



# The Global Reinsurance Space

## Competing Within A World In Motion

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*Executive Director Business Development EMEA*

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# Agenda

- Introduction
- RGA as a business
- Focus upon Bancassurance to illustrate:-
  - Global trends and case studies
  - Innovation and the future
  - A different type of reinsurance partnership
- Discussion



## 2 things about me for later ...



# “Looking with fresh eyes”







**RGA**

**RGA – Our business at a glance**

# RGA Group - Key Financial Metrics

- Ordinary life reinsurance in force of \$3.0 trillion
- Total assets of \$50.4 billion
- Market capitalization of \$5.6 billion
- 43% of net premium income derived outside the U.S.
- Total revenue in 2015 of approximately \$10.4 billion
- Net income of \$502 million in 2015

\* RGA was established in 1973 by General American Life Insurance Company

# RGA Group – Competitive Position

## Global Life and Health Reinsurers

\$ in millions as of December 31, 2015

Rank	Reinsurer	Net Earned Premiums
		2015
1	Munich Re <sup>1</sup>	10,928
2	Swiss Reinsurance Company	10,914
<b>3</b>	<b>Reinsurance Group of America</b>	<b>8,571</b>
4	SCOR Global Life Re	7,580
5	Hannover Re	7,094
6	London Life	3,832
7	China Life Re	3,518
8	General Re <sup>3</sup>	3,170
9	Pacific Life Re	1,384
10	PartnerRe Ltd.	1,209

<sup>1</sup> Does not include Munich Health.

<sup>2</sup> Does not include BHRG.

Please note, exchange rate conversions are based on currency rates provided by each company in their Annual Reports.  
Source: Annual filings for each reinsurer.

# RGA Group - Key Financial Metrics

	RGA Reinsurance	RGA Canada	RGA Americas	RGA International, RGA Australia & RGA Global
Standard & Poor's	AA-	AA-	AA-	AA-
A.M. Best	A+	A+	A+	NR
Moody's	A1	NR	NR	NR

## RGA Senior Debt Ratings

Standard & Poor's	A-
A.M. Best	a-
Moody's	Baa1

**All ratings on "Stable" outlook**



# An International Life Reinsurer

Where we were in 2001...



- U.S.
- Canada
- U.K.
- Australia
- Japan
- South Africa
- Mexico
- Spain
- Hong Kong
- Malaysia
- Taiwan

# Now a Global Player



# RGA Group - Awards and Recognitions

Best Overall Life Reinsurer

## 2015 Flaspöhrer Survey™

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



## NMG Consulting Studies

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



2016 Asia Insurance Industry Awards "Employer of the Year"

## 2016 Asia Insurance Industry Awards "Employer of the Year"

RGA was recognized by Asia Insurance Review as "Employer of the Year" at the 2016 Asia Insurance Industry Awards.



## 2016 Middle East Insurance Industry Awards

RGA Reinsurance Company Middle East Limited (RGA Middle East) was named "Reinsurance Company of the Year" for the second consecutive year at the 2016 Middle East Insurance Industry Awards. RGA Middle East was recognized for its in-depth understanding of the market, innovation in product offerings, and thought leadership.



Reinsurance Company of the Year  
RGA Reinsurance Company Middle East



# RGAs African Focus

- RGA South Africa established in 1999
- 2015 - RGA South Africa rated the market leader by clients on NMG Consulting's Business Capability Index (BCI) for the sixth year in a row
- Life & Health reinsurance – (we do not write non-life)
- Work closely with clients to really understand their goals
- Combine financial strength and innovative services – not just capacity
- Look to grow the markets & collaborate in which we operate
- Bring new ideas and solutions

*The development of a vibrant Life & Health sector in Sub-Saharan Africa is now a key focus*

# RGA's Value Proposition - Key Offerings



**Traditional Life and Health Reinsurance Products**



**Financial Solutions**



**Value-Added Services**

*Providing innovative solutions to help clients succeed*



**RGGA**

**Focus upon Bancassurance**



# RGA's Bancassurance offering



← RGA →



- |   |                                       |   |  |  |   |
|---|---------------------------------------|---|--|--|---|
| <b>A</b> Idea generation/innovation workshops | <b>E</b> Benefits design              | <b>I</b> AURA e-underwriting platform       | <b>M</b> Voice of the channel (VOC) studies    | <b>Q</b> Claims management outsourcing *   | <b>U</b> Quota share reinsurance          |
| <b>B</b> Market research and surveys          | <b>F</b> Policy contract wording      | <b>J</b> Global Underwriting Manual (GUM)   | <b>N</b> Mystery shopper studies               | <b>R</b> Claims manager training           | <b>V</b> Up-front project financing       |
| <b>C</b> Global market benchmarking           | <b>G</b> Pricing and assumptions      | <b>K</b> Underwriting questions development | <b>O</b> Cross/up-sell predictive modelling    | <b>S</b> Electronic enrollment platforms * | <b>W</b> Reserving and capital management |
| <b>D</b> Business case development            | <b>H</b> Regulatory filing management | <b>L</b> FAC support                        | <b>P</b> Sales force/ advisor training support | <b>T</b> Turnkey benefits admin *          |   |

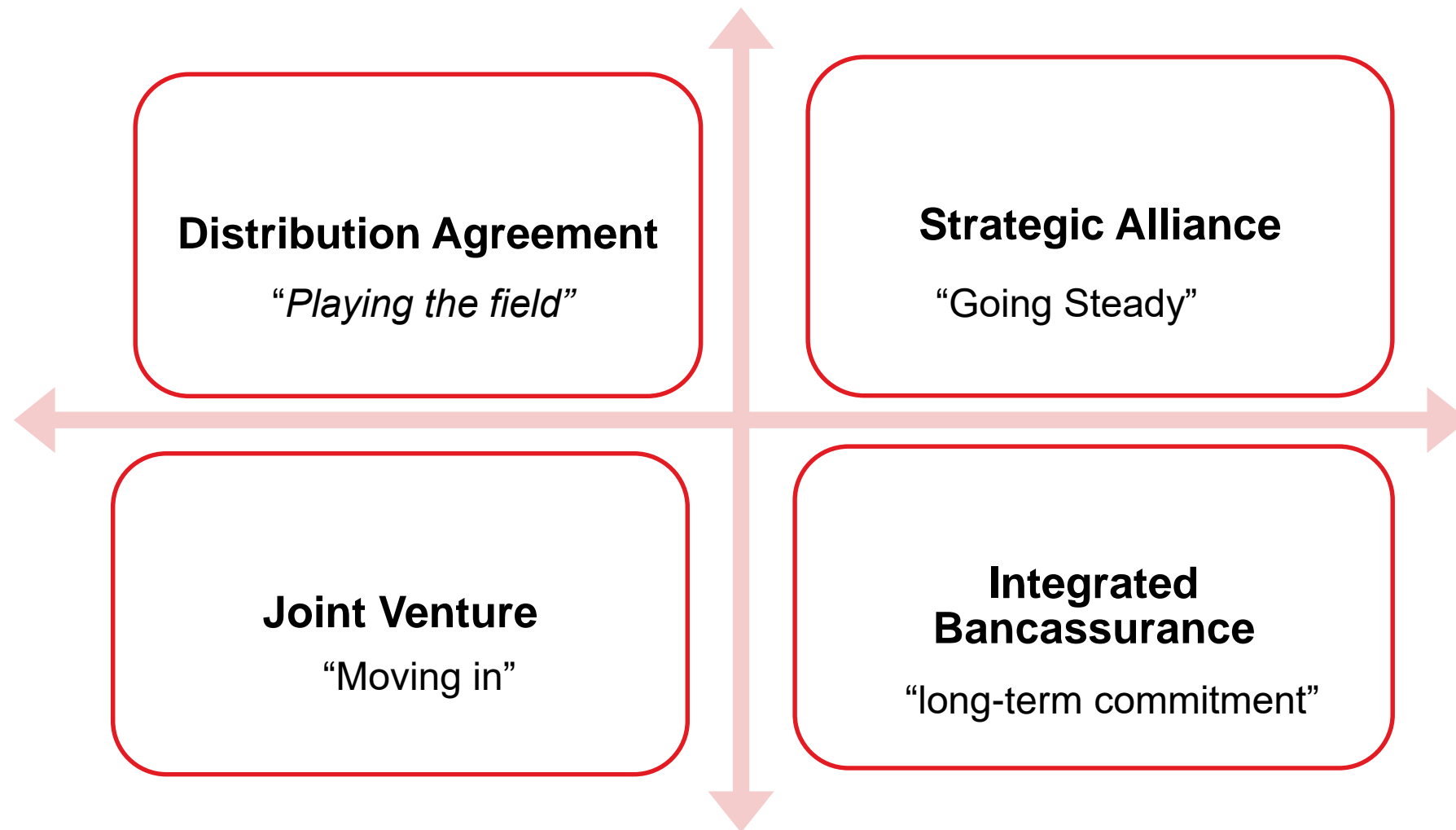
\* In conjunction with 3rd party providers





