

# Transfer of Risk



**Laura Hardy**

VP, Business Development

*Reinsurance Group of America*

# Longevity Risk Transfer



# Current Players

## Fronters

Longevity:

- [L&G]
- Zurich

Bulk annuities:

- L&G
- Just
- PIC
- Rothesay Life
- Aviva
- Scottish Widows
- Phoenix
- Canada Life

## Reinsurers

RGA

Munich Re

Hannover Re

Pac Life

Prudential US

SCOR

Swiss Re

Berkshire Hathaway

Partner Re

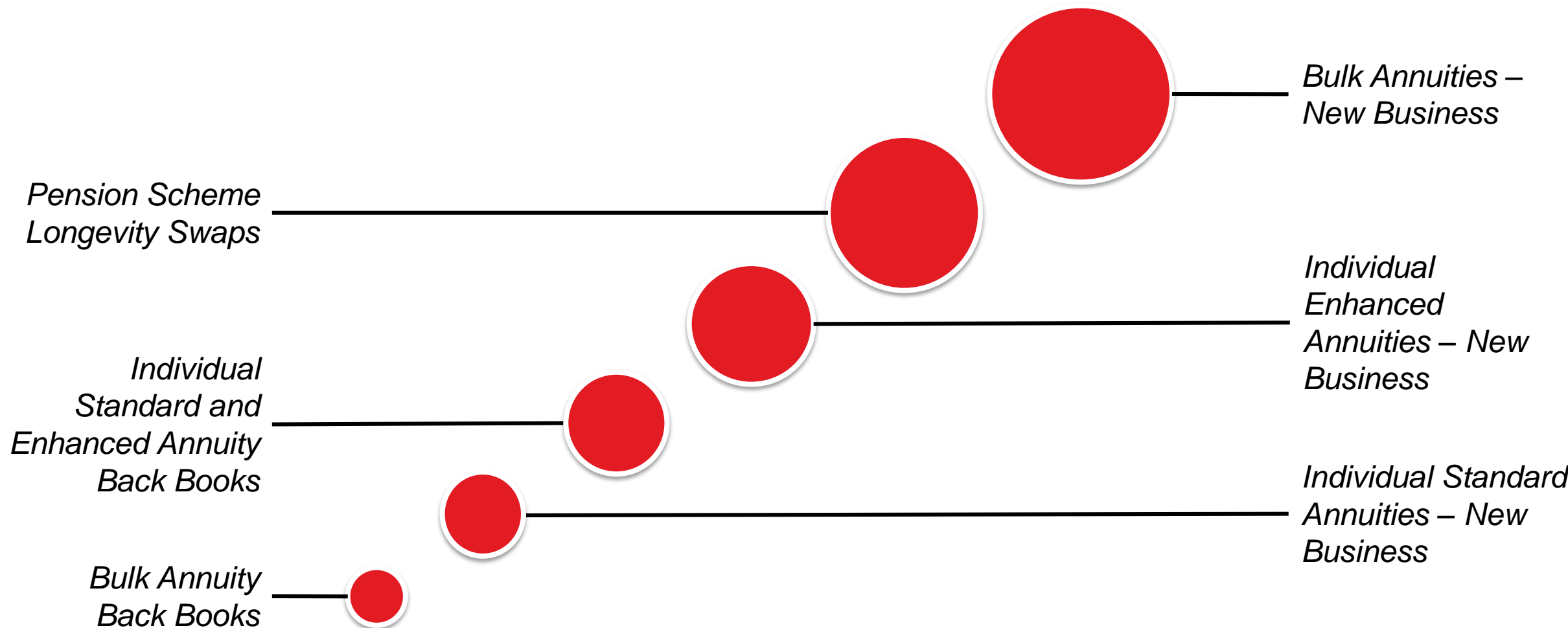
Canada Life

## Capital markets

Hedge Funds

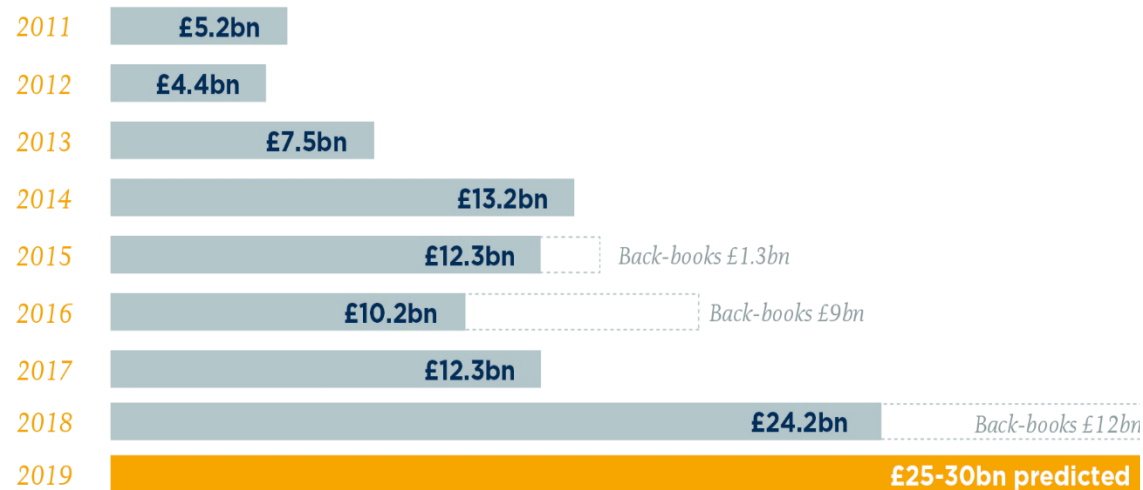
Institutional  
investors

# What Vanilla Deals Are Being Done?



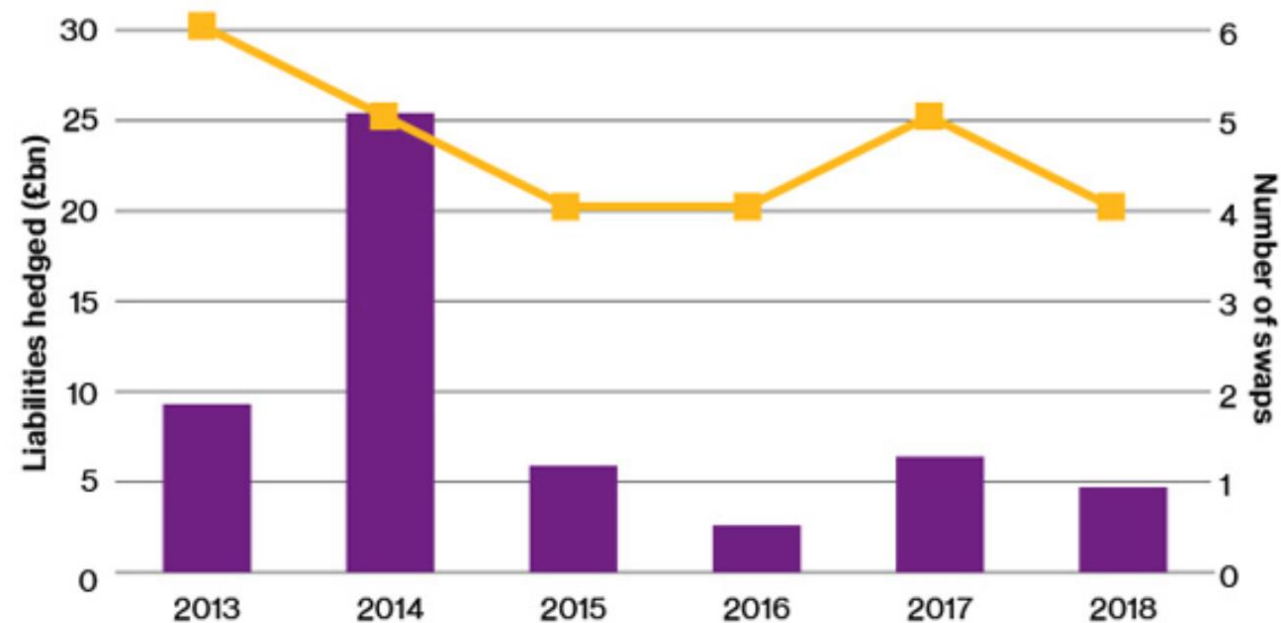
# Market Activity

## Bulk annuity and annuity back-book volumes



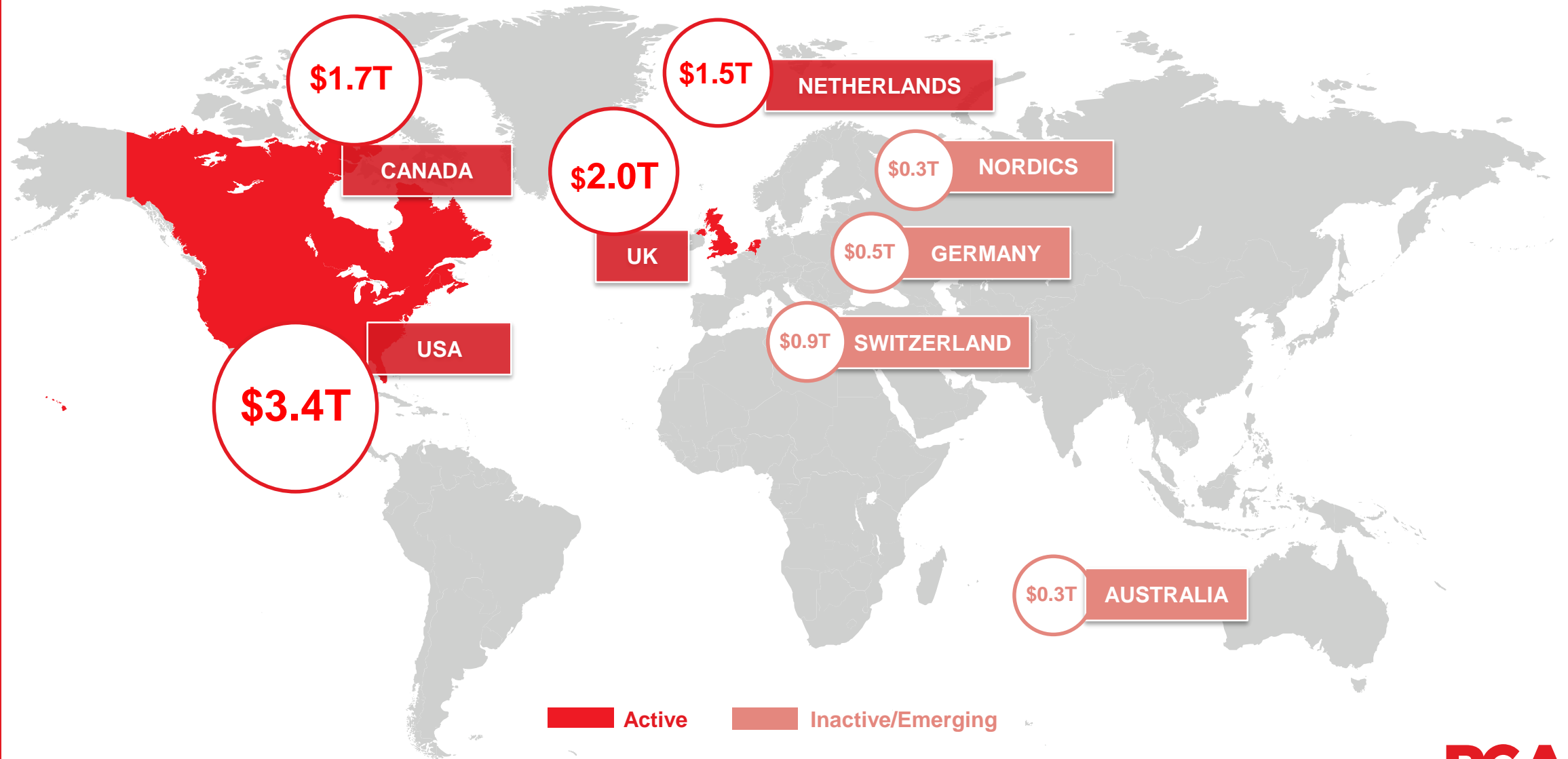
