

REINSURANCE GROUP OF AMERICA INC
Form DEF 14A
April 09, 2008

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant [X]

Filed by a Party other than the Registrant []

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e) (2))
- Definitive Proxy Statement
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REINSURANCE GROUP OF AMERICA, INCORPORATED
(Name of Registrant as Specified in Its Charter)

(Name of Person Filing Proxy Statement if other than the Registrant)

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[RGA logo]
Reinsurance Group
of America, Incorporated(R)

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NOTICE OF THE ANNUAL MEETING OF
THE SHAREHOLDERS OF
REINSURANCE GROUP OF AMERICA, INCORPORATED

Chesterfield, Missouri
April 9, 2008

TO THE SHAREHOLDERS OF
REINSURANCE GROUP OF AMERICA, INCORPORATED

The Annual Meeting of the Shareholders of Reinsurance Group of America, Incorporated will be held at the Company's offices located at 1370 Timberlake Manor Parkway, Chesterfield, Missouri on May 21, 2008, commencing at 2:00 p.m., at which meeting only holders of record of the Company's common stock at the close of business on March 21, 2008 will be entitled to vote, for the following purposes:

1. To elect two directors for terms expiring in 2011;
2. To approve the Company's 2008 Management Incentive Plan;
3. To approve an amendment to the Company's Flexible Stock Plan;
and
4. To transact such other business as may properly come before the meeting.

REINSURANCE GROUP OF AMERICA, INCORPORATED

By /s/ Steven A. Kandarian

Steven A. Kandarian
Chairman of the Board

/s/ James E. Sherman

James E. Sherman
Secretary

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INFORMATION ABOUT THE 2008 ANNUAL MEETING AND PROXY VOTING

EVEN THOUGH YOU MAY PLAN TO ATTEND THE MEETING IN PERSON, PLEASE MARK, DATE, AND EXECUTE THE ENCLOSED PROXY AND MAIL IT PROMPTLY. A POSTAGE-PAID RETURN ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE.

[RGA logo]

Reinsurance Group
of America, Incorporated(R)

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1370 Timberlake Manor Parkway
Chesterfield, Missouri 63017-6039

PROXY STATEMENT
FOR THE
ANNUAL MEETING OF THE SHAREHOLDERS
TO BE HELD MAY 21, 2008
AT RGA'S OFFICES IN CHESTERFIELD, MISSOURI

This Proxy Statement is furnished to the holders of common stock of Reinsurance Group of America, Incorporated (the "Company" or "RGA") in connection with the solicitation of proxies for use in connection with the Annual Meeting of the Shareholders to be held at 2:00 p.m. May 21, 2008, and all adjournments and postponements thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of the Shareholders. Such holders are hereinafter referred to as the "Shareholders." The Company is first mailing this Proxy Statement and the enclosed Annual Report to Shareholders for the fiscal year ended December 31, 2007, on or about April 9, 2008.

Whether or not you expect to be present in person at the meeting, you are requested to complete, sign, date, and return the enclosed form of proxy. If you attend the meeting, you may vote by ballot. If you do not attend the meeting, your shares of common stock can be voted only when represented by a properly executed proxy.

Any person giving such a proxy has the right to revoke it at any time before it is voted by giving written notice of revocation to the Secretary of the Company, by duly executing and delivering a proxy bearing a later date, or by attending the Annual Meeting and voting in person.

The close of business on March 21, 2008 has been fixed as the record date for the determination of the Shareholders entitled to vote at the Annual Meeting of the Shareholders. As of the record date, approximately 62,233,223 shares of common stock were outstanding and entitled to be voted at such meeting. Shareholders will be entitled to cast one vote on each matter for each share of common stock held of record on the record date.

The Board of Directors of the Company makes this proxy solicitation. The solicitation will primarily be by mail and the expense thereof will be paid by the Company. In addition, proxies may be solicited by telephone or telefax by directors, officers, or regular employees of the Company.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDERS MEETING TO BE HELD MAY 21, 2008: THIS PROXY STATEMENT AND OUR 2007 ANNUAL REPORT TO SHAREHOLDERS ARE AVAILABLE AT www.rgare.com.

