

REINSURANCE GROUP OF AMERICA INC
Form 8-K
October 29, 2008

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K
CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of Earliest Event Reported): October 29, 2008

REINSURANCE GROUP OF AMERICA, INCORPORATED

(Exact Name of Registrant as Specified in its Charter)

Missouri
(State or Other Jurisdiction of
Incorporation)

1-11848
(Commission
File Number)

43-1627032
(IRS Employer
Identification Number)

1370 Timberlake Manor Parkway, Chesterfield, Missouri 63017

(Address of Principal Executive Office)

Registrant's telephone number, including area code: **(636) 736-7000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events

Explanatory Note:

In anticipation of the filing of a preliminary Prospectus Supplement that is included as a part of the Company's automatic shelf Registration Statement on Form S-3 (File Nos. 333-131761, 333-131761-01 and 333-131761-02), Reinsurance Group of America, Incorporated (RGA or the Company) is filing this Current Report on Form 8-K to disclose certain financial and related information for the three- and nine-month periods ended September 30, 2008 that had been previously furnished on earlier Form 8-Ks.

On October 23, 2008, RGA reported net income for the third quarter of \$25.2 million, or \$0.40 per diluted share, compared to \$76.5 million, or \$1.19 per diluted share, in the prior-year quarter. Third-quarter net premiums rose 6 percent, to \$1,303.6 million, from \$1,227.9 million a year ago. Net investment income for the quarter totaled \$220.2 million versus \$190.5 million the year before.

Net income for the quarter included approximately \$99.8 million in net investment losses, including impairments. This amount is pre-tax and before the impact of deferred acquisition costs (DAC). After tax and DAC, the losses totaled \$75.4 million, or approximately 3 percent of shareholders' equity. The losses were primarily associated with RGA's investments in the financial services sector, including Lehman Brothers, American International Group (AIG), Washington Mutual, Fannie Mae, Freddie Mac and various mortgage-related structured securities. Additionally, net income included unrealized losses of \$21.1 million, after taxes and DAC, due to the decline in the fair value of embedded derivatives associated with modified coinsurance and funds withheld treaties. This non-cash, unrealized loss is due to widening credit spreads on the investment portfolios underlying certain funds withheld annuity reinsurance treaties.

On a year-to-date basis for 2008, net income totaled \$167.4 million or \$2.62 per diluted share, compared to \$230.2 million, or \$3.59 per diluted share, for 2007. Consolidated net premiums were up 11 percent, to \$3,960.2 million from \$3,561.0 million.

RGA's investment profile includes 97 percent of its fixed maturity securities held in the investment grade categories with an average credit rating of A+. The structured residential mortgage-backed securities (RMBS) and commercial mortgage-backed securities (CMBS) portfolios continued to be highly rated with 99 percent and 84 percent of the RMBS and CMBS rated AAA, respectively. Additionally, 8 percent of the CMBS portfolio was rated in the AA category. Gross pre-tax unrealized losses on securities increased to \$960.6 million from \$486.7 million at June 30, primarily due to spread widening. Net pre-tax unrealized losses totaled \$596.3 million at September 30. On an after-tax basis, gross unrealized losses represented approximately 22 percent of total shareholders' equity, excluding accumulated other comprehensive income.

RGA's subprime mortgage exposure, including funds withheld portfolios, totaled \$239.6 million in book value, or less than 2 percent of total invested assets, with 75 percent rated AA or higher, including 28 percent in the AAA category. Approximately 9 percent of the subprime mortgage exposure, or \$20.9 million, was rated below investment grade. These figures include the effect of \$11.6 million, pre-tax, in write-downs during the quarter. RGA largely avoided investing in securities originated in the second half of 2005 and beyond, which RGA believes was a period of less rigorous underwriting. Exposure to Alt-A structured securities totaled \$106.5 million, which includes \$13.3 million in write-downs during the quarter. Approximately 83 percent of these securities were rated AA or better.

As of September 30, 2008, RGA maintained a strong liquidity profile, positive cash flows from operations and access to additional liquidity through its \$750 million syndicated credit facility in addition to a Federal Home Loan Bank borrowing program. RGA has not issued commercial paper and its participation in securities lending programs is immaterial, with less than \$20.0 million outstanding at September 30, 2008. RGA's next scheduled senior debt maturity is in 2011.

The U.S. segment reported a pre-tax loss of \$11.3 million for the quarter versus income of \$66.2 million the year before. The current-quarter results include approximately \$68.0 million, pre-tax and after DAC, in net realized investment losses, and \$32.4 million, pre-tax and after DAC, associated with the change in embedded derivatives associated with funds withheld treaties. Net premiums were up 7 percent to \$742.2 million from \$691.9 million in the prior-year quarter. On a year-to-date basis, net premiums have increased 7 percent.

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The Company's Canada operations reported pre-tax net income of \$29.7 million compared to \$22.8 million a year ago. Net premiums increased 4 percent to \$128.9 million from \$123.7 million in the prior year. On a year-to-date basis, premiums were up 18 percent. The impact on the current-quarter results from currency exchange rate changes relative to the prior year was immaterial.

Asia Pacific reported pre-tax net income of \$21.2 million compared with \$17.2 million in the year-ago quarter. Results were driven by favorable mortality in RGA's emerging markets, particularly Japan, South Korea and Taiwan.

Net premiums totaled \$254.5 million compared to \$240.5 million. The prior-year amount was strong due to the timing of client reporting, which is not unusual in the Company's business. On a year-to-date basis, net premiums have increased 23 percent. Foreign currency fluctuations positively affected net premiums and pre-tax income by approximately \$3.0 million and \$1.0 million, respectively, during the quarter.

Europe and South Africa pre-tax net income increased to \$20.8 million from \$11.7 million a year ago. Net premiums increased 3 percent to \$176.2 million as RGA continued to confront a very competitive environment in the U.K. and a relatively weak British pound. The year-to-date increase in premiums totaled 9 percent. Foreign currency exchange fluctuations adversely affected reported net premiums and pre-tax income for the quarter by approximately \$9.4 million and \$2.0 million, respectively.

RGA believes the current environment in the financial markets places a premium on capital adequacy, stability of operations, and effective operating and financial strategies and that its current capital base is adequate to support its business at current operating levels. At the same time, RGA is seeing a number of new business opportunities, as primary companies look to potentially remove risk from their balance sheets through block reinsurance transactions or entire company sales. Some of these transactions could be sizable. To the extent RGA is successful in supporting transactions of this nature through reinsurance structures, it would likely need to add to its equity capital base.

