operations claims and reserves are subject to volatility due to the nature of risk covered, which is primarily accident risk. Reserves are calculated based upon current information including industry estimates for certain aviation accidents. In 1997, the Company made the decision to exit all outside-managed accident and health pools and cease marketing accident and health business and to place the operation into run-off.

Interest credited. Consolidated interest credited increased $15.4 million in the second quarter of 1998 to $37.8 million. Interest credited represents amounts credited on the Company's asset-intensive and universal life type products. Asset-intensive products include stable value operations, bank-owned life insurance and annuity products. These products are primarily written in the U.S. operations, while the Canadian operations have a small annuity block of business and the Latin American operations have a direct universal life product in Argentina. The increase in interest credited was primarily a result of an increase of approximately $0.7 billion in deposits related to asset-intensive reinsurance since the second quarter of 1997.

Policy Acquisition Costs and Other Insurance Expenses. Consolidated policy acquisition costs and other insurance expenses, consisting primarily of allowances, increased 20.1%, to $57.4 million in the second quarter of 1998. As a percentage of net premiums, consolidated policy acquisition costs and other insurance expenses decreased to 20.8% in the second quarter of 1998 from 23.7% during the same period in 1997. This resulted from a change in business mix from coinsurance to yearly renewable term reinsurance and the addition of larger blocks of business that do not have significant allowances. Generally, policy acquisition costs and other insurance expenses fluctuate with business volume and changes in product mix from period to period.

Within the U.S. operations, policy acquisition costs and other insurance expenses as a percentage of net premiums for traditional business decreased to 19.7% in the second quarter of 1998 from 20.8% during the same period in 1997. This was due primarily to new business added during 1998 which was primarily yearly renewable term reinsurance that did not have a high level of commissions associated with the premiums. The financial reinsurance business within the U.S. operations reflects fees of approximately $2.8 million paid to retrocessionaires during 1998, representing a partial offset to the fees collected and reflected as other revenues.

In the Canadian operations, policy acquisition costs and other insurance expenses as a percentage of net premiums decreased to 10.8% in the second quarter of 1998, from 19.2% during the same period in 1997. The decrease was primarily due to the large blocks of business added at the end of 1997 that do not have significant commission costs associated with the business. In addition, there was more reinsurance of yearly renewable term products during the second half of 1997 and first six months of 1998 compared to the second quarter of 1997. This shift in reinsurance method resulted in fewer commissions as a percent of net premiums for the second quarter of 1998 compared to the second quarter of 1997.

Other international operations policy acquisition cost and other insurance expenses as a percentage of net premiums decreased to 12.6% in the second quarter of 1998 from 19.3% during the same period in 1997. These percentages fluctuate due to the timing of client company reporting and variations in the mixture of business being written within the Latin American and Asia Pacific operations.

Accident and health operations policy acquisition costs and other insurance expenses as a percentage of net premiums decreased to 29.1% in the second quarter of 1998 from 34.0% during the same period in 1997 resulting from changes in the mixture of business within the accident and health operations.

Other Operating Expenses. Consolidated other operating expenses increased $1.9 million in the second quarter of 1998 from the same period in 1997. The overall increase in operating expenses was attributed to planned increases associated with the ongoing growth of the Company.

Interest Expense. Consolidated interest expense during the second quarter of 1998 related to the 7 1/4% Senior Notes issued in 1996, the financing of a portion of the Company's Australian reinsurance operations, RGA Australian Holdings Pty Limited ("Australian Holdings") and interest paid on an operating line of credit. Interest cost for the second quarter of 1998 and the second quarter of 1997 was $2.2 million and $2.0 million, respectively. Interest expense related to the 7 1/4% Senior Notes was $1.8 million in the second quarter of 1998 and 1997, respectively.

Provision for Income Taxes. Consolidated income tax expense increased $2.2 million in the second quarter of 1998 as a result of higher pre-tax income. Income tax expense from operations before net realized investment gains represented approximately 36.3% and 36.7% of pre-tax income for the second quarters of 1998 and 1997, respectively.