Source: LCP De-Risking Report 2019

## Longevity swap volumes



Source: Willis Towers Watson, March 2019

# Global Demand for Longevity Risk Transfer



Source: Willis Towers Watson 2018 Global Pension Asset Study



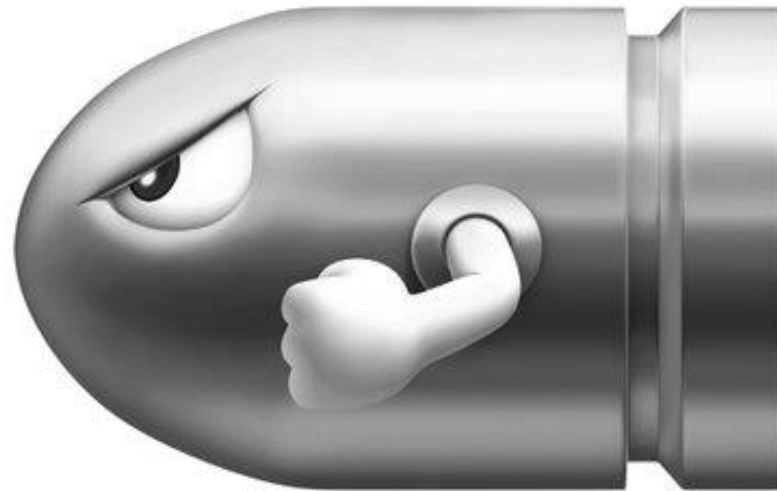
# Global Demand for Longevity Risk Transfer

*“One of the biggest risks to longevity reinsurance capacity is the US de-risking market”*

