Deloitte Insurance Week

Where Reinsurance Meets

Reinsurance in the Post-LDTI Era

May 6, 2024

Agenda

1. 10 Minutes: LDTI Primer
2. 15 Minutes: Lessons Learned
3. 10 Minutes: Industry Observations
4. 15 Minutes: Reinsurance Considerations
5. 10 Minutes: Q&A

Joining You Today

Darryl Wagner

FSA, MAAA

Darryl is a principal with Deloitte Consulting LLP. An actuary by background, Darryl's areas of specialty include life insurer financial reporting and performance/value measurement and management. He has worked with clients around the world, helping with technical, process oriented and organizational aspects of implementation, execution, and evaluation.

Darryl leads Deloitte's global Actuarial & Insurance Services practice, as well as our Exponential Professional™ offering helping workforces and organizations achieve their full potential by leveraging emerging technology and workforce options.

Ryan Kiefer

ASA, MAAA

Ryan is a senior manager at Deloitte Consulting and has fifteen years of experience serving as a consultant to the life insurance industry. His primary focus is financial reporting where he assists advisory clients seeking to enhance or improve their financial reporting processes, analysis, and financial controls.

Recently, Ryan has been working with insurers and reinsurers to interpret and evaluate the industry's response to the new financial reporting requirements included in the Financial Accounting Standards Board ("FASB") long duration targeted improvements changes ("LDTI") included in ASU 2018-12.

Weiling Lao

FSA, MAAA

Weiling is a specialist leader and firm actuary with the Deloitte U.S. Actuarial & Insurance Solutions practice. She has been with the US firm for over 17 years. Weiling has profound Life and Annuity experience in a broad range of projects in the insurance Industry related to financial reporting, actuarial modeling and risk management.

Weiling leads Deloitte's actuarial services at the firm's largest life insurance audit clients, performing LDTI (US GAAP), Statutory and Tax procedures, including independent testing of reserves, intangible assets, cash flow testing, assumption setting, and experience studies.

LDTI Primer

LDTI's Key Changes

Area of Focus	Legacy GAAP	LDTI
Liability for future policy benefits (FPBs)	Original assumptions remain "locked" with a provision for adverse deviation (PAD) Discount rate is the insurer's expected investment yield	Current best estimate assumptions periodically updated at least annually and no PAD Discount rate that reflects the characteristics of liability (single A rate)
Definition and measurement of market risk benefits	Two very different measurement models exist	One measurement model using fair value
Amortization of Deferred Acquisition Costs (DAC)	Current methods are complex and difficult to understand	Significantly simplified amortization methods
Disclosures	Limited useful information	Enhanced disclosures with complex disaggregated rollforwards

FASB voted to retain existing GAAP for the measurement of the liability for participating (PAR) contracts: Amortization of DAC for PAR contracts continued to be in scope of the targeted improvements

Volatility and Operational Impacts

	Income Statement Volatility	Balance Sheet Volatility	Operational Impact
Traditional FPB Reserves	Assumption updates and true-ups	Interest rate impact	Volume of historical data and granularity of calculation
DAC	Simplified amortization	No interest accrual	Transition model/impact
Fair Value Measurement	Additional guarantees measured at fair value	Portion of reserve impact captured in AOCI	Fair value framework extended to other products
Accumulated Other Comprehensive Income (AOCI)	N/A	Discount rate impact for traditional reserves	Additional runs to capture economic impact

Significant change | Moderate change | Low change

The increase in the number, complexity, and granularity of disclosures will add an additional layer of uncertainty and operational complexity

Accounting Policy Election and Transition

Accounting policy decisions made during adoption....

- Cohort election (grouping of policies)
- Reinsurance ceded
- Discounting approach

important because of...

