

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549
FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**
Commission File Number 1-11848

REINSURANCE GROUP OF AMERICA, INCORPORATED
(Exact name of Registrant as specified in its charter)

| | |
|---|---|
| Missouri (State or other jurisdiction of incorporation or organization) | 43-1627032 (IRS employer identification number) |
| 16600 Swingley Ridge Road Chesterfield, Missouri 63017 (Address of principal executive offices) (636) 736-7000 (Registrant's telephone number, including area code) | |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u> | <u>Trading Symbol(s)</u> | <u>Name of each exchange on which registered</u> |
|--|--------------------------|--|
| Common Stock, par value \$0.01 | RGA | New York Stock Exchange |
| 5.75% Fixed-To-Floating Rate Subordinated Debentures due 2056 | RZB | New York Stock Exchange |
| 7.125% Fixed Rate Subordinated Debentures due 2052 | RZC | New York Stock Exchange |

As of July 31, 2024, 65,857,648 shares of the registrant's common stock were outstanding.

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES

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PART I – FINANCIAL INFORMATION

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions, except share data)
(Unaudited)

| | June 30, 2024 | December 31, 2023 |
|--|-------------------|----------------------|
| Assets | | |
| Fixed maturity securities available-for-sale, at fair value (amortized cost of \$76,161 and \$64,977; allowance for credit losses of \$111 and \$75) | \$ 70,491 | \$ 60,467 |
| Equity securities, at fair value | 144 | 139 |
| Mortgage loans (net of allowance for credit losses of \$75 and \$67) | 7,984 | 7,377 |
| Policy loans | 1,171 | 1,206 |
| Funds withheld at interest | 5,556 | 5,683 |
| Limited partnerships and real estate joint ventures | 2,791 | 2,635 |
| Short-term investments | 335 | 222 |
| Other invested assets | 1,148 | 1,171 |
| Total investments | 89,620 | 78,900 |
| Cash and cash equivalents | 4,596 | 2,970 |
| Accrued investment income | 881 | 759 |
| Premiums receivable and other reinsurance balances | 3,635 | 3,528 |
| Reinsurance ceded receivables and other | 5,122 | 5,448 |
| Deferred policy acquisition costs | 4,720 | 4,617 |
| Other assets | 1,314 | 1,401 |
| Total assets | \$ 109,888 | \$ 97,623 |
| Liabilities and equity | | |
| Future policy benefits | \$ 50,779 | \$ 41,231 |
| Interest-sensitive contract liabilities | 31,676 | 30,273 |
| Market risk benefits, at fair value | 217 | 258 |
| Other policy claims and benefits | 2,769 | 2,730 |
| Other reinsurance balances | 917 | 1,103 |
| Deferred income taxes | 1,866 | 1,862 |
| Funds withheld payable | 4,323 | 4,483 |
| Other liabilities | 2,449 | 2,085 |
| Long-term debt | 5,067 | 4,427 |
| Total liabilities | 100,063 | 88,452 |
| Commitments and contingent liabilities (See Note 15) | | |
| Equity | | |
| Preferred stock – par value \$0.01 per share, 10,000,000 shares authorized, no shares issued or outstanding | — | — |
| Common stock – par value \$0.01 per share, 140,000,000 shares authorized, 85,310,598 shares issued at June 30, 2024 and December 31, 2023 | 1 | 1 |
| Additional paid-in-capital | 2,567 | 2,544 |
| Retained earnings | 9,076 | 8,805 |
| Treasury stock, at cost – 19,438,385 and 18,634,390 shares | (1,889) | (1,900) |
| Accumulated other comprehensive income (loss) | (20) | (369) |
| Total RGA, Inc. shareholders' equity | 9,735 | 9,081 |
| Noncontrolling interest | 90 | 90 |
| Total equity | 9,825 | 9,171 |
| Total liabilities and shareholders' equity | \$ 109,888 | \$ 97,623 |

See accompanying notes to condensed consolidated financial statements (unaudited).

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share amounts)
(Unaudited)

| | Three months ended June 30, | | Six months ended June 30, | |
|---|-----------------------------|----------|---------------------------|----------|
| | 2024 | 2023 | 2024 | 2023 |
| Revenues | | | | |
| Net premiums | \$ 3,920 | \$ 3,337 | \$ 9,296 | \$ 6,722 |
| Net investment income | 1,082 | 857 | 2,043 | 1,713 |
| Investment related gains (losses), net | (271) | (123) | (420) | (200) |
| Other revenues | 147 | 85 | 296 | 172 |
| Total revenues | 4,878 | 4,156 | 11,215 | 8,407 |
| Benefits and expenses | | | | |
| Claims and other policy benefits | 3,712 | 3,013 | 8,844 | 6,076 |
| Future policy benefits remeasurement (gains) losses | (90) | 13 | (114) | (13) |
| Market risk benefits remeasurement (gains) losses | (8) | (31) | (43) | (17) |
| Interest credited | 231 | 209 | 485 | 424 |
| Policy acquisition costs and other insurance expenses | 391 | 349 | 778 | 680 |
| Other operating expenses | 301 | 275 | 584 | 525 |
| Interest expense | 72 | 63 | 140 | 116 |
| Total benefits and expenses | 4,609 | 3,891 | 10,674 | 7,791 |
| Income before income taxes | 269 | 265 | 541 | 616 |
| Provision for income taxes | 65 | 58 | 125 | 156 |
| Net income | 204 | 207 | 416 | 460 |
| Net income attributable to noncontrolling interest | 1 | 2 | 3 | 3 |
| Net income available to RGA, Inc. shareholders | \$ 203 | \$ 205 | \$ 413 | \$ 457 |
| Earnings per share | | | | |
| Basic earnings per share | \$ 3.07 | \$ 3.09 | \$ 6.28 | \$ 6.86 |
| Diluted earnings per share | \$ 3.03 | \$ 3.05 | \$ 6.19 | \$ 6.77 |

See accompanying notes to condensed consolidated financial statements (unaudited).

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)
(Unaudited)

| | Three months ended June 30, | | Six months ended June 30, | |
|--|-----------------------------|---------------|---------------------------|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| Comprehensive income (loss) | | | | |
| Net income | \$ 204 | \$ 207 | \$ 416 | \$ 460 |
| Other comprehensive income (loss), net of tax: | | | | |
| Foreign currency translation adjustments | 29 | 120 | 18 | 142 |
| Net unrealized investment gains (losses) | (632) | (486) | (1,027) | 617 |
| Effect of updating discount rates on future policy benefits | 705 | 426 | 1,355 | (295) |
| Change in instrument-specific credit risk for market risk benefits | 3 | (1) | 3 | — |
| Defined benefit pension and postretirement plan adjustments | — | 4 | — | 9 |
| Total other comprehensive income (loss), net of tax | 105 | 63 | 349 | 473 |
| Total comprehensive income | 309 | 270 | 765 | 933 |
| Comprehensive income attributable to noncontrolling interest | 1 | 2 | 3 | 3 |
| Total comprehensive income attributable to RGA, Inc. | \$ 308 | \$ 268 | \$ 762 | \$ 930 |

See accompanying notes to condensed consolidated financial statements (unaudited).

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(in millions except per share amounts)
(Unaudited)

Three months ended June 30, 2024 and 2023

| | Common Stock | Additional Paid In Capital | Retained Earnings | Treasury Stock | Accumulated Other Comprehensive Income (Loss) | Total RGA, Inc. Shareholders' Equity | Noncontrolling Interest | Total Equity |
|---|-----------------|----------------------------------|----------------------|-------------------|---|--|----------------------------|-----------------|
| Balance, March 31, 2024 | \$ 1 | \$ 2,549 | \$ 8,934 | \$ (1,891) | \$ (125) | \$ 9,468 | \$ 90 | \$ 9,558 |
| Change in equity of noncontrolling interest | | | | | | | (1) | (1) |
| Net income | | | 203 | | | 203 | 1 | 204 |
| Total other comprehensive income (loss) | | | | | 105 | 105 | | 105 |
| Dividends to shareholders, \$0.85 per share | | | (56) | | | (56) | | (56) |
| Purchase of treasury stock | | | | (3) | | (3) | | (3) |
| Reissuance of treasury stock | | 18 | (5) | 5 | | 18 | | 18 |
| Balance, June 30, 2024 | \$ 1 | \$ 2,567 | \$ 9,076 | \$ (1,889) | \$ (20) | \$ 9,735 | \$ 90 | \$ 9,825 |
| Balance, March 31, 2023 | \$ 1 | \$ 2,506 | \$ 8,336 | \$ (1,756) | \$ (1,461) | \$ 7,626 | \$ 90 | \$ 7,716 |
| Change in equity of noncontrolling interest | | | | | | | (2) | (2) |
| Net income | | | 205 | | | 205 | 2 | 207 |
| Total other comprehensive income (loss) | | | | | 63 | 63 | | 63 |
| Dividends to shareholders, \$0.80 per share | | | (54) | | | (54) | | (54) |
| Purchase of treasury stock | | | | (52) | | (52) | | (52) |
| Reissuance of treasury stock | | 16 | (4) | 5 | | 17 | | 17 |
| Balance, June 30, 2023 | \$ 1 | \$ 2,522 | \$ 8,483 | \$ (1,803) | \$ (1,398) | \$ 7,805 | \$ 90 | \$ 7,895 |

Six months ended June 30, 2024 and 2023

| | Common Stock | Additional Paid In Capital | Retained Earnings | Treasury Stock | Accumulated Other Comprehensive Income (Loss) | Total RGA, Inc. Shareholders' Equity | Noncontrolling Interest | Total Equity |
|---|-----------------|----------------------------------|----------------------|-------------------|---|--|----------------------------|-----------------|
| Balance, December 31, 2023 | \$ 1 | \$ 2,544 | \$ 8,805 | \$ (1,900) | \$ (369) | 9,081 | \$ 90 | \$ 9,171 |
| Change in equity of noncontrolling interest | | | | | | | (3) | (3) |
| Net income | | | 413 | | | 413 | 3 | 416 |
| Total other comprehensive income (loss) | | | | | 349 | 349 | | 349 |
| Dividends to shareholders, \$1.70 per share | | | (112) | | | (112) | | (112) |
| Purchase of treasury stock | | | | (19) | | (19) | | (19) |
| Reissuance of treasury stock | | 23 | (30) | 30 | | 23 | | 23 |
| Balance, June 30, 2024 | \$ 1 | \$ 2,567 | \$ 9,076 | \$ (1,889) | \$ (20) | \$ 9,735 | \$ 90 | \$ 9,825 |
| Balance, December 31, 2022 | \$ 1 | \$ 2,502 | \$ 8,169 | \$ (1,720) | \$ (1,871) | 7,081 | \$ 90 | \$ 7,171 |
| Change in equity of noncontrolling interest | | | | | | | (3) | (3) |
| Net income | | | 457 | | | 457 | 3 | 460 |
| Total other comprehensive income (loss) | | | | | 473 | 473 | | 473 |
| Dividends to shareholders, \$1.60 per share | | | (107) | | | (107) | | (107) |
| Purchase of treasury stock | | | | (119) | | (119) | | (119) |
| Reissuance of treasury stock | | 20 | (36) | 36 | | 20 | | 20 |
| Balance, June 30, 2023 | \$ 1 | \$ 2,522 | \$ 8,483 | \$ (1,803) | \$ (1,398) | \$ 7,805 | \$ 90 | \$ 7,895 |

See accompanying notes to condensed consolidated financial statements (unaudited).

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(Unaudited)

| | Six months ended June 30, | |
|--|---------------------------|----------|
| | 2024 | 2023 |
| Net cash provided by operating activities | \$ 6,703 | \$ 1,818 |
| Cash flows from investing activities | | |
| Sales of fixed maturity securities available-for-sale | 14,601 | 3,420 |
| Purchases of fixed maturity securities available-for-sale | (22,247) | (5,999) |
| Maturities of fixed maturity securities available-for-sale | 843 | 454 |
| Sales of equity securities | 4 | 1 |
| Purchases of equity securities | (11) | (4) |
| Principal payments on mortgage loans | 290 | 167 |
| Cash invested in mortgage loans | (630) | (640) |
| Deposits in (withdrawals from) funds withheld at interest | 175 | 195 |
| Sales of limited partnerships and real estate joint ventures | 118 | 231 |
| Purchases of limited partnerships and real estate joint ventures | (254) | (295) |
| Sales of short-term investments | 253 | 214 |
| Purchases of short-term investments | (458) | (332) |
| Maturities of short-term investments | 115 | 51 |
| Change in other invested assets | 9 | 32 |
| Other, net | 16 | 17 |
| Net cash used in investing activities | (7,176) | (2,488) |
| Cash flows from financing activities | | |
| Dividends to shareholders | (112) | (107) |
| Proceeds from long-term debt issuance, net | 640 | 890 |
| Principal payments of long-term debt | (2) | (2) |
| Purchase of treasury stock | (19) | (119) |
| Change in cash collateral for derivatives and other arrangements | 33 | (24) |
| Change in deposit asset on reinsurance | 151 | 24 |
| Deposits on investment-type policies and contracts | 4,120 | 1,449 |
| Withdrawals on investment-type policies and contracts | (2,586) | (1,743) |
| Net cash provided by financing activities | 2,225 | 368 |
| Effect of exchange rate changes on cash | (126) | (27) |
| Change in cash and cash equivalents | 1,626 | (329) |
| Cash and cash equivalents, beginning of period | 2,970 | 2,927 |
| Cash and cash equivalents, end of period | \$ 4,596 | \$ 2,598 |
| Supplemental disclosures of cash flow information | | |
| Interest paid | \$ 103 | \$ 97 |
| Income taxes paid, net of refunds | \$ 41 | \$ 161 |
| Non-cash investing activities | | |
| Transfer of invested assets | \$ 6,165 | \$ 698 |

See accompanying notes to condensed consolidated financial statements (unaudited).

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

NOTE 1 BUSINESS AND BASIS OF PRESENTATION

Business

Reinsurance Group of America, Incorporated ("RGA") is an insurance holding company that was formed on December 31, 1992. RGA and its subsidiaries (collectively, the "Company") is engaged in providing traditional reinsurance, which includes individual and group life and health, disability and critical illness reinsurance. The Company also provides financial solutions, which includes longevity reinsurance, asset-intensive products (primarily annuities), financial reinsurance, capital solutions and stable value products.

Basis of Presentation

The unaudited condensed consolidated financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X of the Securities and Exchange Commission ("SEC"). Accordingly, these condensed consolidated financial statements do not include all of the information and footnotes required by GAAP for complete financial statements and should be read in conjunction with the Company's 2023 Annual Report on Form 10-K filed with the SEC on February 26, 2024 (the "2023 Annual Report").

In the opinion of management, all adjustments, including normal recurring adjustments necessary for a fair presentation have been included. Interim results are not necessarily indicative of the results that may be expected for the year ending December 31, 2024.

Consolidation

These unaudited condensed consolidated financial statements include the accounts of RGA and its subsidiaries and all intercompany accounts and transactions have been eliminated. Entities in which the Company has significant influence over the operating and financing decisions but are not required to be consolidated are reported under the equity method of accounting.

NOTE 2 EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share on net income (in millions, except per share information):

| | Three months ended June 30, | | Six months ended June 30, | |
|---|-----------------------------|---------|---------------------------|---------|
| | 2024 | 2023 | 2024 | 2023 |
| Earnings: | | | | |
| Net income (numerator for basic and diluted calculations) | \$ 204 | \$ 207 | \$ 416 | \$ 460 |
| Less: Net income attributable to noncontrolling interest | 1 | 2 | 3 | 3 |
| Net income available to RGA, Inc. shareholders | \$ 203 | \$ 205 | \$ 413 | \$ 457 |
| Shares: | | | | |
| Weighted average outstanding shares (denominator for basic calculation) | 66 | 67 | 66 | 67 |
| Equivalent shares from outstanding stock awards | 1 | 1 | 1 | 1 |
| Diluted shares (denominator for diluted calculation) | 67 | 68 | 67 | 68 |
| Earnings per share: | | | | |
| Basic | \$ 3.07 | \$ 3.09 | \$ 6.28 | \$ 6.86 |
| Diluted | \$ 3.03 | \$ 3.05 | \$ 6.19 | \$ 6.77 |

The calculation of common equivalent shares does not include the impact of stock awards with a conversion price that exceeds the average stock price for the earnings period as the result would be antidilutive. The calculation of common equivalent shares also excludes the impact of outstanding performance share awards as the conditions necessary for their issuance have not been satisfied as of the end of the reporting period.

NOTE 3 EQUITY

Common stock

The changes in number of common stock shares issued, held in treasury and outstanding are as follows for the periods indicated:

| | Issued | Held In Treasury | Outstanding |
|--|------------|------------------|-------------|
| Balance, December 31, 2023 | 85,310,598 | 19,689,885 | 65,620,713 |
| Common stock acquired | — | — | — |
| Equity based compensation ⁽¹⁾ | — | (203,683) | 203,683 |
| Balance, June 30, 2024 | 85,310,598 | 19,486,202 | 65,824,396 |

| | Issued | Held In Treasury | Outstanding |
|--|------------|------------------|-------------|
| Balance, December 31, 2022 | 85,310,598 | 18,634,390 | 66,676,208 |
| Common stock acquired | — | 722,774 | (722,774) |
| Equity based compensation ⁽¹⁾ | — | (258,365) | 258,365 |
| Balance, June 30, 2023 | 85,310,598 | 19,098,799 | 66,211,799 |

(1) Represents net shares issued from treasury pursuant to the Company's equity based compensation programs.

Common Stock Held in Treasury

Common stock held in treasury is accounted for at average cost. Gains resulting from the reissuance of common stock held in treasury are credited to additional paid-in capital. Losses resulting from the reissuance of common stock held in treasury are charged first to additional paid-in capital to the extent the Company has previously recorded gains on treasury share transactions, then to retained earnings.

On January 23, 2024, the Company's board of directors authorized a share repurchase program for up to \$ 500 million of its outstanding common stock. The authorization was effective immediately and does not have an expiration date. During the six months ended June 30, 2024, the Company did not repurchase any shares of common stock under this program.

Noncontrolling Interest

In 2022, Papara Financing LLC ("Papara"), a subsidiary of RGA Reinsurance Company, issued nonconvertible preferred interests to an unaffiliated third party. The membership interests in Papara consist of (1) common interests, which are held by RGA Reinsurance Company, and (2) preferred interests. The preferred interests, included in noncontrolling interest, total \$90 million.

Accumulated Other Comprehensive Income (Loss)

The balance of and changes in each component of accumulated other comprehensive income (loss) ("AOCI") for the six months ended June 30, 2024 and 2023 are as follows (dollars in millions):

| | Accumulated Other Comprehensive Income (Loss), Net of Income Tax | | | | | |
|--|--|---|-------------------------------------|---|--|----------|
| | Foreign Currency Translation Adjustments | Net Unrealized Investment Gains (Losses) ⁽¹⁾ | Pension and Postretirement Benefits | Effect of Updating Discount Rates on Future Policy Benefits | Instrument-Specific Credit Risk for Market Risk Benefits | Total |
| Balance, December 31, 2023 | \$ 69 | \$ (3,668) | \$ (29) | \$ 3,256 | \$ 3 | \$ (369) |
| Other comprehensive income (loss) before reclassifications | 39 | (1,625) | — | 1,737 | 4 | 155 |
| Amounts reclassified to (from) AOCI | — | 304 | — | — | — | 304 |
| Deferred income tax benefit (expense) | (21) | 294 | — | (382) | (1) | (110) |
| Balance, June 30, 2024 | \$ 87 | \$ (4,695) | \$ (29) | \$ 4,611 | \$ 6 | \$ (20) |

| | Accumulated Other Comprehensive Income (Loss), Net of Income Tax | | | | | |
|--|--|---|-------------------------------------|---|--|------------|
| | Foreign Currency Translation Adjustments | Net Unrealized Investment Gains (Losses) ⁽¹⁾ | Pension and Postretirement Benefits | Effect of Updating Discount Rates on Future Policy Benefits | Instrument-Specific Credit Risk for Market Risk Benefits | Total |
| Balance, December 31, 2022 | \$ (116) | \$ (5,496) | \$ (27) | \$ 3,755 | \$ 13 | \$ (1,871) |
| Other comprehensive income (loss) before reclassifications | 169 | 687 | 11 | (377) | — | 490 |
| Amounts reclassified to (from) AOCI | — | 99 | — | — | — | 99 |
| Deferred income tax benefit (expense) | (27) | (169) | (2) | 82 | — | (116) |
| Balance, June 30, 2023 | \$ 26 | \$ (4,879) | \$ (18) | \$ 3,460 | \$ 13 | \$ (1,398) |

(1) Includes cash flow hedges of \$(413) and \$(218) as of June 30, 2024 and December 31, 2023, respectively, and \$(228) and \$(205) as of June 30, 2023 and December 31, 2022, respectively. See Note 11 – "Derivative Instruments" for additional information on cash flow hedges.

The following table presents the amounts of AOCI reclassifications for the three and six months ended June 30, 2024 and 2023 (dollars in millions):

| Details about AOCI Components | Amount Reclassified from AOCI | | | | Affected Line Item in Statements of Income |
|--|-------------------------------|---------------|---------------------------|----------------|--|
| | Three months ended June 30, | | Six months ended June 30, | | |
| | 2024 | 2023 | 2024 | 2023 | |
| Net unrealized investment gains (losses): | | | | | Investment related gains (losses), |
| Net unrealized gains (losses) on available-for-sale securities | \$ (170) | \$ (9) | \$ (288) | \$ (96) | net |
| Cash flow hedges – Interest rate | 3 | 2 | 6 | 4 | (1) |
| Cash flow hedges – Currency/Interest rate | (14) | (4) | (22) | (7) | (1) |
| Total | (181) | (11) | (304) | (99) | |
| Provision for income taxes | 37 | 5 | 61 | 23 | |
| Net unrealized gains (losses), net of tax | <u>\$ (144)</u> | <u>\$ (6)</u> | <u>\$ (243)</u> | <u>\$ (76)</u> | |
| Amortization of defined benefit plan items: | | | | | |
| Prior service cost (credit) | \$ 1 | \$ 1 | \$ 1 | \$ 1 | (2) |
| Actuarial gains (losses) | — | — | (1) | (1) | (2) |
| Total | 1 | 1 | — | — | |
| Provision for income taxes | — | — | — | — | |
| Amortization of defined benefit plans, net of tax | <u>\$ 1</u> | <u>\$ 1</u> | <u>\$ —</u> | <u>\$ —</u> | |
| Total reclassifications for the period | \$ (143) | \$ (5) | \$ (243) | \$ (76) | |

(1) See Note 11 – “Derivative Instruments” for additional information on cash flow hedges.

(2) This AOCI component is included in the computation of the net periodic pension cost. See Note 14 – “Employee Benefit Plans” for additional details.

Equity Based Compensation

Equity compensation expense was \$26 million and \$22 million for the six months ended June 30, 2024 and 2023, respectively. In the first quarter of 2024, the Company granted 106,233 stock appreciation rights at \$185.28 weighted average exercise price per share, 116,883 performance shares and 81,527 restricted stock units to employees. As of June 30, 2024, 1,346,614 share awards at a weighted average strike price per share of \$119.60 were vested and exercisable with a remaining weighted average exercise period of 4.4 years. As of June 30, 2024, the total compensation cost of non-vested awards not yet recognized in the financial statements was \$53 million. It is estimated that these costs will vest over a weighted average period of 0.9 years.

NOTE 4 FUTURE POLICY BENEFITS

Liability for Future Policy Benefits – Traditional Business

The Company reviews actual and anticipated experience compared to the assumptions used to establish policy benefits on a quarterly basis and will update those assumptions if evidence suggests that they should be revised. The Company expects to complete its annual review and any necessary updates of cash flow assumptions used to calculate the liability for future policy benefits during the third quarter of each year. Updates may occur in other quarters if information becomes available during the quarter that indicates an assumption update is necessary.

The following tables provide the balances of and changes in the Company’s liability for future policy benefits for long-duration reinsurance contracts for its Traditional business, which primarily consists of individual life, group life and critical illness reinsurance for the six months ended June 30, 2024 and 2023 (dollars in millions):

For the six months ended June 30, 2024:

| | U.S. and Latin America – Traditional | Canada – Traditional | Europe, Middle East and Africa – Traditional | Asia Pacific – Traditional |
|---|---|----------------------|---|-------------------------------|
| Present Value of Expected Net Premiums | | | | |
| Beginning of year balance at original discount rate | \$ 76,943 | \$ 22,689 | \$ 15,328 | \$ 42,741 |
| Effect of changes in cash flow assumptions | — | — | — | — |
| Effect of actual variances from expected experience | (398) | 112 | 254 | 173 |
| Adjusted balance, beginning of year | 76,545 | 22,801 | 15,582 | 42,914 |
| Issuances ⁽¹⁾ | 1,599 | 267 | 521 | 1,959 |
| Interest accrual ⁽²⁾ | 1,730 | 376 | 256 | 548 |
| Net premiums collected ⁽³⁾ | (2,621) | (494) | (732) | (1,086) |
| Derecognition ⁽⁴⁾ | (1,000) | — | — | — |
| Foreign currency translation | (4) | (728) | (114) | (1,598) |
| Ending balance at original discount rate | 76,249 | 22,222 | 15,513 | 42,737 |
| Effect of changes in discount rate assumptions | (7,979) | (4,753) | (2,923) | (12,596) |
| Balance, end of period | \$ 68,270 | \$ 17,469 | \$ 12,590 | \$ 30,141 |
| Present Value of Expected Future Policy Benefits | | | | |
| Beginning of year balance at original discount rate | \$ 89,036 | \$ 26,275 | \$ 16,756 | \$ 47,370 |
| Effect of changes in cash flow assumptions | — | — | — | — |
| Effect of actual variances from expected experience | (501) | 106 | 259 | 144 |
| Adjusted balance, beginning of year | 88,535 | 26,381 | 17,015 | 47,514 |
| Issuances ⁽¹⁾ | 1,599 | 268 | 523 | 1,959 |
| Interest accrual ⁽²⁾ | 2,015 | 483 | 277 | 628 |
| Benefit payments ⁽⁵⁾ | (2,973) | (523) | (757) | (979) |
| Derecognition ⁽⁴⁾ | (1,008) | — | — | — |
| Foreign currency translation | (4) | (853) | (136) | (1,683) |
| Ending balance at original discount rate | 88,164 | 25,756 | 16,922 | 47,439 |
| Effect of changes in discount rate assumptions | (9,988) | (4,125) | (3,208) | (14,728) |
| Balance, end of period | \$ 78,176 | \$ 21,631 | \$ 13,714 | \$ 32,711 |
| Liability for future policy benefits | \$ 9,906 | \$ 4,162 | \$ 1,124 | \$ 2,570 |
| Less: reinsurance recoverable | (741) | (280) | (33) | (108) |
| Net liability for future policy benefits | \$ 9,165 | \$ 3,882 | \$ 1,091 | \$ 2,462 |
| Weighted average duration of the liability (in years) | 12 | 15 | 8 | 15 |
| Weighted average interest accretion rate | 4.6 % | 3.6 % | 3.3 % | 2.6 % |
| Weighted average current discount rate | 5.6 % | 5.0 % | 5.7 % | 4.8 % |

(1) Issuances: The present value, using the original discount rate, of the expected net premiums or the expected future policy benefits related to new reinsurance contracts that became effective during the current period and new policies assumed on existing contracts.

(2) Interest accrual: The interest earned on the beginning present value of either the expected net premiums or the expected future policy benefits using the original interest rate.

(3) Net premiums collected: The portion of gross premiums collected from the ceding company that is used to fund expected benefit payments.

(4) Derecognition: Includes the effects of treaty recaptures and treaty amendments that resulted in the termination of an existing treaty and the issuance of a new treaty under the internal replacement model.

(5) Benefit payments: The release of the present value, using the original discount rate, of the expected future policy benefits due to death, lapse/withdrawal, and other benefit payments based on current assumptions.

For the six months ended June 30, 2023:

| For the six months ended June 30, 2023: | U.S. and Latin America – | | Europe, Middle East and | | | | | |
|---|--------------------------|---------|-------------------------|----------------------|----------------------------|---------|----|----------|
| | Traditional | | Canada – Traditional | Africa – Traditional | Asia Pacific – Traditional | | | |
| Present Value of Expected Net Premiums | | | | | | | | |
| Beginning of year balance at original discount rate | \$ | 74,207 | \$ | 21,330 | \$ | 14,244 | \$ | 40,506 |
| Effect of changes in cash flow assumptions | | — | | — | | — | | (8) |
| Effect of actual variances from expected experience | | (83) | | 347 | | (51) | | 50 |
| Adjusted balance, beginning of year | | 74,124 | | 21,677 | | 14,193 | | 40,548 |
| Issuances ⁽¹⁾ | | 1,653 | | 240 | | 610 | | 1,264 |
| Interest accrual ⁽²⁾ | | 1,710 | | 370 | | 243 | | 515 |
| Net premiums collected ⁽³⁾ | | (2,534) | | (466) | | (696) | | (997) |
| Derecognition ⁽⁴⁾ | | (35) | | — | | — | | — |
| Foreign currency translation | | 3 | | 498 | | 445 | | (914) |
| Ending balance at original discount rate | | 74,921 | | 22,319 | | 14,795 | | 40,416 |
| Effect of changes in discount rate assumptions | | (5,424) | | (4,436) | | (3,427) | | (10,296) |
| Balance, end of period | \$ | 69,497 | \$ | 17,883 | \$ | 11,368 | \$ | 30,120 |
| Present Value of Expected Future Policy Benefits | | | | | | | | |
| Beginning of year balance at original discount rate | \$ | 85,285 | \$ | 24,655 | \$ | 15,454 | \$ | 44,785 |
| Effect of changes in cash flow assumptions | | — | | — | | — | | (8) |
| Effect of actual variances from expected experience | | (49) | | 347 | | (44) | | 27 |
| Adjusted balance, beginning of year | | 85,236 | | 25,002 | | 15,410 | | 44,804 |
| Issuances ⁽¹⁾ | | 1,653 | | 240 | | 610 | | 1,264 |
| Interest accrual ⁽²⁾ | | 1,972 | | 474 | | 259 | | 588 |
| Benefit payments ⁽⁵⁾ | | (2,801) | | (507) | | (682) | | (894) |
| Derecognition ⁽⁴⁾ | | (54) | | — | | — | | — |
| Foreign currency translation | | 4 | | 580 | | 488 | | (979) |
| Ending balance at original discount rate | | 86,010 | | 25,789 | | 16,085 | | 44,783 |
| Effect of changes in discount rate assumptions | | (6,721) | | (3,626) | | (3,669) | | (12,197) |
| Balance, end of period | \$ | 79,289 | \$ | 22,163 | \$ | 12,416 | \$ | 32,586 |
| Liability for future policy benefits | \$ | 9,792 | \$ | 4,280 | \$ | 1,048 | \$ | 2,466 |
| Less: reinsurance recoverable | | (407) | | (285) | | (36) | | (99) |
| Net liability for future policy benefits | \$ | 9,385 | \$ | 3,995 | \$ | 1,012 | \$ | 2,367 |
| Weighted average duration of the liability (in years) | | 12 | | 15 | | 8 | | 17 |
| Weighted average interest accretion rate | | 4.7 % | | 3.6 % | | 3.4 % | | 2.6 % |
| Weighted average current discount rate | | 5.1 % | | 4.6 % | | 6.1 % | | 4.2 % |

(1) Issuances: The present value, using the original discount rate, of the expected net premiums or the expected future policy benefits related to new reinsurance contracts that became effective during the current period and new policies assumed on existing contracts.

(2) Interest accrual: The interest earned on the beginning present value of either the expected net premiums or the expected future policy benefits using the original interest rate.

(3) Net premiums collected: The portion of gross premiums collected from the ceding company that is used to fund expected benefit payments.

(4) Derecognition: Includes the effects of treaty recaptures and treaty amendments that resulted in the termination of an existing treaty and the issuance of a new treaty under the internal replacement model.

(5) Benefit payments: The release of the present value, using the original discount rate, of the expected future policy benefits due to death, lapse/withdrawal, and other benefit payments based on current assumptions.

Significant assumptions used to compute the liability for future policy benefits for the Traditional business include mortality, morbidity, lapse rates and discount rates (both accretion and current). The Company updates the underlying market data used to determine the current discount rate resulting in changes to the discount rate assumptions used to measure the liability for future policy benefits each period.

The Company's Traditional business actual-to-expected variances and the effects of changes in cash flow and discount rate assumptions for the six months ended June 30, 2024 and 2023 are summarized in the tables below:

For the six months ended June 30, 2024:

| Segment | Liability for future policy benefits at original discount rate | Changes in cash flow assumptions | Actual-to-expected variance | Impact of updating discount rate recognized in OCI |
|--|--|----------------------------------|----------------------------------|--|
| U.S. and Latin America – Traditional | \$11.9 billion | None | \$(103) million 0.9% decrease | \$(863) million 7.1% decrease |
| Canada – Traditional | \$3.5 billion | None | \$(6) million 0.2% decrease | \$(243) million 6.8% decrease |
| Europe, Middle East and Africa – Traditional | \$1.4 billion | None | \$5 million 0.4% increase | \$(66) million 4.6% decrease |
| Asia Pacific – Traditional | \$4.7 billion | None | \$(29) million 0.6% decrease | \$(167) million 3.6% decrease |

For the six months ended June 30, 2023:

| Segment | Liability for future policy benefits at original discount rate | Changes in cash flow assumptions | Actual-to-expected variance | Impact of updating discount rate recognized in OCI |
|--|--|----------------------------------|---------------------------------|--|
| U.S. and Latin America – Traditional | \$11.1 billion | None | \$34 million 0.3% increase | \$307 million 2.8% increase |
| Canada – Traditional | \$3.5 billion | None | \$— None | \$184 million 5.5% increase |
| Europe, Middle East and Africa – Traditional | \$1.3 billion | None | \$7 million 0.6% increase | \$(73) million 6.0% decrease |
| Asia Pacific – Traditional | \$4.4 billion | None | \$(23) million 0.5% decrease | \$30 million 0.7% increase |

Liability for Future Policy Benefits – Financial Solutions Business

The Company reviews actual and anticipated experience compared to the assumptions used to establish policy benefits on a quarterly basis and will update those assumptions if evidence suggests that they should be revised. The Company expects to complete its annual review and any necessary updates of cash flow assumptions used to calculate the liability for future policy benefits during the third quarter of each year. Updates may occur in other quarters if information becomes available during the quarter that indicates an assumption update is necessary.

The following tables provide the balances of and changes in the Company's liability for future policy benefits, including the deferred profit liability related to the longevity business, for its Financial Solutions business, which primarily consists of longevity reinsurance, asset-intensive products, primarily annuities and financial reinsurance for the six months ended June 30, 2024 and 2023 (dollars in millions):

For the six months ended June 30, 2024:

| | U.S. and Latin America – Financial Solutions | Canada – Financial Solutions | Europe, Middle East and Africa – Financial Solutions | Asia Pacific – Financial Solutions |
|---|---|---------------------------------|--|---------------------------------------|
| Present Value of Expected Net Premiums | | | | |
| Beginning of year balance at original discount rate | \$ 1,455 | \$ 3,184 | \$ 54,832 | \$ 2,057 |
| Effect of changes in cash flow assumptions | — | — | — | — |
| Effect of actual variances from expected experience | (3) | (6) | 897 | (38) |
| Adjusted balance, beginning of year | 1,452 | 3,178 | 55,729 | 2,019 |
| Issuances ⁽¹⁾ | 2,175 | 4,975 | 8,901 | 5,497 |
| Interest accrual ⁽²⁾ | 22 | 61 | 864 | 12 |
| Net premiums collected ⁽³⁾ | (2,246) | (4,182) | (2,839) | (5,755) |
| Derecognition ⁽⁴⁾ | — | — | — | — |
| Foreign currency translation | — | (100) | (736) | (249) |
| Ending balance at original discount rate | 1,403 | 3,932 | 61,919 | 1,524 |
| Effect of changes in discount rate assumptions | (262) | (311) | (9,325) | (150) |
| Balance, end of period | \$ 1,141 | \$ 3,621 | \$ 52,594 | \$ 1,374 |
| Present Value of Expected Future Policy Benefits | | | | |
| Beginning of year balance at original discount rate | \$ 6,843 | \$ 3,210 | \$ 60,938 | \$ 8,019 |
| Effect of changes in cash flow assumptions | — | — | — | — |
| Effect of actual variances from expected experience | (6) | (6) | 901 | (39) |
| Adjusted balance, beginning of year | 6,837 | 3,204 | 61,839 | 7,980 |
| Issuances ⁽¹⁾ | 2,305 | 4,983 | 8,901 | 5,646 |
| Interest accrual ⁽²⁾ | 176 | 103 | 972 | 71 |
| Benefit payments ⁽⁵⁾ | (322) | (195) | (2,350) | (193) |
| Derecognition ⁽⁴⁾ | — | — | — | — |
| Foreign currency translation | — | (92) | (787) | (1,304) |
| Ending balance at original discount rate | 8,996 | 8,003 | 68,575 | 12,200 |
| Effect of changes in discount rate assumptions | (616) | (231) | (10,267) | (1,029) |
| Balance, end of period | \$ 8,380 | \$ 7,772 | \$ 58,308 | \$ 11,171 |
| Cumulative amount of fair value hedging adjustments | \$ (2) | \$ — | \$ — | \$ — |
| Liability for future policy benefits | \$ 7,237 | \$ 4,151 | \$ 5,714 | \$ 9,797 |
| Less: reinsurance recoverable | (849) | — | — | — |
| Net liability for future policy benefits | \$ 6,388 | \$ 4,151 | \$ 5,714 | \$ 9,797 |
| Weighted average duration of the liability (in years) | 8 | 13 | 10 | 15 |
| Weighted average interest accretion rate | 3.8 % | 3.6 % | 3.0 % | 1.4 % |
| Weighted average current discount rate | 5.5 % | 4.9 % | 5.2 % | 2.4 % |

(1) Issuances: The present value, using the original discount rate, of the expected net premiums or the expected future policy benefits related to new reinsurance contracts that became effective during the current period and new policies assumed on existing contracts.

(2) Interest accrual: The interest earned on the beginning present value of either the expected net premiums or the expected future policy benefits using the original interest rate.

(3) Net premiums collected: The portion of gross premiums collected from the ceding company that is used to fund expected benefit payments.

(4) Derecognition: Includes the effects of treaty recaptures and treaty amendments that resulted in the termination of an existing treaty and the issuance of a new treaty under the internal replacement model.

(5) Benefit payments: The release of the present value, using the original discount rate, of the expected future policy benefits due to death, lapse/withdrawal, and other benefit payments based on current assumptions.

For the six months ended June 30, 2023:

| | U.S. and Latin America – Financial Solutions | Canada – Financial Solutions | Europe, Middle East and Africa – Financial Solutions | Asia Pacific – Financial Solutions |
|---|---|---------------------------------|--|---------------------------------------|
| Present Value of Expected Net Premiums | | | | |
| Beginning of year balance at original discount rate | \$ 1,671 | \$ 3,394 | \$ 38,782 | \$ 1,605 |
| Effect of changes in cash flow assumptions | — | — | 1 | — |
| Effect of actual variances from expected experience | (18) | (3) | 200 | (3) |
| Adjusted balance, beginning of year | 1,653 | 3,391 | 38,983 | 1,602 |
| Issuances ⁽¹⁾ | 146 | — | 4,929 | 2,163 |
| Interest accrual ⁽²⁾ | 26 | 54 | 428 | 12 |
| Net premiums collected ⁽³⁾ | (225) | (168) | (2,186) | (1,528) |
| Derecognition ⁽⁴⁾ | — | — | — | — |
| Foreign currency translation | 1 | 77 | 1,673 | (164) |
| Ending balance at original discount rate | 1,601 | 3,354 | 43,827 | 2,085 |
| Effect of changes in discount rate assumptions | (255) | (356) | (10,656) | 82 |
| Balance, end of period | \$ 1,346 | \$ 2,998 | \$ 33,171 | \$ 2,167 |
| Present Value of Expected Future Policy Benefits | | | | |
| Beginning of year balance at original discount rate | \$ 5,823 | \$ 3,447 | \$ 44,330 | \$ 6,561 |
| Effect of changes in cash flow assumptions | — | — | 1 | — |
| Effect of actual variances from expected experience | (23) | (10) | 186 | (4) |
| Adjusted balance, beginning of year | 5,800 | 3,437 | 44,517 | 6,557 |
| Issuances ⁽¹⁾ | 154 | — | 4,929 | 2,209 |
| Interest accrual ⁽²⁾ | 114 | 55 | 508 | 39 |
| Benefit payments ⁽⁵⁾ | (270) | (166) | (1,782) | (132) |
| Derecognition ⁽⁴⁾ | — | — | — | — |
| Foreign currency translation | (16) | 79 | 1,938 | (686) |
| Ending balance at original discount rate | 5,782 | 3,405 | 50,110 | 7,987 |
| Effect of changes in discount rate assumptions | (551) | (354) | (11,829) | (209) |
| Balance, end of period | \$ 5,231 | \$ 3,051 | \$ 38,281 | \$ 7,778 |
| Liability for future policy benefits | \$ 3,885 | \$ 53 | \$ 5,110 | \$ 5,611 |
| Less: reinsurance recoverable | — | — | — | — |
| Net liability for future policy benefits | \$ 3,885 | \$ 53 | \$ 5,110 | \$ 5,611 |
| Weighted average duration of the liability (in years) | 8 | 7 | 9 | 16 |
| Weighted average interest accretion rate | 3.6 % | 3.2 % | 2.1 % | 1.2 % |
| Weighted average current discount rate | 5.2 % | 4.8 % | 5.5 % | 1.6 % |

(1) Issuances: The present value, using the original discount rate, of the expected net premiums or the expected future policy benefits related to new reinsurance contracts that became effective during the current period and new policies assumed on existing contracts.