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ITEM 1 - ELECTION OF DIRECTORS

The first item to be acted upon at the Annual Meeting is the election

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of two directors of the Company for terms expiring at the Annual Meeting in 2011, or until their respective successors have been elected and have qualified. Proxies cannot be voted for a greater number of persons than the number of nominees named.

NOMINEES AND CONTINUING DIRECTORS

The Board of Directors is divided into three classes, each of which generally contains either two or three directors, with the terms of office of each class ending in successive years. Currently, the Board has eight directors, with two vacancies. Certain information with respect to the nominees for election as directors proposed by the Company and the other directors whose terms of office as directors will continue after the Annual Meeting is set forth below. Each of the directors has served in his or her principal occupation for the last five fiscal years, unless otherwise indicated.

Should any one or more of the nominees be unable or, for good cause, unwilling to serve (which is not expected), the proxies (except proxies marked to the contrary) will be voted for such other person or persons as the Board of Directors of the Company may recommend. All of the nominees are currently directors of the Company. All of the nominees for director have agreed to serve if elected.

VOTE REQUIRED

The vote required to approve this Item 1 is a majority of the common stock represented in person or by proxy at the Annual Meeting, provided the total vote cast represents over 50% of the shares entitled to vote. As a holder of common stock, MetLife, Inc. ("MetLife") is entitled to vote on this proposal. MetLife beneficially owns and has shared voting power with respect to approximately 52% of our outstanding shares. MetLife has informed us that it intends to vote FOR this Item 1; therefore, approval of this Item 1 by the shareholders is assured. The Company recommends a vote FOR the nominees for election to the Board.

TO BE ELECTED AS DIRECTORS FOR TERMS ENDING IN 2011:

J. CLIFF EASON, 60

Retired President and CEO of Southwestern Bell Telephone, SBC Communications, Inc. ("SBC"), a position he held from September 2000 through January 2001. He served as President, Network Services, SBC from October 1999 through September 2000; President, SBC International of SBC, from March 1998 until October 1999; President and CEO of Southwestern Bell Telephone Company ("SWBTC") from February 1996 until March 1998; President and CEO of Southwestern Bell Communications, Inc. from July 1995 through February 1996; President of Network Services of SWBTC from July 1993 through June 1995; and President of Southwestern Bell Telephone Company of the Midwest from 1992 to 1993. He held various other positions with Southwestern Bell Communications, Inc. and its subsidiaries prior to 1992, including President of Metromedia Paging from 1991 to 1992. Mr. Eason was a director of Williams Communications Group, Inc. until his retirement in January 2001.

JOSEPH A. REALI, 55

Senior Vice President and Tax Director of Metropolitan Life Insurance

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Company ("Metropolitan Life") since 1999. Mr. Reali has served as the MetLife liaison with RGA since July 2002. As Tax Director, Mr. Reali is responsible for corporate tax issues at Metropolitan Life and issues with respect to its holdings in RGA. Mr. Reali joined Metropolitan Life in 1977 as an attorney in the Law Department, and in 1985 he became a Vice President in the Tax Department. In 1993 he was appointed Vice

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President and Corporate Secretary, and in 1997 he became a Senior Vice President. Mr. Reali received a J.D. degree, cum laude, from Fordham University School of Law and an LL.M degree in taxation from New York University Law School. Mr. Reali serves as Counsel and Secretary of the Metropolitan Life Foundation. He also serves as a director and officer of a number of MetLife subsidiaries.

TO CONTINUE IN OFFICE UNTIL 2010:

WILLIAM J. BARTLETT, 58

Retired partner, Ernst & Young Australia. Mr. Bartlett was an accountant and consultant with Ernst & Young for over 35 years and advised numerous clients in the global insurance industry. Mr. Bartlett was appointed a partner of Ernst & Young in Sydney, Australia in July 1980, a position he held until his retirement in June 2003. He served as chairman of the firm's global insurance practice from 1991 to 2000, and was chairman of the Australian insurance practice group from 1989 to 1998. He holds several professional memberships in Australia (ACPA and FCA), South Africa (CASA), and the United Kingdom (FCMA). Mr. Bartlett is a member of the Australian Life Insurance Actuarial Standards Board and is a consultant to the Australian Financial Reporting Council on Auditor Independence.