- Vendor and modeling challenges
- Significant impact on financial statements
- Operational complexity
- Consensus around interpretation

....can impact financial statements on day 1 and going forward

Day 1 impacts

- Limited day 1 impacts for traditional business
  - Pivot current balances
  - Recognize losses for unprofitable business
- Incremental fair value calculations impact transition
- Changes in historical interest rates for traditional products (AOCI)

Go forward profit emergence

- Mechanical differences between inforce and new business
- Patterns will vary due to product mix
- May differ due to prevalence of fair value measurements

LDTI Lessons Learned

Common Pitfalls & Lessons Learned for 2023 Adopters

Having audited and collaborated with 2023 adopters, we have observed common issues and challenges, as well as strategies that can smooth the transition journey. Avoiding the below pitfalls will help minimize the costs of business disruption

Models & Processes

- A single, standardized actuarial platform has become table stakes and significantly reduced the onerous task to get models to be LDTI compliant
- Implementation challenges were exaggerated by manual processes, inconsistent valuation sources, and low-quality data
- Implementing a Cloud solution was often a necessary, but not sufficient stand-alone solution to LDTI data and technology needs
- Often, outdated controls added difficulty when designing complementary processes or changing workforce behavior to maximize business value

PMO Activities

- Companies can take lessons on resource-misestimation during LDTI implementations and ensure that future large-scale hybrid projects are delivered in a more streamlined fashion
- Essentially no companies estimated the budget for LDTI implementation correctly
- Companies faced program management challenges including overscheduling of meetings to keep teams informed and underusing collaboration tools The most successful implementations quickly secured resources to take over soon-to-be-retired business-as-usual (BAU) processes

Stakeholders

- Companies have few professionals that have a deep knowledge of both technical and practical applications of the Standard
- Most companies underestimated the training and change management required
- Many were so busy with the implementation itself that training of the LDTI processes in the future state fell behind
- Companies that had the most successful close were those that engaged Board and C-Suite leadership early and often on the standard, in a manner that focused both on technical and practical education

Policy and Methodology

- Establish a strong and specific framework to collectively make decisions across actuarial and accounting
- Focus on setting policies that are practical to implement and drive towards an efficient and timely close
- Develop methods to quickly evaluate alternatives without extensive without extensive modeling effort

Model Enhancements

A single, standardized actuarial platform has become table stakes, significantly reducing the onerous task of LDTI-compliant modeling

Model consolidation and standardization

Observations:

- Complexity of LDTI disclosures requires getting as much business as possible fully modeled and into one actuarial platform
- Combining data from multiple models presented a data and reporting challenge

Multi-purpose models for LDTI and reporting

Observations:

- Extra attention was required for model runs to be set up to generate automated disclosures
- Consistency in run attribution steps and output vectors allowed for quicker results and more time to fix errors

Automation and orchestration of model runs

Observations:

- Companies that executed models manually struggled to meet quarter close deadlines
- Companies also struggled to calculate MRB retrospectively, as they did not automate re-runs to get to the current valuation date.

Movement to Cloud

Observations:

- LDTI provided an opportunity for companies to migrate to Cloud based actuarial models which required efficient use of Cloud infrastructure (i.e., efficient run times)

Technology and Data Storage Upgrades

Implementing a Cloud solution was often a necessary, but not sufficient stand-alone solution to LDTI data and technology needs. Complementary process and workforce behavior changes were required to maximize business value

Movement to Cloud - The movement to Cloud is a beneficial but costly investment and combining the movement to Cloud with the adoption of LDTI compounded this.

Use of Cloud During Restatements - Companies used their Cloud functionality more than expected / more than the future steady state. Considerable time was spent running sensitivities and other re-runs, with mixed business value.

Data Standardization - LDTI presented an opportunity to standardize data models across lines of business, distribution channels, and legal entities to achieve single data framework for valuation and accounting.

Software Customization - Companies that used custom built solutions to convert actuarial data to accounting data often had few people that understood these systems leading to a system feeling like black box to others.

Use of Subledgers - Companies that opted for vendor-managed subledger solutions reported that many solutions were being built/modified in-flight during implementation.