The Company also announced that its board of directors declared a regular quarterly dividend of \$0.09, payable November 28 to shareholders of record for both classes of stock as of November 7.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This document 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, 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, (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, (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) regulatory action that may be taken by state Departments of Insurance with respect to us or our subsidiaries, (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 RGA's 2007 Form 10-K and its Form 10-Q for the period ending June 30, 2008.

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
Condensed Consolidated Statements of Income
(Dollars in thousands)

| (Unaudited) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|------------------|------------------------------------|-------------------|
| | 2008 | 2007 | 2008 | 2007 |
| Revenues: | | | | |
| Net premiums | \$ 1,303,590 | \$ 1,227,907 | \$ 3,960,210 | \$ 3,561,003 |
| Investment income, net of related expenses | 220,248 | 190,458 | 674,642 | 681,103 |
| Investment related losses, net | (241,307) | (62,113) | (403,646) | (81,977) |
| Other revenues | 27,764 | 22,089 | 81,962 | 61,637 |
| Total revenues | 1,310,295 | 1,378,341 | 4,313,168 | 4,221,766 |
| Benefits and expenses: | | | | |
| Claims and other policy benefits | 1,062,948 | 1,006,864 | 3,311,287 | 2,890,012 |
| Interest credited | 9,293 | 30,475 | 146,190 | 205,193 |
| Policy acquisition costs and other insurance expenses | 124,836 | 139,081 | 330,370 | 500,078 |
| Other operating expenses | 63,886 | 57,284 | 189,223 | 169,325 |
| Interest expense | 9,935 | 9,860 | 54,609 | 53,545 |
| Collateral finance facility expense | 6,851 | 13,047 | 21,291 | 38,940 |
| Total benefits and expenses | 1,277,749 | 1,256,611 | 4,052,970 | 3,857,093 |
| Income from continuing operations before income taxes | 32,546 | 121,730 | 260,198 | 364,673 |
| Provision for income taxes | 7,296 | 40,932 | 87,553 | 127,901 |
| Income from continuing operations | 25,250 | 80,798 | 172,645 | 236,772 |
| Discontinued operations: | | | | |
| Loss from discontinued accident and health operations, net of income taxes | (22) | (4,277) | (5,210) | (6,524) |
| Net income | \$ 25,228 | \$ 76,521 | \$ 167,435 | \$ 230,248 |

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
 Condensed Consolidated Statements of Income
 (In thousands, except per share data)

| (Unaudited) | Three Months Ended | | Nine Months Ended | |
|---|--------------------|---------|-------------------|---------|
| | September 30, | | September 30, | |
| | 2008 | 2007 | 2008 | 2007 |
| Earnings per share from continuing operations: | | | | |
| Basic earnings per share | \$ 0.41 | \$ 1.30 | \$ 2.77 | \$ 3.83 |
| Diluted earnings per share | \$ 0.40 | \$ 1.26 | \$ 2.70 | \$ 3.69 |
| Earnings per share from net income: | | | | |
| Basic earnings per share | \$ 0.40 | \$ 1.23 | \$ 2.69 | \$ 3.73 |
| Diluted earnings per share | \$ 0.40 | \$ 1.19 | \$ 2.62 | \$ 3.59 |
| Weighted average number of common and common equivalent shares outstanding | 63,607 | 64,212 | 63,940 | 64,218 |

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
Condensed Consolidated Business Summary

| (Unaudited) | At or For the Nine Months Ended September 30, | |
|---|---|-------------|
| | 2008 | 2007 |
| Gross life reinsurance in force (in billions) | | |
| U.S. | \$ 1,265.6 | \$ 1,212.8 |
| Canada | \$ 231.4 | \$ 211.3 |
| Europe & South Africa | \$ 368.9 | \$ 370.9 |
| Asia Pacific | \$ 310.6 | \$ 319.7 |
| Gross life reinsurance written (in billions) | | |
| U.S. | \$ 100.7 | \$ 120.9 |
| Canada | \$ 39.1 | \$ 33.7 |
| Europe & South Africa | \$ 59.3 | \$ 42.2 |
| Asia Pacific | \$ 22.7 | \$ 27.7 |
| Balance sheet information (in millions, except share and per share figures) | | |
| Consolidated cash and invested assets | \$ 16,637.2 | \$ 16,312.1 |
| Invested asset book yield trailing three months excluding funds withheld | 6.01% | 6.00% |
| Investment portfolio mix | | |
| Cash and short-term investments | 2.68% | 3.71% |
| Fixed maturity securities | 54.83% | 54.76% |
| Mortgage loans | 4.70% | 5.07% |
| Policy loans | 6.30% | 6.24% |
| Funds withheld at interest | 28.89% | 28.53% |
| Other invested assets | 2.60% | 1.69% |
| Collateral finance facilities | \$ 850.1 | \$ 850.3 |
| Short-term debt | \$ 95.0 | \$ 30.7 |
| Long-term debt | \$ 923.0 | \$ 896.0 |
| Company-obligated mandatorily redeemable preferred securities of subsidiary | \$ 159.0 | \$ 158.8 |
| Total stockholders equity | \$ 2,606.9 | \$ 3,040.0 |
| Treasury shares | 802,922 | 1,129,184 |
| Common shares outstanding | 62,325,351 | 61,999,089 |
| Book value per share outstanding | \$ 41.83 | \$ 49.03 |

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
Selected Invested Asset Data
(Dollars in thousands)

The Company had total cash and invested assets of \$16.6 billion and \$16.8 billion at September 30, 2008 and December 31, 2007, respectively, as illustrated below:

(Unaudited)

| | September 30, | December 31, |
|---|---------------------|---------------------|
| Fixed maturity securities, available-for-sale | \$ 9,121,953 | \$ 9,397,916 |
| Mortgage loans on real estate | 782,282 | 831,557 |
| Policy loans | 1,048,517 | 1,059,439 |
| Funds withheld at interest | 4,806,642 | 4,749,496 |
| Short-term investments | 32,520 | 75,062 |
| Other invested assets | 432,982 | 284,220 |
| Cash and cash equivalents | 412,255 | 404,351 |
| Total cash and invested assets | \$16,637,151 | \$16,802,041 |

The tables below show the major industry types and weighted average credit ratings, which comprise the U.S. and foreign corporate fixed maturity holdings at September 30, 2008 and December 31, 2007:

(Unaudited)

| | Amortized Cost | Estimated Fair Value | % of Total | Average Credit Ratings |
|---------------------------|--------------------|-------------------------|---------------|------------------------------|
| September 30, 2008 | | | | |
| Finance | \$1,433,689 | \$1,176,929 | 28.1% | A- |
| Industrial | 1,161,833 | 1,043,016 | 24.9% | BBB |
| Foreign (1) | 1,185,038 | 1,088,255 | 26.0% | A |
| Utility | 531,564 | 487,337 | 11.6% | BBB |
| Other | 437,988 | 394,038 | 9.4% | BBB+ |
| Total | \$4,750,112 | \$4,189,575 | 100.0% | A- |
| December 31, 2007 | | | | |
| Finance | \$1,394,562 | \$1,343,539 | 30.8% | A |
| Industrial | 1,069,727 | 1,060,236 | 24.3% | BBB+ |
| Foreign (1) | 1,040,817 | 1,050,005 | 24.1% | A |
| Utility | 504,678 | 503,969 | 11.5% | BBB |
| Other | 413,977 | 405,871 | 9.3% | BBB+ |
| Total | \$4,423,761 | \$4,363,620 | 100.0% | A- |

- (1) Includes U.S. dollar-denominated debt obligations of foreign obligors and other foreign investments.

