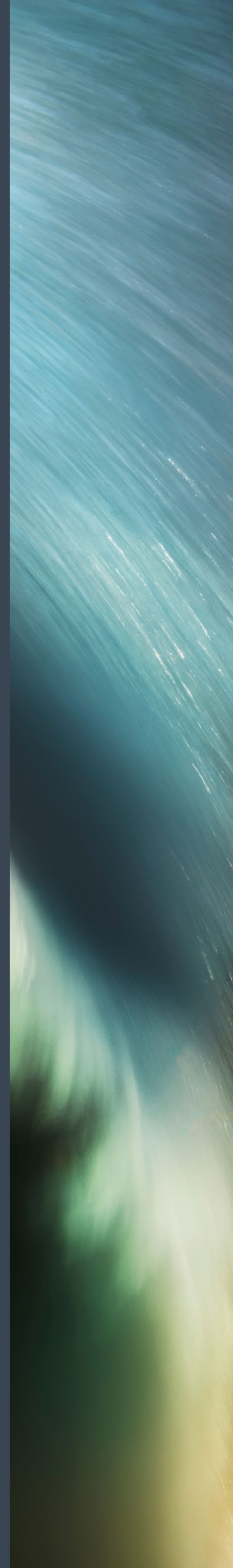
GENERAL ATLANTIC

Reinsurance as a Compelling Investment Opportunity

March 2026



Growing Life and Retirement Markets Are Increasing Demand for Reinsurance Capital

EXECUTIVE SUMMARY:

Aging demographics and growing retirement security needs are accelerating demand for reinsurance capital to support strong recent growth in life and annuity products. Investors of varying types can capitalize on these favorable fundamentals through direct investments in global reinsurance companies, potentially realizing attractive risk-adjusted returns with diversification and other portfolio benefits. When evaluating the opportunity set, investors need to be selective, prioritizing reinsurers that have sustainable competitive advantages in liability sourcing, asset management, and management expertise and governance structures.

Favorable Tailwinds Supporting Life and Retirement Market Fundamentals

The life and retirement market is benefiting from a combination of favorable global demographic trends and macroeconomic factors. Consider the following statistics related to demographic and retirement dynamics:

- **The U.S. is entering the "Peak 65" era:** more than 4 million people turn 65 each year through 2029,[1] and by 2030 roughly one in five Americans will be 65+; older adults are projected to outnumber children by the mid 2030s.[2]
- **In Japan, the share of the population 65 years and older is expected to reach 38% by 2050,** compared to 29% in 2022.[3]
- **Medical advances, as well as behavioral and economic factors, are extending lifespans:** the average U.S. life expectancy hit an all-time high of 79 years in 2024, according to the National Center for Health Statistics.[4] Global life expectancy has improved from 46.5 years in 1950 to 71.7 years in 2022 and is expected to rise to 77.3 by 2050, according to the United Nations.[5]

1 LIMRA ("The US Has Reached The Peak of 65"), April 2024.
2 US Census Bureau ("2020 Census Will Help Policymakers Prepare for the Incoming Wave of Aging Boomers"), December 10, 2019.
3 United Nations, World Population Prospects 2022/2024.
4 CDC, National Center for Health Statistics, "Mortality in the United States, 2024," NCHS Data Brief No. 548 (Jan. 2026).
5 Charted: How Life Expectancy is Changing Around the World: World Economic Forum, February 2023.

- **Retirement plan participation in the U.S. has shifted from defined benefit (DB) to defined contribution (DC)** driven by rising administrative costs of DB plans, regulatory and funding pressures, and increased popularity of 401(k) plans. Notably, DB plan participation peaked around 1990 at approximately 32 million participants but has steadily declined to about 12 million in 2024, while DC plan participation has risen significantly — from 10 million in 1980 to approximately 95 million in 2024.[6,7]