(2) Interest accrual: The interest earned on the beginning present value of either the expected net premiums or the expected future policy benefits using the original interest rate.

(3) Net premiums collected: The portion of gross premiums collected from the ceding company that is used to fund expected benefit payments.

(4) Derecognition: Includes the effects of treaty recaptures and treaty amendments that resulted in the termination of an existing treaty and the issuance of a new treaty under the internal replacement model.

(5) Benefit payments: The release of the present value, using the original discount rate, of the expected future policy benefits due to death, lapse/withdrawal, and other benefit payments based on current assumptions.

Significant assumptions used to compute the liability for future policy benefits for the Financial Solutions business include mortality, morbidity, lapse rates and discount rates (both accretion and current). The Company updates the underlying market data used to determine the current discount rate resulting in changes to the discount rate assumptions used to measure the liability for future policy benefits.

The Company's Financial Solutions business actual-to-expected variances (including the effects of model updates) and the effects of changes in cash flow and discount rate assumptions for the six months ended June 30, 2024 and 2023 are summarized

in the tables below:

For the six months ended June 30, 2024:

| Segment | Liability for future policy benefits at original discount rate | Changes in cash flow assumptions | Actual-to-expected variance | Impact of updating discount rate recognized in OCI |
|--|--|----------------------------------|--------------------------------|--|
| U.S. and Latin America – Financial Solutions | \$7.6 billion | None | \$(3) million 0.1% decrease | \$(194) million 3.6% decrease |
| Canada – Financial Solutions | \$4.1 billion | None | \$— None | \$77 million 296.2% increase ⁽¹⁾ |
| Europe, Middle East and Africa – Financial Solutions | \$6.7 billion | None | \$4 million 0.1% increase | \$(289) million 4.7% decrease |
| Asia Pacific – Financial Solutions | \$10.7 billion | None | \$(1) million None | \$(107) million 1.8% decrease |

(1) Increase compared to prior year was related to a significant transaction executed during the three months ended June 30, 2024.

For the six months ended June 30, 2023:

| Segment | Liability for future policy benefits at original discount rate | Changes in cash flow assumptions | Actual-to-expected variance | Impact of updating discount rate recognized in OCI |
|--|--|----------------------------------|---------------------------------|--|
| U.S. and Latin America – Financial Solutions | \$4.2 billion | None | \$(5) million 0.1% decrease | \$37 million 0.9% increase |
| Canada – Financial Solutions | \$51 million | None | \$(7) million 13.2% decrease | \$1 million 2% increase |
| Europe, Middle East and Africa – Financial Solutions | \$6.3 billion | None | \$(14) million 0.3% decrease | \$(259) million 4.63% decrease |
| Asia Pacific – Financial Solutions | \$5.9 billion | None | \$(1) million None | \$169 million 2.7% increase |

Reconciliation and Other Disclosures

The reconciliation of the rollforward of the liability for future policy benefits to the condensed consolidated balance sheets as of June 30, 2024 and 2023 is as follows (dollars in millions):

| | June 30, | |
|--|-----------|-----------|
| | 2024 | 2023 |
| Liability for future policy benefits included in the rollforwards: | | |
| Traditional: | | |
| U.S. and Latin America | \$ 9,906 | \$ 9,792 |
| Canada | 4,162 | 4,280 |
| Europe, Middle East and Africa | 1,124 | 1,048 |
| Asia Pacific | 2,570 | 2,466 |
| Financial Solutions: | | |
| U.S. and Latin America | 7,237 | 3,885 |
| Canada | 4,151 | 53 |
| Europe, Middle East and Africa | 5,714 | 5,110 |
| Asia Pacific | 9,797 | 5,611 |
| Other long-duration contracts | 125 | 187 |
| Claims liability and incurred but not reported claims | 5,527 | 5,289 |
| Unearned revenue liability | 466 | 518 |
| Total liability for future policy benefits | \$ 50,779 | \$ 38,239 |

The amount of undiscounted and discounted expected future gross premiums and expected future benefit payments for the liability for future policy benefits included in the rollforwards as of June 30, 2024 and 2023 is as follows (dollars in millions):

| | June 30, | | | |
|---|--------------|------------|--------------|------------|
| | 2024 | | 2023 | |
| | Undiscounted | Discounted | Undiscounted | Discounted |
| Expected future gross premiums | | | | |
| Traditional: | | | | |
| U.S. and Latin America | \$ 177,026 | \$ 80,236 | \$ 172,520 | \$ 81,058 |
| Canada | 54,822 | 21,578 | 55,059 | 22,193 |
| Europe, Middle East and Africa | 26,345 | 14,357 | 25,185 | 13,178 |
| Asia Pacific | 96,035 | 38,402 | 91,057 | 38,197 |
| Financial Solutions: | | | | |
| U.S. and Latin America | 2,865 | 1,774 | 3,062 | 1,912 |
| Canada | 6,341 | 4,002 | 4,749 | 3,141 |
| Europe, Middle East and Africa | 111,756 | 57,128 | 67,116 | 36,502 |
| Asia Pacific | 3,578 | 2,660 | 3,939 | 3,257 |
| Expected future benefit payments | | | | |
| Traditional: | | | | |
| U.S. and Latin America | \$ 185,828 | \$ 78,176 | \$ 181,424 | \$ 79,289 |
| Canada | 56,587 | 21,631 | 58,011 | 22,163 |
| Europe, Middle East and Africa | 26,138 | 13,714 | 24,714 | 12,416 |
| Asia Pacific | 92,090 | 32,711 | 87,425 | 32,586 |
| Financial Solutions: | | | | |
| U.S. and Latin America | 14,431 | 8,380 | 9,066 | 5,231 |
| Canada | 17,846 | 7,772 | 4,608 | 3,051 |
| Europe, Middle East and Africa | 114,188 | 58,308 | 70,992 | 38,281 |
| Asia Pacific | 17,653 | 11,171 | 10,844 | 7,778 |

The amount of gross premiums and interest expense recognized in the condensed consolidated statements of income for the liability for future policy benefits included in the rollforwards for the six months ended June 30, 2024 and 2023 is as follows (dollars in millions):

| | Gross Premiums | | Interest Expense | |
|--------------------------------|----------------|----------|------------------|--------|
| | June 30, | | June 30, | |
| | 2024 | 2023 | 2024 | 2023 |
| Traditional: | | | | |
| U.S. and Latin America | \$ 3,061 | \$ 2,935 | \$ 285 | \$ 262 |
| Canada | 553 | 535 | 107 | 104 |
| Europe, Middle East and Africa | 732 | 697 | 21 | 16 |
| Asia Pacific | 1,381 | 1,257 | 80 | 73 |
| Financial Solutions: | | | | |
| U.S. and Latin America | 2,212 | 166 | 154 | 88 |
| Canada | 71 | 46 | 42 | 1 |
| Europe, Middle East and Africa | 429 | 335 | 108 | 80 |
| Asia Pacific | 96 | 108 | 59 | 27 |
| Total | \$ 8,535 | \$ 6,079 | \$ 856 | \$ 651 |

During the six months ended June 30, 2024 and 2023, no material charges were incurred resulting from net premiums exceeding gross premiums .

NOTE 5 POLICYHOLDER ACCOUNT BALANCES

Policyholder Account Balances

The following tables provide the balances of and changes in the Company's liability for its policyholder account balances, reflected in interest-sensitive contract liabilities, for the six months ended June 30, 2024 and 2023 (dollars in millions):

For the six months ended June 30, 2024:

| | U.S. and Latin America – Traditional | U.S. and Latin America – Financial Solutions | Asia Pacific – Financial Solutions |
|---|---|---|---------------------------------------|
| Balance, beginning of year | \$ 1,612 | \$ 17,838 | \$ 3,990 |
| Deposits | 5 | 59 | 585 |
| Policy charges | (15) | (40) | (74) |
| Surrenders and withdrawals | (4) | (1,137) | (510) |
| Benefit payments | (51) | (252) | (292) |
| Interest credited | 34 | 289 | 52 |
| Foreign currency translation | — | — | (17) |
| Balance, end of period | \$ 1,581 | \$ 16,757 | \$ 3,734 |
| Less: reinsurance recoverable | — | (2,913) | — |
| Balance, end of period, after reinsurance | \$ 1,581 | \$ 13,844 | \$ 3,734 |
| Weighted average crediting rate | 4.4 % | 3.4 % | 3.2 % |
| Net amount at risk ⁽¹⁾ | \$ 621 | \$ 6,849 | \$ 7 |
| Cash surrender value | \$ 1,575 | \$ 16,644 | \$ 3,269 |

For the six months ended June 30, 2023:

| | U.S. and Latin America – Traditional | U.S. and Latin America – Financial Solutions | Asia Pacific – Financial Solutions |
|---|---|---|---------------------------------------|
| Balance, beginning of year | \$ 1,683 | \$ 18,906 | \$ 3,351 |
| Deposits | 6 | 66 | 605 |
| Policy charges | (15) | (17) | (1) |
| Surrenders and withdrawals | (8) | (1,046) | (50) |
| Benefit payments | (60) | (238) | (43) |
| Interest credited | 33 | 283 | 53 |
| Foreign currency translation | — | — | (17) |
| Balance, end of period | \$ 1,639 | \$ 17,954 | \$ 3,898 |
| Less: reinsurance recoverable | — | (1,519) | — |
| Balance, end of period, after reinsurance | \$ 1,639 | \$ 16,435 | \$ 3,898 |
| Weighted average crediting rate | 4.0 % | 3.3 % | 2.9 % |
| Net amount at risk ⁽¹⁾ | \$ 686 | \$ 2,439 | \$ — |
| Cash surrender value | \$ 1,624 | \$ 17,907 | \$ 3,695 |

(1) Net amount at risk is defined as the guaranteed amount less the account value as of the balance sheet date. The balance represents the amount of the claim the Company would incur if death claims were filed on all contracts on the balance sheet date.

Information regarding the Company's policyholder account balances as of June 30, 2024 and 2023 is as follows (dollars in millions):

| | June 30, | |
|---|-----------|-----------|
| | 2024 | 2023 |
| Policyholder account balances included in the rollforwards: | | |
| Traditional: | | |
| U.S. and Latin America | \$ 1,581 | \$ 1,639 |
| Financial Solutions: | | |
| U.S. and Latin America | 16,757 | 17,954 |
| Asia Pacific | 3,734 | 3,898 |
| Other policyholder account balances | | |
| U.S. and Latin America – Financial Solutions | 46 | 52 |
| Total policyholder account balances | \$ 22,118 | \$ 23,543 |

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The balance of account values by range of guaranteed minimum crediting rates and the related range of difference, in basis points, between rates being credited to policyholders and the respective guaranteed minimums as of June 30, 2024 and 2023 is as follows (dollars in millions):

| June 30, 2024 | | | | | | | |
|--|--|-----------------------|---------------------------------------|--|---|-------------------------------------|-----------|
| | Range of Guaranteed Minimum Crediting Rate | At Guaranteed Minimum | 1 Basis Point – 50 Basis Points Above | 51 Basis Points – 100 Basis Points Above | 101 Basis Points – 150 Basis Points Above | Greater Than 150 Basis Points Above | Total |
| U.S. and Latin America – Traditional | Less than 1.00% | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| | 1.00 – 1.99% | — | — | — | — | — | — |
| | 2.00 – 2.99% | — | — | — | — | — | — |
| | 3.00 – 3.99% | — | — | — | — | — | — |
| | 4.00% and Greater | 496 | 103 | 982 | — | — | 1,581 |
| | Total | \$ 496 | \$ 103 | \$ 982 | \$ — | \$ — | \$ 1,581 |
| U.S. and Latin America – Financial Solutions | Less than 1.00% | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| | 1.00 – 1.99% | 1,414 | 14 | 11 | 37 | 30 | 1,506 |
| | 2.00 – 2.99% | 1,367 | 15 | 35 | 560 | 164 | 2,141 |
| | 3.00 – 3.99% | 3,835 | 225 | 113 | 2 | — | 4,175 |
| | 4.00% and Greater | 8,902 | 33 | — | — | — | 8,935 |
| | Total | \$ 15,518 | \$ 287 | \$ 159 | \$ 599 | \$ 194 | \$ 16,757 |
| Asia Pacific – Financial Solutions | Less than 1.00% | \$ 218 | \$ — | \$ — | \$ — | \$ — | \$ 218 |
| | 1.00 – 1.99% | 564 | — | — | — | — | 564 |
| | 2.00 – 2.99% | 602 | — | — | — | — | 602 |
| | 3.00 – 3.99% | 1,144 | — | — | — | — | 1,144 |
| | 4.00% and Greater | 1,206 | — | — | — | — | 1,206 |
| | Total | \$ 3,734 | \$ — | \$ — | \$ — | \$ — | \$ 3,734 |
| June 30, 2023 | | | | | | | |
| | Range of Guaranteed Minimum Crediting Rate | At Guaranteed Minimum | 1 Basis Point – 50 Basis Points Above | 51 Basis Points – 100 Basis Points Above | 101 Basis Points – 150 Basis Points Above | Greater Than 150 Basis Points Above | Total |
| U.S. and Latin America – Traditional | Less than 1.00% | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| | 1.00 – 1.99% | — | — | — | — | — | — |
| | 2.00 – 2.99% | — | — | — | — | — | — |
| | 3.00 – 3.99% | — | — | — | — | — | — |
| | 4.00% and Greater | 521 | 1,118 | — | — | — | 1,639 |
| | Total | \$ 521 | \$ 1,118 | \$ — | \$ — | \$ — | \$ 1,639 |
| U.S. and Latin America – Financial Solutions | Less than 1.00% | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| | 1.00 – 1.99% | 1,759 | 14 | 16 | 70 | 40 | 1,899 |
| | 2.00 – 2.99% | 1,724 | 13 | 57 | 637 | 31 | 2,462 |
| | 3.00 – 3.99% | 4,515 | 249 | 70 | — | — | 4,834 |
| | 4.00% and Greater | 8,717 | 42 | — | — | — | 8,759 |
| | Total | \$ 16,715 | \$ 318 | \$ 143 | \$ 707 | \$ 71 | \$ 17,954 |
| Asia Pacific – Financial Solutions | Less than 1.00% | \$ 314 | \$ — | \$ — | \$ — | \$ — | \$ 314 |
| | 1.00 – 1.99% | 757 | — | — | — | — | 757 |
| | 2.00 – 2.99% | 694 | — | — | — | — | 694 |
| | 3.00 – 3.99% | 1,160 | — | — | — | — | 1,160 |
| | 4.00% and Greater | 973 | — | — | — | — | 973 |
| | Total | \$ 3,898 | \$ — | \$ — | \$ — | \$ — | \$ 3,898 |

NOTE 6 UNPAID CLAIMS AND CLAIM EXPENSE – SHORT-DURATION CONTRACTS

Rollforward of Claims and Claim Adjustment Expenses

The liability for unpaid claims for short-duration contracts is reported in other policy claims and benefits on the Company's condensed consolidated balance sheets. Activity associated with unpaid claims is summarized below (dollars in millions):

| | Six months ended June 30, | |
|--------------------------------|---------------------------|----------|
| | 2024 | 2023 |
| Balance, beginning of year | \$ 2,730 | \$ 2,480 |
| Less: reinsurance recoverable | (80) | (57) |
| Net balance, beginning of year | 2,650 | 2,423 |
| Incurred: | | |
| Current year | 771 | 789 |
| Prior years | (55) | (55) |
| Total incurred | 716 | 734 |
| Payments: | | |
| Current year | (107) | (119) |
| Prior years | (532) | (539) |
| Total payments | (639) | (658) |
| Other changes: | | |
| Interest accretion | 19 | 17 |
| Foreign exchange adjustments | (46) | (7) |
| Total other changes | (27) | 10 |
| Net balance, end of period | 2,700 | 2,509 |
| Plus: reinsurance recoverable | 69 | 70 |
| Balance, end of period | \$ 2,769 | \$ 2,579 |

Incurred claims associated with prior periods are primarily due to the development of claims for prior years being different than were anticipated when the liabilities for unpaid claims were originally estimated. These trends have been considered in establishing the current year liability for unpaid claims.

NOTE 7 MARKET RISK BENEFITS

The following table provides the balances of and changes in the Company's market risk benefits for the six months ended June 30, 2024 and 2023 (dollars in millions):

| | U.S. and Latin America – Financial Solutions | |
|---|--|----------|
| | Six months ended June 30, | |
| | 2024 | 2023 |
| Balance, beginning of year | \$ 249 | \$ 247 |
| Balance, beginning of year, before effect of changes in the instrument-specific credit risk | 253 | 263 |
| Interest accrual | 6 | 6 |
| Attributed fees collected | 13 | 13 |
| Benefit payments | — | (1) |
| Effect of changes in interest rates | (34) | (2) |
| Effect of changes in equity markets | (26) | (34) |
| Effect of changes in volatility | — | (7) |
| Other market impacts | (9) | (2) |
| Actual policyholder behavior different from expected behavior | 7 | 9 |
| Balance, end of period, before effect of changes in the instrument-specific credit risk | 210 | 245 |
| Effect of changes in the instrument-specific credit risk | (8) | (16) |
| Balance, end of period | 202 | 229 |
| Less: reinsurance recoverable | — | — |
| Balance, end of period, after reinsurance | \$ 202 | \$ 229 |
| Net amount at risk | \$ 1,302 | \$ 1,411 |
| Weighted average attained age of contract holders (in years) | 71 | 71 |

The reconciliation of the rollforward for market risk benefits to the condensed consolidated balance sheets as of June 30, 2024 and 2023 is as follows (dollars in millions):

| | June 30, | | | June 30, | | |
|--|----------------------|-----------|----------|----------------------|-----------|----------|
| | 2024 | | | 2023 | | |
| | Asset ⁽¹⁾ | Liability | Net | Asset ⁽¹⁾ | Liability | Net |
| U.S. and Latin America – Financial Solutions | \$ 15 | \$ 217 | \$ (202) | \$ 6 | \$ 235 | \$ (229) |
| Total market risk benefits | \$ 15 | \$ 217 | \$ (202) | \$ 6 | \$ 235 | \$ (229) |

(1) Included in Other assets

Fair Value Measurement

See Note 12 – “Fair Value of Assets and Liabilities” for information about fair value measurement of assets and liabilities, except for market risk benefits.

Market risk benefits are classified within Level 3 on the fair value hierarchy. The fair value of market risk benefits is monitored through the use of attribution reports to quantify the effect of underlying sources of fair value change, including capital market inputs based on policyholder account values, interest rates and short-term and long-term implied volatility from period to period.

During the six months ended June 30, 2024 and 2023, there were no material changes made to the inputs in the market risk benefits calculations, and nonfinancial assumptions were unchanged.

NOTE 8 DEFERRED POLICY ACQUISITION COSTS

The following tables provide the balances of and changes in deferred policy acquisition costs for the Company's Traditional business for the six months ended June 30, 2024 and 2023 (dollars in millions):

| | U.S. and Latin America – Traditional | Canada – Traditional | Europe, Middle East and Africa – Traditional | Asia Pacific – Traditional |
|--|---|----------------------|---|-------------------------------|
| For the six months ended June 30, 2024: | | | | |
| Balance, beginning of year | \$ 2,191 | \$ 173 | \$ 347 | \$ 1,098 |
| Capitalization | 156 | 4 | 35 | 80 |
| Amortization expense | (78) | (6) | (23) | (29) |
| Foreign currency translation | — | (5) | (5) | (21) |
| Balance, end of period | \$ 2,269 | \$ 166 | \$ 354 | \$ 1,128 |

| | U.S. and Latin America – Traditional | Canada – Traditional | Europe, Middle East and Africa – Traditional | Asia Pacific – Traditional |
|--|---|----------------------|---|-------------------------------|
| For the six months ended June 30, 2023: | | | | |
| Balance, beginning of year | \$ 2,087 | \$ 171 | \$ 294 | \$ 1,043 |
| Capitalization | 119 | 5 | 44 | 52 |
| Amortization expense | (73) | (6) | (18) | (30) |
| Foreign currency translation | 1 | 4 | (2) | (15) |
| Balance, end of period | \$ 2,134 | \$ 174 | \$ 318 | \$ 1,050 |

The following tables provide the balances of and changes in deferred policy acquisition costs for the Company's Financial Solutions business for the six months ended June 30, 2024 and 2023 (dollars in millions):

| | U.S. and Latin America – Financial Solutions | Canada – Financial Solutions | Europe, Middle East and Africa – Financial Solutions | Asia Pacific – Financial Solutions |
|--|---|---------------------------------|--|---------------------------------------|
| For the six months ended June 30, 2024: | | | | |
| Balance, beginning of year | \$ 552 | \$ — | \$ — | \$ 250 |
| Capitalization | 1 | — | — | 48 |
| Amortization expense | (30) | — | — | (32) |
| Foreign currency translation | — | — | — | (1) |
| Balance, end of period | \$ 523 | \$ — | \$ — | \$ 265 |

| | U.S. and Latin America – Financial Solutions | Canada – Financial Solutions | Europe, Middle East and Africa – Financial Solutions | Asia Pacific – Financial Solutions |
|--|---|---------------------------------|--|---------------------------------------|
| For the six months ended June 30, 2023: | | | | |
| Balance, beginning of year | \$ 341 | \$ — | \$ — | \$ 188 |
| Capitalization | — | — | — | 116 |
| Amortization expense | (21) | — | — | (15) |
| Foreign currency translation | — | — | — | (4) |
| Balance, end of period | \$ 320 | \$ — | \$ — | \$ 285 |

The reconciliation of deferred policy acquisition costs to the condensed consolidated balance sheets as of June 30, 2024 and 2023 is as follows (dollars in millions):

| | June 30, | |
|---|----------|----------|
| | 2024 | 2023 |
| Deferred policy acquisition costs included in the rollforwards: | | |
| Traditional: | | |
| U.S. and Latin America | \$ 2,269 | \$ 2,134 |
| Canada | 166 | 174 |
| Europe, Middle East and Africa | 354 | 318 |
| Asia Pacific | 1,128 | 1,050 |
| Financial Solutions: | | |
| U.S. and Latin America | 523 | 320 |
| Canada | — | — |
| Europe, Middle East and Africa | — | — |
| Asia Pacific | 265 | 285 |
| Other long-duration business: | | |
| Corporate and Other | 15 | 5 |
| Total deferred policy acquisition costs | \$ 4,720 | \$ 4,286 |

NOTE 9 REINSURANCE

Ceded Reinsurance

Retrocession reinsurance treaties do not relieve the Company from its obligations to direct writing companies. Failure of retrocessionaires to honor their obligations could result in losses to the Company. Consequently, allowances would be established for amounts deemed uncollectible. The Company regularly evaluates the financial condition of the insurance companies from which it assumes and to which it cedes reinsurance. At June 30, 2024 and December 31, 2023, no allowances were deemed necessary.

Retrocessions are arranged through the Company's retrocession pools for amounts in excess of the Company's retention limit. As of June 30, 2024, all rated retrocession pool participants followed by the A.M. Best Company were rated "B++ (Good)" or better. The Company verifies retrocession pool participants' ratings on a quarterly basis. For a majority of the retrocessionaires that were not rated, security in the form of letters of credit or trust assets have been posted. In addition, the Company performs annual financial reviews of its retrocessionaires to evaluate financial stability and performance.

During the fourth quarter of 2023, Ruby Reinsurance Company (Ruby Re), a Missouri-domiciled life reinsurance company to reinsure U.S. asset-intensive business was launched with the Company as a sponsor. The Company, which is not an investor in Ruby Re, does not consolidate the entity.

Two reinsurance companies, including Ruby Re, account for approximately 75% of reinsurance ceded receivables and other as of June 30, 2024.

As of June 30, 2024 and December 31, 2023, \$ 6 million and \$10 million of claims recoverable were in excess of 90 days past due, respectively. Also included in reinsurance ceded receivables and other is a deposit asset on reinsurance of \$2.9 billion and \$3.1 billion as of June 30, 2024 and December 31, 2023, respectively.

Funds Withheld

Certain of the Company's retrocession agreements, including those with Ruby Re, are on a modco or funds withheld basis. While the economic benefits of the funds withheld assets are passed on to the assuming company, the Company retains legal ownership of the assets within the funds withheld account and established a funds withheld liability. Net investment income related to the funds withheld assets are reported in other reinsurance expense, and net realized gains (losses) related to the assets are reported net of the amount that is passed on to the assuming company. The following assets were held in support of the Company's funds withheld arrangements and are reported in the line items shown in the condensed consolidated balance sheets as of June 30, 2024 and December 31, 2023 (dollars in millions):

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| | June 30, 2024 | December 31, 2023 |
|--|---------------|-------------------|
| Fixed maturity securities available-for-sale | \$ 2,326 | \$ 2,442 |
| Equity securities | 2 | 2 |
| Mortgage loans | 429 | 451 |
| Funds withheld at interest | 1,496 | 1,545 |
| Real estate joint ventures | 35 | 35 |
| Short-term investments and cash and cash equivalents | 34 | 30 |
| Accrued investment income | 27 | 28 |
| Net other assets | — | 1 |
| Net assets | \$ 4,349 | \$ 4,534 |

Certain assets are reported at amortized cost while the fair value of those assets is reflected in the funds withheld payable. The Company had a \$4,323 million and \$4,483 million funds withheld payable as of June 30, 2024 and December 31, 2023, respectively, net of an embedded derivative asset of \$206 million as of June 30, 2024 and December 31, 2023.

NOTE 10 INVESTMENTS

Fixed Maturity Securities Available-for-Sale

The Company holds various types of fixed maturity securities available-for-sale and classifies them as corporate securities ("Corporate"), Canadian and Canadian provincial government securities ("Canadian government"), Japanese government and agencies ("Japanese government"), asset-backed securities ("ABS"), commercial mortgage-backed securities ("CMBS"), residential mortgage-backed securities ("RMBS"), U.S. government and agencies ("U.S. government"), state and political subdivisions, and other foreign government, supranational and foreign government-sponsored enterprises ("Other foreign government"). ABS, CMBS, and RMBS are collectively "structured securities."

The following tables provide information relating to investments in fixed maturity securities by type as of June 30, 2024 and December 31, 2023 (dollars in millions):

| June 30, 2024: | Amortized Cost | Allowance for Credit Losses | Unrealized Gains | Unrealized Losses | Estimated Fair Value | % of Total |
|----------------------------------|----------------|-----------------------------|------------------|-------------------|----------------------|------------|
| Available-for-sale: | | | | | | |
| Corporate | \$ 50,053 | \$ 95 | \$ 516 | \$ 4,343 | \$ 46,131 | 65.4 % |
| Canadian government | 4,520 | — | 331 | 71 | 4,780 | 6.8 |
| Japanese government | 5,297 | — | 1 | 835 | 4,463 | 6.3 |
| ABS | 5,302 | 15 | 45 | 189 | 5,143 | 7.3 |
| CMBS | 2,242 | 1 | 19 | 140 | 2,120 | 3.0 |
| RMBS | 1,307 | — | 14 | 109 | 1,212 | 1.7 |
| U.S. government | 1,681 | — | 3 | 256 | 1,428 | 2.0 |
| State and political subdivisions | 1,188 | — | 4 | 150 | 1,042 | 1.6 |
| Other foreign government | 4,571 | — | 31 | 430 | 4,172 | 5.9 |
| Total fixed maturity securities | \$ 76,161 | \$ 111 | \$ 964 | \$ 6,523 | \$ 70,491 | 100.0 % |

| December 31, 2023: | Amortized Cost | Allowance for Credit Losses | Unrealized Gains | Unrealized Losses | Estimated Fair Value | % of Total |
|----------------------------------|----------------|-----------------------------|------------------|-------------------|----------------------|------------|
| Available-for-sale: | | | | | | |
| Corporate | \$ 42,014 | \$ 62 | \$ 554 | \$ 3,751 | \$ 38,755 | 64.1 % |
| Canadian government | 3,477 | — | 473 | 33 | 3,917 | 6.5 |
| Japanese government | 3,630 | — | 3 | 502 | 3,131 | 5.2 |
| ABS | 4,661 | 12 | 19 | 239 | 4,429 | 7.3 |
| CMBS | 1,969 | 1 | 7 | 202 | 1,773 | 2.9 |
| RMBS | 1,173 | — | 8 | 102 | 1,079 | 1.8 |
| U.S. government | 2,725 | — | 9 | 214 | 2,520 | 4.2 |
| State and political subdivisions | 1,236 | — | 7 | 129 | 1,114 | 1.8 |
| Other foreign government | 4,092 | — | 45 | 388 | 3,749 | 6.2 |
| Total fixed maturity securities | \$ 64,977 | \$ 75 | \$ 1,125 | \$ 5,560 | \$ 60,467 | 100.0 % |

The Company monitors its concentrations of financial instruments on an ongoing basis and mitigates credit risk by maintaining a diversified investment portfolio that limits exposure to any one issuer. The Company's exposure to concentrations of credit risk from single issuers, including certain agencies, greater than 10% of the Company's equity are disclosed below, as of June 30, 2024 and December 31, 2023 (dollars in millions):

| | June 30, 2024 | | December 31, 2023 | |
|--|----------------|----------------------|-------------------|----------------------|
| | Amortized Cost | Estimated Fair Value | Amortized Cost | Estimated Fair Value |
| Fixed maturity securities guaranteed or issued by: | | | | |
| Japanese government | \$ 5,297 | \$ 4,463 | \$ 3,630 | \$ 3,131 |
| U.S. government | 1,681 | 1,428 | 2,725 | 2,520 |
| Canadian province of Quebec | 1,571 | 1,744 | 1,467 | 1,748 |
| Canadian province of Ontario | 1,157 | 1,225 | 1,019 | 1,125 |

The amortized cost and estimated fair value of fixed maturity securities classified as available-for-sale as of June 30, 2024, are shown by contractual maturity in the table below (dollars in millions). Actual maturities can differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Structured securities are shown separately in the table below, as they are not due at a single maturity date.

| | Amortized Cost | Estimated Fair Value |
|--|----------------|----------------------|
| Available-for-sale: | | |
| Due in one year or less | \$ 1,347 | \$ 1,351 |
| Due after one year through five years | 11,719 | 11,557 |
| Due after five years through ten years | 12,784 | 12,221 |
| Due after ten years | 41,460 | 36,887 |
| Structured securities | 8,851 | 8,475 |
| Total | \$ 76,161 | \$ 70,491 |

Corporate Fixed Maturity Securities

The tables below show the major sectors of the Company's corporate fixed maturity holdings as of June 30, 2024 and December 31, 2023 (dollars in millions):

| June 30, 2024: | Amortized Cost | Estimated Fair Value | % of Total |
|----------------|----------------|----------------------|------------|
| Finance | \$ 16,448 | \$ 15,090 | 32.7 % |
| Industrial | 26,154 | 24,306 | 52.7 |
| Utility | 7,451 | 6,735 | 14.6 |
| Total | \$ 50,053 | \$ 46,131 | 100.0 % |

| December 31, 2023: | Amortized Cost | Estimated Fair Value | % of Total |
|--------------------|----------------|----------------------|------------|
| Finance | \$ 15,052 | \$ 13,789 | 35.6 % |
| Industrial | 21,413 | 19,935 | 51.4 |
| Utility | 5,549 | 5,031 | 13.0 |
| Total | \$ 42,014 | \$ 38,755 | 100.0 % |

Allowance for Credit Losses and Impairments – Fixed Maturity Securities Available-for-Sale

As discussed in Note 2 – “Significant Accounting Policies and Pronouncements” of the Company's 2023 Annual Report, allowances for credit losses on fixed maturity securities are recognized in investment related gains (losses), net. The Company estimates the amount of the credit loss component of a fixed maturity security impairment as the difference between amortized cost and the present value of the expected cash flows of the security. Any remaining difference between the fair value and amortized cost is recognized in OCI.

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The following tables present the rollforward of the allowance for credit losses in fixed maturity securities by type for the three and six months ended June 30, 2024 and 2023 (dollars in millions):

| | Corporate | ABS | CMBS | Total |
|---|--------------|--------------|-------------|---------------|
| For the three months ended June 30, 2024: | | | | |
| Balance, beginning of period | \$ 79 | \$ 15 | \$ 1 | \$ 95 |
| Credit losses recognized on securities for which credit losses were not previously recorded | 2 | — | — | 2 |
| Reductions for securities sold during the period | (1) | — | — | (1) |
| Additional increases or decreases for credit losses on securities that had an allowance recorded in a previous period | 14 | — | — | 14 |
| Write-offs charged against the allowance | 1 | — | — | 1 |
| Balance, end of period | <u>\$ 95</u> | <u>\$ 15</u> | <u>\$ 1</u> | <u>\$ 111</u> |
| For the three months ended June 30, 2023: | | | | |
| Balance, beginning of period | \$ 69 | \$ 10 | \$ — | \$ 79 |
| Credit losses recognized on securities for which credit losses were not previously recorded | 1 | — | 1 | 2 |
| Reductions for securities sold during the period | (7) | — | — | (7) |
| Additional increases or decreases for credit losses on securities that had an allowance recorded in a previous period | (1) | 2 | — | 1 |
| Write-offs charged against the allowance | — | — | — | — |
| Balance, end of period | <u>\$ 62</u> | <u>\$ 12</u> | <u>\$ 1</u> | <u>\$ 75</u> |
| | Corporate | ABS | CMBS | Total |
| For the six months ended June 30, 2024: | | | | |
| Balance, beginning of period | \$ 62 | \$ 12 | \$ 1 | \$ 75 |
| Credit losses recognized on securities for which credit losses were not previously recorded | 32 | — | — | 32 |
| Reductions for securities sold during the period | (9) | — | — | (9) |
| Additional increases or decreases for credit losses on securities that had an allowance recorded in a previous period | 9 | 3 | — | 12 |
| Write-offs charged against the allowance | 1 | — | — | 1 |
| Balance, end of period | <u>\$ 95</u> | <u>\$ 15</u> | <u>\$ 1</u> | <u>\$ 111</u> |
| For the six months ended June 30, 2023: | | | | |
| Balance, beginning of period | \$ 27 | \$ 10 | \$ — | \$ 37 |
| Credit losses recognized on securities for which credit losses were not previously recorded | 44 | — | 1 | 45 |
| Reductions for securities sold during the period | (10) | — | — | (10) |
| Additional increases or decreases for credit losses on securities that had an allowance recorded in a previous period | 1 | 2 | — | 3 |
| Write-offs charged against the allowance | — | — | — | — |
| Balance, end of period | <u>\$ 62</u> | <u>\$ 12</u> | <u>\$ 1</u> | <u>\$ 75</u> |

Unrealized Losses for Fixed Maturity Securities Available-for-Sale

The Company's determination of whether a decline in value necessitates the recording of an allowance for credit losses includes an analysis of whether the issuer is current on its contractual payments, evaluating whether it is probable that the Company will be able to collect all amounts due according to the contractual terms of the security and analyzing the overall ability of the Company to recover the amortized cost of the investment.

The following tables present the estimated fair value and gross unrealized losses for the 6,778 and 5,788 fixed maturity securities for which both the estimated fair value had declined and remained below amortized cost and an allowance for credit loss has not been recorded as of June 30, 2024 and December 31, 2023 (dollars in millions). These investments are presented by class and grade of security, as well as the length of time the related fair value has continuously remained below amortized cost.

| | Less than 12 months | | 12 months or greater | | Total | |
|---|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|
| | Estimated Fair Value | Gross Unrealized Losses | Estimated Fair Value | Gross Unrealized Losses | Estimated Fair Value | Gross Unrealized Losses |
| June 30, 2024: | | | | | | |
| Investment grade securities: | | | | | | |
| Corporate | \$ 8,885 | \$ 217 | \$ 22,555 | \$ 4,043 | \$ 31,440 | \$ 4,260 |
| Canadian government | 404 | 15 | 449 | 56 | 853 | 71 |
| Japanese government | 2,293 | 187 | 2,136 | 648 | 4,429 | 835 |
| ABS | 794 | 8 | 2,310 | 175 | 3,104 | 183 |
| CMBS | 270 | 2 | 1,225 | 129 | 1,495 | 131 |
| RMBS | 137 | 1 | 721 | 108 | 858 | 109 |
| U.S. government | 422 | 4 | 736 | 252 | 1,158 | 256 |
| State and political subdivisions | 114 | 4 | 785 | 146 | 899 | 150 |
| Other foreign government | 726 | 11 | 2,110 | 362 | 2,836 | 373 |
| Total investment grade securities | 14,045 | 449 | 33,027 | 5,919 | 47,072 | 6,368 |
| Below investment grade securities: | | | | | | |
| Corporate | \$ 352 | \$ 8 | \$ 476 | \$ 68 | \$ 828 | \$ 76 |
| ABS | 9 | 1 | 44 | 5 | 53 | 6 |
| CMBS | — | — | — | — | — | — |
| Other foreign government | — | — | 194 | 57 | 194 | 57 |
| Total below investment grade securities | 361 | 9 | 714 | 130 | 1,075 | 139 |
| Total fixed maturity securities | \$ 14,406 | \$ 458 | \$ 33,741 | \$ 6,049 | \$ 48,147 | \$ 6,507 |
| December 31, 2023: | | | | | | |
| | Estimated Fair Value | Gross Unrealized Losses | Estimated Fair Value | Gross Unrealized Losses | Estimated Fair Value | Gross Unrealized Losses |
| Investment grade securities: | | | | | | |
| Corporate | \$ 2,134 | \$ 70 | \$ 24,207 | \$ 3,524 | \$ 26,341 | \$ 3,594 |
| Canadian government | — | — | 459 | 33 | 459 | 33 |
| Japanese government | 876 | 50 | 2,193 | 452 | 3,069 | 502 |
| ABS | 336 | 5 | 3,025 | 223 | 3,361 | 228 |
| CMBS | 160 | 5 | 1,328 | 190 | 1,488 | 195 |
| RMBS | 115 | 3 | 681 | 99 | 796 | 102 |
| U.S. government | 614 | 10 | 717 | 204 | 1,331 | 214 |
| State and political subdivisions | 73 | 1 | 864 | 128 | 937 | 129 |
| Other foreign government | 254 | 3 | 2,290 | 333 | 2,544 | 336 |
| Total investment grade securities | 4,562 | 147 | 35,764 | 5,186 | 40,326 | 5,333 |
| Below investment grade securities: | | | | | | |
| Corporate | 295 | 36 | 649 | 121 | 944 | 157 |
| ABS | — | — | 68 | 10 | 68 | 10 |
| CMBS | — | — | 4 | 1 | 4 | 1 |
| Other foreign government | — | — | 193 | 52 | 193 | 52 |
| Total below investment grade securities | 295 | 36 | 914 | 184 | 1,209 | 220 |
| Total fixed maturity securities | \$ 4,857 | \$ 183 | \$ 36,678 | \$ 5,370 | \$ 41,535 | \$ 5,553 |

The Company did not intend to sell, and more likely than not would not be required to sell, the securities outlined in the tables above, as of the dates indicated. However, unforeseen facts and circumstances may cause the Company to sell fixed maturity securities in the ordinary course of managing its portfolio to meet certain diversification, credit quality and liquidity guidelines. Changes in unrealized losses are primarily driven by changes in risk-free interest rates and credit spreads.