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
Selected Invested Asset Data
(Dollars in thousands)

The quality of the Company's available-for-sale fixed maturity securities portfolio, as measured at fair value and by the percentage of fixed maturity securities invested in various ratings categories, relative to the entire available-for-sale fixed maturity security portfolio, at September 30, 2008 and December 31, 2007 was as follows:

(Unaudited)

September 30, 2008

| NAIC Designation | Rating Agency Designation | Amortized Cost | Estimated Fair Value | % of Total |
|------------------|---------------------------|----------------|----------------------|------------|
| 1 | AAA/AA/A | \$ 7,479,538 | \$ 7,183,940 | 78.8% |
| 2 | BBB | 1,817,281 | 1,632,806 | 17.9% |
| 3 | BB | 253,665 | 231,706 | 2.5% |
| 4 | B | 58,868 | 43,503 | 0.5% |
| 5 | CCC and lower | 31,336 | 27,361 | 0.3% |
| 6 | In or near default | 2,636 | 2,637 | % |
| Total | | \$ 9,643,324 | \$ 9,121,953 | 100.0% |

December 31, 2007

| NAIC Designation | Rating Agency Designation | Amortized Cost | Estimated Fair Value | % of Total |
|------------------|---------------------------|----------------|----------------------|------------|
| 1 | AAA/AA/A | \$ 7,022,497 | \$ 7,521,177 | 80.0% |
| 2 | BBB | 1,628,431 | 1,617,983 | 17.2% |
| 3 | BB | 201,868 | 198,487 | 2.1% |
| 4 | B | 47,013 | 43,680 | 0.5% |
| 5 | CCC and lower | 16,800 | 16,502 | 0.2% |
| 6 | In or near default | 83 | 87 | % |
| Total | | \$ 8,916,692 | \$ 9,397,916 | 100.0% |

The following table presents the total gross unrealized losses for fixed maturity securities and equity securities as of September 30, 2008 and December 31, 2007 where the estimated fair value had declined and remained below amortized cost by the indicated amount:

| (Unaudited) | September 30, 2008 | | December 31, 2007 | |
|---------------------------------------|-------------------------|------------|-------------------------|------------|
| | Gross Unrealized Losses | % of Total | Gross Unrealized Losses | % of Total |
| Less than 20% | \$ 472,148 | 49.1% | \$ 159,563 | 80.5% |
| 20% or more for less than six months | 381,221 | 39.7% | 35,671 | 18.0% |
| 20% or more for six months or greater | 107,273 | 11.2% | 2,981 | 1.5% |
| Total | \$ 960,642 | 100.0% | \$ 198,215 | 100.0% |

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
U.S. Operations
(Dollars in thousands)
(Unaudited)

Three Months Ended September 30, 2008

| | Traditional | Asset- Intensive | Financial Reinsurance | Total U.S. |
|---|------------------|---------------------|--------------------------|--------------------|
| Revenues: | | | | |
| Net premiums | \$740,502 | \$ 1,719 | \$ | \$ 742,221 |
| Investment income, net of related expenses | 99,991 | 43,727 | 192 | 143,910 |
| Investment related losses, net | (62,065) | (132,280) | (136) | (194,481) |
| Other revenues | (42) | 15,051 | 3,644 | 18,653 |
| Total revenues | 778,386 | (71,783) | 3,700 | 710,303 |
| Benefits and expenses: | | | | |
| Claims and other policy benefits | 632,258 | 2,040 | | 634,298 |
| Interest credited | 15,221 | (6,005) | | 9,216 |
| Policy acquisition costs and other insurance expenses | 107,199 | (45,043) | 252 | 62,408 |
| Other operating expenses | 12,756 | 2,167 | 747 | 15,670 |
| Total benefits and expenses | 767,434 | (46,841) | 999 | 721,592 |
| Income (loss) before income taxes | \$ 10,952 | \$ (24,942) | \$2,701 | \$ (11,289) |

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
U.S. Operations
(Dollars in thousands)
(Unaudited)

| | Three Months Ended September 30, 2007 | | | Total U.S. |
|---|---------------------------------------|---------------------|--------------------------|------------------|
| | Traditional | Asset- Intensive | Financial Reinsurance | |
| Revenues: | | | | |
| Net premiums | \$690,388 | \$ 1,555 | \$ | \$691,943 |
| Investment income, net of related expenses | 89,221 | 28,870 | (9) | 118,082 |
| Investment related losses, net | (5,457) | (58,384) | (2) | (63,843) |
| Other revenues | 242 | 11,095 | 7,205 | 18,542 |
| Total revenues | 774,394 | (16,864) | 7,194 | 764,724 |
| Benefits and expenses: | | | | |
| Claims and other policy benefits | 572,871 | 2,280 | | 575,151 |
| Interest credited | 14,845 | 15,457 | | 30,302 |
| Policy acquisition costs and other insurance expenses | 99,759 | (22,880) | 1,831 | 78,710 |
| Other operating expenses | 11,631 | 1,757 | 1,021 | 14,409 |
| Total benefits and expenses | 699,106 | (3,386) | 2,852 | 698,572 |
| Income (loss) before income taxes | \$ 75,288 | \$(13,478) | \$4,342 | \$ 66,152 |

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
U.S. Operations
(Dollars in thousands)
(Unaudited)