The following tables reflect the net income before income taxes and minority interest for the Company's primary operational divisions (dollars in thousands):

U.S. OPERATIONS

FOR THE SIX MONTH PERIOD ENDING JUNE 30, 1998

	TRADITIONAL	NON-TRADITIONAL ASSET-INTENSIVE	NON-TRADITIONAL FINANCIAL REINSURANCE	TOTAL U.S.
REVENUES:				
Net premiums	$354,537	$ 687	$ -	$355,224
Investment income, net of related expenses	61,205	56,646	-	117,851
Realized investment gains, net	1,264	837	-	2,101
Other revenue	(333)	-	7,778	7,445
Total revenues	416,673	58,170	7,778	482,621
BENEFITS AND EXPENSES:				
Claims and other policy benefits	273,087	2,300	-	275,387
Interest credited	22,597	49,220	-	71,817
Policy acquisition costs and other insurance expenses	60,514	2,610	5,946	69,070
Other operating expenses	12,291	-	-	12,291
Total benefits and expenses	368,489	54,130	5,946	428,565
Income before income taxes and minority interest	$ 48,184	$ 4,040	$1,832	$ 54,056

FOR THE SIX MONTH PERIOD ENDING JUNE 30, 1997

	TRADITIONAL	NON-TRADITIONAL ASSET-INTENSIVE	NON-TRADITIONAL FINANCIAL REINSURANCE	TOTAL U.S.
REVENUES:				
Net premiums	$281,049	$ -	$ -	$281,049
Investment income, net of related expenses	50,333	20,381	-	70,714
Realized investment gains, net	346	456	-	802
Other revenue	376	-	8,056	8,432
Total revenues	332,104	20,837	8,056	360,997
BENEFITS AND EXPENSES:				
Claims and other policy benefits	204,276	976	-	205,252
Interest credited	22,634	18,189	-	40,823
Policy acquisition costs and other insurance expenses	52,407	573	7,005	59,985
Other operating expenses	10,171	-	-	10,171
Total benefits and expenses	289,488	19,738	7,005	316,231
Income before income taxes and minority interest	$ 42,616	$ 1,099	$1,051	$ 44,766

CANADIAN OPERATIONS

FOR THE SIX MONTH PERIOD ENDING JUNE 30,	1998	1997
REVENUES:		
Net premiums	$49,354	$36,330
Investment income, net of related expenses	10,544	7,607
Realized investment gains, net	617	110
Other revenue	370	69
Total revenues	60,885	44,116
BENEFITS AND EXPENSES:		
Claims and other policy benefits	44,331	28,351
Interest credited	461	671
Policy acquisition costs and other insurance expenses	5,494	6,529
Other operating expenses	3,400	2,897
Total benefits and expenses	53,686	38,448
Income before income taxes and minority interest	$ 7,199	$ 5,668

OTHER INTERNATIONAL

FOR THE SIX MONTH PERIOD ENDING JUNE 30, 1998

	LATIN AMERICA		ASIA PACIFIC	OTHER MARKETS	TOTAL INTERNATIONAL
	Direct	Reinsurance			
REVENUES:					
Net premiums	$25,574	$25,423	$23,406	$ 2,044	$76,447
Investment income, net of related expenses	3,847	949	1,053	61	5,910
Realized investment gains, net	-	-	1	-	1
Other revenue	(48)	-	2,127	204	2,283
Total revenues	29,373	26,372	26,587	2,309	84,641
BENEFITS AND EXPENSES:					
Claims and other policy benefits	23,523	23,918	15,156	1,489	64,086
Interest credited	79	-	-	-	79
Policy acquisition costs and other insurance expenses	1,988	957	7,627	606	11,178
Other operating expenses	3,378	1,431	3,019	2,223	10,051
Interest expense	-	-	221	83	304
Total benefits and expenses	28,968	26,306	26,023	4,401	85,698
Income / (loss) before income taxes and minority interest	$ 405	$ 66	$ 564	$(2,092)	$(1,057)

