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SUCCESS BY DESIGN

RGA's remarkable and considerable accomplishments over nearly 40 years of continued growth and achievement have not been by accident; they are the result of intelligent, deliberate, and consistently innovative strategies developed by some of the most creative and analytical minds in the reinsurance industry.

Our teams of experts listen closely to our clients and partner with them to advance their goals and to act on existing and emerging opportunities. Working together, we develop tailored solutions that are designed to succeed.

MESSAGE FROM THE CEO

In 2011, RGA achieved excellent results and finished the year even stronger than when we started, despite 2011 being a year marked by challenges to the insurance sector and to the global economy. Operating earnings rose 7%¹, while net premiums jumped 10% to \$7.3 billion and operating ROE reached 13%¹. This is the sixth year in a row that RGA has delivered an ROE of 13% or better. RGA's long history of excellent annual performance is all the more remarkable in view of the difficult financial environment that has persisted in recent years. Over the past five years, net premiums have grown at a compound rate of 11%, and net income at a compound 16%.

Our unwavering focus on our customers' needs and our ability to provide practical risk management and capital solutions for the issues they face are well-recognized and longstanding characteristics of the way RGA does business. The complex, challenging environment of the past several years has led to greater opportunities to demonstrate our commitment and our dedication to supporting customers. We continue to look for ways to enhance their prosperity.

In addition to our business achievements during the year, RGA again received a number of significant industry recognitions in 2011. We were gratified that life insurers again ranked RGA highly in the primary customer

satisfaction surveys conducted in our industry. Cedants in North America voted RGA "Best Overall Life Reinsurer" for the fourth consecutive time in the 2011 Flaspöhler biennial customer satisfaction survey. NMG Consulting's 2011 studies of cedants in the Canada, Central & Eastern Europe, Continental Europe, Italy, Mexico, South Africa, and U.K. & Ireland markets rated RGA first in business capability. RGA was named "Life Reinsurance Company of the Year" at *The Review* Worldwide Reinsurance Awards in 2011, the fourth time in eight years RGA has received this important award. RGA was also named "Best Reinsurer for Mortality Risk Transfer" by the 2011 Life & Pension Risk Awards, an annual

awards program sponsored by *Life & Pension Risk* magazine. The year closed with the news that RGA was recognized in the inaugural Innovators Showcase, a forum sponsored by A.M. Best which recognizes forward thinking among insurance organizations. Both innovations submitted to the forum, our Prescription History Mortality Research and our Automatic Selection and Assessment Program (ASAP[®]) electronic underwriting tool, were selected by independent judges for their ability to change the way the industry does business. We appreciate each of these awards and recognitions, which acknowledge the significant contribution our employees provide to our customers each day.

¹ Operating income is a non-GAAP financial measure. See page 7 for Reconciliation of Consolidated Net Income to Operating Income.



A. Greig Woodring
President and Chief Executive Officer

RGA's ability to achieve consistent and predictable results is a testament not only to our strong underwriting and pricing discipline, but also to the healthy diversification we have developed, both in product lines and in geography. While RGA has again achieved strong and consistent results overall, our diverse geographical markets and products achieve varying levels of success in any given year. Our performance in 2011 was no exception. RGA Australia has experienced a difficult eighteen months of higher-than-expected group disability and individual lump sum claims, culminating in a significant \$24.0 million year-end reserve increase in 2011. We believe that, through this action, we have set the Australian operation on a course to resume the superior performance of the past. Our U.S. Group business also experienced relatively high disability claims levels in 2011. This business can produce volatile performances; however, RGA's combined 2010-2011 results have been almost exactly as priced for the two years together. With these exceptions, virtually all RGA's businesses and products achieved

results ranging from near-expected to substantially better. The benefits of this revenue diversity can be readily seen in the increasing stability of our results, even while operating in individual businesses that are occasionally unpredictable in the short term.

Globally, RGA's mortality business performed to expectations in 2011. Mortality risk acceptance remains our largest business. We reinsured more than \$2.6 trillion of risk as of the end of 2011.

RGA's largest operations, in the U.S., had a productive year, with good results aside from the group disability business. Premiums in the U.S. grew slightly more than 5%. Individual mortality results were in the expected range and RGA remains a leader in the market. Direct insurers in the U.S. continued a pattern of retaining more risk and therefore reinsured less during the year. We expect this pattern to continue, but to moderate. We anticipate that RGA's U.S. premiums will grow by 5% again in 2012.

Our U.S. long-term care business continued to produce good results, with steady, controlled growth. RGA entered this business slowly and

cautiously. This product proved difficult to manage by direct insurers, and RGA has endeavored to learn from their experiences in our steady cultivation of this business. At the close of 2011, we have a small team of outstanding professionals to manage our long-term care operations and they have been very successful to this point.

Our Canadian operation's mortality results were again much better than expected. Having been one of the largest reinsurers of new individual life risks for many years in a row, RGA Canada has built an in-force book of strongly performing individual mortality business with substantial embedded value. In recent years, RGA Canada, with support from the U.S. Group team in Minneapolis, has also built a strong, skilled and effective group operation that again produced good results in 2011. The highly effective RGA Canada team has also added living benefits products such as critical illness, disability and longevity risk acceptance to its array of potential services to better serve a customer base that increasingly relies upon RGA as its reinsurer of choice.

In RGA's Asia Pacific segment, premiums increased by 15% over the year. For the past few years we have been developing new pipelines for premium income in South Korea and Japan as some large production sources had run their natural course. We continue to be encouraged by strong growth prospects for RGA in the Asia Pacific region. Our other RGA markets in Asia Pacific produced strong earnings, consistent with prior years, although operating income for 2011 fell more than 20%² below 2010's result for Asia Pacific due to the poor results from Australia.

RGA's Europe and South Africa segment posted an extremely impressive 30% growth in premiums for 2011. Operating earnings also increased by 13%³ over a strong 2010 result. Premium and operating earnings growth came, more or less, across the board from each of the offices, and we will remember 2011 as a particularly strong year for this segment.

RGA's Global Financial Services unit, which focuses on asset-intensive reinsurance, longevity risk and

financial reinsurance and operates on an integrated global basis, continued to build on its formidable past accomplishments. Operating income grew nicely in 2011, despite a decrease in the asset-intensive line of business, which had a very strong 2010. Longevity reinsurance and financial reinsurance continue to grow robustly and produced strong results in 2011.

Opportunities for this business unit will likely remain abundant for the next several years, due to uncertainties in the environment, changing regulatory and capital regimes and the current stresses experienced by our clients. In fact, we believe that the opportunities for capital solutions appear so strong that we have established a Global Acquisitions unit to provide a focus on transitioning risk on in-force block reinsurance and acquisitions. While we have entertained and executed such opportunities in the past, we have not previously had a fully dedicated team in place. The new Global Acquisitions business unit examined many opportunities in 2011, its organizational year, and concluded

three transactions – one in Europe and the others in the U.S. Global Acquisitions has not yet built out its full capabilities and still relies heavily upon resources from other RGA businesses. We feel that the opportunities for this line of business will be significant over the coming years, and the current level of activity supports this thesis.

RGA's ability to achieve consistent and predictable results is a testament not only to our strong underwriting and pricing discipline, but also to the healthy diversification we have developed, both in product lines and in geography.

² Pre-tax operating income, a non-GAAP financial measure, for the Asia Pacific operating segment was \$64.1 million and \$83.8 million during 2011 and 2010, respectively. These amounts exclude investment-related gains of \$3.1 million and \$5.0 million during 2011 and 2010, respectively.

³ Pre-tax operating income, a non-GAAP financial measure, for the Europe and South Africa operating segment was \$94.0 million and \$83.3 million during 2011 and 2010, respectively. These amounts exclude investment-related gains of \$6.0 million and \$2.6 million during 2011 and 2010, respectively.

RGA employs a conservative investment strategy, which has served us well through the past several years. Our portfolio remains very high-quality and well-diversified within the fixed income universe. We continue to invest new money at rates below our portfolio yield, which places continued downward pressure on that yield. The overwhelming majority of RGA business involves taking biometric risks related to mortality and morbidity that have no correlation with market risks, which helps to mitigate the effects of current low-interest rates on our profitability. We expect, however, the effects of the current rate environment to reduce RGA's 2012 earnings by approximately \$0.15 per diluted share and to exert downward pressure on operating ROE.

We have begun to generate more capital through retained earnings than is needed to support the growing amount of in-force business. Our preferred use for such excess capital, as always, is to find good business opportunities where we can deploy this capital. The large number of new prospects available in today's environment is encouraging; however, if we are unable to secure them, RGA expects to continue along the path we began in 2011, and consider the return of excess capital to shareholders in the form of buybacks or dividends. Our plans in this regard necessarily remain fluid as we pursue available business opportunities.

As we look to the future, RGA has strong momentum and is ready to capitalize on opportunities. We stand out as one of the leading reinsurers in each of the global markets in which we have established a presence. We listen carefully to our clients and focus relentlessly on what they need; that unwavering client focus remains our signature strength and drives us to continuous improvement and innovation of our products and services. I am confident our highly skilled associates are ready to capitalize upon the many opportunities available in today's market, and will continue to serve RGA's customers with expert solutions that enhance their prosperity.



A. Greig Woodring
President and Chief Executive Officer

Reconciliation of Consolidated Net Income to Operating Income

(Dollars and shares in thousands)

	For the years ended December 31,	
	2011	2010
Net income	\$ 599,620	\$ 574,402
Capital (gains) losses, derivatives and other, net	(178,637)	(62,498)
Change in fair value of embedded derivatives	231,936	(78,666)
Deferred acquisition cost offset, net	(73,984)	70,791
Gain on repurchase of collateral finance facility securities	(42,617)	–
Loss on retirement of Preferred Income Equity Redeemable Securities	2,854	–
Total non-operating income	(60,448)	(70,373)
Operating income	\$ 539,172	\$ 504,029

Reconciliation of Stockholders' Average Equity to Stockholders' Average Equity Excluding Accumulated Other Comprehensive Income ("AOCI")

(Dollars in thousands)

	2011	2010
Stockholders' average equity	\$ 5,437,589	\$ 4,502,886
Less:		
Accumulated currency translation adjustments	262,647	227,125
Unrealized appreciation of securities	914,628	462,387
Pension and postretirement benefits	(17,427)	(15,689)
Stockholders' average equity excluding AOCI	\$ 4,277,741	\$ 3,829,063

This 2011 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, filed with the Securities and Exchange Commission on February 29, 2012.

RGA AT A GLANCE

Reinsurance Group of America, Incorporated (NYSE: RGA), a Fortune 500 company, is a global leader in individual life reinsurance, individual living benefits reinsurance, group reinsurance, financial reinsurance, annuity reinsurance, facultative underwriting and product development. Through 39 years of steady growth, RGA has become one of the world's most highly respected reinsurers, recognized for its risk management expertise, innovative product design, and dedicated client focus.

RGA reinsures one of the largest in-force blocks within the life insurance industry, and has built an extensive database of mortality information, as a result of which it has become the leader in facultative underwriting and competitive pricing. RGA employs its extensive experience, global expertise and superior understanding of risks to help insurers place more policies.

RGA Core Products and Services

Individual life reinsurance ▪ Group life reinsurance ▪ Living benefits (critical illness, longevity, health, and long-term care) reinsurance ▪ Financial reinsurance ▪ Annuity reinsurance ▪ Facultative and electronic underwriting ▪ Risk management ▪ Product development

Financial Highlights For the years ended December 31,

	2011	2010	2009	2008	2007
Net premiums <i>(in millions)</i> ¹	\$7,336	\$6,660	\$5,725	\$5,349	\$4,909
Income from continuing operations <i>(in millions)</i>	600	574	407	188	308
Diluted earnings per share ¹	8.09	7.69	5.55	2.88	4.80
Operating data <i>(in billions)</i>					
Assumed ordinary life reinsurance in force	\$2,664	\$2,540	\$2,325	\$2,108	\$2,120
Assumed new business production	429	328	321	305	302

¹ Reflects results from continuing operations.

Global Presence

RGA achieves greater stability through geographic operational diversity and a strategic mix of products and services.

55%

2011 net premiums derived from **U.S.** operations

34%

2011 net premiums derived from **International** operations

11%

2011 net premiums derived from **Canada** operations

Financial Strength Ratings

RGA's principal 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:



VERY STRONG

Standard & Poor's Insurance Ratings



SUPERIOR

A.M. Best Company



GOOD

Moody's Investors Service

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

RGA Life Reinsurance Company of Canada also has a financial strength rating of A+ from A.M. Best Company.