Nine Months Ended September 30, 2008

| | Traditional | Asset- Intensive | Financial Reinsurance | Total U.S. |
|---|-------------------|---------------------|--------------------------|-------------------|
| Revenues: | | | | |
| Net premiums | \$2,218,726 | \$ 4,974 | \$ | \$2,223,700 |
| Investment income, net of related expenses | 294,884 | 149,678 | 588 | 445,150 |
| Investment related losses, net | (65,210) | (290,878) | (139) | (356,227) |
| Other revenues | 570 | 40,757 | 10,702 | 52,029 |
| Total revenues | 2,448,970 | (95,469) | 11,151 | 2,364,652 |
| Benefits and expenses: | | | | |
| Claims and other policy benefits | 1,908,418 | 3,090 | | 1,911,508 |
| Interest credited | 44,935 | 100,958 | | 145,893 |
| Policy acquisition costs and other insurance expenses | 296,480 | (149,707) | 700 | 147,473 |
| Other operating expenses | 38,115 | 6,341 | 2,160 | 46,616 |
| Total benefits and expenses | 2,287,948 | (39,318) | 2,860 | 2,251,490 |
| Income (loss) before income taxes | \$ 161,022 | \$ (56,151) | \$ 8,291 | \$ 113,162 |

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
U.S. Operations
(Dollars in thousands)
(Unaudited)

Nine Months Ended September 30, 2007

| | Traditional | Asset- Intensive | Financial Reinsurance | Total U.S. |
|---|-------------------|---------------------|--------------------------|-------------------|
| Revenues: | | | | |
| Net premiums | \$2,078,560 | \$ 4,779 | \$ | \$2,083,339 |
| Investment income, net of related expenses | 261,300 | 214,141 | 110 | 475,551 |
| Investment related losses, net | (10,292) | (64,599) | (9) | (74,900) |
| Other revenues | 648 | 28,209 | 18,940 | 47,797 |
| Total revenues | 2,330,216 | 182,530 | 19,041 | 2,531,787 |
| Benefits and expenses: | | | | |
| Claims and other policy benefits | 1,710,076 | 6,250 | 1 | 1,716,327 |
| Interest credited | 43,694 | 159,939 | | 203,633 |
| Policy acquisition costs and other insurance expenses | 300,946 | 16,163 | 6,026 | 323,135 |
| Other operating expenses | 35,103 | 5,083 | 2,962 | 43,148 |
| Total benefits and expenses | 2,089,819 | 187,435 | 8,989 | 2,286,243 |
| Income (loss) before income taxes | \$ 240,397 | \$ (4,905) | \$10,052 | \$ 245,544 |

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
Canada Operations
(Dollars in thousands)

| (Unaudited) | Three Months Ended September 30, | |
|---|-------------------------------------|------------|
| | 2008 | 2007 |
| Revenues: | | |
| Net premiums | \$ 128,930 | \$ 123,676 |
| Investment income, net of related expenses | 35,836 | 31,057 |
| Investment related gains (losses), net | (1,183) | 2,713 |
| Other revenues | 4,289 | 1 |
| Total revenues | 167,872 | 157,447 |
| Benefits and expenses: | | |
| Claims and other policy benefits | 104,339 | 106,416 |
| Interest credited | 77 | 170 |
| Policy acquisition costs and other insurance expenses | 27,591 | 23,118 |
| Other operating expenses | 6,132 | 4,945 |
| Total benefits and expenses | 138,139 | 134,649 |
| Income before income taxes | \$ 29,733 | \$ 22,798 |
| | | |
| (Unaudited) | Nine Months Ended September 30, | |
| | 2008 | 2007 |
| Revenues: | | |
| Net premiums | \$ 407,452 | \$ 345,748 |
| Investment income, net of related expenses | 107,561 | 89,852 |
| Investment related gains (losses), net | (1,264) | 7,145 |
| Other revenues | 17,506 | 180 |
| Total revenues | 531,255 | 442,925 |
| Benefits and expenses: | | |
| Claims and other policy benefits | 353,756 | 303,231 |
| Interest credited | 297 | 541 |
| Policy acquisition costs and other insurance expenses | 79,543 | 62,937 |
| Other operating expenses | 17,477 | 14,182 |
| Total benefits and expenses | 451,073 | 380,891 |

| | | |
|----------------------------|-----------|-----------|
| Income before income taxes | \$ 80,182 | \$ 62,034 |
|----------------------------|-----------|-----------|

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
Europe & South Africa
(Dollars in thousands)

| (Unaudited) | Three Months Ended September 30, | |
|---|-------------------------------------|------------------|
| | 2008 | 2007 |
| Revenues: | | |
| Net premiums | \$ 176,184 | \$ 170,774 |
| Investment income, net of related expenses | 9,065 | 5,569 |
| Investment related losses, net | (4,703) | (863) |
| Other revenues | 33 | (43) |
| Total revenues | 180,579 | 175,437 |
| Benefits and expenses: | | |
| Claims and other policy benefits | 122,521 | 127,281 |
| Interest credited | | 3 |
| Policy acquisition costs and other insurance expenses | 21,559 | 22,592 |
| Other operating expenses | 15,708 | 13,872 |
| Total benefits and expenses | 159,788 | 163,748 |
| Income before income taxes | \$ 20,791 | \$ 11,689 |
| | | |
| (Unaudited) | Nine Months Ended September 30, | |
| | 2008 | 2007 |
| Revenues: | | |
| Net premiums | \$ 550,870 | \$ 503,366 |
| Investment income, net of related expenses | 25,394 | 18,446 |
| Investment related losses, net | (4,089) | (1,717) |
| Other revenues | 161 | 61 |
| Total revenues | 572,336 | 520,156 |
| Benefits and expenses: | | |
| Claims and other policy benefits | 425,516 | 370,263 |
| Interest credited | | 1,019 |
| Policy acquisition costs and other insurance expenses | 54,815 | 65,781 |
| Other operating expenses | 48,130 | 38,434 |
| Total benefits and expenses | 528,461 | 475,497 |
| Income before income taxes | \$ 43,875 | \$ 44,659 |

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
Asia Pacific
(Dollars in thousands)

| (Unaudited) | Three Months Ended September 30, | |
|---|-------------------------------------|------------------|
| | 2008 | 2007 |
| Revenues: | | |
| Net premiums | \$ 254,497 | \$ 240,476 |
| Investment income, net of related expenses | 12,272 | 9,134 |
| Investment related losses, net | (3,821) | (367) |
| Other revenues | 2,811 | 2,105 |
| Total revenues | 265,759 | 251,348 |
| Benefits and expenses: | | |
| Claims and other policy benefits | 201,707 | 197,827 |
| Policy acquisition costs and other insurance expenses | 25,053 | 22,833 |
| Other operating expenses | 17,774 | 13,448 |
| Total benefits and expenses | 244,534 | 234,108 |
| Income before income taxes | \$ 21,225 | \$ 17,240 |
| | | |
| (Unaudited) | Nine Months Ended September 30, | |
| | 2008 | 2007 |
| Revenues: | | |
| Net premiums | \$ 773,148 | \$ 626,285 |
| Investment income, net of related expenses | 36,083 | 26,407 |
| Investment related losses, net | (4,817) | (937) |
| Other revenues | 7,214 | 6,515 |
| Total revenues | 811,628 | 658,270 |
| Benefits and expenses: | | |
| Claims and other policy benefits | 620,387 | 499,974 |
| Policy acquisition costs and other insurance expenses | 81,520 | 75,620 |
| Other operating expenses | 48,677 | 39,495 |
| Total benefits and expenses | 750,584 | 615,089 |
| Income before income taxes | \$ 61,044 | \$ 43,181 |