OTHER INTERNATIONAL (continued)

FOR THE SIX MONTH PERIOD ENDING JUNE 30, 1997

	LATIN AMERICA Direct	LATIN AMERICA Reinsurance	ASIA PACIFIC	OTHER MARKETS	TOTAL INTERNATIONAL
Revenues:					
Net premiums	$28,465	$ 9,392	$14,890	$ 236	$52,983
Investment income, net of related expenses	4,046	824	927	61	5,858
Realized investment gains, net	-	-	15	-	15
Other revenue	77	-	-	9	86
Total revenues	32,588	10,216	15,832	306	58,942
BENEFITS AND EXPENSES:					
Claims and other policy benefits	26,516	8,368	9,287	341	44,512
Interest credited	32	-	-	-	32
Policy acquisition costs and other insurance expenses	2,903	227	5,971	55	9,156
Other operating expenses	3,531	520	2,949	941	7,941
Interest expense	-	-	238	-	238
Total benefits and expenses	32,982	9,115	18,445	1,337	61,879
(Loss) / income before income taxes and minority interest	$ (394)	$ 1,101	$(2,613)	$(1,031)	$(2,937)

ACCIDENT AND HEALTH

FOR THE SIX MONTH PERIODS ENDING JUNE 30,	1998	1997
REVENUES:		
Net premiums	$65,488	$ 36,578
Investment income, net of related expenses	850	598
Realized investment gains, net	-	3
Other revenue	557	404
Total revenues	66,895	37,583
BENEFITS AND EXPENSES:		
Claims and other policy benefits	46,266	25,224
Accident and health pool charge	-	18,000
Policy acquisition costs and other insurance expenses	18,620	12,598
Other operating expenses	2,471	1,100
Total benefits and expenses	67,357	56,922
(Loss) before income taxes and minority interest	$ (462)	$(19,339)

SIX MONTHS ENDED JUNE 30, 1998 AND 1997

RESULTS OF OPERATIONS

Consolidated income before income taxes and minority interest increased $28.3 million in the first six months of 1998, compared to the same period in 1997. Diluted earnings per share were $1.34 for the first six months of 1998 compared with $0.70 for the same period in 1997. Consolidated net income before realized capital gains and losses increased to $33.4 million in the first six months of 1998 from $17.3 million in the same period in 1997.

The increase in the U.S. operations income before income taxes and minority interest in the first six months of 1998 compared to the same period in 1997 was due to increased earnings from asset-intensive business and financial reinsurance business, combined with continued growth in the traditional reinsurance business, where premiums increased 26.1%. The increase in the Canadian operations income before income taxes and minority interest in the first six months of 1998 compared to the same period in 1997 was a result of growth in premiums of 39.1%, primarily for renewal business related to blocks of business added in December 1997 and more favorable mortality experience. The other international operations lost $1.1 million before income taxes and minority interest in the first six months of 1998 compared to a $2.9 million loss in 1997. Total revenues in the other international operations increased by 43.6% for the first six months of 1998 compared to the same period in 1997. This growth was offset by costs associated with the development of new business in several international markets. The accident and health operations reported a net loss of $0.5 million for the first six months of 1998 compared to a loss of $19.3 million for the same period in 1997. During the first quarter of 1997, the Company recorded an accident and health charge of $18.0 million, $10.4 million after-tax, to increase reserves associated with run-off claims from certain accident and health insurance pools in which it had formerly participated. That action was a result of management's strategic decision to exit all outside-managed accident and health pools. As of December 31, 1997, the Company made a strategic decision to cease marketing accident and health business and established reserves that it believes are sufficient to handle the run-off.

Net Premiums. Consolidated net premiums increased $139.6 million, or 34.3%, to $546.5 million in the first six months of 1998, compared to $406.9 million for the same period in 1997. Renewal premiums from the existing block of business, along with new business premiums from facultative and automatic treaties contributed to the premium increase. Business premium levels are significantly influenced by large transactions and reporting practices of ceding companies and therefore fluctuate from period to period.