Worldwide Operations



RGA serves clients in more than 70 countries from its subsidiaries, branch operations and representative offices in the following countries:

Australia	France	Italy	New Zealand	Spain
Barbados	Germany	Japan	Poland	Taiwan
Bermuda	Hong Kong	Malaysia	Singapore	United Arab Emirates
Canada	India	Mexico	South Africa	United Kingdom
China	Ireland	Netherlands	South Korea	United States

Financial Overview (At December 31, 2011)

Life reinsurance in force	\$2.7 trillion
Consolidated assets	\$32.1 billion
Net premiums	\$7.3 billion
Total revenue	\$8.8 billion
Market capitalization	\$3.8 billion

Historical Performance

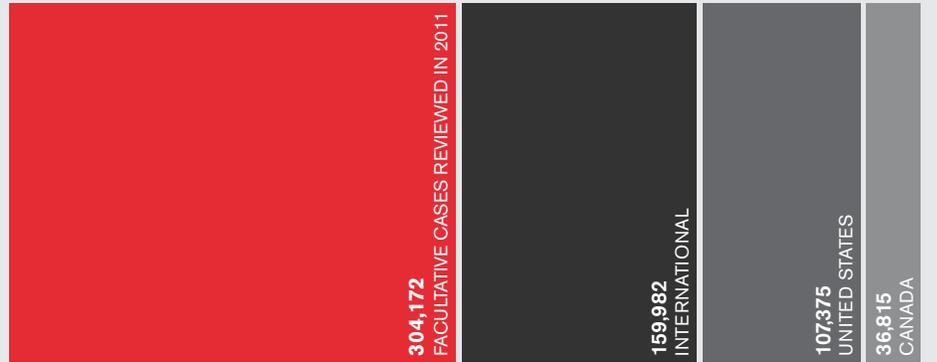
Operating return on equity ¹ (average, 2007–2011)	13%
Book value per share growth (18-year CAGR, since IPO)	13%
Premium growth (2011 compared to 2010)	10%
Operating EPS growth (5-year CAGR, 2006–2011)	9%

¹ Reflects results from continuing operations.

2011 HIGHLIGHTS

The global leader in facultative underwriting

RGA remains the industry leader in large-amount and substandard risk underwriting, and is widely recognized for the quality of its facultative assessment of cases made possible by its extensive mortality database, experience and insights. RGA received a record 304,172 facultative applications worldwide during 2011, meeting client needs with industry-leading service.



Strong performance with continued high ROE

RGA reported excellent results again in 2011, with \$7.3 billion of net premiums, an increase of 10% over 2010's strong performance, and \$8.8 billion in total revenues. The company posted nearly \$2.7 trillion life reinsurance in force, a new record, and assets of \$32.1 billion. Annualized operating return on equity was 13%, the sixth consecutive year in which the company has reported a return of 13% or more.

RGA Australia awarded AA- rating by Standard & Poor's

In November, RGA's subsidiary in Australia, RGA Reinsurance Company of Australia Limited, received an AA- credit rating from Standard & Poor's Insurance Ratings. S&P noted RGA Australia's creditworthiness benefits from the demand for its products and services being underpinned by strong growth within Australia's life insurance market. RGA has a significant market share in Australia, providing treaty reinsurance to 85% of life insurers there, and facultative reinsurance to most of the market.

Ongoing global expansion

International growth and development continued in 2011, as RGA expanded its operations or established a new presence in key markets. In existing operations, staff and infrastructure were added to meet growing market demands and client needs.

In 2011, RGA received its commercial license from the Dubai International Financial Centre Authority to operate as RGA Reinsurance Company Middle East Limited. This new operation, located in Dubai in the United Arab Emirates, provides automatic as well as facultative support to insurers throughout the Middle East. RGA also established an initial footprint in Singapore with the opening of a service company in this regional finance center.

Cedants ranked RGA first among life reinsurers

North American life insurers named RGA "Best Overall Life Reinsurer" for the fourth consecutive time in the 2011 Flaspöhler Cedant Survey (*Life – North America*), ranking RGA first in medical underwriting capabilities, financial value, strong client orientation, strong claims-handling ability, leading expertise and market knowledge, leading actuarial product development expertise, timely service, high-quality risk management service, and effective training courses and seminars.

RGA was ranked #1 in the Business Capability Index in NMG Consulting's 2011 cedant studies in the Canada, Central & Eastern Europe, Continental Europe, Italy, Mexico, South Africa, and U.K. & Ireland markets. The NMG Business Capability Index (BCI) is a composite measure that consolidates reinsurer effectiveness across key capability areas: business acquisition, relationship management, operational management, technology deployment, and product management.

RGA honored with industry accolades

In September, RGA was named “Life Reinsurance Company of the Year” by *The Review – Worldwide Reinsurance Awards*, the fourth time in eight years that RGA has received this award. Judges noted RGA’s “client-focused approach in developing new products and demonstrating its global leadership in underwriting and pricing”.

In October, the 2011 Life & Pension Risk Awards, an annual awards program sponsored by *Life & Pension Risk* magazine, named RGA “Best Reinsurer for Mortality Risk Transfer”. RGA was cited for helping one of the Netherlands’ top five insurers successfully bring to the market a customized disability product designed to serve the Netherlands’ growing number of self-employed individuals.

Research and product innovation lauded by new industry forum

Two RGA initiatives were featured in the inaugural Innovators Showcase, a forum sponsored by A.M. Best to recognize forward thinking among insurance organizations, published in the January 2012 issue of *Best’s Review*. RGA’s Prescription History Mortality Research and its Automatic Selection and Assessment Program (ASAPSM) were noted for their contributions to the industry in simplifying and improving the insurance process, and

increasing underwriting effectiveness to help companies more accurately assess risk and price new business.

Leading-edge underwriting, medical and actuarial research

RGA leverages its core mortality expertise and data, sometimes in combination with outside resources, to provide innovative value-added services for clients and to generate ground-breaking insights. As an example, in 2011, in response to growing industry concern over practices that led to elevated persistency risk in early durations, RGA completed joint research with MIB Group, Inc. (MIB) to quantify the link between an individual’s level of prior insurance activity, as indicated by MIB’s Extended Application Activity Alert, and the risk of early policy lapsation. The MIB research study was published by RGA on the company’s website (www.rgare.com).

RGA also completed a joint study with LexisNexis® in 2011 to evaluate the protective value of motor vehicle records in life underwriting and to quantify the additional mortality risk of applicants with adverse driving records. The extensive study reviewed more than seven million applicants and approximately 73,000 deaths during the study period.

This Annual Review is not a substitute for Reinsurance Group of America, Incorporated’s annual report on Form 10-K or the annual report to shareholders. If you would like to see a complete set of financial statements for Reinsurance Group of America, Incorporated, visit www.rgare.com and select “Corporate Overview” for recent Annual Reports to Shareholders or “Investor Relations” for recent filings with the Securities and Exchange Commission, including annual reports on Form 10-K.

Non-GAAP financial measures

RGA uses a non-GAAP financial measure called operating income as a basis for analyzing financial results. The definition of operating income and reconciliations to GAAP net income are provided in quarterly earnings press releases at the RGA Investor Relations site, www.rgare.com, in the “Financial Releases” tab. Additional financial information can be found in the Quarterly Financial Supplement at the same site in the “Quarterly Results” tab and in the “Featured Report” section.

Net Premiums⁽¹⁾

(in millions USD)

2011	7,336
2010	6,660
2009	5,725
2008	5,349
2007	4,909

Income from Continuing Operations

(in millions USD)

2011	600
2010	574
2009	407
2008	188
2007	308

Assumed Ordinary Life Reinsurance In Force

(in billions USD)

2011	2,664
2010	2,540
2009	2,325
2008	2,108
2007	2,120

Assumed New Business Production

(in billions USD)

2011	429
2010	328
2009	321
2008	305
2007	302

Diluted EPS⁽¹⁾

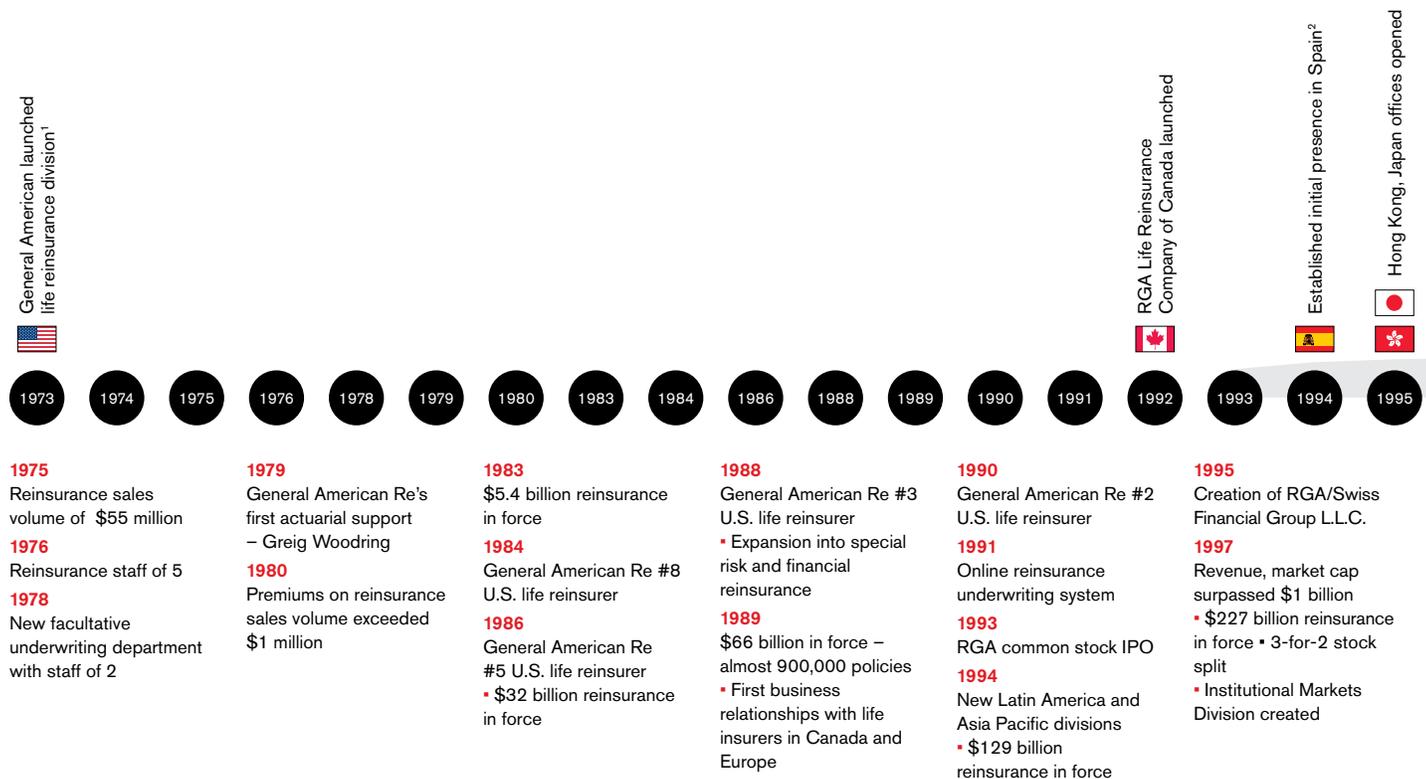
(in USD)

2011	8.09
2010	7.69
2009	5.55
2008	2.88
2007	4.80

¹ Reflects results from continuing operations.

A HISTORY OF SUCCESS

Through 39 years of steady global expansion, RGA has grown to become one of the leading life reinsurance companies in the world. RGA signed its first reinsurance treaty outside North America 18 years ago; today, we serve customers in more than 70 countries. Our expert teams share knowledge, ideas and insights with life and health insurers around the world, and are dedicated to tailoring and delivering fully customized, innovative solutions to help them succeed.



