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REINSURANCE GROUP OF AMERICA INC
Form 8-K
May 05, 2006

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported):
April 24, 2006

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

Missouri
(State or other jurisdiction of incorporation)

1-11848
(Commission File Number)

43-1627032
(I.R.S. Employer Identification No.)

1370 Timberlake Manor Parkway, Chesterfield, Missouri 63017-6039
(Address of principal executive offices) (zip code)

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

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

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

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ITEM 2.02 - RESULTS OF OPERATIONS AND FINANCIAL CONDITION

As disclosed in the Company's quarterly report on Form 10-Q for the period ending March 31, 2006, during the first quarter of 2006, the Company changed its

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method of allocating capital to its reportable segments from a method based upon regulatory capital requirements ("RBC") to one based on underlying economic capital ("EC") levels. The economic capital model is an internally developed risk 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 RGA's businesses. This is in contrast to the standardized regulatory risk based capital formula, which is not as refined in its risk calculations with respect to each of the Company's businesses. As a result of the economic capital allocation process, a portion of investment income and investment related gains (losses) is credited or charged to the reportable segments based on the level of allocated equity. In addition, the reportable 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.

Management believes that the change from the RBC to EC basis of allocating capital is considered a change in measurement of segment results, not composition. The Company's segment results by quarter for 2005 and 2004 have been revised in this report giving effect to this change. The consolidated financial statements are not affected by this change. See "Non-GAAP Financial Measures" below.

The information in Item 2.02 of this Current Report on Form 8-K shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), or otherwise subject to the liabilities of such section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

ITEM 7.01 - REGULATION FD DISCLOSURE

As disclosed in the Company's quarterly report on Form 10-Q for the period ending March 31, 2006, during the first quarter of 2006, the Company changed its method of allocating capital to its reportable segments from a method based upon RBC requirements to one based on underlying EC levels. The economic capital model is an internally developed risk 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 RGA's businesses. This is in contrast to the standardized regulatory risk based capital formula, which is not as refined in its risk calculations with respect to each of the Company's businesses. As a result of the economic capital allocation process, a portion of investment income and investment related gains (losses) is credited or charged to the reportable segments based on the level of allocated equity. In addition, the reportable 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.

Management believes that the change from the RBC to EC basis of allocating capital is considered a change in measurement of segment results, not composition. The Company's segment results by quarter for 2005 and 2004 have been revised in this report giving effect to this change. The consolidated financial statements are not affected by this change. See "Non-GAAP Financial Measures" below.

The information in Item 7.01 of this Current Report on Form 8-K shall not be deemed to be "filed" for the purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of such section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

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NON-GAAP FINANCIAL MEASURES

The segment results include information on operating income before income taxes which is considered a non-GAAP financial measure. Management uses this measure to analyze financial results and establish target levels and awards under RGA's management incentive programs. Management believes that operating income, on a pre-tax and after-tax basis, better measures the ongoing profitability and underlying trends of the Company's continuing operations, primarily because that measure excludes the effect of net realized capital gains and losses, as well as changes in the fair value of embedded derivatives and related deferred acquisition costs. These items tend to be highly variable, primarily due to the credit market and interest rate environment and are not necessarily indicative of the performance of the Company's underlying businesses. Additionally, operating income excludes any net gain or loss from discontinued operations and the cumulative effect of any accounting changes, which management believes are not indicative of the Company's ongoing operations. The definition of operating income can vary by company and is not considered a substitute for GAAP net income.

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U.S. OPERATIONS SEGMENT (000's)