ALAN C. HENDERSON, 62

Retired President and Chief Executive Officer of RehabCare Group, Inc. ("RehabCare") from June 1998 until June 2003. Prior to becoming President and Chief Executive Officer, Mr. Henderson was Executive Vice President, Chief Financial Officer and Secretary of RehabCare from 1991 through May 1998. Mr. Henderson was a director of RehabCare from June 1998 to December 2003, Angelica Corporation from March 2001 to June 2003, and General American Capital Corp., a registered investment company, from October 1989 to April 2003.

A. GREIG WOODRING, 56

President and Chief Executive Officer of the Company since 1993. Mr. Woodring headed the reinsurance business at General American Life Insurance Company ("General American") from 1986 until the Company's formation in December 1992. He also serves as a director and officer of a number of subsidiaries of the Company.

TO CONTINUE IN OFFICE UNTIL 2009:

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STUART I. GREENBAUM, 71

Professor emeritus at the John M. Olin School of Business at Washington University since January 2007. Mr. Greenbaum served as Dean of the Olin School of Business from July 1995 to July 2005 and as professor from July 1995 to January 2007. Prior to joining the Olin School of Business, he spent 20 years at the Kellogg Graduate School of Management at Northwestern University where he was Director of the Banking Research Center and Norman Strunk Distinguished Professor of Financial Institutions. Mr. Greenbaum has served on the Federal Savings and Loan Advisory Council and the Illinois Task Force on Financial Services, and has been a consultant for the American Bankers Association, the Bank Administration Institute, the Comptroller of the Currency, the Federal Reserve System, and the Federal Home Loan Bank System, among others.

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STEVEN A. KANDARIAN, 55

Executive Vice President and Chief Investment Officer of MetLife since April 2005. From March 2004 to April 2005, he was an independent financial consultant. Prior to that he was Executive Director of the Pension Benefit Guaranty Corporation ("PBGC") from December 2001 to February 2004. Before joining the PBGC, he held positions of increasing responsibility at various firms and companies involving private equity, investment banking and corporate mergers and acquisitions.

GEORGETTE A. PILIGIAN, 43

Senior Vice President and Chief Information Officer, Institutional Business Metropolitan Life since February 2006. Ms. Piligian joined Metropolitan Life in 1987 and has led various transformation efforts and technology departments within the Company. In September of 1999, she was appointed as a Vice President, in 2002 became the Chief Information Officer for Corporate Systems and in 2003 became a Senior Vice President. Ms. Piligian received her Bachelors Degree in Business Computer Information Systems from Hofstra University.

CORPORATE GOVERNANCE

We have adopted an Employee Code of Business Conduct and Ethics (the "Employee Code"), a Directors' Code of Conduct (the "Directors' Code"), and a Financial Management Code of Professional Conduct (the "Financial Management Code"). The Employee Code applies to all employees and officers of RGA and its subsidiaries. The Directors' Code applies to directors of RGA and its subsidiaries. The Financial Management Code applies to our chief executive officer, chief financial officer, corporate controller, primary financial officers in each business unit, and all professionals in finance and finance-related departments. We intend to satisfy our disclosure obligations under Item 5.05 of Form 8-K by posting on our website information about amendments to, or waivers from, any provision of the Financial Management Code that applies to our chief executive officer, chief financial officer, and corporate controller.

In March 2004, the Board of Directors adopted Corporate Governance

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Guidelines (revised July 2007), a revised Audit Committee Charter, charters for the Compensation Committee and Nominating and Corporate Governance Committee, and Policies on Communications (collectively "Governance Documents"). The Codes and Governance Documents referenced above are available on our website at www.rgare.com. Information on our website does not constitute part of this Proxy Statement. We will provide without charge, upon written or oral request, a copy of any of the Codes of Conduct or Governance Documents. Requests should be directed to Investor Relations, Reinsurance Group of America, Incorporated, 1370 Timberlake Manor Parkway, Chesterfield, Missouri 63017 by electronic mail (investrelations@rgare.com), or by telephone (636-736-7243).

