

Brave in a world of risk

An introduction to
Pacific Life Re



PACIFIC LIFE RE





Who are we?

We are a life reinsurance company working with our clients to manage their mortality, morbidity and longevity risk.

We have built a strong, experienced team with a reputation for technical expertise, responsiveness, innovation and excellence in service delivery. Our team works closely with our clients to create tailored products and solutions that fit with their business and their brand. By

recruiting top quality staff and investing in the latest analytical technologies, we believe we are well placed to help our clients make those decisions.

Our clients are insurance or reinsurance companies looking for a new and innovative approach to taking risks.

What do we do?

We specialise in risks associated with Life, Critical Illness, Income Protection, Hospital Cash and Longevity products.

With the security and financial strength from a parent company that's been around for over 145 years and a mutual holding company as our ultimate parent, we are not constrained by short-term thinking; therefore allowing us to be free to pursue the right course for our clients and our business.

- Global reinsurer; headquartered in the UK
- Operations in Europe, Asia, Australia and North America
- Focusing on innovation, technical expertise and taking controlled risks to improve markets
- Specialists in risks associated with Life, Critical Illness, Income Protection, Hospital Cash and Longevity products

What are the numbers?

USD in millions as of and for the year ended December 31, 2016:

	2014	2015	2016
Assets	\$2,985	\$3,235	\$3,682
Operating revenues*	\$1,146	\$1,470	\$1,688
Earned premiums	\$1,067	\$1,384	\$1,506
Life reinsurance in-force	\$513,000	\$546,000	\$529,000

* Excludes net realised investment gains / losses and other than temporary impairments.

2016 Highlights

 **1.5 billion**

(USD) in earned premium income

 **3.7 billion**

(USD) of underlying liabilities covered by new longevity swap reinsurance transactions

 **150 million**

(USD) annualised new business premium generated by the Australian office

Pacific Life Re's financial strength ratings (as at March 2017) are as follows:

Standard & Poor's

AA- (stable outlook)

Fitch Ratings

A+ (stable outlook)



Where do we do business?

Europe

Our Protection proposition is built upon a foundation of competitive pricing. We recognise that this is the key driver in any reinsurance buying process.

In Europe we specialise in the reinsurance of Individual Life, Critical Illness and Income Protection business along with a wide range of risk management solutions for longevity risk. Our focus in Europe is largely on the UK and Ireland, although we do consider opportunities from other markets in continental Europe.

Our two main lines of business are:

- Protection
- Longevity

Our Protection proposition is built upon the foundations of technical excellence and rigorous analysis leading to competitive pricing. We recognise that this is the key driver in any reinsurance buying process. We are also committed to providing a full range of support and services. We do this by utilising the quality of our team who are all experts in each of their fields, a culture of openness and transparency and a genuine desire to help and work in partnership with our clients. The services we can provide include: product development, experience analysis and underwriting and claims training.

We are a leading reinsurer of longevity risk. We have helped insurers, banks and pension schemes reduce their exposure to longevity risk arising from their annuity and pension obligations, covering in-force liabilities in excess of £22bn (as at 31 December 2016).

We have been involved in ground-breaking transactions, such as the reinsurance of the UK's first pension scheme longevity swap in 2009, the reinsurance of £1.5bn of liabilities associated with the Merchant Navy Officers Pension Fund under an innovative captive structure, and most recently, the development of a proposition with Zurich to allow smaller schemes to access the longevity swap market.

Summary

- Focused on UK & Ireland Protection & Longevity
- Number 1 for product, technology and distribution innovation (UK & Ireland Life and Health Reinsurance Programme conducted by NMG Consulting, 2016)
- Over 140 employees based in the London office



Asia

Our proposition is built around delivering customised solutions tailored to the specific needs of our clients.

In Asia, we are rapidly growing and establishing Pacific Life Re as a significant player throughout the region.

Our client relationships in Asia are managed from our regional office in Singapore, a branch office in Korea, and a representative office in Japan. Having the majority of our regional staff in one office allows us to apply a consistent service standard across different markets, and to share ideas and best practices with each other. Our employees in key client-facing roles are recruited from a wide range of nationalities and have the relevant language capabilities and local expertise to effectively support our clients in a variety of markets.

Our proposition is built around delivering customised solutions tailored to the specific needs of our clients. We work with our clients to professionally manage their risk rather than seeking to eliminate it, which allows freedom to innovate

both the product design and the process. Our team of experts deliver the highest standards of technical expertise and commercial understanding across all disciplines.

We have grown significantly, with our growth primarily being driven by our ability to bring new and innovative products to insurance companies, enabling them to differentiate themselves in the market.

Summary

- A rapidly growing business with over 25 clients across seven countries
- Branch office in Korea launched in March 2016
- Further expansion planned across the region, with a representative office in China over the next 12–18 months
- Over 75 employees across Asia Pacific





Australia

The quality of our team and our experience from other markets are key components that are helping establish us as a market leading reinsurer in Australia.

In August 2015, we launched our new subsidiary in Australia, bringing new capacity to the market. Being a new entrant to the Australian market gives us the opportunity to take a different approach as we build our business for the long term. Our strategy is built on a foundation of in-depth analysis and research that enables us to share unique pricing insights with our clients, as well as a full range of dedicated support and services.

The quality of our team, our approach to innovation, experience from other markets, service oriented culture and partnership philosophy are all key components that are helping establish us as a market leading reinsurer in Australia.

We are free to pursue the right course for our clients and our business, building deeper relationships. We are committed to help drive a sustainable long-term insurance market.

Summary

- Launched in 2015
- New capacity and a fresh approach to the Australian market
- Over 50 employees based in the Sydney office
- Expanding beyond Group into Retail and bringing new technology to Australia

North America

We specialise in life risk management and offer one of the highest per-life retentions of any retrocessionaire.

In North America we operate as a life retrocessionaire to major reinsurance companies around the world. Our clients value the security, stability and peace of mind that comes from working with the longest established professional individual life retrocession business in the world.

We specialise in life risk management and offer one of the highest per-life retentions of any retrocessionaire. We are experts in data analysis across all aspects of mortality retrocession, whether excess of retention reinsurance, quota share arrangements, or in-force block transactions.

Pacific Life Re's expertise in the European Longevity markets is a great source of knowledge and experience that we bring to the emerging North American Longevity market.

Summary

- The longest established life retrocession business in the world
- Over 100 employees based in Toronto and Boston



Underwriting technology

We are constantly investing in the latest underwriting software, helping our clients harness the potential that technology brings to modern underwriting.

Ocean

Ocean is our web-based underwriting guide, offering a combination of high quality technical content and practical ease of use. It covers a comprehensive range of products and new product developments are carefully monitored across international markets to ensure that ratings guidance remains up-to-date.

Ocean has had 12 phases of development since it was launched in 2008 and its rules are integrated within the UnderwriteMe rules engine.

Our aim is to deliver practical business tools, built on leading edge technology that delivers significant competitive advantage.

UnderwriteMe

We are a majority shareholder in UnderwriteMe, a technology company which is changing the Protection market by providing an underwritten multi-insurer quote comparison service to distributors. UnderwriteMe provides a single process to quote, underwrite and buy multiple protection products from a range of providers. Advisers simply complete one online application – in the order that best suits them and their client – and receive a fully-underwritten quote.

UnderwriteMe's suite of interconnected software (Rules Engine, Workbench, Business Analytics and User Interface) is built on the latest technology. It delivers speed, scale, and great insight offering businesses the power to sell smarter. According to the 2016 NMG reinsurance programme, the Rules Engine has the largest market share in the UK and Ireland.



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