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Net Investment Income

Major categories of net investment income consist of the following (dollars in millions):

| | Three months ended June 30, | | Six months ended June 30, | |
|--|-----------------------------|--------|---------------------------|----------|
| | 2024 | 2023 | 2024 | 2023 |
| Fixed maturity securities available-for-sale | \$ 881 | \$ 683 | \$ 1,641 | \$ 1,328 |
| Equity securities | 1 | 1 | 3 | 3 |
| Mortgage loans | 97 | 80 | 187 | 154 |
| Policy loans | 14 | 13 | 28 | 26 |
| Funds withheld at interest | 76 | 80 | 165 | 152 |
| Limited partnerships and real estate joint ventures | 21 | 19 | 28 | 73 |
| Short-term investments and cash and cash equivalents | 44 | 22 | 78 | 43 |
| Other invested assets | (3) | 3 | 1 | 12 |
| Investment income | 1,131 | 901 | 2,131 | 1,791 |
| Investment expense | (49) | (44) | (88) | (78) |
| Net investment income | \$ 1,082 | \$ 857 | \$ 2,043 | \$ 1,713 |

Investment Related Gains (Losses), Net

Investment related gains (losses), net consist of the following (dollars in millions):

| | Three months ended June 30, | | Six months ended June 30, | |
|--|-----------------------------|----------|---------------------------|----------|
| | 2024 | 2023 | 2024 | 2023 |
| Fixed maturity securities available-for-sale: | | | | |
| Change in allowance for credit losses | \$ (16) | \$ 4 | \$ (36) | \$ (38) |
| Impairments on fixed maturity securities | (1) | — | (1) | (1) |
| Realized gains on investment activity | 68 | 11 | 100 | 42 |
| Realized losses on investment activity | (230) | (37) | (364) | (112) |
| Net gains (losses) on equity securities | (5) | (4) | (1) | (2) |
| Change in mortgage loan allowance for credit losses | 2 | (9) | (8) | (6) |
| Limited partnerships and real estate joint venture impairment losses | — | — | (8) | — |
| Change in fair value of certain limited partnership investments | — | 10 | 1 | 7 |
| Net losses on freestanding derivatives | (119) | (93) | (218) | (124) |
| Net gains (losses) on embedded derivatives | 26 | (20) | 103 | 17 |
| Other, net | 4 | 15 | 12 | 17 |
| Total investment related gains (losses), net | \$ (271) | \$ (123) | \$ (420) | \$ (200) |

Collateral Arrangements

The Company enters into various collateral arrangements with counterparties that require both the pledging and acceptance of invested assets as collateral. Pledged invested assets are included in the condensed consolidated balance sheets. Invested assets received as collateral are held in separate custodial accounts and are not recorded on the Company's condensed consolidated balance sheets. Subject to certain constraints, the Company is permitted by contract to sell or repledge collateral it receives; however, as of June 30, 2024 and December 31, 2023, none of the collateral received had been sold or repledged.

The Company also holds invested assets on deposit to meet regulatory requirements and holds assets in trust to satisfy collateral requirements under derivative transactions and certain third-party reinsurance treaties.

The following table includes invested assets on deposit, invested assets pledged and received as collateral, assets in trust held to satisfy collateral requirements and FHLB common stock restricted as to sale as of June 30, 2024 and December 31, 2023 (dollars in millions):

| | June 30, 2024 | | December 31, 2023 | |
|---|----------------|----------------------|-------------------|----------------------|
| | Amortized Cost | Estimated Fair Value | Amortized Cost | Estimated Fair Value |
| Invested assets on deposit (regulatory deposits) | \$ 12 | \$ 9 | \$ 12 | \$ 9 |
| Invested assets pledged as collateral | 1,108 | 960 | 572 | 517 |
| Invested assets received as collateral | n/a | 2,040 | n/a | 1,827 |
| Assets in trust held to satisfy collateral requirements | 42,810 | 39,907 | 32,758 | 30,359 |
| FHLB common stock restricted as to sale | 73 | 73 | 63 | 63 |

Securities Lending and Repurchase/Reverse Repurchase Agreements

The following table provides the estimated fair value of securities relating to securities lending and repurchase/reverse repurchase agreements as of June 30, 2024 and December 31, 2023 (dollars in millions):

| | June 30, 2024 | | | December 31, 2023 | | |
|--|---|--|---|--|--|---|
| | Securities Loaned, Pledged, or Sold ⁽¹⁾ | Securities Borrowed or Collateral Received from Counterparties ⁽²⁾ | Cash Collateral Received from Counterparties ⁽³⁾ | Securities Loaned, Pledged, or Sold ⁽¹⁾ | Securities Borrowed or Collateral Received from Counterparties ⁽²⁾ | Cash Collateral Received from Counterparties ⁽³⁾ |
| Securities lending transactions | \$ 1,040 | \$ 1,315 | \$ — | \$ 732 | \$ 1,013 | \$ — |
| Repurchase/reverse repurchase transactions | 1,683 | 713 | 858 | 1,333 | 517 | 820 |

(1) Securities loaned or pledged through securities lending transactions or sold to counterparties through repurchase transactions are included within fixed maturity securities. Collateral associated with certain securities lending transactions is not included within this table as the collateral pledged to the counterparty is the right to reinsurance treaty cash flows. Certain securities lending transactions do not require collateral.

(2) Securities borrowed or received as collateral through securities lending transactions or purchased from counterparties through reverse repurchase transactions are not reflected on the condensed consolidated balance sheets.

(3) A payable for the cash received by the Company is included within other liabilities.

The following tables present the estimated fair value of securities by the remaining contractual maturity of the Company's securities lending and repurchase agreements as of June 30, 2024 and December 31, 2023 (dollars in millions):

| | June 30, 2024 | | | | | December 31, 2023 | | | | |
|---|--|------------------|-----------------|-------------------------|----------|--|------------------|-----------------|----------------------------|----------|
| | Remaining Contractual Maturity of the Agreements | | | | | Remaining Contractual Maturity of the Agreements | | | | |
| | Overnight and Continuous | Up to 30 Days | 30 – 90 Days | Greater than 90 Days | Total | Overnight and Continuous | Up to 30 Days | 30 – 90 Days | Greater than 90 Days | Total |
| Securities lending transactions: | | | | | | | | | | |
| Corporate | \$ — | \$ 75 | \$ 134 | \$ 190 | \$ 399 | \$ — | \$ — | \$ 94 | \$ 41 | \$ 135 |
| Japanese government | — | — | 295 | 226 | 521 | — | 88 | — | 480 | 568 |
| ABS | — | — | — | 24 | 24 | — | — | — | — | — |
| CMBS | — | — | — | 47 | 47 | — | — | — | — | — |
| RMBS | — | — | — | 14 | 14 | — | — | — | — | — |
| U.S. government | — | — | — | 9 | 9 | — | — | — | — | — |
| State and political subdivisions | — | — | — | 6 | 6 | — | — | — | 11 | 11 |
| Other foreign government | — | — | 11 | 9 | 20 | — | — | 13 | 5 | 18 |
| Total | — | 75 | 440 | 525 | 1,040 | — | 88 | 107 | 537 | 732 |
| Repurchase/reverse repurchase transactions: | | | | | | | | | | |
| Corporate | — | — | — | 513 | 513 | — | — | — | 553 | 553 |
| Japanese government | — | — | — | 376 | 376 | — | — | — | 158 | 158 |
| ABS | — | — | — | 318 | 318 | — | — | — | 229 | 229 |
| CMBS | — | — | — | 266 | 266 | — | — | — | 221 | 221 |
| RMBS | — | — | — | 51 | 51 | — | — | — | 52 | 52 |
| U.S. government | — | — | — | 60 | 60 | — | — | — | 14 | 14 |
| Other foreign government | — | — | — | 99 | 99 | — | — | — | 106 | 106 |
| Total | — | — | — | 1,683 | 1,683 | — | — | — | 1,333 | 1,333 |
| Total transactions | \$ — | \$ 75 | \$ 440 | \$ 2,208 | \$ 2,723 | \$ — | \$ 88 | \$ 107 | \$ 1,870 | \$ 2,065 |

Mortgage Loans

As of June 30, 2024, mortgage loans were geographically dispersed throughout the U.S. with the largest concentrations in California (13.1%), Texas (9.6%) and Washington (6.7%), in addition to loans secured by properties in Canada (7.6%) and the United Kingdom (2.5%). The recorded investment in mortgage loans presented below is gross of unamortized deferred loan origination fees and expenses and allowance for credit losses.

The following table presents the distribution of the Company's recorded investment in mortgage loans by property type as of June 30, 2024 and December 31, 2023 (dollars in millions):

| Property type: | June 30, 2024 | | December 31, 2023 | |
|---|----------------|------------|-------------------|------------|
| | Carrying Value | % of Total | Carrying Value | % of Total |
| Office | \$ 1,702 | 21.1 % | \$ 1,700 | 22.8 % |
| Retail | 2,670 | 33.1 | 2,437 | 32.7 |
| Industrial | 2,270 | 28.0 | 1,947 | 26.1 |
| Apartment | 980 | 12.1 | 913 | 12.2 |
| Hotel | 408 | 5.1 | 413 | 5.5 |
| Other commercial | 46 | 0.6 | 49 | 0.7 |
| Recorded investment | 8,076 | 100.0 % | 7,459 | 100.0 % |
| Unamortized balance of loan origination fees and expenses | (17) | | (15) | |
| Allowance for credit losses | (75) | | (67) | |
| Total mortgage loans | \$ 7,984 | | \$ 7,377 | |

The following table presents the maturities of the Company's recorded investment in mortgage loans as of June 30, 2024 and December 31, 2023 (dollars in millions):

| | June 30, 2024 | | December 31, 2023 | |
|--|---------------------|------------|---------------------|------------|
| | Recorded Investment | % of Total | Recorded Investment | % of Total |
| Due within five years | \$ 3,684 | 45.6 % | \$ 3,228 | 43.3 % |
| Due after five years through ten years | 3,494 | 43.3 | 3,334 | 44.7 |
| Due after ten years | 898 | 11.1 | 897 | 12.0 |
| Total | \$ 8,076 | 100.0 % | \$ 7,459 | 100.0 % |

The following tables set forth certain key credit quality indicators of the Company's recorded investment in mortgage loans as of June 30, 2024 and December 31, 2023 (dollars in millions):

| | Recorded Investment | | | | | | |
|---------------------|---------------------|---------------|--------|--------------------|----------|------------|--|
| | Debt Service Ratios | | | | | | |
| | >1.20x | 1.00x – 1.20x | <1.00x | Construction loans | Total | % of Total | |
| June 30, 2024: | | | | | | | |
| Loan-to-Value Ratio | | | | | | | |
| 0% – 59.99% | \$ 4,190 | \$ 224 | \$ 84 | \$ 11 | \$ 4,509 | 55.8 % | |
| 60% – 69.99% | 1,979 | 220 | 35 | 44 | 2,278 | 28.2 | |
| 70% – 79.99% | 770 | 118 | 15 | — | 903 | 11.2 | |
| 80% or greater | 226 | 55 | 105 | — | 386 | 4.8 | |
| Total | \$ 7,165 | \$ 617 | \$ 239 | \$ 55 | \$ 8,076 | 100.0 % | |

| | Recorded Investment | | | | | | |
|---------------------|---------------------|---------------|--------|--------------------|----------|------------|--|
| | Debt Service Ratios | | | | | | |
| | >1.20x | 1.00x – 1.20x | <1.00x | Construction loans | Total | % of Total | |
| December 31, 2023: | | | | | | | |
| Loan-to-Value Ratio | | | | | | | |
| 0% – 59.99% | \$ 3,672 | \$ 272 | \$ 27 | \$ 46 | \$ 4,017 | 53.9 % | |
| 60% – 69.99% | 1,947 | 154 | 44 | — | 2,145 | 28.8 | |
| 70% – 79.99% | 843 | 52 | 34 | — | 929 | 12.4 | |
| 80% or greater | 198 | 70 | 100 | — | 368 | 4.9 | |
| Total | \$ 6,660 | \$ 548 | \$ 205 | \$ 46 | \$ 7,459 | 100.0 % | |

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The following table sets forth credit quality grades by year of origination of the Company's recorded investment in mortgage loans as of June 30, 2024 and December 31, 2023 (dollars in millions):

| | Recorded Investment | | | | | | | |
|--------------------------------|---------------------|----------|----------|----------|--------|----------|----------|--|
| | Year of Origination | | | | | | | |
| | 2024 | 2023 | 2022 | 2021 | 2020 | Prior | Total | |
| June 30, 2024: | | | | | | | | |
| Internal credit quality grade: | | | | | | | | |
| High investment grade | \$ 247 | \$ 472 | \$ 659 | \$ 619 | \$ 269 | \$ 2,194 | \$ 4,460 | |
| Investment grade | 346 | 754 | 707 | 433 | 241 | 789 | 3,270 | |
| Average | — | 12 | — | — | 18 | 252 | 282 | |
| Watch list | — | — | — | — | — | 41 | 41 | |
| In or near default | — | — | — | — | — | 23 | 23 | |
| Total | \$ 593 | \$ 1,238 | \$ 1,366 | \$ 1,052 | \$ 528 | \$ 3,299 | \$ 8,076 | |
| | Recorded Investment | | | | | | | |
| | Year of Origination | | | | | | | |
| | 2023 | 2022 | 2021 | 2020 | 2019 | Prior | Total | |
| December 31, 2023: | | | | | | | | |
| Internal credit quality grade: | | | | | | | | |
| High investment grade | \$ 475 | \$ 635 | \$ 573 | \$ 304 | \$ 491 | \$ 1,734 | \$ 4,212 | |
| Investment grade | 754 | 668 | 384 | 245 | 313 | 564 | 2,928 | |
| Average | 12 | — | — | 18 | 63 | 203 | 296 | |
| Watch list | — | — | — | — | — | 16 | 16 | |
| In or near default | — | — | — | — | — | 7 | 7 | |
| Total | \$ 1,241 | \$ 1,303 | \$ 957 | \$ 567 | \$ 867 | \$ 2,524 | \$ 7,459 | |

The following table presents the current and past due composition of the Company's recorded investment in mortgage loans as of June 30, 2024 and December 31, 2023 (dollars in millions):

| | June 30, 2024 | December 31, 2023 |
|-------------------------------|---------------|-------------------|
| Current | \$ 8,019 | \$ 7,431 |
| 31 – 60 days past due | 28 | 28 |
| Greater than 90 days past due | 29 | — |
| Total | \$ 8,076 | \$ 7,459 |

The following table presents information regarding the Company's allowance for credit losses for mortgage loans for the three and six months ended June 30, 2024 and 2023 (dollars in millions):

| | Three months ended June 30, | | Six months ended June 30, | |
|---------------------------------------|-----------------------------|-------|---------------------------|-------|
| | 2024 | 2023 | 2024 | 2023 |
| Balance, beginning of period | \$ 77 | \$ 48 | \$ 67 | \$ 51 |
| Change in allowance for credit losses | (2) | 9 | 8 | 6 |
| Balance, end of period | \$ 75 | \$ 57 | \$ 75 | \$ 57 |

During the six months ended June 30, 2024, the Company modified six mortgage loans for borrowers experiencing financial difficulty providing interest only payments and maturity extensions. The total recorded investment before allowance for credit losses for the modified loans were \$47 million as of June 30, 2024. During the six months ended June 30, 2023, the Company modified two mortgage loans to interest only payments. The total recorded investment before allowance for credit losses for mortgage loans that were modified were \$17 million as of June 30, 2023.

During the six months ended June 30, 2024, the Company converted three mortgage loans totaling \$ 23 million to owned properties through deed in lieu of foreclosure. Additionally, the Company reclassified one property in the amount of \$21 million, that was previously held for sale, to held for use. During the six months ended June 30, 2023, the Company converted two mortgage loans in the total amount of \$36 million to owned properties as a result of foreclosures. The Company had two mortgage loans in the amount of \$29 million and one mortgage loan in the amount of \$ 7 million that were on nonaccrual status as of June 30, 2024 and 2023, respectively. The Company did not acquire any impaired mortgage loans during the six months ended June 30, 2024 and 2023.

Policy Loans

The majority of policy loans are associated with one client. These policy loans present no credit risk as the amount of the loan cannot exceed the obligation due to the ceding company upon the death of the insured or surrender of the underlying policy. The provisions of the treaties in force and the underlying policies determine the policy loan interest rates. The Company earns a spread between the interest rate earned on policy loans and the interest rate credited to corresponding liabilities.

Funds Withheld at Interest

As of June 30, 2024, \$3.2 billion of the funds withheld at interest balance is primarily associated with two clients. For reinsurance agreements written on a modco basis and certain agreements written on a coinsurance funds withheld basis, assets equal to the net statutory reserves are withheld and legally owned and managed by the ceding company and are reflected as funds withheld at interest. In the event of a ceding company's insolvency, the Company would need to assert a claim on the assets supporting its reserve liabilities. However, the risk of loss to the Company is mitigated by its ability to offset amounts it owes the ceding company for claims or allowances against amounts owed to the Company from the ceding company.

Limited Partnerships and Real Estate Joint Ventures

The carrying values of limited partnerships and real estate joint ventures as of June 30, 2024 and December 31, 2023 are as follows (dollars in millions):

| | June 30, 2024 | December 31, 2023 |
|---|---------------|-------------------|
| Limited partnerships – equity method | \$ 956 | \$ 925 |
| Limited partnerships – fair value | 911 | 856 |
| Limited partnerships – cost method | 55 | 71 |
| Real estate joint ventures | 869 | 783 |
| Total limited partnerships and real estate joint ventures | \$ 2,791 | \$ 2,635 |

Other Invested Assets

Other invested assets include lifetime mortgages, derivative contracts and FHLB common stock. Other invested assets also includes real estate held for investment, which is included in "Other" in the table below. As of June 30, 2024 and December 31, 2023, the allowance for credit losses for lifetime mortgages was not material. The carrying values of other invested assets as of June 30, 2024 and December 31, 2023 are as follows (dollars in millions):

| | June 30, 2024 | December 31, 2023 |
|-----------------------------|---------------|-------------------|
| Lifetime mortgages | \$ 951 | \$ 944 |
| Derivatives | 66 | 97 |
| FHLB common stock | 73 | 63 |
| Other | 58 | 67 |
| Total other invested assets | \$ 1,148 | \$ 1,171 |

NOTE 11 DERIVATIVE INSTRUMENTS

See Note 2 – "Significant Accounting Policies and Pronouncements" of the Company's 2023 Annual Report for a detailed discussion of the accounting treatment for derivative instruments, including embedded derivatives. See Note 13 – "Fair Value of Assets and Liabilities" for additional disclosures related to the fair value hierarchy for derivative instruments, including embedded derivatives.

Commonly used derivative instruments include, but are not necessarily limited to: interest rate swaps, interest rate options, total return swaps, interest rate futures, foreign currency swaps, foreign currency forwards, foreign currency options, equity options, equity futures, credit default swaps, consumer price index ("CPI") swaps, forward bond purchase commitments, synthetic guaranteed investment contracts ("GICs"), other derivatives and embedded derivatives. For detailed information on these derivative instruments and the related strategies, see Note 12 – "Derivative Instruments" of the Company's 2023 Annual Report.

Summary of Derivative Positions

Freestanding derivatives are included in other invested assets or other liabilities, at fair value. Embedded derivative assets and liabilities on modco or funds withheld arrangements are included on the condensed consolidated balance sheets with the host contract in funds withheld at interest or funds withheld payable, at fair value. Embedded derivative liabilities on indexed annuity products are included on the condensed consolidated balance sheets with the host contract in interest-sensitive contract liabilities, at fair value. The following table presents the notional amounts and gross fair value of derivative instruments prior to taking into account the netting effects of master netting agreements as of June 30, 2024 and December 31, 2023 (dollars in millions):

| | Primary Underlying Risk | June 30, 2024 | | | December 31, 2023 | | |
|--|-------------------------|---------------|-----------------------------|-------------|-------------------|-----------------------------|-------------|
| | | Notional | Carrying Value / Fair Value | | Notional | Carrying Value / Fair Value | |
| | | Amount | Assets | Liabilities | Amount | Assets | Liabilities |
| Derivatives not designated as hedging instruments: | | | | | | | |
| Interest rate swaps | Interest rate | \$ 1,719 | \$ 4 | \$ 15 | \$ 1,609 | \$ 4 | \$ 3 |
| Interest rate options | Interest rate | 4,435 | 3 | — | 5,555 | 7 | — |
| Total return swaps | Interest rate | 1,218 | 4 | 2 | 500 | 24 | — |
| Interest rate futures | Interest rate | — | — | — | 97 | — | — |
| Foreign currency swaps | Foreign currency | 150 | 45 | — | 150 | 27 | — |
| Foreign currency forwards | Foreign currency | 1,727 | 13 | 39 | 809 | 36 | — |
| Foreign currency options | Foreign currency | 350 | — | — | — | — | — |
| Equity options | Equity | 253 | 3 | — | 253 | 8 | — |
| Equity futures | Equity | 204 | — | — | 255 | — | — |
| Credit default swaps | Credit | 2,373 | 4 | 3 | 1,475 | 5 | 1 |
| CPI swaps | CPI | 433 | 7 | 2 | 468 | 11 | 3 |
| Synthetic GICs | Interest rate | 15,436 | — | — | 16,135 | — | — |
| Embedded derivatives in: | | | | | | | |
| Modco or funds withheld arrangements | | — | 323 | 391 | — | 356 | 527 |
| Indexed annuity products | | — | — | 386 | — | — | 415 |
| Total non-designated derivatives | | 28,298 | 406 | 838 | 27,306 | 478 | 949 |
| Derivatives designated as hedging instruments: | | | | | | | |
| Interest rate swaps | Interest rate | 3,238 | 4 | 112 | 1,770 | 9 | 86 |
| Forward bond purchase commitments | Interest rate | 1,048 | 1 | 128 | 1,076 | 11 | 80 |
| Foreign currency swaps | Foreign currency | 1,844 | 7 | 168 | 809 | 7 | 64 |
| Foreign currency forwards | Foreign currency | 1,317 | 11 | 1 | 1,143 | 5 | 17 |
| Total hedging derivatives | | 7,447 | 23 | 409 | 4,798 | 32 | 247 |
| Total derivatives | | \$ 35,745 | \$ 429 | \$ 1,247 | \$ 32,104 | \$ 510 | \$ 1,196 |

Fair Value Hedges

The Company designates and reports the following as fair value hedges when they meet the requirements of the general accounting principles for *Derivatives and Hedging*: (i) certain foreign currency swaps to hedge the foreign currency fair value exposure of foreign currency denominated assets; and (ii) interest rate swaps to convert fixed rate liabilities to floating rate liabilities. The gain or loss on the hedged item attributable to a change in interest rates or foreign currency and the offsetting gain or loss on the related interest rate or foreign currency swaps for the three and six months ended June 30, 2024 and 2023 are as follows (dollars in millions):

| Derivative Type | Hedged Item | Investment Related | | Claims and Other Policy | | | |
|---|---|---------------------|--------------|-------------------------|--------------|-------------------|--------------|
| | | Gains (Losses), Net | | Benefits | | Interest Credited | |
| | | Derivatives | Hedged Items | Derivatives | Hedged Items | Derivatives | Hedged Items |
| For the three months ended June 30, 2024: | | | | | | | |
| Foreign currency swaps | Foreign-denominated fixed maturity securities | \$ 3 | \$ (4) | \$ — | \$ — | \$ — | \$ — |
| Interest rate swaps | Future policy benefits | — | — | (4) | 2 | — | — |
| Interest rate swaps | Interest-sensitive contract liabilities | — | — | — | — | (3) | 1 |
| For the three months ended June 30, 2023: | | | | | | | |
| Foreign currency swaps | Foreign-denominated fixed maturity securities | — | — | — | — | — | — |
| Interest rate swaps | Interest-sensitive contract liabilities | — | — | — | — | — | — |
| For the six months ended June 30, 2024: | | | | | | | |
| Foreign currency swaps | Foreign-denominated fixed maturity securities | 2 | (4) | — | — | — | — |
| Interest rate swaps | Future policy benefits | — | — | (4) | 2 | — | — |
| Interest rate swaps | Interest-sensitive contract liabilities | — | — | — | — | (5) | 2 |
| For the six months ended June 30, 2023: | | | | | | | |
| Foreign currency swaps | Foreign-denominated fixed maturity securities | (3) | 2 | — | — | — | — |
| Interest rate swaps | Interest-sensitive contract liabilities | — | — | — | — | — | — |

The following table presents the balance sheet classification, carrying amount and cumulative fair value hedging adjustments for items designated and qualifying as hedged items in fair value hedges (dollars in millions):

| Hedged Item | Carrying Amount of the Hedged Assets / (Liabilities) | | Cumulative Fair Value Hedging Adjustments Included in the Carrying Amount of Hedged Assets / (Liabilities) | | Discontinued Fair Value Hedge Adjustments Included in the Cumulative Adjustments | |
|---|---|-------------------|---|-------------------|--|-------------------|
| | | | December 31, | | December 31, | |
| | June 30, 2024 | December 31, 2023 | June 30, 2024 | December 31, 2023 | June 30, 2024 | December 31, 2023 |
| Foreign-denominated fixed maturity securities | \$ — | \$ 89 | n/a | n/a | n/a | n/a |
| Future policy benefits | (650) | — | 2 | — | 16 | — |
| Interest-sensitive contract liabilities | (916) | (25) | 1 | (1) | 16 | 1 |

Cash Flow Hedges

Certain derivative instruments are designated as cash flow hedges when they meet the requirements of the general accounting principles for *Derivatives and Hedging*. The Company designates and accounts for the following as cash flow hedges: (i) certain interest rate swaps, in which the cash flows of assets and liabilities are variable based on a benchmark rate; (ii) certain interest rate swaps, in which floating rate assets are converted to fixed rate assets; (iii) forward bond purchase commitments; and (iv) certain foreign currency swaps, in which the cash flows of assets are denominated in different currencies, commonly referred to as cross-currency swaps.

The following table presents the cash flow hedge components of AOCI, before income taxes, and where the gain or loss related to cash flow hedges is recognized on the condensed consolidated statements of income for the three and six months ended June 30, 2024 and 2023 (dollars in millions):

| | Three months ended June 30, | |
|---|-----------------------------|-----------------|
| | 2024 | 2023 |
| Balance, beginning of period | \$ (299) | \$ (198) |
| Gains (losses), net deferred in other comprehensive income (loss) | (125) | (32) |
| Amounts reclassified to net investment income | 14 | 4 |
| Amounts reclassified to interest expense | (3) | (2) |
| Balance, end of period | <u>\$ (413)</u> | <u>\$ (228)</u> |

| | Six months ended June 30, | |
|---|---------------------------|-----------------|
| | 2024 | 2023 |
| Balance, beginning of period | \$ (218) | \$ (205) |
| Gains (losses), net deferred in other comprehensive income (loss) | (211) | (26) |
| Amounts reclassified to net investment income | 22 | 7 |
| Amounts reclassified to interest expense | (6) | (4) |
| Balance, end of period | <u>\$ (413)</u> | <u>\$ (228)</u> |

As of June 30, 2024, approximately \$36 million of before-tax deferred net losses on derivative instruments recorded in AOCI are expected to be reclassified to net investment income during the next twelve months. For the same time period, approximately \$10 million of before-tax deferred net gains on derivative instruments recorded in AOCI are expected to be reclassified to interest expense during the next twelve months.

The following table presents the effect of derivatives in cash flow hedging relationships on the condensed consolidated statements of income for the three and six months ended June 30, 2024 and 2023 (dollars in millions):

| Derivative Type | Gains (Losses) | Gains (Losses) Reclassified into Income from | |
|---|-----------------|--|------------------|
| | Deferred in OCI | AOCI | |
| | | Net Investment Income | Interest Expense |
| For the three months ended June 30, 2024: | | | |
| Interest rate | \$ (33) | \$ (3) | \$ 3 |
| Foreign currency | (92) | (11) | — |
| Total | <u>\$ (125)</u> | <u>\$ (14)</u> | <u>\$ 3</u> |
| For the three months ended June 30, 2023: | | | |
| Interest rate | \$ (8) | \$ — | \$ 2 |
| Foreign currency | (24) | (4) | — |
| Total | <u>\$ (32)</u> | <u>\$ (4)</u> | <u>\$ 2</u> |
| For the six months ended June 30, 2024: | | | |
| Interest rate | \$ (90) | \$ (6) | \$ 6 |
| Foreign currency | (121) | (16) | — |
| Total | <u>\$ (211)</u> | <u>\$ (22)</u> | <u>\$ 6</u> |
| For the six months ended June 30, 2023: | | | |
| Interest rate | \$ 6 | \$ — | \$ 4 |
| Foreign currency | (32) | (7) | — |
| Total | <u>\$ (26)</u> | <u>\$ (7)</u> | <u>\$ 4</u> |

For the three and six months ended June 30, 2024 and 2023, there were no material amounts reclassified into earnings relating to instances in which the Company discontinued cash flow hedge accounting because the forecasted transaction did not occur by the anticipated date or within the additional time period permitted by the authoritative guidance for the accounting for derivatives and hedging.

Hedges of Net Investments in Foreign Operations

The Company uses foreign currency swaps and foreign currency forwards to hedge a portion of its net investment in certain foreign operations against adverse movements in exchange rates. The following table illustrates the Company's net investments in foreign operations ("NIFO") hedges and the gains (losses) deferred in OCI for the three and six months ended June 30, 2024 and 2023 (dollars in millions):

| Derivative Type | Derivative Gains (Losses) Deferred in OCI | | | |
|---------------------------|---|---------|---------------------------|---------|
| | Three months ended June 30, | | Six months ended June 30, | |
| | 2024 | 2023 | 2024 | 2023 |
| Foreign currency swaps | \$ — | \$ — | \$ — | \$ — |
| Foreign currency forwards | 11 | (21) | 36 | (21) |
| Total | \$ 11 | \$ (21) | \$ 36 | \$ (21) |

The cumulative foreign currency translation gain recorded in AOCI related to these hedges was \$ 219 million and \$183 million as of June 30, 2024 and December 31, 2023, respectively. If a hedged foreign operation was sold or substantially liquidated, the amounts in AOCI would be reclassified to the condensed consolidated statements of income. A pro rata portion would be reclassified upon partial sale of a hedged foreign operation. There were no sales or substantial liquidations of net investments in foreign operations that would have required the reclassification of gains or losses from AOCI into investment income during the periods presented.

Non-qualifying Derivatives and Derivatives for Purposes Other Than Hedging

The Company uses various other derivative instruments for risk management purposes that either do not qualify or have not been elected for hedge accounting treatment. The gain or loss related to the change in fair value for these derivative instruments is recognized in investment related gains (losses), net, except where otherwise noted.

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A summary of the effect of non-qualifying derivatives, including embedded derivatives, on the Company's condensed consolidated statements of income for the three and six months ended June 30, 2024 and 2023 is as follows (dollars in millions):

| Type of Non-qualifying Derivative | Income Statement Location of Gains (Losses) | Gains (Losses) for the three months ended June 30, | |
|--------------------------------------|--|---|----------|
| | | 2024 | 2023 |
| | | | |
| Interest rate swaps | Investment related gains (losses), net | \$ (13) | \$ (30) |
| Interest rate options | Investment related gains (losses), net | — | (3) |
| Total return swaps | Investment related gains (losses), net | (11) | 5 |
| Interest rate futures | Investment related gains (losses), net | 1 | 2 |
| Foreign currency swaps | Investment related gains (losses), net | 8 | 12 |
| Foreign currency forwards | Investment related gains (losses), net | (98) | (74) |
| Foreign currency options | Investment related gains (losses), net | (3) | — |
| Equity options | Investment related gains (losses), net | (1) | (11) |
| Equity futures | Investment related gains (losses), net | (2) | (10) |
| Credit default swaps | Investment related gains (losses), net | 2 | 10 |
| CPI swaps | Investment related gains (losses), net | (1) | 6 |
| Subtotal | | (118) | (93) |
| Embedded derivatives in: | | | |
| Modco or funds withheld arrangements | Investment related gains (losses), net | 26 | (20) |
| Indexed annuity products | Interest credited | 8 | (5) |
| Total non-qualifying derivatives | | \$ (84) | \$ (118) |
| | | | |
| Type of Non-qualifying Derivative | Income Statement Location of Gains (Losses) | Gains (Losses) for the six months ended June 30, | |
| | | 2024 | 2023 |
| | | | |
| Interest rate swaps | Investment related gains (losses), net | \$ (44) | \$ (10) |
| Interest rate options | Investment related gains (losses), net | (3) | (26) |
| Total return swaps | Investment related gains (losses), net | (7) | 8 |
| Interest rate futures | Investment related gains (losses), net | 2 | 2 |
| Foreign currency swaps | Investment related gains (losses), net | 22 | 12 |
| Foreign currency forwards | Investment related gains (losses), net | (162) | (93) |
| Foreign currency options | Investment related gains (losses), net | (3) | — |
| Equity options | Investment related gains (losses), net | (5) | (25) |
| Equity futures | Investment related gains (losses), net | (19) | (19) |
| Credit default swaps | Investment related gains (losses), net | 4 | 21 |
| CPI swaps | Investment related gains (losses), net | (1) | 7 |
| Subtotal | | (216) | (123) |
| Embedded derivatives in: | | | |
| Modco or funds withheld arrangements | Investment related gains (losses), net | 103 | 17 |
| Indexed annuity products | Interest credited | (12) | 11 |
| Total non-qualifying derivatives | | \$ (125) | \$ (95) |

Credit Derivatives

The following table presents the estimated fair value, maximum amount of future payments and weighted average years to maturity of credit default swaps sold by the Company at June 30, 2024 and December 31, 2023 (dollars in millions):

| Rating Agency Designation of Referenced Credit Obligations ⁽¹⁾ | June 30, 2024 | | | December 31, 2023 | | |
|---|--|---|---|--|---|---|
| | Estimated Fair Value of Credit Default Swaps | Maximum Amount of Future Payments under Credit Default Swaps ⁽²⁾ | Weighted Average Years to Maturity ⁽³⁾ | Estimated Fair Value of Credit Default Swaps | Maximum Amount of Future Payments under Credit Default Swaps ⁽²⁾ | Weighted Average Years to Maturity ⁽³⁾ |
| AAA/AA/A | | | | | | |
| Single name credit default swaps | \$ (2) | \$ 410 | 18.0 | \$ 2 | \$ 420 | 18.1 |
| BBB | | | | | | |
| Single name credit default swaps | 4 | 145 | 2.6 | 4 | 165 | 2.8 |
| Credit default swaps referencing indices | (1) | 1,803 | 4.2 | (1) | 880 | 5.0 |
| Subtotal | 3 | 1,948 | 4.0 | 3 | 1,045 | 4.7 |
| BB | | | | | | |
| Single name credit default swaps | — | 5 | 2.0 | (1) | 10 | 2.2 |
| B | | | | | | |
| Single name credit default swaps | — | 10 | 1.7 | — | — | 0.0 |
| Total | \$ 1 | \$ 2,373 | 6.4 | \$ 4 | \$ 1,475 | 8.5 |

(1) The rating agency designations are based on ratings from Standard and Poor's ("S&P").

(2) Assumes the value of the referenced credit obligations is zero.

(3) The weighted average years to maturity of the credit default swaps is calculated based on weighted average notional amounts.

Netting Arrangements and Credit Risk

Certain of the Company's freestanding derivatives are subject to enforceable master netting arrangements and reported as a net asset or liability in the condensed consolidated balance sheets. The Company nets all derivatives that are subject to such arrangements.

The Company has elected to include all freestanding derivatives in the table below, irrespective of whether they are subject to an enforceable master netting arrangement or a similar agreement. See Note 10 – "Investments" for information regarding the Company's securities borrowing, lending and repurchase/reverse repurchase agreements.

The following table provides information relating to the netting of the Company's derivative instruments as of June 30, 2024 and December 31, 2023 (dollars in millions):

| | Gross Amounts Recognized | Gross Amounts Offset in the Balance Sheet | Net Amounts Presented in the Balance Sheet | Financial Instruments / Collateral ⁽¹⁾ | Net Amount |
|---------------------------|--------------------------|---|--|---|------------|
| June 30, 2024: | | | | | |
| Derivative assets | \$ 106 | \$ (40) | \$ 66 | \$ (66) | \$ — |
| Derivative liabilities | 470 | (40) | 430 | (430) | — |
| December 31, 2023: | | | | | |
| Derivative assets | 154 | (57) | 97 | (97) | — |
| Derivative liabilities | 254 | (57) | 197 | (197) | — |

(1) Includes initial margin posted to a central clearing partner for financial instruments and excludes the excess of collateral received/pledged from/to the counterparty.

The Company may be exposed to credit-related losses in the event of non-performance by counterparties to derivative financial instruments. Generally, the credit exposure of the Company's derivative contracts is limited to the fair value and accrued interest of non-collateralized derivative contracts in an asset position at the reporting date. As of June 30, 2024, the Company had credit exposure of \$14 million.

Derivatives may be exchange-traded or they may be privately negotiated contracts, which are referred to as over-the-counter ("OTC") derivatives. Certain of the Company's OTC derivatives are cleared and settled through central clearing counterparties ("OTC cleared") and others are bilateral contracts between two counterparties. Additionally, the Company is required to pledge initial margin for certain OTC-bilateral derivative transactions. The Company manages its credit risk related to OTC derivatives by entering into transactions with creditworthy counterparties, maintaining collateral arrangements and through the use of master netting agreements that provide for a single net payment to be made by one counterparty to another at each due date and upon termination. The Company is only exposed to the default of the central clearing counterparties for OTC cleared derivatives, and these transactions require initial and daily variation margin collateral postings. Exchange-traded derivatives are

settled on a daily basis, thereby reducing the credit risk exposure in the event of non-performance by counterparties to such financial instruments.

NOTE 12 FAIR VALUE OF ASSETS AND LIABILITIES

Fair Value Measurement

General accounting principles for *Fair Value Measurements and Disclosures* define fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. These principles also establish a three-level fair value hierarchy that requires an entity to maximize the use of observable inputs and to minimize the use of unobservable inputs when measuring fair value:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities. Active markets are defined through various characteristics for the measured asset/liability, such as having many transactions and narrow bid/ask spreads.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or market standard valuation techniques and assumptions that use significant inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the related assets or liabilities and include those whose value is determined using market standard valuation techniques described above. Prices are determined using valuation methodologies such as discounted cash flow models and other similar techniques that require management's judgment or estimation in developing inputs that are consistent with those other market participants would use when pricing similar assets and liabilities.

For a discussion of the Company's valuation methodologies for assets and liabilities measured at fair value and the fair value hierarchy, see Note 13 – "Fair Value of Assets and Liabilities" in the Notes to Consolidated Financial Statements included in the Company's 2023 Annual Report.

See Note 7 – "Market Risk Benefits" for information about fair value measurement of market risk benefits.