¹ General American Re, the reinsurance division created by the General American Life Insurance company in 1973, was the forerunner to RGA

² RGA opened a representative office in Spain in 2000, which was awarded branch office status in 2007

³ The Longer Life Foundation is a not-for-profit partnership between RGA and the School of Medicine at Washington University in St. Louis, created to fund research that promotes health and assists in predicting longevity and wellness

⁴ Europe, South Africa, India and Latin America

⁵ The Review – Worldwide Reinsurance annual industry awards

⁶ Flaspöhrler Cedant Survey (Life – North America): 2005, 2007, 2009, 2011

⁷ NMG Consulting, Life & Health Reinsurance Programme

⁸ 12th annual Asia Insurance Industry Awards

⁹ RGA adopted GAAP accounting rules in 1993

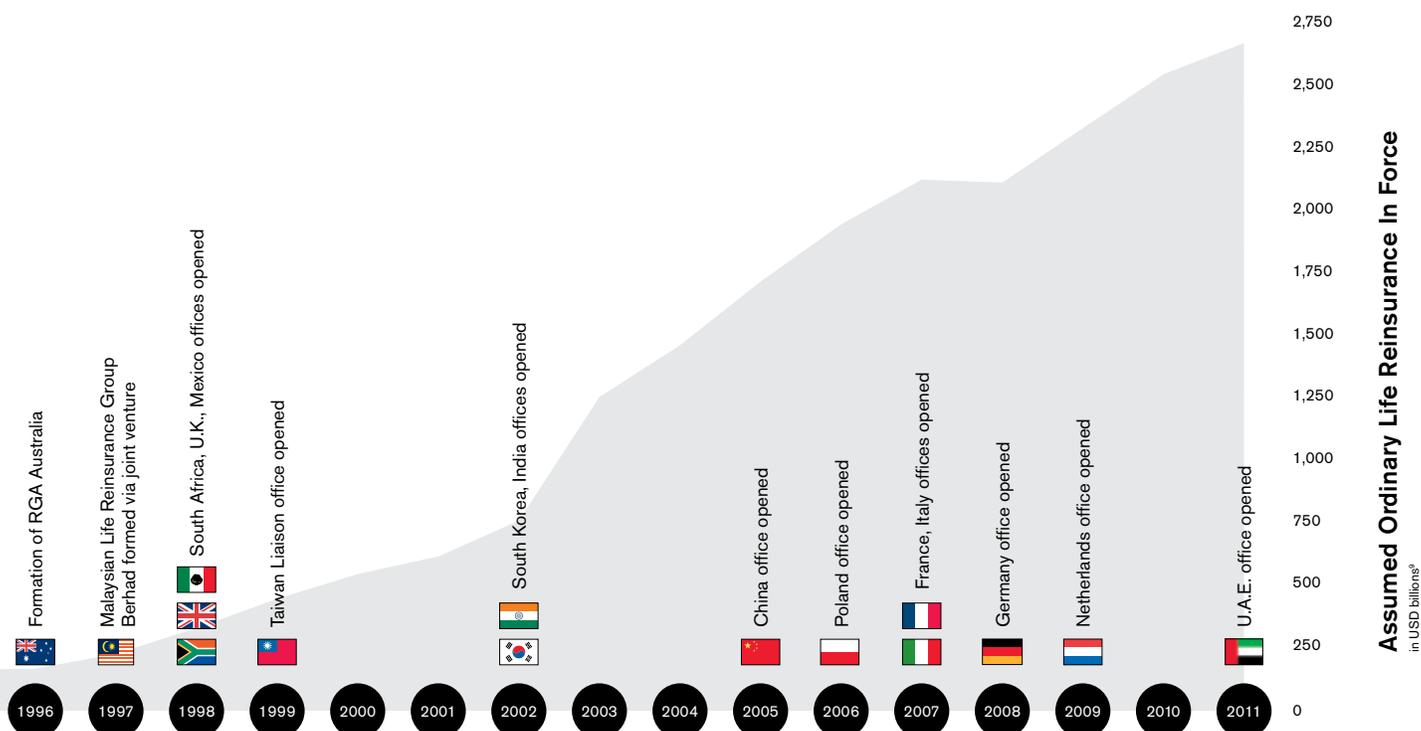
¹⁰ Australia and New Zealand Insurance Industry Awards

¹¹ RGA Global Reinsurance Company Ltd. Labuan Branch

¹² Life & Pension Risk Awards

Double-digit annual compound growth since 1993

Years	Net Premiums	Net Income
5 (2006–2011)	11%	15%
10 (2001–2011)	16%	31%
15 (1996–2011)	18%	17%
18 (1993–2011)	18%	17%



1998

Formation of Longer Life Foundation³

- U.S. Facultative Underwriting processed 1,000,000th case

1999

3-for-2 stock split

2000

MetLife acquired General American and effective control of RGA • RGA Financial Group, L.L.C. formed • \$500 billion life reinsurance in force

2001

RGA Technology Partners, Inc. formed

- AURA, FAC Console introduced • Forbes 400 Best Companies list

2002

International Division established to oversee Asia Pacific and ESA⁴ business segments

2003

More than \$1 trillion reinsurance in force

2004

“Life Reinsurance Company of the Year” (The Review)⁵

2005

“Life Reinsurance Company of the Year” (The Review)⁵

- “Best Overall Life Reinsurer” (Flaspöhler)⁶

2006

Leading life reinsurer in Asia Pacific in assumed new business⁷

2007

U.S. Division launched webinars • “Best Overall Life Reinsurer” (Flaspöhler)⁶ • First in new business cessions and stand-alone facultative service in Asia Pacific⁷

2008

U.S. Facultative Underwriting processed 2,000,000th case

- Became stand-alone company after MetLife split-off • “Life Reinsurer of the Year” (Asia Insurance Industry Awards)⁹

2009

Acquired ReliaStar U.S. and Canadian group reinsurance business

- “Best Overall Life Reinsurer” (Flaspöhler)⁶
- “Life Reinsurance Company of the Year” (The Review)⁵
- “Australia and New Zealand Reinsurance Company of the Year” (ANZIIF)¹⁰ • RGA Labuan approval for Retakaful Window¹¹

2010

Entered Fortune 500 list at #321 • “#1 in Business Capability” in Asia Pacific, Australia, Italy, Canada, South Africa, U.K. & Ireland, and the U.S. (NMG)⁷ • “Best Reinsurer for Longevity Risk Transfer” (Life & Pension)¹²

- “Australia and New Zealand Reinsurance Company of the Year” (ANZIIF)¹⁰
- “Best Global Reinsurance Company for Life” (Reactions Global Awards)
- “Number One Life Reinsurer” (*Risk Management, Insurance & Finance* magazine)

2011

\$2.7 trillion reinsurance in force • Assets of \$32.1 billion • 304,172 facultative submissions reviewed company-wide

- #290 on Fortune 500 list
- “Best Overall Life Reinsurer” (Flaspöhler)⁶
- “#1 in Business Capability” in Canada, Central and Eastern Europe, Continental Europe, Italy, Mexico, South Africa, and U.K. & Ireland 2011 cedant studies (NMG)⁷
- “Life Reinsurance Company of the Year” (The Review)⁵
- “Best Reinsurer for Mortality Risk Transfer” (Life & Pension)¹²
- RGA recognized for its Prescription History Mortality Research and ASAP in inaugural *Best’s Review Innovators Showcase*

OPERATIONS

RGA delivered a strong performance in 2011. Net premiums rose to \$7.3 billion, an increase of 10% over 2010, while net income increased to \$599.6 million, 4% higher than the previous year's very strong result. With \$2.7 trillion of life reinsurance in force, RGA is one of the world's largest life reinsurers, and continues to build its market share and presence globally.

Global Mortality Products

RGA's primary business is mortality risk reinsurance, which comprises a wide spectrum of products including term life, whole life, universal life, joint and last survivor life, COLI/BOLI, simplified issue assumed on a YRT or coinsured basis, and underwritten annuities.

During 2011, RGA further strengthened its capabilities in collecting, monitoring, studying, analyzing and leveraging the data generated by proprietary internal research, as well as information gleaned from third-party providers, to bring value-added insights and services to our clients. The company develops products that improve mortality assumptions, building upon its extensive worldwide experience and database, and leveraging expertise in actuarial science, underwriting, pricing, and claims. Throughout the year, RGA's Global Research and Development team

conducted and coordinated innovative research studies around the world, applying new research methodologies to issues of interest to the industry.

Facultative underwriting is a fundamental strength of RGA. The company is recognized globally as the industry's leader in facultative risk assessment, which is the process of a reinsurer underwriting insurance applications individually. Expert assessment of large-amount and complex cases requires access to considerable mortality experience data, research, and measurement tools, as well as an ability to carefully analyze and synthesize the data.

In 2011, RGA processed more than 304,000 facultative cases globally, a new record for RGA, and led the industry in timely service. RGA continues to process more facultative applications, and deliver responses more promptly, than any other life reinsurer.

Data-driven research and analysis allows RGA's actuaries and underwriters to detect emerging trends early, enabling more-precise and successful risk assessments and modeling.

A pioneer in the development of technology-based risk assessment and underwriting tools, RGA remained committed to developing and enhancing electronic underwriting solutions that reduce application processing time and improve underwriting effectiveness. E-underwriting provides insurance companies and bancassurers with the option of selling insurance directly to customers via websites and call centers, and facilitates improved straight-through processing and point-of-sale underwriting for agents.

RGA Global Research and Development

Companies that use data and information in intelligent ways to execute upon well-structured, persistent research and development strategies consistently outperform those that do not. RGA has long been recognized for its innovation and its ability to collect, investigate and analyze data to deliver ground-breaking solutions to its clients.

Over recent years, RGA has expanded the data-driven research capabilities of its global operations to better leverage the value of its experience, knowledge and data. New insights and client offerings in this area have been generated, incorporating the discoveries of the research and experience study teams around the world with RGA's broad product and biometric expertise derived from a variety of internal and external data sources.

The collaboration and sharing of work and experience between RGA experts around the globe has led to increased efficiency and has created opportunities for deeper and more-robust analysis. As a result, RGA has been able to provide significant value-added service to clients and has developed information of benefit to the entire industry.



"Reinsurers stand in a unique position in the industry as they are able to synthesize the data from many individual insurers to gain a deeper understanding of the underlying drivers of experience results."

Tim Rozar, Vice President, Head of Global Research and Development, RGA Reinsurance Company



RGA's Research Value Chain

Stepping beyond the traditional actuarial examination of actual-to-expected ratios by various demographic categories and underwriting classifications, RGA Global Research and Development (RGA Global R&D) has a history of embarking on fresh areas of research and/or applying new factors and novel methodologies to their application.

In 2011, this research included a joint study by RGA Global R&D and LexisNexis®, *An Analysis of Motor Vehicle Records and All-Cause Mortality*, which analyzed the all-cause mortality experience of a large cohort of applicants in relation to the severity and quantity of their recent driving infractions, and demonstrated significant excess mortality risk for applicants with major or frequent recent driving violations. Results from this study are expected to influence the way that insurers assess and incorporate motor vehicle records in underwriting.

Another 2011 joint study with MIB Group, Inc., *The MIB Extended Application Activity (EAA) Alert and the Risk of Early Lapsation*, analyzed and quantified the link between an individual's level of prior insurance activity and the risk of early policy lapsation. Life insurers may incur significant expenses when issuing a policy and, if a policy lapses during the first few durations, an insurer may not have collected sufficient premiums to recover underwriting and other acquisition costs. Applicants who routinely replace policies and agents who 'churn' their books of business for commission purposes can be very costly to an insurer, and the MIB EAA alerts can be extremely helpful in flagging these practices, including possible collusion between agents and applicants.

"RGA looks for new ways to combine data-driven research with knowledge-driven insights. The goal here is to be more proactive than reactive – to push creative ideas and research out to the industry rather than simply analyzing data for our internal purposes."

Tim Rozar

Experience studies performed for clients around the world in 2011 continued to provide valuable findings to help RGA's clients develop new products and better understand the profitability of their existing product portfolios. These included studies of mortality, critical illness, hospital cash and medical reimbursement products in China, a major mortality experience study for a client in India, and numerous other internal and client experience investigations around the world.

RGA's Global R&D team is proactive in working with RGA's Business Development teams to commercialize the results from these and other completed research projects to create value for RGA and its clients. In a broader sense, effective management of the research value chain includes a number of interconnected steps: the generation of new ideas, the prioritization and selection of projects, the execution of research projects and the dissemination of findings to clients and the industry.

INNOVATE GROWTH ReENERGIZE

The first step in the research process is filling the pipeline with new avenues of research exploration that align with clients' needs. In 2011, RGA Global R&D launched a new initiative, ReEnergize, an internal RGA program that promotes the culture of innovation within RGA and actively encourages and rewards RGA associates working in all fields and geographies to share ideas, innovations and insights developed from working with clients in their markets. The goal is to feed the research pipeline with ideas that may not have been otherwise considered to explore and develop new solutions for clients and the industry.

This end-to-end research process can be lengthy and involves the management of projects at various stages of development at any given time. Successful research projects will ultimately lead to value-added services and insights for RGA's clients, such as RGA's recent Post-Level Period Term research findings and its Prescription History research study and underwriting rules.