DIRECTOR INDEPENDENCE

In accordance with the Corporate Governance Guidelines, the Board undertook reviews of director independence in February 2007 and February 2008. During each of these reviews, the Board received a report from our Law Department noting that there were no transactions or relationships between RGA or its subsidiaries and any of Messrs. Bartlett, Eason, Greenbaum, or Henderson, nor any member of such director's immediate family. The purpose of this review was to determine whether any of those directors had a material relationship with us that would preclude such director from being independent under the listing standards of the New York Stock Exchange ("NYSE") or our Corporate Governance Guidelines.

As a result of this review, the Board affirmatively determined, in its judgment, that each of the four directors named above are independent of us and our management under the applicable standards. Messrs. Kandarian and Reali and Ms. Piligian are considered non-independent directors because of their

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status as senior executives or officers of MetLife or its subsidiaries and affiliates. Mr. Woodring is a non-independent director because he is our Chief Executive Officer.

COMMUNICATIONS WITH THE BOARD OF DIRECTORS

The Board of Directors has adopted Policies on Communications, which describes the process for interested parties and shareholders to communicate with our directors and the Board. The Policies on Communications are available on our website at www.rgare.com. Information on our website does not constitute part of this Proxy Statement. Interested parties and shareholders may communicate directly with our directors, including the presiding director, Mr. Kandarian, or with the lead independent director, Mr. Greenbaum, by sending a written communication as follows:

General Counsel
Reinsurance Group of America, Incorporated
1370 Timberlake Manor Parkway
Chesterfield, MO 63017

The Policies on Communications provides that the General Counsel will make a record of the receipt of any such communications. All properly addressed communications will be delivered to the specified recipient(s) not less than once each calendar quarter, and will not be directed to or reviewed by management prior to receipt by such persons.

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CONTROLLED COMPANY EXEMPTION

The listing standards of the NYSE require listed companies to have a Board of Directors that has a majority of independent directors. There is an exemption from this requirement for "controlled companies," which means a company of which more than 50% of the voting power is held by an individual, a group or another company. Controlled companies need not comply with the requirement to have a majority of independent directors or Compensation Committee and Nominating and Corporate Governance Committee, respectively, composed entirely of independent directors. As of February 1, 2008, MetLife beneficially owned approximately 52% of our outstanding shares; therefore, we qualify as a "controlled company" under the NYSE listing standards. We rely on the controlled company exemption in connection with the requirement to have a majority of independent directors. However, we have chosen not to rely on the exemption for the Compensation Committee and Nominating and Corporate Governance Committee and, as of February 20, 2008, the Board determined that, in its judgment, those two Committees were composed entirely of independent directors.

OTHER MATTERS

In February 2007, the Board designated Mr. Kandarian as the presiding director, whose primary responsibility is to preside over periodic executive sessions of the Board in which the management director (Mr. Woodring) does not participate. In February 2008, the Board confirmed Mr. Greenbaum as lead independent director.

BOARD OF DIRECTORS AND COMMITTEES

The Board of Directors held a total of five regular meetings and one special meeting during 2007. Each incumbent director attended at least 75% of the meetings of the Board and committees on which he or she served during 2007. We do not have a policy with regard to attendance by Directors at the annual meeting of shareholders. None of the non-management directors attended the 2007 annual meeting of shareholders. The Board of Directors has an Audit Committee established in accordance with section 3(a)(58)(A) of the Exchange Act, a Compensation Committee, and a Nominating and Corporate Governance Committee.

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AUDIT COMMITTEE

The Audit Committee met nine times in 2007, and consisted of Messrs. Bartlett (Chairman), Eason, Greenbaum, and Henderson. The Committee is directly responsible for the appointment, compensation, retention and oversight of the work of our independent auditor. The Committee oversees our accounting and financial reporting processes, the adequacy of our internal control over financial reporting and disclosure controls and procedures, and the integrity of our financial statements, pre-approves all audit and non-audit services to be provided by the independent auditor, reviews reports concerning significant legal and regulatory matters, and reviews the performance of our internal audit function. The Committee also reviews and discusses our filings on Forms 10-K and 10-Q and the financial information in those filings. The Audit Committee works closely with management as well as our independent auditor and internal auditor. A more detailed description of the role and responsibilities of the Audit Committee is set forth in a written charter, adopted by the Board of Directors, which is available on our website (www.rgare.com). Information on our website does not constitute part of this

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Proxy Statement. The Audit Committee has established procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or auditing matters. Please see the Policies on Communications, which is available on our website.