Enhanced Reporting and Analytics

While the new LDTI rollforwards and disclosures will be the backbone of GAAP reporting, to properly analyze LDTI earnings and explain LDTI disclosures, a strong data foundation and cohort-level analytics are also required

Sample LDTI Analytics

Cohort-level NPR rollforwards	Cohort flag for NPR, PVEFB, PVENP, etc. change > XX%	Cohort flag for NPR change > two standard deviations
Percentage of cohorts with NPR increase / decrease / remain flat	Cohort-level analysis of actual and expected cash flow deviation	Cohort-level trending of LFPB, MRB, DAC, etc.
Percentage of net income change due to each rollforward line item	Analysis by cohort dimension (e.g., issue year phenomenon)	Analysis of assumption update impacts (against expectation)
List of cohorts with NPR capping and change in NPR capping impact	List of cohorts with reserve flooring and change in flooring impact	Regression analysis against external economic factors (e.g., equity)

Universe of Systems

- SAS Visual Analytics + Subledger Accounting Module (SLAM)
- SAP Insurance Analyzer
- Workiva
- Tableau
- Power BI
- Oracle Essbase / Hyperion Financial Management
- Custom data warehouses / custom subledger

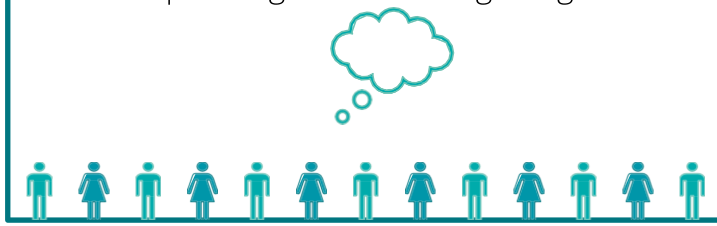
A properly constructed data/reporting framework with new KPIs not only allows for automated and intuitive analytics: it allows companies to use LDTI data for multiple purposes, such as financial planning & analysis (FP&A) and inforce management

Training, Board Education, and OCM

Companies have few professionals that have a deep knowledge of both technical and practical applications of the Standard and thus underestimated the training and change management required

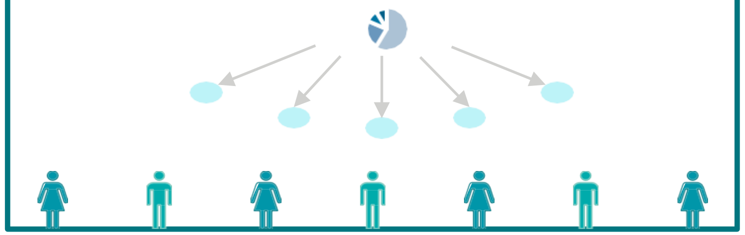
Organizational change management (OCM)

- LDTI implementations have drastically impacted processes, roles, and required skills, and proper change management is essential
- From a technology OCM perspective, companies have struggled to manage the coexistence of legacy and Cloud technology during transition
- This has made it difficult to fully realize business value, with an inability to adapt to new operating models or org design



Technical and process training

- Generally, 2023 filers were so busy with implementation and testing that training of the LDTI technology and process future state is lacking
- Functions may find themselves only a couple resignations away from facing an impactful expertise gap – this key person risk exists across actuarial, IT, and finance



Board and C-suite education

- Leadership will face more in-depth questions as analysts compare LDTI results across the industry
- Companies have taken an approach to executive education that is more in line with the historical reporting standard
- The most successful companies engaged leadership early and often during the process of generating recast financials

Budget, Program, and Resource Management

Companies can take lessons on resource-misestimation during LDTI implementations and ensure that future large-scale hybrid projects are delivered in a more streamlined fashion

Budget Estimation

- Essentially no company estimated the budget for LDTI implementation correctly
- Underestimating the cost of Cloud and the amount of technology talent required was a key driver of overages
- Overestimating business-as-usual work that Actuarial/Finance resources could manage also led to an unanticipated need for additional resources

Program Management

- Companies faced program management challenges including overscheduling of meetings to keep teams informed and underusing virtual collaboration tools especially during the early days of the pandemic
- Companies generally left insufficient time to complete restatements, particularly as program management adjusted timelines

Resource Management

- The most successful implementations quickly secured resources to take over soon-to-be-retired business-as-usual (BAU) processes
- This allowed companies to focus their Actuarial, Finance, and IT talent on the new LDTI standard
- Both 2023 and 2025 filers have an opportunity to offload “non-core” processes and allow top talent to focus on driving business insights

Industry Observations

Deloitte's LDTI Briefing Pack

The Briefing Pack provides a quarterly snapshot of the U.S. L&A segment's GAAP results under LDTI, including comparisons of key metrics, identification of outliers, and early detection of emerging trends.