Assets and Liabilities by Hierarchy Level

Assets and liabilities measured at fair value on a recurring basis as of June 30, 2024 and December 31, 2023 are summarized below (dollars in millions):

June 30, 2024:

| June 30, 2024: | Fair Value Measurements Using: | | | |
|--|--------------------------------|----------|-----------|----------|
| | Total | Level 1 | Level 2 | Level 3 |
| Assets: ⁽¹⁾ | | | | |
| Fixed maturity securities available-for-sale: | | | | |
| Corporate | \$ 46,131 | \$ — | \$ 40,630 | \$ 5,501 |
| Canadian government | 4,780 | — | 4,780 | — |
| Japanese government | 4,463 | — | 4,463 | — |
| ABS | 5,143 | — | 3,679 | 1,464 |
| CMBS | 2,120 | — | 2,088 | 32 |
| RMBS | 1,212 | — | 1,211 | 1 |
| U.S. government | 1,428 | 1,337 | 85 | 6 |
| State and political subdivisions | 1,042 | — | 1,021 | 21 |
| Other foreign government | 4,172 | — | 4,141 | 31 |
| Total fixed maturity securities available-for-sale | 70,491 | 1,337 | 62,098 | 7,056 |
| Equity securities | 144 | 70 | — | 74 |
| Funds withheld at interest – embedded derivatives | (274) | — | — | (274) |
| Funds withheld at interest | 55 | — | — | 55 |
| Cash equivalents | 3,030 | 3,025 | 5 | — |
| Short-term investments | 304 | 129 | 160 | 15 |
| Other invested assets: | | | | |
| Derivatives | 66 | — | 66 | — |
| Other | 19 | — | 19 | — |
| Total other invested assets | 85 | — | 85 | — |
| Total | \$ 73,835 | \$ 4,561 | \$ 62,348 | \$ 6,926 |
| Liabilities: | | | | |
| Interest-sensitive contract liabilities – embedded derivatives | \$ 386 | \$ — | \$ — | \$ 386 |
| Funds withheld at interest – embedded derivatives | (206) | — | — | (206) |
| Derivatives – other liabilities | 430 | — | 430 | — |
| Total | \$ 610 | \$ — | \$ 430 | \$ 180 |

(1) Excludes limited partnerships that are measured at estimated fair value using the NAV per share (or its equivalent) as a practical expedient. As of June 30, 2024, the fair value of such investments was \$911 million.

| December 31, 2023: | | Fair Value Measurements Using: | | |
|--|-----------|--------------------------------|-----------|----------|
| | Total | Level 1 | Level 2 | Level 3 |
| Assets: ⁽¹⁾ | | | | |
| Fixed maturity securities available-for-sale: | | | | |
| Corporate | \$ 38,755 | \$ — | \$ 33,822 | \$ 4,933 |
| Canadian government | 3,917 | — | 3,917 | — |
| Japanese government | 3,131 | — | 3,131 | — |
| ABS | 4,429 | — | 3,064 | 1,365 |
| CMBS | 1,773 | — | 1,714 | 59 |
| RMBS | 1,079 | — | 1,078 | 1 |
| U.S. government | 2,520 | 2,426 | 87 | 7 |
| State and political subdivisions | 1,114 | — | 1,095 | 19 |
| Other foreign government | 3,749 | — | 3,714 | 35 |
| Total fixed maturity securities available-for-sale | 60,467 | 2,426 | 51,622 | 6,419 |
| Equity securities | 139 | 69 | — | 70 |
| Funds withheld at interest – embedded derivatives | (377) | — | — | (377) |
| Funds withheld at interest | 54 | — | — | 54 |
| Cash equivalents | 1,335 | 1,322 | 13 | — |
| Short-term investments | 187 | 90 | 95 | 2 |
| Other invested assets: | | | | |
| Derivatives | 97 | — | 97 | — |
| Other | 22 | — | 22 | — |
| Total other invested assets | 119 | — | 119 | — |
| Total | \$ 61,924 | \$ 3,907 | \$ 51,849 | \$ 6,168 |
| Liabilities: | | | | |
| Interest-sensitive contract liabilities – embedded derivatives | \$ 415 | \$ — | \$ — | \$ 415 |
| Funds withheld at interest – embedded derivatives | (206) | — | — | (206) |
| Derivatives – other liabilities | 197 | — | 197 | — |
| Total | \$ 406 | \$ — | \$ 197 | \$ 209 |

(1) Excludes limited partnerships that are measured at estimated fair value using the NAV per share (or its equivalent) as a practical expedient. As of December 31, 2023, the fair value of such investments was \$856 million.

Quantitative Information Regarding Internally Priced Assets and Liabilities

The following table presents quantitative information about significant unobservable inputs used in Level 3 fair value measurements that are developed internally by the Company as of June 30, 2024 and December 31, 2023 (dollars in millions):

| | Estimated Fair Value | | Valuation Technique | Unobservable Input | Range (Weighted Average) | | | |
|--|----------------------|----------------------|---------------------|--------------------|--------------------------|--------------------------|--------------------|-------------|
| | June 30, 2024 | December 31, 2023 | | | June 30, 2024 | December 31, 2023 | | |
| Assets: | | | | | | | | |
| Corporate | | | Market comparable | | | | | |
| | \$ | 117 | \$ | 91 | securities | Liquidity premium | 0-2% (1%) | 0-2% (1%) |
| | | | | | EBITDA Multiple | 6.7x-11.0x (9.0x) | 6.0x-8.5x (7.1x) | |
| ABS | | 288 | | 268 | Market comparable | Liquidity premium | 0-9% (2%) | 0-18% (2%) |
| U.S. government | | 6 | | 7 | Market comparable | Liquidity premium | 0-1% (1%) | 0-1% (1%) |
| Equity securities | | 33 | | 31 | Market comparable | Liquidity premium | 4% | 4% |
| | | | | | EBITDA Multiple | 6.9x-12.4x (10.1x) | 8.4x-12.3x (10.1x) | |
| Funds withheld at interest – embedded derivatives | | 7 | | (50) | Total return swap | Mortality | 0-100% (3%) | 0-100% (3%) |
| | | | | | | Lapse | 0-35% (20%) | 0-35% (18%) |
| | | | | | | Withdrawal | 0-10% (4%) | 0-5% (4%) |
| | | | | | | CVA | 0-5% (0%) | 0-5% (0%) |
| | | | | | | Crediting rate | 1-4% (2%) | 1-4% (2%) |
| Liabilities: | | | | | | | | |
| Interest-sensitive contract liabilities – embedded derivatives – indexed annuities | | 386 | | 415 | Discounted cash flow | Mortality | 0-100% (3%) | 0-100% (3%) |
| | | | | | | Lapse | 0-35% (19%) | 0-35% (17%) |
| | | | | | | Withdrawal | 0-10% (4%) | 0-5% (4%) |
| | | | | | | Option budget projection | 1-4% (2%) | 1-4% (2%) |

Changes in Level 3 Assets and Liabilities

Assets and liabilities transferred into Level 3 are due to a lack of observable market transactions and price information. Transfers out of Level 3 are primarily the result of the Company obtaining observable pricing information or a third-party pricing quotation that appropriately reflects the fair value of those assets and liabilities.

For further information on the Company's valuation processes, see Note 13 – "Fair Value of Assets and Liabilities" in the Notes to Consolidated Financial Statements included in the Company's 2023 Annual Report.

The reconciliations for all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) are as follows (dollars in millions):

| For the three months ended June 30, 2024: | Fixed maturity securities available-for-sale | | | | | | | Funds withheld at interest – embedded derivatives, net ⁽¹⁾ | Funds withheld at interest | Interest- sensitive contract liabilities – embedded derivatives |
|---|--|-----------------|--------------------------|------------------------|----------------------|---------------------|---------------------------|--|----------------------------------|--|
| | Corporate | Foreign govt | Structured securities | U.S. and local govt | Equity securities | Cash equivalents | Short-term investments | | | |
| Fair value, beginning of period | \$ 5,079 | \$ 33 | \$ 1,398 | \$ 27 | \$ 69 | \$ — | \$ 10 | \$ (94) | \$ 55 | \$ (398) |
| Total gains/losses (realized/unrealized) | | | | | | | | | | |
| Included in earnings, net: | | | | | | | | | | |
| Net investment income | 4 | — | 2 | — | — | — | — | — | — | — |
| Investment related gains (losses), net | (24) | — | 1 | — | (4) | — | — | 26 | — | — |
| Interest credited | — | — | — | — | — | — | — | — | — | 8 |
| Included in other comprehensive income (loss) | (28) | (2) | 2 | — | — | — | — | — | — | — |
| Purchases ⁽²⁾ | 764 | — | 142 | — | 9 | — | 7 | — | — | (23) |
| Sales ⁽²⁾ | (63) | — | — | — | — | — | (1) | — | — | — |
| Settlements ⁽²⁾ | (232) | — | (99) | — | — | — | — | — | — | 27 |
| Transfers into Level 3 | 1 | — | 51 | — | — | — | — | — | — | — |
| Transfers out of Level 3 | — | — | — | — | — | — | (1) | — | — | — |
| Fair value, end of period | \$ 5,501 | \$ 31 | \$ 1,497 | \$ 27 | \$ 74 | \$ — | \$ 15 | \$ (68) | \$ 55 | \$ (386) |
| Total gains/losses (realized/unrealized) recorded for the period relating to those Level 3 assets and liabilities that were still held at the end of the period | | | | | | | | | | |
| Included in earnings, net: | | | | | | | | | | |
| Net investment income | \$ 2 | \$ — | \$ 1 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Investment related gains (losses), net | (18) | — | — | — | (4) | — | — | 26 | — | — |
| Interest credited | — | — | — | — | — | — | — | — | — | 18 |
| Included in other comprehensive income (loss) | (27) | (2) | 4 | — | — | — | — | — | — | — |

(1) Funds withheld at interest – embedded derivative assets and liabilities are presented net for purposes of the rollforward.

(2) The amount reported within purchases, sales and settlements is the purchase price (for purchases) and the sales/settlement proceeds (for sales and settlements) based upon the actual date purchased or sold/settled. Items purchased and sold/settled in the same period are excluded from the rollforward. The Company had no issuances during the period.

For the six months ended
June 30, 2024:

| | Fixed maturity securities available-for-sale | | | | | | | Funds withheld at interest – embedded derivatives, net ⁽¹⁾ | Funds withheld at interest | Interest-sensitive contract liabilities – embedded derivatives |
|---|--|--------------|-----------------------|---------------------|-------------------|------------------|------------------------|---|----------------------------|--|
| | Corporate | Foreign govt | Structured securities | U.S. and local govt | Equity securities | Cash equivalents | Short-term investments | | | |
| Fair value, beginning of period | \$ 4,933 | \$ 35 | \$ 1,425 | \$ 26 | \$ 70 | \$ — | \$ 2 | \$ (171) | \$ 54 | \$ (415) |
| Total gains/losses (realized/unrealized) | | | | | | | | | | |
| Included in earnings, net: | | | | | | | | | | |
| Net investment income | 6 | — | 3 | — | — | — | — | — | 2 | — |
| Investment related gains (losses), net | (48) | — | (1) | — | (7) | — | — | 103 | — | — |
| Interest credited | — | — | — | — | — | — | — | — | — | (12) |
| Included in other comprehensive income (loss) | (17) | (4) | 4 | — | — | — | — | — | (1) | — |
| Purchases ⁽²⁾ | 1,192 | — | 188 | — | 11 | — | 15 | — | 1 | (11) |
| Sales ⁽²⁾ | (182) | — | (23) | — | — | — | (1) | — | — | — |
| Settlements ⁽²⁾ | (350) | — | (159) | (1) | — | — | — | — | (1) | 52 |
| Transfers into Level 3 | 1 | — | 81 | 2 | — | — | — | — | — | — |
| Transfers out of Level 3 | (34) | — | (21) | — | — | — | (1) | — | — | — |
| Fair value, end of period | \$ 5,501 | \$ 31 | \$ 1,497 | \$ 27 | \$ 74 | \$ — | \$ 15 | \$ (68) | \$ 55 | \$ (386) |
| Total gains/losses (realized/unrealized) recorded for the period relating to those Level 3 assets and liabilities that were still held at the end of the period | | | | | | | | | | |
| Included in earnings, net: | | | | | | | | | | |
| Net investment income | \$ 3 | \$ — | \$ 2 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 2 | \$ — |
| Investment related gains (losses), net | (45) | — | (3) | — | (7) | — | — | 103 | — | — |
| Interest credited | — | — | — | — | — | — | — | — | — | 64 |
| Included in other comprehensive income (loss) | (15) | (4) | 6 | — | — | — | — | — | (1) | — |

(1) Funds withheld at interest – embedded derivative assets and liabilities are presented net for purposes of the rollforward.

(2) The amount reported within purchases, sales and settlements is the purchase price (for purchases) and the sales/settlement proceeds (for sales and settlements) based upon the actual date purchased or sold/settled. Items purchased and sold/settled in the same period are excluded from the rollforward. The Company had no issuances during the period.

For the three months ended
June 30, 2023:

| | Fixed maturity securities available-for-sale | | | | | | | Funds withheld at interest – embedded derivatives, net ⁽¹⁾ | Funds withheld at interest | Interest- sensitive contract liabilities – embedded derivatives |
|---|--|-----------------|--------------------------|------------------------|----------------------|---------------------|---------------------------|--|----------------------------------|--|
| | Corporate | Foreign govt | Structured securities | U.S. and local govt | Equity securities | Cash equivalents | Short-term investments | | | |
| Fair value, beginning of period | \$ 4,613 | \$ 37 | \$ 1,461 | \$ 28 | \$ 68 | \$ 1 | \$ 7 | \$ 29 | \$ 53 | \$ (495) |
| Total gains/losses (realized/unrealized) | | | | | | | | | | |
| Included in earnings, net: | | | | | | | | | | |
| Net investment income | 1 | — | 2 | — | — | — | — | — | (1) | — |
| Investment related gains (losses), net | 1 | — | (2) | — | (2) | — | — | (20) | — | — |
| Interest credited | — | — | — | — | — | — | — | — | — | (5) |
| Included in other comprehensive income (loss) | (64) | (2) | 11 | 1 | — | — | — | — | 2 | — |
| Purchases ⁽²⁾ | 192 | — | 17 | — | 6 | — | — | — | 1 | 9 |
| Sales ⁽²⁾ | (32) | — | (4) | — | (4) | — | — | — | — | — |
| Settlements ⁽²⁾ | (59) | — | (60) | — | — | — | — | — | (2) | 19 |
| Transfers into Level 3 | 8 | — | — | — | — | — | 6 | — | — | — |
| Transfers out of Level 3 | (6) | — | (28) | — | — | (1) | (7) | — | — | — |
| Fair value, end of period | \$ 4,654 | \$ 35 | \$ 1,397 | \$ 29 | \$ 68 | \$ — | \$ 6 | \$ 9 | \$ 53 | \$ (472) |
| Total gains/losses (realized/unrealized) recorded for the period relating to those Level 3 assets and liabilities that were still held at the end of the period | | | | | | | | | | |
| Included in earnings, net: | | | | | | | | | | |
| Net investment income | \$ 1 | \$ — | \$ 2 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ (1) | \$ — |
| Investment related gains (losses), net | — | — | (2) | — | (2) | — | — | (20) | — | — |
| Interest credited | — | — | — | — | — | — | — | — | — | (23) |
| Included in other comprehensive income (loss) | (65) | (2) | 10 | 1 | — | — | — | — | 2 | — |

(1) Funds withheld at interest – embedded derivative assets and liabilities are presented net for purposes of the rollforward.

(2) The amount reported within purchases, sales and settlements is the purchase price (for purchases) and the sales/settlement proceeds (for sales and settlements) based upon the actual date purchased or sold/settled. Items purchased and sold/settled in the same period are excluded from the rollforward. The Company had no issuances during the period.

**For the six months ended
June 30, 2023:**

| | Fixed maturity securities available-for-sale | | | | | | | Funds withheld at interest – embedded derivatives, net ⁽¹⁾ | Funds withheld at interest | Interest- sensitive contract liabilities – embedded derivatives |
|---|--|-----------------|--------------------------|------------------------|----------------------|---------------------|---------------------------|--|----------------------------------|--|
| | Corporate | Foreign govt | Structured securities | U.S. and local govt | Equity securities | Cash equivalents | Short-term investments | | | |
| Fair value, beginning of period | \$ 4,299 | \$ 35 | \$ 1,353 | \$ 35 | \$ 66 | \$ — | \$ 13 | \$ (8) | \$ 54 | \$ (530) |
| Total gains/losses (realized/unrealized) | | | | | | | | | | |
| Included in earnings, net: | | | | | | | | | | |
| Net investment income | 2 | — | 3 | — | — | — | — | — | (3) | — |
| Investment related gains (losses), net | — | — | (1) | — | (2) | — | (1) | 17 | — | — |
| Interest credited | — | — | — | — | — | — | — | — | — | 11 |
| Included in other comprehensive income (loss) | (9) | — | 44 | — | — | — | — | — | 3 | — |
| Purchases ⁽²⁾ | 510 | — | 115 | — | 8 | 1 | 1 | — | 1 | 10 |
| Sales ⁽²⁾ | (32) | — | (4) | — | (4) | — | — | — | — | — |
| Settlements ⁽²⁾ | (118) | — | (122) | (1) | — | — | — | — | (2) | 37 |
| Transfers into Level 3 | 8 | — | 64 | — | — | — | 6 | — | — | — |
| Transfers out of Level 3 | (6) | — | (55) | (5) | — | (1) | (13) | — | — | — |
| Fair value, end of period | \$ 4,654 | \$ 35 | \$ 1,397 | \$ 29 | \$ 68 | \$ — | \$ 6 | \$ 9 | \$ 53 | \$ (472) |
| Total gains/losses (realized/unrealized) recorded for the period relating to those Level 3 assets and liabilities that were still held at the end of the period | | | | | | | | | | |
| Included in earnings, net: | | | | | | | | | | |
| Net investment income | \$ 2 | \$ — | \$ 3 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ (3) | \$ — |
| Investment related gains (losses), net | (2) | — | (2) | — | (2) | — | (1) | 17 | — | — |
| Interest credited | — | — | — | — | — | — | — | — | — | (25) |
| Included in other comprehensive income (loss) | (13) | — | 43 | — | — | — | — | — | 3 | — |

(1) Funds withheld at interest – embedded derivative assets and liabilities are presented net for purposes of the rollforward.

(2) The amount reported within purchases, sales and settlements is the purchase price (for purchases) and the sales/settlement proceeds (for sales and settlements) based upon the actual date purchased or sold/settled. Items purchased and sold/settled in the same period are excluded from the rollforward. The Company had no issuances during the period.

Nonrecurring Fair Value Measurements

The Company has certain assets subject to measurement at fair value on a nonrecurring basis, in periods subsequent to their initial recognition if they are determined to be impaired. For the six months ended June 30, 2024 and 2023, the Company did not have any material assets that were measured at fair value due to impairment.

Fair Value of Financial Instruments Carried at Other Than Fair Value

The following table presents the carrying values and estimated fair values of the Company's financial instruments, which were not measured at fair value on a recurring basis, as of June 30, 2024 and December 31, 2023 (dollars in millions). For additional information regarding the methods and significant assumptions used by the Company to estimate these fair values, see Note 13 – "Fair Value of Assets and Liabilities" in the Notes to Consolidated Financial Statements included in the Company's 2023 Annual Report. This table excludes any payables or receivables for collateral under repurchase/reverse repurchase agreements and other transactions. The estimated fair value of the excluded amount approximates carrying value as they equal the amount of cash collateral received/paid.

June 30, 2024:

| June 30, 2024: | Carrying | Estimated | Fair Value Measurement Using: | | |
|--|----------------------|------------|-------------------------------|---------|-----------|
| | Value ⁽¹⁾ | Fair Value | Level 1 | Level 2 | Level 3 |
| Assets: | | | | | |
| Mortgage loans | \$ 7,984 | \$ 7,582 | \$ — | \$ — | \$ 7,582 |
| Policy loans | 1,171 | 1,171 | — | 1,171 | — |
| Funds withheld at interest | 5,776 | 5,386 | — | — | 5,386 |
| Limited partnerships – cost method | 55 | 58 | — | — | 58 |
| Cash and cash equivalents | 1,566 | 1,566 | 1,566 | — | — |
| Short-term investments | 31 | 31 | 31 | — | — |
| Other invested assets | 1,033 | 843 | 3 | 72 | 768 |
| Accrued investment income | 881 | 881 | — | 881 | — |
| Liabilities: | | | | | |
| Interest-sensitive contract liabilities ⁽²⁾ | \$ 21,822 | \$ 21,366 | \$ — | \$ — | \$ 21,366 |
| Funds withheld at interest | 4,530 | 4,276 | — | — | 4,276 |
| Long-term debt | 5,067 | 4,865 | — | — | 4,865 |

December 31, 2023:

| | | | | | |
|--|-----------|-----------|-------|-------|-----------|
| Assets: | | | | | |
| Mortgage loans | \$ 7,377 | \$ 6,975 | \$ — | \$ — | \$ 6,975 |
| Policy loans | 1,206 | 1,206 | — | 1,206 | — |
| Funds withheld at interest | 6,005 | 5,547 | — | — | 5,547 |
| Limited partnerships – cost method | 71 | 73 | — | — | 73 |
| Cash and cash equivalents | 1,635 | 1,635 | 1,635 | — | — |
| Short-term investments | 35 | 35 | 35 | — | — |
| Other invested assets | 1,019 | 841 | 4 | 63 | 774 |
| Accrued investment income | 759 | 759 | — | 759 | — |
| Liabilities: | | | | | |
| Interest-sensitive contract liabilities ⁽²⁾ | \$ 21,797 | \$ 21,665 | \$ — | \$ — | \$ 21,665 |
| Funds withheld at interest | 4,689 | 4,400 | — | — | 4,400 |
| Long-term debt | 4,427 | 4,243 | — | — | 4,243 |

(1) Carrying values presented herein may differ from those in the Company's condensed consolidated balance sheets because certain items within the respective financial statement captions may be measured at fair value on a recurring basis.

(2) Carrying values and estimated fair values presented herein include a reinsurance recoverable of \$2.1 billion and \$2.2 billion as of June 30, 2024 and December 31, 2023, respectively.

NOTE 13 INCOME TAX

The effective tax rate for the three and six months ending June 30, 2024, was 24.3% and 23.1% on pre-tax income. The tax rate was higher than the U.S. statutory rate primarily due to income earned in foreign jurisdictions and Subpart F income. These increases were partially offset with benefits received from tax credits and benefits received from return to provision adjustments.

The effective tax rate for the three and six months ending June 30, 2023, was 21.7% and 25.2% on pre-tax income. The tax rate differed from the U.S. statutory rate primarily due to income earned in jurisdictions with tax rate greater than the U.S. statutory tax rate, and adjustments to the valuation allowance. These increases were partially offset with benefits received from tax credits generated during the year.

The Inflation Reduction Act of 2022 ("the Act") was enacted in 2022. For tax years ending after December 31, 2022, the Act imposes a 15% minimum tax on adjusted financial statement income for "applicable corporations" with average financial statement income over \$1 billion for the previous 3-year period ending in 2022 or after. Based on the current guidance, the Company is not an applicable corporation for 2024. The Act also imposes a 1% excise tax on stock buybacks of a publicly traded corporation. The Act is not expected to have a material impact to the Company's tax expense.

Bermuda enacted the Corporate Income Tax Act of 2023 on December 27, 2023. The Bermuda regime, which is effective for fiscal years beginning on or after January 1, 2025, establishes a statutory tax rate of 15%, applicable to companies with annual revenue of EUR 750 million or more. This enactment did not have a material impact on the Company's financial position or results from operations.

The Organization for Economic Cooperation and Development developed Model Global Anti-Base Erosion ("GloBE") rules under Pillar II establishing a Global Minimum Tax to ensure multinational enterprises with consolidated revenue of more than EUR 750 million pay at least an effective tax rate of 15% on income arising in each jurisdiction in which they operate. The

GloBE model rules serve as a template to allow for each jurisdiction to modify and incorporate into domestic law. As of June 30, 2024, many of the jurisdictions in which the Company operates enacted Pillar II legislation into domestic law with an effective date of January 1, 2024. Guidance is expected to continue throughout 2024 and beyond. The Company continues to evaluate the expected impact of the new law.

NOTE 14 EMPLOYEE BENEFIT PLANS

The components of net periodic benefit cost, included in other operating expenses on the Company's condensed consolidated statements of income, for the three and six months ended June 30, 2024 and 2023 were as follows (dollars in millions):

| | Pension Benefits | | Other Benefits | |
|---|-----------------------------|------|-----------------------------|------|
| | Three months ended June 30, | | Three months ended June 30, | |
| | 2024 | 2023 | 2024 | 2023 |
| Service cost | \$ 4 | \$ 4 | \$ 1 | \$ 1 |
| Interest cost | 2 | 3 | — | — |
| Expected return on plan assets | (3) | (2) | — | — |
| Amortization of prior service cost (credit) | — | — | (1) | (1) |
| Amortization of prior actuarial losses | — | — | — | — |
| Net periodic benefit cost | \$ 3 | \$ 5 | \$ — | \$ — |

| | Pension Benefits | | Other Benefits | |
|---|---------------------------|------|---------------------------|------|
| | Six months ended June 30, | | Six months ended June 30, | |
| | 2024 | 2023 | 2024 | 2023 |
| Service cost | \$ 7 | \$ 7 | \$ 1 | \$ 1 |
| Interest cost | 5 | 5 | 1 | 1 |
| Expected return on plan assets | (6) | (5) | — | — |
| Amortization of prior service cost (credit) | — | — | (1) | (1) |
| Amortization of prior actuarial losses | 1 | 1 | — | — |
| Net periodic benefit cost | \$ 7 | \$ 8 | \$ 1 | \$ 1 |

NOTE 15 COMMITMENTS, CONTINGENCIES AND GUARANTEES

Commitments

Funding of Investments

The Company's commitments to fund investments as of June 30, 2024 and December 31, 2023, are presented in the following table (dollars in millions):

| | June 30, 2024 | December 31, 2023 |
|---|---------------|-------------------|
| Limited partnerships and real estate joint ventures | \$ 1,020 | \$ 1,058 |
| Mortgage loans | 140 | 137 |
| Bank loans and private placements | 1,168 | 810 |
| Lifetime mortgages | 73 | 53 |

The Company anticipates that the majority of its current commitments will be invested over the next five years; however, these commitments could become due any time at the request of the counterparties. Bank loans and private placements are included in fixed maturity securities available-for-sale.

The Company has an immaterial liability, included in other liabilities, for current expected credit losses associated with unfunded commitments as of June 30, 2024 and December 31, 2023.

Funding Agreements

Federal Home Loan Bank of Des Moines

The Company is a member of the FHLB and, through membership, has issued funding agreements to the FHLB in exchange for cash advances. As of June 30, 2024 and December 31, 2023, the Company had \$1.4 billion and \$1.1 billion of FHLB funding agreements outstanding, respectively. The Company is required to provide collateral in excess of the funding agreement amounts outstanding, considering any discounts to the securities posted and prepayment penalties.

Funding Agreement Backed Notes

The Company's Funding Agreement Backed Notes ("FABN") program allows RGA Global Funding, a special-purpose, unaffiliated statutory trust, to offer its senior secured medium-term notes to investors. RGA Global Funding uses the net

proceeds from each sale to purchase one or more funding agreements from the Company. As of June 30, 2024 and December 31, 2023, the Company had \$2.7 billion and \$1.3 billion, respectively, of FABN agreements outstanding and are included within interest-sensitive contract liabilities.

Contingencies

Litigation

The Company is subject to litigation and regulatory investigations or actions from time to time. Based on current knowledge, management does not believe that loss contingencies arising from pending legal, regulatory and governmental matters will have a material adverse effect on the financial condition, results of operations or cash flows of the Company. However, in light of the inherent uncertainties involved in future or pending legal, regulatory and governmental matters, some of which are beyond the Company's control, and indeterminate or potentially substantial amount of damages sought in any such matters, an adverse outcome could be material to the Company's financial condition, results of operations or cash flows for any particular reporting period. A legal reserve is established when the Company is notified of an arbitration demand, litigation or regulatory action or is notified that an arbitration demand, litigation or regulatory action is imminent, it is probable that the Company will incur a loss as a result and the amount of the probable loss is reasonably capable of being estimated.

Other Contingencies

The Company indemnifies its directors and officers as provided in its charters and by-laws. Since this indemnity generally is not subject to limitation with respect to duration or amount, the Company does not believe that it is possible to determine the maximum potential amount due under this indemnity in the future.

Guarantees

Statutory Reserve Support

Certain RGA subsidiaries have committed to provide statutory reserve support to third parties, in exchange for a fee, by funding loans if certain defined events occur. Such statutory reserves are required under the U.S. Valuation of Life Policies Model Regulation (commonly referred to as Regulation XXX for term life insurance policies and Regulation A-XXX for universal life secondary guarantees). In addition, certain subsidiaries have also committed to provide capital support to a third party, in exchange for a fee, by agreeing to assume real estate leases in the event of a severe and prolonged decline in the commercial lease market. Upon assumption of a lease, the Company would recognize a right of use asset and lease obligation. As of June 30, 2024, the Company does not believe that it will be required to provide any funding under these commitments as the occurrence of the defined events is considered remote. The following table presents the maximum potential obligation for these commitments as of June 30, 2024 (dollars in millions):

| Commitment Period | Maximum Potential Obligation |
|-------------------|------------------------------|
| 2034 | \$ 1,243 |
| 2035 | 1,903 |
| 2036 | 3,599 |
| 2037 | 5,100 |
| 2038 | 2,550 |
| 2039 | 8,751 |
| 2041 | 720 |
| 2046 | 3,000 |
| 2049 | 4,750 |

NOTE 16 SEGMENT INFORMATION

The accounting policies of the segments are the same as those described in Note 2 – "Significant Accounting Policies and Pronouncements" in the Notes to Consolidated Financial Statements included in the Company's 2023 Annual Report. The Company measures segment performance primarily based on profit or loss from operations before income taxes. There are no intersegment reinsurance transactions and the Company does not have any material long-lived assets.

The Company allocates capital to its segments based on an internally developed economic capital model, the purpose of which is to measure the risk in the business and to provide a basis upon which capital is deployed. The economic capital model considers the unique and specific nature of the risks inherent in the Company's businesses. As a result of the economic capital allocation process, a portion of investment income is credited to the segments based on the level of allocated capital. In addition, the segments are charged for excess capital utilized above the allocated economic capital basis. This charge is included in policy acquisition costs and other insurance expenses.

The Company has geographic-based and business-based operational segments. Geographic-based operations are further segmented into Traditional and Financial Solutions businesses. Information related to revenues, income (loss) before income taxes and total assets of the Company for each reportable segment are summarized below (dollars in millions):

| | Three months ended June 30, | | Six months ended June 30, | |
|---|-----------------------------|----------|---------------------------|----------|
| | 2024 | 2023 | 2024 | 2023 |
| Revenues: | | | | |
| U.S. and Latin America: | | | | |
| Traditional | \$ 2,044 | \$ 1,932 | \$ 3,958 | \$ 3,744 |
| Financial Solutions | 664 | 278 | 2,973 | 793 |
| Total | 2,708 | 2,210 | 6,931 | 4,537 |
| Canada: | | | | |
| Traditional | 389 | 373 | 775 | 732 |
| Financial Solutions | 101 | 26 | 128 | 53 |
| Total | 490 | 399 | 903 | 785 |
| Europe, Middle East and Africa: | | | | |
| Traditional | 524 | 451 | 1,049 | 911 |
| Financial Solutions | 232 | 130 | 443 | 299 |
| Total | 756 | 581 | 1,492 | 1,210 |
| Asia Pacific: | | | | |
| Traditional | 778 | 752 | 1,569 | 1,481 |
| Financial Solutions | 102 | 136 | 245 | 267 |
| Total | 880 | 888 | 1,814 | 1,748 |
| Corporate and Other | 44 | 78 | 75 | 127 |
| Total | \$ 4,878 | \$ 4,156 | \$ 11,215 | \$ 8,407 |
| Income (loss) before income taxes: | | | | |
| | Three months ended June 30, | | Six months ended June 30, | |
| | 2024 | 2023 | 2024 | 2023 |
| U.S. and Latin America: | | | | |
| Traditional | \$ 174 | \$ 62 | \$ 290 | \$ 183 |
| Financial Solutions | 83 | 68 | 100 | 182 |
| Total | 257 | 130 | 390 | 365 |
| Canada: | | | | |
| Traditional | 27 | 35 | 74 | 64 |
| Financial Solutions | 6 | 6 | 13 | 16 |
| Total | 33 | 41 | 87 | 80 |
| Europe, Middle East and Africa: | | | | |
| Traditional | 1 | 4 | 29 | 31 |
| Financial Solutions | 72 | 52 | 136 | 111 |
| Total | 73 | 56 | 165 | 142 |
| Asia Pacific: | | | | |
| Traditional | 100 | 89 | 209 | 168 |
| Financial Solutions | (58) | 20 | (45) | 7 |
| Total | 42 | 109 | 164 | 175 |
| Corporate and Other | (136) | (71) | (265) | (146) |
| Total | \$ 269 | \$ 265 | \$ 541 | \$ 616 |

| Assets: | June 30, 2024 | December 31, 2023 |
|---------------------------------|---------------|-------------------|
| U.S. and Latin America: | | |
| Traditional | \$ 24,618 | \$ 24,320 |
| Financial Solutions | 28,950 | 28,385 |
| Total | 53,568 | 52,705 |
| Canada: | | |
| Traditional | 5,022 | 5,111 |
| Financial Solutions | 5,892 | 219 |
| Total | 10,914 | 5,330 |
| Europe, Middle East and Africa: | | |
| Traditional | 4,566 | 4,334 |
| Financial Solutions | 7,731 | 5,656 |
| Total | 12,297 | 9,990 |
| Asia Pacific: | | |
| Traditional | 8,954 | 9,925 |
| Financial Solutions | 20,843 | 14,680 |
| Total | 29,797 | 24,605 |
| Corporate and Other | 3,312 | 4,993 |
| Total | \$ 109,888 | \$ 97,623 |

NOTE 17 FINANCING ACTIVITIES

On May 13, 2024, the Company issued 5.75% fixed rate Senior Notes due 2034 with a face amount of \$ 650 million and will be used for general corporate purposes. Capitalized issuance costs were \$6 million.

NOTE 18 NEW ACCOUNTING STANDARDS

Changes to the general accounting principles are established by the Financial Accounting Standards Board ("FASB") in the form of accounting standards updates to the FASB Accounting Standards Codification™. Accounting standards updates not listed below were assessed and determined to be either not applicable or are expected to have a minimal impact on the Company's condensed consolidated financial statements.

| Description | Anticipated Date of Adoption | Effect on the Consolidated Financial Statements |
|---|------------------------------|--|
| <i>Segment Reporting</i> | | |
| This standard improves reportable segment disclosure requirements, primarily December 31, 2024 through enhanced disclosures about significant segment expenses. In addition, the amendments enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of profit or loss, provide new segment disclosure requirements for entities with a single reportable segment and contain other disclosure requirements. Early adoption is permitted. | | The adoption of the new standard will be applied retrospectively to all periods presented in the year of adoption. The adoption of the new standard will not be material to the Company's results of operations or financial position. |
| <i>Income Taxes</i> | | |
| This standard improves income tax disclosure requirements, which requires December 31, 2025 disaggregated information about a reporting entity's effective tax rate reconciliation, information on income taxes paid and other disclosure requirements. Early adoption is permitted. | | The adoption of the new standard will be applied prospectively. Retrospective application is permitted. The adoption of the new standard will not be material to the Company's results of operations or financial position. |

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**Cautionary Note Regarding Forward-Looking Statements**

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and federal securities laws including, among others, statements relating to projections of the future operations, strategies, earnings, revenues, income or loss, ratios, financial performance, and growth potential of the Company. Forward-looking statements often contain words and phrases such as "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "if," "intend," "likely," "may," "plan," "potential," "pro forma," "project," "should," "will," "would," and other words and terms of similar meaning or that are otherwise tied to future periods or future performance, in each case in all derivative forms. Forward-looking statements are based on management's current expectations and beliefs concerning future developments and their potential effects on the Company. Forward-looking statements are not a guarantee of future performance and are 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.

Factors that could also cause results or events to differ, possibly materially, from those expressed or implied by forward-looking statements, include, among others: (1) adverse changes in mortality, morbidity, lapsation, or claims experience, (2) inadequate risk analysis and underwriting, (3) adverse capital and credit market conditions and their impact on the Company's liquidity, access to capital, and cost of capital, (4) changes in the Company's financial strength and credit ratings and the effect of such changes on the Company's future results of operations and financial condition, (5) the availability and cost of collateral necessary for regulatory reserves and capital, (6) requirements to post collateral or make payments due to declines in the market value of assets subject to the Company's collateral arrangements, (7) action by regulators who have authority over the Company's reinsurance operations in the jurisdictions in which it operates, (8) the effect of the Company parent's status as an insurance holding company and regulatory restrictions on its ability to pay principal of and interest on its debt obligations, (9) general economic conditions or a prolonged economic downturn affecting the demand for insurance and reinsurance in the Company's current and planned markets, (10) the impairment of other financial institutions and its effect on the Company's business, (11) fluctuations in U.S. or foreign currency exchange rates, interest rates, or securities and real estate markets, (12) market or economic conditions that adversely affect the value of the Company's investment securities or result in the impairment of all or a portion of the value of certain of the Company's investment securities that in turn could affect regulatory capital, (13) market or economic conditions that adversely affect the Company's ability to make timely sales of investment securities, (14) risks inherent in the Company's risk management and investment strategy, including changes in investment portfolio yields due to interest rate or credit quality changes, (15) the fact that the determination of allowances and impairments taken on the Company's investments is highly subjective, (16) the stability of and actions by governments and economies in the markets in which the Company operates, including ongoing uncertainties regarding the amount of U.S. sovereign debt and the credit ratings thereof, (17) the Company's dependence on third parties, including those insurance companies and reinsurers to which the Company cedes some reinsurance, third-party investment managers, and others, (18) financial performance of the Company's clients, (19) the threat of natural disasters, catastrophes, terrorist attacks, pandemics, epidemics, or other major public health issues anywhere in the world where the Company or its clients do business, (20) competitive factors and competitors' responses to the Company's initiatives, (21) development and introduction of new products and distribution opportunities, (22) execution of the Company's entry into new markets, (23) integration of acquired blocks of business and entities, (24) interruption or failure of the Company's telecommunication, information technology, or other operational systems, or the Company's failure to maintain adequate security to protect the confidentiality or privacy of personal or sensitive data and intellectual property stored on such systems, (25) adverse developments with respect to litigation, arbitration, or regulatory investigations or actions, (26) the adequacy of reserves, resources and accurate information relating to settlements, awards, and terminated and discontinued lines of business, (27) changes in laws, regulations, and accounting standards applicable to the Company or its business, including Long-Duration Targeted Improvement accounting changes, and (28) other risks and uncertainties described in this document and in the Company's other filings with the Securities and Exchange Commission ("SEC").

Forward-looking statements should be evaluated together with the many risks and uncertainties that affect the Company's business, including those mentioned in this document and described in the periodic reports the Company files with the SEC. These forward-looking statements speak only as of the date on which they are made. The Company does not undertake any obligation to update these forward-looking statements, even though the Company's situation may change in the future, except as required under applicable securities law. 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 see Item 1A – "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, as may be supplemented by Item 1A – "Risk Factors" in the Company's subsequent Quarterly Reports on Form 10-Q and in our other periodic and current reports filed with the SEC.

Overview

The Company is among the leading global providers of life reinsurance and financial solutions, with \$3.8 trillion of life reinsurance in force and assets of \$109.9 billion as of June 30, 2024. Traditional reinsurance includes individual and group life and health, disability, and critical illness reinsurance. Financial Solutions includes longevity reinsurance, asset-intensive reinsurance, capital solutions, including financial reinsurance and stable value products. The Company derives revenues primarily from renewal premiums from existing reinsurance treaties, new business premiums from existing or new reinsurance treaties, fee income from Financial Solutions business and income earned on invested assets.

The Company's Traditional business involves reinsuring life insurance policies that are often in force for the remaining lifetime of the underlying individuals insured, with premiums earned typically over a period of 10 to 30 years. To a lesser extent, the Company also reinsures health business typically reinsured for one to three years. Each year, however, a portion of the business under existing treaties terminates due to, among other things, lapses or voluntary surrenders of underlying policies, deaths of insureds, and the exercise of recapture options by ceding companies. The Company's Financial Solutions business, includes significant asset-intensive and longevity risk transactions, which allow its clients to take advantage of growth opportunities and manage their capital, longevity and investment risk. The Company also works with partners to provide pension plan sponsors solutions that enable them to diversify and protect the benefits provided to the annuitants.

For its traditional business, the Company's profitability largely depends on the volume and amount of death- and health-related claims incurred and the ability to adequately price the risks it assumes. While death claims are reasonably predictable over a period of many years, claims become less predictable over shorter periods and are subject to significant fluctuation from quarter to quarter and year to year. For longevity business, the Company's profitability depends on the lifespan of the underlying contract holders and the investment performance for certain contracts. Additionally, the Company generates profits on investment spreads associated with the reinsurance of investment type contracts and generates fees from financial reinsurance transactions, which are typically shorter duration than its traditional life reinsurance business. The Company believes its sources of liquidity are sufficient to cover potential claims payments on both a short-term and long-term basis.

As is customary in the reinsurance business, clients continually update, refine, and revise reinsurance information provided to the Company. Such revised information is used by the Company in preparation of its condensed consolidated financial statements and the financial effects resulting from the incorporation of revised data are reflected in the current period.