LCP De-Risking Report, 2019



# Capital Markets





# Barriers to accessing capital markets capacity



High tenor



Uncapped exposure



Opaque pricing



Volatility



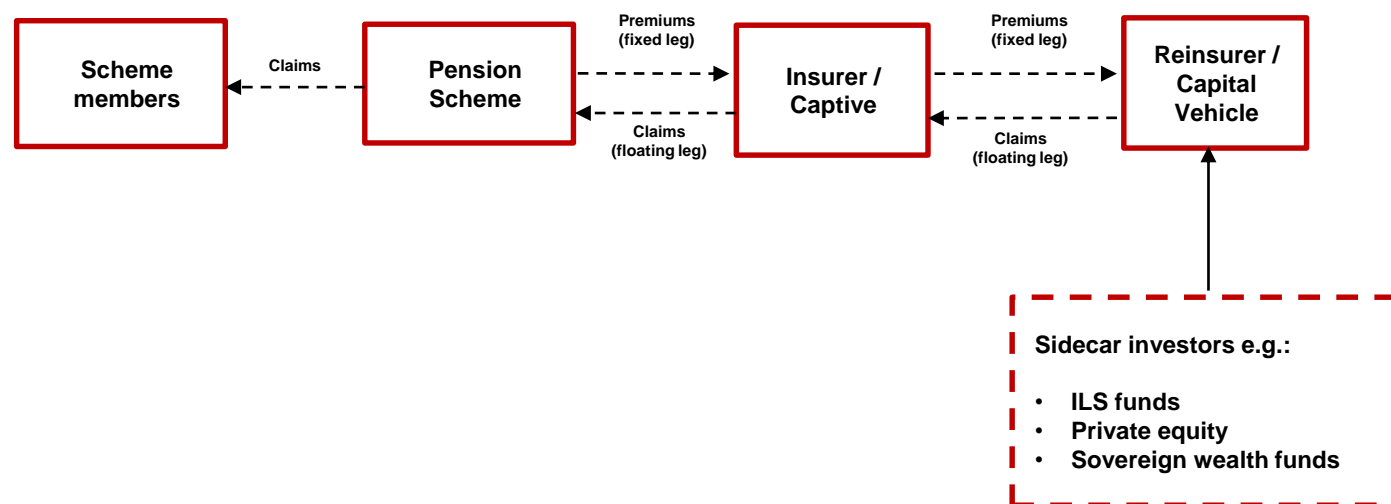
Medical advances





# Recent developments

# Case Study 1 – the sidecar



**Resolution Life**

 **GREY CASTLE**

Langhorne|**RE**

Aureum Re 

**WR** | WarwickRe

*“Monument Re acquires €140mn annuities portfolio from  
Rothesay Life”*

Reinsurance News, 1 April 2019