The U.S. operations net premiums in the first six months of 1998 increased 26.4% to $355.2 million from the same period in prior year. This was attributed to premium growth on the existing block of business combined with strong new business premium for blocks of business added since the second quarter of 1997.

Net premiums in the Canadian operations in the first six months of 1998 increased 35.8% to $49.4 million in 1998. New business premiums decreased $1.2 million, while renewal premiums increased $14.2 million compared to the first six months of 1997. Several of the treaties produced in December 1997 related to in force blocks of business with large renewal premiums. The first year premium decline was primarily the result of unusually strong new business production in December 1996, which increased the first year premiums for the first six months of 1997.

The Company's other international operations reported premiums of $76.4 million for the first six months of 1998 compared to $53.0 million for the same period in 1997. The 1998 premiums represented approximately $51.0 million from Latin America, of which approximately $25.6 million was direct premium generated in Argentina and Chile. Latin American premiums grew 34.7%, which resulted from continued growth in direct universal life business in Argentina as well as reinsurance on privatized pensions in Argentina. Direct premiums from Chilean single premium annuities decreased from prior year due to less favorable market conditions in Chile during 1998. The Asia Pacific operations and other markets generated $25.5 million of premiums, an increase of 57.2% compared to the first six months of 1997, predominantly from the Hong Kong contact office and subsidiary in Australia.

Accident and health operations net premiums increased 79.0% to $65.5 million in the first six months of 1998. The increase resulted from premiums on new contracts initiated and the renewal of existing contracts in the second half of 1997. The Company estimates that 1998 accident and health premiums compared to 1997 premiums may increase in 1998 as a result of the contracts executed immediately prior to the decision to exit the market.

Net Investment Income. Consolidated net investment income increased 54.7% to $135.9 million, in the first six months of 1998 from the same period in 1997. The cost basis of fixed maturity securities increased $1.3 billion from June 30, 1997. The increase in invested assets was a result of an increase in operating cash flows, reinsurance transactions involving deposits for asset-intensive products from ceding companies, primarily stable value product deposits, and the proceeds from the Company's issuance of non-voting common shares. The average earned yield on the consolidated investment portfolio decreased to 7.03% for the six months ending June 30, 1998 compared to 7.26% for the same period in 1997. This decrease in overall yield reflected the increase in assets supporting the stable value reinsurance product that are generally of a shorter duration and carry a lower average yield. This decrease in yield was also impacted by the overall decrease in interest rates. Earnings credited and paid to ceding companies are included in interest credited.

Realized Investment Gains, Net. Consolidated net realized investment gains increased $1.8 million to $2.7 million in the first six months of 1998 from $0.9 million for the same period in the prior year. Net realized investment gains resulted from normal activity within the Company's investment portfolios.

Other Revenue. Consolidated other revenue increased $1.7 million in the first six months of 1998 to $10.7 million. Other revenue includes items such as profit and risk fees associated with financial reinsurance, treaty recapture fees as well as earnings in unconsolidated subsidiaries, management fee income, and other miscellaneous income. During 1998, financial reinsurance treaties in the U.S. operations resulted in $6.5 million in financial reinsurance fees which were partially offset by $5.9 million of fees paid to retrocessionaires, included in policy acquisition costs and other insurance expenses. The Asia Pacific operations completed a financial reinsurance transaction that resulted in $1.8 million in financial reinsurance fee revenue through the first six months of 1998 that was partially offset by fees paid to retrocessionaires. Other revenue also included $1.2 million and $0.7 million in earnings in unconsolidated subsidiaries for the first six months of 1998 and 1997, respectively.

Claims and Other Policy Benefits. Consolidated claims and other policy benefits increased 41.8% to $430.1 million, in the first six months of 1998. For the first six months of 1998, total claims and other policy benefits represented 78.7% of total net premiums compared to 74.5% for the same period in 1997. The Company expects mortality to fluctuate somewhat from period to period but believes it is fairly constant over longer periods of time. The Company continues to monitor mortality trends to determine the appropriateness of reserve levels.