## Bancassurance models

# Bancassurance models





# .....deep integration between banks and insurers

## Executive Buy-In

### Operational Integration

Seamless technology interfaces that make all bancassurance workflows electronically available through the bank's core IT systems

### Culture Integration

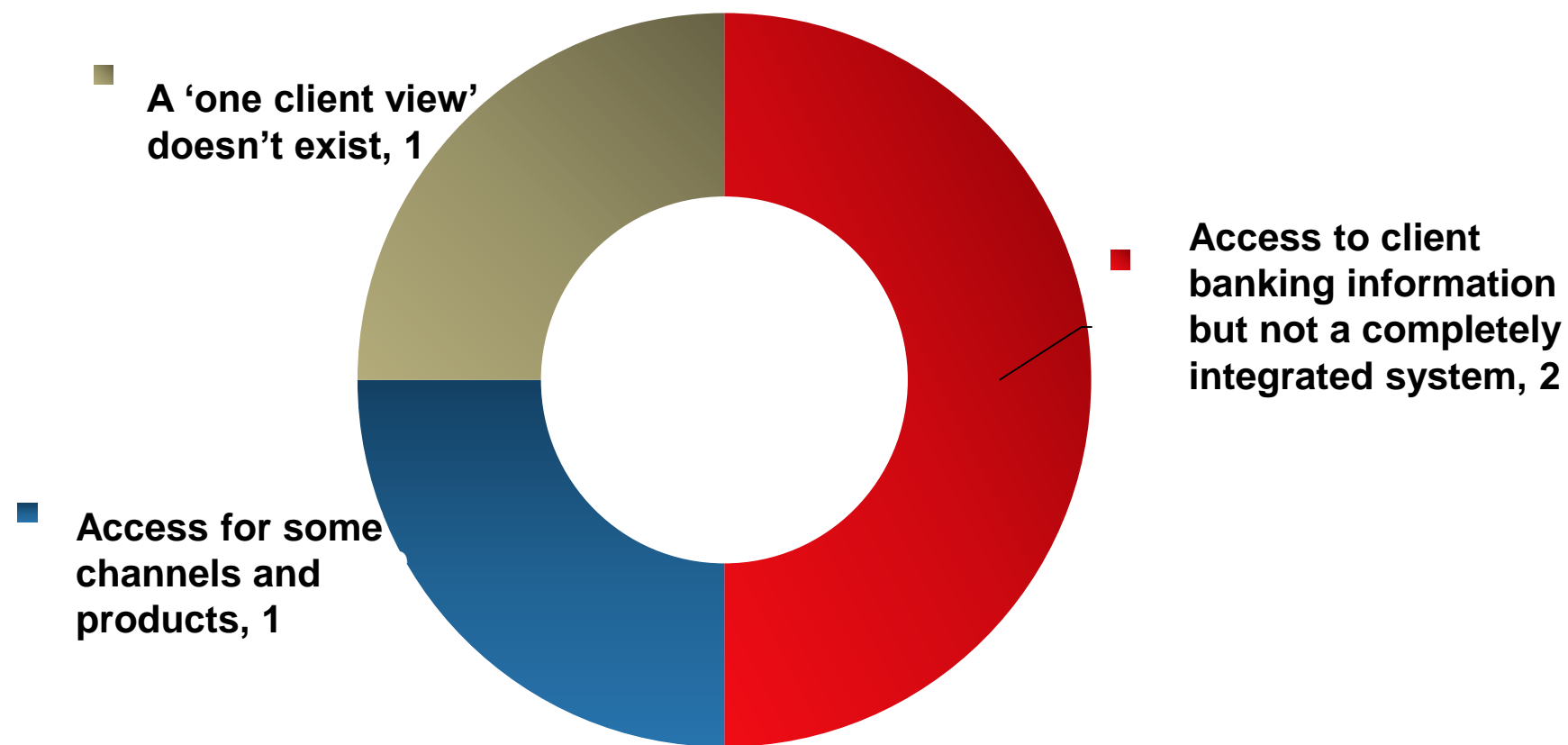
Minimize the cultural differences between the sales and support personnel

### Management Report Integration

Reports on sales, targets and achievements should be expressed in banking language