Segment Presentation

The Company has geographic-based and business-based operational segments. Geographic-based operations are further segmented into Traditional and Financial Solutions businesses. The Company allocates capital to its segments based on an internally developed economic capital model, the purpose of which is to measure the risk in the business and to provide a consistent basis upon which capital is deployed. The economic capital model considers the unique and specific nature of the risks inherent in RGA's businesses.

As a result of the economic capital allocation process, a portion of investment income is credited to the segments based on the level of allocated capital. In addition, the segments are charged for excess capital utilized above the allocated economic capital basis. This charge is included in policy acquisition costs and other insurance expenses. Segment investment performance varies with the composition of investments and the relative allocation of capital to the operating segments.

Segment revenue levels can be significantly influenced by currency fluctuations, large transactions, mix of business and reporting practices of ceding companies, and therefore may fluctuate from period to period. Although reasonably predictable over a period of years, segment claims experience can be volatile over shorter periods. See "Results of Operations by Segment" below for further information about the Company's segments.

Consolidated Results of Operations

Results from Operations – 2024 compared to 2023

The following table summarizes net income for the periods presented.

| (Dollars in millions, except per share data) | Three months ended June 30, | | | Six months ended June 30, | | |
|---|-----------------------------|----------|--------------|---------------------------|----------|--------------|
| | 2024 | 2023 | 2024 vs 2023 | 2024 | 2023 | 2024 vs 2023 |
| Revenues | | | | | | |
| Net premiums | \$ 3,920 | \$ 3,337 | \$ 583 | \$ 9,296 | \$ 6,722 | \$ 2,574 |
| Net investment income | 1,082 | 857 | 225 | 2,043 | 1,713 | 330 |
| Investment related losses, net | (271) | (123) | (148) | (420) | (200) | (220) |
| Other revenues | 147 | 85 | 62 | 296 | 172 | 124 |
| Total revenues | 4,878 | 4,156 | 722 | 11,215 | 8,407 | 2,808 |
| Benefits and expenses | | | | | | |
| Claims and other policy benefits | 3,712 | 3,013 | 699 | 8,844 | 6,076 | 2,768 |
| Future policy benefits remeasurement (gains) losses | (90) | 13 | (103) | (114) | (13) | (101) |
| Market risk benefits remeasurement (gains) losses | (8) | (31) | 23 | (43) | (17) | (26) |
| Interest credited | 231 | 209 | 22 | 485 | 424 | 61 |
| Policy acquisition costs and other insurance expenses | 391 | 349 | 42 | 778 | 680 | 98 |
| Other operating expenses | 301 | 275 | 26 | 584 | 525 | 59 |
| Interest expense | 72 | 63 | 9 | 140 | 116 | 24 |
| Total benefits and expenses | 4,609 | 3,891 | 718 | 10,674 | 7,791 | 2,883 |
| Income before income taxes | 269 | 265 | 4 | 541 | 616 | (75) |
| Provision for income taxes | 65 | 58 | 7 | 125 | 156 | (31) |
| Net income | \$ 204 | \$ 207 | \$ (3) | \$ 416 | \$ 460 | \$ (44) |
| Net income attributable to noncontrolling interest | 1 | 2 | (1) | 3 | 3 | — |
| Net income available to RGA, Inc. shareholders | \$ 203 | \$ 205 | \$ (2) | \$ 413 | \$ 457 | \$ (44) |
| Earnings per share | | | | | | |
| Basic earnings per share | \$ 3.07 | \$ 3.09 | \$ (0.02) | \$ 6.28 | \$ 6.86 | \$ (0.58) |
| Diluted earnings per share | \$ 3.03 | \$ 3.05 | \$ (0.02) | \$ 6.19 | \$ 6.77 | \$ (0.58) |

Three months ended June 30, 2024 compared to three months ended June 30, 2023

The slight decrease in income for the three months ended June 30, 2024, was primarily the result of:

- An increase in investment related losses resulting from portfolio repositioning and an increase in losses on freestanding derivatives, primarily related to foreign currency and interest rate derivatives.
- Unfavorable claims experience in the Canada and EMEA Traditional segments.
- The increases in claims and other policy benefits and investment related losses were partially offset by an increase in net investment income attributable to an increase in average asset base and higher interest rates on new investments, favorable impacts of in force management actions and higher surrender charges and market value adjustments related to higher lapses on a single premium annuity block of business.

Six months ended June 30, 2024 compared to six months ended June 30, 2023

The decrease in income for the six months ended June 30, 2024, was primarily the result of:

- Unfavorable results in the U.S. Financial Solutions business as a result of a non-economic loss recognized at the inception of a single premium pension risk transfer ("PRT") transaction completed in first quarter of 2024. The non-economic loss at inception is the difference between the single premium received and the valuation of the initial reserve based on interest rates prescribed by U.S. GAAP.
- An increase in investment related losses resulting from portfolio repositioning.
- The increases in claims and other policy benefits and investment related losses were partially offset by an increase in net investment income attributable to an increase in average asset base and higher interest rates on new investments, favorable impacts of in force management actions and higher surrender charges and market value adjustments related to higher lapses on a single premium annuity block of business.

Foreign currency fluctuations can result in variances in the financial statement line items. Foreign currency exchange fluctuations increased income before taxes for the three and six months ended June 30, 2024, by \$5 million and \$11 million,

respectively, primarily due to the weakening of the Japanese Yen compared to the U.S. dollar. Unless otherwise stated, all amounts discussed below are net of foreign currency fluctuations.

Premiums and business growth

The increase in premiums for the three and six months ended June 30, 2024, was primarily due to single premium pension risk transfer ("PRT") transactions. The PRT single premiums received were offset by an increase in reserves. The remaining increase in premiums for the three and six months ended June 30, 2024, was attributable to organic growth on existing treaties and new business production, measured by the face amount of life reinsurance in force, of \$198.7 billion and \$168.8 billion during the six months ended June 30, 2024 and 2023, respectively. Consolidated assumed life reinsurance in force increased to \$3,767.7 billion as of June 30, 2024, from \$3,479.6 billion as of June 30, 2023, primarily due to new business production.

Net investment income and investment related gains (losses), net

The increase in net investment income was primarily attributable to an increase in the average invested asset base and interest rates earned on new investments, partially offset by a decrease in variable investment income associated with joint venture and limited partnership investments:

- The average invested assets at amortized cost, excluding spread related business, totaled \$38.1 billion and \$35.8 billion in 2024 and 2023, respectively.
- The average yield earned on investments, excluding spread related business, was 4.65% and 4.42% for the three month periods ended June 30, 2024 and 2023, respectively, and 4.67% and 4.56% for the six months ended June 30, 2024 and 2023, respectively. The increase in yield for the three and six months ended June 30, 2024, compared to the prior year was attributable to higher new money rates.

The average yield will vary from period to period depending on several variables, including the prevailing risk-free interest rate and credit spread environment, prepayment fees and make-whole premiums, changes in the mix of the underlying investments and cash and cash equivalents balances. Variable investment income from joint ventures and limited partnerships will also vary from period to period and is highly dependent on the timing of dividends and distributions on certain investments. Investment income is allocated to the operating segments based upon average assets and related capital levels deemed appropriate to support segment operations.

The increase in investment related losses, net was primarily attributable to the following:

- During the three and six months ended June 30, 2024, the Company repositioned its portfolio generating net capital losses of \$162 million and \$264 million, respectively, compared to net capital losses of \$26 million and \$70 million during the three and six months ended June 30, 2023, respectively.
- The Company uses various derivative instruments such as interest rate swaps, credit default swaps and foreign exchange forwards for risk management purposes that either do not qualify or have not been elected for hedge accounting treatment. Changes in the fair value of these instruments are included in investment related gains (losses), net. During the three and six months ended June 30, 2024, the fair value of these instruments decreased by \$119 million and \$218 million, respectively, compared to decreases of \$93 million and \$124 million during the first three and six months of 2023. See Note 11 – "Derivative Instruments" for additional information.
- During the three and six months ended June 30, 2024, the Company incurred \$17 million and \$37 million of impairments and change in allowance for credit losses on fixed maturity securities compared to \$(4) million and \$39 million during the three and six months of 2023.
- The increases in investment related losses were partially offset by the following:
 - Changes in the fair value of embedded derivatives associated with modco/funds withheld treaties decreased investment related losses by \$26 million and \$103 million for the three and six months ended June 30, 2024, respectively, compared to \$(20) million and \$17 million for the three and six months ended June 30, 2023, respectively.

The effective tax rate was 24.3% and 23.1% for the three and six months ended June 30, 2024, respectively, compared to 21.7% and 25.2% for the three and six months ended June 30, 2023. See Note 13 – "Income Tax" for additional information on the Company's consolidated effective tax rate.

Impact of certain derivatives, market risk benefits and non-economic changes in insurance liabilities on income before taxes

The Company recognizes in consolidated income any changes in the fair value of embedded derivatives on modco or funds withheld treaties and non-economic changes in insurance liabilities, such as the initial loss on PRT transactions, and changes in the fair value of embedded derivatives associated with equity index annuities ("EIAs"). In addition, the Company recognizes the changes in fair value of market risk benefits associated with guaranteed minimum benefit riders in market risk benefits

remeasurement gains (losses). The Company utilizes freestanding derivatives to minimize the income statement volatility due to changes in the fair value of market risk benefits associated with guaranteed minimum benefit riders. The following table presents the effect of embedded derivatives, market risk benefits, related freestanding derivatives and non-economic changes in insurance liabilities on income before income taxes for the periods indicated (dollars in millions):

| | Three months ended June 30, | | | Six months ended June 30, | | |
|---|-----------------------------|---------|---------------|---------------------------|---------|---------------|
| | 2024 | 2023 | 2024 vs. 2023 | 2024 | 2023 | 2024 vs. 2023 |
| Modco/Funds withheld: | | | | | | |
| Change in fair value of funds withheld embedded derivatives | \$ 26 | \$ (20) | \$ 46 | \$ 103 | \$ 17 | \$ 86 |
| Non-economic changes in insurance liabilities | 9 | (2) | 11 | (127) | (4) | (123) |
| Market Risk Benefits: | | | | | | |
| Market risk benefits remeasurement gains (losses) | 8 | 31 | (23) | 43 | 17 | 26 |
| Related freestanding derivatives | (8) | (42) | 34 | (52) | (42) | (10) |
| Net effect | — | (11) | 11 | (9) | (25) | 16 |
| Total net effect after freestanding derivatives | \$ 35 | \$ (33) | \$ 68 | \$ (33) | \$ (12) | \$ (21) |

Results of Operations by Segment

U.S. and Latin America Operations

The U.S. and Latin America operations consist of two major segments: Traditional and Financial Solutions. The Traditional segment primarily specializes in the reinsurance of individual mortality-risk, health and long-term care and to a lesser extent, group reinsurance. The Financial Solutions segment consists of asset-intensive and capital solutions. Asset-intensive includes coinsurance of annuities, corporate-owned life insurance policies, pension risk transfer ("PRT") group annuity contracts and, to a lesser extent, fee-based synthetic guaranteed investment contracts, which include investment-only, stable value contracts. Capital solutions includes assisting ceding companies in meeting applicable regulatory requirements by enhancing the ceding companies' financial strength and regulatory surplus position through relatively low risk reinsurance and other transactions. Typically, these transactions do not qualify as reinsurance under GAAP due to the low-risk nature of the transactions; therefore, only the related net fees are reflected in other revenues on the condensed consolidated statements of income.

The following table summarizes income before income taxes for the Company's U.S. and Latin America operations for the periods presented:

| (dollars in millions) | Three months ended June 30, | | | Six months ended June 30, | | |
|---|-----------------------------|----------|--------------|---------------------------|----------|--------------|
| | 2024 | 2023 | 2024 vs 2023 | 2024 | 2023 | 2024 vs 2023 |
| Revenues | | | | | | |
| Net premiums | \$ 2,132 | \$ 1,767 | \$ 365 | \$ 5,763 | \$ 3,545 | \$ 2,218 |
| Net investment income | 522 | 458 | 64 | 1,031 | 932 | 99 |
| Investment related gains (losses), net | (9) | (69) | 60 | 6 | (50) | 56 |
| Other revenues | 63 | 54 | 9 | 131 | 110 | 21 |
| Total revenues | 2,708 | 2,210 | 498 | 6,931 | 4,537 | 2,394 |
| Benefits and expenses | | | | | | |
| Claims and other policy benefits | 2,041 | 1,637 | 404 | 5,692 | 3,283 | 2,409 |
| Future policy benefits remeasurement (gains) losses | (69) | 23 | (92) | (88) | 26 | (114) |
| Market risk benefits remeasurement (gains) losses | (8) | (31) | 23 | (43) | (17) | (26) |
| Interest credited | 139 | 151 | (12) | 306 | 298 | 8 |
| Policy acquisition costs and other insurance expenses | 273 | 236 | 37 | 528 | 459 | 69 |
| Other operating expenses | 75 | 64 | 11 | 146 | 123 | 23 |
| Total benefits and expenses | 2,451 | 2,080 | 371 | 6,541 | 4,172 | 2,369 |
| Income before income taxes | \$ 257 | \$ 130 | \$ 127 | \$ 390 | \$ 365 | \$ 25 |

The increase in income before income taxes for the second quarter was primarily due to favorable impacts of in-force management actions in the Traditional segment and higher net investment income. The increase in income before income taxes for the first six months of 2024 was primarily due to favorable impacts of in-force management actions in the Traditional segment and favorable net investment income, partially offset by the net impact of certain derivatives, market risk benefits and non-economic change in insurance liabilities in the Financial Solutions segment. The non-economic change in insurance liabilities was primarily related to the initial loss recognized at the inception of a single premium PRT transaction completed in the first quarter of 2024. The non-economic loss at inception is the difference between the single premium received and the valuation of the initial reserve based on interest rates prescribed by U.S. GAAP.

Traditional Reinsurance

| | Three months ended June 30, | | | Six months ended June 30, | | |
|---|-----------------------------|----------|--------------|---------------------------|-------------------|--------------|
| (dollars in millions) | 2024 | 2023 | 2024 vs 2023 | 2024 | 2023 | 2024 vs 2023 |
| Revenues | | | | | | |
| Net premiums | \$ 1,827 | \$ 1,750 | \$ 77 | \$ 3,542 | \$ 3,365 | \$ 177 |
| Net investment income | 203 | 180 | 23 | 408 | 373 | 35 |
| Investment related gains (losses), net | 6 | (1) | 7 | (6) | (2) | (4) |
| Other revenues | 8 | 3 | 5 | 14 | 8 | 6 |
| Total revenues | 2,044 | 1,932 | 112 | 3,958 | 3,744 | 214 |
| Benefits and expenses | | | | | | |
| Claims and other policy benefits | 1,676 | 1,592 | 84 | 3,248 | 3,039 | 209 |
| Future policy benefits remeasurement (gains) losses | (66) | 24 | (90) | (87) | 31 | (118) |
| Market risk benefits remeasurement (gains) losses | — | — | — | — | — | — |
| Interest credited | 19 | 18 | 1 | 38 | 36 | 2 |
| Policy acquisition costs and other insurance expenses | 186 | 187 | (1) | 361 | 362 | (1) |
| Other operating expenses | 55 | 49 | 6 | 108 | 93 | 15 |
| Total benefits and expenses | 1,870 | 1,870 | — | 3,668 | 3,561 | 107 |
| Income before income taxes | \$ 174 | \$ 62 | \$ 112 | \$ 290 | \$ 183 | \$ 107 |
| Key metrics | | | | | | |
| Life reinsurance in force | | | | \$1,716.1 billion | \$1,685.3 billion | |
| Future policy benefits remeasurement (gains) losses | | | | | | |
| Effect of changes in cash flow assumptions | \$ — | \$ — | | \$ — | \$ — | |
| Effect of actual variances from expected experience | \$ (66) | \$ 24 | | \$ (87) | \$ 31 | |
| Loss ratio ⁽¹⁾ | 88.1 % | 92.3 % | | 89.2 % | 91.2 % | |
| Policy acquisition costs and other insurance expenses as a percentage of net premiums | 10.2 % | 10.7 % | | 10.2 % | 10.8 % | |
| Other operating expenses as a percentage of net premiums | 3.0 % | 2.8 % | | 3.0 % | 2.8 % | |

(1) Includes Claims and other policy benefits and Future policy benefits remeasurement (gains) losses

The increase in income before income taxes for the second quarter and the first six months of 2024 was primarily the result of favorable impacts of in-force management actions and higher net investment income.

Revenues

- The increase in net premiums was primarily due to organic growth and new business treaties, as well as the recapture of a large retrocession treaty, effective April 1, 2023. The segment added new life business production, measured by face amount of life reinsurance in force, of \$76.9 billion and \$69.7 billion during the first six months of 2024 and 2023, respectively.
- The increase in net investment income during the three and six months ended June 30, 2024, was primarily due to a higher invested asset base in 2024 due to new business growth.

Benefits and expenses

- The increase in future policy benefits remeasurement gains for the second quarter and first six months of 2024 was attributable to favorable impacts of in-force management actions, as well as claims experience period over period, primarily within the U.S. Individual Life business.
- The slight decrease in policy acquisition costs and other insurance expenses as a percentage of net premiums was primarily due to varying allowance levels within coinsurance type arrangements and the mix of new business between coinsurance versus yearly renewable term.

Financial Solutions

| (dollars in millions) | Three months ended June 30, | | | Six months ended June 30, | | |
|---|-----------------------------|-------|--------------|---------------------------|--------|--------------|
| | 2024 | 2023 | 2024 vs 2023 | 2024 | 2023 | 2024 vs 2023 |
| Revenues | | | | | | |
| Net premiums | \$ 305 | \$ 17 | \$ 288 | \$ 2,221 | \$ 180 | \$ 2,041 |
| Net investment income | 319 | 278 | 41 | 623 | 559 | 64 |
| Investment related gains (losses), net | (15) | (68) | 53 | 12 | (48) | 60 |
| Other revenues | 55 | 51 | 4 | 117 | 102 | 15 |
| Total revenues | 664 | 278 | 386 | 2,973 | 793 | 2,180 |
| Benefits and expenses | | | | | | |
| Claims and other policy benefits | 365 | 45 | 320 | 2,444 | 244 | 2,200 |
| Future policy benefits remeasurement (gains) losses | (3) | (1) | (2) | (1) | (5) | 4 |
| Market risk benefits remeasurement (gains) losses | (8) | (31) | 23 | (43) | (17) | (26) |
| Interest credited | 120 | 133 | (13) | 268 | 262 | 6 |
| Policy acquisition costs and other insurance expenses | 87 | 49 | 38 | 167 | 97 | 70 |
| Other operating expenses | 20 | 15 | 5 | 38 | 30 | 8 |
| Total benefits and expenses | 581 | 210 | 371 | 2,873 | 611 | 2,262 |
| Income before income taxes | \$ 83 | \$ 68 | \$ 15 | \$ 100 | \$ 182 | \$ (82) |

The increase in income before income taxes for the U.S. and Latin America Financial Solutions segment for the three months ended June 30, 2024, was driven by the net impact of certain derivatives, market risk benefits and non-economic changes in insurance liabilities, offset by increases in investment related losses. The decrease in income before income taxes for the six months ended June 30, 2024, was due to increases in investment related losses, the decline in the invested asset base, and the non-economic changes in insurances liabilities, partially offset by the net impact of certain derivatives and market risk benefits.

The invested asset base supporting asset-intensive transactions decreased to \$22.1 billion as of June 30, 2024, from \$22.7 billion as of June 30, 2023.

- The decrease in the asset base was primarily due to \$2.3 billion in net run off of existing in-force transactions and \$2.4 billion associated with an in-force retrocession transaction partially offset by \$4.1 billion from new transactions.
- As of June 30, 2024 and 2023, \$3.5 billion and \$3.9 billion, respectively, of the invested assets were funds withheld at interest, of which greater than 90% was associated with two clients.

As of June 30, 2024 and 2023, the amount of reinsurance assumed in capital solutions transactions, as measured by pre-tax statutory surplus, risk based capital and other financial structures was \$29.5 billion and \$25.6 billion, respectively.

Impact of certain derivatives, market risk benefits and non-economic changes in insurance liabilities

Income from the Financial Solutions business tends to be volatile due to the impact of certain items such as changes in the fair value of certain derivatives, including embedded derivatives associated with reinsurance treaties structured on a modco or funds withheld basis, non-economic changes in insurance liabilities, which include the initial loss on PRT transactions, changes in the fair value of embedded derivatives associated with the Company's reinsurance of EIAs, and changes in the fair value of market risk benefits associated with guaranteed minimum benefit riders. Fluctuations occur period to period primarily due to changing investment conditions including, but not limited to, interest rate movements (including risk-free rates and credit spreads), implied volatility and equity market performance, all of which are factors in the calculations of the fair value of the assets and liabilities.

The following table summarizes the U.S. and Latin America Financial Solutions results and quantifies the impact of these embedded derivatives, market risk benefits and non-economic changes in insurance liabilities for the periods presented. Revenues before the impact of certain items should not be viewed as substitutes for GAAP revenues, GAAP benefits and expenses and GAAP income before income taxes.

(dollars in millions)

| | Three months ended June 30, | | | Six months ended June 30, | | |
|--|-----------------------------|--------|--------------|---------------------------|--------|--------------|
| | 2024 | 2023 | 2024 vs 2023 | 2024 | 2023 | 2024 vs 2023 |
| Revenues | | | | | | |
| Total revenues | \$ 664 | \$ 278 | \$ 386 | \$ 2,973 | \$ 793 | \$ 2,180 |
| Less: | | | | | | |
| Embedded derivatives – modco/funds withheld treaties | 20 | (19) | 39 | 109 | 19 | 90 |
| Derivatives hedging market risk benefits | (8) | (42) | 34 | (52) | (40) | (12) |
| Revenues before impact of certain items | 652 | 339 | 313 | 2,916 | 814 | 2,102 |
| Benefits and expenses | | | | | | |
| Total benefits and expenses | 581 | 210 | 371 | 2,873 | 611 | 2,262 |
| Less: | | | | | | |
| Non-economic changes in insurance liabilities | (9) | 2 | (11) | 127 | 4 | 123 |
| Market risk benefits remeasurement (gains) losses | (8) | (31) | 23 | (43) | (18) | (25) |
| Benefits and expenses before impact of certain items | 598 | 239 | 359 | 2,789 | 625 | 2,164 |
| Income before income taxes: | | | | | | |
| Income before income taxes | 83 | 68 | 15 | 100 | 182 | (82) |
| Less: | | | | | | |
| Embedded derivatives – modco/funds withheld treaties | 20 | (19) | 39 | 109 | 19 | 90 |
| Non-economic changes in insurance liabilities | 9 | (2) | 11 | (127) | (4) | (123) |
| Market risk benefits remeasurement (gains) losses and related freestanding derivatives | — | (11) | 11 | (9) | (22) | 13 |
| Income before income taxes and certain items | \$ 54 | \$ 100 | \$ (46) | \$ 127 | \$ 189 | \$ (62) |

Embedded Derivatives – Modco/Funds Withheld Treaties – Represents the change in the fair value of embedded derivatives on funds withheld at interest associated with treaties written on a modco or funds withheld basis. The Company's utilization of a credit valuation adjustment did not have a material effect on the change in fair value of these embedded derivatives for the three and six months ended June 30, 2024 and 2023.

The change in fair value of the embedded derivatives related to modco/funds withheld treaties increased (decreased) income before income taxes by \$20 million and \$(19) million for the second quarter and \$109 million and \$19 million for the six months ended June 30, 2024 and 2023, respectively. The increase in income for the three months ended June 30, 2024, was due to tightening credit spreads. The decrease in income for the three months ended June 30, 2023, was due to widening credit spreads. The increase in income for the six months ended June 30, 2024, was due to increased interest rates on funds withheld liabilities. The increase in income for the six months ended June 30, 2023, was due to tightening credit spreads on funds withheld asset balances and the impact of higher risk-free interest rates on funds withheld liabilities balances.

Non-Economic Changes in Insurance Liabilities – Non-economic changes in insurance liabilities include the initial loss on PRT transactions, net of amortization, and changes in the fair value of embedded derivatives associated with the Company's reinsurance of EIAs. The initial loss at inception of a PRT transaction is the difference between the single premium received and the valuation of the initial reserve based on interest rates prescribed by U.S. GAAP.

Market Risk Benefits – Represents the impact related to market risk benefits, which consist of guaranteed minimum benefits associated with the Company's reinsurance of variable and equity-indexed annuities. The fair value changes of market risk benefits along with the changes in fair value of the freestanding derivatives (interest rate swaps, financial futures and equity options) purchased by the Company to substantially hedge the liability are reflected in revenues. The change in fair value of market risk benefits for guaranteed minimum benefits, after allowing for changes in the associated freestanding derivatives, had no impact on income before income taxes for the three months ended June 30, 2024, and decreased income before income taxes by \$9 million for the six months ended June 30, 2024. The changes in fair value of the market risk benefits decreased income before income taxes by \$11 million and \$22 million for the three and six months ended June 30, 2023, respectively.

Discussion and analysis before certain derivatives, market risk benefits and non-economic changes in insurance liabilities

The impact of certain derivatives, market risk benefits and non-economic changes in insurance liabilities discussed above are considered unrealized and non-economic by management and do not affect current cash flows, crediting rates or performance on the underlying treaties. Fluctuations occur period to period primarily due to changing investment conditions including, but not limited to, interest rate movements (including benchmark rates and credit spreads), implied volatility and equity market performance, all of which are factors in the calculations of fair value. Therefore, management believes it is helpful to distinguish between the effects of these items and the primary factors that drive profitability of the underlying treaties, which are investment income, fee income (included in other revenues) and interest credited.

- Income before income taxes and certain items decreased by \$46 million and \$62 million for the three and six months ended June 30, 2024, as compared to the same periods in 2023, primarily due to increases in realized investment related losses and the decline in the invested asset base.
- Revenue before certain items increased by \$313 million and \$2,102 million for the three and six months ended June 30, 2024, as compared to the same periods in 2023. The increase was primarily due to premiums recognized on PRT transactions, which was offset by a corresponding increase in reserves.
- Benefits and expenses before certain items increased by \$359 million and \$2,164 million for the three and six months ended June 30, 2024, as compared to the same periods in 2023. The increase was primarily due to the establishment of liabilities for future policy benefits associated with PRT transactions.

Canada Operations

The Canada operations are primarily engaged in traditional reinsurance, which consists mainly of traditional individual life reinsurance, and to a lesser extent, creditor, group life and health, critical illness and disability reinsurance. Creditor insurance covers the outstanding balance on personal, mortgage or commercial loans in the event of death, disability or critical illness and is generally shorter in duration than traditional individual life insurance. The Canada Financial Solutions segment consists of longevity and capital solutions.

| (dollars in millions) | Three months ended June 30, | | | Six months ended June 30, | | |
|---|-----------------------------|--------|--------------|---------------------------|--------|--------------|
| | 2024 | 2023 | 2024 vs 2023 | 2024 | 2023 | 2024 vs 2023 |
| Revenues | | | | | | |
| Net premiums | \$ 374 | \$ 330 | \$ 44 | \$ 715 | \$ 648 | \$ 67 |
| Net investment income | 109 | 62 | 47 | 174 | 124 | 50 |
| Investment related gains (losses), net | — | 4 | (4) | 1 | 6 | (5) |
| Other revenues | 7 | 3 | 4 | 13 | 7 | 6 |
| Total revenues | 490 | 399 | 91 | 903 | 785 | 118 |
| Benefits and expenses | | | | | | |
| Claims and other policy benefits | 393 | 302 | 91 | 695 | 593 | 102 |
| Future policy benefits remeasurement (gains) losses | 1 | (3) | 4 | (2) | (5) | 3 |
| Market risk benefits remeasurement (gains) losses | — | — | — | — | — | — |
| Interest credited | — | — | — | — | — | — |
| Policy acquisition costs and other insurance expenses | 50 | 47 | 3 | 98 | 93 | 5 |
| Other operating expenses | 13 | 12 | 1 | 25 | 24 | 1 |
| Total benefits and expenses | 457 | 358 | 99 | 816 | 705 | 111 |
| Income before income taxes | \$ 33 | \$ 41 | \$ (8) | \$ 87 | \$ 80 | \$ 7 |

The decrease in income before income taxes for the three months ended June 30, 2024, was primarily due to lower investment related gains and future policy benefits remeasurement losses as compared to future policy benefits remeasurement gains in the second quarter of 2023. The increase in income before income taxes for the six months ended June 30, 2024, was primarily due to favorable experience on group business, partially offset by lower future policy remeasurement gains and investment related gains.

For the three and six months ended June 30, 2024, the increases in net premiums, net investment income, other revenues, claims and other policy benefits and policy acquisition costs and other insurance expenses were due to a new financial solutions transaction executed in the second quarter of 2024.

Foreign currency fluctuations can result in variances in the financial statement line items. Foreign currency fluctuations did not impact income before income taxes for the three and six months ended June 30, 2024. Unless otherwise stated, all amounts discussed below are net of foreign currency fluctuations.

Traditional Reinsurance

| | Three months ended June 30, | | | Six months ended June 30, | | |
|---|-----------------------------|--------|--------------|---------------------------|-----------------|--------------|
| (dollars in millions) | 2024 | 2023 | 2024 vs 2023 | 2024 | 2023 | 2024 vs 2023 |
| Revenues | | | | | | |
| Net premiums | \$ 326 | \$ 307 | \$ 19 | \$ 644 | \$ 602 | \$ 42 |
| Net investment income | 61 | 61 | — | 125 | 122 | 3 |
| Investment related gains (losses), net | 1 | 4 | (3) | 2 | 6 | (4) |
| Other revenues | 1 | 1 | — | 4 | 2 | 2 |
| Total revenues | 389 | 373 | 16 | 775 | 732 | 43 |
| Benefits and expenses | | | | | | |
| Claims and other policy benefits | 304 | 282 | 22 | 587 | 552 | 35 |
| Future policy benefits remeasurement (gains) losses | 1 | (1) | 2 | (2) | 2 | (4) |
| Market risk benefits remeasurement (gains) losses | — | — | — | — | — | — |
| Interest credited | — | — | — | — | — | — |
| Policy acquisition costs and other insurance expenses | 46 | 47 | (1) | 93 | 92 | 1 |
| Other operating expenses | 11 | 10 | 1 | 23 | 22 | 1 |
| Total benefits and expenses | 362 | 338 | 24 | 701 | 668 | 33 |
| Income before income taxes | \$ 27 | \$ 35 | \$ (8) | \$ 74 | \$ 64 | \$ 10 |
| Key metrics | | | | | | |
| Life reinsurance in force | | | | \$489.3 billion | \$484.6 billion | |
| Future policy benefits remeasurement (gains) losses | | | | | | |
| Effect of changes in cash flow assumptions | \$ — | \$ — | | \$ — | \$ — | |
| Effect of actual variances from expected experience | \$ 1 | \$ (1) | | \$ (2) | \$ 2 | |
| Loss ratio ⁽¹⁾ | 93.6 % | 91.5 % | | 90.8 % | 92.0 % | |
| Policy acquisition costs and other insurance expenses as a percentage of net premiums | 14.1 % | 15.3 % | | 14.4 % | 15.3 % | |
| Other operating expenses as a percentage of net premiums | 3.4 % | 3.3 % | | 3.6 % | 3.7 % | |

(1) Includes Claims and other policy benefits and Future policy benefits remeasurement (gains) losses

The decrease in income before income taxes for the three months ended June 30, 2024, was primarily due to lower investment related gains and future policy remeasurement losses as compared to future policy remeasurement gains in the second quarter of 2023. The increase in income before income taxes for the six months ended June 30, 2024, was primarily due to favorable experience on group business and future policy benefits remeasurement gains as compared to future policy benefits remeasurement losses in 2023, partially offset by lower investment related gains.

Revenues

- The increase in net premiums for the three and six months ended June 30, 2024, was primarily due to new group business and organic growth on all lines of business.
- The segment added new life business production, measured by face amount of life reinsurance in force, of \$23.8 billion and \$22.0 billion during the first six months of 2024 and 2023, respectively.
- The increase in net investment income in the first six months of 2024 was primarily due to an increase in the invested asset base.

Benefits and expenses

- The increase in the loss ratio for the second quarter was primarily due to unfavorable claims experience in the individual life line of business and higher future policy remeasurement losses as compared to the same period in 2023. The decrease in the loss ratio for the six months ended June 30, 2024 was primarily due to favorable experience on group line of business and future policy benefits remeasurement gains as compared to future policy benefits remeasurement losses in 2023.

Financial Solutions

| (dollars in millions) | Three months ended June 30, | | | Six months ended June 30, | | |
|---|-----------------------------|--------|--------------|---------------------------|--------|--------------|
| | 2024 | 2023 | 2024 vs 2023 | 2024 | 2023 | 2024 vs 2023 |
| Revenues | | | | | | |
| Net premiums | \$ 48 | \$ 23 | \$ 25 | \$ 71 | \$ 46 | \$ 25 |
| Net investment income | 48 | 1 | 47 | 49 | 2 | 47 |
| Investment related gains (losses), net | (1) | — | (1) | (1) | — | (1) |
| Other revenues | 6 | 2 | 4 | 9 | 5 | 4 |
| Total revenues | 101 | 26 | 75 | 128 | 53 | 75 |
| Benefits and expenses | | | | | | |
| Claims and other policy benefits | 89 | 20 | 69 | 108 | 41 | 67 |
| Future policy benefits remeasurement (gains) losses | — | (2) | 2 | — | (7) | 7 |
| Market risk benefits remeasurement (gains) losses | — | — | — | — | — | — |
| Interest credited | — | — | — | — | — | — |
| Policy acquisition costs and other insurance expenses | 4 | — | 4 | 5 | 1 | 4 |
| Other operating expenses | 2 | 2 | — | 2 | 2 | — |
| Total benefits and expenses | 95 | 20 | 75 | 115 | 37 | 78 |
| Income before income taxes | \$ 6 | \$ 6 | \$ — | \$ 13 | \$ 16 | \$ (3) |
| Key metrics | | | | | | |
| Future policy benefits remeasurement (gains) losses | | | | | | |
| Effect of changes in cash flow assumptions | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Effect of actual variances from expected experience | \$ — | \$ (2) | \$ — | \$ — | \$ (7) | \$ (7) |

Income before income taxes remained consistent for the second quarter of 2024 as compared to the same period in 2023. The decrease in income before income taxes for the six months ended June 30, 2024, compared to the same period in 2023, was due to a decrease in future policy benefits remeasurement gains. For the three and six months ended June 30, 2024, the increases in net premiums, net investment income, other revenues, claims and other policy benefits and policy acquisition costs and other insurance expenses were due to a new transaction executed in the second quarter of 2024.

Europe, Middle East and Africa Operations

The Europe, Middle East and Africa (“EMEA”) operations consists of two major segments: Traditional and Financial Solutions. The Traditional segment primarily provides reinsurance through yearly renewable term and coinsurance agreements on a variety of life, health and critical illness products. Reinsurance agreements may be facultative or automatic agreements covering primarily individual risks and, in some markets, group risks. The Financial Solutions segment consists of reinsurance and other transactions associated with longevity closed blocks, payout annuities, capital management solutions and financial reinsurance.

| (dollars in millions) | Three months ended June 30, | | | Six months ended June 30, | | |
|---|-----------------------------|--------|--------------|---------------------------|----------|--------------|
| | 2024 | 2023 | 2024 vs 2023 | 2024 | 2023 | 2024 vs 2023 |
| Revenues | | | | | | |
| Net premiums | \$ 656 | \$ 519 | \$ 137 | \$ 1,298 | \$ 1,082 | \$ 216 |
| Net investment income | 104 | 68 | 36 | 200 | 137 | 63 |
| Investment related gains (losses), net | (12) | (9) | (3) | (27) | (15) | (12) |
| Other revenues | 8 | 3 | 5 | 21 | 6 | 15 |
| Total revenues | 756 | 581 | 175 | 1,492 | 1,210 | 282 |
| Benefits and expenses | | | | | | |
| Claims and other policy benefits | 597 | 451 | 146 | 1,143 | 945 | 198 |
| Future policy benefits remeasurement (gains) losses | 8 | 7 | 1 | 5 | (10) | 15 |
| Market risk benefits remeasurement (gains) losses | — | — | — | — | — | — |
| Interest credited | 8 | (2) | 10 | 14 | (2) | 16 |
| Policy acquisition costs and other insurance expenses | 24 | 23 | 1 | 63 | 43 | 20 |
| Other operating expenses | 46 | 46 | — | 102 | 92 | 10 |
| Total benefits and expenses | 683 | 525 | 158 | 1,327 | 1,068 | 259 |
| Income before income taxes | \$ 73 | \$ 56 | \$ 17 | \$ 165 | \$ 142 | \$ 23 |

The increase in income before income taxes for the three and six months ended June 30, 2024, as compared to the same periods in 2023, was primarily due to increased net premiums and net investment income, partially offset by increased claims and other policy benefits and increased policy acquisition costs and other insurance expenses.

Foreign currency fluctuations can result in variances in the financial statement line items. Foreign currency fluctuations did not impact income before income taxes for the three months ended June 30, 2024, and resulted in a \$3 million increase in income before income taxes for the six months ended June 30, 2024. Unless otherwise stated, all amounts discussed below are net of foreign currency fluctuations.

Traditional Reinsurance

| (dollars in millions) | Three months ended June 30, | | | Six months ended June 30, | | |
|---|-----------------------------|--------|--------------|---------------------------|-----------------|--------------|
| | 2024 | 2023 | 2024 vs 2023 | 2024 | 2023 | 2024 vs 2023 |
| Revenues | | | | | | |
| Net premiums | \$ 497 | \$ 429 | \$ 68 | \$ 993 | \$ 867 | \$ 126 |
| Net investment income | 27 | 23 | 4 | 54 | 46 | 8 |
| Investment related gains (losses), net | — | — | — | — | — | — |
| Other revenues | — | (1) | 1 | 2 | (2) | 4 |
| Total revenues | 524 | 451 | 73 | 1,049 | 911 | 138 |
| Benefits and expenses | | | | | | |
| Claims and other policy benefits | 464 | 383 | 81 | 888 | 773 | 115 |
| Future policy benefits remeasurement (gains) losses | 6 | 12 | (6) | 1 | 4 | (3) |
| Market risk benefits remeasurement (gains) losses | — | — | — | — | — | — |
| Interest credited | — | — | — | — | — | — |
| Policy acquisition costs and other insurance expenses | 22 | 21 | 1 | 59 | 39 | 20 |
| Other operating expenses | 31 | 31 | — | 72 | 64 | 8 |
| Total benefits and expenses | 523 | 447 | 76 | 1,020 | 880 | 140 |
| Income before income taxes | \$ 1 | \$ 4 | \$ (3) | \$ 29 | \$ 31 | \$ (2) |
| Key metrics | | | | | | |
| Life reinsurance in force | | | | \$976.5 billion | \$802.3 billion | |
| Future policy benefits remeasurement (gains) losses | | | | | | |
| Effect of changes in cash flow assumptions | \$ — | \$ — | | \$ — | \$ — | |
| Effect of actual variances from expected experience | \$ 6 | \$ 12 | | \$ 1 | \$ 4 | |
| Loss ratio ⁽¹⁾ | 94.6 % | 92.1 % | | 89.5 % | 89.6 % | |
| Policy acquisition costs and other insurance expenses as a percentage of net premiums | 4.4 % | 4.9 % | | 5.9 % | 4.5 % | |
| Other operating expenses as a percentage of net premiums | 6.2 % | 7.2 % | | 7.3 % | 7.4 % | |

(1) Includes Claims and other policy benefits and Future policy benefits remeasurement (gains) losses

The decreases in income before income taxes for the three and six months ended June 30, 2024, as compared to the same periods in 2023, were primarily due to unfavorable claims and other policy benefits and increased policy acquisition costs and other insurance expenses, largely offset by increased net premiums.

Revenues

- The increases in net premiums for the three and six months ended June 30, 2024, were primarily due to increased business volume on new and existing treaties.
- The segment added new life business production, measured by face amount of life reinsurance in force, of \$58.0 billion and \$66.7 billion during the six months ended June 30, 2024 and 2023, respectively.

Benefits and expenses

- The increase in the loss ratios for the second quarter was primarily due to unfavorable mortality and morbidity claims experience.
- The decrease in policy acquisition costs and other insurance expenses as a percentage of net premiums for the second quarter was largely due to an increase in premiums with lower allowances. The increase in policy acquisition costs and other insurance expenses as a percentage of net premiums in the first six months of 2024 as compared to the same period in 2023 was primarily due to an increase in premiums with higher allowances.