U.S. operations claims and other policy benefits increased 34.2% in the first six months of 1998, primarily as a result of increases from new business production and higher claims experience compared to the same period in 1997. Claims and other policy benefits as a percentage of net premiums for traditional reinsurance increased to 77.0% in the first six months of 1998 from 72.7% in the same period in 1997. This fluctuation was primarily due to reserves established for new and renewal blocks of business as well as the timing of claims reported. Also, the percentage is affected by the timing of premium receipts.

Canadian operations claims and other policy benefits increased 56.4% in the first six months of 1998. Claims and other policy benefits as a percentage of net premiums increased to 89.8%, or $44.3 million, in the first six months of 1998 from 78.0% in the same period in 1997. The increase as a percent of premiums was primarily due to the in force blocks added at the end of 1997.

The claims and other policy benefits of the other international business in the first six months of 1998 increased 44.0% from the same period in the prior year. Claims and other policy benefits as a percentage of net premiums was 83.8% for the first six months of 1998 and was comparable to the same period in 1997.

Accident and health operations claims and other policy benefits increased 83.4% in the first six months of 1998 from the same period in the prior year. The claims and other policy benefits for the first six months of 1997 do not include the $18.0 million, or $10.4 million after-tax, accident and health pool charge taken during the first quarter of 1997, which is separately disclosed on the income statement. As a percentage of net premiums, claims and other policy benefits increased to 70.6% in the first six months of 1998 from 69.0% in the same period of 1997. The accident and health operations reserves are subject to volatility due to the nature of risk covered which is primarily accident risk. Reserves are calculated based upon current information including industry estimates for certain aviation accidents.

Interest credited. Consolidated interest credited increased $30.8 million in the first six months of 1998 to $72.4 million. Interest credited represents amounts credited on the Company's asset-intensive and universal life type products, including stable value operations, bank-owned life insurance and annuity products. The increase in interest credited was primarily a result of an increase of approximately $0.7 billion in deposits related to asset-intensive reinsurance since June 30, 1997.

Policy Acquisition Costs and Other Insurance Expenses. Consolidated policy acquisition costs and other insurance expenses, consisting primarily of allowances, increased 18.2%, to $104.4 million in the first six months of 1998. As a percentage of net premiums, consolidated policy acquisition costs and other insurance expenses decreased to 19.1% in the first six months of 1998 from 21.7% during the same period in 1997. This resulted from a change in business mix from coinsurance to yearly renewable term reinsurance and the addition of larger blocks of business that do not have significant allowances associated with the business. Generally, policy acquisition costs and other insurance expenses fluctuate with business volume and changes in product mix from period to period.

Within the U.S. operations, policy acquisition costs and other insurance expenses as a percentage of net premiums for traditional business decreased to 17.1% in the first six months of 1998 from 18.6% during the same period in 1997. This was due primarily to new business added during 1998 which was primarily yearly renewable term reinsurance that did not have a high level of commissions associated with the premiums. The financial reinsurance business within the U.S. operations reflects fees of approximately $5.9 million paid to retrocessionaires during 1998, which represented a partial offset to the fees collected that were reflected as other revenues.

In the Canadian operations, policy acquisition costs and other insurance expenses as a percentage of net premiums decreased to 11.1% in the first six months of 1998, from 18.0% during the same period in 1997. The decrease was primarily due to the decrease in commission costs associated with large blocks of business added at the end of 1997 as well as the shift in reinsurance method to yearly renewable term business.

Other international operations policy acquisition cost and other insurance expenses as a percentage of net premiums decreased to 14.6% in the first six months of 1998 from 17.3% during the same period in 1997. These percentages fluctuate due to the timing of client company reporting and variations in the mixture of business being written within the Latin American and Asia Pacific operations. In addition, the financial reinsurance business within the Asia Pacific operations reflects fees of approximately $0.9 million paid to retrocessionaires during the first six months of 1998, which represented a partial offset to the fees collected that were reflected as other revenues.

