

Disclaimer: This is a machine generated PDF of selected content from our databases. This functionality is provided solely for your convenience and is in no way intended to replace original scanned PDF. Neither Cengage Learning nor its licensors make any representations or warranties with respect to the machine generated PDF. The PDF is automatically generated "AS IS" and "AS AVAILABLE" and are not retained in our systems. CENGAGE LEARNING AND ITS LICENSORS SPECIFICALLY DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES FOR AVAILABILITY, ACCURACY, TIMELINESS, COMPLETENESS, NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Your use of the machine generated PDF is subject to all use restrictions contained in The Cengage Learning Subscription and License Agreement and/or the Gale General OneFile Terms and Conditions and by using the machine generated PDF functionality you agree to forgo any and all claims against Cengage Learning or its licensors for your use of the machine generated PDF functionality and any output derived therefrom.

GENERAL AMERICAN COMPLETES IPO OF REINSURANCE GROUP OF AMERICA; A.M. BEST ASSIGNS INITIAL RATING TO SAINT LOUIS RE

Date: May 6, 1993

From: PR Newswire

Publisher: PR Newswire Association LLC

Document Type: Article

Length: 19 words

Full Text:

OLDWICK, N.J., May 6 /PRNewswire/ -- Effective immediately, A.M. Best Company has assigned an initial letter rating of "A+" (Superior) to Saint Louis Reinsurance Company, St. Louis. This rating action follows a very successful initial public offering by the company's parent, Reinsurance Group of America (RGA), on May 4, 1993. The 5.775 million new common stock shares (approximately 35 percent of outstanding shares), which were sold by RGA for \$26 per share, raised in excess of \$150 million of new capital. General American Life Insurance Company, which previously held all of the company's outstanding shares, will continue to own 65 percent of RGA's common equity. However, the underwriters have the option to purchase an additional 866,250 shares to cover overallotments. If exercised in full, total new capital will exceed \$172 million with General American Life retaining approximately 62 percent of RGA. RGA was formed in late December 1992 by General American Life Insurance Company to serve as the holding company through which the U.S. and Canadian life and accident and health reinsurance division of the parent company were transferred. In connection with this realignment, all of the insurance business of General American Life's reinsurance division was transferred as part of a reinsurance agreement to Saint Louis Re, which principally served as a reinsurer of business originated by General American Life. Saint Louis Re also was contributed to RGA as part of the corporate realignment. The proceeds of the IPO will be used to purchase 50 percent of the outstanding shares of stock from a minority shareholder in Saint Louis Reinsurance Management Company, as a contribution to St. Louis Re for capital strengthening and general corporate purposes. Saint Louis Re's "A+" (Superior) Best's Rating is based on General American Life's strong presence in the life reinsurance market, the favorable earnings generated by its reinsurance division and the high-quality balance sheet and excellent capitalization which will be maintained by the company as a stand-alone operation. Best's rating assignment also acknowledges the increased financial flexibility that will be available to RGA as a publicly traded organization, and the operating and administrative support that will be provided through agreements with General American Life. The earnings of General American Life's reinsurance division have been very favorable relative to other life reinsurers. A.M. Best believes that the unit's focus on developing and sustaining long-term relationships with clients and its efficient operations and administrative expertise will continue to provide Saint Louis Re with strong performance in the future as a stand-alone entity. It is anticipated that the company will retain a prominent position in its target market, where it maintains stable relationships with many of the 100 largest life/health insurers in the U.S. who are its clients. As of Dec. 31, 1992, RGA had over \$565.8 million in invested assets, with approximately 31 percent backed by either the U.S. and Canadian governments and provinces or mortgage-backed securities. In 1992, the company earned approximately \$25.8 million on a pro-forma GAAP basis. -0- 5/6/93 /CONTACT: Larry G. Mayewski of A.M. Best Company, 908-439-2200, ext. 5643, or Michael L. Albanese, ext. 5645/

CO: Saint Louis Reinsurance Company ST: Missouri IN: INS SU: RTG

SM -- NY107 -- 5641 05/06/93 16:29 EDT

Copyright: COPYRIGHT 1993 PR Newswire Association LLC

<http://www.prnewswire.com/>

Source Citation (MLA 8th Edition)

"GENERAL AMERICAN COMPLETES IPO OF REINSURANCE GROUP OF AMERICA; A.M. BEST ASSIGNS INITIAL RATING TO SAINT LOUIS RE." *PR Newswire*, 6 May 1993, p. 0506NY107. *Gale General OneFile*,

<https://link.gale.com/apps/doc/A13154211/ITOF?u=siclpowersearch&sid=ITOF&id=4896cee0>. Accessed 30 Jan. 2020.

Gale Document Number: GALE|A13154211