Financial Solutions

| (dollars in millions) | Three months ended June 30, | | | Six months ended June 30, | | |
|---|-----------------------------|--------|--------------|---------------------------|---------|--------------|
| | 2024 | 2023 | 2024 vs 2023 | 2024 | 2023 | 2024 vs 2023 |
| Revenues | | | | | | |
| Net premiums | \$ 159 | \$ 90 | \$ 69 | \$ 305 | \$ 215 | \$ 90 |
| Net investment income | 77 | 45 | 32 | 146 | 91 | 55 |
| Investment related gains (losses), net | (12) | (9) | (3) | (27) | (15) | (12) |
| Other revenues | 8 | 4 | 4 | 19 | 8 | 11 |
| Total revenues | 232 | 130 | 102 | 443 | 299 | 144 |
| Benefits and expenses | | | | | | |
| Claims and other policy benefits | 133 | 68 | 65 | 255 | 172 | 83 |
| Future policy benefits remeasurement (gains) losses | 2 | (5) | 7 | 4 | (14) | 18 |
| Market risk benefits remeasurement (gains) losses | — | — | — | — | — | — |
| Interest credited | 8 | (2) | 10 | 14 | (2) | 16 |
| Policy acquisition costs and other insurance expenses | 2 | 2 | — | 4 | 4 | — |
| Other operating expenses | 15 | 15 | — | 30 | 28 | 2 |
| Total benefits and expenses | 160 | 78 | 82 | 307 | 188 | 119 |
| Income before income taxes | \$ 72 | \$ 52 | \$ 20 | \$ 136 | \$ 111 | \$ 25 |
| Key metrics | | | | | | |
| Future policy benefits remeasurement (gains) losses | | | | | | |
| Effect of changes in cash flow assumptions | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Effect of actual variances from expected experience | \$ 2 | \$ (5) | \$ 4 | \$ 4 | \$ (14) | \$ 18 |

The increases in income before income taxes for the three and six months ended June 30, 2024, were primarily due to increases in net investment income and growth in closed longevity business, partially offset by investment related gains (losses) and future policy benefits remeasurement losses.

- The increase in net premiums for the first six months was primarily due to increased volumes of closed block longevity transactions.
- The increase in net investment income was primarily related to an increase in invested assets and higher yields from fixed-income securities.
- The increase in investment related losses was attributable to higher investment related losses on fixed-income security sales associated with portfolio repositioning and fluctuations in the fair market value of CPI swap derivatives due to changes in future inflation expectations.
- The increase in other revenues was primarily due to new capital solutions business.

Benefits and expenses

- The increase in claims and other policy benefits was the result of increased volumes of closed block longevity and asset-intensive transactions.

Asia Pacific Operations

The Asia Pacific operations include business generated by its offices throughout Asia and Australia. The Traditional segment's principal types of reinsurance include individual and group life and health, critical illness, disability and superannuation. Reinsurance agreements may be facultative or automatic agreements covering primarily individual risks, and in some markets, group risks. Superannuation is the Australian government mandated compulsory retirement savings program. Superannuation funds accumulate retirement funds for employees, and, in addition, typically offer life and disability insurance coverage. The Financial Solutions segment includes financial reinsurance, asset-intensive and certain disability and life blocks.

| (dollars in millions) | Three months ended June 30, | | | Six months ended June 30, | | |
|---|-----------------------------|--------|--------------|---------------------------|----------|--------------|
| | 2024 | 2023 | 2024 vs 2023 | 2024 | 2023 | 2024 vs 2023 |
| Revenues | | | | | | |
| Net premiums | \$ 758 | \$ 721 | \$ 37 | \$ 1,520 | \$ 1,447 | \$ 73 |
| Net investment income | 224 | 187 | 37 | 409 | 356 | 53 |
| Investment related gains (losses), net | (171) | (49) | (122) | (242) | (97) | (145) |
| Other revenues | 69 | 29 | 40 | 127 | 42 | 85 |
| Total revenues | 880 | 888 | (8) | 1,814 | 1,748 | 66 |
| Benefits and expenses | | | | | | |
| Claims and other policy benefits | 681 | 623 | 58 | 1,314 | 1,255 | 59 |
| Future policy benefits remeasurement (gains) losses | (30) | (14) | (16) | (29) | (24) | (5) |
| Market risk benefits remeasurement (gains) losses | — | — | — | — | — | — |
| Interest credited | 49 | 46 | 3 | 100 | 100 | — |
| Policy acquisition costs and other insurance expenses | 72 | 63 | 9 | 142 | 125 | 17 |
| Other operating expenses | 66 | 61 | 5 | 123 | 117 | 6 |
| Total benefits and expenses | 838 | 779 | 59 | 1,650 | 1,573 | 77 |
| Income before income taxes | \$ 42 | \$ 109 | \$ (67) | \$ 164 | \$ 175 | \$ (11) |

The decreases in income before taxes for the three and six months ended June 30, 2024, as compared to the same periods in 2023, were primarily due to investment related losses in the Financial Solutions segment.

Foreign currency fluctuations can result in variances in the financial statement line items. Foreign currency fluctuations resulted in increases of \$6 million and \$8 million in income before income taxes during the three and six months ended June 30, 2024. Unless otherwise stated, all amounts discussed below are net of foreign currency fluctuations.

Traditional Reinsurance

| (dollars in millions) | Three months ended June 30, | | | Six months ended June 30, | | |
|---|-----------------------------|---------|--------------|---------------------------|-----------------|--------------|
| | 2024 | 2023 | 2024 vs 2023 | 2024 | 2023 | 2024 vs 2023 |
| Revenues | | | | | | |
| Net premiums | \$ 708 | \$ 677 | \$ 31 | \$ 1,424 | \$ 1,339 | \$ 85 |
| Net investment income | 61 | 62 | (1) | 126 | 123 | 3 |
| Investment related gains (losses), net | 1 | 2 | (1) | 1 | 5 | (4) |
| Other revenues | 8 | 11 | (3) | 18 | 14 | 4 |
| Total revenues | 778 | 752 | 26 | 1,569 | 1,481 | 88 |
| Benefits and expenses | | | | | | |
| Claims and other policy benefits | 607 | 579 | 28 | 1,193 | 1,142 | 51 |
| Future policy benefits remeasurement (gains) losses | (29) | (14) | (15) | (28) | (23) | (5) |
| Market risk benefits remeasurement (gains) losses | — | — | — | — | — | — |
| Interest credited | — | — | — | — | — | — |
| Policy acquisition costs and other insurance expenses | 42 | 44 | (2) | 87 | 90 | (3) |
| Other operating expenses | 58 | 54 | 4 | 108 | 104 | 4 |
| Total benefits and expenses | 678 | 663 | 15 | 1,360 | 1,313 | 47 |
| Income before income taxes | \$ 100 | \$ 89 | \$ 11 | \$ 209 | \$ 168 | \$ 41 |
| Key metrics | | | | | | |
| Life reinsurance in force | | | | \$557.8 billion | \$495.4 billion | |
| Future policy benefits remeasurement (gains) losses | | | | | | |
| Effect of changes in cash flow assumptions | \$ — | \$ — | | \$ — | \$ — | |
| Effect of actual variances from expected experience | \$ (29) | \$ (14) | | \$ (28) | \$ (23) | |
| Loss ratio ⁽¹⁾ | 81.6 % | 83.5 % | | 81.8 % | 83.6 % | |
| Policy acquisition costs and other insurance expenses as a percentage of net premiums | 5.9 % | 6.5 % | | 6.1 % | 6.7 % | |
| Other operating expenses as a percentage of net premiums | 8.2 % | 8.0 % | | 7.6 % | 7.8 % | |

(1) Includes Claims and other policy benefits and Future policy benefits remeasurement (gains) losses

The increases in income before income taxes for the three and six months ended June 30, 2024, were primarily the result of increased net premiums and inforce management actions, partially offset by increased claims and other policy benefits.

Revenues

- The increases in net premiums were primarily due to continued business growth in the segment.
- The segment added new life business production, measured by face amount of life reinsurance in force, of \$30.7 billion and \$8.6 billion during the six months ended June 30, 2024 and 2023, respectively.

Benefits and expenses

- The decrease in the loss ratio for the three and six months ended June 30, 2024, as compared to the same periods in 2023, was primarily due to business growth and inforce management actions.

Financial Solutions

| (dollars in millions) | Three months ended June 30, | | | Six months ended June 30, | | |
|---|-----------------------------|-------|--------------|---------------------------|--------|--------------|
| | 2024 | 2023 | 2024 vs 2023 | 2024 | 2023 | 2024 vs 2023 |
| Revenues | | | | | | |
| Net premiums | \$ 50 | \$ 44 | \$ 6 | \$ 96 | \$ 108 | \$ (12) |
| Net investment income | 163 | 125 | 38 | 283 | 233 | 50 |
| Investment related gains (losses), net | (172) | (51) | (121) | (243) | (102) | (141) |
| Other revenues | 61 | 18 | 43 | 109 | 28 | 81 |
| Total revenues | 102 | 136 | (34) | 245 | 267 | (22) |
| Benefits and expenses | | | | | | |
| Claims and other policy benefits | 74 | 44 | 30 | 121 | 113 | 8 |
| Future policy benefits remeasurement (gains) losses | (1) | — | (1) | (1) | (1) | — |
| Market risk benefits remeasurement (gains) losses | — | — | — | — | — | — |
| Interest credited | 49 | 46 | 3 | 100 | 100 | — |
| Policy acquisition costs and other insurance expenses | 30 | 19 | 11 | 55 | 35 | 20 |
| Other operating expenses | 8 | 7 | 1 | 15 | 13 | 2 |
| Total benefits and expenses | 160 | 116 | 44 | 290 | 260 | 30 |
| Income (loss) before income taxes | \$ (58) | \$ 20 | \$ (78) | \$ (45) | \$ 7 | \$ (52) |
| Key metrics | | | | | | |
| Future policy benefits remeasurement (gains) losses | | | | | | |
| Effect of changes in cash flow assumptions | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Effect of actual variances from expected experience | \$ (1) | \$ — | \$ (1) | \$ (1) | \$ (1) | \$ (1) |

The decreases in income before income taxes during the three and six months ended June 30, 2024, as compared to the same periods in 2023, were driven by increases in investment related losses, partially offset by the impact of higher surrender charges and market value adjustments related to higher lapses on a single premium annuity block of business.

The invested asset base supporting asset-intensive transactions increased to \$19.4 billion as of June 30, 2024, from \$15.1 billion as of June 30, 2023. The increase in the asset base compared to June 30, 2023, was primarily due to approximately \$5.7 billion from recently executed transactions, partially offset by net organic decline of \$1.4 billion from existing in force blocks. The amount of reinsurance assumed from client companies, as measured by pre-tax statutory surplus, risk based capital and other financial reinsurance structures was \$1.6 billion and \$1.1 billion for the six months ended June 30, 2024 and 2023, respectively. Fees earned from this business can vary significantly depending on the size, complexity and timing of the transactions and, therefore, can fluctuate from period to period.

Revenues

- The increases in net investment income were the result of a growing asset base and improved yields from increased interest rates.
- The increases in investment related losses, net for the three and six months ended June 30, 2024, as compared to the same periods in 2023 were attributable to net losses from investment activity of \$71 million and \$41 million, respectively, largely due to portfolio repositioning on recently executed transactions and higher lapses, as well as a decrease in the fair value of derivatives of \$50 million and \$100 million, respectively, primarily due to the weakening of the Japanese yen.
- The increases in other revenue for the three and six months ended June 30, 2024, as compared to the same periods in 2023, were driven by surrender charges and market value adjustments due to higher lapses on a single premium annuity block of business.

Benefits and expenses

- The increases in claims and other policy benefits and policy acquisition costs and other insurance expenses for the three and six months ended June 30, 2024, as compared to the same periods in 2023, were the result of new asset-intensive transactions.

Corporate and Other

Corporate and Other revenues primarily include investment income from unallocated invested assets, investment related gains and losses and service fees. Corporate and Other expenses consist of the offset to capital charges allocated to the operating segments within the policy acquisition costs and other insurance income line item, unallocated overhead and executive costs, interest expense related to debt and service business expenses. Additionally, Corporate and Other includes results from the Company's Funding Agreement Backed Notes ("FABN") program and certain wholly-owned subsidiaries that, among other activities, develop and market technology and provide consulting and outsourcing solutions for the insurance and reinsurance industries. The Company invests in this area in an effort to both support its clients and accelerate the development of innovative solutions and services to increase consumer engagement within the life insurance industry and hence generate new future revenue streams.

| (dollars in millions) | Three months ended June 30, | | | Six months ended June 30, | | |
|---|-----------------------------|---------|--------------|---------------------------|----------|--------------|
| | 2024 | 2023 | 2024 vs 2023 | 2024 | 2023 | 2024 vs 2023 |
| Revenues | | | | | | |
| Net premiums | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Net investment income | 123 | 82 | 41 | 229 | 164 | 65 |
| Investment related gains (losses), net | (79) | — | (79) | (158) | (44) | (114) |
| Other revenues | — | (4) | 4 | 4 | 7 | (3) |
| Total revenues | 44 | 78 | (34) | 75 | 127 | (52) |
| Benefits and expenses | | | | | | |
| Claims and other policy benefits | — | — | — | — | — | — |
| Future policy benefits remeasurement (gains) losses | — | — | — | — | — | — |
| Market risk benefits remeasurement (gains) losses | — | — | — | — | — | — |
| Interest credited | 35 | 14 | 21 | 65 | 28 | 37 |
| Policy acquisition costs and other insurance expenses | (28) | (20) | (8) | (53) | (40) | (13) |
| Other operating expenses | 101 | 92 | 9 | 188 | 169 | 19 |
| Interest expense | 72 | 63 | 9 | 140 | 116 | 24 |
| Total benefits and expenses | 180 | 149 | 31 | 340 | 273 | 67 |
| Loss before income taxes | \$ (136) | \$ (71) | \$ (65) | \$ (265) | \$ (146) | \$ (119) |

The increase in losses before income taxes for the three and six months ended June 30, 2024, were primarily due to increases in investment related losses, interest credited, other operating expenses and interest expense, partially offset by higher net investment income.

Revenues

- The increases in net investment income for the three and six months ended June 30, 2024, were the result of higher income on Corporate invested assets due to higher yields and a higher asset base.
- The increase in investment related losses for the three and six months ended June 30, 2024, was primarily attributable to losses on sales of fixed maturity securities in 2024.

Expenses

- The increase in interest credited for the three and six months ended June 30, 2024, was primarily attributable to new FABN issuances.
- The increases in other operating expenses for the three and six months ended June 30, 2024, were primarily attributable to an increase in incentive compensation expense.
- The increases in interest expense for the three and six months ended June 30, 2024, were primarily attributable to an increase in outstanding debt.

Liquidity and Capital Resources

Overview

The Company believes that cash flows from the source of funds available to it will provide sufficient cash flows for the next twelve months to satisfy the current liquidity requirements of the Company under various scenarios that include the potential risk of early recapture of reinsurance treaties, market events and higher than expected claims. The Company performs periodic liquidity stress testing to ensure its asset portfolio includes sufficient high quality liquid assets that could be utilized to bolster its liquidity position under stress scenarios. These assets could be utilized as collateral for secured borrowing transactions with various third parties or by selling the securities in the open market if needed. The Company's liquidity requirements have been and will continue to be funded through net cash flows from operations. However, in the event of significant unanticipated cash requirements beyond normal liquidity needs, the Company has multiple liquidity alternatives available based on market conditions and the amount and timing of the liquidity need. These alternatives include the sale of invested assets subject to market conditions, borrowings under committed credit facilities, secured borrowings, and if necessary, issuing long-term debt, preferred securities or common equity.

Current Market Environment

The Company's average investment yield, excluding spread related business, for the three months ended June 30, 2024, was 4.65%, 23 basis points above the same period in 2023, primarily attributable to higher new money rates. The average yield will vary from year to year depending on several variables, including the prevailing risk-free interest rate and credit spread environment, prepayment fees and make-whole premiums, changes in the mix of the underlying investments and cash and cash equivalents balances. Variable investment income from joint ventures and limited partnerships will also vary from year to year and is highly dependent on the timing of dividends and distributions on certain investments. Gross unrealized gains on fixed maturity securities available-for-sale decreased from \$1.1 billion at December 31, 2023, to \$1.0 billion at June 30, 2024. Additionally, gross unrealized losses increased from \$5.6 billion at December 31, 2023, to \$6.5 billion at June 30, 2024.

The Company continues to be in a position to hold any investment security showing an unrealized loss until recovery, provided it remains comfortable with the credit of the issuer. The Company does not rely on short-term funding or commercial paper and to date it has experienced no liquidity pressure, nor does it anticipate such pressure in the foreseeable future.

The Company projects its reserves to be sufficient and it would not expect to be required to take any actions to augment capital, even if interest rates remain at current levels for the next five years, assuming all other factors remain constant. To mitigate disintermediation risk, the Company purchased swaptions to protect it against a material increase in interest rates. While the Company has felt the pressures of sustained low interest rates, followed by the recent significant increase in risk-free rates, and volatile equity markets, its business and results of operations are not overly sensitive to these risks. Mortality and morbidity risks continue to be the most significant risk for the Company. Although management believes the Company's current capital base is adequate to support its business at current operating levels, it continues to monitor new business opportunities and any associated new capital needs that could arise from the changing financial landscape.

The Holding Company

RGA is an insurance holding company whose primary uses of liquidity include, but are not limited to, the immediate capital needs of its operating companies, dividends paid to its shareholders, repurchase of common stock and interest payments on its indebtedness. The primary sources of RGA's liquidity include proceeds from its capital-raising efforts, interest income on undeployed corporate investments, interest income received on surplus notes with RGA Reinsurance Company ("RGA Reinsurance"), RGA Life and Annuity Insurance Company ("RGA Life and Annuity") and Rockwood Reinsurance Company ("Rockwood Re") and dividends from operating subsidiaries. As the Company continues its growth efforts, RGA will continue to be dependent upon these sources of liquidity. The following tables provide comparative information for RGA (dollars in millions):

| | Three months ended June 30, | | Six months ended June 30, | |
|---------------------------------------|-----------------------------|-------|---------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Interest and dividend income | \$ 23 | \$ 34 | \$ 56 | \$ 71 |
| Interest expense | 55 | 51 | 104 | 100 |
| Capital contributions to subsidiaries | 91 | 4 | 96 | 12 |
| Issuance of unaffiliated debt | 645 | 400 | 645 | 400 |
| Dividends to shareholders | 56 | 54 | 112 | 107 |
| Purchases of treasury stock | — | 50 | — | 100 |
| | | | | |
| | | | June 30, 2024 | December 31, 2023 |
| Cash and invested assets | | | \$ 949 | \$ 712 |

See Item 15, Schedule II – “Condensed Financial Information of the Registrant” in the 2023 Annual Report for additional financial information related to RGA.

The undistributed earnings of substantially all of the Company's foreign subsidiaries have been reinvested indefinitely in those non-U.S. operations, as described in Note 14 – “Income Tax” in the Notes to Consolidated Financial Statements in the 2023 Annual Report. As U.S. Tax Reform generally eliminates U.S. federal income taxes on dividends from foreign subsidiaries, the Company does not expect to incur material income taxes if these funds are repatriated.

RGA endeavors to maintain a capital structure that provides financial and operational flexibility to its subsidiaries, credit ratings that support its competitive position in the financial services marketplace, and shareholder returns. As part of the Company's capital deployment strategy, it has in recent years repurchased shares of RGA common stock and paid dividends to RGA shareholders, as authorized by the board of directors.

On January 23, 2024, RGA's board of directors authorized a share repurchase program for up to \$500 million of RGA's outstanding common stock. The authorization was effective immediately and does not have an expiration date. During the six months ended June 30, 2024, RGA did not repurchase any shares under this program.

The pace of repurchase activity depends on various factors such as the level of available cash, an evaluation of the costs and benefits associated with alternative uses of excess capital, such as acquisitions and in force reinsurance transactions, and RGA's stock price.

Details underlying dividend and share repurchase program activity were as follows (in millions, except share data):

| | Six months ended June 30, | |
|--|---------------------------|-----------|
| | 2024 | 2023 |
| Dividends to shareholders | \$ 112 | \$ 107 |
| Purchase of treasury stock ⁽¹⁾ | — | 100 |
| Total amount paid to shareholders | \$ 112 | \$ 207 |
| Number of treasury shares purchased ⁽¹⁾ | — | 722,774 |
| Average price per share | \$ — | \$ 138.35 |

(1) Excludes shares utilized to execute and settle certain equity based compensation awards.

In August 2024, RGA's board of directors declared a quarterly dividend of \$0.89 per share. All future payments of dividends are at the discretion of RGA's board of directors and will depend on the Company's earnings, capital requirements, insurance regulatory conditions, operating conditions, and other such factors as the board of directors may deem relevant. The amount of dividends that RGA can pay will depend in part on the operations of its reinsurance subsidiaries. See Note 3 – “Equity” in the Notes to Condensed Consolidated Financial Statements for information on the Company's share repurchase program.

Debt

Certain of the Company's debt agreements contain financial covenant restrictions related to, among others, liens, the issuance and disposition of stock of restricted subsidiaries, minimum requirements of consolidated net worth, maximum ratios of debt to capitalization and change of control provisions. The Company renewed its syndicated credit facility in the first quarter of 2023. Under the terms of the facility the Company is required to maintain a minimum consolidated net worth, as defined in the debt agreements, of \$6.3 billion. Subsequent to the adoption of ASU 2018-12, the minimum consolidated net worth, as defined in the debt agreements, was reduced to \$5.8 billion effective with the June 30, 2023, covenant calculations. Also, consolidated indebtedness, calculated as of the last day of each fiscal quarter, cannot exceed 35% of the sum of the Company's consolidated indebtedness plus adjusted RGA Inc.'s shareholders' equity. A material ongoing covenant default could require immediate payment of the amount due, including principal, under the various agreements. Additionally, the Company's debt agreements contain cross-acceleration covenants, which would make outstanding borrowings immediately payable in the event of a material uncured covenant default under any of the agreements, including, but not limited to, non-payment of indebtedness when due for an amount in excess of the amounts set forth in those agreements, bankruptcy proceedings, or any other event that results in the acceleration of the maturity of indebtedness.

As of June 30, 2024 and December 31, 2023, the Company had \$5.1 billion and \$4.5 billion, respectively, in outstanding borrowings under its debt agreements and was in compliance with all covenants under those agreements. As of June 30, 2024 and December 31, 2023, the average interest rate on long-term debt outstanding was 5.17% and 5.09%, respectively. The ability of the Company to make debt principal and interest payments depends on the earnings and surplus of subsidiaries, investment earnings on undeployed capital proceeds, available liquidity at the holding company, and the Company's ability to raise additional funds.

The Company enters into derivative agreements with counterparties that reference either the Company's debt rating or its financial strength rating. If either rating is downgraded in the future, it could trigger certain terms in the Company's derivative agreements, which could negatively affect overall liquidity. For the majority of the Company's derivative agreements, there is a termination event should the long-term senior debt ratings drop below either BBB+ (S&P) or Baa1 (Moody's) or the financial strength ratings drop below either A- (S&P) or A3 (Moody's).

The Company may borrow up to \$850 million in cash and obtain letters of credit in multiple currencies on its revolving credit facility that matures in March 2028. As of June 30, 2024, the Company had no cash borrowings outstanding and no issued letters of credit under this facility.

On May 13, 2024, the Company issued 5.75% fixed rate Senior Notes due 2034 with a face amount of \$650 million and will be used for general corporate purposes. Capitalized issuance costs were \$6 million.

Based on the historic cash flows and the current financial results of the Company, management believes RGA's cash flows will be sufficient to enable RGA to meet its obligations for at least the next 12 months.

Credit and Committed Facilities

The Company has obtained bank letters of credit in favor of various affiliated and unaffiliated insurance companies from which the Company assumes business. These letters of credit represent guarantees of performance under the reinsurance agreements and allow ceding companies to take statutory reserve credits. Certain of these letters of credit contain financial covenant restrictions similar to those described in the "Debt" discussion above. At June 30, 2024, there were approximately \$52 million of outstanding bank letters of credit in favor of third parties. Additionally, in accordance with applicable regulations, the Company utilizes letters of credit to secure statutory reserve credits when it retrocedes business to its affiliated subsidiaries. The Company cedes business to its affiliates to help reduce the amount of regulatory capital required in certain jurisdictions, such as the U.S., Canada and UK. The Company believes the capital required to support the business in the affiliates reflects more realistic expectations than the original jurisdiction of the business, where capital requirements are often considered to be quite conservative. As of June 30, 2024, \$1.6 billion in letters of credit from various banks were outstanding, but undrawn, backing reinsurance between the various subsidiaries of the Company.

On March 13, 2023, the Company entered into a syndicated revolving credit facility with a five year term and an overall capacity of \$850 million. See Note 18 – "Financing Activities" in the Notes to Consolidated Financial Statements in the 2023 Annual Report for further information.

Cash Flows

The Company's principal cash inflows from its reinsurance operations include premiums and deposit funds received from ceding companies. The primary liquidity concerns with respect to these cash flows are early recapture of the reinsurance contract by the ceding company and lapses of annuity products reinsured by the Company. The Company's principal cash inflows from its invested assets result from investment income and the maturity and sales of invested assets. The primary liquidity concerns with respect to these cash inflows relates to the risk of default by debtors and interest rate volatility. The Company manages these risks very closely. See "Investments" below.

Additional sources of liquidity to meet unexpected cash outflows in excess of operating cash inflows and current cash and equivalents on hand also includes drawing funds under a revolving credit facility, under which the Company had availability of \$850 million as of June 30, 2024. The Company also has \$583 million of funds available through collateralized borrowings from the FHLB as of June 30, 2024. As of June 30, 2024, the Company could have borrowed these additional amounts without violating any of its existing debt covenants.

The Company's principal cash outflows relate to the payment of claims liabilities, interest credited, operating expenses, income taxes, dividends to shareholders, purchases of treasury stock, and principal and interest under debt and other financing obligations. The Company seeks to limit its exposure to loss on any single insured and to recover a portion of benefits paid by ceding reinsurance to other insurance enterprises or reinsurers under excess coverage and coinsurance contracts. See Note 2 – "Significant Accounting Policies and Pronouncements" in the Notes to Consolidated Financial Statements in the 2023 Annual Report. The Company performs annual financial reviews of its retrocessionaires to evaluate financial stability and performance. The Company has never experienced a material default in connection with retrocession arrangements, nor has it experienced any difficulty in collecting claims recoverable from retrocessionaires; however, no assurance can be given as to the future performance of such retrocessionaires nor to the recoverability of future claims. The Company's management believes its cash and cash equivalents as well as its current sources of liquidity are adequate to meet its cash requirements for the next 12 months.

Summary of Primary Sources and Uses of Liquidity and Capital

The Company's primary sources and uses of liquidity and capital are summarized as follows (dollars in millions):

| | For the six months ended June 30, | |
|---|-----------------------------------|--------------|
| | 2024 | 2023 |
| Sources: | | |
| Net cash provided by operating activities | \$ 6,703 | \$ 1,818 |
| Proceeds from long-term debt issuance, net | 640 | 890 |
| Change in cash collateral for derivative positions and other arrangements | 33 | — |
| Change in deposit asset on reinsurance | 151 | 24 |
| Net deposits to investment-type policies and contracts | 1,534 | — |
| Total sources | 9,061 | 2,732 |
| Uses: | | |
| Net cash used in investing activities | 7,176 | 2,488 |
| Dividends to shareholders | 112 | 107 |
| Principal payments of long-term debt | 2 | 2 |
| Purchase of treasury stock | 19 | 119 |
| Change in cash collateral for derivative positions and other arrangements | — | 24 |
| Net withdrawals from investment-type policies and contracts | — | 294 |
| Effect of exchange rate changes on cash | 126 | 27 |
| Total uses | 7,435 | 3,061 |
| Net change in cash and cash equivalents | \$ 1,626 | \$ (329) |

Cash Flows from Operations – The principal cash inflows from the Company's reinsurance activities come from premiums, investment and fee income, annuity considerations and deposit funds. The principal cash outflows relate to the liabilities associated with various life and health insurance, annuity and disability products, operating expenses, income tax payments and interest on outstanding debt obligations. The primary liquidity concern with respect to these cash flows is the risk of shortfalls in premiums and investment income, particularly in periods with abnormally high claims levels.

Cash Flows from Investments – The principal cash inflows from the Company's investment activities come from repayments of principal on invested assets, proceeds from maturities of invested assets, sales of invested assets and settlements of freestanding derivatives. The principal cash outflows relate to purchases of investments, issuances of policy loans and settlements of freestanding derivatives. The Company typically has a net cash outflow from investing activities because cash inflows from insurance operations are reinvested in accordance with its asset/liability management discipline to fund insurance liabilities. The Company closely monitors and manages these risks through its credit risk management process. The primary liquidity concerns with respect to these cash flows are the risk of default by debtors and market disruption, which could make it difficult for the Company to sell investments.

Financing Cash Flows – The principal cash inflows from the Company's financing activities come from issuances of RGA debt and equity securities, and deposit funds associated with universal life and other investment type policies and contracts. The principal cash outflows come from repayments of debt, payments of dividends to shareholders, purchases of treasury stock and withdrawals associated with universal life and other investment type policies and contracts. A primary liquidity concern with respect to these cash flows is the risk of early contractholder and policyholder withdrawal.

Contractual Obligations

There were no material changes in the Company's contractual obligations from those reported in the 2023 Annual Report, except for the following:

- The Company's contractual obligations associated with future policy benefits increased \$6.9 billion at June 30, 2024, due to new transactions executed during the year.
- The Company's contractual obligations associated with long term debt, including interest, increased \$0.8 billion at June 30, 2024, primarily due to the issuance of the 2034 Senior Notes, see Note 17 – "Financing Activities" for further details.
- The Company's contractual obligations associated with other investment commitments increased \$0.4 billion at June 30, 2024, primarily due to an increase in payables for securities sold or loaned under agreements to repurchase, see Note 10 – "Investments" for further details.

Asset / Liability Management

The Company actively manages its cash and invested assets using an approach that is intended to balance quality, diversification, asset/liability matching, liquidity and investment return. The goals of the investment process are to optimize after-tax, risk-adjusted investment income and after-tax, risk-adjusted total return while managing the assets and liabilities on a cash flow and duration basis.

The Company has established target asset portfolios for its operating segments, which represent the investment strategies intended to profitably fund its liabilities within acceptable risk parameters. These strategies include objectives and limits for effective duration, yield curve sensitivity and convexity, liquidity, asset sector concentration and credit quality.

The Company's asset-intensive products are primarily supported by investments in fixed maturity securities reflected on the Company's balance sheet and under funds withheld arrangements with the ceding company. Investment guidelines are established to structure the investment portfolio based upon the type, duration and behavior of products in the liability portfolio so as to achieve targeted levels of profitability. The Company manages the asset-intensive business to provide a targeted spread between the interest rate earned on investments and the interest rate credited to the underlying interest-sensitive contract liabilities. The Company periodically reviews models projecting different interest rate scenarios and their effect on profitability. Certain of these asset-intensive agreements, primarily in the U.S. and Latin America Financial Solutions operating segment, are generally funded by fixed maturity securities that are withheld by the ceding company.

The Company's liquidity position (cash and cash equivalents and short term investments) was \$4.9 billion and \$3.2 billion at June 30, 2024 and December 31, 2023, respectively. Liquidity needs are determined from valuation analyses conducted by operational units and are driven by product portfolios. Periodic evaluations of demand liabilities and short-term liquid assets are designed to adjust specific portfolios, as well as their durations and maturities, in response to anticipated liquidity needs.

See "Securities Borrowing, Lending and Repurchase/Reverse Repurchase Agreements" in Note 10 – "Investments" in the Notes to Condensed Consolidated Financial Statements for information related to the Company's securities borrowing, lending and repurchase/reverse repurchase programs. In addition to its security agreements with third parties, certain RGA subsidiaries have entered into intercompany securities lending agreements to more efficiently source securities for lending to third parties and to provide for more efficient regulatory capital management.

The Company is a member of the FHLB and holds \$73 million of FHLB common stock, which is included in other invested assets on the Company's condensed consolidated balance sheets. The Company has entered into funding agreements with the FHLB under guaranteed investment contracts whereby the Company has issued the funding agreements in exchange for cash and for which the FHLB has been granted a blanket lien on the Company's commercial and residential mortgage-backed securities and commercial mortgage loans used to collateralize the Company's obligations under the funding agreements. The Company maintains control over these pledged assets, and may use, commingle, encumber or dispose of any portion of the collateral as long as there is no event of default and the remaining qualified collateral is sufficient to satisfy the collateral maintenance level. The funding agreements and the related security agreements represented by this blanket lien provide that upon any event of default by the Company, the FHLB's recovery is limited to the amount of the Company's liability under the outstanding funding agreements. The amount of the Company's liability for the funding agreements with the FHLB was \$1.4 billion at June 30, 2024 and \$1.1 billion at December 31, 2023, which is included in interest-sensitive contract liabilities on the Company's condensed consolidated balance sheets. The advances on these agreements are collateralized primarily by commercial and residential mortgage-backed securities, commercial mortgage loans, and U.S. Treasury and government agency securities. The amount of collateral exceeds the liability and is dependent on the type of assets collateralizing the guaranteed investment contracts.

Investments

Management of Investments

The Company's investment and derivative strategies involve matching the characteristics of its reinsurance products and other obligations. The Company seeks to closely approximate the interest rate sensitivity of the assets with estimated interest rate sensitivity of the reinsurance liabilities. The Company achieves its income objectives through strategic and tactical asset allocations, applying security and derivative strategies within asset/liability and disciplined risk management frameworks. Derivative strategies are employed within the Company's risk management framework to help manage duration, currency, and other risks in assets and/or liabilities and to replicate the credit characteristics of certain assets.

The Company's portfolio management groups work with the Enterprise Risk Management function to develop the investment policies for the assets of the Company's domestic and international investment portfolios. All investments held by the Company, directly or in a funds withheld at interest reinsurance arrangement, are monitored for conformance with the Company's stated investment policy limits as well as any limits prescribed by the applicable jurisdiction's insurance laws and regulations. See Note 10 – "Investments" in the Notes to Condensed Consolidated Financial Statements for additional information regarding the Company's investments.

Portfolio Composition

The Company had total cash and invested assets of \$94.2 billion and \$81.9 billion as of June 30, 2024 and December 31, 2023, respectively, as illustrated below (dollars in millions):

| | June 30, 2024 | % of Total | December 31, 2023 | % of Total |
|---|---------------|------------|-------------------|------------|
| Fixed maturity securities available-for-sale | \$ 70,491 | 74.7 % | \$ 60,467 | 73.9 % |
| Equity securities | 144 | 0.2 | 139 | 0.2 |
| Mortgage loans | 7,984 | 8.5 | 7,377 | 9.0 |
| Policy loans | 1,171 | 1.2 | 1,206 | 1.5 |
| Funds withheld at interest | 5,556 | 5.9 | 5,683 | 6.9 |
| Limited partnerships and real estate joint ventures | 2,791 | 3.0 | 2,635 | 3.2 |
| Short-term investments | 335 | 0.4 | 222 | 0.3 |
| Other invested assets | 1,148 | 1.2 | 1,171 | 1.4 |
| Cash and cash equivalents | 4,596 | 4.9 | 2,970 | 3.6 |
| Total cash and invested assets | \$ 94,216 | 100.0 % | \$ 81,870 | 100.0 % |

Investment Yield

The following table presents consolidated average invested assets at amortized cost, net investment income, investment yield, variable investment income ("VII") and investment yield excluding VII, which can vary significantly from period to period (dollars in millions). The table excludes spread related business. Spread related business is primarily associated with contracts on which the Company earns an interest rate spread between assets and liabilities. To varying degrees, fluctuations in the yield on other spread related business is generally subject to corresponding adjustments to the interest credited on the liabilities.

| | Three months ended June 30, | | | Six months ended June 30, | | |
|--|-----------------------------|-----------|-----------------------|---------------------------|-----------|-----------------------|
| | 2024 | 2023 | Increase / (Decrease) | 2024 | 2023 | Increase / (Decrease) |
| Average invested assets at amortized cost | \$ 38,172 | \$ 36,124 | \$ 2,048 | \$ 38,106 | \$ 35,792 | \$ 2,314 |
| Net investment income | \$ 436 | \$ 393 | \$ 43 | \$ 880 | \$ 808 | \$ 72 |
| Annualized investment yield (ratio of net investment income to average invested assets at amortized cost) | 4.65 % | 4.42 % | 23 bps | 4.67 % | 4.56 % | 11 bps |
| VII (included in net investment income) | \$ 12 | \$ 17 | \$ (5) | \$ 28 | \$ 56 | \$ (28) |
| Annualized investment yield excluding VII (ratio of net investment income, excluding VII, to average invested assets, excluding assets with only VII, at amortized cost) | 4.76 % | 4.43 % | 33 bps | 4.76 % | 4.44 % | 32 bps |

Investment yield increased for the three months ended June 30, 2024 and the six months ended June 30, 2024, in comparison to the same periods in the prior year, primarily due to higher new money rates, partially offset by decreased variable income from real estate joint ventures.

Fixed Maturity Securities Available-for-Sale

See "Fixed Maturity Securities Available-for-Sale" in Note 10 – "Investments" in the Notes to Condensed Consolidated Financial Statements for tables that provide the amortized cost, allowance for credit losses, unrealized gains and losses and estimated fair value of these securities by type as of June 30, 2024 and December 31, 2023.

Important factors in the selection of investments include diversification, quality, yield, call protection and total rate of return potential. The relative importance of these factors is determined by market conditions and the underlying reinsurance liability and existing portfolio characteristics. As of June 30, 2024 and December 31, 2023, approximately 94.4% and 94.3%, respectively, of the Company's consolidated investment portfolio of fixed maturity securities were investment grade.

The Company owns floating rate securities that represent approximately 8.2% and 7.7% of the total fixed maturity securities as of June 30, 2024 and December 31, 2023, respectively. These investments have a higher degree of income variability than the other fixed income holdings in the portfolio due to fluctuations in interest payments. The Company holds floating rate investments to enhance asset management strategies and match certain interest-sensitive contract liabilities.

The largest asset class in which fixed maturity securities were invested was corporate securities, which represented approximately 65.4% and 64.1% of total fixed maturity securities as of June 30, 2024 and December 31, 2023, respectively. See "Corporate Fixed Maturity Securities" in Note 10 – "Investments" in the Notes to Condensed Consolidated Financial Statements for tables showing the major sector types, which comprise the corporate fixed maturity holdings as of June 30, 2024 and December 31, 2023.

As of June 30, 2024 and December 31, 2023, the Company's investments in Canadian government securities represented 6.8% and 6.5%, respectively, of the fair value of total fixed maturity securities. These assets are primarily high quality, long duration provincial strip bonds, the valuation of which is closely linked to the interest rate curve. These assets are longer in duration and held primarily for asset/liability management to meet Canadian regulatory requirements.

As of June 30, 2024 and December 31, 2023, the Company's investments in Japanese government securities represented 6.3% and 5.2%, respectively, of the fair value of total fixed maturity securities. These assets are primarily long duration government bonds matching the liability profile of the Company's Japanese business.

The Company references rating agency designations in some of its investments disclosures. These designations are based on the ratings from nationally recognized statistical rating organizations, primarily Moody's, S&P and Fitch. Structured securities held by the Company's insurance subsidiaries that maintain the NAIC statutory basis of accounting utilize the NAIC rating methodology. The NAIC assigns designations to publicly traded as well as privately placed securities. The designations assigned by the NAIC range from class 1 to class 6, with designations in classes 1 and 2 generally considered investment grade (BBB or higher rating agency designation). NAIC designations in classes 3 through 6 are generally considered below investment grade (BB or lower rating agency designation). If no rating is available from a rating agency or the NAIC, then an internally developed rating is used.