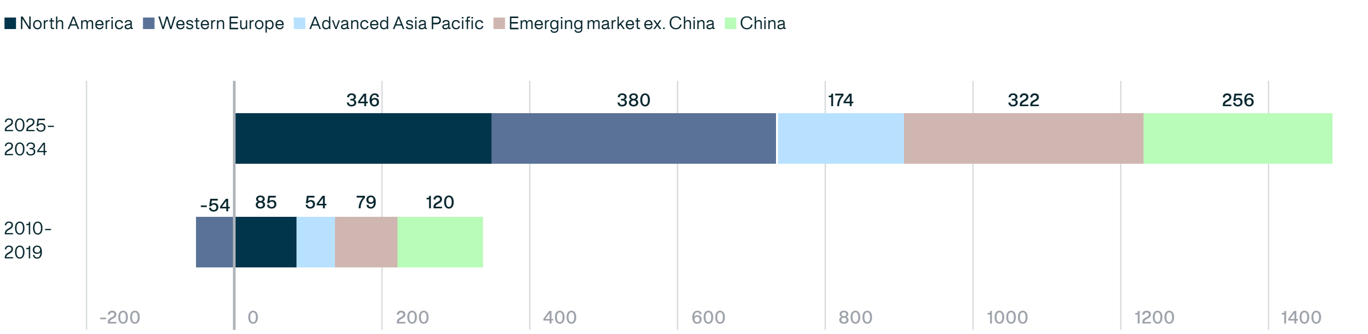
The combination of aging demographics, lengthening lifespans, and individual retirement responsibility is creating a significant retirement protection gap globally that insurers and reinsurers (i.e., (re)insurers) can help close through product offerings and capital availability. According to the Swiss Re Institute, the retirement savings gap, or the shortfall between the amount of money people have saved for retirement and the actual income needed to maintain a desired standard of living, stood at $106 trillion across eight global markets in 2022, with the U.S. representing over $45 trillion of the total and Japan and U.K. each accounting for over $10 trillion.[8]

Life and annuity companies are positioned to improve retirement security globally through product offerings and solutions that provide savings accumulation and guaranteed income over a long horizon. Retail annuity product demand is growing in the U.S., with sales reaching a record $461 billion in 2025 and expected to remain above $450 billion in 2026,[9] reflecting favorable economic factors, product innovation, aging demographics, and technological advancements that improve the sales and marketing process. Going forward, the increasing availability of annuities that are incorporated into employer-sponsored retirement plans such as 401(k)s and other defined contribution plans will likely support future growth trends. Aging demographics are also fueling product innovation, including living benefits embedded within life insurance and annuities, as well as holistic retirement planning incorporating income, assets, health, and taxes.

Globally, the Swiss Re Institute estimates that life and annuity savings premiums across all regions will grow significantly over the next decade, gaining $1.5 trillion between 2025-2034 to reach $4 trillion by 2034. That growth rate is approximately five times the $300 billion increase in premiums experienced during the post-global financial crisis period of 2010-2019, as shown below.

Exhibit 1: Favorable Long-Term Growth Prospects for Global Life & Annuity Market[10]

Life and annuity savings business: forecast additional premiums 2025-34, compared to post-global financial crisis decade 2010-2019, USD billion



The favorable growth outlook for the life and annuity market provides a strong foundation for the reinsurance sector, which is providing the capital needed to meet this growing demand.

6 Congressional Research Service, "A Visual Depiction of the Shift from Defined Benefit (DB) to Defined Contribution (DC) Pension Plans in the Private Sector," December, 2021.

7 Employee Benefits Security Administration (U.S. Department of Labor), "Private Pension Plan Bulletin: Historical Tables and Graphs, 1975–2019" (and updated 1975–2023 edition), September, 2024.

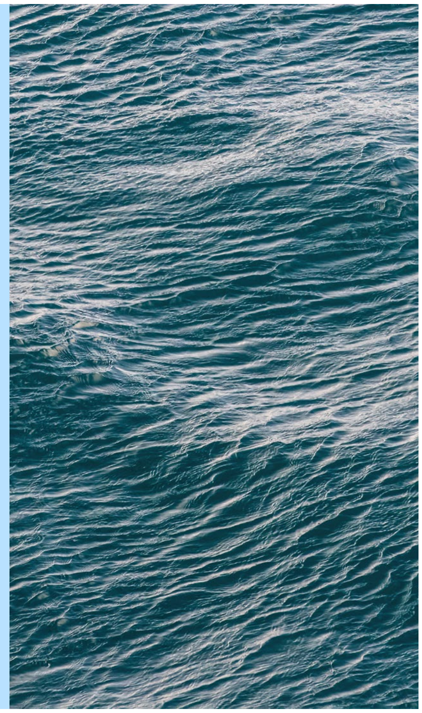
8 Swiss Re Institute, "Life Insurance In The Higher Interest Rate Era," May, 2024.