Accident and health segment policy acquisition costs and other insurance expenses as a percentage of net premiums decreased to 28.4% in the first six months of 1998 from 34.4% during the same period in 1997, resulting from changes in the mixture of business within the accident and health operations.

Other Operating Expenses. Consolidated other operating expenses increased $6.8 million for the first six months of 1998 compared to the same period in 1997. The overall increase in operating expenses was attributed to planned increases associated with the ongoing growth of the Company.

Interest Expense. Consolidated interest expense for the first six months of 1998 and 1997 was $4.2 million and $3.9 million, respectively. Interest related to the 7 1/4% Senior Notes was $3.7 million in the first six months of 1998 and 1997, respectively.

Provision for Income Taxes. Consolidated income tax expense increased $11.0 million in the first six months of 1998 as a result of higher pre-tax income. Income tax expense from operations before net realized investment gains and accident and health pool charge represented approximately 36.0% and 36.5% of pre-tax income for the first six months of 1998 and 1997, respectively. The Company calculated a tax benefit of $7.6 million on the $18.0 million accident and health reserve adjustment recorded in the first quarter of 1997.

LIQUIDITY AND CAPITAL RESOURCES

During the first six months of 1998, the Company generated cash of $70.8 million from operating activities, $221.8 million from the non-voting common stock offering in June 1998, and $483.3 million from deposits related to asset-intensive business. These increases were offset by cash used for investing of $784.8 million and dividends to stockholders of $3.0 million. The sources of funds of the operating subsidiaries of Reinsurance Group of America, Incorporated (RGA) consist of premiums received from ceding insurers, investment income, and proceeds from sales and redemption of investments. Premiums are generally received in advance of related claim payments. Funds are primarily applied to policy claims and benefits, operating expenses, income taxes, and investment purchases.

As RGA continues its expansion efforts, management continually analyzes capital adequacy issues. At RGA's annual stockholders' meeting on May 27, 1998, a new class of non-voting common stock was authorized. In June, the Company completed a public offering in which it raised approximately $221.8 million. The Company will use the net proceeds for general corporate purposes.

In addition, the Company has access to a $25.0 million line of credit. During the first six months of 1998, $15.0 million was drawn upon that line. This liability is included in other liabilities on the balance sheet at June 30, 1998. The ability of RGA and Australian Holdings to make principal and interest payments, and to continue to pay dividends to stockholders, is ultimately dependent on the earnings and surplus of RGA's subsidiaries, the investment earnings on the undeployed funds at RGA, and the Company's ability to raise additional capital. The transfer of funds from the subsidiaries to RGA is subject to applicable insurance laws and regulations. Any future increases in liquidity needs due to relatively large policy loans or unanticipated material claim levels would be met first by operating cash flows and then by selling fixed-income securities or short-term investments.

INVESTMENTS

Invested assets increased 22.2%, to $4.4 billion at June 30, 1998, compared to $3.6 billion at December 31, 1997. The increase resulted from cash deposits for asset-intensive products of $0.5 billion for the first six months of 1998, proceeds from the issuance of non-voting common shares of $221.8 million, and positive operating cash flows. These increases were enhanced by an increase in the fair value adjustment of fixed maturities available for sale of $13.8 million. The Company has historically generated positive cash flows from operations, and expects this to continue in the future.

At June 30, 1998, the Company's portfolio of fixed maturity securities available for sale had net unrealized gains before tax of $125.7 million.

YEAR 2000

Many of the Company's data processing systems require modifications to enable them to process dates including the year 2000 and beyond. The Company has established a plan to address the Year 2000 issue and that work is progressing on schedule. The Company also relies on information from external parties such as ceding companies and retrocessionaires. The Company could be adversely affected by those companies' compliance efforts, if any, with the Year 2000 issue over which the Company has no direct control. The Company is currently working with its clients to identify their Year 2000 compliance positions and will follow-up with clients on potential interface problems. It is anticipated that testing and resolution will be completed according to the Company's plan. During the years of 1998 and 1999, the Company expects to direct certain internal and external resources to the Year 2000 effort. The Company does not believe the net effect of these efforts will materially affect the Company's consolidated financial statements during the 1998 and 1999 period.