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
Corporate and Other
(Dollars in thousands)

| (Unaudited) | Three Months Ended September 30, | |
|---|-------------------------------------|----------|
| | 2008 | 2007 |
| Revenues: | | |
| Net premiums | \$ 1,758 | \$ 1,038 |
| Investment income, net of related expenses | 19,165 | 26,616 |
| Investment related gains (losses), net | (37,119) | 247 |
| Other revenues | 1,978 | 1,484 |
| Total revenues | (14,218) | 29,385 |
| Benefits and expenses: | | |
| Claims and other policy benefits | 83 | 189 |
| Policy acquisition costs and other insurance expenses | (11,775) | (8,172) |
| Other operating expenses | 8,602 | 10,610 |
| Interest expense | 9,935 | 9,860 |
| Collateral finance facility expense | 6,851 | 13,047 |
| Total benefits and expenses | 13,696 | 25,534 |
| Income (loss) before income taxes | \$ (27,914) | \$ 3,851 |
| | | |
| (Unaudited) | Nine Months Ended September 30, | |
| | 2008 | 2007 |
| Revenues: | | |
| Net premiums | \$ 5,040 | \$ 2,265 |
| Investment income, net of related expenses | 60,454 | 70,847 |
| Investment related losses, net | (37,249) | (11,568) |
| Other revenues | 5,052 | 7,084 |
| Total revenues | 33,297 | 68,628 |
| Benefits and expenses: | | |
| Claims and other policy benefits | 120 | 217 |
| Policy acquisition costs and other insurance expenses | (32,981) | (27,395) |
| Other operating expenses | 28,323 | 34,066 |
| Interest expense | 54,609 | 53,545 |
| Collateral finance facility expense | 21,291 | 38,940 |
| Total benefits and expenses | 71,362 | 99,373 |

| | | |
|--------------------------|-------------|-------------|
| Loss before income taxes | \$ (38,065) | \$ (30,745) |
|--------------------------|-------------|-------------|

Selected Investment Detail as of September 30, 2008

The Company had total cash and invested assets of \$16.6 billion and \$16.8 billion at September 30, 2008 and December 31, 2007, respectively, as illustrated below (dollars in thousands):

| | September 30, 2008 | December 31, 2007 |
|---|-----------------------|----------------------|
| Fixed maturity securities, available-for-sale | \$ 9,121,953 | \$ 9,397,916 |
| Mortgage loans on real estate | 782,282 | 831,557 |
| Policy loans | 1,048,517 | 1,059,439 |
| Funds withheld at interest | 4,806,642 | 4,749,496 |
| Short-term investments | 32,520 | 75,062 |
| Other invested assets | 432,982 | 284,220 |
| Cash and cash equivalents | 412,255 | 404,351 |
| Total cash and invested assets | \$ 16,637,151 | \$ 16,802,041 |

The following table presents consolidated invested assets, net investment income and investment yield, excluding funds withheld. Funds withheld assets are primarily associated with the reinsurance of annuity contracts on which the Company earns a spread. Fluctuations in the yield on funds withheld assets are generally offset by a corresponding adjustment to the interest credited on the liabilities (dollars in thousands).

| | Three months ended September 30, | | | Nine months ended September 30, | | |
|--|----------------------------------|---------------|----------|---------------------------------|---------------|----------|
| | 2008 | 2007 | Increase | 2008 | 2007 | Increase |
| Average invested assets at amortized cost | \$ 12,185,216 | \$ 10,996,941 | 10.8% | \$ 11,632,451 | \$ 10,497,605 | 10.8% |
| Net investment income | 179,193 | 161,311 | 11.1% | 523,681 | 466,449 | 12.3% |
| Investment yield (ratio of net investment income to average invested assets) | 6.01% | 6.00% | 1bp | 6.05% | 5.97% | 8bps |

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The amortized cost, gross unrealized gains and losses, and estimated fair values of investments in fixed maturity securities and equity securities, the percentage that each sector represents by the total fixed maturity securities holdings and by the total equity securities holdings at September 30, 2008 and December 31, 2007 are as follows (dollars in thousands):

| | Amortized Cost | Unrealized Gains | Unrealized Losses | Estimated Fair Value | % of Total |
|---|-------------------|---------------------|----------------------|----------------------------|---------------|
| September 30, 2008 | | | | | |
| Available-for-sale: | | | | | |
| U.S. corporate securities | \$ 3,565,074 | \$ 5,682 | \$ (469,436) | \$ 3,101,320 | 34.0% |
| Canadian and Canadian provincial governments | 1,678,671 | 330,369 | (40,926) | 1,968,114 | 21.6% |
| Residential mortgage-backed securities | 1,302,991 | 6,776 | (47,052) | 1,262,715 | 13.9% |
| Foreign corporate securities | 1,185,038 | 11,588 | (108,371) | 1,088,255 | 11.9% |
| Asset-backed securities | 483,308 | 1,316 | (88,717) | 395,907 | 4.3% |
| Commercial mortgage-backed securities | 1,029,457 | 891 | (124,917) | 905,431 | 9.9% |
| U.S. government and agencies | 8,250 | 298 | | 8,548 | 0.1% |
| State and political subdivisions | 46,630 | 25 | (4,587) | 42,068 | 0.5% |
| Other foreign government securities | 343,905 | 7,032 | (1,342) | 349,595 | 3.8% |
| Total fixed maturity securities | \$ 9,643,324 | \$ 363,977 | \$ (885,348) | \$ 9,121,953 | 100.0% |
| Non-redeemable preferred stock | \$ 187,966 | \$ 14 | \$ (72,830) | \$ 115,150 | 77.5% |
| Common stock | 35,571 | 336 | (2,464) | 33,443 | 22.5% |
| Total equity securities | \$ 223,537 | \$ 350 | \$ (75,294) | \$ 148,593 | 100.0% |
| December 31, 2007 | | | | | |
| Available-for-sale: | | | | | |
| U.S. corporate securities | \$ 3,382,944 | \$ 27,350 | \$ 96,679 | \$ 3,313,615 | 35.3% |
| Canadian and Canadian provincial governments | 1,561,700 | 570,691 | 1,163 | 2,131,228 | 22.7% |
| Residential mortgage-backed securities | 1,414,187 | 12,306 | 12,216 | 1,414,277 | 15.0% |
| Foreign corporate securities | 1,040,817 | 35,159 | 25,971 | 1,050,005 | 11.2% |
| Asset-backed securities | 494,458 | 1,252 | 31,456 | 464,254 | 4.9% |
| Commercial mortgage-backed securities | 641,479 | 8,835 | 5,087 | 645,227 | 6.9% |
| U.S. government and agencies | 3,244 | 209 | 1 | 3,452 | % |
| State and political subdivisions | 52,254 | 152 | 945 | 51,461 | 0.5% |
| Other foreign government securities | 325,609 | 3,300 | 4,512 | 324,397 | 3.5% |