# Single view of the customer

## Banking and insurance data integration



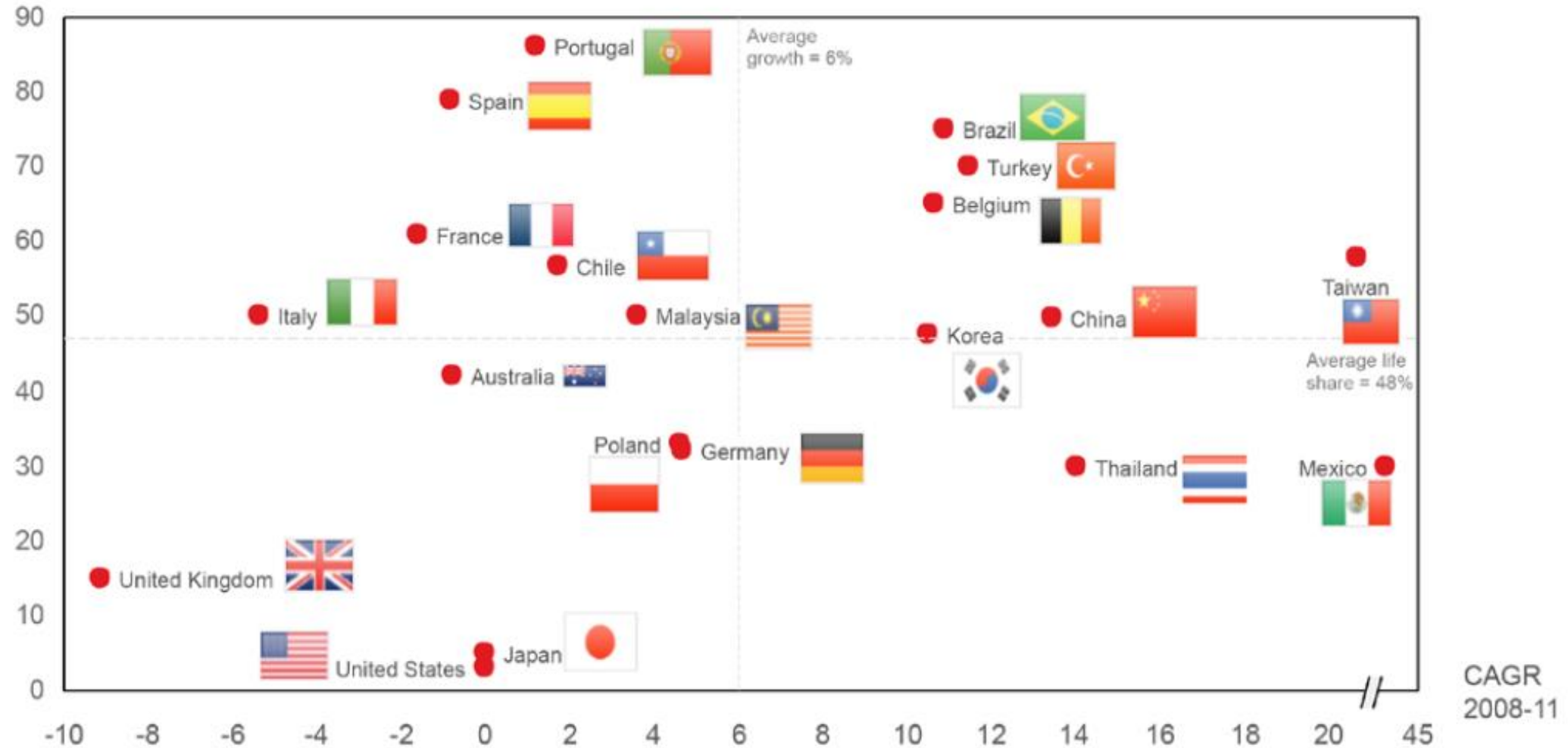


## **Bancassurance Market Size Life**



# Global Bancassurance Market

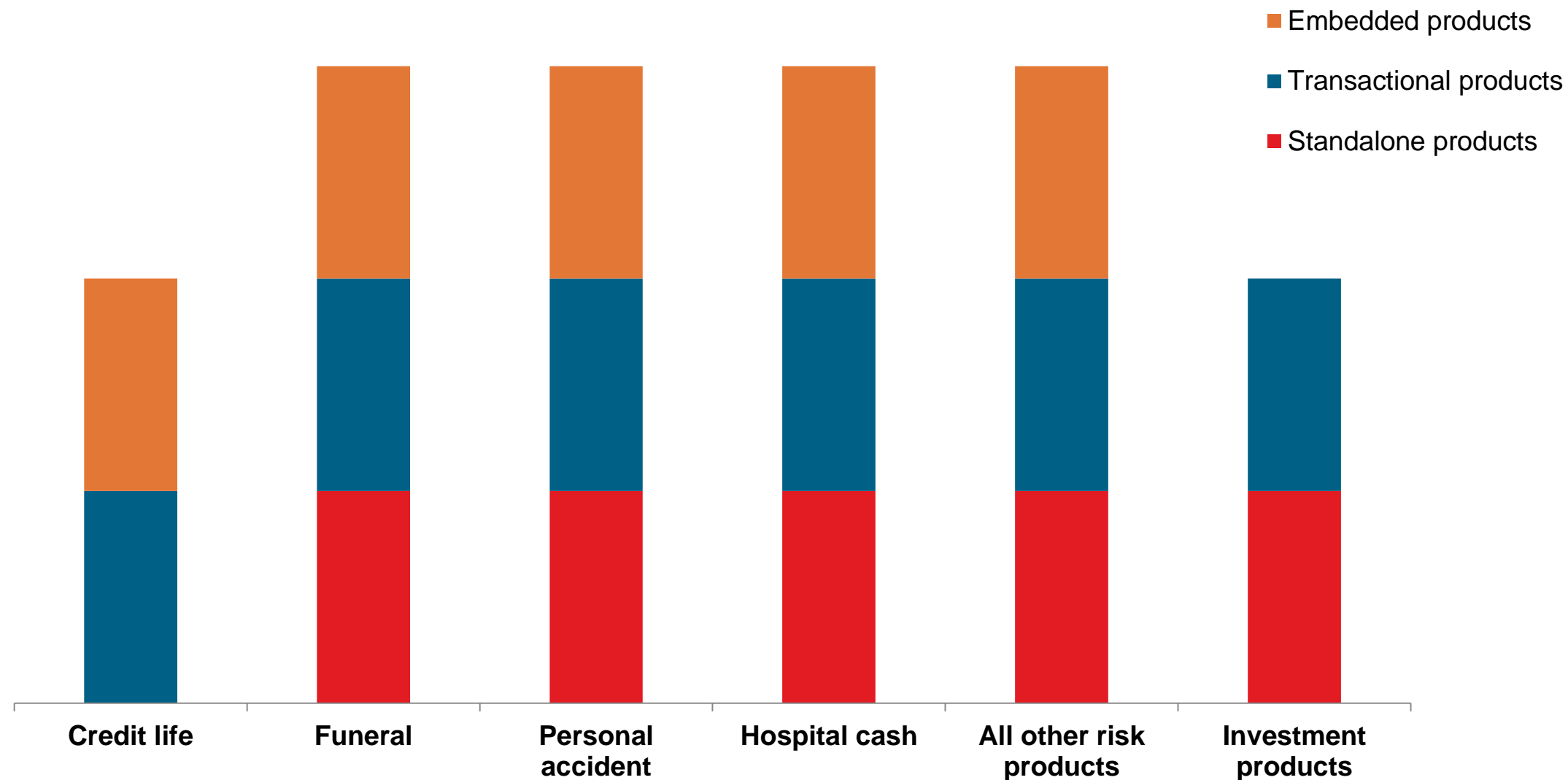
Bank share



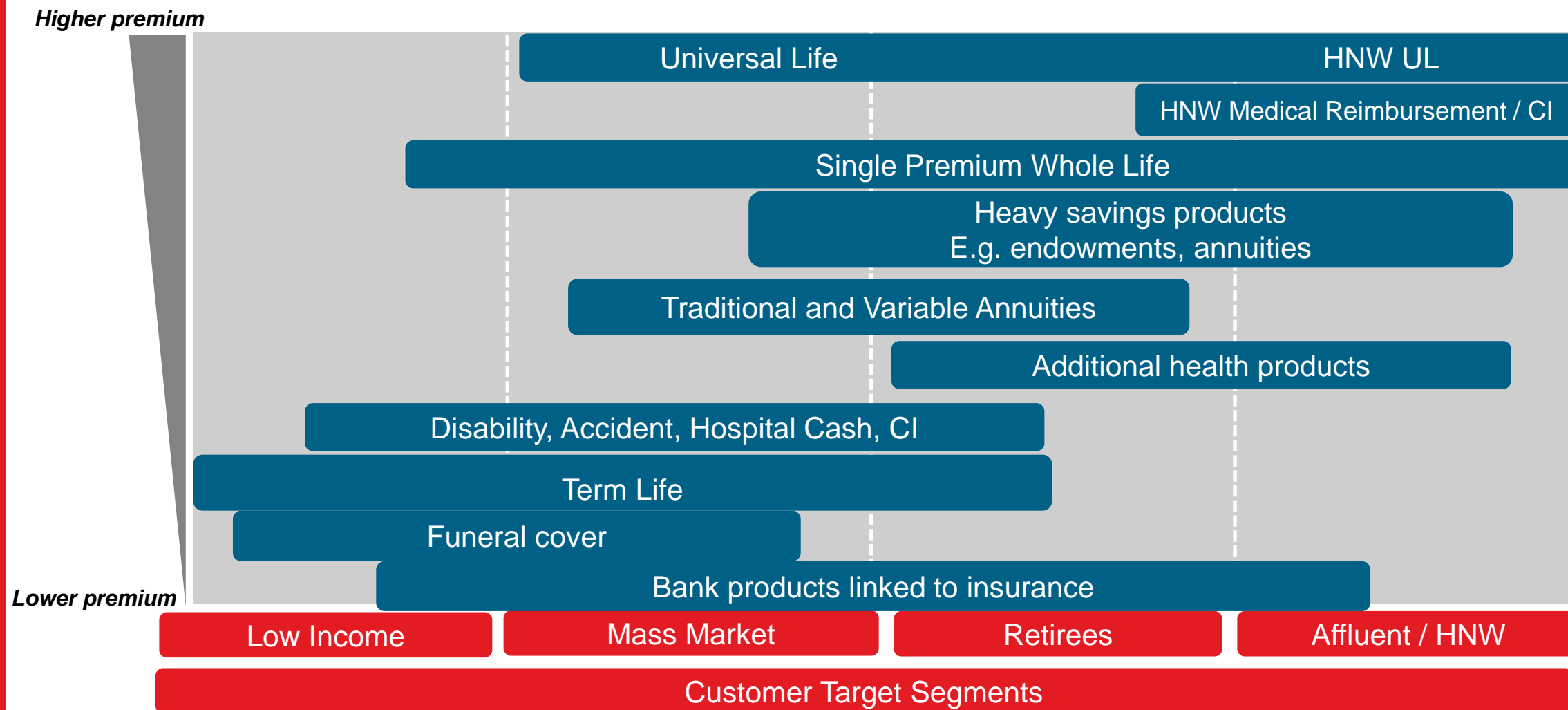


## Bancassurance Products

# Bancassurance products in South Africa

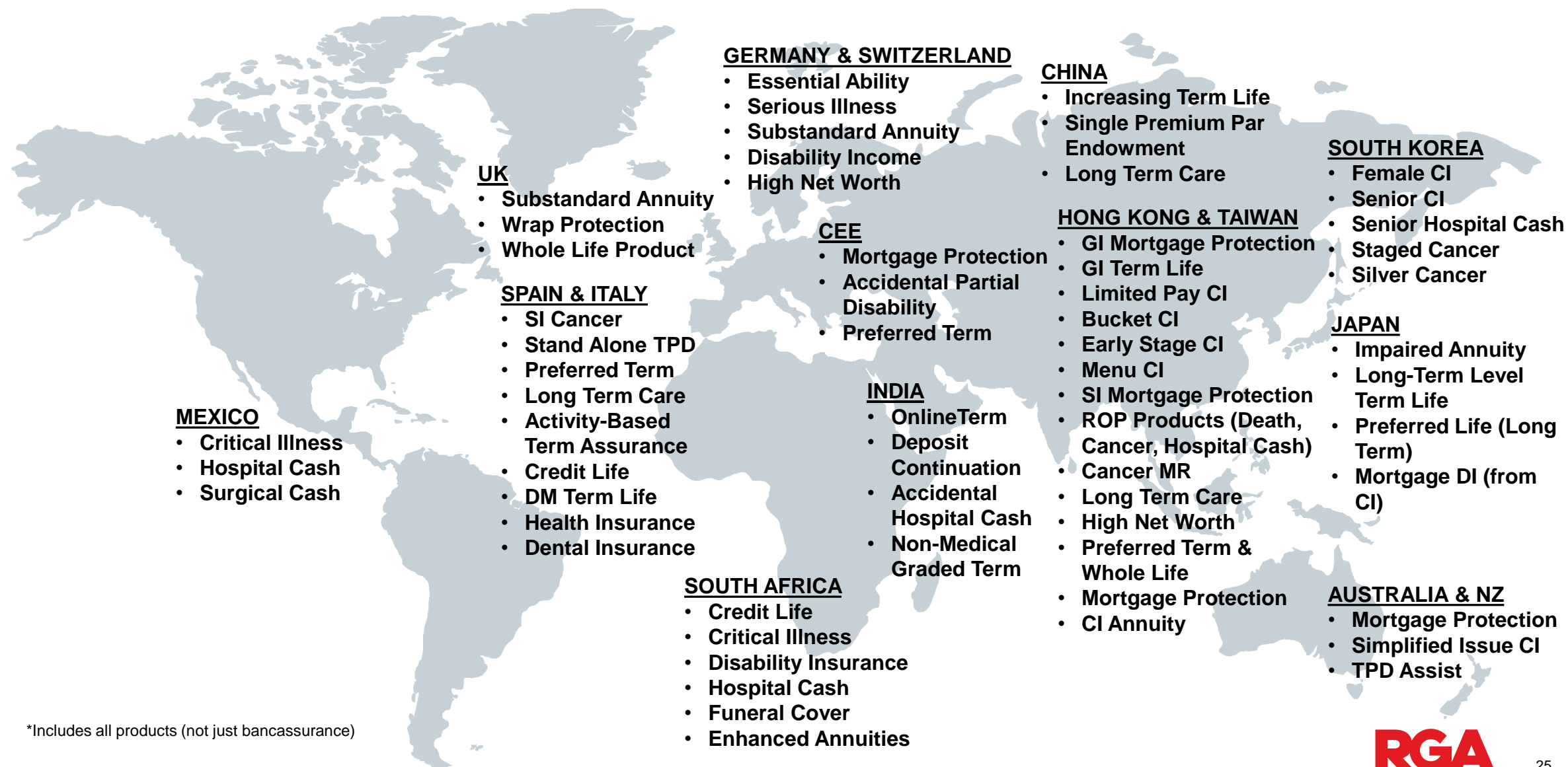


# Expansion of product offering





# RGA product development trends



\*Includes all products (not just bancassurance)

# Case study: Product innovation

- Surgical cash product **without a list of surgeries**
- Targeted at middle class consumers
- All surgery is covered
- Low face amounts
- Benefits – payout after;
  - Surgical procedure
  - > 48 hours in a certified hospital
- Underwriting – two yes/no questions
- Sold through bancassurance channels
- Reached > 12,000 insured lives in first year