CAUTIONARY STATEMENT

Certain statements contained in this filing are or may be deemed to be "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements relating to the Company's financial position, growth prospects and targets, industry trends, trends in or expectations regarding operations and capital commitments, the sufficiency of claims reserves, estimated premium levels in the accident and health operations, and Year 2000 compliance. Because such statements are based on management's current views and assumptions, they are subject to risks and uncertainties.

Numerous factors could cause actual results and events to differ materially from those expressed or implied by forward-looking statements (the "Cautionary Statements"), including, without limitation, (i) general economic conditions affecting the demand for insurance and reinsurance in the Company's current and planned markets, (ii) material changes in mortality and claims experience, (iii) competitive factors and competitors' responses to the Company's initiatives, (iv) successful execution of the Company's entry into new markets, (v) successful development and introduction of new products, (vi) the stability of governments and economies in foreign markets, (vii) fluctuations in U.S. and foreign interest rates and securities and real estate markets, (viii) the success of the Company's clients, including General American and its affiliates, and (ix) changes in laws, regulations, and accounting standards applicable to the Company and its subsidiaries.

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the Cautionary Statements. Readers are therefore cautioned not to place undue reliance on such forward-looking statements.

PART II - OTHER INFORMATION

ITEM 1 LEGAL PROCEEDINGS

From time to time, the Company is subject to litigation and arbitration related to its reinsurance business and to employment-related matters in the normal course of its business. Management does not believe that the Company is a party to any such pending litigation or arbitration that would have a material adverse effect on its future operations.

ITEM 5 OTHER INFORMATION

The Securities Exchange Act Rule 14a-8 permits shareholders to submit proposals to be included in the Company's proxy statement for the annual meeting of the shareholders. The Company must consider including a proposal in the proxy statement if the Company receives notice of the proposal at least 120 days prior to the corresponding date of the Company's proxy statement for the previous year's annual meeting. Shareholder proposals submitted outside the processes of Rule 14a-8 must be submitted to the Company by March 15, 1999.

ITEM 6 EXHIBITS AND REPORTS ON FORM 8-K

(a) See index to exhibits.

(b) No reports on Form 8-K were filed during the three months ended June 30, 1998.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Reinsurance Group of America, Incorporated

By: /s/ A. Greig Woodring 8/11/98

A. Greig Woodring
President & Chief Executive Officer
(Principal Executive Officer)

/s/ Jack B. Lay 8/11/98

Jack B. Lay
Executive Vice President & Chief Financial Officer
(Principal Financial and Accounting Officer)

INDEX TO EXHIBITS

Exhibit Number	Description
3.1	Restated Articles of Incorporation of RGA incorporated by reference to Exhibit 3.1 to Registration Statement on Form S-1 (No. 33-58960) filed on March 2, 1993
3.2	Bylaws of RGA incorporated by reference to Exhibit 3.2 to Registration Statement on Form S-1 (No. 33-58960) filed on March 2, 1993
3.3	Form of Certificate of Designations for Series A Junior Participating Preferred Stock incorporated by reference to Exhibit 3.3 to Amendment No. 1 to Registration Statement on Form S-1 (No. 33-58960) filed on April 14, 1993
27.1	Financial Data Schedule

This schedule contains summary financial information extracted from the condensed consolidated financial statements of the registrant and is qualified in its entirety by reference to such financial statements

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REINSURANCE GROUP OF AMERICA
1,000
U.S. DOLLAR

6-MOS
DEC-31-1998
JAN-01-1998
JUN-30-1998
1
3,218,245
0
0
11,541
214,076
1,633
4,366,545
26,714
323,456
326,411
5,537,108
3,821,556
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384,530
0
108,052
0
0
310
760,431
5,537,108
546,513
135,904
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502,427
36,065
68,297
55,237
19,797
35,440
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35,127
1.35
1.34
0
0
0
0
0
0
0