In the coming months and years, RGA Global R&D will continue conducting and publishing the results of research studies on emerging topics of interest such as older age mortality assumptions, predictive modeling, simplified issue underwriting, and mortality seasonality. Research findings lead to a myriad of client applications including improved risk selection, target marketing, risk management, product development and claims management. Research provides RGA fresh ideas to bring to clients, helping improve the growth prospects and profitability of their businesses, which in turn creates a strong rationale for building or continuing a partnership with RGA.

Copies of published RGA studies can be found on RGA's website, www.rgare.com

RGA's expertise and leadership in mortality risk assessment led to its recognition in 2011 by the Innovators Showcase, a forum established by A.M. Best honoring forward thinking among insurance organizations. Two important initiatives undertaken by RGA, its Prescription History Mortality Research and its Automatic Selection and Assessment Program (ASAPSM), were noted for their contributions to the industry in simplifying and improving the insurance process, and increasing underwriting effectiveness to help companies more accurately assess risk and price new business.

RGA's acclaimed automated underwriting software, AURA[®], provides clients with expert rules sets for a variety of underwriting approaches that range from simplified issue to fully underwritten. At the close of 2011, AURA was used by companies in 12 countries around the world¹. Regional customization of AURA rules enable clients to form more-precise, tailored risk assessments to suit their particular needs. According to RGA's most recent user survey, AURA software processes approximately 2.5 million applications annually.

During the year, more than 14,800 applications were submitted through ASAPSM, an AURA technology rules-based engine that enables clients to link to RGA underwriting rules for immediate decisions. Nearly 64,000 applications were submitted electronically through RGA's FAC ConsoleSM, RGA's automated facultative application submission solution, which was designed to enable insurers to electronically submit facultative applications to multiple reinsurers. RGA also provides online support for client underwriters through a variety of web-based underwriting tools offered worldwide, including links to current medical and mortality research, white papers and presentations, as well as financial, medical and foreign travel risk calculators.

RGA's Global Underwriting Manual, or GUM, is a web-based manual offered to RGA clients and was recognized in 2011 as a leading global manual. Today, GUM is available in multiple languages, and is used by more than 8,000 registered and active users in 22 regions. The manual is an essential reference guide for insurers seeking current, statistically valid and unbiased epidemiologic evidence combined with the knowledge and experience of RGA's outstanding teams of medical directors and underwriters.

Continued improvement and innovation underlies RGA's standing as the global leader in mortality risk assessment. Underwriting strategy groups, composed of underwriting and medical experts from RGA's worldwide offices, collaborated closely in 2011 to share insights and leverage expertise to more precisely assess risk in difficult cases.

RGA remains committed to developing and enhancing electronic underwriting solutions, including AURA, ASAP and FAC Console, to reduce application processing time and improve underwriting effectiveness.

During the year, clients from around the world accessed RGA's webcast series featuring presentations from RGA thought leaders and guest speakers. Webcasts were provided on demand, covering topics such as risk management challenges, the impact of medical advances on product development, and producer/insured motivated anti-selection. Webcasts enable RGA to reach and provide information to a greater number of client underwriters, actuaries and other professionals and to improve the level of understanding between RGA and its customers.

¹ Refer to "Developments in Underwriting" feature on page 32.

Global Financial Solutions

The financial services industry has experienced, and continues to experience, changes in capital requirements, regulatory frameworks, accounting and demographics. RGA's Global Financial Solutions team has expanded its suite of solutions to assist clients in adapting their financial and risk positions to these new paradigms. As a result, Global Financial Solutions experienced a strong year in 2011. This business line provides financial reinsurance, asset-intensive reinsurance, and longevity reinsurance to clients, and offers income and risk diversification to RGA's business mix.

Demand remains strong for effective capital structures that provide innovative solutions for life, health, group, asset-intensive and longevity lines.

RGA's reinsurance solutions support companies across the globe in meeting regulatory requirements, providing capital for growth, improving solvency ratios, improving return on equity, and in mergers and acquisitions. RGA leads the industry in this highly specialized field, and is recognized for its expertise in addressing complex financial transactions. Financial solutions provided through reinsurance during 2011 included life, group, health, and interest-sensitive transactions.

Asset-intensive products reinsured by RGA, such as fixed and variable annuities, universal life, and other life blocks, have grown steadily during the past decade, from \$1 billion in 2000 to more than \$10 billion of assets today. The assumption of investment risk on life and annuity products provides RGA with diversification from mortality risk, and offers clients a valuable alternative to

manage underlying risk and capital.

Initially a U.S. business, RGA's Global Financial Solutions business now includes solutions provided to the Japan and Australia markets with clients in a number of countries exploring the potential of asset-intensive reinsurance support.

Already very active in providing longevity reinsurance solutions to the U.K. market, RGA completed additional transactions in the U.K. while responding to increased demand for longevity protection in the U.S. and Continental Europe. Although a relatively new product offering, longevity reinsurance has become a significant source of diversification and earnings.

In 2011, RGA deployed its expertise to targeted markets to more effectively provide clients with holistic capital and risk management solutions, employing a globally integrated business model to accelerate growth in all financial solutions product lines. By the end of 2011, Global Financial Solutions had local representatives in St. Louis, Toronto, Montreal, London, Cologne, Amsterdam, Sydney, Tokyo, Hong Kong, Taipei, and Singapore, permitting it to deliver more-focused, effective financial solutions to clients. During the year, the Global Financial Solutions team executed transactions in the U.S., Australia, the U.K., France, Germany, Japan, South Africa, and Taiwan.

Demand remains strong for effective capital structures that provide innovative solutions for life, health, group, asset-intensive and longevity lines. The Global Financial Solutions team has been expanding its product suite and geographic presence to increase its capabilities in meeting the broadening needs of RGA's clients.

Global Acquisitions

RGA's Global Acquisitions line of business, formed in early 2011, is a natural extension of RGA's strengths and capabilities, consistent with RGA's risk appetite and philosophy, and increased the array of services that RGA offers to its clients. Direct insurers today increasingly find themselves under pressure to grow or to redirect capital and management resources. RGA expects the continuing economic pressures, Eurozone crisis, and major regulatory and accounting reforms, such as Solvency II, Basel III and IFRS, to create more opportunities, as clients and competitors seek support via reinsurance, capital management, and divestment of closed blocks of business.

RGA's Global Acquisitions business unit supports companies facing these challenges by creating customized solutions, including capital management and monetization of future profits for clients seeking divestiture of in-force business or expansion into new markets.

Current market conditions led the RGA acquisitions team to concentrate on development of business opportunities in the U.S. and in Europe. During 2011, RGA closed one material in-force transaction, and committed to two additional acquisitions with closings expected in the first half of 2012.

The team focuses on three types of transactions: block reinsurance; block acquisition; and acquisition support. In block reinsurance, RGA reinsures a client's existing in-force block, and the client retains administration. In block acquisition, RGA facilitates a client's exit from a business by both acquiring the block and assuming responsibility for the administration. With acquisition support,

Continuous improvement of risk assessment practices, pricing models, and underwriting standards drives RGA to enhance quality products that meet and exceed our clients' expectations.

RGA partners with companies looking to acquire other companies. RGA then supports the client by reinsuring part of the target companies' in-force business. By doing so, RGA's partners can reduce the size of their investments, leverage RGA's pricing and other insights, and focus on the other aspects of the acquisition(s).

RGA expects the continuing economic pressures, Eurozone crisis, and major regulatory and accounting reforms, such as Solvency II, Basel III and IFRS, to create more opportunities.

Global Group Reinsurance

RGA's global group reinsurance business continued to grow in 2011 as group annual premiums reached more than \$1.1 billion, including more than \$670 million in group life and disability premiums. This result was achieved through active participation in all major group life and disability reinsurance markets in the Americas (U.S., Canada and Mexico), Asia (India and Hong Kong), Australia, Europe (France, Spain and Italy), the Middle East and South Africa. The remaining premiums were derived from the group health, critical illness, accident, long-term care, special risks, catastrophe and creditor coverages. Worldwide, RGA

offices provide a range of group reinsurance solutions with products and services designed for each geographic market's unique needs. Product lines supported vary widely, ranging from employee benefit and workplace coverage to credit life products for mortgage and loan protection. In some markets, changing demographics and regulatory reforms have led to sweeping changes in group reinsurance coverage and models.

Premium pricing, underinsurance, mandated contributions and other issues are regularly addressed by RGA's local group reinsurance teams who develop customized solutions to support changing

A Serious Game, A Serious Advantage

The Serious Game is an interactive web-based simulation that allows disability claims managers of RGA clients to hone their skills and judgment in a low-pressure, enjoyable e-learning environment before working with actual claimants. It is designed to explore disability claims management's many challenges and complexities, and train claims managers in problem-solving and decision-making.

In many ways, group disability claims management can be compared to solving a puzzle. *The Serious Game* works the same way. Claims managers, in the course of the game, evaluate claim data, formulate a possible outcome, and then select tasks to manage each step of the case.

The game is designed to improve a disability claims manager's creative and critical thinking capabilities, communications skills, as well as speed and expertise in developing assessment strategies and using available resources effectively. While the claimant in the game is fictional, the game scenarios and results are based on real-life situations regularly faced by disability claims managers. The software contains information that enables

players to analyze the claim situation objectively and evaluate the pros and cons of multiple possible action plans. As each player makes decisions, additional information involving the medical, vocational, interpersonal and financial details of the fictional claimant are revealed.

The structure of the game is sufficiently robust that players can generate options, visualize possibilities, and formulate various approaches to case management. Users can view potential strategies and arrive at a cohesive claim management strategy. At the appropriate time the player makes a final determination which is scored by the game. Scores are based on the time required to reach a positive outcome (no terminations or denial of benefits allowed), and the cost to get there. In addition, scores may be compared with other players so that players may compare outcomes and review the decisions that led to each.

The Serious Game is an excellent example of RGA's focus on knowledge transfer with our customers, and one of numerous service components featured in RGA's ongoing sales and marketing efforts.

business requirements. Ongoing training, educational seminars and tools are among the many RGA value-added services that support group clients' actuarial, underwriting, pricing, claims and risk management initiatives. Research services and specialty publications provide market intelligence that help inform RGA clients of the latest news and trends affecting their markets.

Premium pricing, underinsurance, mandated contributions and other issues are regularly addressed by RGA's local group reinsurance teams which develop customized solutions to support changing business requirements.

Value-added services are a competitive advantage for RGA and are designed to help its clients be more successful. One example of such unique service offerings is "The Serious Game" online simulation tool developed by the group reinsurance segment, designed to help disability clients supplement the experience of their claims examiners in realistic return-to-work scenarios.¹ Introduced in 2010 and expanded in 2011, *The Serious Game* is now being used by RGA clients in the U.S. and in Canada, has been introduced in Australia, and is being considered in other countries for 2012.

Global Health and Long-Term Care Reinsurance

RGA entered the health, disability and long-term care marketplace approximately five years ago. Products in this field are seen as a sound means of risk diversification to RGA's core mortality business, and provide attractive opportunities for growth.

The underlying dynamics that influence health insurance – populations, demographics, cultures, laws, and frameworks – require appropriate perspectives and tailored solutions. RGA continues to assess opportunities carefully as it develops its health and disability reinsurance business, recognizing that local expertise is essential to growth and success in this sector.

RGA gained extensive healthcare reinsurance knowledge and insights through its acquisition of the group reinsurance business from ING Groep N.V. in 2010, acquiring a team with more than 25 years of experience in managing health risks. The team's expertise in health product offerings is being leveraged by RGA in global markets.

Development of staff and structures to support the short-term group medical reimbursement business line is underway internationally in Mexico and India. RGA is also gradually expanding into other geographic markets, including Italy and Southeast Asia. During the year, RGA's health reinsurance team collaborated with the company's group reinsurance business experts to explore how to share RGA's ROSE® program's unique services around catastrophic/large case management with markets outside the U.S., and how to provide services relevant to those international markets.

Long-term permanent individual health reinsurance also offers opportunities in international markets. Markets around the world vary dramatically in terms of market maturity, health delivery systems and health insurance products, and RGA is focusing on providing clients in these markets with solutions based on RGA's deep understanding of mortality and morbidity risk assessment, pricing and product development, but carefully tailored to address local realities.

Since 2007, when RGA entered the long-term care (LTC) market in the U.S., the company has steadily built a small, focused, but significant market presence. In this sector, RGA supports new business as well as in-force blocks, and more than 50 different LTC in-force blocks or new business products have now been reviewed.

RGA's experienced staff provides sophisticated and detailed risk analysis and modeling of all LTC risks. Strong analytical and treaty expertise, and continual sharing of data and benchmarks underlie the team's effectiveness in providing clients with attractive yet prudent solutions.