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| | | | | | |
|---------------------------------|--------------|------------|------------|--------------|--------|
| Total fixed maturity securities | \$ 8,916,692 | \$ 659,254 | \$ 178,030 | \$ 9,397,916 | 100.0% |
| Non-redeemable preferred stock | \$ 144,942 | \$ 986 | \$ 19,953 | \$ 125,975 | 91.8% |
| Common stock | 11,483 | 2 | 232 | 11,253 | 8.2% |
| Total equity securities | \$ 156,425 | \$ 988 | \$ 20,185 | \$ 137,228 | 100.0% |

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The table below shows the major industry types and weighted average credit ratings, which comprise the U.S. and foreign corporate fixed maturity holdings at (dollars in thousands):

| | September 30, 2008 | | | Average Credit |
|--------------|---------------------|----------------------|---------------|----------------|
| | Amortized Cost | Estimated Fair Value | % of Total | Ratings |
| Finance | \$ 1,433,689 | \$ 1,176,929 | 28.1% | A- |
| Industrial | 1,161,833 | 1,043,016 | 24.9% | BBB |
| Foreign (1) | 1,185,038 | 1,088,255 | 26.0% | A |
| Utility | 531,564 | 487,337 | 11.6% | BBB |
| Other | 437,988 | 394,038 | 9.4% | BBB+ |
| Total | \$ 4,750,112 | \$ 4,189,575 | 100.0% | A |

| | December 31, 2007 | | | Average Credit |
|--------------|---------------------|----------------------|---------------|----------------|
| | Amortized Cost | Estimated Fair Value | % of Total | Ratings |
| Finance | \$ 1,394,562 | \$ 1,343,539 | 30.8% | A |
| Industrial | 1,069,727 | 1,060,236 | 24.3% | BBB+ |
| Foreign (1) | 1,040,817 | 1,050,005 | 24.1% | A |
| Utility | 504,678 | 503,969 | 11.5% | BBB |
| Other | 413,977 | 405,871 | 9.3% | BBB+ |
| Total | \$ 4,423,761 | \$ 4,363,620 | 100.0% | A- |

(1) Includes U.S. dollar-denominated debt obligations of foreign obligors and other foreign investments.

The quality of the Company's available-for-sale fixed maturity securities portfolio, as measured at fair value and by the percentage of fixed maturity securities invested in various ratings categories, relative to the entire available-for-sale fixed maturity security portfolio, at September 30, 2008 and December 31, 2007 was as follows (dollars in thousands):

| | September 30, 2008 | | | December 31, 2007 | | | |
|---|---------------------------|----------------|----------------------|-------------------|----------------|----------------------|------------|
| | Rating Agency Designation | Amortized Cost | Estimated Fair Value | % of Total | Amortized Cost | Estimated Fair Value | % of Total |
| 1 | AAA/AA/A | \$ 7,479,538 | \$ 7,183,940 | 78.8% | \$ 7,022,497 | \$ 7,521,177 | 80.0% |
| 2 | BBB | 1,817,281 | 1,632,806 | 17.9% | 1,628,431 | 1,617,983 | 17.2% |
| 3 | BB | 253,665 | 231,706 | 2.5% | 201,868 | 198,487 | 2.1% |
| 4 | B | 58,868 | 43,503 | 0.5% | 47,013 | 43,680 | 0.5% |

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| | | | | | | | |
|---|--------------------------|--------------|--------------|--------|--------------|--------------|--------|
| 5 | CCC and lower | 31,336 | 27,361 | 0.3% | 16,800 | 16,502 | 0.2% |
| 6 | In or near default | 2,636 | 2,637 | % | 83 | 87 | % |
| | Total | \$ 9,643,324 | \$ 9,121,953 | 100.0% | \$ 8,916,692 | \$ 9,397,916 | 100.0% |

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The Company's fixed maturity portfolio includes structured securities. The following table shows the types of structured securities the Company held at:

| (dollars in thousands) | September 30, 2008 | | December 31, 2007 | |
|--|--------------------|----------------------|-------------------|----------------------|
| | Amortized Cost | Estimated Fair Value | Amortized Cost | Estimated Fair Value |
| Residential mortgage-backed securities: | | | | |
| Collateralized mortgage obligations | \$ 932,046 | \$ 892,959 | \$ 1,018,597 | \$ 1,016,195 |
| Pass-through securities | 370,945 | 369,756 | 395,590 | 398,081 |
| Total residential mortgage-backed securities | 1,302,991 | 1,262,715 | 1,414,187 | 1,414,276 |
| Commercial mortgage-backed securities | 1,029,457 | 905,431 | 641,479 | 645,227 |
| Asset-backed securities | 483,308 | 395,907 | 494,458 | 464,254 |
| Total | \$ 2,815,756 | \$ 2,564,053 | \$ 2,550,124 | \$ 2,523,757 |