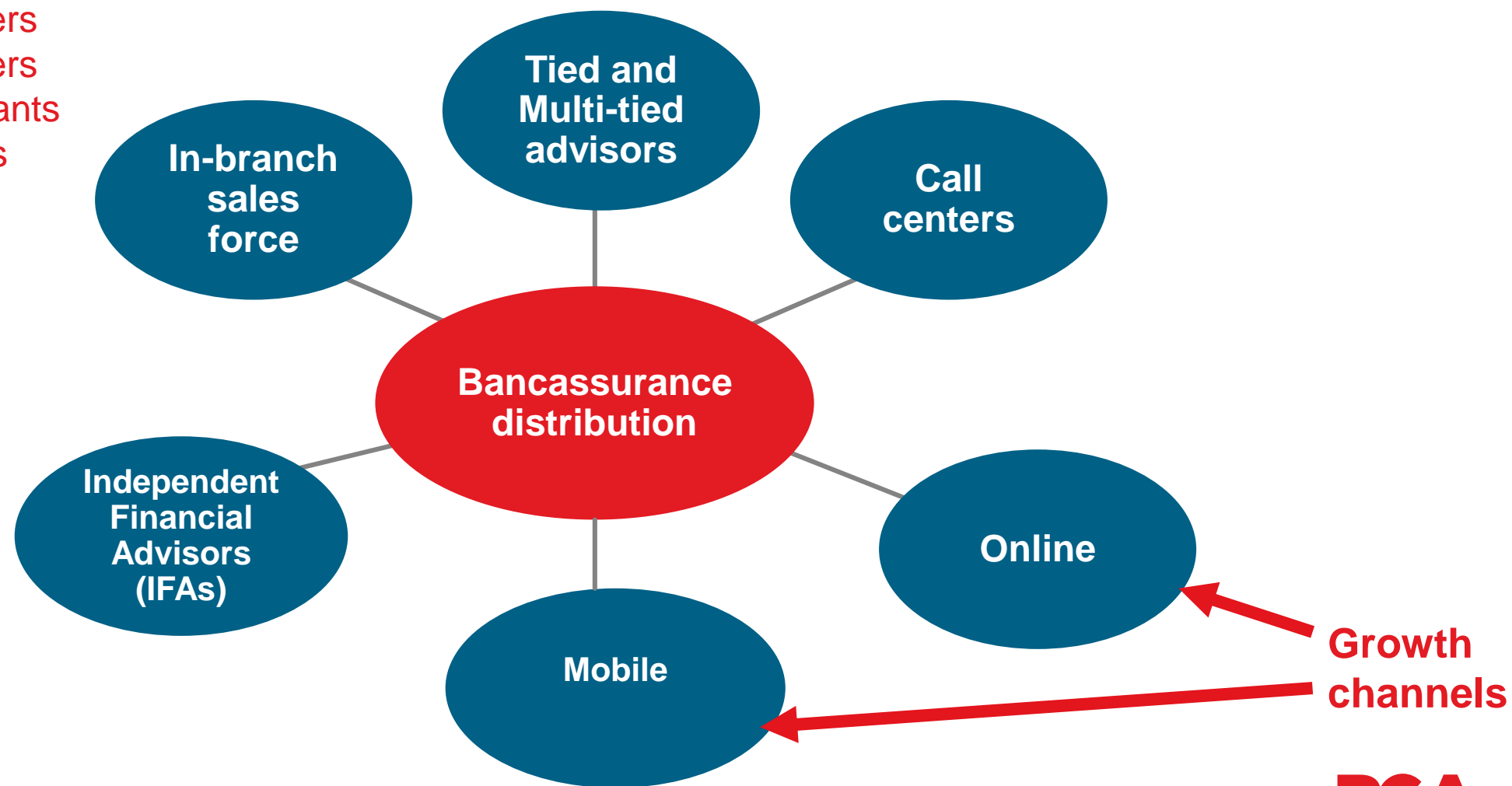
Surgery Coverage (Basic Benefit):	Hospital Cash Benefit (Additional Benefit) only due to surgery:
<b>Face Amount; lump sum:</b> A. MXN 25,000 (US 1,925) B. MXN 50,000 (US 3,850) C. MXN 100,000 (US 6,700)	<b>20% of Face Amount; lump sum:</b> A. MXN 5,000 (US 385) B. MXN 10,000 (US 770) C. MXN 20,000 (US 1,440)
<b>High-cost Surgeries (Additional Benefit): Double payment in case of expensive surgeries, such as:</b>	
<ul style="list-style-type: none"> <li>• Open heart surgery</li> <li>• Major organ transplant (of specified organs)</li> <li>• Brain aneurysm surgery</li> <li>• Skin graft surgery (to treat severe burns)</li> <li>• Lung removal (lobectomy)</li> </ul>	<ul style="list-style-type: none"> <li>• Removal of large bowel (colectomy)</li> <li>• Cervical spine surgery</li> <li>• Radical cancer surgery</li> <li>• Brain surgery</li> </ul>



## **Bancassurance Distribution**

# Multi-channel distribution

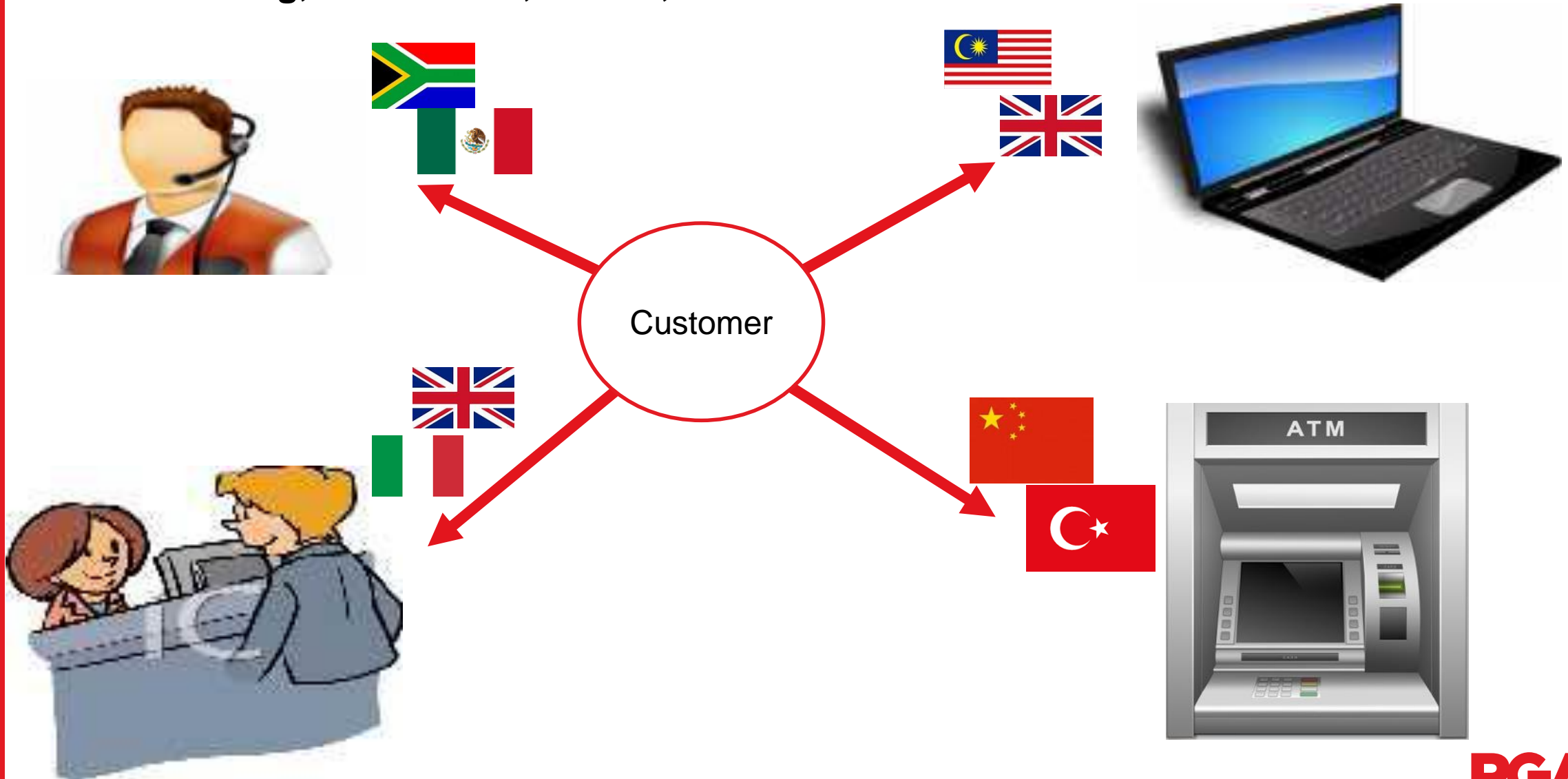
- Bank tellers
- Branch managers
- Business bankers
- Branch consultants
- Wealth advisors





# Case study: Distribution innovation

Telemarketing, bank tellers, online, ATMs



# Case study: Distribution Innovation

## Quick cover

- first UK life insurance journey designed for mobiles
- Primarily focus on customers who **already identified their insurance needs** and attracted by insurers' brand
- via mobile **from quotation to underwriting to payment**
- **Easy – 2 mins application** (Yes / No uw questions, max. 12 questions)
- **Simple product** that covers death and terminal illness only
- ✓ Underwriting Acceptance Rate 60% validating predictions
- ✓ 90% of applicants who start the underwriting journey finish it