The Board of Directors has determined, in its judgment, that all of the members of the Audit Committee are independent within the meaning of Securities and Exchange Commission ("SEC") regulations applicable to audit committees and the NYSE listing standards. The Board of Directors has determined, in its judgment, that Messrs. Bartlett, Greenbaum and Henderson are qualified as audit committee financial experts within the meaning of SEC regulations, and the Board has determined that each of them has accounting and related financial management expertise within the meaning of the NYSE listing standards. The Audit Committee Charter provides that members of the Audit Committee may not simultaneously serve on the audit committee of more than two other public companies, unless he or she satisfactorily demonstrates that they have the ability to devote the time and attention required to serve on multiple audit committees.

COMPENSATION COMMITTEE

The Compensation Committee met six times during 2007, and consisted of Messrs. Henderson (Chairman), Bartlett, Eason and Greenbaum. The Committee meets as often as necessary to perform its duties and responsibilities, which include establishing and overseeing our general compensation policies, reviewing and approving the performance and compensation of the CEO and certain other executive officers, and reviewing and recommending compensation for other executives and employees to the Board of Directors. A more detailed description of the role and responsibilities of the Compensation Committee is set forth in a written charter adopted by the Board of Directors, which is available on our website (www.rgare.com). Information on our website does not constitute part of this Proxy Statement. The Board of Directors has determined, in its judgment, that all of the Committee's members are independent within the meaning of the NYSE listing standards.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Messrs. Henderson, Bartlett, Eason and Greenbaum are not and have never been officers or employees of RGA or any of its subsidiaries. None of our inside directors or officers serve on the compensation committee of another company of which a member of the Compensation Committee is an officer.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

The Nominating and Corporate Governance Committee met four times in 2007, and consisted of Messrs. Greenbaum (Chairman), Bartlett, Eason and Henderson. This Committee is responsible for developing and implementing policies and practices relating to corporate governance, including reviewing and monitoring implementation of our Corporate Governance Guidelines. In addition, the Committee identifies individuals qualified to become members of the Board, consistent with the criteria established by the Board; develops and reviews background information on candidates for the Board; and makes

recommendations to the Board regarding such candidates. The Committee also will prepare and supervise the Board's annual review of director independence and the performance of self-evaluations to be conducted by the Board and Committees. A more detailed description of the role and responsibilities of

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the Nominating and Corporate Governance Committee is set forth in a written charter adopted by the Board of Directors, which is available on our website (www.rgare.com). Information on our website does not constitute part of this Proxy Statement. The Board of Directors has determined, in its judgment, that all of the Committee's members are independent within the meaning of the NYSE listing standards. Shareholders wishing to propose nominees to the Committee for consideration should notify in writing our Secretary in accordance with the process described in "Additional Information - Shareholder Nominations and Proposals." The Secretary will inform the members of the Committee of such nominees.

COMPENSATION DISCUSSION AND ANALYSIS

Our Board of Directors has delegated to the Compensation Committee (the "Committee") the authority to establish and oversee our general compensation policies, review the performance and approve the compensation of our CEO and other executive officers, and review and recommend compensation to the Board of Directors for other executives and employees. The Committee also produces an annual report on executive compensation for inclusion in our Proxy Statement. In 2007, the Compensation Committee consisted of Messrs. Henderson (Chairman), Bartlett, Eason, and Greenbaum. RGA Reinsurance Company, one of our wholly owned indirect subsidiaries, employs all of our "executive officers," including the seven officers who were reporting persons for purposes of Section 16 of the Exchange Act on December 31, 2007, except for Graham Watson, who is employed by RGA International Corporation.

COMPENSATION PHILOSOPHY AND OBJECTIVES

We design our compensation philosophy and objectives to:

- o provide competitive total compensation opportunities that will attract, retain and motivate high-performing executives;
- o align the compensation plans to our business strategies;
- o reinforce our pay for performance culture by making a significant portion of compensation variable and based on company, business unit and individual performance; and
- o align the financial interests of our executives and shareholders through stock-based incentives and by building executive ownership in us.