	YEAR ENDED DECEMBER 31, 2018			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
REVENUES:				
Net premiums	\$568,018	\$575,812	\$611,389	\$678,018
Investment income, net of related expenses	120,049	107,305	128,944	127,000
Investment related gains (losses), net	2,483	(4,520)	(459)	(7,000)
Change in value of embedded derivatives	22,561	(19,917)	3,536	1,000
Other revenue	8,251	9,949	8,955	11,000
	-----	-----	-----	-----
Total revenues	721,362	668,629	752,365	811,000
BENEFITS AND EXPENSES:				
Claims and other policy benefits	481,580	501,952	485,356	544,000
Interest credited	54,258	38,033	59,381	54,000
Policy acquisition costs and other insurance expenses	89,286	102,367	105,360	115,000
Change in DAC associated with change in value of embedded derivatives	15,708	(13,604)	3,858	1,000
Other operating expenses	12,034	12,619	12,619	13,000
	-----	-----	-----	-----
Total benefits and expenses	652,866	641,367	666,574	729,000
Income before income taxes	\$ 68,496	\$ 27,262	\$ 85,791	\$ 82,000
	-----	-----	-----	-----
Investment related (gains) losses, net (1)	(1,956)	4,198	621	6,000
Change in value of embedded derivatives, net (2)	(6,853)	6,313	322	(1,000)
	-----	-----	-----	-----
Operating income before income taxes	\$ 59,687	\$ 37,773	\$ 86,734	\$ 88,000
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- (1) U.S. Operations is net of DAC offsets of \$527, \$(322), \$162 and \$(485) for the four quarters of 2005, respectively.
- (2) U.S. Operations is net of DAC offsets included in change in deferred acquisition cost associated with change in value of embedded derivative of \$15,708, \$(13,604), \$3,858 and \$1,010 for the four quarters of 2005, respectively.

	YEAR ENDED DECEMBER 31			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
REVENUES:				
Net premiums	\$532,381	\$531,331	\$539,750	\$600,000
Investment income, net of related expenses	103,288	103,548	110,618	130,000
Investment related gains (losses), net	14,417	4,225	(1,192)	(1,000)
Change in value of embedded derivatives	1,522	17,472	(18,610)	2,000
Other revenue	9,249	9,429	9,776	1,000
Total revenues	660,857	666,005	640,342	770,000
BENEFITS AND EXPENSES:				
Claims and other policy benefits	429,855	432,684	422,946	480,000
Interest credited	46,572	43,821	46,725	50,000
Policy acquisition costs and other insurance expenses	89,454	86,649	100,677	120,000
Change in DAC associated with change in value of embedded derivatives	4,200	13,293	(13,209)	1,000
Other operating expenses	14,582	13,598	14,179	1,000
Total benefits and expenses	584,663	590,045	571,318	690,000
Income before income taxes	\$ 76,194	\$ 75,960	\$ 69,024	\$ 70,000
Investment related (gains) losses, net (1)	(14,360)	(4,658)	299	(1,000)
Change in value of embedded derivatives, net (2) (3)	2,678	(4,179)	5,434	(1,000)
Operating income before income taxes	\$ 64,512	\$ 67,123	\$ 74,757	\$ 68,000

- (1) U.S. Operations is net of DAC offsets of \$57, \$(433), \$(893) and \$1,419 for the four quarters of 2004, respectively.
- (2) U.S. Operations is net of DAC offsets included in change in deferred acquisition cost associated with change in value of embedded derivative of \$4,200, \$13,293, \$(13,209) and \$18,612 for the four quarters of 2004, respectively.
- (3) U.S. Operations is net of DAC offsets included in policy acquisition costs and other insurance expenses of \$(20,782) for the fourth quarter of 2004 and investment income offsets of \$33 and \$25,911 for the third and fourth quarters of 2004, respectively.

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U.S. OPERATIONS SEGMENT
SUBSEGMENT - TRADITIONAL REINSURANCE
(000's)

	YEAR ENDED DECEMBER 31,			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOUR QUAR
REVENUES:				
Net premiums	\$566,794	\$574,695	\$610,242	\$677,
Investment income, net of related expenses	63,325	66,172	69,011	70,
Investment related losses, net	(1,031)	(2,633)	(861)	(4,
Other revenue	566	145	185	
Total revenues	629,654	638,379	678,577	743,
BENEFITS AND EXPENSES:				
Claims and other policy benefits	483,262	497,019	484,493	543,
Interest credited	14,007	14,303	13,553	12,
Policy acquisition costs and other insurance expenses	73,638	87,817	90,696	102,
Other operating expenses	9,259	10,038	10,159	10,
Total benefits and expenses	580,166	609,177	598,901	669,
Income before income taxes	\$ 49,488	\$ 29,202	\$ 79,676	\$ 74,
Investment related losses, net	1,031	2,633	861	4,
Change in value of embedded derivatives, net	--	--	--	
Operating income before income taxes	\$ 50,519	\$ 31,835	\$ 80,537	\$ 78,