RGA strives to offer reinsurance solutions for LTC business by providing appropriate pricing and treaty terms that align its interests with those of its clients. These well-crafted structures enable RGA to assume all risks associated with the product, and provide significant capital relief to its clients.

¹ Refer to "A Serious Game, A Serious Advantage" feature on page 19.

RGA's extensive mortality database, the foundation of our expertise, enables RGA underwriters and actuaries to produce superior risk assessments and targeted pricing to help clients place more policies.

U.S. Net Premiums (in millions USD)

2011	3,993
2010	3,797
2009	3,321
2008	3,100
2007	2,875

U.S. Operations

2011 was a solid year for U.S. Operations, RGA's largest operating segment, which posted \$4.9 billion in total revenue and \$4.0 billion in net premiums, an increase of 5% over the previous year. RGA's U.S. Operations include traditional individual and group mortality and morbidity risk coverage, asset-intensive risk coverage and financial reinsurance for many life and health insurance products. While the amount of new individual life reinsurance ceded in the U.S. market has been shrinking, RGA's unparalleled client service and expertise have enabled it to remain first in assumed new business, while careful strategic product diversification has enabled steady growth.

RGA is a leading provider of life and health reinsurance to the U.S. market. RGA consistently earns accolades from highly respected insurance industry studies and, in the 2011 Flaspöhler Cedant Survey (*Life – North America*), was named "Best Overall Life Reinsurer" for the fourth consecutive time.

Facultative underwriting remains one of RGA's core strengths in the U.S. market, and the company is recognized as a global leader in the assessment of large-sum and substandard risks on a facultative basis. In 2011, RGA received more than

100,000 individual life applications in the U.S. for the fifth consecutive year, leading the industry in both the number of applications reviewed and in response time, with more than 95% of cases reviewed within 24 hours. Convenient facultative case submission through ASAP and FAC Console, and direct access to RGA's underwriters through the FAC Call desk and Underwriting Outreach programs allowed clients to submit cases easily and to access a wide range of underwriting and company-related information. Clients experiencing increases in new business activity or staffing shortages were supported through RGA's Strategic Underwriting Programs.

Actuarial services leverage RGA's core expertise, data and industry-leading insights. During 2011, value-added services for clients included product development, preferred criteria analysis, benchmarking, client-specific experience studies, quarterly term competitive reports, and product reviews that ranged from application to underwriting to actuarial assumptions. In addition to these services, RGA also assists clients with reviewing blocks of in-force business that may be non-core or capital-intensive.

Data-driven research and analysis allows RGA's actuaries and underwriters to detect emerging trends early, enabling

more-precise and successful risk assessments and modeling. RGA's stable and consistent product offerings and pricing are supported by extensive analysis that allows it to better understand, and take advantage of, the vast amount of data available to RGA, which has one of the largest in-force U.S. mortality databases. Regular internal studies of these data provide RGA with a competitive advantage. In 2011, a mortality study conducted by RGA's dedicated Global Research and Development (Global R&D) team included more than 200,000 claims totaling over \$9.6 billion in death benefits, with nearly \$5.5 trillion of exposed risk over five years, while a lapse study included more than 6 million lapses totaling nearly \$430 billion of lapsed risk, with in excess of \$6 trillion of exposed risk over 6.5 years.

A 2011 study developed by RGA's Global R&D team with LexisNexis® evaluated the protective value of motor vehicle records on more than 7 million applicants linked to previous motor vehicle infractions. Another joint study, in tandem with MIB Group, Inc., quantified and analyzed the link between the risk of early policy lapsation and an individual's level of prior insurance activity as measured by MIB's Extended Application Activity Alert.¹

¹ Refer to "RGA Global Research and Development" feature on page 15.

During the year, RGA was again a leading provider of actuarial, underwriting and medical education to clients. Its webcast series included seven presentations covering a range of medical and risk topics delivered by industry and RGA experts. Its annual Underwriting University Program, a multi-level flexible learning program, attracted underwriters from 22 clients across the U.S., who received up-to-date information on medical and financial underwriting, and technological industry advancements. RGA supplied its clients' medical directors and staff with its exclusive medical underwriting newsletter, *ReFlections*, which includes in-depth articles on new developments in the field of medicine. RGA also appeared at insurance conferences, and published newsletters, white papers and other materials.

RGA's U.S. client-facing teams were expanded during 2011. This positions RGA to better focus on the comprehensive needs of clients and provide innovative and flexible solutions covering all lines of business. While traditional mortality reinsurance remains a core focus for RGA's U.S. teams, in recent years RGA

has been steadily expanding the range of products it offers its U.S. clients.

RGA U.S. Group Reinsurance features a comprehensive list of group life, accident, disability, specialty risk and healthcare reinsurance products. These products are complemented by an extensive menu of value-added services. This menu was augmented in 2011 with the expansion of RGA's innovative *A Serious Game* online simulation tool, which helps disability clients supplement the experience of their claims examiners in realistic return-to-work scenarios. Other new services added during the year included a series of actuarial and underwriting training webcasts for group life and specialty clients, a Provider Network Evaluator tool for the quota-share health market, and a quarterly summary of the financial results of group life and disability carriers.

As the need for long-term care products grows and the demand for reinsurance increases, RGA's U.S. team is positioned to meet these needs with structures that synchronize risks between parties and provide increased capital efficiency and/or risk protection. Highly experienced staff

and sophisticated risk analysis and product modeling also enable value-added services such as risk assessment evaluations, benchmarking and expertise to help manage this complex product.

U.S. asset-intensive and financial reinsurance teams draw on the highly specialized and technical expertise and experience of its associates. In 2011, the asset-intensive line of business continued to accept new business under existing arrangements in the U.S. and remained active in the annuity markets, and again developed new capital and risk solutions to provide capacity, efficient capital, and more-competitive products for RGA's clients.

In 2011, RGA's U.S. Financial Reinsurance team and RGA's Group Health experts leveraged their combined expertise to extend financial reinsurance solutions to group products. 2011 also saw expansion of clients' use of financial reinsurance solutions in the U.S.

The EASI Solution

As sales of life insurance policies in the U.S. continue to decline, with a decreasing percentage of U.S. households having life insurance, the industry is actively pursuing new distribution sources and faster methods of making non-medical underwriting decisions to meet the needs of new distributors.

Insurers are facing significant challenges in developing the new underwriting methods and technology necessary to support these underwriting methods, while assuming mortality risk on business with which they have little or no experience.

RGA has substantial experience with the necessary analytical underwriting methods, technology, and mortality risk pricing required to meet these challenges. Employing the company's proprietary AURA® platform, RGA has developed a new, comprehensive package, named EASI, which comprises the underwriting, technology and reinsurance to enable carriers to pursue these new opportunities and share the associated risks with RGA.

RGA's first EASI customer recognized how this package could mitigate these risks and agreed to begin implementation in 2011. EASI is one of many examples of how RGA's innovation provides solutions to meet client needs and help them succeed.

RGA is the industry leader in facultative underwriting, reviewing more than three million individual life cases since 1979 and more than 300,000 annually. RGA's underwriters draw upon decades of mortality experience and rigorous analysis to provide clients with fast, accurate decisions.

Canada Net Premiums (in millions USD)

2011	835
2010	797
2009	615
2008	534
2007	487

Canada Operations

RGA's Canadian division (RGA Canada), which operates through its subsidiary, RGA Life Reinsurance Company of Canada, experienced a solid year in 2011. Revenues topped \$1 billion for the first time at \$1,051.8 million, representing an increase of 7.8% over the previous year. Premium income was \$835.3 million, up 4.8% from 2010. In 2010, the company completed its first longevity in-force reinsurance transaction and reported a one-time advance premium of \$43.3 million. Excluding the advance premium, the increase in premium income from 2010 to 2011 was 10.8%. Pre-tax operating income was very strong at \$144.8 million, an increase of 27.4% over 2010, or 24.8% in original currency. For the fifth consecutive year, RGA Canada wrote the leading share of individual life recurring new business in this key market, maintaining its approximate one-third Canadian market share. RGA Canada's core strategy of building strong client relationships and remaining focused on providing excellent customer service at a competitive price has positioned RGA Canada as a leader in the market and supports its growing success in group,

life and health, living benefits and longevity reinsurance. In NMG Consulting's 2011 cedant study of the reinsurance market, RGA Canada was again ranked first, for the third consecutive time, in NMG's Business Capability Index. This index measured the perceptions of individual and group, life and health Canadian direct writers, examining the relative capabilities of reinsurers in the areas of relationship management, operational management, and breadth and delivery of products and services.

Direct insurers in Canada made widespread use of reinsurance in 2011, ceding approximately 70% of all new life business, as measured by ceded face amount of risk. This marks the eleventh consecutive year that cession rates have been at or above 70%. RGA Canada's new assumed individual life reinsurance volume exceeded C\$50 billion for the fourth consecutive year. Given the already high level of life reinsurance in Canada and RGA Canada's current market share, the division is well-positioned for sustained premium growth based on its current in-force business and the long-term duration of the underlying

Canadian individual life insurance products, despite the anticipated future decline in life insurance cessions in Canada as companies move to retain more mortality risk. In 2011, more than 70% of the division's premium base was individual life recurring premiums.

RGA's Canadian operations experienced a solid year in 2011, posting more than \$1 billion in revenues for the first time. For the fifth consecutive year, RGA Canada wrote the leading share of individual life recurring new business in this key market.

RGA Canada continued to leverage RGA's global experience and knowledge of living benefits. RGA Canada's growing share of critical illness reinsurance, estimated at one-third of the market, supports over 40% of the companies focused in this sector. After placing Canada's first longevity reinsurance transaction in 2010, 2011 resulted in significant activity as RGA Canada explored further opportunities to grow this business with clients. The division's group life and health line again contributed to

the company's growth potential. RGA Canada successfully partnered with three new group life and health clients in 2011. The Canadian division exploited synergies with RGA's U.S. Group team, generating more comprehensive offerings for the Canadian marketplace, and positioning the company as a significant player in the Canadian group reinsurance market.

RGA Canada's growing share of critical illness reinsurance, estimated at one-third of the market, supports more than 40% of the companies focused on this sector.

RGA Canada's underwriting team, which is central to the division's ongoing success in individual life reinsurance, processed almost 37,000 facultative applications in 2011, while remaining focused on responsive, industry-leading, timely service. RGA Canada's underwriters demonstrated leadership by developing innovative solutions to underwriting challenges. In addition to expanded product offerings supported by a comprehensive living benefits underwriting manual and market-leading facultative underwriting, RGA Canada has continued to promote value-added services, including RGA's robust automated underwriting software, AURA[®], which

offers Canadian clients an additional electronic underwriting solution to build efficiencies and share knowledge. The 2011 NMG Consulting cedant study ranked RGA Canada's underwriting team #1 in its Business Capability Index.

RGA has a firm commitment to the growth and success of the insurance industry in Canada. In 2011, RGA Canada maintained its ongoing tradition of support to the insurance industry through leadership roles across a number of industry bodies. RGA professionals served in a variety of leadership roles within the Canadian life insurance industry, including those of Chairman of the Board of the Canadian Life and Health Insurance Association, President of the Canadian Institute of Actuaries (CIA), the Chair of the CIA Member Services Council, the Chair of the CIA research committee, the Chair of the Society of Actuaries examination committee and the Chair of a CLHIA task force, from which has developed an industry-wide initiative to support insured employer drug plans when a plan member is dependent on a catastrophically expensive recurrent drug protocol.

By working closely with clients and listening to their needs, RGA is able to help them succeed in new markets and overcome challenges in existing ones. We focus on our relationships with our clients as true partnerships.

International Division Net Premiums (in millions USD)

2011	2,499
2010	2,058
2009	1,781
2008	1,709
2007	1,543

International Operations

RGA established its first business presence outside North America in 1994, and formed the company's International Division in 2002 to serve the growing needs of its multinational clients and to serve the needs of local insurance companies in those markets. The division, comprised of RGA's Asia Pacific operations and the Europe, South Africa, India, Latin America and Middle East operations and supporting clients in more than 70 countries, reported \$2.5 billion in net premiums in 2011, an increase of 21%, with a 10-year compound annual growth rate of 25%. At the close of the year, 29% of RGA's individual premiums were generated by its operations outside the U.S. and Canada.

RGA's International Division reported \$2.5 billion in net premiums in 2011, an increase of 21%, with a 10-year compound annual growth rate of 25%.

The **Asia Pacific** segment, which includes operations in Australia, China, Hong Kong, Japan, Malaysia, New Zealand, Singapore, South Korea and Taiwan, experienced a decline in income in 2011 related to a large reserve increase due to Australian disability income business, and adverse claims experience in the region. Net premiums, however, provided robust

growth, rising to \$1.3 billion, a 15% increase over 2010, while revenues increased by 15% to \$1.4 billion.