Our objective analysis of publicly available financial information is grouped into the following sections:

01 *Executive Summary:*

- Overall GAAP Impact Overview and Trends
- LFPB Impact and Trends
- MRB Impact and Trends
- Highlight of the Quarter – LDTI's First Year

02 *Appendix Materials:*

- L&A Segment Scorecard
- LDTI Disclosures
- Experience Monitoring
- Investment Analyst Q&A

We analyzed the public financials of

22

Insurance entities

with a significant portion (>33%) of the transition Balance Sheet impacted by LDTI

Focuses on Life and Annuity direct writers, but many have sizeable Retirement, Health, Reinsurance, or P&C operations

Includes primarily publicly traded companies, but incorporates privately held entities publicizing financials

Sections contain L&A segment observations, company-specific findings, and, where applicable, additional background detail

The Appendix has more than 150 slides, covering metrics of interest to insurance financial reporting executives

Themes in 4Q 2023 LDTI Earnings

4Q Earnings Story: YoY, fourth quarter operating revenues and earnings were mixed, though those experiencing success touted expense control, favorable experience trends, and an uptick in investment income that outpaced growth in policyholder credited rates, leading to elevated spread income

1

Economic Journey

The US saw continued modest growth in equities offset by a sharp reduction in interest rates and narrowing credit spreads, leading to net investment income lifts for most, with some enjoying notable boosts from variable investment entities

2

Capital Levels

The segment seems to have weathered the pandemic and finds itself well-capitalized as it emerges from the lower for longer rate environment: as ROE continues to trend favorably, insurers are increasingly focused on their ability to optimize capital deployment

3

Private Equity Inflow

Global uncertainty, economic and otherwise, should be expected to drive further investment and M&A activity, particularly as private equity investors look to take balances risks that grow books and extract a greater return on assets and capital

4

Reinsurance Plays

To navigate a shifting competitive landscape, alleviate operational strain, and emphasize capital efficiency, nearly all players in the segment have utilized some combination of complex third-party reinsurance, US state captives, L&A sidecars, and offshoring

5

Product Trends

Annuity sales continue to break records, driven by unprecedented growth in Fixed and Buffered products, while protection products exhibit a modest uptick, spurred by promising inroads to middle market needs, where IUL offerings have proven popular

6

America's Retirement Crisis

With social security strained and defined benefit schemes falling out of favor, American's fear financial insecurity more than ever; however, the theoretical demand for guaranteed lifetime income has not yet led to L&A sales, but presents opportunity

2023 Assumption Updates

The financials of LDTI's first assumption review were muted relative to the outsized impacts often felt under legacy GAAP; however, there are clear trends in mortality/morbidity and policyholder behavior that should not be ignored

WHAT WE FOUND

Mortality updates (true-ups aside) generally reflected an increase in expected deaths, with financial impacts varied by LFPB product mix

Revisions to morbidity assumptions (severity, incidence, termination) were all favorable, for both LTC and other Health products

ULSG and LTC blocks continue to see lapse rates trend down, with revisions to these assumptions driving 2023's largest adverse impacts

On MRBs, policyholder behavior assumption (utilization, withdrawal, persistency) updates were generally unfavorable for both VA and FIA

Enhanced disclosures and increasingly transparent financials burden management with responsibility for a cohesive earnings narrative

WHAT YOU CAN EXPECT

Heightened focus from internal and external stakeholders on:

- LFPB mechanics as they relate to the liability's underlying actuarial assumptions, namely the implications for income volatility, as the NPR remeasurement recognizes a fraction of impact in the P&L and spreads the remainder into the future
- Economic conditions and large MRB Fair Value changes, specifically the sensitivity of both VA and FIA blocks

A need for management's deep knowledge earnings emergence patterns under LDTI and the associated impact on Capital management, including, but not limited to:

- Ties between L&A Segment trends, prior experience commentary, and LFPB rollforward disclosure A/E line items
- Implications of using economic notionals and the relationship between changes in MRB fair value and offsets from hedging derivative performance