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 securities portfolio, as of June 30, 2024 and December 31, 2023 was as follows (dollars in millions):

| NAIC Designation | Rating Agency Designation | June 30, 2024 | | | December 31, 2023 | | |
|------------------|---------------------------|----------------|----------------------|------------|-------------------|----------------------|------------|
| | | Amortized Cost | Estimated Fair Value | % of Total | Amortized Cost | Estimated Fair Value | % of Total |
| 1 | AAA/AA/A | \$ 49,634 | \$ 45,782 | 64.9 % | \$ 41,469 | \$ 38,739 | 64.1 % |
| 2 | BBB | 22,431 | 20,787 | 29.5 | 19,793 | 18,261 | 30.2 |
| 3 | BB | 3,331 | 3,270 | 4.6 | 3,068 | 2,956 | 4.9 |
| 4 | B | 562 | 504 | 0.8 | 479 | 396 | 0.7 |
| 5 | CCC and lower | 158 | 124 | 0.2 | 116 | 92 | 0.1 |
| 6 | In or near default | 45 | 24 | — | 52 | 23 | — |
| Total | | \$ 76,161 | \$ 70,491 | 100.0 % | \$ 64,977 | \$ 60,467 | 100.0 % |

The Company's fixed maturity portfolio includes structured securities. The following table shows the types of structured securities the Company held as of June 30, 2024 and December 31, 2023 (dollars in millions):

| | June 30, 2024 | | | December 31, 2023 | | |
|--|----------------|----------------------|------------|-------------------|----------------------|------------|
| | Amortized Cost | Estimated Fair Value | % of Total | Amortized Cost | Estimated Fair Value | % of Total |
| ABS: | | | | | | |
| Collateralized loan obligations ("CLOs") | \$ 2,675 | \$ 2,676 | 31.6 % | \$ 2,086 | \$ 2,048 | 28.1 % |
| ABS, excluding CLOs | 2,627 | 2,467 | 29.1 | 2,575 | 2,381 | 32.7 |
| Total ABS | 5,302 | 5,143 | 60.7 | 4,661 | 4,429 | 60.8 |
| CMBS | 2,242 | 2,120 | 25.0 | 1,969 | 1,773 | 24.3 |
| RMBS: | | | | | | |
| Agency | 414 | 364 | 4.3 | 444 | 398 | 5.5 |
| Non-agency | 893 | 848 | 10.0 | 729 | 681 | 9.4 |
| Total RMBS | 1,307 | 1,212 | 14.3 | 1,173 | 1,079 | 14.9 |
| Total | \$ 8,851 | \$ 8,475 | 100.0 % | \$ 7,803 | \$ 7,281 | 100.0 % |

The Company's ABS portfolio primarily consists of CLOs, aircraft and NAV loans. The principal risks in holding ABS are structural, credit, capital market and interest rate risks. Structural risks include the securities' cash flow priority in the capital structure and the inherent prepayment sensitivity of the underlying collateral. Credit risks include the adequacy and ability to realize proceeds from the collateral. Credit risks are mitigated by credit enhancements that include excess spread, over-collateralization and subordination. Capital market risks include general level of interest rates and the liquidity for these securities in the marketplace.

The Company's CMBS portfolio primarily consists of large pool securitizations that are diverse by property type, borrower and geographic dispersion. The principal risks in holding CMBS are structural and credit risks. Structural risks include the securities' cash flow priority in the capital structure and the inherent prepayment sensitivity of the underlying collateral. Credit risks include the adequacy and ability to realize proceeds from the collateral. The Company focuses on investment grade rated tranches that provide additional credit support beyond the equity protection in the underlying loans. These assets are viewed as an attractive alternative to other fixed income asset classes.

The Company's RMBS portfolio includes agency-issued pass-through securities and collateralized mortgage obligations. Agency-issued pass-through securities are guaranteed or otherwise supported by the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, or the Government National Mortgage Association. The principal risks inherent in holding RMBS are prepayment and extension risks, which will affect the timing of when cash will be received and are dependent on the level of mortgage interest rates. Prepayment risk is the unexpected increase in principal payments from the expected, primarily as a result of owner refinancing. Extension risk relates to the unexpected slowdown in principal payments from the expected. In addition, non-agency RMBS face credit risk should the borrower be unable to pay the contractual interest or principal on their obligation. The Company monitors its mortgage-backed securities to mitigate exposure to the cash flow uncertainties associated with these risks.

As of June 30, 2024 and December 31, 2023, the Company had \$6.5 billion and \$5.6 billion, respectively, of gross unrealized losses related to its fixed maturity securities. The Company monitors its fixed maturity securities to determine impairments in value and evaluates factors such as financial condition of the issuer, payment performance, compliance with covenants, general market and industry sector conditions, current intent and ability to hold securities, and various other subjective factors. Based on management's judgment, an allowance for credit losses in the amount that fair value is less than the amortized cost is recorded for securities determined to have expected credit losses.

Mortgage Loans

The Company's mortgage loan portfolio consists of U.S., Canada and UK based investments primarily in retail locations, light industrial properties, and commercial offices. The mortgage loan portfolio is diversified by geographic region and property type as discussed further under "Mortgage Loans" in Note 10 – "Investments" in the Notes to Condensed Consolidated Financial Statements. Most of the mortgage loans in the Company's portfolio range in size up to \$45 million, with the average mortgage loan investment as of June 30, 2024, totaling approximately \$10 million.

As of June 30, 2024 and December 31, 2023, the Company's recorded investment in mortgage loans, gross of unamortized deferred loan origination fees and expenses and allowance for credit losses, were distributed geographically as follows (dollars in millions):

| | June 30, 2024 | | December 31, 2023 | |
|-----------------|---------------------|------------|---------------------|------------|
| | Recorded Investment | % of Total | Recorded Investment | % of Total |
| U.S. Region: | | | | |
| West | \$ 2,971 | 36.8 % | \$ 2,806 | 37.6 % |
| South | 2,534 | 31.4 | 2,472 | 33.1 |
| Midwest | 1,203 | 14.9 | 1,163 | 15.6 |
| Northeast | 553 | 6.8 | 541 | 7.3 |
| Subtotal – U.S. | 7,261 | 89.9 | 6,982 | 93.6 |
| Canada | 611 | 7.6 | 301 | 4.0 |
| United Kingdom | 204 | 2.5 | 176 | 2.4 |
| Total | \$ 8,076 | 100.0 % | \$ 7,459 | 100.0 % |

See "Allowance for Credit Losses and Impairments" in Note 2 – "Significant Accounting Policies and Pronouncements" of the Company's 2023 Annual Report and "Mortgage Loans" in Note 10 – "Investments" in the Notes to Condensed Consolidated Financial Statements for information regarding the Company's policy for allowance for credit losses on mortgage loans.

Allowance for Credit Losses and Impairments

The table below summarizes investment related gains (losses), net related to allowances for credit losses and impairments for the three and six months ended June 30, 2024 and 2023 (dollars in millions):

| | Three months ended June 30, | | Six months ended June 30, | |
|--|-----------------------------|--------|---------------------------|---------|
| | 2024 | 2023 | 2024 | 2023 |
| Change in allowance for credit losses on fixed maturity securities | \$ (16) | \$ 4 | \$ (36) | \$ (38) |
| Impairments on fixed maturity securities | (1) | — | (1) | (1) |
| Change in mortgage loan allowance for credit losses | 2 | (9) | (8) | (6) |
| Limited partnerships and real estate joint ventures impairment losses | — | — | (8) | — |
| Other impairment losses | (3) | — | (4) | — |
| Investment related gains (losses) related to credit losses and impairments | \$ (18) | \$ (5) | \$ (57) | \$ (45) |

The Company's determination of whether a decline in value necessitates the recording of an allowance for credit losses includes an analysis of whether the issuer is current on its contractual payments, evaluating whether it is probable that the Company will be able to collect all amounts due according to the contractual terms of the security and analyzing the overall ability of the Company to recover the amortized cost of the investment. See "Allowance for Credit Losses and Impairments" in Note 2 – "Significant Accounting Policies and Pronouncements" of the Company's 2023 Annual Report for additional information.

See "Unrealized Losses for Fixed Maturity Securities Available-for-Sale" in Note 10 – "Investments" in the Notes to Condensed Consolidated Financial Statements for tables that present the estimated fair value and gross unrealized losses for securities that have estimated fair values below amortized cost by class and grade, as well as the length of time the related estimated fair value has remained below amortized cost as of June 30, 2024 and December 31, 2023.

As of June 30, 2024 and December 31, 2023, the Company classified approximately 10.0% and 10.6%, respectively, of its fixed maturity securities in the Level 3 category. Refer to Note 12 – "Fair Value of Assets and Liabilities" in the Notes to Condensed Consolidated Financial Statements for additional information. These securities primarily consist of private placement corporate and asset-backed securities.

See "Securities Lending and Repurchase/Reverse Repurchase Agreements" in Note 10 – "Investments" in the Notes to Condensed Consolidated Financial Statements for information related to the Company's securities lending and repurchase/reverse repurchase agreements.

Funds Withheld at Interest

For reinsurance agreements written on a modified coinsurance basis and certain agreements written on a coinsurance basis, assets equal to the net statutory reserves are withheld and legally owned and managed by the ceding company and are reflected as funds withheld at interest on the Company's condensed consolidated balance sheets. In the event of a ceding company's insolvency, the Company would need to assert a claim on the assets supporting its reserve liabilities. However, the risk of loss to the Company is mitigated by its ability to offset amounts it owes the ceding company for claims or allowances against amounts owed by the ceding company. Interest accrues to the total funds withheld at rates defined by the treaty terms. The Company is subject to the investment performance on the withheld assets, although it does not directly control them. These assets are primarily fixed maturity investment securities and pose risks similar to the fixed maturity securities the Company owns. To mitigate this risk, the Company helps set the investment guidelines followed by the ceding company and monitors compliance. Ceding companies with funds withheld at interest had an average financial strength rating of "A" as of June 30, 2024 and December 31, 2023. Certain ceding companies maintain segregated portfolios for the benefit of the Company.

Other Invested Assets

Other invested assets primarily include lifetime mortgages, derivative contracts, FHLB common stock and real estate held for investment. See "Other Invested Assets" in Note 10 – "Investments" in the Notes to Condensed Consolidated Financial Statements for a table that presents the carrying value of the Company's other invested assets by type as of June 30, 2024 and December 31, 2023.

The Company utilizes derivative financial instruments to protect the Company against possible changes in the fair value of its investment portfolio as a result of interest rate changes, to hedge against risk of changes in the purchase price of securities, to hedge liabilities associated with the reinsurance of variable annuities with guaranteed living benefits and to manage the portfolio's effective yield, maturity and duration. In addition, the Company utilizes derivative financial instruments to reduce the risk associated with fluctuations in foreign currency exchange rates. The Company uses exchange-traded, centrally cleared, and customized over-the-counter derivative financial instruments.

See Note 11 – "Derivative Instruments" in the Notes to Condensed Consolidated Financial Statements for a table that presents the notional amounts and fair value of investment related derivative instruments held as of June 30, 2024 and December 31, 2023.

The Company may be exposed to credit-related losses in the event of non-performance by counterparties to derivative financial instruments. Generally, the credit exposure of the Company's derivative contracts is limited to the fair value and accrued interest of non-collateralized derivative contracts in an asset position at the reporting date. As of June 30, 2024, the Company had credit exposure of \$14 million.

The Company manages its credit risk related to over-the-counter derivatives by entering into transactions with creditworthy counterparties, maintaining collateral arrangements and through the use of master agreements that provide for a single net payment to be made by one counterparty to another at each due date and upon termination. As exchange-traded futures are affected through regulated exchanges, and positions are marked to market on a daily basis, the Company has minimal exposure to credit-related losses in the event of nonperformance by counterparties. See Note 12 – "Derivative Instruments" in the Notes to Condensed Consolidated Financial Statements for more information regarding the Company's derivative instruments.

The Company holds \$951 million and \$944 million of beneficial interest in lifetime mortgages in the UK, net of allowance for credit losses, as of June 30, 2024 and December 31, 2023, respectively. Investment income includes \$10 million and \$8 million in interest income earned on lifetime mortgages for the three months ended June 30, 2024 and 2023, respectively, and \$21 million and \$18 million in interest income earned on lifetime mortgages for the six months ended June 30, 2024 and 2023, respectively. Lifetime mortgages represent loans provided to individuals 55 years of age and older secured by the borrower's residence. Lifetime mortgages are comparable to a home equity loan by allowing the borrower to utilize the equity in their home as collateral. The amount of the loan is dependent on the appraised value of the home at the time of origination, the borrower's age and interest rate. Unlike a home equity loan, no payment of principal or interest is required until the death of the borrower or sale of the home. Lifetime mortgages may also be either fully funded at origination, or the borrower can request periodic funding similar to a line of credit. Lifetime mortgages are subject to risks, including market, credit, interest rate, liquidity, operational, reputational and legal risks.

New Accounting Standards

Changes to the general accounting principles are established by the Financial Accounting Standards Board ("FASB") in the form of accounting standards updates to the FASB Accounting Standards Codification™.

See Note 18 – "New Accounting Standards" in the Notes to Condensed Consolidated Financial Statements for information on new accounting pronouncements and their impact, if any, on the Company's results of operations and financial position.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk of fluctuations in the value of financial instruments as a result of absolute or relative changes in interest rates, foreign currency exchange rates, equity prices or commodity prices. To varying degrees, the Company products and services, and the investment activities supporting them, generate exposure to market risk. The market risk incurred, and the Company's strategies for managing this risk, vary by product. As of June 30, 2024, there have been no material changes in the Company's economic exposure to market risk or the Company's Enterprise Risk Management function from December 31, 2023, a description of which may be found in its Annual Report on Form 10-K, for the year ended December 31, 2023, Item 7A, "Quantitative and Qualitative Disclosures about Market Risk," filed with the Securities and Exchange Commission.

ITEM 4. Controls and Procedures

The Chief Executive Officer and the Chief Financial Officer have evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as defined in Exchange Act Rule 13a-15(e) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that these disclosure controls and procedures were effective.

There was no change in the Company's internal control over financial reporting as defined in Exchange Act Rule 13a-15(f) during the quarter ended June 30, 2024, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. Legal Proceedings

The Company is subject to litigation and regulatory investigations or actions from time to time. Based on current knowledge, management does not believe that loss contingencies arising from pending legal, regulatory and governmental matters will have a material adverse effect on the financial condition, results of operations or cash flows of the Company. However, in light of the inherent uncertainties involved in future or pending legal, regulatory and governmental matters, some of which are beyond the Company's control, and indeterminate or potentially substantial amount of damages sought in any such matters, an adverse outcome could be material to the Company's financial condition, results of operations or cash flows for any particular reporting period. A legal reserve is established when the Company is notified of an arbitration demand, litigation or regulatory action or is notified that an arbitration demand, litigation or regulatory action is imminent, it is probable that the Company will incur a loss as a result and the amount of the probable loss is reasonably capable of being estimated.

ITEM 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in the Company's 2023 Annual Report.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The following table summarizes RGA's repurchase activity of its common stock during the quarter ended June 30, 2024:

| | Total Number of Shares Purchased ⁽¹⁾ | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾ | Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plan or Program |
|--------------------------------|--|---------------------------------|--|--|
| April 1, 2024 – April 30, 2024 | 3,243 | \$ 191.34 | — | \$ 500,000,000 |
| May 1, 2024 – May 31, 2024 | 10,689 | \$ 205.74 | — | \$ 500,000,000 |
| June 1, 2024 – June 30, 2024 | 1,559 | \$ 204.34 | — | \$ 500,000,000 |

(1) The Company did not repurchase any shares of common stock under its share repurchase program in April, May and June 2024. The Company net settled – issuing 7,013, 35,866 and 8,753 shares from treasury and repurchasing from recipients 3,243, 10,689 and 1,559 shares in April, May and June 2024, respectively, in settlement of income tax withholding requirements incurred by the recipients of equity incentive awards.

On January 23, 2024, the Company's board of directors authorized a share repurchase program for up to \$500 million of its outstanding common stock. The authorization was effective immediately and does not have an expiration date. During the six months ended June 30, 2024, the Company did not repurchase any shares of common stock under this program.

The pace of repurchase activity depends on various factors such as the level of available cash, an evaluation of the costs and benefits associated with alternative uses of excess capital, such as acquisitions and in force reinsurance transactions, and the Company's stock price.

ITEM 5. Other Information

During the six months ended June 30, 2024 none of our directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

ITEM 6. Exhibits

See index to exhibits.

INDEX TO EXHIBITS

| <u>Exhibit Number</u> | <u>Description</u> |
|---------------------------|---|
| 3.1 | Amended and Restated Articles of Incorporation, effective May 21, 2020, incorporated by reference to Exhibit 3.1(i) to Current Report on Form 8-K filed May 22, 2020 |
| 3.2 | Amended and Restated Bylaws, effective December 20, 2022, incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K filed December 20, 2022 |
| 10.1 | Employee Stock Purchase Plan, effective May 22, 2024* |
| 10.2 | Canadian Benchmark Replacement Conforming Changes Amendment, dated June 25, 2024, by Bank of America, N.A., as Administrative Agent, to Credit Agreement, dated March 13, 2023, by and among the Company, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, the lenders and other parties thereto |
| 31.1 | Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2 | Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002 |
| 101.INS | XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document |
| 101.SCH | XBRL Taxonomy Extension Schema Document |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibits 101). |

* Represents a management contract or compensatory plan or arrangement required to be filed as an exhibit to this form pursuant to Item 15 of this Report.

GLOSSARY OF SELECTED TERMS

Throughout this quarterly report on Form 10-Q, the Company may use certain abbreviations, acronyms and terms which are defined below.

Entities

| Term or Acronym | Definition |
|----------------------|--|
| RGA Reinsurance | RGA Reinsurance Company |
| Parkway Re | Parkway Reinsurance Company |
| Rockwood Re | Rockwood Reinsurance Company |
| Castlewood Re | Castlewood Reinsurance Company |
| Chesterfield Re | Chesterfield Reinsurance Company |
| RGA Life and Annuity | RGA Life and Annuity Insurance Company |
| RGA Canada | RGA Life Reinsurance Company of Canada |
| RGA Barbados | RGA Reinsurance Company (Barbados) Ltd. |
| RGA Americas | RGA Americas Reinsurance Company, Ltd. |
| Manor Re | Manor Reinsurance, Ltd. |
| RGA Atlantic | RGA Atlantic Reinsurance Company Ltd. |
| RGA Worldwide | RGA Worldwide Reinsurance Company, Ltd. |
| RGA Global | RGA Global Reinsurance Company, Ltd. |
| RGA Australia | RGA Reinsurance Company of Australia Limited |
| RGA International | RGA International Reinsurance Company dac |
| Aurora National | Aurora National Life Assurance Company |
| Omnilife | Omnilife Insurance Company, Limited |
| Papara | Papara Financing LLC |

Certain Terms and Acronyms

| Term or Acronym | Definition |
|---------------------------------------|--|
| A.M. Best | A.M. Best Company |
| ABS | Asset-backed securities |
| Actuary | A specialist in the mathematics of risk, especially as it relates to insurance calculations such as premiums, reserves, dividends, insurance rates and annuity rates. |
| Allowance | An amount paid by the reinsurer to the ceding company to help cover the ceding company's acquisition and other costs, especially commissions. Allowances are usually calculated as a large percentage (often 100%) of first-year premiums reinsured and smaller percentages of renewal premiums reinsured. |
| AOCI | Accumulated other comprehensive income (loss) |
| Asset-Intensive Reinsurance | A transaction (usually coinsurance or funds withheld and often involving reinsurance of annuities) where performance of the underlying assets, more so than any mortality risk, is a key element. |
| Assumed reinsurance | Insurance risk that a reinsurer accepts (assumes) from a ceding company. |
| ASU | Accounting Standards Update |
| ASU 2018-12 | Financial Accounting Standards Board's Accounting Standards Update No. 2018-12, "Targeted Improvements to the Accounting for Long-Duration Contracts" and related amendments. Also referred to as LDTI. |
| Automatic Reinsurance | Reinsurance arrangement whereby the ceding company and reinsurer agree that all business of a certain description will be ceded to the reinsurer. Under this arrangement, the ceding company performs underwriting decision-making within agreed-upon parameters for all business reinsured. |
| Bermuda Insurance Act | Bermuda's Insurance Act 1978 which distinguishes between insurers carrying on long-term business, insurers carrying on special purpose business and insurers carrying on general business. |
| BMA | Bermuda Monetary Authority |
| BSCR | Bermuda Solvency Capital Requirement |
| CCPA | California Consumer Privacy Act of 2018 |
| Capital-motivated reinsurance | Reinsurance, including financial reinsurance, whose primary purpose is to enhance the cedant's capital position. |
| Captive insurer | An insurance or reinsurance entity designed to provide insurance or reinsurance coverage for risks of the entity or entities by which it is owned or to which it is affiliated. |
| CECL | Accounting for current expected credit losses using the model based on expected losses rather than incurred losses. |
| Ceding company (also known as cedant) | An insurer that transfers, or cedes, risk to a reinsurer |
| CEO | RGA's Chief Executive Officer |
| Cession | The insurance risk associated with a policy that is reinsured from an insurer to a reinsurer. |
| CFO | RGA's Chief Financial Officer |
| CIO | RGA's Chief Information Officer |

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| CISO | RGA's Global Chief Information Security and Privacy officer |
| CLOs | Collateralized loan obligations |
| CMBS | Commercial mortgage-backed securities, a part of our investment portfolio that consists of securities made up of commercial mortgages. Stated on our balance sheet at fair value. |
| Coinsurance (also known as original terms reinsurance) | A form of reinsurance under which the ceding company shares its premiums, death claims, surrender benefits, dividends and policy loans with the reinsurer, and the reinsurer pays expense allowances to reimburse the ceding company for a share of its expenses. |
| Coinsurance funds-withheld | A variant on coinsurance, in which the ceding company withholds assets equal to reserves and shares investment income on those assets with the reinsurer. |
| Counterparty | A party to a contract requiring or offering the exchange of risk. |
| Counterparty risk | The risk that a party to an agreement will be unable to fulfill its contractual obligations |
| CPI | Consumer price index |
| Critical illness (CI) insurance (also known as dread disease insurance) | Insurance that provides a guaranteed fixed sum upon diagnosis of a specified illness or condition such as cancer, heart disease, or permanent total disability. The coverage can be offered on a stand-alone basis or as an add-on to a life insurance policy. |
| CRO | RGA's Chief Risk Officer |
| CVA | Credit valuation adjustment |
| DAC | Deferred policy acquisition costs: Costs of acquiring new business, which vary with and are directly related to the production of new business, have been deferred to the extent that such costs are deemed recoverable from future premiums or gross profits. |
| "Directors Plan" | Flexible Stock Plan for Directors |
| EBITDA | Earnings before interest, taxes, depreciation and amortization |
| EBS | Economic balance sheet framework as part of the Bermuda Solvency Capital Requirement that forms the basis for an insurer's enhanced capital requirements. |
| ECR | Enhanced capital requirement in accordance with the provisions of the Bermuda Insurance Act. |
| EEA | European Economic Area |
| EIAs | Equity-Indexed Annuities |
| EMEA | Europe, Middle East and Africa geographic segment |
| Enterprise Risk Management (ERM) | An enterprise-wide framework used by a firm to assess all risks facing the organization, manage mitigation strategies, monitor ongoing risks and report to interested audiences. |
| ESG | Environmental, social and governance |
| EU | European Union |
| Expected mortality | Number of deaths predicted to occur in a defined group of people. |
| FABN | Funding Agreement Backed Notes |
| Face amount | Amount payable at the death of the insured or at the maturity of the policy. |
| Facultative reinsurance | A type of reinsurance in which the reinsurer underwrites an individual risk submitted by the ceding company for a risk that is unusual, large, highly substandard or not covered by an automatic reinsurance treaty. Such risks are typically submitted to multiple reinsurers for competitive offers. |
| FASB | Financial Accounting Standards Board |
| FCA | Financial Conduct Authority |
| FHLB | Federal Home Loan Bank |
| FIA | Fixed indexed annuities |
| Financial reinsurance (also known as financially-motivated reinsurance) | A form of capital-motivated reinsurance that satisfies all regulatory requirements for risk transfer and is often designed to produce very predictable reinsurer profits as a percentage of the capital provided. |
| FSB | Financial Stability Board which consists of representatives of national financial authorities of the G20 nations. |
| FVO | Fair value option |
| GAAP | U.S. generally accepted accounting principles |
| GDPR | General Data Protection Regulation which establishes uniform data privacy laws across the European Union. |
| GICs | Guaranteed investment contracts |
| GILTI | Global intangible low-taxed income; a provision of U.S. Tax Reform that generally eliminates U.S. Federal income tax deferral on earnings of foreign subsidiaries. |
| GloBE | Model Global Anti-Base Erosion rules developed by the Organization for Economic Cooperation and Development |
| GMAB | Guaranteed minimum accumulation benefits; a feature of some variable annuities that the Company reinsures |
| GMDB | Guaranteed minimum death benefits; a feature of some variable annuities that the Company reinsures |
| GMIB | Guaranteed minimum income benefits; a feature of some variable annuities that the Company reinsures |
| GMWB | Guaranteed minimum withdrawal benefits; a feature of some variable annuities that the Company reinsures |
| Group life insurance | Insurance policy under which the lives of a group of people, most commonly employees of a single company, are insured in accordance with the terms of one master contract. |
| Guaranteed issue life insurance | Insurance products that are guaranteed upon application, regardless of past health conditions. |

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| IAIG | Internationally Active Insurance Group |
| IAIS | International Association of Insurance Supervisors |
| IBNR | Incurred but not reported; a liability on claims that are based on historical reporting patterns, but have not yet been reported. |
| Individual life insurance | An insurance policy that insures the life of usually one and sometimes two or more related individuals, rather than a group of people. |
| In-force sum insured | A measure of insurance in effect at a specific date. |
| Initial public offering (IPO) | The first sale to the public of shares of common stock issued by a private company. IPOs often are issued by smaller companies seeking the capital to expand, but they also can be used by large mutual or privately owned companies seeking to become publicly traded. |
| International Financial Reporting Standards (IFRS) | Standards and interpretations adopted by the International Accounting Standards Board (IASB) |
| ISO | International Organization Standardization |
| LDTI | Financial Accounting Standards Board's Accounting Standards Update No. 2018-12, "Targeted Improvements to the Accounting for Long-Duration Contracts" and related amendments. Also referred to as ASU 2018-12. |
| Liquidity position | Combination of the Company's cash equivalents and short-term investments |
| Longevity product | An insurance product that mitigates longevity risk by providing a stream of income for the duration of the policyholder's life. |
| Loss ratio | Claims and other policy benefits and Future policy benefits remeasurement (gains) losses as a percentage of net premiums |
| Market risk benefits (MRB) | Contracts or contract features that provide protection to the policyholder from capital market risk and expose the Company to other-than-nominal capital market risk and are measured at fair value |
| MDCI | Missouri Department of Commerce and Insurance |
| MMS | Minimum margin of solvency required to be maintained by the Company's Bermuda subsidiaries. |
| Modco | Modified coinsurance |
| Modified coinsurance | A variant on coinsurance in which the ceding company retains all the reserves, as well as assets backing reserves, and pays the reinsurer interest on the reinsurer's share of the reserves. |
| Moody's | Moody's Investors Service |
| Morbidity | A measure of the incidence of sickness or disease within a specific population group. |
| Mortality experience | Actual number of deaths occurring in a defined group of people. |
| Mortality risk reinsurance | Reinsurance that focuses primarily on transfer of mortality risk through coinsurance of term products or YRT. |
| NAIC | National Association of Insurance Commissioners |
| NAIC SAP | NAIC statutory accounting practices |
| NAV | Net asset value |
| Net Premium Ratio (NPR) | The NPR equals the present value of benefits divided by the present value of gross premiums |
| NIFO | Net investments in foreign operations |
| NIST | National Institute of Standards and Technology |
| NOL | Net operating loss |
| Non-traditional reinsurance | Usually synonymous with capital-motivated reinsurance, but includes any reinsurance of non-biometrical risks |
| Novation | The act of replacing one participating member of a contract with another, with all rights, duties and terms being transferred to the new party upon consent of all parties affected. |
| NYSE | New York Stock Exchange: the exchange where RGA is traded under the symbol "RGA" |
| OAS | Option-adjusted spread |
| OCI | Other comprehensive income (loss) |
| OTC | Derivatives that are privately negotiated contracts, which are known as over-the-counter derivatives |
| OTC Cleared | OTC derivatives that are cleared and settled through central clearing counterparties. |
| PBR | Principles-based reserves |
| PCAOB | Public Company Accounting Oversight Board (United States) |
| Pension Plans | The Company's sponsored or administrated qualified and non-qualified defined benefit pension plans |
| Portfolio | The totality of risks assumed by an insurer or reinsurer. |
| Preferred risk coverage | Coverage designed for applicants who represent a better-than-average risk to an insurer. |
| Premium | Amount paid to insure a risk. |
| Primary insurance (also known as direct insurance) | Insurance business relating to contracts directly between insurers and policyholders. The insurance company is directly responsible to the policyholder. |
| Production | New business produced during a specified period. |
| PRT | Pension risk transfer |
| PSU | Performance Share Units |
| Quota share (also known as 'first dollar' quota share) | A reinsurance arrangement in which the reinsurer receives a certain percentage of each risk reinsured. |
| RBC | Risk based capital, which are guidelines promulgated by the NAIC and identify minimum capital requirements based upon business levels and asset mix. |

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| Recapture | The right of the ceding company to cancel reinsurance under certain conditions. |
| Regulation XXX/Regulation A-XXX | U.S. Valuation of Life Policies Model Regulation implemented beginning in 2002 for various types of life insurance business, significantly increased the level of reserves that U.S. life insurance and life reinsurance companies must hold on their statutory financial statements for various types of life insurance business, primarily certain level premium term life products. |
| Reinsurance | The transfer of insurance risk from an insurer, referred to as the ceding company, to a reinsurer, in conjunction with the payment of a reinsurance premium. Through reinsurance, a reinsurer 'insures' an insurer. |
| Reserves | The amount required to be carried as a liability in the financial statement of an insurer or reinsurer to provide for future commitments under outstanding policies and contracts. |
| Retakaful | A form of reinsurance that is acceptable within Islamic law. See Takaful. |
| Retention limit | The maximum amount of risk a company will insure on one life. |
| Retrocession | A transfer of reinsurance risk from a reinsurer to another reinsurer, referred to as the retrocessionaire, in conjunction with the payment of a retrocession premium. Through retrocession, a retrocessionaire reinsures a reinsurer. |
| Retrocessionaire | A reinsurer that reinsures another reinsurer; see Retrocession. |
| RMBS | Residential mortgage-backed securities, a part of our investment portfolio that consists of securities made up of residential mortgages. Stated on our balance sheet at fair value. |
| RMSC | The Company's Risk Management Steering Committee |
| RSUs | Restricted Stock Units |
| S&P | Standard & Poor's |
| SARs | Stock Appreciation Rights |
| SEC | Securities and Exchange Commission |
| Securitization | The structuring of financial assets as collateral against which securities can be issued to investors. |
| Simplified issue life insurance | Insurance products with limited face amounts that require no or minimal underwriting. |
| SOFR | Secured Overnight Financing Rate |
| SPLRC | Special Purpose Life Reinsurance Captives |
| Statutory capital | The excess of statutory assets over statutory reserves, both of which are calculated in accordance with standards established by insurance regulators. |
| "Stock Plans" | The RGA flexible stock plan and the Flexible Stock Plan for Directors, collectively |
| Takaful | A form of insurance that is acceptable within Islamic law, and that is devised upon the principles of mutual advantage and group security. |
| TDR | Troubled Debt Restructuring |
| Tele-underwriting | A telephone interview process, during which an applicant's qualifications to be insured are assessed. |
| The "County" | The County of St. Louis, Missouri |
| The "Plan" | RGA Flexible Stock Plan |
| The Board | RGA's board of directors |
| The Companies Act | The Bermuda's Companies Act of 1981 |
| The Company | Reinsurance Group of America, Incorporated and its subsidiaries, all of which are wholly owned, collectively |
| Treaty (also known as a contract) | A reinsurance agreement between a reinsurer and a ceding company. The three most common types of reinsurance treaties are YRT (yearly renewable term), coinsurance and modified coinsurance. The three most common methods of accepting reinsurance are automatic, facultative and facultative-obligatory. |
| TVaR | Tail Value-at-Risk used for calculated capital requirement for Bermuda subsidiaries. |
| U.S. Tax Reform | The U.S. Tax Cuts and Jobs Act of 2017 |
| UAE | United Arab Emirates |
| UK | United Kingdom |
| UL | Universal life insurance |
| Underwriting | The process that assesses the risk inherent in an application for insurance prior to acceptance of the policy. |
| Valuation | The periodic calculation of reserves, the funds that insurance companies are required to hold in order satisfy all future insurance obligations. |
| Variable life insurance | A form of whole life insurance under which the death benefit and the cash value of the policy fluctuate according to the performance of an investment fund. Most variable life insurance policies guarantee that the death benefit will not fall below a specified minimum. |
| VII | Variable investment income |
| VOCRA | Value of customer relationships acquired which represents the present value of the expected future profits associated with the expected future business acquired through existing customers of the acquired company or business. |
| VODA | Value of distribution agreements which represents the present value of future profits associated with the expected future business derived from distribution agreements. |
| Webcasts | Presentation of information broadcast over the Internet. |
| WorkWise | The Company's hybrid approach to flexible work arrangements. |
| Yearly Renewable Term (YRT) | A type of reinsurance which covers only mortality risk, with each year's premium based on the current amount of risk. |

SIGNATURES

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 thereunto duly authorized.

Reinsurance Group of America, Incorporated

Date: August 2, 2024

By: /s/ Tony Cheng
Tony Cheng
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 2, 2024

By: /s/ Todd C. Larson
Todd C. Larson
Senior Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

REINSURANCE GROUP OF AMERICA, INCORPORATED
EMPLOYEE STOCK PURCHASE PLAN

Section 1. Purpose.

The purpose of this Reinsurance Group of America, Incorporated Employee Stock Purchase Plan (the **"Plan"**) is to provide employees of Reinsurance Group of America, Incorporated, a Missouri corporation (the **"Company"**), and its Designated Subsidiaries with an opportunity to purchase shares of Common Stock through accumulated Contributions funded by elective payroll deductions and to issue additional shares of Common Stock as a matching contribution by the Company pursuant to the terms of this Plan, thereby attracting, retaining and rewarding such employees and strengthening the mutuality of interest between the employees and shareholders of the Company. The Plan is not intended to qualify as an "employee stock purchase plan" under Section 423 of the Code.

Section 2. Definitions.

"Administrator" means the Human Capital and Compensation Committee of the Board (or any successor committee) or such other committee as designated by the Board to administer the Plan under Section 14.

"Applicable Laws" means the requirements relating to the administration of equity-based awards under U.S. state corporate laws, U.S. federal and state securities laws, the Code, the rules of the New York Stock Exchange, and the applicable laws of any foreign country or jurisdiction where Purchase Rights are, or will be, granted under the Plan.

"Board" means the Board of Directors of the Company.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and the rulings and regulations issued thereunder.

"Common Stock" means the common stock of the Company, par value \$0.01 per share, which the Company is currently authorized to issue or may in the future be authorized to issue.

"Company" has the meaning set forth in Section 1, and shall include any successor corporation.

"Compensation" means an Eligible Employee's base salary or base hourly rate of pay before deduction for any salary deferral contributions made by the Eligible Employee to any tax-qualified or nonqualified deferred compensation plan and salary reduction contributions to a cafeteria plan under Section 125 of the Code, but excluding commissions, overtime, incentive compensation, bonuses and other forms of compensation; provided, however, that the Administrator, in its discretion, may establish a different definition of Compensation for any Offering or Offering Period.

"Contribution" means the Stock Purchase Deductions and any other payments that the Administrator may permit to be made by a Participant to fund the exercise of the Purchase Rights granted pursuant to the Plan.

“Designated Subsidiary” means any Subsidiary that has been designated by the Administrator from time to time in its sole discretion as eligible to participate in the Plan.

“Eligible Employee” means any person who is employed by the Company or any Designated Subsidiary as of an applicable Enrollment Date, excluding (i) any person who is an “officer” as defined in Rule 16a-1(f) (or any successor provision) of the Company under the Exchange Act, (ii) any person who is a citizen or resident of a non-U.S. jurisdiction in which the grant of a Purchase Right under the Plan would violate the law of such jurisdiction, (iii) any temporary or leased employees, interns, and employees on a leave of absence who are not being compensated through regular payroll, and (iv) any employees whose participation is precluded under Company policies or guidelines or applicable laws, rules or regulations, as determined by the Administrator from time to time.

“Employer” means the Company and each Designated Subsidiary.

“Enrollment Date” means the first day of each Offering Period.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, including the rules and regulations promulgated thereunder.

“Fair Market Value” means, on a per share basis as of any date, the closing trading price of the Common Stock on the New York Stock Exchange or, if no sales of Common Stock are reported for such date, on the next preceding trading day for which a sale was reported. If there is no established public trading market for the Common Stock, the Fair Market Value thereof shall be determined in good faith by the Administrator.

“Fixed Contribution Amount” means, if permitted by the Administrator, a fixed amount of each payment of Compensation to a Participant during an Offering Period (in whole dollars only) that the Participant elects as Stock Purchase Deductions for such Offering Period not exceeding 10% of each such payment of Compensation; provided, however, that no deduction of the Percentage Contribution Amount may result in a Participant exceeding the aggregate Maximum Contribution Amount.

“Matching Percentage” means twenty-five percent (25%), or such lower percentage as the Administrator may specify and communicate to Participants prior to the Enrollment Date for any Offering Period to which such modification shall apply.

“Matching Common Stock”, with respect to a Participant on a Purchase Date, means a number of shares of Common Stock equal to the product of (i) the Matching Percentage, multiplied by (ii) the number of shares of Common Stock purchased by the Participant upon the exercise of a Purchase Right on a Purchase Date, with such product rounded down to the nearest whole share. Any shares attributable to a fractional amount of Common Stock eliminated by rounding will not be issued.

“Maximum Contribution Amount” means, with respect to all Contributions by a Participant under the Plan during a Plan Year, fifteen thousand dollars (\$15,000) in the aggregate, or such other amount determined by the Administrator; provided, however, that in no event will the Maximum Contribution Amount for any Participant during any Plan Year exceed 10% of the Compensation payable to such Participant during such Plan Year.

"New Purchase Date" means the newly applicable Purchase Date resulting from the Administrator's determination to shorten any Offering Period then in progress pursuant to the terms of this Plan.

"Offering" means an offer under the Plan of a Purchase Right that may be exercised during an Offering Period as further described in Section 4. For purposes of the Plan, the Administrator may designate separate Offerings under the Plan (the terms of which need not be identical) in which Eligible Employees will participate.

"Offering Period" means each six (6) month period (or such other period specified by the Administrator) beginning on or after the Effective Date, with respect to which a Purchase Right granted pursuant to the Plan may be funded through Stock Purchase Deductions (and other Contributions permitted by the Plan). The duration and timing of Offering Periods may be modified as provided in the Plan, including pursuant to Section 4. Offering Periods shall be communicated to Eligible Employees as determined by the Administrator.

"Parent" means the entity that owns greater than fifty percent (50%) of the aggregate voting interests in a Subsidiary.

"Participant" means an Eligible Employee who elects to participate in the Plan.

"Percentage Contribution Amount" means a percentage, that shall be no less than two percent (2%), and no greater than ten percent (10%), of each payment of Compensation to a Participant during an Offering Period that the Participant elects as Stock Purchase Deductions for such Offering Period; provided, however, that no deduction of the Percentage Contribution Amount may result in a Participant exceeding the aggregate Maximum Contribution Amount.

"Plan Year" means each calendar year during which the Plan is in effect.

"Purchase Date" means the last Trading Day of each Offering Period, or such earlier date as determined by the Administrator in accordance with the terms of this Plan.

"Purchase Price" means an amount equal to one hundred percent (100%) of the Fair Market Value of a share of Common Stock on the Purchase Date.

"Purchase Right" means an option granted pursuant to Section 7 of the Plan entitling a Participant to purchase shares of Common Stock in accordance with the terms of the Plan.

"Restricted Period" means the one (1) year period beginning on a Purchase Date with respect to which Matching Common Stock is granted (or such shorter period determined by the Administrator in its sole discretion and communicated to Participants in accordance with procedures established by the Administrator).

"Section 409A" means Section 409A of the Code, and the regulations and guidance of general applicability issued thereunder.

"Share Reserve" has the meaning set forth in Section 13.

“Subsidiary” means any present or future corporation, trust, partnership, limited partnership, limited liability company or other entity, of which the Company or another Subsidiary owns greater than fifty percent (50%) of the aggregate voting interests in such entity.

“Stock Purchase Deduction” means an amount withheld from Compensation that has been authorized by a Participant to pay for the purchase of Common Stock in accordance with this Plan.