Growth in the Asia Pacific region has been fueled by key pockets of strength. Product development and underwriting innovation are important advantages for RGA in the region. Ongoing changes in regulatory frameworks, capital strain caused by rapid business growth in the region, and economic and demographic trends provide RGA with opportunities to help customers prosper amid challenges wrought by the market's evolution.

In **Australia and New Zealand**, RGA's net premiums grew to \$746 million in 2011, a 26% increase over the previous year. Growth was sustained across all major product lines, including group reinsurance and individual life reinsurance. Alternative distribution channels demonstrated signs of contributing sustained market growth. While 2011 was an extremely challenging year throughout the Australian industry, with claims at historically high levels, RGA Australia managed well through this period, avoiding the losses experienced by others in the industry by carefully managed risk selection.

Significant regulatory changes in Australia and New Zealand during the year led RGA to work closely with insurers to help

them better understand and devise strategies to manage the challenges and seize the opportunities these changes may bring about.

In alignment with RGA's global focus on client satisfaction, RGA Australia further reorganized its business across all functions to parallel client lines, implemented several initiatives to enhance customer experience, and re-launched feedback programs to track its progress, including client relationship boards and quarterly and annual reviews.

In 2011, RGA Reinsurance Company of Australia Limited (RGAA) was awarded its first official credit rating by leading rating agency, Standard & Poor's Insurance Ratings, with a rating of an AA-. This rating provides clients with additional comfort in regard to RGA's local claims-paying ability and financial strength.

As a local and global industry leader, RGA shared market knowledge through pricing, product, underwriting, claims, technology and medical seminars; offered training to the local industry in the form of its renowned Global Underwriting Learning Framework (GULF) program; hosted several technical breakfast sessions throughout the year; and offered benchmarking surveys and distribution research. RGA also demonstrated its ongoing commitment to the local industry

through event sponsorships, presentations at industry events and by partnering with clients at advisor events throughout the year.

RGA Japan, which is the second-largest operation on a revenue basis in RGA's Asia Pacific segment, continued to perform well in 2011, with premium of 14,721 million yen. The branch reported new assumed amount at risk of 278,454 million yen. The level of facultative case underwriting continued to rise, as the office processed a new record of 47,083 facultative cases in 2011, reflecting recognition of RGA's mortality expertise and its understanding of the market.

RGA has established itself as not only the facultative leader in the Japan market, but also as a collaborative and value-oriented partner in innovative product development. Local industry trends showed that population aging is causing a shift from

mortality products to health-related products such as medical and cancer insurance, and annuities. Innovative solutions created by RGA Japan in response to the changing business environment included a highly cost-effective e-underwriting implementation for a key client: The e-underwriting solution employed RGA's rules, was hosted on RGA servers, and was issued on a quota share basis. The proven success of this transaction led RGA to consummate similar but customized offerings to three other e-underwriting clients. In 2011, RGA Japan also completed an asset-intensive transaction and provided a substantial amount of capital to Japanese insurers through surplus relief transactions. RGA is prepared to provide guidance to insurers on how they will be able to grow in a mature market with an aging and declining

population. Many companies are moving to protection products because of aging but face competition from other players, and some are examining the potential of entering overseas markets, particularly through acquisitions.

RGA Japan maintained operations throughout the aftermath of the 2011 earthquake and nuclear crisis in that country, delivering its usual high level of service and continuing to fully support its clients. Claims had to be handled on an expedited basis in highly unusual circumstances; often no body was recovered, while in other cases local records had been destroyed. The regulator requested that life companies liberally settle claims and also waive any earthquake exclusions in their policies.

Financial Solutions to Address Changing Needs

In 2010, the expertise and resources of RGA's U.S.-based Financial Markets team and its internationally-focused partner, the Capital and Financial Solutions team, were united as RGA's Global Financial Solutions (GFS) team.

By leveraging the knowledge and insights of both teams, GFS seamlessly provides creative and sound capital-motivated, longevity, and asset-intensive solutions that meet the changing capital and regulatory needs of RGA's valued clients.

There is an enormous appetite among the world's markets for the types of financial solutions GFS offers, and to this point RGA has provided financial solutions to clients in 15 countries. Capital-motivated opportunities remain in demand in the expanding insurance markets of Asia, with considerable interest in Japan, Taiwan, Hong Kong and Singapore. New capital requirements in Australia and the adoption of Solvency II in

Europe create additional demands. The requirements of Basel III have generated opportunities for RGA to explore reinsurance proposals with bancassurers. Insurers in the U.S., Japan and Canada markets remain active in the pursuit of effective capital solutions. The ongoing economic stress, coupled with future regulatory uncertainty, continues to provide significant opportunity for reinsurers such as RGA that are well-equipped to address these global opportunities.



"The growth potential for Global Financial Solutions lies in continuing to bridge rapidly changing capital and risk requirements with innovative, cost-effective solutions across all of RGA's markets."

John Laughlin, Executive Vice President,
Global Financial Solutions

Through client underwriter training, seminars, webcasts and our leading Global Underwriting Manual, RGA shares knowledge and insights to improve the quality and accuracy of risk management practices throughout the industry.

During 2011, the branch held approximately 20 seminars on a variety of industry topics such as underwriting and claims, actuarial, and product development, as well as quarterly study sessions for junior actuaries and underwriters. At one seminar hosted by RGA, the team shared insights and ideas on product development with more than 150 actuarial, product development, corporate planning, and underwriting professionals from life and general insurance companies, associations, and small-amount short-term insurers. The office continues to support industry groups such as the Institute of Actuaries of Japan and the Underwriting Association of Japan, and shared information and best practices through a series of published articles covering topics of local interest.

RGA **South Korea's** total revenue and net income increased by 4.8% and 2.2% respectively in 2011, on a U.S. dollar basis, compared with the previous year, despite strong pricing competition in the life reinsurance segment and continued renegotiation of terms by clients. The second half of 2011 saw an improvement in client activity and RGA noted a marked increase in the level of requests for product development support from across the insurance sector. Given the long lead-time to bring new products to market in Korea, this activity is not expected to begin adding to results until the second half of 2012. Meanwhile, RGA's local facultative business continued to gain strength, with 13,022 cases being processed in 2011, an approximate 50% increase over the previous year.

RGA **Hong Kong** delivered another year of strong results and premium growth in 2011, with an increase of 18% in premiums over the previous year. The office received 7,546 facultative applications. The Hong Kong operation, which serves Hong Kong and Southeast Asia, is the RGA's fourth-largest market in the Asia Pacific operating segment by premium and second-largest by net operating income.

RGA operations in this important region continue to focus on product development and underwriting innovation. In 2011, the Hong Kong team designed and implemented new product development and underwriting support for clients with agency, bancassurance and telemarketing/direct marketing distribution channels. As the market leader in critical illness product development, RGA Hong Kong developed and successfully launched several critical illness products during the year, including

As a result of Solvency II, European companies are eager to explore the benefits of RGA's asset-intensive solutions. In fact, Solvency II has led to increased focus on the management of investment risk for insurers across the globe, and RGA is concurrently exploring asset-intensive opportunities in Australia, Japan and throughout Asia. Meanwhile, Canadian GAAP and Minimum Continuing Capital and Surplus Requirements in Canada continue to create a need for the solutions GFS can offer in that market.

Interest in longevity solutions remains high in the U.K. and continues to gain momentum in other markets, most notably in the Netherlands, Canada and the U.S.

The recent global financial crisis, and capital depletion facing insurers in some markets as capital requirements have changed, has led to many companies re-evaluating their areas of focus, from both product and geographic perspectives.

The Future

Future industry demand for these types of solutions is expected to remain strong, although the particular form these solutions will take remains uncertain. The unknown timing and details of future regulatory changes such as Solvency II, while fueling demand and interest from clients, has led to delays as insurers defer their capital planning until there is greater certainty.

Helping clients develop strategies involving the use of reinsurance as a flexible tool provides RGA with tremendous opportunities. The experience and creativity of the RGA Global Financial Solutions team and its ability to leverage resources and expertise from across the organization and from around the world provide RGA's clients with innovative, alternative solutions to help them address the challenges they face.

new generations of early stage critical illness and multi-pay critical illness products. RGA also leads the market in high-net-worth reinsurance products, and applied data derived from considerable experience in this sector to support twelve key clients in Hong Kong and Southeast Asia.

Ongoing changes in regulatory frameworks, capital strain caused by rapid business growth in the Asia Pacific region, and economic and demographic trends provide RGA with opportunities to help customers prosper.

In 2011, RGA provided advanced underwriting solutions to assist clients in enhancing the effectiveness of their sales processes and upsell/cross-sell programs, and financial solutions to help them meet capital and financial management needs. In addition, RGA continued to support clients in the Malaysian and Indonesian takaful markets through its Retakaful Window in Labuan, Malaysia.

The Hong Kong team shared its knowledge and expertise through actuarial, marketing, and underwriting training sessions and seminars throughout the year. These included more than 40 medical officer training sessions in Southeast Asia, a mini-seminar on the U.K. critical illness market, and several underwriting and actuarial industry seminars and presentations.

During the year, RGA Hong Kong was a major sponsor of the Asian Insurance CFO Summit, Pacific Insurance Conference, East Asian Actuarial Conference, Actuarial Society of the Philippines Annual Convention, Society of Actuaries of Indonesia Conference, Academy of Insurance Medicine of Asia VIII Conference, and the Asia Insurance Industry Awards.

RGA entered the **Taiwan** market in 1999, and has since developed a significant business presence with steady annual growth. In 2011, RGA Taiwan net premiums increased by 12% to \$70.3 million. RGA extended its record of strong business growth with a compound annual growth rate of 13.3% in this market, from 2006 to 2011.

Innovative, customer-driven product development remains a key strength of the RGA Taiwan team. In 2011, RGA developed a series of critical illness products with a major client. The product series divided all critical illness events commonly covered in the market into different groups, and allows consumers to purchase one or several groups of critical illness coverages depending on their individual preference and existing coverages. During the year, RGA Taiwan also focused on bancassurance and telemarketing product initiatives, and introduced small- to medium-sized enterprise (SME) insurance to the market. Additional product initiatives that were well-received in this market included RGA's support in helping a client launch the first agency-distributed term cancer product with return of premiums, and in securing a whole life hospital cash product for one of the leading insurers in Taiwan. RGA Taiwan also worked closely with

RGA's Global Financial Solutions team to successfully close several transactions during the year.

Underwriting and claims services were also important areas for RGA Taiwan, which leveraged medical, underwriting and claims insights by hosting the highest-ever number of seminars, including 10 industry-wide seminars and more than 40 in-house customized seminars. RGA has an outstanding reputation for sharing knowledge through continued training and education. In January 2011, RGA initiated a new service, providing monthly underwriting and claims electronic newsletters plus monthly selected underwriting case studies, which have been well-received by 400 underwriters and claim assessors of all levels.

Malaysian Life Reinsurance Group Berhad (MLRe) conducts business with all Malaysian life insurance companies and delivers services to companies in neighboring countries. The business is a joint venture between RGA, which owns a 30% share, and the Life Insurance Association of Malaysia.

MLRe led the life reinsurance sector in **Malaysia** in 2011, and remains the leading provider of facultative reinsurance in the market, processing 20,016 facultative cases. At year-end, MLRe posted a gain of 8% in gross premiums, to RM 203.6 million. RGA worked with Malaysian life insurers to explore innovations in critical illness products in 2011. On the bancassurance front, the local industry is paying close attention to the insurance needs of the SME markets and high-net-worth individuals.

RGA employs the best and brightest minds to look at problems and challenges in different ways, and develop novel approaches. Through new technologies, expert models, and experience studies, our professionals design truly ground-breaking innovations that change the way our clients do business.

RGA **China** hosted underwriting and actuarial seminars with active participation by local insurance companies to help in building and strengthening the local life industry. The representative office continued to work with the Chinese regulator to secure the license necessary to operate as a branch in this important market. RGA China worked closely with local insurance companies on several research projects, such as an experience study and benchmarking trips to other markets, leveraging insights across borders.

RGA's **Europe, South Africa, India and Latin America** segment, which includes operations in the United Kingdom (U.K.), the Netherlands, Spain, France, Germany, Italy, Central and Eastern Europe, the Middle East, India, South Africa and Latin America, posted strong results in 2011, as net premiums rose to \$1.2 billion, a 30% increase over 2010. Pre-tax net income increased by \$14.2 million or 17%, based on increased net premiums in the U.K., South Africa, Italy, Spain, India and the U.A.E. The segment provides reinsurance for a variety of life and health products through yearly renewable term and coinsurance agreements, critical illness coverage and longevity risk related to payout annuities. Reinsurance agreements may be facultative or automatic agreements covering individual risks and in some markets, group risks.