Experience studies that are not only more frequent, but tailored to the line of business and its relative materiality / sensitivity

Assumptions, namely mortality, mortality improvement, and morbidity, will remain impacted by decisions around COVID experience, as well persistent uncertainty regarding the underlying long-term impacts on the insured demographic

Themes in Investment Analyst Q&A

Relationships with prominent members of the L&A Investment community provides Deloitte with a unique appreciation for questions that Management teams can expect as Analysts form opinions on L&A segment impacts and effective means of communicating value to markets

Policyholder Remeasurement

- Based on your trend of remeasurement gains, should we expect a mortality update in 2024?
- Of the period's remeasurement impact, how much hits current period P&L?
- What is the implication of LDTI's cohort-level NPR capping on your legacy LTC business?

MRBs and Economic Impacts

- Help me understand the large gap between net and operating income.
- What is the relationship between hedges and the change in MRB FV?
- Do actuarial assumptions for the MRB have implications for STAT measures: RBC and ROC?
- *Deloitte notes there has been no attention to own-credit and MRB OCI*

Assumption Updates

- How was pandemic experience handled in the assumption updates?
- Do long-term utilization (on MRB) views incorporate recent trends?
- Are you feeling older age mortality pressure, given some in the L&A segment reporting a continued "pull-forward" on Mortality, post-COVID?

Key Themes and Takeaways:

- *Heightened focus on LFPB mechanics after assumption updates, namely reduced volatility from NPR remeasurements being spread across future periods*
- *Economic conditions and large MRB Fair Value changes raised questions regarding sensitivities of VA/FIA blocks and the implications of STAT hedge targets*
- *Companies have taken explicit care to explain the immediate impact of capped cohorts on the P&L, as well as the deferral of impacts for uncapped cohorts*

Reinsurance Considerations

2023 Reinsurance Plays at a Glance

To navigate a shifting competitive landscape, alleviate operational strain, and emphasize capital efficiency, nearly all in the L&A segment have utilized some combination of third-party reinsurance, onshore/offshore captives, and sidecars

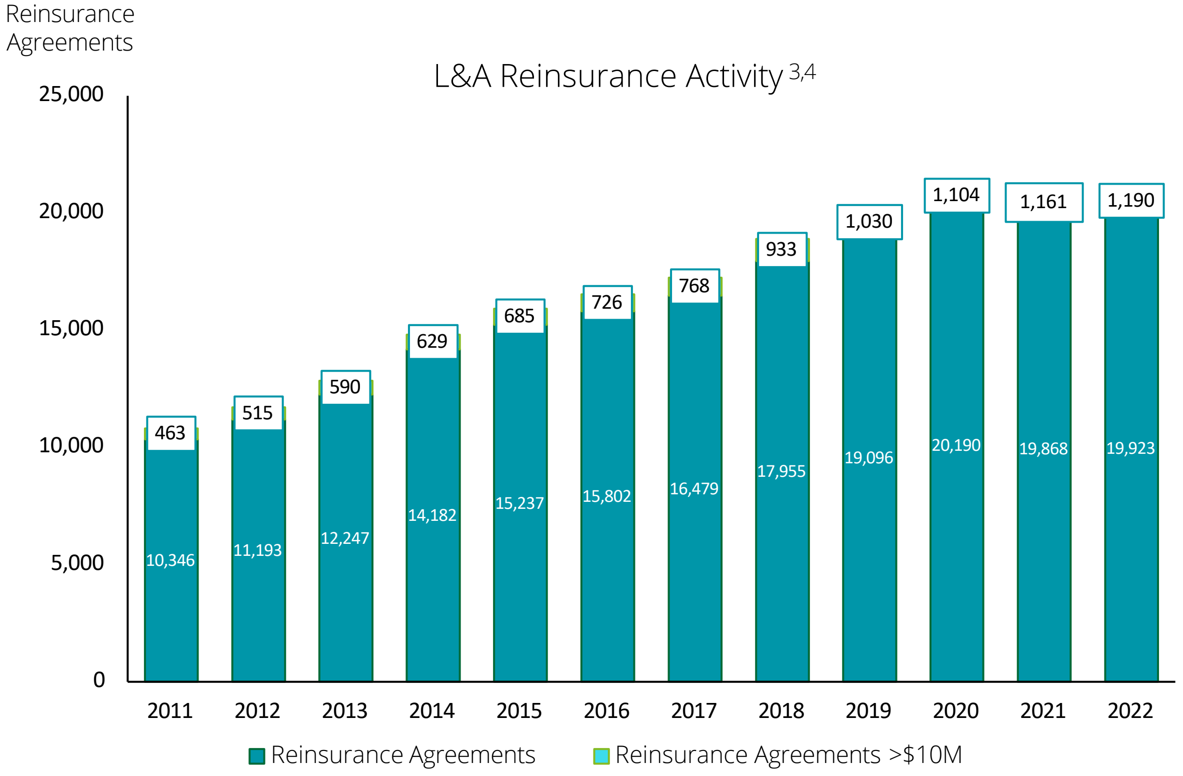
	Wholly-owned Subsidiaries			Third-party Reinsurance
	US Reinsurance	*Offshore Reinsurance*	*L&A Sidecar*	
Aflac	X	✓	X	✓
AEL	✓	✓	✓	✓
Ameriprise	✓	X	X	✓
Athene	✓	✓	✓	✓
Brighthouse	✓	X	X	✓
CAN	X	✓	X	✓
CNO	X	✓	X	✓
Corebridge	X	✓	X	✓
Equitable	✓	X	X	✓
F&G	✓	✓	X	✓
Genworth	✓	✓	X	✓
Global Atlantic	✓	✓	✓	✓
Globe Life	X	✓	X	✓
Jackson	✓	✓	X	✓
Lincoln	✓	✓	X	✓
MetLife	✓	✓	X	✓
Primerica	✓	X	X	✓
Principal	✓	✓	X	✓
Prudential	✓	✓	✓	✓
RGA	✓	✓	✓	✓
Unum	✓	X	X	✓
Voya	X	X	X	✓