	YEAR ENDED DECEMBER 31,			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOUR QUAR
REVENUES:				
Net premiums	\$531,199	\$530,140	\$538,524	\$607,
Investment income, net of related expenses	58,587	56,680	58,702	63,
Investment related gains (losses), net	14,301	5,028	(443)	(
Other revenue	1,281	651	704	
Total revenues	605,368	592,499	597,487	670,
BENEFITS AND EXPENSES:				
Claims and other policy benefits	430,875	430,303	414,249	486,
Interest credited	12,078	12,117	12,073	14,
Policy acquisition costs and other insurance expenses	79,119	75,517	91,459	95,
Other operating expenses	12,001	11,041	11,691	9,
Total benefits and expenses	534,073	528,978	529,472	604,
Income before income taxes	\$ 71,295	\$ 63,521	\$ 68,015	\$ 66,

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Investment related (gains) losses, net	(14,301)	(5,028)	443	
Change in value of embedded derivatives, net	--	--	--	
Operating income before income taxes	\$ 56,994	\$ 58,493	\$ 68,458	\$ 67,000

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U.S. OPERATIONS SEGMENT
SUBSEGMENT - ASSET-INTENSIVE REINSURANCE
(000's)

	YEAR ENDED DECEMBER 31,			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
REVENUES:				
Net premiums	\$ 1,224	\$ 1,117	\$ 1,147	\$ 1,117
Investment income, net of related expenses	56,654	41,041	59,776	57,400
Investment related gains (losses), net	3,516	(1,882)	405	(3,000)
Change in value of embedded derivatives	22,561	(19,917)	3,536	1,200
Other revenue	1,047	2,797	2,116	2,600
Total revenues	85,002	23,156	66,980	59,400
BENEFITS AND EXPENSES:				
Claims and other policy benefits	(1,684)	4,933	860	700
Interest credited	40,251	23,730	45,828	42,100
Policy acquisition costs and other insurance expenses	13,687	12,437	12,559	10,700
Change in DAC associated with change in value of embedded derivatives	15,708	(13,604)	3,858	1,010
Other operating expenses	1,338	1,236	1,173	1,300
Total benefits and expenses	69,300	28,732	64,278	55,900
Income (loss) before income taxes	\$15,702	\$ (5,576)	\$ 2,702	\$ 3,400
Investment related (gains)/losses, net (1)	(2,989)	1,560	(243)	2,600
Change in value of embedded derivatives, net (2)	(6,853)	6,313	322	(2,000)
Operating income before income taxes	\$ 5,860	\$ 2,297	\$ 2,781	\$ 5,800

(1) Asset Intensive is net of DAC offsets of \$527, \$(322), \$162 and \$(485) for the four quarters of 2005, respectively.

(2) Asset Intensive is net of DAC offsets included in change in deferred acquisition cost associated with change in value of embedded derivative of \$15,708, \$(13,604), \$3,858 and \$1,010 for the four quarters of 2005, respectively.

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	YEAR ENDED DECEMBER 31,			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
REVENUES:				
Net premiums	\$ 1,182	\$ 1,191	\$ 1,226	\$ 1,226
Investment income, net of related expenses	44,628	46,700	51,738	68,828
Investment related gains (losses), net	87	(824)	(748)	(5,724)
Change in value of embedded derivatives	1,522	17,472	(18,610)	25,722
Other revenue	1,670	1,906	2,645	3,522
Total revenues	49,089	66,445	36,251	93,600
BENEFITS AND EXPENSES:				
Claims and other policy benefits	(1,021)	3,248	7,829	(3,000)
Interest credited	34,494	31,704	34,652	45,622
Policy acquisition costs and other insurance expenses	8,050	8,883	7,599	25,322
Change in DAC associated with change in value of embedded derivatives	4,200	13,293	(13,209)	18,612
Other operating expenses	1,159	1,029	1,294	1,222
Total benefits and expenses	46,882	58,157	38,165	90,486
Income (loss) before income taxes	\$ 2,207	\$ 8,288	\$ (1,914)	\$ 3,114
Investment related (gains)/losses, net (1)	(30)	391	(145)	7,122
Change in value of embedded derivatives, net (2) (3)	2,678	(4,179)	5,434	(1,911)
Operating income before income taxes	\$ 4,855	\$ 4,500	\$ 3,375	\$ 8,335

- (1) Asset Intensive is net of DAC offsets of \$57, \$(433), \$(893) and \$1,419 for the four quarters of 2004, respectively.
- (2) Asset Intensive is net of DAC offsets included in change in deferred acquisition cost associated with change in value of embedded derivative of \$4,200, \$13,293, \$(13,209) and \$18,612 for the four quarters of 2004, respectively.
- (3) Asset Intensive is net of DAC offsets included in policy acquisition costs and other insurance expenses of \$(20,782) for the fourth quarter of 2004 and investment income offsets of \$33 and \$25,911 for the third and fourth quarters of 2004, respectively.