Though market conditions proved challenging in the **U.K.** during 2011, RGA's premium income in the U.K. and

Ireland increased by 19.9% (15.7% in local currency terms). Annuity business continued to grow, while the operation maintained its strong position in the individual protection sector. The underwritten annuity market in the region exceeded £3.0 billion for 2011, representing growth of 22% over the preceding year. RGA strengthened its presence in this growing sector of the annuity market while building its client base, and increasing margin. RGA U.K. also completed two large bulk annuity transactions.

In 2011's highly competitive reinsurance environment, NMG Consulting named RGA U.K. as the leading life reinsurer in the U.K. and Ireland markets, the third consecutive year RGA has achieved that ranking.

A number of regulatory changes are on the horizon for U.K. insurance companies, including Solvency II, Gender Equalisation, changes to taxation, and the Retail Distribution Review. These changes are likely to divert the actuarial and IT resources of many insurers away from the development of new products and services. To support its clients' ongoing development in this shifting landscape, RGA is committed to developing a diversified range of products and services, and to tailoring them to the unique needs of each client.

RGA opened an office in the **Netherlands** in 2010, and for the past two years has been focused on studying the local market and developing brand awareness. RGA Netherlands' revenues rose 25% in 2011, while net operating income grew

90%. The number of facultative cases processed grew to 450. During 2011, the office, comprised of a full team of actuarial and underwriting professionals, organized several interactive product development and distribution channel workshops for insurers.

The Netherlands team's strength in traditional reinsurance for mortality, disability and critical illness led to the successful provision of tailored solutions for several clients. In one such customized solution, RGA Netherlands collaborated with an insurer to develop and bring to market an innovative new product, "Goed Genoeg" ("good enough"), a customized disability product for the Netherlands' growing cohort of self-employed individuals. This innovative new product earned RGA recognition by *Life & Pension Risk* magazine, which named RGA "Best Reinsurer for Mortality Risk Transfer" in 2011.

RGA's Europe, South Africa, India and Latin America segment posted strong results in 2011, as net premiums rose to \$1.2 billion, a 30% increase over 2010.

During the year, the Netherlands office completed a feasibility study for the Nordic markets and carried out field work, which resulted in RGA's first group disability deal in Sweden. Interest in changes in the regulatory framework, longevity solutions, and asset-intensive capital-motivated transactions led RGA Netherlands to work with the company's Global Financial Solutions team to develop solutions suited to the Dutch market in 2011.

RGA's operations serving **Spain and Portugal** posted a strong performance in 2011, as premiums grew by 8% to €42.9 million. This success was a result, in large part, of increasing market penetration via current clients and treaties, and expansion of offered lines of protection. RGA re International Ibérica continued to build its brand recognition in Spain and Portugal by providing value-added services, including operational assessment and product development support to key clients.

Studies of cedants conducted by NMG Consulting and published in 2011 ranked RGA #1 in Business Capability in the Continental Europe, Italy, Central & Eastern Europe, South Africa, Mexico and U.K. & Ireland markets. NMG's Business Capability Index measures ceding companies' perceptions of reinsurers in terms of their capabilities in the areas of relationship management, operational management, and breadth and delivery of products and services.

Persistent economic turmoil in both countries continued to exert pressure on the life industry. Credit provided to individuals by financial institutions decreased again in 2011, drastically affecting the volume of life business linked to mortgages and personal loans, which had been the main sources of new business in the market in previous years.

Group business remained an extremely competitive market for both direct insurers and reinsurers. The financial crisis compelled companies in the region to cut costs, including employee benefits; this line of business, which is annually

renewable, consequently constricted pricing and terms for group reinsurers, increasing competition to maintain market share. Local group teams sought options to help clients succeed in this difficult environment.

RGA re International Ibérica assisted clients with the development of a critical illness product offered either as a rider to individual life covers or as a stand-alone product. The current trend is a move to more simplified products, rating fewer illnesses, with lower average premiums, resulting in alternatives that are significantly more attractive to the market.

RGA **France** expanded the range of products and services it offered to clients in France and Belgium. The team concentrated on the development of innovative products that address changing market needs, including new long-term care product solutions. Capital management and solvency requirements concerned many clients in the region, as the troubled financial market environment increased insurers' demand for capital relief in 2011. RGA France is well-positioned to provide assistance with capital management tools, and wrote several new solvency relief deals during the year.

The France office hosted several major client events designed to promote collaboration and share expertise, and participated in nearly a dozen conferences in 2011. In addition, RGA presented a highly successful workshop during the Réavie reinsurance congress in Cannes in October on "Reinsurance Strategy under Solvency II".

RGA **Germany**, which serves the Germany, Austria and Switzerland markets, again almost doubled its premium volume compared with the previous year and reported excellent claims experience. The local team made significant progress widening the client base, mainly by developing innovative product solutions but also by improving its clients' competitive position in the underwriting and policy issue area. By the end of 2011, RGA received premium income from all countries in the region, including Luxembourg and Liechtenstein, and participated in every major product line sold through all distribution channels. The improvement noted in RGA's ranking by NMG Consulting's Business Capability Index is evidence of RGA's upward trend in this important and competitive region.

Due to pressures from the financial crisis, especially the low interest rate environment, the local life insurance industry expressed an increased interest in protection business. To better understand this trend and respond to its clients' needs, while also providing the market with useful information regarding this important development, RGA sponsored a research study in cooperation with a leading third-party consulting firm to collect and analyze the opinions of leading executives on trends and challenges in the German protection market. The results showed a clear trend towards more protection products, an encouraging sign for the life reinsurance market in the region. The study results were published and were presented in a number of client workshops.

RGA delivers fresh solutions to help clients succeed in highly competitive markets, introducing new factors and approaches into the risk analysis process, including innovative predictive models and leading-edge research.

RGA **Italy** focused on increasing the number and types of products distributed by local clients during 2011. Italian families remain under-insured, compared with similar countries in Europe. While social and cultural reasons play a role in the underinsurance of this market, many of the available insurance products are not in line with local needs. Basic covers like critical illness and long-term care are not yet popular, and the Italy office worked to design new products, which were offered to all clients.

Facultative cases increased 33% compared with 2011, and the number of registered users and log-ins to RGA's Global Underwriting Manual (GUM) increased significantly, mainly due to the office's efforts in providing GUM training sessions. The number of Italian users of GUM has tripled since 2009.

Health reinsurance presented additional opportunities for RGA in the Italian market. Despite a universal public healthcare system, Italy ranks as one of Europe's leading countries in highest out-of-pocket healthcare expenditures. The opportunity for private health insurance includes both individual and group (employee benefit) products, primarily in the area of medical reimbursement.

RGA's increased focus on global acquisitions of block and in-force business, and its 2011 formation of a dedicated European acquisitions team, led the Italy office to focus on ways to provide this new service offering to selected clients. During the year, the Italy team completed a significant acquisition of a block of bancassurance creditor business, including assuming ongoing responsibility for policy administration.

RGA operations in **Central and Eastern Europe** experienced a very successful 2011. The office ended the year with 34 clients in nine countries, and more than 60 treaties in force. RGA's product development and quality of services were greatly appreciated: According to a 2011 study conducted by NMG Consulting, RGA was again recognized as the fastest-growing life reinsurer in the CEE region, leading in new treaty lines signed, and was named the leader in NMG's Business Capability Index.

The CEE team provides clients with traditional automatic and facultative life reinsurance, pricing research, market analysis and new product development. Products include term life, whole life, critical illness, hospital cash and accidental risks (partial and total disability), and risk management products and services. In 2011, product development around bancassurance initiatives was focused upon, due to the growing importance of this distribution channel in the region.

The office's first AURA (Automated Underwriting and Risk Analysis) implementation is expected to go live during the first half of 2012.

RGA continued to fulfill a significant role in the region by sharing its global knowledge and experience, through the introduction of new life and health products to direct insurers, providing insights into emerging distribution channels and direct marketing, and by organizing actuarial and underwriting training sessions. The office organized several conferences and events in 2011, designed to gather leading industry subject-matter experts to present data and insights on a number of important topics, conveying needed information to clients and colleagues. For the third

consecutive year, RGA invited clients and prospects to two CEE regional meetings, an actuarial conference in spring and an underwriting and claims seminar in the fall. In addition to these two large events, the office organized several smaller and local events, including actuarial breakfasts and underwriting lunch-and-learn sessions, and product development and bancassurance workshops.

RGA has been serving clients in the **Middle East** since 2008 and received a license from the Dubai International Financial Centre Authority in September 2011 to operate as RGA Reinsurance Company Middle East Limited (RGA Middle East).

Integration of processes, models and practices across the organization leverages RGA strengths on a worldwide basis.

RGA Middle East provides a full range of products and services to clients throughout the Middle East and Turkey, supporting both conventional and takafal insurers. The office enjoyed substantial growth in 2011 and is actively bolstering the team to sustain strong service standards as well as to drive continued expansion.

The company's strength in facultative underwriting is a key advantage in this market. RGA Middle East worked closely with clients in 2011 to develop new individual products, which were launched regionally. The office presented underwriting and health seminars in Egypt and the U.A.E., and actuaries and underwriters from more than 20 insurance companies attended the events.

In 2011, RGA Middle East helped insurers address many issues, including a highly price-sensitive local group market; mandatory healthcare, which is spreading throughout the Gulf States; and bancassurance distribution, a channel that has gained momentum throughout the region, with a prime focus on credit life. Political turmoil in the region decreased during the second half of the year, and general market conditions continued to improve.

RGA India expanded its client base and strengthened its client partnerships in 2011. After a decade of extraordinary growth, the Indian insurance industry transitioned into a consolidation period of expense management and efficiency improvement, driven largely by declining margins wrought by regulatory changes,

product design, and other factors. Nevertheless, the operation's strong growth in group and health reinsurance overshadowed weak growth in the individual life business. With five significant new treaties acquired in 2010 and 2011, RGA India's revenue grew by 52% as the team aided clients in addressing steep declines in new business volumes. RGA India reinforced its leadership within the market by achieving active treaty relationships with more than 90% of Indian insurance companies, while offering the market the benefits of RGA's global expertise and a strong locally empowered team. Individual facultative underwriting experienced steady growth, with more than 15,000 cases reviewed.

The office published the results of its inaugural health underwriting survey, contributed to the emerging dialogue on

health claims fraud in the IRDA journal, and was a leading participant at various industry forums including the Global Conference of Actuaries. It also completed an upgrade of a significant AURA e-underwriting installation with a key client. Ceding companies recognized RGA's value and expertise in this growing market, as RGA India was rated the highest in terms of overall business capability by key decision-makers in a 2011 study published by NMG Consulting.

RGA South Africa developed a number of new treaties in 2011, with substantial growth in its group business. Overall premium income grew 37% to R819 million. For the second consecutive year, RGA was ranked first in business capability in NMG Consulting's 2011 cedant study of the region.

Developments in Underwriting

Though the fundamentals of underwriting and insurance – understanding, evaluating and pricing risk – remain constant, the approach to underwriting, product design and distribution has evolved over time and will continue to change at an accelerated pace.

The advent of computerized applications and assessments over the past 20 years has accelerated this process, as underwriters used electronic evidence to refine their data-gathering and assessment methods.

In recent years, new predictive models have emerged, and interest in these new insights and approaches has grown. Additional new sources of data in the future will lead to predictive models that will transform the business dramatically.

Technological advances will bring significant changes in medicine, products, distribution and regulation. Predictive models are likely to dominate the industry, and RGA's continued

success will be tied directly to its proven ability to anticipate these changes, extrapolate the models and understand how the models predict risk assessment in order to serve its clients.



"Underwriting will continue to evolve and become increasingly dependent on data and the ability to validate data for real-time mortality prediction."

Dave Wheeler, Senior Vice President, Global Chief of Underwriting, RGA Reinsurance Company

AURA® is RGA's primary e-underwriting platform, and fundamental to RGA's goal to be the e-underwriting industry leader. RGA builds on its credibility and differentiates itself from other reinsurers through constant enhancements to AURA and by offering new options based upon this platform.

RGA dominated the local facultative reinsurance market, handling more than 19,000 cases during 2011, and receiving the largest share of placed facultative contracts from most of its major clients.