Key Observations

- Subsidiaries are primarily captive reinsurers; however, not all are incorporated as captives, meaning this list includes subsidiaries not registrable as a single parent, but incorporated as either a captive or a reinsurer with the purpose of carrying on long-term business
- Captive domiciles are increasingly competitive: more than 70 jurisdictions have legislation, but offshore popularity remains concentrated in Bermuda, the Cayman Islands, and Barbados, while Vermont is the largest onshore domicile
- Since 2005, over 200 P&C sidecars were announced, but the L&A segment only recently identified sidecars as risk-sharing vehicles that utilize third-party capital to improve metrics
- The L&A segment has benefitted from third-party reinsurance, but external transactions are now table stakes as players look to differentiate via increasingly complex deals
- Private equity-owned insurers (AEL, Athene, and Global Atlantic) are the most active, though Prudential and RGA are keeping pace

Reinsurance Trends

At year-end 2022, the ratio of ceded to gross life and annuity premiums reached a peak of nearly 30%, aided in part by increasing investment from Private Equity firms seeking access to asset portfolios



Reinsurance activities from the past decade indicate strong growth potential, an increased focus on capital intensive products, and innovative deal structures, all driven in part by competition from alternative capital providers

Recent Material Reinsurance Deals

Manulife ↔ RGA

- Announced March 2023
- RGA to reinsure $5.8 billion of Canadian UL from Manulife
- Largest Canadian deal to date

Lincoln ↔ Fortitude Re

- Announced May 2023 and closed November 2023
- Fortitude Re to reinsure $28 billion of guaranteed UL, MoneyGuard, and fixed annuity from Lincoln