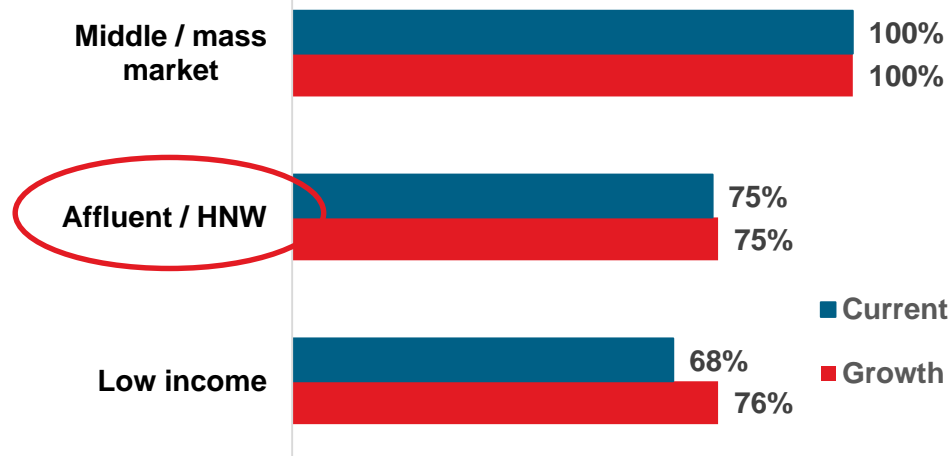
# Customer Segmentation



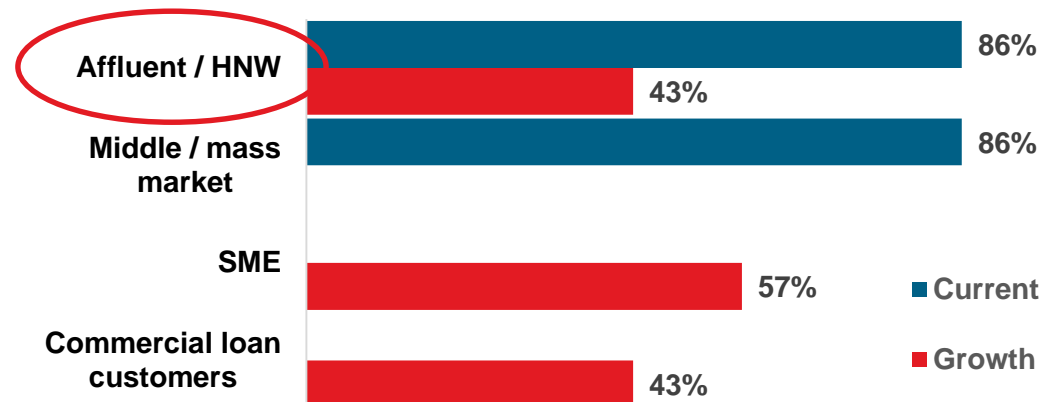
# Bancassurance customer segments



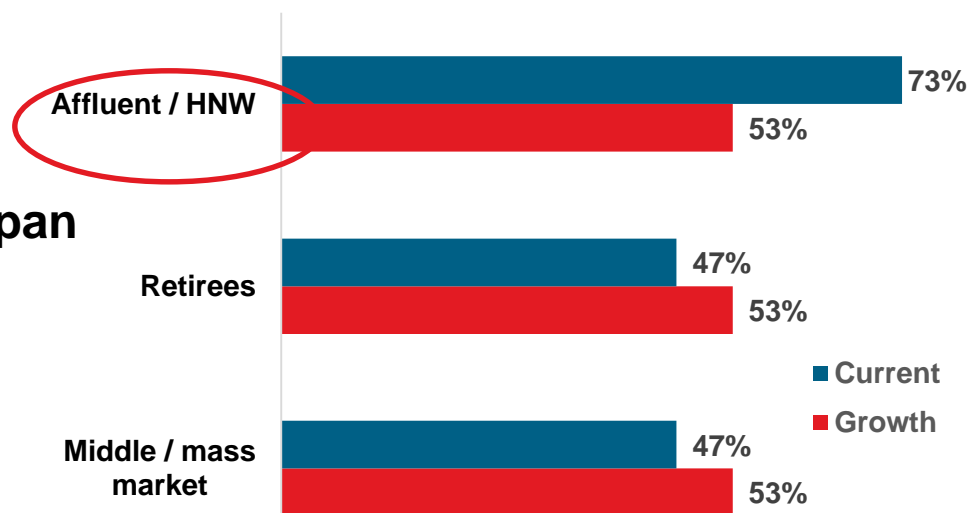
## South Africa



## Australia & New Zealand

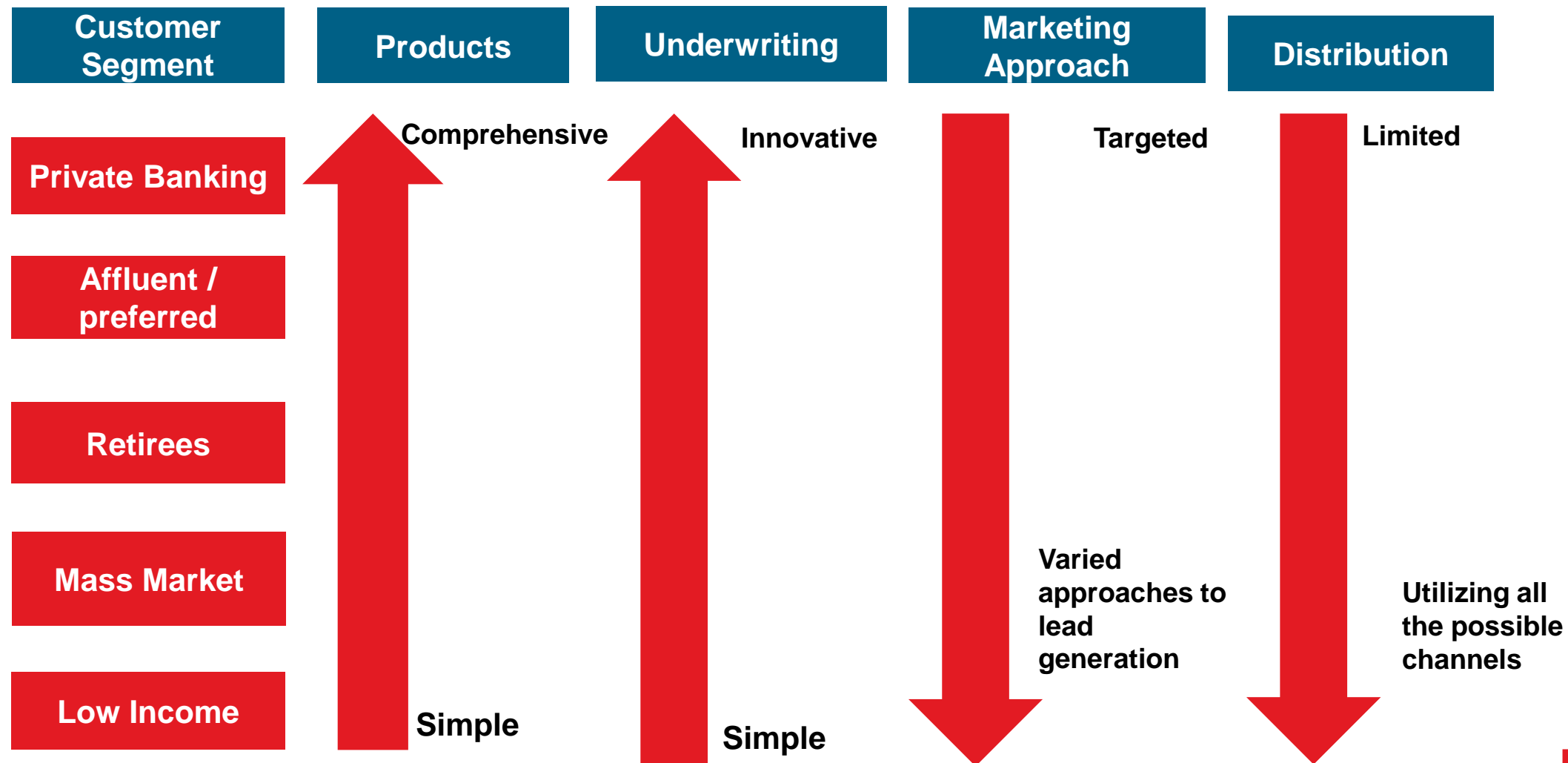


