September 1, 2026

Market Segment Outlook: Global Life Reinsurance

The global life reinsurance outlook remains Stable, led by highly rated, diversified, well capitalized, and experienced companies

AM Best is maintaining its Stable outlook for the global life reinsurance segment, based on the following factors:

- Concentrated traditional reinsurance market, dominated by several highly rated, diversified, and well-capitalized global companies
- Companies with many years of experience and expertise in the traditional market, focusing on biometric risk and underwriting capabilities
- Moderate growth expected in life channels globally
- Favorable capitalization and underwriting results

Moderating factors include:

- Global economic uncertainty
- Continued growth in offshore reinsurance

Regulatory Environment

The segment benefits from a mostly stable regulatory environment globally. This is the case in the US and Europe, where the leading global life reinsurance entities operate and where there are currently no major concerns. This includes Solvency II in the European Union and robust regulation in the United States, including recent AG 55 annual asset adequacy testing for US life insurers ceding asset-intensive business to offshore or other reinsurers.

In Japan, the volume of reinsurance ceded by insurance companies has increased steadily in recent years, in part driven by the implementation of an economic value-based solvency regulation framework that is closely aligned with Insurance Capital Standard (ICS). The new solvency regime, known as J-ICS, took effect on 31 March 2026.

AM Best is monitoring evolving regulations in offshore jurisdictions. This includes Bermuda, which has Solvency II equivalence. In addition, in Bermuda, transactions (including affiliated business) require Bermuda Monetary Authority approval. There is a review of the appropriateness of collateral and asset allocation, along with required stress testing. AM Best is also seeing an increase in reinsurance activity, especially in the Cayman Islands.

Competitive Landscape

The global life reinsurance market remains a concentrated segment, with a handful of global companies holding a significant majority of market share. Long-term client relationships that have been built over many years offer these companies the ability to grow through existing relationships. Operating scale and the benefits of strong technical, actuarial, and risk management expertise support future growth.

Analytical Contact:
Edward Kohlberg, Oldwick
+1 (908) 882-1979
Edward.Kohlberg@ambest.com

2026-111

Life reinsurance accounts for a significant share of gross premiums written, with the United States remaining the largest geography. Most large life reinsurance carriers also diversify their business profile with non-life reinsurance and maintain strong risk-adjusted capitalization, with a measured risk approach to liability management.

Life reinsurers have long been viewed as business partners who offer services beyond biometric risk transfer solutions, such as balance sheet optimization, underwriting support, and actuarial data. These companies are well positioned to further support the industry through evolving trends.

The number of offshore annuity reinsurers has increased in recent years, as has the use of offshore entities by existing players. These companies have mainly focused on asset-intensive reinsurance and block transactions of legacy annuity books of business. Private equity/asset managers have been increasingly getting involved in this space and adding to the growing competitive pressures. This has brought an increased focus on the regulations that oversee these new formations.

Performance Trends

US individual life first year and single premium increased 10% in 2025 and is expected to continue to grow. Growth through emerging markets will also help to bolster global life reinsurance companies. There are opportunities as well in the US annuity market due to robust market growth. This is expected to be supported by continued capital growth, including new private equity and asset manager participation. The industry has performed well through solid underwriting and favorable investments yields. Mortality levels have stabilized in recent quarters, and the industry looks to see what type of impact there may be from Glucagon-like peptide-1s (GLP-1) due to their potential to improve mortality and morbidity outcomes. In addition, reinsurers are increasingly comfortable using mortality improvements in pricing assumptions.

GUIDE TO BEST'S MARKET SEGMENT OUTLOOKS

A market segment outlook reflects AM Best's forward-looking assessment of the expected operating environment and conditions within a segment over the next 12 months. It is based on factors such as economic conditions, the regulatory environment, the competitive landscape, as well as performance trends and other considerations. The outlook provides context for how these factors collectively shape the segment's trajectory.

A Best's Market Segment Outlook, like a Best's Credit Rating Outlook for a company, can be Positive, Negative, or Stable.

Best's Market Segment Outlook	
Positive	A **Positive outlook** indicates that market conditions are expected to improve or support operations and strong performance within the segment over the next 12 months.
Stable	A **Stable outlook** suggests that market conditions are expected to remain broadly consistent with the current environment, with no material positive or negative shifts anticipated with the segment over the next 12 months.
Negative	A **Negative outlook** signifies that market conditions are expected to deteriorate or present challenges to operations and performance within the segment over the next 12 months..