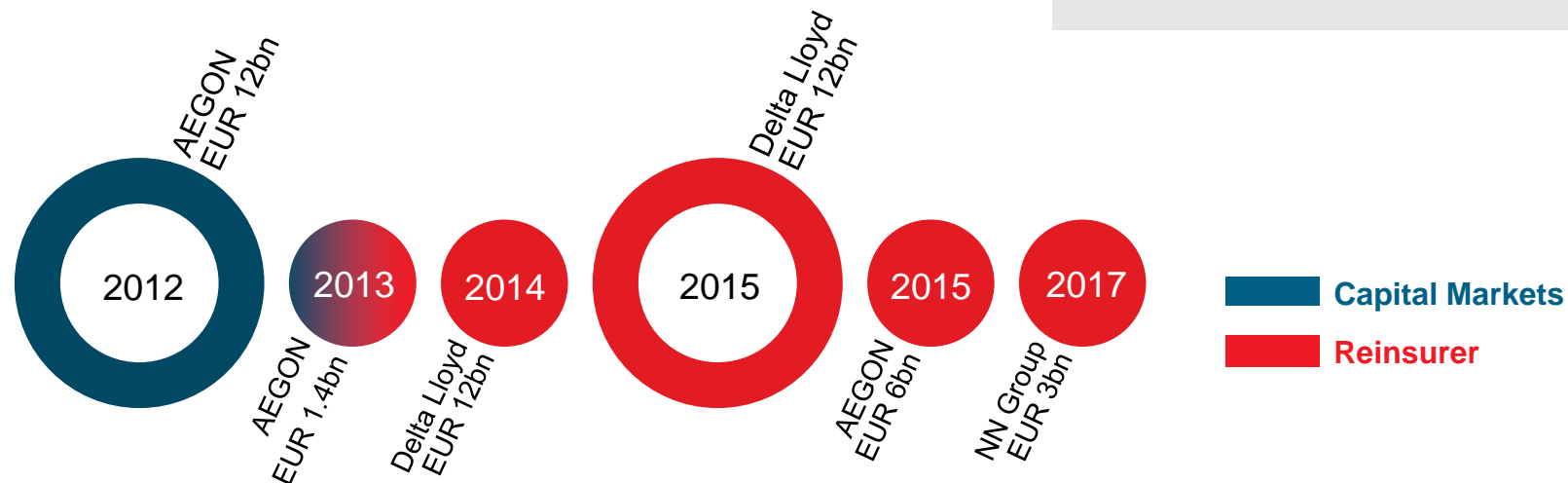
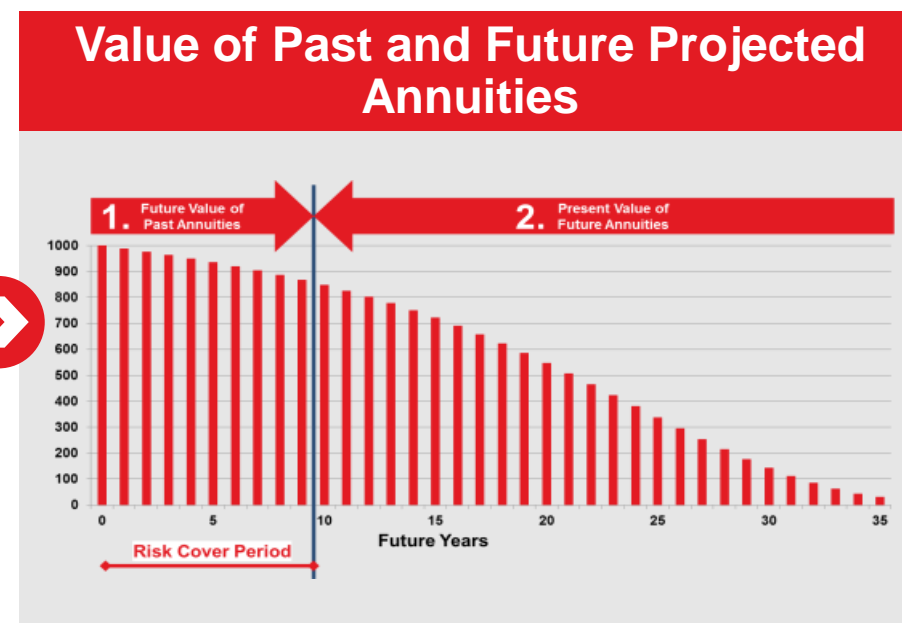
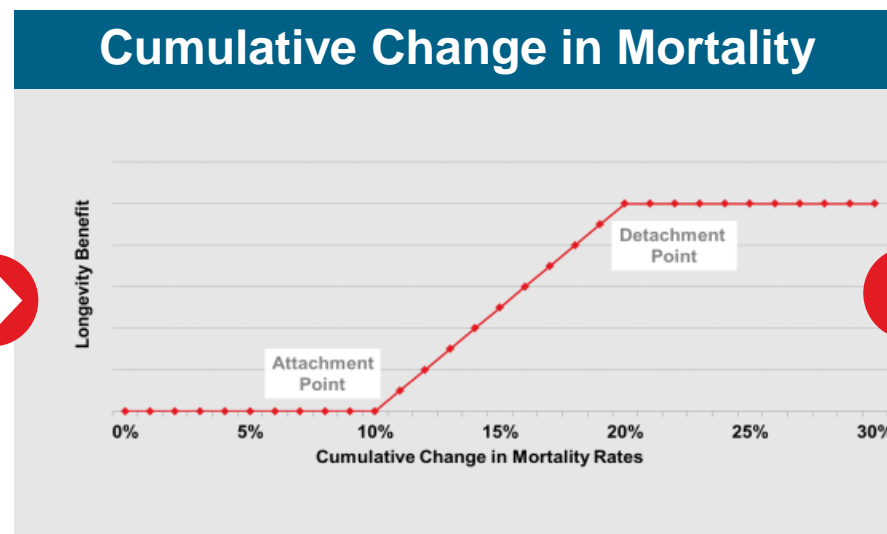
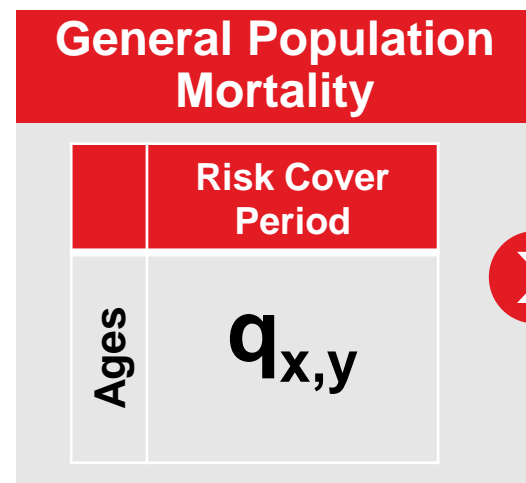
*“Symetra Completes Reinsurance Transaction  
with Resolution Re”*

Press Release, 11 September 2018

*“GreyCastle Holdings Ltd. Completes acquisition of XL  
Group’s \$5.9 billion run-off life reinsurance operations”*

Press Release, 2 June 2014

# Case Study 2 – the out of the money swap



Source: artemis.bm



# New structures.... New opportunities....?



# RGIA

©2019 RGA. All rights reserved.

No part of this publication may be reproduced in any form without the prior permission of RGA.

The information in this publication is for the exclusive, internal use of the recipient and may not be relied upon by any other party other than the recipient and its affiliates, or published, quoted or disseminated to any party other than the recipient without the prior written consent of RGA.