Farmers New World Life ↔ Resolution Re

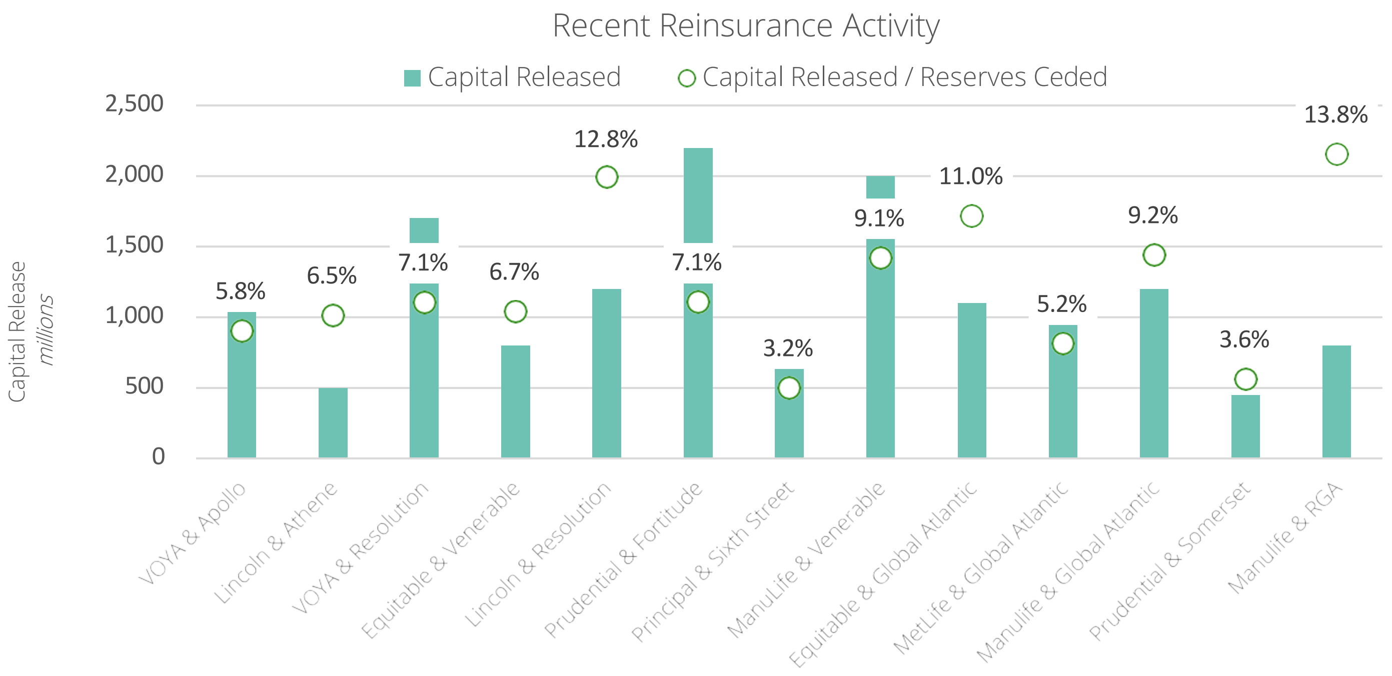
- Announced May 2023 and closed August 2023
- Farmers transferred its existing individual life insurance business to Resolution

MetLife ↔ Global Atlantic

- Announced in May 2023 and closed November 2023
- Global Atlantic to reinsure $19.2B of U.S. life insurance and fixed annuity from MetLife

Driving Capital Relief

Capital Relieves are an increasingly useful and efficient tool to release regulatory capital that can be redeployed across businesses to improve overall return on equity



Observations

- Rise of Private Equity-Backed Reinsurers: We're witnessing a significant increase in life and annuity reinsurance deals that involve private equity-backed reinsurers. This trend suggests that these players can offer competitive terms and have ample capacity to offer reinsurance solutions.
- Shifting Risk Landscape: Many insurers are actively seeking ways to offload capital-intensive products like Variable Annuities (VA) and Guaranteed Universal Life (ULSG). This suggests a potential industry-wide effort to manage risk profiles and free capital for strategic initiatives.
- Favorable Market Conditions: The improved economic backdrop may be creating an opportune moment for insurers to achieve better pricing and returns on reinsurance transactions. This should incentivize further reinsurance activity in the life and annuity sector.
- Strategic Importance of Reinsurance: These trends highlight the growing importance of reinsurance as a tool for life and annuity insurers. Effective reinsurance strategy plays a crucial role in optimizing capital allocation, managing risk profiles, and supporting overall business and product strategy.