Published by AM Best

BEST'S MARKET SEGMENT REPORT

A.M. Best Company Inc.
Oldwick, NJ
CHAIRMAN, PRESIDENT & CEO **Arthur Snyder III**
SENIOR VICE PRESIDENT & CFO **Cynthia Young**
SENIOR VICE PRESIDENT **Lee McDonald**

A.M. Best Rating Services Inc.
Oldwick, NJ
PRESIDENT **James Gillard**
EXECUTIVE VICE PRESIDENT & COO **Stefan W. Holzberger**
EXECUTIVE VICE PRESIDENT & CSO **Andrea Keenan**
EXECUTIVE VICE PRESIDENT & CIO **James F. Snee**
SENIOR MANAGING DIRECTOR & CRO **Kenneth Johnson**
SENIOR MANAGING DIRECTOR & CCO **Edward H. Easop**

AMERICAS

WORLD HEADQUARTERS
A.M. Best Company, Inc.
A.M. Best Rating Services, Inc.
1 Ambest Road, Oldwick, NJ 08858
Phone: +1 908 439 2200

MEXICO CITY
A.M. Best América Latina, S.A. de C.V.
Av. Paseo de la Reforma 412, Piso 23,
Col. Juárez, Alcaldía Cuauhtémoc, C.P. 06600, Mexico City, Mexico
Phone: +52 55 1102 2720

EUROPE, MIDDLE EAST & AFRICA (EMEA)

LONDON
A.M. Best Europe - Information Services Ltd.
A.M. Best Europe - Rating Services Ltd.
12 Arthur Street, 8th Floor, London, UK EC4R 9AB
Phone: +44 20 7626 6264

AMSTERDAM
A.M. Best (EU) Rating Services B.V.
NoMA House, Gustav Mahlerlaan 1212, 1081 LA Amsterdam, Netherlands
Phone: +31 20 308 5420

DUBAI*
A.M. Best Europe - Rating Services Ltd. - DIFC Branch*
Office 102, Tower 2, Currency House, DIFC
P.O. Box 506617, Dubai, UAE
Phone: +971 4375 2780
*Regulated by the DFSA as a Credit Rating Agency

ASIA-PACIFIC

HONG KONG
A.M. Best Asia-Pacific Ltd
Unit 4004 Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
Phone: +852 2827 3400

SINGAPORE
A.M. Best Asia-Pacific (Singapore) Pte. Ltd
8 Cross Street, #21-03 Manulife Tower
Singapore 048424
Phone: +65 6303 5000

Best's Financial Strength Rating (FSR): an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. An FSR is not assigned to specific insurance policies or contracts.

Best's Issuer Credit Rating (ICR): an independent opinion of an entity's ability to meet its ongoing financial obligations and can be issued on either a long- or short-term basis.

Best's Issue Credit Rating (IR): an independent opinion of credit quality assigned to issues that gauges the ability to meet the terms of the obligation and can be issued on a long- or short-term basis (obligations with original maturities generally less than one year).

Best's National Scale Rating (NSR): a relative measure of creditworthiness in a specific local jurisdiction that is issued on a long-term basis and derived exclusively by mapping the NSR from a corresponding global ICR using a transition chart.

Rating Disclosure: Use and Limitations

A Best's Credit Rating (BCR) is a forward-looking independent and objective opinion regarding an insurer's, issuer's or financial obligation's relative creditworthiness. The opinion represents a comprehensive analysis consisting of a quantitative and qualitative evaluation of balance sheet strength, operating performance, business profile, and enterprise risk management or, where appropriate, the specific nature and details of a security. Because a BCR is a forward-looking opinion as of the date it is released, it cannot be considered as a fact or guarantee of future credit quality and therefore cannot be described as accurate or inaccurate. A BCR is a relative measure of risk that implies credit quality and is assigned using a scale with a defined population of categories and notches. Entities or obligations assigned the same BCR symbol developed using the same scale, should not be viewed as completely identical in terms of credit quality. Alternatively, they are alike in category (or notches within a category), but given there is a prescribed progression of categories (and notches) used in assigning the ratings of a much larger population of entities or obligations, the categories (notches) cannot mirror the precise subtleties of risk that are inherent within similarly rated entities or obligations. While a BCR reflects the opinion of A.M. Best Rating Services, Inc. (AM Best) of relative creditworthiness, it is not an indicator or predictor of defined impairment or default probability with respect to any specific insurer, issuer or financial obligation. A BCR is not investment advice, nor should it be construed as a consulting or advisory service, as such; it is not intended to be utilized as a recommendation to purchase, hold or terminate any insurance policy, contract, security or any other financial obligation, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. Users of a BCR should not rely on it in making any investment decision; however, if used, the BCR must be considered as only one factor. Users must make their own evaluation of each investment decision. A BCR opinion is provided on an "as is" basis without any expressed or implied warranty. In addition, a BCR may be changed, suspended or withdrawn at any time for any reason at the sole discretion of AM Best.

Version 011624