Information sharing remained a key strength of the South African team. During 2011, RGA hosted four client seminars and a key client retreat, with strong client participation. The office released the results of the first-ever industry claims practice survey in South Africa, which was very positively received by its clients. RGA also embarked on a number of product development exercises, including one using Internet and worksite marketing based on RGA's innovative e-underwriting offering, AURA.

RGA **Latin America** reinforced its underwriting, actuarial and health teams in 2011, improving their ability to deliver effective and innovative solutions to meet local clients' needs. RGA continued to achieve success in this market. Ceding companies ranked RGA first in business capability, as reported by NMG Consulting, in their initial study of life and health insurers conducted in Mexico. RGA was viewed by respondents as the most capable and responsive reinsurer with which to conduct business.

Latin American insurance markets presented strong growth in spite of challenging global economic conditions. Domestic demand driven by the rising purchasing power of the middle class provides a rationale for the region's relative immunity to the crisis, and reflects

a promising and positive outlook for continued business growth and new opportunities in the region.

RGA Latin America plans to penetrate new geographical markets in the region, explore new business initiatives, including the high-net-worth business, and continue its strong focus on helping clients develop products that satisfy the needs of a growing middle class.

In addition to ongoing technological advances, findings developed from predictive modeling, advances in medicine, and new information regarding demographic, regulatory and other factors are incorporated into AURA as their efficacy is proven, so RGA is able to offer clients sound, packaged solutions that include products, reinsurance and technology to help them succeed.

The AURA Solution

E-underwriting has gained widespread acceptance in virtually all the markets RGA serves. There are currently 29 AURA installations in 12 countries in seven languages and AURA is used to process more than 2.5 million cases each year. As comfort with Cloud-based solutions has grown, insurers have welcomed RGA's low-cost version of AURA (AURA Hosted), in which RGA supplies the engine and rules, customers submit data over the web, and RGA returns instant guaranteed underwriting decisions.

Recent introduction of RGA's U.S.-based Prescriptions standalone product allows U.S. customers to access RGA's unique scoring model via the web and receive instant underwriting decisions based on an applicant's prescription drug history. 2011 saw continued expansion of the AURA service for impaired annuities in the U.K. and growth of ASAPSM in the U.S. and Canada for facultative business.

The demand for e-underwriting and for AURA solutions and services continues to grow, due to insurers' global acceptance of Cloud-based solutions, regulatory reforms that have driven companies to address expenses, and increased recognition of the value of external data sources to improve underwriting using predictive models.

SELECTED CONSOLIDATED FINANCIAL AND OPERATING DATA

For the Years Ended December 31, (in millions, except per share and operating data)	2011	2010	2009	2008	2007
Income Statement Data					
Revenues:					
Net premiums	\$ 7,335.7	\$ 6,659.7	\$ 5,725.2	\$ 5,349.3	\$ 4,909.0
Investment income, net of related expenses	1,281.2	1,238.7	1,122.5	871.3	907.9
Investment related gains (losses), net:					
Other-than-temporary impairments on fixed maturity securities	(30.9)	(31.9)	(128.8)	(113.3)	(7.5)
Other-than-temporary impairments on fixed maturity securities transferred to (from) accumulated other comprehensive income	3.9	2.0	16.0	—	—
Other investment related gains (losses), net	(9.1)	241.9	146.9	(533.9)	(171.2)
Total investment related gains (losses), net	(36.1)	212.0	34.1	(647.2)	(178.7)
Other revenues	248.7	151.3	185.0	107.8	80.2
Total revenues	8,829.5	8,261.7	7,066.8	5,681.2	5,718.4
Benefits and expenses:					
Claims and other policy benefits	6,224.8	5,547.1	4,819.4	4,461.9	3,984.0
Interest credited	316.4	310.0	323.7	233.2	246.1
Policy acquisition costs and other insurance expenses	919.6	1,080.0	958.3	357.9	647.8
Other operating expenses	419.3	362.0	294.9	242.9	236.7
Interest expense	102.6	91.0	69.9	76.2	76.9
Collateral finance facility expense	12.4	7.8	8.3	28.7	52.0
Total benefits and expenses	7,995.1	7,397.9	6,474.5	5,400.8	5,243.5
Income from continuing operations before income taxes	834.4	863.8	592.3	280.4	474.9
Provision for income taxes	234.8	289.4	185.2	92.6	166.6
Income from continuing operations	599.6	574.4	407.1	187.8	308.3
Loss from discontinued accident and health operations, net of income taxes	—	—	—	(11.0)	(14.5)
Net income	\$ 599.6	\$ 574.4	\$ 407.1	\$ 176.8	\$ 293.8

(continued) For the Years Ended December 31, (in millions, except per share and operating data)	2011	2010	2009	2008	2007
Basic Earnings Per Share					
Continuing operations	\$ 8.15	\$ 7.85	\$ 5.59	\$ 2.94	\$ 4.98
Discontinued operations	–	–	–	(0.17)	(0.23)
Net Income	\$ 8.15	\$ 7.85	\$ 5.59	\$ 2.77	\$ 4.75
Diluted Earnings Per Share					
Continuing operations	\$ 8.09	\$ 7.69	\$ 5.55	\$ 2.88	\$ 4.80
Discontinued operations	–	–	–	(0.17)	(0.23)
Net Income	\$ 8.09	\$ 7.69	\$ 5.55	\$ 2.71	\$ 4.57
Weighted average diluted shares, in thousands	74,108	74,694	73,327	65,271	64,231
Dividends per share on common stock	\$ 0.60	\$ 0.48	\$ 0.36	\$ 0.36	\$ 0.36
Balance Sheet Data					
Total investments	\$ 24,964.6	\$ 22,666.6	\$ 19,224.1	\$ 15,610.7	\$ 16,397.7
Total assets	32,104.0	29,081.9	25,249.5	21,658.8	21,598.0
Policy liabilities	21,139.3	19,647.2	17,643.6	16,045.5	15,045.5
Short-term debt	–	200.0	–	–	29.8
Long-term debt	1,414.7	1,016.4	1,216.1	918.2	896.1
Collateral finance facility	652.0	850.0	850.0	850.0	850.4
Company-obligated mandatorily redeemable preferred securities of subsidiary trust holding solely junior subordinated debentures of the Company	–	159.4	159.2	159.0	158.9
Total stockholders' equity	6,137.1	5,040.6	3,867.9	2,616.8	3,189.8
Total stockholders' equity per share	\$ 83.65	\$ 68.71	\$ 52.99	\$ 36.03	\$ 51.42
Operating Data (in billions)					
Assumed ordinary life reinsurance in force	\$ 2,664.4	\$ 2,540.3	\$ 2,325.1	\$ 2,108.1	\$ 2,119.9
Assumed new business production	428.9	327.6	321.0	305.0	302.4

LEADERSHIP

Executive Leadership



A. Greig Woodring*
President and Chief Executive Officer



Donna H. Kinnaird*¹
Senior Executive Vice President and Chief Operating Officer



Jack B. Lay*
Senior Executive Vice President and Chief Financial Officer



Paul A. Schuster*
Senior Executive Vice President, Global Group, Health and Long-Term Care and Global Financial Solutions



Gay Burns
Senior Vice President and Chief Human Resources Officer



Scott D. Cochran*
Executive Vice President, Global Financial Solutions and Acquisitions



Gary M. Comerford
Executive Vice President and Chief Marketing Officer



David C. Fischer
Executive Vice President and Chief Investment Officer



William L. Hutton
Executive Vice President, General Counsel and Secretary



Anna Manning*
Executive Vice President and Head of U.S. Markets



Robert M. Musen
Executive Vice President and Chief of Staff



Alain P. Néemeh*
President and Chief Executive Officer, RGA Life Reinsurance Company of Canada and Head of Global Mortality Products



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Michael S. Stein
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Former Vice Chairman and Chief Financial Officer of AXA Financial, Inc. and AXA Equitable Life Insurance Company

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¹ Effective April 2, 2012

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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.

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, in addition to any mortality, 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 assumes full underwriting responsibility 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

(Also known as financial reinsurance, financially motivated reinsurance or non-traditional reinsurance)

Reinsurance designed to meet a financial objective of an insurer. For example, financial reinsurance can aid in an insurer's tax planning efforts or can provide capital in order to support an insurer's future growth.

Captive insurer

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

Cedant/Ceding company

Direct insurer (or reinsurer) that passes on, or cedes, shares of its insured or reinsured risks to a reinsurer or retrocessionaire.

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 retains the assets.

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 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 policy can be arranged in its own right or can be 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 makes an underwriting decision, to accept or decline, on each risk sent to it by the ceding company.

Financial reinsurance

(Also known as financially-motivated reinsurance, capital-motivated reinsurance or non-traditional reinsurance)

Reinsurance designed to meet a financial objective of an insurer. For example, financial reinsurance can aid in an insurer's tax planning efforts or can provide capital in order to support an insurer's future growth.

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 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

Insurance policy that is issued to insure the life of a named person or persons, rather than that of a group.

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 both the assets and 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.

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 insured.

Premium

Amounts paid to insure a risk.

Production

Refers to new business that was produced during a specified period.

Portfolio

The totality of risks assumed by an insurer or reinsurer.

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 to cancel reinsurance under certain conditions.

Reinsurance

A type of insurance coverage that one company, the ceding company, purchases from another company, the reinsurer, in order to transfer risk associated with insurance. Through reinsurance, a reinsurer "insures" the ceding company.

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 also 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

Transaction in which the reinsurer transfers all or part of the risks it has assumed to another reinsurer (the retrocessionaire), in return for payment of premiums.

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.

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.

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.

Webcasts

Presentation of information broadcast over the Internet.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This 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 earnings, revenues, income or loss, future financial performance and growth potential of Reinsurance Group of America, Incorporated and its subsidiaries (which we refer to in the following paragraphs as “we,” “us” or “our”). 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.

Numerous important factors could cause actual results and events to differ materially from those expressed or implied by forward-looking statements including, without limitation, (1) adverse capital and credit market conditions and their impact on our liquidity, access to capital, and cost of capital, (2) the impairment of other financial institutions and its effect on our business, (3) requirements to post collateral or make payments due to declines in market value of assets subject to our collateral arrangements, (4) the fact that the determination of allowances and impairments taken on our investments is highly subjective, (5) adverse changes in mortality, morbidity, lapsation, or claims

experience, (6) changes in our financial strength and credit ratings and the effect of such changes on our future results of operations and financial condition, (7) inadequate risk analysis and underwriting, (8) general economic conditions or a prolonged economic downturn affecting the demand for insurance and reinsurance in our current and planned markets, (9) the availability and cost of collateral necessary for regulatory reserves and capital, (10) market or economic conditions that adversely affect the value of our investment securities or result in the impairment of all or a portion of the value of certain of our investment securities, that in turn could affect regulatory capital, (11) market or economic conditions that adversely affect our ability to make timely sales of investment securities, (12) risks inherent in our risk management and investment strategy, including changes in investment portfolio yields due to interest rate or credit quality changes, (13) fluctuations in U.S. or foreign currency exchange rates, interest rates, or securities and real estate markets, (14) adverse litigation or arbitration results, (15) the adequacy of reserves, resources, and accurate information relating to settlements, awards, and terminated and discontinued lines of business, (16) the stability of and actions by governments and economies in the markets in which we operate, including ongoing uncertainties regarding the amount of United States sovereign debt and the credit ratings thereof, (17) competitive factors and competitors' responses to our initiatives, (18) the success of our clients, (19) successful execution of our entry into new markets, (20) successful development and introduction of new products and distribution opportunities, (21) our ability to successfully integrate and operate

reinsurance business that we acquire, (22) action by regulators who have authority over our reinsurance operations in the jurisdictions in which we operate, (23) our dependence on third parties, including those insurance companies and reinsurers to which we cede some reinsurance, third-party investment managers, and others, (24) the threat of natural disasters, catastrophes, terrorist attacks, epidemics, or pandemics anywhere in the world where we or our clients do business, (25) changes in laws, regulations, and accounting standards applicable to us, our subsidiaries, or our business, (26) the effect of our status as an insurance holding company and regulatory restrictions on our ability to pay principal of and interest on our debt obligations, and (27) other risks and uncertainties described in this document and in our other filings with the Securities and Exchange Commission.

Forward-looking statements should be evaluated together with the many risks and uncertainties that affect our business, including those mentioned in this document and described in the periodic reports we file with the Securities and Exchange Commission. These forward-looking statements speak only as of the date on which they are made. We do not undertake any obligations to update these forward-looking statements, even though our situation may change in the future. We qualify all of our forward-looking statements by these cautionary statements. For a discussion of the risks and uncertainties that could cause actual results to differ materially from those contained in the forward-looking statements, you are advised to review the risk factors in our 2011 Form 10-K.

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