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U.S. OPERATIONS SEGMENT
SUBSEGMENT - FINANCIAL REINSURANCE
(000's)

YEAR ENDED DECEMBER 31, 2005			
FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER

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REVENUES:				
Investment income, net of related expenses	70	92	157	148
Investment related losses, net	(2)	(5)	(3)	(11)
Other revenue	6,638	7,007	6,654	8,094
	-----	-----	-----	-----
Total revenues	6,706	7,094	6,808	8,231
BENEFITS AND EXPENSES:				
Claims and other policy benefits	2	0	3	1
Policy acquisition costs and other insurance expenses	1,961	2,113	2,105	2,179
Other operating expenses	1,437	1,345	1,287	1,342
	-----	-----	-----	-----
Total benefits and expenses	3,400	3,458	3,395	3,522
Income before income taxes	\$3,306	\$3,636	\$3,413	\$4,709
	-----	-----	-----	-----
Investment related losses, net	2	5	3	11
Change in value of embedded derivatives, net	--	--	--	--
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Operating income before income taxes	\$3,308	\$3,641	\$3,416	\$4,720
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YEAR ENDED DECEMBER 31, 2004

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	FIRST	SECOND	THIRD	FOURTH
	QUARTER	QUARTER	QUARTER	QUARTER
	-----	-----	-----	-----
REVENUES:				
Investment income, net of related expenses	73	168	178	170
Investment related gains (losses), net	29	21	(1)	(3)
Other revenue	6,298	6,872	6,427	6,664
	-----	-----	-----	-----
Total revenues	6,400	7,061	6,604	6,831
BENEFITS AND EXPENSES:				
Claims and other policy benefits	1	(867)	868	--
Policy acquisition costs and other insurance expenses	2,285	2,249	1,619	2,139
Other operating expenses	1,422	1,528	1,194	1,322
	-----	-----	-----	-----
Total benefits and expenses	3,708	2,910	3,681	3,461
Income before income taxes	\$2,692	\$4,151	\$2,923	\$3,370
	-----	-----	-----	-----
Investment related (gains) losses, net	(29)	(21)	1	3
Change in value of embedded derivatives, net	--	--	--	--
	-----	-----	-----	-----
Operating income before income taxes	\$2,663	\$4,130	\$2,924	\$3,373
	-----	-----	-----	-----

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(000's)

	YEAR ENDED DECEMBER 31, 2003			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
REVENUES:				
Net premiums	\$73,756	\$ 76,854	\$ 89,074	\$103,4
Investment income, net of related expenses	22,537	22,372	22,728	25,3
Investment related gains, net	635	1,667	678	5
Other revenue	34	19	(319)	(
Total revenues	96,962	100,912	112,161	129,3
BENEFITS AND EXPENSES:				
Claims and other policy benefits	68,645	74,252	73,810	91,2
Interest credited	357	252	266	2
Policy acquisition costs and other insurance expenses	8,838	11,992	22,474	21,6
Other operating expenses	3,460	3,619	3,921	4,1
Total benefits and expenses	81,300	90,115	100,471	117,2
Income before income taxes	\$15,662	\$ 10,797	\$ 11,690	\$ 12,0
Investment related gains, net	(635)	(1,648)	(618)	(4
Change in value of embedded derivatives, net	--	--	--	
Operating income before income taxes	\$15,027	\$ 9,149	\$ 11,072	\$ 11,5