We use two key financial performance measures and weights designed to add emphasis to operating earnings to align our compensation plans to our business strategies, reinforce our pay for performance culture using variable compensation based on performance, and align the financial interests of our executives. We measure performance under our management incentive plan (or "MIP") based 75% on annual operating earnings (net income from continuing operations less realized capital gains and losses and certain other non-operating items) per share and 25% on annual consolidated revenues. For our intermediate term bonus plan (or "ITB"), we measure performance based 67% on a compounded annual growth rate for operating earnings per share and 33% on a compounded annual growth rate for revenue, both calculated as of the end of the three-year performance period. Commencing with the 2008 ITB awards, operating return on average equity replaced growth in operating earnings as an ITB measure. The Company has not adopted any policies regarding the adjustment or recovery of awards or payments if the relevant performance measures upon which they are based are restated or otherwise adjusted in a manner that would reduce the size of an award or payment.

ELEMENTS OF COMPENSATION

Our compensation program consists of base salary, MIP, ITB, stock options, and retirement and pension benefits. Our base salaries are designed to provide part of a competitive total compensation package that will attract, retain and motivate high-performing executives. The MIP is designed to reinforce our pay for performance culture by making a significant portion of an executive's compensation variable and based on Company, business unit and individual performance. The MIP also aligns compensation with our short-term business strategies. Our ITB and stock options are designed to reinforce our pay for performance culture, align the financial interests of our executives and shareholders, align compensation with our intermediate and long-term business strategies, and provide a significant equity component as part of the total compensation package. Finally, our retirement and pension benefits are designed to provide another part of a competitive total compensation package that permits us to attract and retain key members of our management team.

COMPENSATION CONSULTANT

In forming its recommendations on our overall compensation program, the Committee has, from time to time, engaged an independent consulting firm to provide advice about competitive compensation practices and determine how our executive compensation compares to that of other comparable companies, including publicly held insurance and reinsurance companies. Prior to 2007, Watson Wyatt, a nationally recognized consulting firm, performed a variety of compensation consulting services with respect to non-executive positions and executive compensation analysis. Following a selection and interview process, in January 2007 the Committee directly engaged Hewitt Associates to advise and assist us with decisions relating to our executive compensation program, including providing advice regarding incentive plan design, annual comprehensive competitive market studies, competitive compensation data for directors, technical advice on disclosure requirements relating to executive compensation, and to apprise the Committee of compensation best practices. Hewitt Associates' initial work consisted of a review of the elements and structure of our total compensation program, analyzing the performance measures used for the MIP and ITB, reviewing executive retirement plans and evaluating alternative peer groups. The initial results of Hewitt Associates' review were discussed in January 2007, and the Committee used input from Hewitt Associates to help the Committee establish executive compensation for 2007.

MANAGEMENT PARTICIPATION AND INVOLVEMENT

Pursuant to the Compensation Committee charter, the Committee makes all compensation decisions and approves the compensation of our executive officers, and makes compensation recommendations for approval by our Board for all other employees. Management plays a significant role in the compensation-setting process. The most significant aspects of management's role are:

- o evaluating employee performance;
- o recommending business performance targets, goals and objectives; and
- o recommending salary levels, cash bonus and equity incentive awards.

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Our chief executive officer works with the Committee chair to establish the agenda for Committee meetings. Management also prepares relevant information and reports for each Compensation Committee meeting. Our chief executive officer also participates in Committee meetings at the Committee's request to provide:

- o background information regarding our strategic objectives;
- o his evaluation of the performance of the executive officers; and
- o compensation recommendations as to executive officers (other than himself).

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Our executive officers and other members of management are also available to Hewitt Associates or any other compensation consultant to provide information regarding position descriptions, compensation history and other information as requested, and to review draft results provided by the Committee's compensation consultant.

Three of our directors are senior executives of MetLife, the beneficial owner of approximately 52% of our outstanding common stock as of February 1, 2008. The MetLife directors are invited to attend and participate in Compensation Committee meetings, although they are not voting members of the Committee. From time to time, the MetLife directors provide recommendations or suggestions with respect to our executive compensation arrangements and with respect to the setting of our chief executive officer's compensation.