9 LIMRA. "U.S. Retail Annuity Sales Top $460 Billion in 2025, Marking Fourth Year of Record Sales." February, 2026. LIMRA. "The 2026 Annuity Sales Outlook Remains Strong." January, 2026.

10 Swiss Re Institute, "Life Insurance In The Higher Interest Rate Era," May 2024.

What is Reinsurance? How are Reinsurers Helping to Close the Retirement Gap?

Reinsurance is insurance for insurance companies; it is a risk management tool used by insurers to spread risk and manage capital. In recent years, life and annuity companies have entered into reinsurance transactions with global reinsurers via block transactions and flow agreements, collectively referred to as asset-intensive reinsurance (AIR). Block transactions involve the transfer of a legacy, pre-existing book of liabilities on an insurers' balance sheet, while flow treaties represent ongoing, recurring reinsurance agreements on new business. Benefits can potentially accrue to both insurers and reinsurers: for insurers, these may include capital relief, balance sheet simplification, enhanced financial flexibility, earnings optimization, and growth capacity. Reinsurers may be able to acquire large and often predictable sets of liabilities that can be matched with long-duration, spread-based investment strategies. By providing needed capital to the life and annuity market, reinsurers play a critical role in closing the retirement funding gap.



Capturing the Retirement Opportunity Via Bermuda-Based Reinsurance Entities

Historically, investors accessed the retirement opportunity via publicly traded stocks of life and annuity companies. Today, there are opportunities to invest directly in new and private start-up reinsurance entities, often located in Bermuda. Unencumbered by legacy infrastructure, these reinsurance companies are lean, nimble, and positioned for growth, potentially offering investors attractive financial returns and portfolio benefits. These can include:

- The potential for **attractive dividend yields** driven by stable and recurring income generation of the reinsurance company. As a direct investment in a reinsurance entity, investors can receive dividends in perpetuity, if desired, providing distributions that can offset original investment amounts after a certain number of years. Furthermore, these yields can compare favorably to alternative financial assets where real yields have compressed. In addition, reinsurance structures typically include exit provisions to provide investors liquidity and the potential for appreciation in net asset value (book value) over time, as further described below.

- The potential for **additional return-enhancing benefits** dependent on the reinsurance structure. These can include deferred funding and an efficient fee structure. These structures also allow for alignment of interests given that all investors have identical economic ownership on the same terms.

- **Low correlation to most traditional asset classes,** providing an effective diversification tool and hedge to market risks inherent in investor portfolios. As shown in Exhibit 2 below, returns from reinsurance products are expected to have lower correlations with equities, credit, and real assets, offering a credit-like income profile with equity-style upside potential.

Exhibit 2: Reinsurance Has A Low Correlation to Most Asset Classes[11]

	Public Equities	High Yield	Investment Grade	Private Credit	Private Equity	Real Assets	Hedge Funds	Reinsurance
Public Equities	1.00							
High Yield	0.85	1.00						
Investment Grade	0.63	0.75	1.00					
Private Credit	0.58	0.56	0.14	1.00				
Private Equity	0.72	0.68	0.42	0.77	1.00			
Real Assets	0.10	0.17	-0.07	0.54	0.46	1.00		
Hedge Funds	0.91	0.87	0.58	0.67	0.74	0.16	1.00	
Reinsurance	0.26	0.20	0.19	0.12	0.32	0.10	0.23	1.00