	YEAR ENDED DECEMBER 31, 2004			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
REVENUES:				
Net premiums	\$60,147	\$61,831	\$59,230	\$72,645
Investment income, net of related expenses	19,055	18,636	19,583	21,489
Investment related gains, net	414	5,219	2	2,464
Other revenue	38	31	(31)	(6)
Total revenues	79,654	85,717	78,784	96,592
BENEFITS AND EXPENSES:				
Claims and other policy benefits	59,366	59,499	59,568	72,109
Interest credited	377	418	530	515
Policy acquisition costs and other insurance expenses	9,268	10,528	8,049	10,094
Other operating expenses	2,728	2,761	2,719	2,952
Total benefits and expenses	71,739	73,206	70,866	85,670
Income before income taxes	\$ 7,915	\$12,511	\$ 7,918	\$10,922
Investment related gains, net	(414)	(5,219)	(2)	(2,464)

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Change in value of embedded derivatives, net	--	--	--	--
Operating income before income taxes	\$ 7,501	\$ 7,292	\$ 7,916	\$ 8,458

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ASIA-PACIFIC SEGMENT
(000's)

	YEAR ENDED DECEMBER 31, 20			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOUR QUAR
REVENUES:				
Net premiums	\$118,208	\$145,018	\$135,336	\$136,
Investment income, net of related expenses	4,740	5,269	5,409	6,
Investment related gains (losses), net	(47)	101	21	(
Other revenue	(187)	2,135	699	1,
Total revenues	122,714	152,523	141,465	144,
BENEFITS AND EXPENSES:				
Claims and other policy benefits	90,660	110,617	114,059	104,
Policy acquisition costs and other insurance expenses	24,470	23,371	18,758	15,
Other operating expenses	4,674	7,159	7,232	8,
Total benefits and expenses	119,804	141,147	140,049	128,
Income before income taxes	\$ 2,910	\$ 11,376	\$ 1,416	\$ 15,
Investment related (gains) losses, net	47	(101)	(21)	
Change in value of embedded derivatives, net	--	--	--	
Operating income before income taxes	\$ 2,957	\$ 11,275	\$ 1,395	\$ 15,

	YEAR ENDED DECEMBER 31, 20			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOUR QUAR
REVENUES:				
Net premiums	\$103,539	\$84,178	\$103,363	\$108,
Investment income, net of related expenses	2,802	2,404	3,343	3,
Investment related gains (losses), net	216	(193)	190	
Other revenue	635	2,950	(423)	1,
Total revenues	107,192	89,339	106,473	114,

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BENEFITS AND EXPENSES:

Claims and other policy benefits	74,845	67,380	84,612	103,
Policy acquisition costs and other insurance expenses	22,261	12,602	18,196	2,
Other operating expenses	4,742	5,672	6,476	7,
	-----	-----	-----	-----
Total benefits and expenses	101,848	85,654	109,284	112,
	-----	-----	-----	-----
Income (loss) before income taxes	\$ 5,344	\$ 3,685	\$ (2,811)	\$ 1,
	-----	-----	-----	-----
Investment related (gains) losses, net	(216)	193	(190)	(
Change in value of embedded derivatives, net	--	--	--	
	-----	-----	-----	-----
Operating income (loss) before income taxes	\$ 5,128	\$ 3,878	\$ (3,001)	\$ 1,
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EUROPE & SOUTH AFRICA SEGMENT
(000's)

	YEAR ENDED DECEMBER 31, 2			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOUR QUAR
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REVENUES:				
Net premiums	\$141,358	\$132,972	\$137,145	\$141,
Investment income, net of related expenses	2,528	2,502	3,184	3,
Investment related gains (losses), net	14	(180)	(16)	(
Other revenue	101	69	88	
	-----	-----	-----	-----
Total revenues	144,001	135,363	140,401	144,
	-----	-----	-----	-----
BENEFITS AND EXPENSES:				
Claims and other policy benefits	96,332	112,117	97,039	99,
Interest credited	363	190	109	
Policy acquisition costs and other insurance expenses	27,133	22,782	20,262	24,
Other operating expenses	5,660	7,118	7,264	7,
	-----	-----	-----	-----
Total benefits and expenses	129,488	142,207	124,674	132,
	-----	-----	-----	-----
Income (loss) before income taxes	\$ 14,513	\$ (6,844)	\$ 15,727	\$ 12,
	-----	-----	-----	-----
Investment related (gains) losses, net	(14)	180	16	
Change in value of embedded derivatives, net	--	--	--	
	-----	-----	-----	-----
Operating income (loss) before income taxes	\$ 14,499	\$ (6,664)	\$ 15,743	\$ 12,
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YEAR ENDED DECEMBER 31, 2