Takeaways for the Post-LDTI Era:

- The L&A reinsurance market continues to show growth potential, with an increased focus on capital and innovation
- Many believed LDTI would drive an increase in reinsurance activity; however, the last three years proved the new accounting regime to be a secondary factor
- While reinsurance deals have viewed LDTI as a compliance matter, there are significant accounting considerations and challenges behind the scenes

Operational Challenges under LDTI

Hindsight has shown that LDTI was not the primary impetus for reinsurance transactions; however, the new accounting regime coincided with significant shifts in the reinsurance marketplace, and as such, has created numerous challenges in achieving regulatory compliance

Note: relative operational impacts are illustrative and dependent on company-specific factors

★ Indicates that the challenges are unique to reinsurance

		Common Challenges | Implications	Relative Operational Impact: LOW	MED	HIGH
★	1	Data | Reporting lags and varying degrees of data quality and granularity are inherent to reinsurance, but have exacerbated LDTI's complexities, namely around quarterly cashflow updates and experience reviews, creating a need for approximations			○
★	2	Elimination of Mirror Accounting | The concept of discrepancies between the cedant's reinsurance recoverable and the reinsurer's assumed liability is relatively new. Navigating the reporting mismatches due to differing interest rates, differing cohort definitions (e.g., ceded cohort is only a portion of the direct business) , etc. has proven a challenge			○
	3	Unit of Account | Defining LDTI cohorts has been a notable challenge for reinsurers and direct writers alike: accounting policies between ceding and assuming parties seldom align, promulgating mismatches that can drive anomalies in results		○	
★	4	Intercompany Reinsurance | Challenges imposed by LDTI have not been limited to external transactions: growing in popularity, internal reinsurance has the same complexities as external deals, but the internal nature increases the need for cohesive operations and standardization, particularly when certain entities have stand-alone financial statements		○	
	5	Multiple Accounting Bases | Most reinsurance players operate globally and must calculate, interpret, and explain results for several regulatory bases, which may cause the P&L for a single transaction to emerge differently across reporting regimes			○

Key Decisions for LDTI Accounting Policy

LDTI was relatively silent on reinsurance topics, resulting in ambiguity for 2023; however, a full-year of reporting has highlighted acceptable practices and shown quickly emerging industry consensus

AREAS OF NOTABLE AMBIGUITY	EMERGING CONSENSUS
Unit of Account (Host vs. Look through): must define a reinsurance contract and determine levels of aggregation for LFPB cohorts	Generally, the "Look Through" method has been more widely used as it preserves consistency with the direct business and provides operational simplicity (no need to project future new business)
Approaches for Ceded Reinsurance: multiple permitted valuation approaches (Standalone, Direct Recovery, Net Cost)	The Net Cost approach does not require a separate Cost of Reinsurance (CoR) calculation and thus has operational appeal, but all are used and can generally accommodated by vendor systems
Capping and Flooring: direct and ceded cohorts may differ in net premium ratio (NPR) behavior, requiring deliberate policy interpretation of "fringe" cases, namely cohorts that require NPR capping or LFPB flooring	• Reinsurance asset is floored at $0, and the ceded NPR is capped at 100% per the following rules: • Direct NPR > 100% and the Ceded NPR > 100% → both the Direct and Ceded NPRs are capped at 100% • Direct NPR > 100% and the Ceded NPR ≤ 100% → the Direct NPR is capped at 100% and the Ceded NPR is not adjusted • Direct NPR ≤ 100% and the Ceded NPR > 100% → the Direct NPR is not adjusted, the Ceded NPR is not capped at 100%, and a larger asset is recognized, resulting in a direct charge to income The floor on direct liabilities does not apply to reinsurance recoverable, but flooring the direct liability may affect the reinsurance recoverable.
Initial Reserve: deals incepted post go-live require an opening LFPB and NPR	Reinsurers have leaned towards an approach that reflects initial consideration, assumed inforce, and their best estimate assumptions
Amortizing Deferred Reinsurance Gain (Loss): occurs when the opening reserve is less (greater) than the initial consideration received	Based on emerging experience, a contract with an initial gain may move to a loss position with immediate recognition; however, deferred reinsurance gain is commonly amortized in a DAC-like manner


Questions?

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