As of September 30, 2008 and December 31, 2007, the Company held investments in securities with subprime mortgage exposure with amortized costs totaling \$239.6 million and \$267.7 million, and estimated fair values of \$177.4 million and \$246.8 million, respectively. Those amounts include exposure to subprime mortgages through securities held directly in the Company's investment portfolios within asset-backed securities, as well as securities backing the Company's funds withheld at interest investment. The following tables summarize the securities by rating and underwriting year at September 30, 2008 and December 31, 2007 (dollars in thousands):

| Underwriting Year | September 30, 2008 | | | | | |
|-------------------|--------------------|----------------------|----------------|----------------------|----------------|----------------------|
| | AAA | | AA | | A | |
| | Amortized Cost | Estimated Fair Value | Amortized Cost | Estimated Fair Value | Amortized Cost | Estimated Fair Value |
| 2003 & Prior | \$ 11,419 | \$ 10,586 | \$ 6,580 | \$ 4,746 | \$ 1,868 | \$ 1,337 |
| 2004 | | | 39,335 | 30,741 | 13,560 | 10,791 |
| 2005 | 48,481 | 40,885 | 57,019 | 38,337 | 6,516 | 3,362 |
| 2006 | 5,018 | 3,135 | 9,498 | 5,480 | | |
| 2007 | 2,250 | 1,820 | 888 | 615 | 10,490 | 5,175 |
| Total | \$ 67,168 | \$ 56,426 | \$ 113,320 | \$ 79,919 | \$ 32,434 | \$ 20,665 |

| Underwriting Year | BBB | | Below Investment Grade | | Total | |
|-------------------|----------------|----------------------|------------------------|----------------------|----------------|----------------------|
| | Amortized Cost | Estimated Fair Value | Amortized Cost | Estimated Fair Value | Amortized Cost | Estimated Fair Value |
| | 2003 & Prior | \$ 1,221 | \$ 217 | \$ | \$ | \$ 21,088 |
| 2004 | | | 9,071 | 6,610 | 61,966 | 48,142 |
| 2005 | 1,323 | 1,323 | 4,173 | 4,168 | 117,512 | 88,075 |
| 2006 | 3,223 | 1,823 | | | 17,739 | 10,438 |
| 2007 | | | 7,639 | 6,288 | 21,267 | 13,898 |
| Total | \$ 5,767 | \$ 3,363 | \$ 20,883 | \$ 17,066 | \$ 239,572 | \$ 177,439 |

December 31, 2007

| Underwriting Year | AAA | | AA | | A | |
|-------------------|-----------|------------|-----------|------------|-----------|------------|
| | Amortized | Estimated | Amortized | Estimated | Amortized | Estimated |
| | Cost | Fair Value | Cost | Fair Value | Cost | Fair Value |
| 2003 & Prior | \$ 16,520 | \$ 16,531 | \$ 2,111 | \$ 1,910 | \$ 3,749 | \$ 3,246 |
| 2004 | 26,520 | 26,286 | 33,757 | 31,465 | 16,151 | 14,614 |
| 2005 | 41,638 | 40,190 | 60,233 | 55,041 | 21,593 | 18,140 |
| 2006 | 13,964 | 11,957 | 5,002 | 3,763 | | |
| 2007 | 20,274 | 18,351 | | | | |
| Total | \$118,916 | \$113,315 | \$101,103 | \$92,179 | \$41,493 | \$36,000 |

| Underwriting Year | BBB | | Below Investment Grade | | Total | |
|-------------------|-----------|------------|------------------------|------------|-----------|------------|
| | Amortized | Estimated | Amortized | Estimated | Amortized | Estimated |
| | Cost | Fair Value | Cost | Fair Value | Cost | Fair Value |
| 2003 & Prior | \$1,186 | \$1,046 | \$ | \$ | \$ 23,566 | \$ 22,733 |
| 2004 | | | | | 76,428 | 72,365 |
| 2005 | 5,026 | 4,250 | | | 128,490 | 117,621 |
| 2006 | | | | | 18,966 | 15,720 |
| 2007 | | | | | 20,274 | 18,351 |
| Total | \$6,212 | \$5,296 | \$ | \$ | \$267,724 | \$246,790 |

The following table presents the total gross unrealized losses for fixed maturity securities and equity securities as of September 30, 2008 and December 31, 2007, respectively, where the estimated fair value had declined and remained below amortized cost by the indicated amount (dollars in thousands):

| | September 30, 2008 | | December 31, 2007 | |
|---------------------------------------|-------------------------|------------|-------------------------|------------|
| | Gross Unrealized Losses | % of Total | Gross Unrealized Losses | % of Total |
| Less than 20% | \$472,148 | 49.1% | \$159,563 | 80.5% |
| 20% or more for less than six months | 381,221 | 39.7% | 35,671 | 18.0% |
| 20% or more for six months or greater | 107,273 | 11.2% | 2,981 | 1.5% |
| Total | \$960,642 | 100.0% | \$198,215 | 100.0% |

The following tables present the estimated fair values and gross unrealized losses for the 1,976 and 1,105 fixed maturity securities and equity securities that have estimated fair values below amortized cost as of September 30, 2008 and December 31, 2007, respectively. These investments are presented by class and grade of security, as well as the length of time the related market value has remained below amortized cost.

| (dollars in thousands) | As of September 30, 2008 | | | | | |
|---|---------------------------------|-------------------------------|-------------------------|-------------------------------|-------------------------|-------------------------------|
| | Less than 12 months | | 12 months | | Total | |
| | Estimated Fair Value | Gross Unrealized Losses | Estimated Fair Value | Gross Unrealized Losses | Estimated Fair Value | Gross Unrealized Losses |
| Investment grade securities: | | | | | | |
| U.S. corporate securities | \$2,136,005 | \$289,078 | \$ 481,672 | \$ 139,996 | \$2,617,677 | \$429,074 |
| Canadian and Canadian provincial governments | 483,226 | 33,670 | 55,046 | 7,256 | 538,272 | 40,926 |
| Residential mortgage-backed securities | 497,433 | 26,121 | 253,224 | 20,931 | 750,657 | 47,052 |
| Foreign corporate securities | 573,499 | 72,645 | 191,346 | 31,944 | 764,845 | 104,589 |
| Asset-backed securities | 159,077 | 20,269 | 201,503 | 66,944 | 360,580 | 87,213 |
| Commercial mortgage-backed securities | 801,793 | 105,354 | 59,865 | 19,563 | 861,658 | 124,917 |
| State and political subdivisions | 27,468 | 4,587 | 8,000 | | 35,468 | 4,587 |
| Other foreign government securities | 45,207 | 534 | 47,494 | 808 | 92,701 | 1,342 |
| Investment grade securities | 4,723,708 | 552,258 | 1,298,150 | 287,442 | 6,021,858 | 839,700 |
| Non-investment grade securities: | | | | | | |
| U.S. corporate securities | 193,333 | 31,385 | 42,473 | 8,977 | 235,806 | 40,362 |
| Asset-backed securities | 1,226 | 79 | 5,126 | 1,425 | 6,352 | 1,504 |
| Foreign corporate securities | 16,964 | 2,455 | 3,164 | 1,327 | 20,128 | 3,782 |
| Non-investment grade securities | 211,523 | 33,919 | 50,763 | 11,729 | 262,286 | 45,648 |
| Total fixed maturity securities | \$4,935,231 | \$586,177 | \$ 1,348,913 | \$ 299,171 | \$6,284,144 | \$ 885,348 |