“Trading Day” means a day on which the national stock exchange upon which the Common Stock is listed is open for trading or, if the Common Stock is not listed on a national stock exchange, a business day as determined by the Administrator.

Section 3. Eligibility.

(1) Any Eligible Employee as of an applicable Enrollment Date will be eligible to participate in the Plan with respect to the related Offering Period, subject to complying with the enrollment procedures set forth in Section 5.

(2) Employees of the Company or any Designated Subsidiary who are citizens or residents of a non-U.S. jurisdiction (without regard to whether they are also citizens or residents of the United States) may be excluded from participation in the Plan or an Offering if the participation of such employees is prohibited under the laws of the applicable non-U.S. jurisdiction. In addition, pursuant to Section 14, the Administrator may establish one or more sub-plans of the Plan to provide benefits to employees of Designated Subsidiaries located outside the United States in a manner that complies with Applicable Law, and the rules of any such sub-plan may take precedence over other provisions of this Plan with respect to such sub-plan (with the exception of Section 13 of this Plan), provided that unless superseded by the terms of such sub-plan, the provisions of this Plan shall govern the operation of such sub-plan. Any such sub-plan will be a component of the Plan and will not be a separate plan.

Section 4. Offering Periods.

The Plan will be implemented by using consecutive Offering Periods with a new Offering Period commencing on the first Trading Day following the end of the preceding Offering Period, or at such other time as determined by the Administrator, and continuing thereafter until terminated in accordance with Section 19 hereof. The Administrator shall have the power to change the duration of Offering Periods (including the commencement dates thereof) without shareholder approval.

Section 5. Participation.

An Eligible Employee may participate in the Plan by, at least ten (10) business days (or such other period determined by the Administrator) prior to the Enrollment Date for the Offering Period for which such participation will commence, (i) submitting to the Company, a properly completed subscription agreement authorizing Stock Purchase Deductions in the form approved by the Administrator from time to time, and/or (ii) completing such documentation and following such procedures as prescribed by the Administrator. Except as otherwise determined by the Administrator, following such time that a Participant has elected to participate in this Plan for any Offering Period as set forth above, unless and until (i) such Participant has withdrawn any Contributions from the Plan in accordance with Section 10 or has withdrawn from the Plan

pursuant to Section 11, or (ii) such Participant has made any change to the Stock Purchase Deductions of such Participant pursuant to Section 6(b), such Participant, without any further action of such Participant, shall be deemed to have elected to continue to participate in future Offering Periods at the then existing contribution level of such Participant.

Section 6. Contributions.

(1) At the time a Participant enrolls in the Plan pursuant to Section 5, the Participant will elect to have Stock Purchase Deductions made during the Offering Period by authorizing the after-tax withholding from each payment of Compensation during the Offering Period of (i) the Percentage Contribution Amount, or (ii) if the Administrator has provided for a Fixed Contribution Amount, the Fixed Contribution Amount (but not both); provided, however, that should a payment of Compensation occur on a Purchase Date, the Participant will have any Stock Purchase Deductions made on such day applied to his or her notional account for the subsequent Offering Period. Notwithstanding anything contained herein to the contrary, in no event will the Percentage Contribution Amount and Fixed Contribution Amount, if applicable, together with any other Contributions pursuant to Section 6(c) below, of any Participant exceed the Maximum Contribution Amount for such Participant for any Plan Year.

(2) To the extent permitted by Applicable Laws, except as otherwise determined by the Administrator, a Participant may (i) cease participating in the Plan for an Offering Period and cause further Contributions during such Offering Period to cease, or (ii) decrease, but not increase, the Percentage Contribution Amount (or Fixed Contribution Amount, if applicable) for an Offering Period during such Offering Period, in each case, by completing such documentation and following such procedures at such time in advance of the Purchase Date as the Administrator shall prescribe; provided, that a Participant shall not take any such actions more than once during any Offering Period. Unless otherwise determined by the Administrator, a Participant may not (x) change an election for a Percentage Contribution Amount applicable to an Offering Period to a Fixed Contribution Amount election for such Offering Period (or vice versa), or (y) make any other change to such Participant's Contributions for an Offering Period, in either case while such Offering Period is ongoing. A Participant who ceases Contributions during an Offering Period may not make additional Contributions to the Plan during that Offering Period, provided that, unless otherwise determined by the Administrator, Contributions shall continue with respect to such Participant consistent with the Participant's elections in place at the beginning of such Offering Period for subsequent Offering Periods, except as otherwise provided in Section 5. Any funds remaining in the Participant's notional account on the Purchase Date shall be used to exercise the Purchase Right pursuant to Section 8 below. In addition, a Participant may increase or decrease the rate of Stock Purchase Deductions for a future Offering Period by, at least ten (10) business days (or such other period determined by the Administrator) prior to the Enrollment Date for such future Offering Period, completing such documentation and following such procedures as prescribed by the Administrator.

(3) The Administrator, in its sole discretion, may permit Participants to contribute funds to the Plan prior to the Purchase Date of any Offering Period as an additional Contribution subject to such procedures and conditions determined by the Administrator.

(4) Stock Purchase Deductions of a Participant for an Offering Period will commence with the first payment of Compensation on or following the Enrollment Date and will end on the last payment of Compensation prior to the Purchase Date thereof, unless such Participant has

ceased making Contributions during such Offering Period in accordance with Section 6, has withdrawn any Contributions from the Plan during such Offering Period in accordance with Section 10 or has withdrawn from the Plan pursuant to Section 11.

(5) All Contributions made for a Participant will be credited to his or her notional account under the Plan. Except for amounts not expended because of limitations under the Plan with respect to fractional shares, unless otherwise determined by the Administrator, no amount of accumulated Contributions shall be carried over with respect to any Participant from the end of one Offering Period to the beginning of another.

(6) Participants must make adequate provision for U.S. federal, state or local, or non-U.S. tax or other withholding obligations, if any, arising upon the exercise of the Purchase Right, the receipt of Common Stock from the Company or the lapsing of any Restricted Period applicable to Matching Common Stock. The Administrator may require that a Participant pay to the Employer (or make other arrangements satisfactory to the Administrator for the payment of) the amount of any U.S. federal, state or local, non-U.S. or other taxes that the Employer is required to withhold with respect to the purchase of Common Stock or the lapse of any Restricted Period for Matching Common Stock acquired under the Plan, or, in Administrator's sole discretion, instead direct the Employer to deduct from the Participant's wages or other compensation the amount of any such withholding taxes due with respect to the purchase of Common Stock or the lapse of any Restricted Period for any Matching Common Stock issued under the Plan.

Section 7. Grant of Purchase Rights.

On the Enrollment Date, each Participant participating in the applicable Offering Period will be granted an option to purchase on the applicable Purchase Date the number of shares of Common Stock determined by dividing (a) the Contributions accumulated for the Participant prior to the Purchase Date and retained in the Participant's notional account as of the Purchase Date (including amounts retained from prior Offering Periods in accordance with the Plan), by (b) the applicable Purchase Price for the Offering Period; provided, further, that such purchase will be subject to the limitations set forth in the Plan. Exercise of the Purchase Right will occur in accordance with Section 8. The Purchase Right will expire on the last day of the Offering Period.

Section 8. Exercise of Purchase Right.

(1) Unless a Participant has withdrawn all of such Participant's Contributions pursuant to Section 10 or has withdrawn from the Plan pursuant to Section 11, the Participant's Purchase Right will be exercised automatically on the Purchase Date, and, in connection with such exercise, (i) the maximum number of full shares of Common Stock that can be purchased pursuant to the Purchase Right will be purchased automatically, and (ii) the Matching Common Stock, subject to a risk of forfeiture as provided in Section 9(b), will be purchased automatically, in any such case, on the Purchase Date. No fractional shares will be issued in connection therewith, and unless otherwise provided by the Administrator, any Contributions accumulated in a Participant's notional account that are not sufficient to purchase a full share of Common Stock will be retained in the Participant's notional account for the subsequent Offering Period. Any other funds left over in a Participant's notional account after the Purchase Date will be returned to the Participant as soon as administratively practicable. During a Participant's lifetime, the Purchase Rights granted to the Participant are exercisable only by the Participant.

(2) If the Administrator determines that on any Purchase Date, the number of shares of Common Stock (including Matching Common Stock) that are issuable with respect to the exercise of Purchase Rights on such Purchase Date will exceed (i) the number of shares of Common Stock available for issuance under the Plan on the Enrollment Date, or (ii) the number of shares of Common Stock available under the Plan on such Purchase Date, the Administrator may in its sole discretion (x) provide that the Company will make a pro rata allocation of the shares of Common Stock available for purchase (and available for issuance as Matching Common Stock) on such Enrollment Date or Purchase Date, as applicable, in as uniform a manner as the Administrator determines in its sole discretion to be equitable among all Participants exercising Purchase Rights on such Purchase Date, and continue all Offering Periods then in effect, or (y) provide that the Company will make a pro rata allocation of the shares of Common Stock available for purchase (or available for issuance as Matching Common Stock) on such Enrollment Date or Purchase Date, as applicable, in as uniform a manner as it determines in its sole discretion to be equitable among all Participants exercising Purchase Rights on such Purchase Date, and terminate any or all Offering Periods then in effect pursuant to Section 19. The Company may make a pro rata allocation of the shares available on the Enrollment Date of any applicable Offering Period pursuant to the preceding sentence, notwithstanding any authorization of additional shares for issuance under the Plan by the Company's shareholders subsequent to such Enrollment Date.

Section 9. Delivery; Vesting of Matching Common Stock.

(1) As soon as reasonably practicable on or after each Purchase Date on which any issuance of shares of Common Stock occurs pursuant to this Plan, subject to Section 9(b) below with respect to Matching Common Stock, the Company will arrange the delivery to each Participant of the shares issued to such Participant upon exercise of his or her Purchase Rights in a form determined by the Administrator (in its sole discretion) and pursuant to rules established by the Administrator. The Company may permit or require that shares be deposited directly with a broker designated by the Company or to a designated agent of the Company, and the Company may utilize electronic or automated methods of share transfer. In addition, the Administrator may establish other necessary procedures in connection therewith, including to implement the transfer restrictions with respect to the Matching Common Stock set forth in Section 9(b) below. Subject to Section 9(b) below, no Participant will have any voting, dividend, or other rights of a shareholder with respect to shares of Common Stock subject to any Purchase Right granted under the Plan until such shares have been issued and delivered to the Participant as provided in this Section 9(a).

(2) Unless otherwise determined by the Administrator, no Matching Common Stock may be assigned, transferred, pledged or otherwise disposed of by any Participant during the Restricted Period. In addition, unless otherwise determined by the Administrator, in the event a Participant ceases to be an employee of the Company or its Subsidiaries at any time during the Restricted Period with respect to any Matching Common Stock held by the Participant, such Matching Common Stock shall be forfeited back to the Company without any consideration and without further action by the Company or the Participant, and the Participant shall have no further rights with respect thereto. No Participant shall have any voting, dividend, or other rights as a shareholder with respect to the Matching Common Stock until such shares have been delivered to the Participant upon termination the Restricted Period with respect thereto. Notwithstanding the foregoing, in the event a dividend is paid in respect of any Matching Common Stock during the Restricted Period, the dividends that a Participant would have

received on account of such Matching Common Stock during the Restricted Period shall be accumulated and paid to the Participant only if and at such time that the risk of forfeiture thereon lapses and the Matching Common Stock is released to the Participant free of such restrictions.

Section 10. Withdrawal.

At any time, a Participant may withdraw all, or less than all, Contributions credited to such Participant's notional account that have not yet been used to exercise Purchase Rights under the Plan by submitting such documentation to the Company and following such procedures as prescribed by the Administrator; provided, however, that, unless otherwise determined by the Administrator, a Participant may not make more than one such withdrawal request during any Offering Period). In the event that a Participant elects to withdraw Contributions in accordance with the preceding sentence, (a) the amount of such Contributions the Participant has elected to withdraw will be paid to such Participant as soon as administratively practicable after receipt of notice of withdrawal, (b) such Participant's Purchase Right for the Offering Period will be automatically terminated with respect to the withdrawn Contributions, and (c) no further Contributions shall be made by such Participant for the Offering Period in which such withdrawal occurs. If a Participant withdraws from the Plan, Stock Purchase Deductions will not resume for such Participant for any further Offering Periods unless the Participant re-enrolls in the Plan in accordance with the provisions of Section 5.

Section 11. Termination of Employment.

Upon a Participant's failure to qualify as an Eligible Employee for any reason, such Participant will be deemed to have elected to withdraw from the Plan as of the date of such failure, and the Contributions credited to such Participant's notional account during the Offering Period in which such failure occurs, but not yet used to purchase shares of Common Stock under the Plan, will be paid to such Participant or, in the case of the Participant's death, to the person or persons entitled thereto under Section 15, and all of such Participant's unexercised Purchase Rights will be automatically thereupon be terminated.

Section 12. Interest.

Unless otherwise determined by the Administrator, no interest will accrue on the Contributions of a Participant in the Plan, except as may be required by Applicable Law as determined by the Administrator.

Section 13. Common Stock.

Subject to adjustment upon changes in capitalization of the Company as provided in Section 18(a) hereof, the maximum number of shares of Common Stock that will be made available for sale or issuance under the Plan will be 100,000 shares of Common Stock (the "Share Reserve"), without any annual limit. If any shares of Matching Common Stock are forfeited by a Participant pursuant to Section 9(b), such shares shall again be available for issuance under the Plan.

Section 14. Administration.

The Plan shall be administered by the Administrator. Any power granted to the Administrator under the Plan may also be exercised by the Board. The Administrator will have

full and exclusive discretionary authority to construe, interpret and apply the terms of the Plan, to designate separate Offerings under the Plan, to determine eligibility, to adjudicate all disputed claims filed under the Plan and to establish such procedures that it deems necessary for the administration of the Plan (including, without limitation, to adopt such procedures and sub-plans in accordance with Section 3(b) of this Plan as are necessary or appropriate to permit the participation in the Plan by Eligible Employees who are foreign nationals or employed outside the United States). Without limiting the generality of the foregoing, the Administrator is specifically authorized to adopt rules and procedures regarding the eligibility to participate, determination of Compensation, handling of Contributions, transfer of Contributions to the Plan (including, without limitation, in forms other than payroll deductions), establishment of bank or trust accounts to hold Contributions, payment of interest, conversion of local currency, satisfaction of obligations to pay or withhold payroll and other taxes, determination and processing of beneficiary designations, withholding procedures and handling of delivery of shares of Common Stock that vary from applicable local requirements. To the fullest extent permitted by Applicable Law, the Administrator may also delegate some or all of its responsibilities, including the authority to assist the Administrator in the day-to-day administration of the Plan, to any officers of the Company or its Subsidiaries or a subcommittee of the Administrator, and, to the extent there has been any such delegation, any reference in the Plan to the Administrator shall include such delegate of the Administrator. In addition, the Administrator shall be entitled to retain any third-party broker-dealer, financial institution, clearing agent, transfer agent or other agent to perform any functions in connection with the Plan as deemed appropriate by the Administrator. Every finding, decision and determination made by the Administrator will, to the fullest extent permitted by Applicable Laws, be final and binding upon all parties.

Section 15. Designation of Beneficiary.

(1) If permitted by the Administrator, a Participant may designate a beneficiary who is to receive any shares of Common Stock and cash, if any, from the Participant's notional account under the Plan in the event of such Participant's death subsequent to a Purchase Date on which the Purchase Right is exercised but prior to delivery to such Participant of such shares and cash. In addition, if permitted by the Administrator, a Participant may designate a beneficiary who is to receive any cash from the Participant's notional account under the Plan in the event of such Participant's death prior to exercise of the Purchase Right. Unless otherwise determined by the Administrator, if a Participant is married and the designated beneficiary is not the spouse, spousal consent will be required for such designation to be effective.

(2) Such designation of beneficiary may be changed by the Participant at any time by notice in a form determined by the Administrator. In the event of the death of a Participant and in the absence of a beneficiary validly designated under the Plan who is living at the time of such Participant's death, the Company will deliver such shares and/or cash to the executor or administrator of the estate of the Participant, or to such other person as may be designated by the Administrator in accordance with Applicable Law.

(3) All beneficiary designations will be in such form and manner as the Administrator may designate from time to time.

Section 16. Transferability.

Neither Contributions credited to a Participant's notional account nor any rights with regard to the exercise of a Purchase Right or otherwise to receive shares of Common Stock under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution or as provided in Section 15) by the Participant. Any such attempt at assignment, transfer, pledge or other disposition will be null and void and without effect, except that the Company may treat any such act as an election to withdraw funds from an Offering Period in accordance with Section 10 hereof.

Section 17. Use of Funds.

The Company may use all funds held as Stock Purchase Deductions and other Contributions received or held by it under the Plan for any corporate purpose, and the Company will not be obligated to segregate such Contributions except under Offerings in which applicable local law requires that Contributions to the Plan by Participants be segregated from the Company's general corporate funds and/or deposited with an independent third party for Participants in non-U.S. jurisdictions.

Section 18. Adjustments, Dissolution, Liquidation, Merger or Other Corporate Transaction.

(1) In the event that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property, but excluding normal cash dividends), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Common Stock or other securities of the Company, or other change in the corporate structure of the Company affecting the Common Stock occurs, the Administrator, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will, in any such manner as it deems equitable, adjust the number and class of Common Stock that may be delivered under the Plan, the Purchase Price per share and the number of shares of Common Stock covered by each Purchase Right under the Plan that has not yet been exercised, and the amount of the Share Reserve pursuant to Section 13.

(2) In the event of any proposed dissolution or liquidation of the Company, any Offering Period then in progress will be shortened by setting a New Purchase Date, and will terminate immediately prior to the consummation of such proposed dissolution or liquidation, unless otherwise provided by the Administrator. The New Purchase Date shall be prior to the date of the Company's proposed dissolution or liquidation. Prior to the New Purchase Date, the Administrator will notify each Participant in writing (or electronically) that the Purchase Date for the Participant's Purchase Right has been changed to the New Purchase Date and that the Participant's Purchase Right will be exercised automatically on the New Purchase Date, unless prior to such date such Participant has withdrawn all of the Contributions of such Participant pursuant to Section 10 or has withdrawn from the Plan pursuant to Section 11.

(3) In the event of a merger, sale of substantially all of the assets or other similar corporate transaction involving the Company, each outstanding Purchase Right will be assumed or an equivalent Purchase Right substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the Purchase Right or as otherwise determined by the Administrator, the Offering Period with respect to which such Purchase Right relates will be shortened by

setting a New Purchase Date on which such Offering Period shall end. The New Purchase Date will occur before the date of the Company's proposed merger, substantially all asset sale or other similar corporate transaction. Prior to the New Purchase Date, the Administrator will notify each Participant in writing or electronically that the Purchase Date for the Participant's Purchase Right has been changed to the New Purchase Date and that the Participant's Purchase Right will be exercised automatically on the New Purchase Date, unless prior to such date such Participant has withdrawn all of its contributions pursuant to Section 10 or has withdrawn from the Plan pursuant to Section 11.

Section 19. Amendment or Termination.

(1) The Administrator, in its sole discretion, may amend, alter, suspend, discontinue, or terminate the Plan, or any part thereof, at any time and for any reason; provided, however, that this Plan may not be amended without approval of the Company's shareholders if such approval is necessary to comply with any Applicable Laws (including the rules of the New York Stock Exchange) for which or with which the Administrator deems it necessary or desirable to comply. If the Plan is terminated, the Administrator, in its discretion, may elect to terminate all outstanding Offering Periods either immediately or upon exercise of the Purchase Rights on the next Purchase Date (which may be sooner than originally scheduled, if determined by the Administrator in its discretion), or may elect to permit Offering Periods to expire in accordance with their terms. If any Offering Periods are terminated prior to expiration, all amounts then credited to Participants' notional accounts that have not been used to purchase shares of Common Stock will be returned to the Participants (without interest thereon, except as otherwise required under local laws, as further set forth in Section 12) as soon as administratively practicable.

(2) For the avoidance of doubt, and without the approval of the Company's shareholders and without regard to whether any Participant rights may be considered to have been adversely affected, the Administrator will be entitled to change the Offering Periods, designate separate Offerings, limit the frequency and/or number of changes in the amount withheld during an Offering Period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit payroll withholding in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the Company's processing of properly completed withholding elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with Contribution amounts, and establish such other limitations or procedures as the Administrator determines in its sole discretion advisable that are consistent with the Plan.

(3) Without the approval of the Company's shareholders and without regard to whether any Participant rights may be considered to have been adversely affected, in the event the Administrator determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Administrator may, in its discretion and, to the extent necessary or desirable, modify, amend or terminate the Plan to mitigate, eliminate or otherwise address such accounting consequence.

Section 20. Code Section 409A.

Neither the grant of any Purchase Rights nor the grant and vesting of any Matching Common Stock are intended to constitute a “deferral of compensation” within the meaning of Section 409A on account of the Plan being a short-term deferral within the meaning of U.S. Treasury Regulation Section 1.409A-1(b)(4), and any ambiguities herein shall be interpreted to so that the Plan is not subject to Section 409A. In furtherance of the foregoing and notwithstanding any provision in the Plan to the contrary, if the Administrator determines that a Purchase Right granted under the Plan may be subject to Section 409A or that any Plan provision would cause a Purchase Right under the Plan to be subject to Section 409A, the Administrator may amend the terms of the Plan and/or of an outstanding Purchase Right granted under the Plan, or take such other action the Administrator determines is necessary or appropriate, in each case, without the Participant’s consent, to exempt any outstanding or future Purchase Right that may be granted under the Plan from or to allow any such Purchase Rights to comply with Section 409A, but only to the extent any such amendments or action by the Administrator would not violate Section 409A or Applicable Law. Notwithstanding the foregoing, neither the Company nor any of its Subsidiaries shall have any liability to a Participant or any other party if the Purchase Rights granted pursuant to the Plan that is intended to be exempt from or compliant with Section 409A is not so exempt or compliant or for any action taken by the Administrator with respect thereto. The Company makes no representation that the Purchase Rights granted pursuant to the Plan are compliant with Section 409A.

Section 21. Notices.

All notices or other communications by a Participant to the Company under or in connection with the Plan will be deemed to have been duly given when received in the form and manner specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

Section 22. Conditions Upon Issuance of Shares.

(1) Shares of Common Stock will not be issued with respect to a Purchase Right unless the exercise of such Purchase Right and the issuance and delivery of such shares pursuant thereto will comply with all Applicable Law. The Company may, if so determined by the Administrator, defer or cancel the issuance or delivery of shares of Common Stock pursuant to this Plan or take other actions the Administrator deems appropriate to the extent that the Administrator determines that Applicable Laws restricts such issuance or delivery.

(2) As a condition to the exercise of a Purchase Right, the Company may require the person exercising such Purchase Right to represent and warrant at the time of any such exercise that the shares are being purchased only for investment and without any present intention to sell or distribute such shares if, in the opinion of counsel for the Company, such a representation is required by any Applicable Law.

Section 23. Term of Plan.

The Plan will become effective on May 22, 2024 (the “Effective Date”), provided that the Plan has been approved by the shareholders of the Company on such date (the date of such shareholder approval, the “Effective Date”). Once effective, the Plan will continue in effect until terminated pursuant to Section 19.

Section 24. Governing Law.

This Plan and any agreements or other documents hereunder shall be interpreted and construed in accordance with the laws of the State of Missouri.

Section 25. Severability.

If any provision of the Plan is or becomes or is deemed to be invalid, illegal, or unenforceable for any reason in any jurisdiction or as to any Participant, such invalidity, illegality or unenforceability shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as to such jurisdiction or Participant as if the invalid, illegal or unenforceable provision had not been included.

Section 26. Interpretation.

Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference and shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof. Words in the masculine gender shall include the feminine gender, and where appropriate, the plural shall include the singular and the singular shall include the plural. The use herein of the word "including" following any general statement, term or matter shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation," "but not limited to," or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter. References herein to any agreement, instrument or other document mean such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and not prohibited by the Plan.

Section 27. No Contract of Employment.

Nothing in this Plan shall be construed to constitute a contract of employment between Employer and any individual or to be an inducement for the employment of any individual. Nothing contained in this Plan shall be deemed to give any individual the right to be retained in the service of Employer or to interfere with the right of Employer to discharge any individual at any time, with or without cause, regardless of the effect which such discharge may have upon any such individual as a Participant of the Plan.

CANADIAN BENCHMARK REPLACEMENT CONFORMING CHANGES AMENDMENT

THIS CANADIAN BENCHMARK REPLACEMENT CONFORMING CHANGES AMENDMENT (this "Agreement"), dated as of June 25, 2024, is entered into by BANK OF AMERICA, N.A., as administrative agent (the "Administrative Agent").

RECITALS

WHEREAS, REINSURANCE GROUP OF AMERICA, INCORPORATED, a Missouri corporation (the "Borrower"), the Subsidiaries of the Borrower from time to time party thereto, the lenders from time to time party thereto (the "Lenders"), and Bank of America, N.A., as Administrative Agent, have entered into that certain Credit Agreement dated as of March 13, 2023 (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement");

WHEREAS, certain loans and/or other extensions of credit (the "Alternative Currency Term Rate Loans") under the Credit Agreement denominated in Canadian Dollars incur or are permitted to incur interest, fees, commissions or other amounts based on the Canadian Dollar Offered Rate ("CDOR") in accordance with the terms of the Credit Agreement; and

WHEREAS, CDOR has been or will be replaced with the benchmark set forth in Appendix A in accordance with the Credit Agreement and, in connection therewith, the Administrative Agent is exercising its right to make certain conforming changes in connection with the implementation of the applicable benchmark replacement as set forth herein.

NOW, THEREFORE, in accordance with the terms of the Credit Agreement, this Agreement is entered into by the Administrative Agent:

1 . Defined Terms. Capitalized terms used herein but not otherwise defined herein (including on any Appendix attached hereto) shall have the meanings provided to such terms in the Credit Agreement, as amended by this Agreement.

2 . Agreement. Notwithstanding any provision of the Credit Agreement or any other document related thereto (the "Loan Documents") to the contrary, the terms set forth on Appendix A shall apply to the Alternative Currency Term Rate Loans. For the avoidance of doubt, to the extent provisions in the Credit Agreement apply to Alternative Currency Term Rate Loans and such provisions are not specifically addressed by Appendix A, the provisions in the Credit Agreement shall continue to apply to such Alternative Currency Term Rate Loans.

4 . Conflict with Loan Documents. In the event of any conflict between the terms of this Agreement and the terms of the Credit Agreement or the other Loan Documents, the terms hereof shall control.

5 . Conditions Precedent. This Agreement shall become effective on the earlier of (i) the date that all Available Tenors of CDOR have either permanently or indefinitely ceased to be provided by RBSL or (ii) June 28, 2024 (such date, the "Amendment Effective Date"), upon proper execution by the Administrative Agent of a counterpart of this Agreement.

5. Notice. As of the Amendment Effective Date, the Administrative Agent hereby notifies the Borrower and the Lenders of (i) the implementation of the Canadian Benchmark Replacement and (ii) the effectiveness of the Canadian Benchmark Replacement Conforming Changes, in each case, pursuant

to this Agreement. To the extent the Credit Agreement requires the Administrative Agent to provide notice that any of the foregoing events has occurred, this Agreement constitutes such notice.

7. Miscellaneous.

(1) This Agreement is a Loan Document.

(2) This Agreement may be in the form of an electronic record (in “.pdf” form or otherwise) and may be executed using electronic signatures, which shall be considered as originals and shall have the same legal effect, validity and enforceability as a paper record. This Agreement may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts shall be one and the same Agreement. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Administrative Agent of a manually signed Agreement which has been converted into electronic form (such as scanned into “.pdf” format), or an electronically signed Agreement converted into another format, for transmission, delivery and/or retention.

(3) Any provision of this Agreement held to be illegal, invalid or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such illegality, invalidity or unenforceability without affecting the legality, validity or enforceability of the remaining provisions hereof and the illegality, invalidity or unenforceability of a particular provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(4) The terms of the Credit Agreement with respect to governing law, submission to jurisdiction, waiver of venue and waiver of jury trial are incorporated herein by reference, *mutatis mutandis*.

[remainder of page intentionally left blank]

The Administrative Agent has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

ADMINISTRATIVE AGENT: BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ Aamir Saleem
Name: Aamir Saleem
Title: Vice President

[Signature Page to Canadian Benchmark Conforming Changes Amendment]

Appendix A

TERMS APPLICABLE TO ALTERNATIVE CURRENCY TERM RATE LOANS

1. Defined Terms. The following terms shall have the meanings set forth below:

"Administrative Agent's Office" means, with respect to any currency, the Administrative Agent's address and, as appropriate, account specified in the Credit Agreement with respect to such currency, or such other address or account with respect to such currency as the Administrative Agent may from time to time notify the Borrower and the Lenders.

"Alternative Currency Term Rate" means, for any Interest Period, with respect to any extension of credit under the Credit Agreement denominated in Canadian Dollars, the rate per annum equal to the forward-looking term rate based on CORRA ("Term CORRA"), as published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) (in such case, the "Term CORRA Rate") on the Rate Determination Date with a term equivalent to such Interest Period plus the Term CORRA Adjustment for such Interest Period; provided, that, if any Alternative Currency Term Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

"Alternative Currency Term Rate Loan" means a Loan that bears interest at a rate based on the definition of "Alternative Currency Term Rate." All Alternative Currency Term Rate Loans must be denominated in Canadian Dollars.

"Applicable Rate" means the Applicable Rate, Applicable Margin or any similar or analogous definition in the Credit Agreement.

"Base Rate" means the Base Rate, Alternative Base Rate, ABR, Prime Rate or any similar or analogous definition in the Credit Agreement.

"Base Rate Loans" means a Loan that bears interest at a rate based on the Base Rate.

"Borrowing" means a Committed Borrowing, Borrowing, or any similar or analogous definition in the Credit Agreement.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, the state where the Administrative Agent's Office is located; provided that

(a) if such day relates to any interest rate settings as to an Alternative Currency Term Rate Loan, means any such day on which dealings in deposits in Canadian Dollars are conducted by and between banks in the applicable offshore interbank market for such currency; and

(b) if such day relates to any fundings, disbursements, settlements and payments in Canadian Dollars in respect of an Alternative Currency Term Rate Loan, or any other dealings in Canadian Dollars to be carried out pursuant to this Agreement in respect of any such Alternative Currency Term Rate Loan (other than any interest rate

settings), means any such day on which banks are open for foreign exchange business in the principal financial center of the country of such currency.

"Canadian Benchmark Replacement" means the Canadian Benchmark Replacement or any similar or analogous definition in the Credit Agreement.

"Canadian Benchmark Replacement Conforming Changes" means, with respect to any Canadian Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Business Day", the definition of "Interest Period", the definition of "Alternative Currency Daily Rate", the definition of "Alternative Currency Term Rate", timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the day basis for calculating interest for Alternative Currency Term Rate Loans, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Canadian Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Canadian Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"Canadian Benchmark Transition Event" means the Canadian Benchmark Replacement Transition Event or any similar or analogous definition in the Credit Agreement.

"CDOR Rate" means CDOR, CDOR Rate or any similar or analogous definition in the Credit Agreement.

"CDOR Rate Loans" means a Loan that bears interest at a rate based on the CDOR Rate.

"Committed Loan Notice" means a Committed Loan Notice, Loan Notice, Borrowing Notice, Continuation/Conversion Notice, or any similar or analogous definition in the Credit Agreement, and such term shall be deemed to include the Committed Loan Notice attached hereto as Exhibit A.

"CORRA" means the Canadian Overnight Repo Rate Average administered and published by the Bank of Canada (or any successor administrator).

"Dollar" and "\$" mean lawful money of the United States.

"Dollar Equivalent" means the Dollar Equivalent or any similar or analogous definition in the Credit Agreement.

"Interest Payment Date" means, as to any Alternative Currency Term Rate Loan, the last day of each Interest Period applicable to such Loan and the applicable maturity date set forth in the Credit Agreement; provided, however, that if any Interest Period for an Alternative Currency Term Rate Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates.

"Interest Period" means as to each Alternative Currency Term Rate Loan, the period commencing on the date such Alternative Currency Term Rate Loan is disbursed or converted to or continued as an Alternative Currency Term Rate Loan and ending on the date one or three months thereafter, as selected by the Borrower in its Committed Loan Notice (in the case of each requested Interest Period, subject to availability); provided that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless, in the case of an Alternative Currency Term Rate Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period pertaining to an Alternative Currency Term Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period shall extend beyond the applicable maturity date set forth in the Credit Agreement.

"Rate Determination Date" means two (2) Business Days prior to the commencement of such Interest Period (or such other day as is generally treated as the rate fixing day by market practice in such interbank market, as determined by the Administrative Agent; provided that, to the extent such market practice is not administratively feasible for the Administrative Agent, then "Rate Determination Date" means such other day as otherwise reasonably determined by the Administrative Agent).

"Required Lenders" means the Required Lenders, Requisite Lenders, Majority Lenders or any similar or analogous definition in the Credit Agreement.

"Revaluation Date" means, with respect to any Loan, each of the following: (a) each date of a Borrowing of an Alternative Currency Term Rate Loan, (b) each date of a continuation of an Alternative Currency Term Rate Loan pursuant to the terms of the Credit Agreement, and (c) such additional dates as the Administrative Agent shall determine or the Required Lenders shall require.

"Term CORRA Adjustment" means (i) 0.29547% (29.547 basis points) for an Interest Period of one-month's duration and 0.32138% (32.138 basis points) for an Interest Period of three-months' duration.

"Type" means, with respect to a Loan, its character as an Alternative Currency Term Rate Loan.

2. Terms Applicable to Alternative Currency Term Rate Loans. From and after the Amendment Effective Date, the parties hereto agree as follows, solely with respect to Alternative Currency Term Rate Loans:

(a) Alternative Currencies. (i) Canadian Dollars shall not be considered a currency for which there is a published CDOR Rate, and (ii) any request for a new Loan denominated in Canadian Dollars, or to continue an existing Loan denominated in Canadian Dollars, shall be

deemed to be a request for a new Loan bearing interest at the Alternative Currency Term Rate; provided, that, to the extent any Loan bearing interest at the CDOR Rate is outstanding on the Amendment Effective Date, such Loan shall continue to bear interest at the CDOR Rate until the end of the current Interest Period or payment period applicable to such Loan.

(b) References to CDOR Rate and CDOR Rate Loans in the Credit Agreement and Loan Documents

(i) References to the CDOR Rate and CDOR Rate Loans in provisions of the Credit Agreement and the other Loan Documents that are not specifically addressed herein (other than the definitions of CDOR Rate and CDOR Rate Loan) shall be deemed to include the Alternative Currency Term Rate, and Alternative Currency Term Rate Loans, as applicable.

(ii) For purposes of any requirement for the Borrower to compensate Lenders for losses in the Credit Agreement resulting from any continuation, conversion, payment or prepayment of any Alternative Currency Term Rate Loan on a day other than the last day of any Interest Period (as defined in the Credit Agreement), references to the Interest Period (as defined in the Credit Agreement) shall be deemed to include any relevant interest payment date or payment period for an Alternative Currency Term Rate Loan.

(c) Borrowings and Continuations of Alternative Currency Term Rate Loans. In addition to any other borrowing requirements set forth in the Credit Agreement:

(i) Alternative Currency Term Rate Loans. Each Borrowing of Alternative Currency Term Rate Loans, and each continuation of a Alternative Currency Term Rate Loan shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by (A) telephone or (B) a Committed Loan Notice; provided that any telephonic notice must be confirmed immediately by delivery to the Administrative Agent of a Committed Loan Notice. Each such Committed Loan Notice must be received by the Administrative Agent not later than 11:00 a.m. (Eastern time) three Business Days prior to the requested date of any Borrowing of or any continuation of Alternative Currency Term Rate Loans. Each Borrowing of or continuation of Alternative Currency Term Rate Loans shall be in a principal amount of the Dollar Equivalent of \$5,000,000 or a whole multiple of the Dollar Equivalent of \$1,000,000 in excess thereof. Each Committed Loan Notice shall specify (i) whether the Borrower is requesting a Borrowing or a continuation of Alternative Currency Term Rate Loans, (ii) the requested date of the Borrowing or continuation, as the case may be (which shall be a Business Day), (iii) the currency and principal amount of Loans to be borrowed or continued, (iv) the Type of Loans to be borrowed, (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a currency in a Committed Loan Notice requesting a Borrowing, then the Loans so requested shall be made in Dollars. If the Borrower fails to specify a Type of Loan in a Committed Loan Notice or if such Borrower fails to give a timely notice requesting a continuation, then the applicable Loans shall be made as Base Rate Loans denominated in Dollars; provided, however, that in the case of a failure to timely request a continuation of Alternative Currency Term Rate Loans, such Loans shall be continued as Alternative Currency Term Rate Loans in their original currency with an Interest Period of one (1) month. If the Borrower requests

a Borrowing of or continuation of Alternative Currency Term Rate Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. Except as otherwise specified in the Credit Agreement, no Alternative Currency Term Rate Loan may be converted into or continued as a Loan denominated in a different currency, but instead must be repaid in the original currency of such Alternative Currency Term Rate Loan and reborrowed in the other currency.

(ii) Committed Loan Notice. For purposes of a Borrowing of Alternative Currency Term Rate Loans, or a continuation of and Alternative Currency Term Rate Loan, the Borrower shall use the Committed Loan Notice attached hereto as Exhibit A.

(d) Interest.

(i) Subject to the provisions of the Credit Agreement with respect to default interest, each Alternative Currency Term Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Alternative Currency Term Rate for such Interest Period plus the Applicable Rate.

(ii) Interest on each Alternative Currency Term Rate Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified in the Credit Agreement; provided, that any prepayment of any Alternative Currency Term Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any debtor relief law.

(e) Canadian Benchmark Replacements. The provisions in the Credit Agreement addressing the replacement of a current Canadian Benchmark and Canadian Benchmark Transition Events shall be deemed to apply to Alternative Currency Term Rate Loans and Term CORRA, as applicable.

Exhibit A

FORM OF COMMITTED LOAN NOTICE
(Alternative Currency Term Rate Loans)

Date: _____, _____¹

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of March 13, 2023 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement," the terms defined therein being used herein as therein defined), among Reinsurance Group of America, Incorporated, a Missouri corporation (the "Borrower"), the Subsidiaries of the Borrower from time to time party thereto, the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent.

The undersigned hereby requests (select one)²:

| <u>Indicate:</u> <u>Borrowing,</u> <u>Conversion or</u> <u>Continuation</u> | <u>Indicate:</u> <u>Borrower Name</u> | <u>Indicate:</u> <u>Requested</u> <u>Amount</u> | <u>Indicate:</u> <u>Currency</u> | <u>Indicate:</u> <u>Term CORRA Loan</u> | <u>For Term CORRA</u> <u>Loans Indicate:</u> <u>Interest Period</u> <u>(e.g., 1 or 3 month</u> <u>interest period)</u> |
|--|--|---|-------------------------------------|--|--|
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| | | | | | |

The Borrowing, if any, requested herein complies with the requirements set forth in the Credit Agreement.

REINSURANCE GROUP OF AMERICA, INCORPORATED

By: _____

Name: [Type Signatory Name]

¹ Note to Borrower. All requests submitted under a single Committed Loan Notice must be effective on the same date. If multiple effective dates are needed, multiple Committed Loan Notices will need to be prepared and signed.

² Note to Borrower. For multiple borrowings, conversions and/or continuations for a particular facility, fill out a new row for each borrowing/conversion and/or continuation.

Title: [Type Signatory Title]

CEO CERTIFICATION

I, Tony Cheng, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Reinsurance Group of America, Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2024

/s/ Tony Cheng

Tony Cheng

President and Chief Executive Officer

CFO CERTIFICATION

I, Todd C. Larson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Reinsurance Group of America, Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2024

/s/ Todd C. Larson

Todd C. Larson

Senior Executive Vice President
& Chief Financial Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Reinsurance Group of America, Incorporated and subsidiaries, (the "Company"), for the quarterly period ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Tony Cheng, President and Chief Executive Officer of the Company, certifies, to his best knowledge and belief, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 2, 2024

/s/ Tony Cheng

Tony Cheng

President and Chief Executive Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Reinsurance Group of America, Incorporated and subsidiaries, (the "Company"), for the quarterly period ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Todd C. Larson, Chief Financial Officer of the Company, certifies, to his best knowledge and belief, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 2, 2024

/s/ Todd C. Larson

Todd C. Larson

Chief Financial Officer

& Senior Executive Vice President