Exhibit 3: Attractive Asset Class Across Investor Types

Investor Type	Potential Portfolio Benefit(s) of Investing in Reinsurance
Pension Funds (Public & Corporate)	▪ Low correlation to equity risk, which dominates most portfolios ▪ Total portfolio allocation tool / hedge ▪ Predictable cash flow stream, matching income with pension obligations ▪ Potential for no management fees or carried interest
Sovereign Wealth Funds	▪ Scalable deployment over time into growth pipeline rather than one-off, capacity constrained deals ▪ Potential for no management fees or carried interest
High Net Worth / Family Offices	▪ Private-equity like money multiple driven by yield ▪ Potential beneficial tax treatment of dividend income (qualified dividends for U.S. taxpayers) ▪ No forced exit; can be a long-term hold to match long-duration investment needs of family office portfolios

11 Source: General Atlantic.
Illustrative correlation table as of July 2025. Historical returns start in 2Q2014, the earliest common start date. Public equity returns represented by the S&P 500 Total Return Index. High Yield returns represented by the ICE BofA US High Yield Index. Investment Grade returns represented by Bloomberg US Aggregate Bond Index. Private Equity returns represented by the Bloomberg Buyout Private Equity Index. Private Credit returns represented by the Bloomberg Debt PE Index. Real Assets returns represented by the Bloomberg Real Assets PE Index. Hedge Fund returns represented by the Bloomberg AllHedge Index. Reinsurance returns represented by Return on Equity of the top 5 largest life insurance based on invested assets on a statutory basis (MetLife, NY Life, MassMutual, Northwestern Mutual and TIAA). Due to the lack of availability of a widely published private reinsurance performance benchmark, return on equity is used as a performance proxy for underwriting and investment profitability.

Investor Type	Potential Portfolio Benefit(s) of Investing in Reinsurance
Insurance Companies	▪ Potential liability diversification ▪ Predictable and long-term income stream to match liabilities
Endowments & Foundations	▪ Private-equity like money multiple driven by yield ▪ Low correlation to equity risk ▪ Potential for no management fees or carried interest

Why Bermuda?

Bermuda accounted for more than one-third of the global market for asset-intensive reinsurance as of year-end 2023, according to KBRA. Bermuda has been recognized as a robust, yet flexible, regulatory regime that has global acceptance with reciprocal jurisdiction status in the U.S. and Solvency II equivalence for the European Union. In practice, Bermuda's Economic Balance Sheet (EBS) framework recognizes robust risk management and effective asset-liability management (ALM), enabling capital-efficient treatment of long-duration liabilities and assets without imposing prescriptive asset allocation limits. In addition, Bermuda has an established reinsurance infrastructure with a deep pool of actuarial, legal, regulatory talent, and on-island service providers. Over the last two years, the Bermuda Monetary Authority (BMA) strengthened its regulations via stress testing, more conservative underwriting assumptions, and enhanced public disclosures, while also increasing its collaboration with global regulators when approving new reinsurance transactions — all in the interest of greater protections for policyholders and investors.[12, 13, 14, 15]

12 KBRA, "2026 Global Life Reinsurance Sector Outlook: Cautious Optimism as Asset-Intensive Sector Enters Its Next Phase," January, 2026.
13 Bermuda Monetary Authority, "Insights and Reflections on Asset Intensive Reinsurance in Bermuda," March, 2025.
14 Skadden, Arps, Slate, Meagher & Flom LLP, "The Bermuda Monetary Authority Reflects on the Increasing Prevalence of Asset-Intensive Reinsurance," April, 2025.
15 The Actuary Magazine, "A Look At Changes To The Bermuda Reinsurance Market," September, 2025.

(Re)insurance Economics: Relatively Simple Business Model

Direct investors in reinsurance entities can gain access to insurance company economics without the set-up of infrastructure or operational risk. While perceived as complex, the life and annuity spread-based business model is relatively simple. In general, life and annuity (re)insurers generate profits by earning more on the premiums received than the costs required to acquire, manage, and pay claims on those insurance obligations. This spread-income produces a fixed-income cash flow profile that can be distributed through dividends to investors in the reinsurance entity. The components of a life and annuity reinsurer income statement include:

Revenues consist of premiums that are collected when the life and annuity reinsurer assumes insurance-related liabilities, as well as investment income generated from investing the premiums less investment management fees and related expenses.