| | | | | | | |
|--|-----------|-----------|-----------|-----------|------------|-----------|
| Equity securities | \$ 95,030 | \$ 60,555 | \$ 21,226 | \$ 14,739 | \$ 116,256 | \$ 75,294 |
| Total number of securities in an unrealized loss position | 1,426 | | 550 | | 1,976 | |

| (dollars in thousands) | As of December 31, 2007 | | | | | |
|---|-------------------------|-------------------------------|-------------------------|-------------------------------|-------------------------|-------------------------------|
| | Less than 12 months | | 12 months | | Total | |
| | Estimated Fair Value | Gross Unrealized Losses | Estimated Fair Value | Gross Unrealized Losses | Estimated Fair Value | Gross Unrealized Losses |
| Investment grade securities: | | | | | | |
| U.S. corporate securities | \$ 1,185,664 | \$ 63,368 | \$ 487,626 | \$ 25,541 | \$ 1,673,290 | \$ 88,909 |
| Canadian and Canadian provincial governments | 78,045 | 1,077 | 4,313 | 86 | 82,358 | 1,163 |
| Residential mortgage-backed securities | 299,655 | 5,473 | 348,632 | 6,743 | 648,287 | 12,216 |
| Foreign corporate securities | 293,783 | 17,880 | 155,445 | 5,995 | 449,228 | 23,875 |
| Asset-backed securities | 341,337 | 24,958 | 72,445 | 5,722 | 413,782 | 30,680 |
| Commercial mortgage-backed securities | 110,097 | 4,499 | 46,647 | 588 | 156,744 | 5,087 |
| U.S. government and agencies | 700 | 1 | | | 700 | 1 |
| State and political subdivisions | 27,265 | 605 | 14,518 | 339 | 41,783 | 944 |
| Other foreign government securities | 127,397 | 1,635 | 75,354 | 2,878 | 202,751 | 4,513 |
| Investment grade securities | 2,463,943 | 119,496 | 1,204,980 | 47,892 | 3,668,923 | 167,388 |
| Non-investment grade securities: | | | | | | |
| U.S. corporate securities | 106,842 | 6,044 | 30,105 | 1,727 | 136,947 | 7,771 |
| Asset-backed securities | 1,996 | 776 | | | 1,996 | 776 |
| Foreign corporate securities | 9,692 | 1,930 | 3,524 | 165 | 13,216 | 2,095 |
| Non-investment grade securities | 118,530 | 8,750 | 33,629 | 1,892 | 152,159 | 10,642 |
| Total fixed maturity securities | \$ 2,582,473 | \$ 128,246 | \$ 1,238,609 | \$ 49,784 | \$ 3,821,082 | \$ 178,030 |
| Equity securities | \$ 83,166 | \$ 16,764 | \$ 19,073 | \$ 3,421 | \$ 102,239 | \$ 20,185 |

| | | | |
|--|-----|-----|-------|
| Total number of securities in an unrealized loss position | 691 | 414 | 1,105 |
|--|-----|-----|-------|

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At September 30, 2008 and December 31, 2007, the Company had \$960.6 million and \$198.2 million, respectively, of gross unrealized losses related to its fixed maturity and equity securities. These securities are concentrated, calculated as a percentage of gross unrealized losses, as follows:

| | September 30, 2008 | December 31, 2007 |
|--|-----------------------------------|----------------------------------|
| Sector: | | |
| U.S. corporate securities | 58% | 59% |
| Canadian and Canada provincial governments | 4% | 1% |
| Residential mortgage-backed securities | 5% | 6% |
| Foreign corporate securities | 11% | 13% |
| Asset-backed securities | 9% | 16% |
| Commercial mortgage-backed securities | 13% | 3% |
| State and political subdivisions | % | % |
| Other foreign government securities | % | 2% |
| Total | 100% | 100% |
| Industry: | | |
| Finance | 40% | 49% |
| Asset-backed | 9% | 16% |
| Industrial | 17% | 12% |
| Mortgage-backed | 18% | 9% |
| Government | 5% | 3% |
| Utility | 6% | 4% |
| Other | 5% | 7% |
| Total | 100% | 100% |

The table below presents the Company's top twenty corporate exposures held directly in its investment portfolio as of September 30, 2008. Securities backing the Company's funds withheld portfolios are not included.

(dollars in thousands)

| Corporate Exposures | Amortized Cost | Estimated Fair Value |
|------------------------------|---------------------------|---------------------------------|
| JP Morgan | \$ 85,305 | \$ 74,614 |
| Bank of America | 82,708 | 71,376 |
| Citigroup | 78,036 | 61,825 |
| General Electric Co. | 67,940 | 58,011 |
| AT&T, Inc. | 64,293 | 57,605 |
| Toronto Dominion | 48,816 | 46,577 |
| Verizon | 41,480 | 37,208 |
| American International Group | 48,367 | 32,760 |
| HSBC | 36,755 | 32,102 |
| Wells Fargo | 35,330 | 31,887 |
| Deutsche Telekom | 30,380 | 27,786 |

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| | | |
|----------------------|-----------|-----------|
| Merrill Lynch | 34,418 | 27,506 |
| Power Corp of Canada | 25,314 | 27,299 |
| Morgan Stanley | 36,957 | 27,041 |
| Time Warner Cable | 30,245 | 26,539 |
| Kraft Foods, Inc. | 27,943 | 25,976 |
| Wachovia | 42,957 | 24,909 |
| Goldman Sachs | 36,304 | 24,866 |
| Enbridge, Inc. | 20,718 | 23,841 |
| Banco Santander | 35,805 | 23,460 |
| Total | \$910,071 | \$763,188 |

The table below summarizes impairment writedowns on select issuers for the three month period ended September 30, 2008.

(dollars in thousands)

| Asset Class / Institution | Impairment |
|----------------------------------|-------------------|
| Subprime / Alt-A | \$ 25,727 |
| Lehman Brothers Holdings | 24,232 |
| Washington Mutual | 22,075 |
| Morgan Stanley | 8,214 |
| American International Group | 7,500 |
| Fannie Mae | 7,231 |
| Freddie Mac | 4,680 |
| Bell Canada Enterprises | 3,499 |
| Other | 6,123 |
| Total | \$ 109,281 |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**REINSURANCE GROUP OF AMERICA,
INCORPORATED**

Date: October 29, 2008

By: /s/ Todd C. Larson
Todd C. Larson
Senior Vice President, Controller and
Treasurer