## Japan





# Bespoke approach to customer segmentation



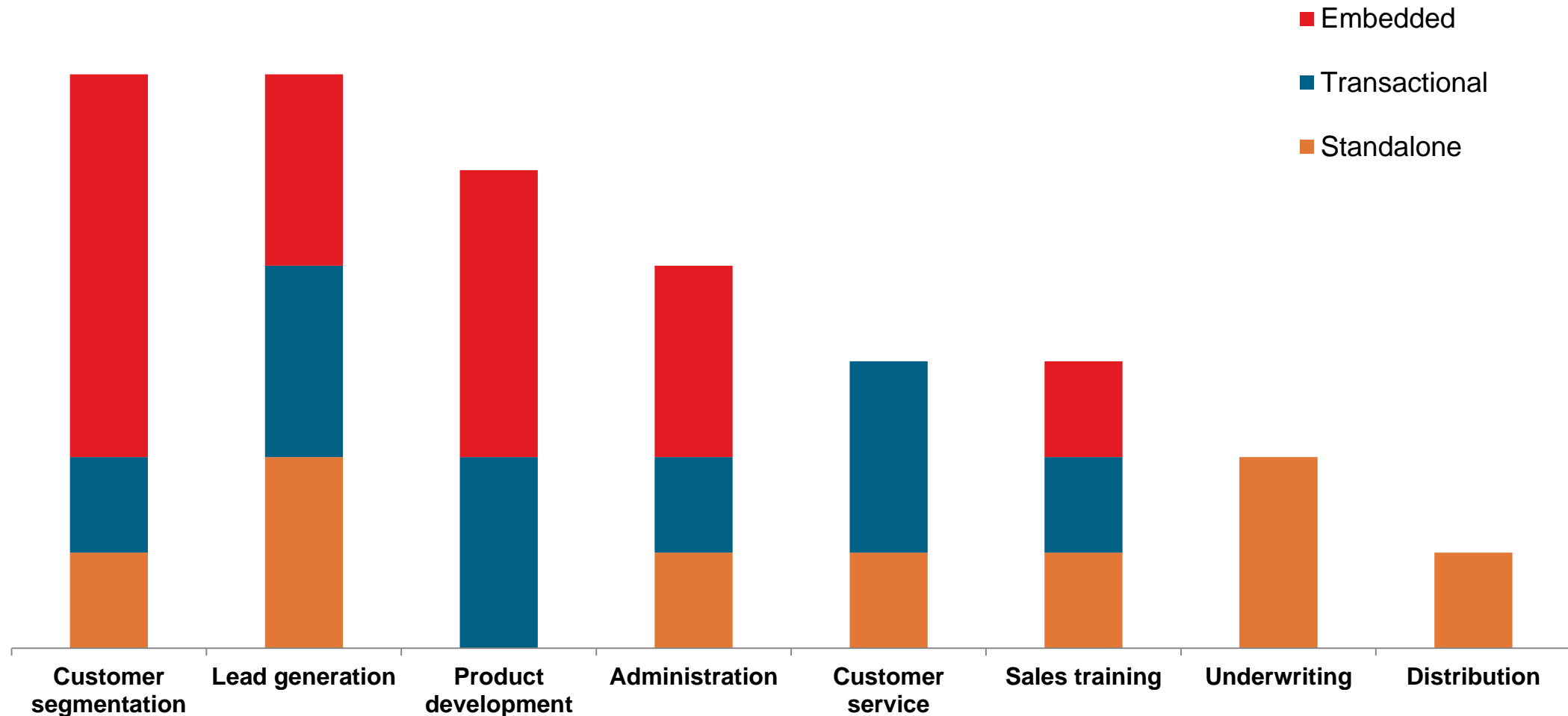
Source: RGA Global Surveys



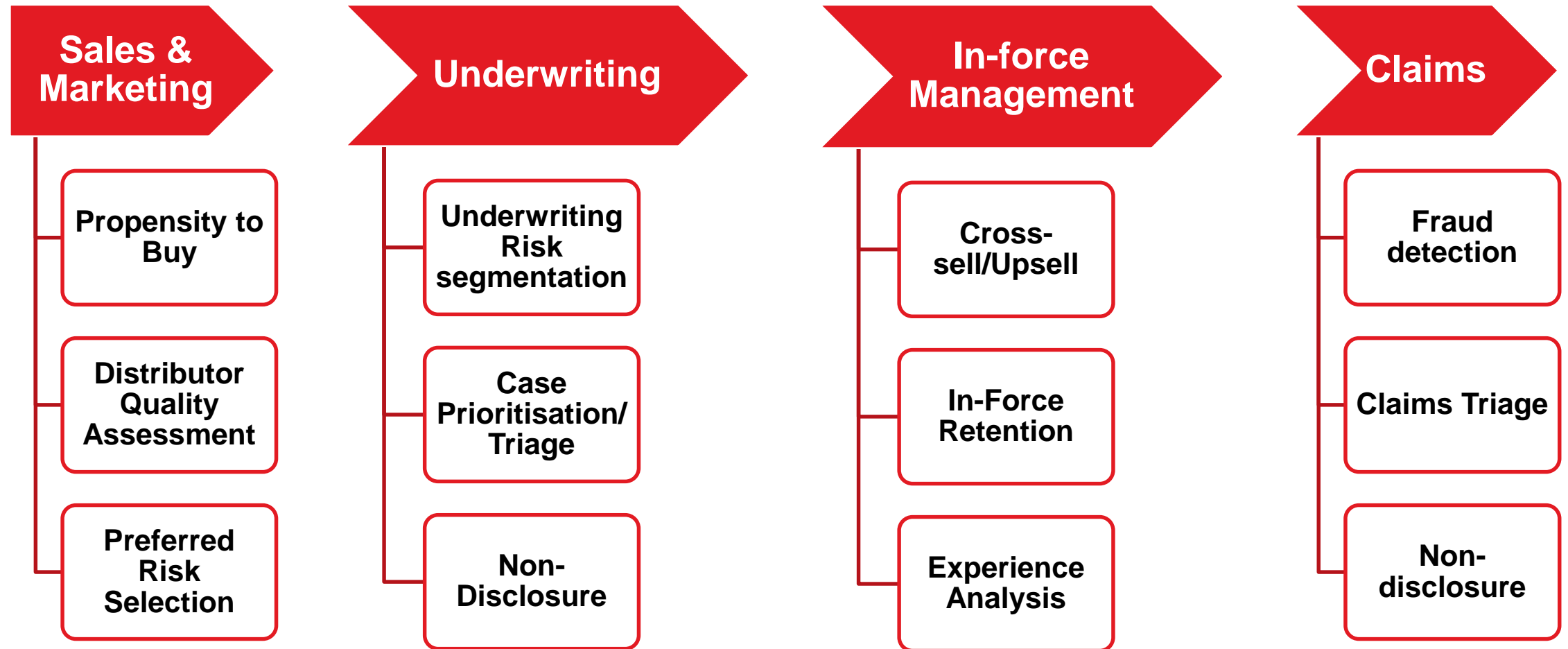
# Applications of data analytics in the bancassurance sales process