BENCHMARKING OF COMPENSATION

In 2005, Watson Wyatt performed an analysis of all elements of our total direct compensation, including a competitive market assessment of the pay levels for our executives at the Senior Vice President level and above, which at that time included 26 positions. The analysis studied multiple published surveys of executive compensation practices and included publicly available information relating to a peer group of 12 publicly traded insurance companies.

The analysis also included a review of five published surveys, two of which were insurance-specific and three of which were general executive compensation surveys. The scope of the survey review focused on our size in terms of premiums, revenues, and asset levels, and also assessed published survey data with respect to all 26 executive positions. Survey data was collected on companies that were similar to our size based on premiums, revenues and assets, and included specific data for the insurance industry when available. The study of our peers focused on publicly-available information, and thus focused on pay levels for their top five executives, as this is the information that is publicly disclosed. Pay levels for our top five executives were compared to peers based on highest-paid ranking, using total cash compensation. As available, position-specific comparisons were also made.

The peer companies studied in 2006 included:

Amerus Group Co
Berkley (WR) Corp.
Everest Re Group Ltd.

PartnerRe Ltd.
Phoenix Companies Inc.
Protective Life Corp.

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Jefferson-Pilot Corp.
Nationwide Financial Services
Odyssey Re Holdings Corp.

Renaissance Re Holdings Ltd.
Scottish Re Group Ltd.
XL Capital Ltd.

The Committee defined the peer group based on various metrics, including industry and size. The Committee determined that the peer companies should consist of publicly-traded reinsurers (life and property-casualty) and financial services companies, including direct competitors, which were approximately one-half to 2.5 times our size (based on revenues, assets, and other similar measures). We expect to update the peer company list periodically in order to maintain an appropriate list of companies for pay comparisons as a result of mergers and acquisitions, divestitures, growth in our size and the size of those companies in the peer group, and other changes.

We used the analysis of Watson Wyatt and subsequent review and input from Hewitt Associates as a starting point for our compensation determinations in 2007 relating to base salary, total cash compensation, long-term incentives and total direct compensation. We considered individual performance, internal pay equity among positions and levels, and the relative importance of positions to us. We also considered our financial performance as demonstrated by revenue and earnings per share and various other factors that differentiate us from our peers. Along with Hewitt Associates' review of our overall performance and future growth targets, we established a compensation strategy that we believe aligns our compensation with the market median in order to allow us to retain our current talent and attract new talent.

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The Committee determines a total compensation package for each of the five executives who are identified in the Summary Compensation Table (whom we refer to as our "named executive officers") that includes base salary, MIP bonus, equity awards, and pension benefits. In determining the targeted overall compensation for our chief executive officer, we considered not only the factors described above, but also our performance over the previous two years. We used a similar analysis to establish the targeted overall compensation for our other named executive officers for 2007.

We target the median of the peer companies' pay for each element of named executive officer compensation. The elements of compensation we targeted consist of base salary, total cash compensation (base salary + annual incentives), long-term incentive awards (equity grants) and total direct compensation as reported by companies in the peer group (base salary + annual incentives + long-term incentive awards). The review provided by Watson Wyatt in January 2006 indicated that across the named executive officer positions, in aggregate our salaries were at 82% of the peer group median; our total cash compensation was below the peer group median at 61% of the median; our long-term incentive award levels were at 57% of the peer group median; and our aggregate total direct compensation was below the peer group median at 54%. The competitive positioning of the total direct compensation is primarily driven by the relatively low expected value of the long-term incentive awards. The following table illustrates the peer company median data compared to RGA target data for the last three years.

BASE SALARY	TOTAL CASH COMPENSATION	LONG-TERM INCENTIVES
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PEER COMPANY MEDIAN	\$2,633	\$5,863	\$4,696

RGA Named Executive Officer Aggregate (2005)	\$2,169 (82.4%)	\$3,557 (60.7%)	\$2,670 (56.9%)

RGA Named Executive Officer Aggregate (2006)	\$2,360 (89.6%)	\$4,238 (72.3%)	\$3,792 (80.8%)

RGA Named Executive Officer Aggregate (2007)	\$2,560 (97.2%)	\$4,768 (81.3%)	\$2,960 (63.0%)

All dollars in thousands