FIRST SECOND THIRD FOUR

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	QUARTER	QUARTER	QUARTER	QUAR
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REVENUES:				
Net premiums	\$117,203	\$118,951	\$116,872	\$125,
Investment income, net of related expenses	1,171	1,534	1,751	2,
Investment related gains, net	1,294	676	150	
Other revenue	412	399	627	
	-----	-----	-----	-----
Total revenues	120,080	121,560	119,400	127,
BENEFITS AND EXPENSES:				
Claims and other policy benefits	81,997	73,811	76,088	82,
Interest credited	0	0	0	
Policy acquisition costs and other insurance expenses	29,585	30,122	28,253	35,
Other operating expenses	4,682	5,524	5,479	5,
	-----	-----	-----	-----
Total benefits and expenses	116,264	109,457	109,820	123,
	-----	-----	-----	-----
Income before income taxes	\$ 3,816	\$ 12,103	\$ 9,580	\$ 4,
	-----	-----	-----	-----
Investment related gains, net	(1,294)	(676)	(150)	(
Change in value of embedded derivatives, net	--	--	--	
	-----	-----	-----	-----
Operating income before income taxes	\$ 2,522	\$ 11,427	\$ 9,430	\$ 3,
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CORPORATE & OTHER SEGMENT
(000's)

	YEAR ENDED DECEMBER 31, 2			
	FIRST	SECOND	THIRD	FOUR
	QUARTER	QUARTER	QUARTER	QUAR
	-----	-----	-----	-----
REVENUES:				
Net premiums	\$ 480	\$ 698	\$ 588	\$
Investment income, net of related expenses	7,199	8,836	6,191	6,
Investment related gains, net	894	15,882	2,435	1,
Other revenue	2,604	8,489	2,811	
	-----	-----	-----	-----
Total revenues	11,177	33,905	12,025	9,
BENEFITS AND EXPENSES:				
Claims and other policy benefits	836	28,992	4,072	7,
Interest credited	75	140	163	
Policy acquisition costs and other insurance expenses	(5,751)	(2,657)	(8,156)	(9,
Other operating expenses	7,178	7,517	6,956	11,
Interest expense	9,885	9,895	10,052	11,
	-----	-----	-----	-----
Total benefits and expenses	12,223	43,887	13,087	21,

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Loss before income taxes	\$ (1,046)	\$ (9,982)	\$ (1,062)	\$ (12,
Investment related gains, net (1)	(894)	(12,834)	(2,435)	(1,
Change in value of embedded derivatives, net	--	--	--	
Operating loss before income taxes	\$ (1,940)	\$ (22,816)	\$ (3,497)	\$ (13,

- (1) Corporate & Other is net of DAC offsets of \$3,048 included in policy acquisition costs and other insurance expenses for the second quarter of 2005.

	YEAR ENDED DECEMBER 31, 2			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOUR QUAR
REVENUES:				
Net premiums	\$ 604	\$ 1,017	\$ 239	\$ 1,
Investment income, net of related expenses	7,244	8,063	9,287	8,
Investment related gains, net	2,075	2,764	1,514	1,
Other revenue	1,516	1,950	3,425	2,
Total revenues	11,439	13,794	14,465	13,
BENEFITS AND EXPENSES:				
Claims and other policy benefits	991	1,428	(1,596)	11,
Interest credited	69	93	81	
Policy acquisition costs and other insurance expenses	(7,500)	(5,744)	(7,085)	(4,
Other operating expenses	6,795	7,341	8,015	6,
Interest expense	9,538	9,542	9,655	9,
Total benefits and expenses	9,893	12,660	9,070	23,
Income (loss) before income taxes	\$ 1,546	\$ 1,134	\$ 5,395	\$ (9,
Investment related gains, net	(2,075)	(2,764)	(1,514)	(1,
Change in value of embedded derivatives, net	--	--	--	
Operating income (loss) before income taxes	\$ (529)	\$ (1,630)	\$ 3,881	\$ (10,

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SIGNATURE

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

REINSURANCE GROUP OF AMERICA,
INCORPORATED

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Date: May 5, 2006

By: /s/ Jack B. Lay

Jack B. Lay
Executive Vice President and Chief
Financial Officer