# Areas of improvement for bancassurance sales

## *Insurers' perspective*



# Applications of data analytics across the policy lifecycle





# Case study: Predictive underwriting

## Southeast Asian Bancassurer

### Objectives

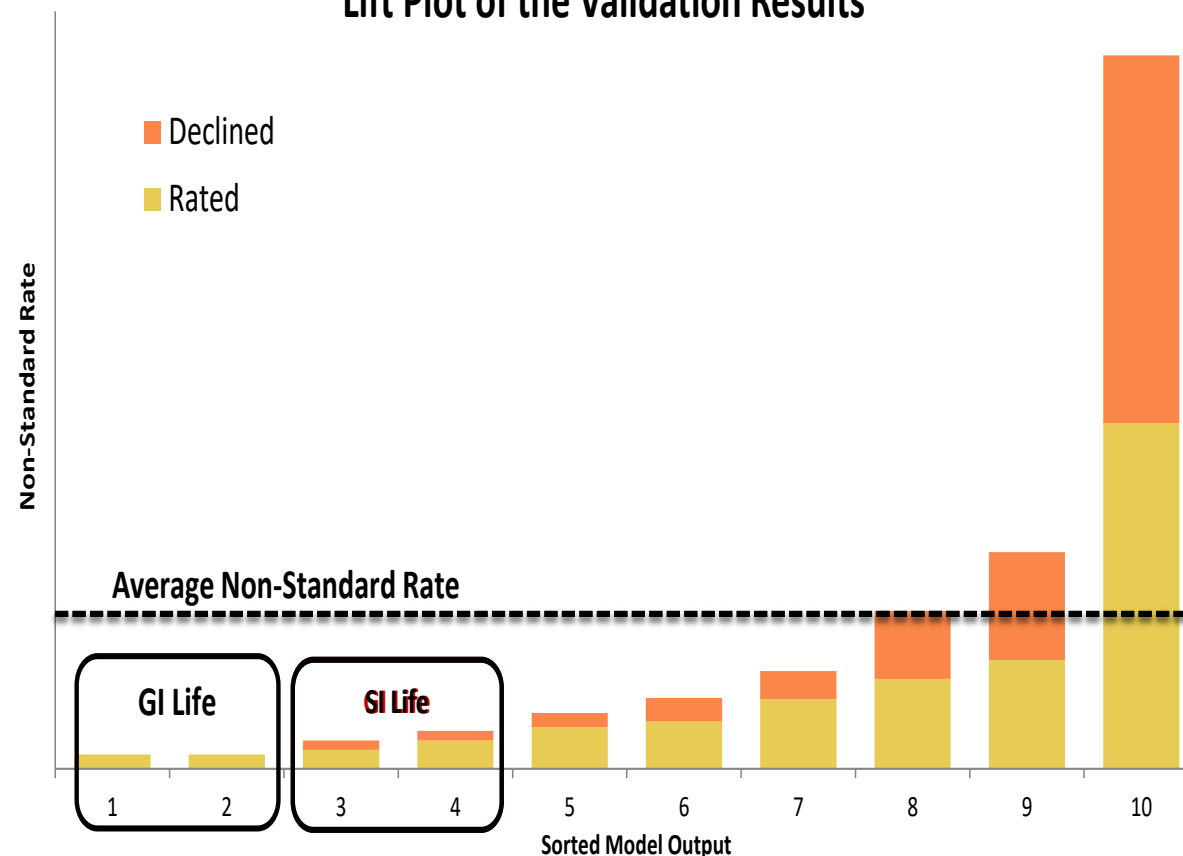
- To have a simplified underwriting and sales process with high take-up for the best risks
- To reduce acquisition cost
- To improve financial performance

### Data

- Two data sources combined
  - Underwriting data at the time of Issue
  - The bank's financial database
- About 80 variables available for modeling
  - For ex. Demographic Info, Bank & Insurance Product Info and Bank Transactions

### Business Application & Lift Plot

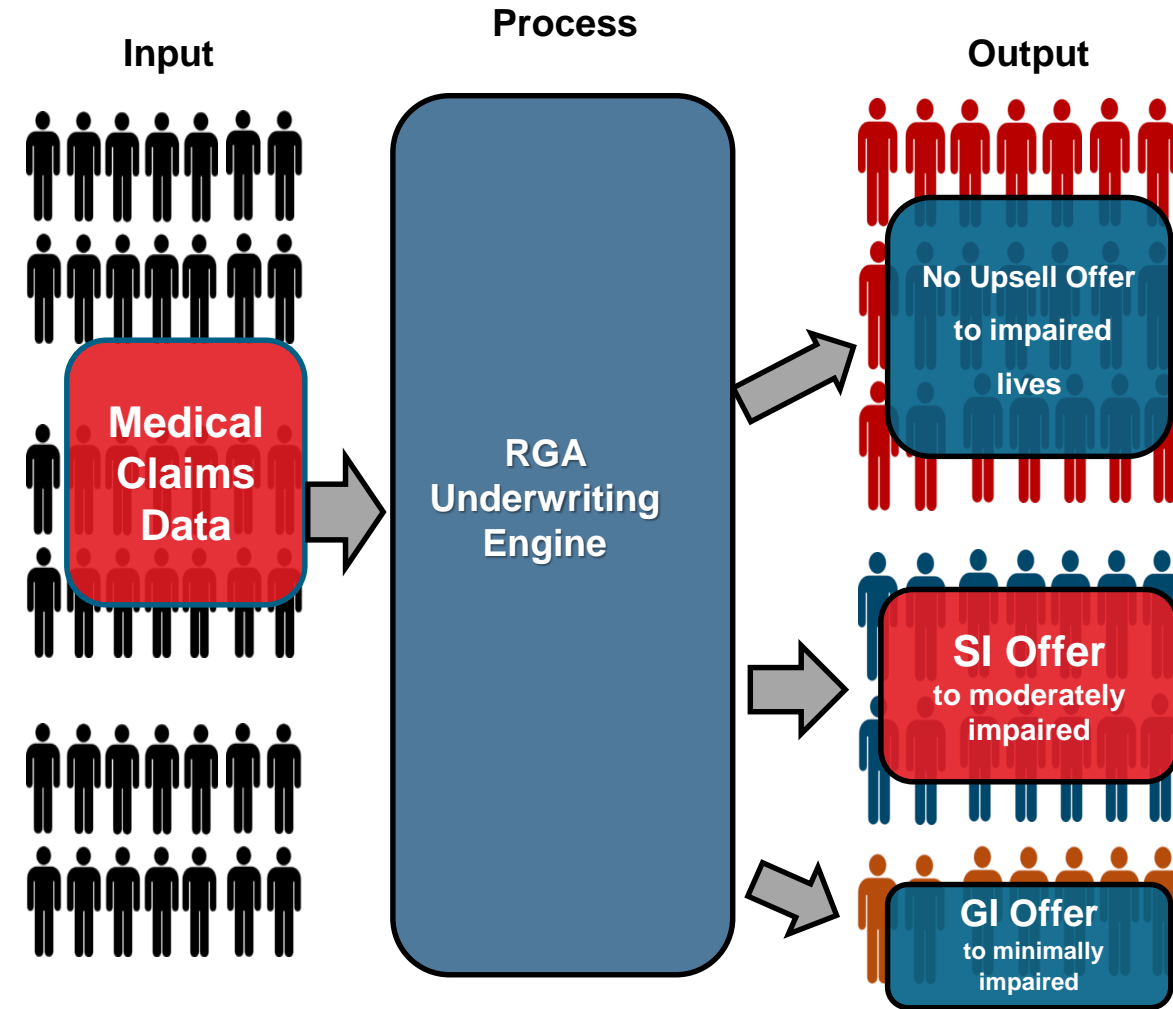
#### Lift Plot of the Validation Results



# Case study: Cross- And Up-Sell

## Life insurer in Asia

- Underwriting Claims To Make Marketing Offers
- 13x increase in conversion over historic sales campaigns



# Summary

- Bancassurance is sizable, growing and increasingly important channel .
- Growing trend towards exclusive arrangements between banks and insurers.
- Deep integration between the bank and insurer is vital to success
- Expansion of product portfolio to complex risk products
- Integrated multichannel distribution
- Increasing use of data and analytics to improve customer segmentation sales, retention and experience.

# RGIA

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