Supporting asset portfolios are high quality, with the vast majority typically invested in investment-grade fixed income and mortgage loans and the remainder in higher-returning strategies, including private credit and private equity. Asset yields are generally locked in at liability inception, generating a narrow range of recurring investment income with value created by opportunistically repositioning portfolios to a target allocation based on liability profiles, capital market conditions, and in the context of the regulatory regime.

Benefits and expenses consist of 1) policyholder costs reflecting the obligation to pay future insurance claims, 2) policy-related costs such as ceding commissions paid to the partner from which the business is assumed, 3) general and administrative expenses or the day-to-day operating costs, and 4) debt financing costs from a company's credit facilities, if utilized.

The cost of policyholder liabilities is driven by the pricing of products, which in turn, is based on a granular, actuarial review of liability assumptions. Assumption reviews involve a deep understanding of embedded insurance risks by product, informed by historical experience of the (re)insurers and benchmarked to the industry and stress tested to model the potential range of liability outcomes. Based on this actuarial analysis, the reinsurer records a liability for expected future payments to policyholders; as actual claims are incurred and recognized, the liability is unwound and any difference between the actual and expected claim value will impact net income.

Illustrative Economics Case Study

To illustrate the economics of a reinsurance investment, consider a reinsurer assuming a diversified block of life and annuity liabilities funded by a combination of equity and debt capital. Premiums received are invested in a predominantly investment-grade portfolio matched to the duration of the liabilities.

Over time, the reinsurer earns a recurring spread between asset yields and liability costs, net of operating expenses and financing costs. This spread generates distributable earnings, a portion of which can be paid as dividends while the remainder supports capital growth and new business underwriting.

Assuming conservative assumptions and steady-state operations, investors may receive a meaningful portion of their invested capital back through dividends over the life of their investment in the reinsurer, with additional potential upside from growth in book value and exit valuation (see Liquidity section ahead for additional details and considerations).

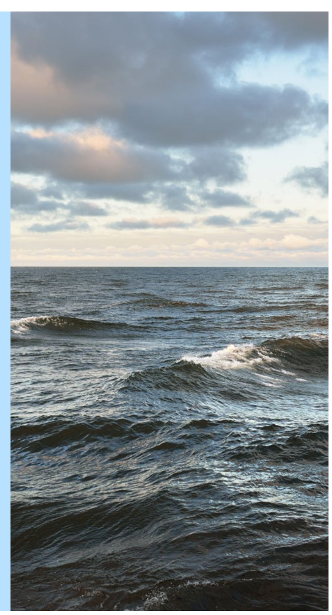


Exhibit 4: Illustrative Income Statement of Reinsurance Company

Sample Income Statement	
	($M)
Premium & Product Charges	1,250
Net Investment Income	7,500
Investment Gains/Losses	550
Total Revenue	**9,300**
Policy Benefits	5,600
General & Admin Expenses	800
Debt & Financing Expenses	50
Total Benefits & Expenses	**6,450**
Net Income/(Loss), Pretax	**2,850**
Income Taxes	570
Net Income/(Loss), After-Tax*	**2,280**
**Basis for Dividend Distribution*	

Assumes 20% tax rate.

Risk Ownership and Downside Protection

While the economics of life and annuity reinsurance are straightforward, the durability of investor returns depends on how downside risks are absorbed and managed. In a reinsurance entity, risks are deliberately layered and mitigated through a combination of conservative pricing, asset-liability management, and capital buffers.

Insurance risks — such as mortality, longevity, and policyholder behavior — are reflected in best-estimate liability assumptions established at inception and are regularly reviewed against emerging experience. Deviations from expected experience first impact earnings, which are buffered by recurring spread income. Only in more severe stress scenarios would adverse experience reduce retained earnings and regulatory capital.

Investment-related risks are similarly managed through conservative portfolio construction, high allocations to investment-grade assets, and strict asset-liability matching. Temporary mark-to-market volatility does not typically impact regulatory or economic capital measures, provided assets are held to maturity and liquidity needs are met.

Importantly, dividends are a discretionary use of capital. Reinsurance entities can flex dividend payouts in response to stress while preserving solvency and long-term franchise value. This structure may allow investors to benefit from relatively stable income generation while maintaining resilience through market and underwriting cycles.

Performance Across Rate Cycles: Return Durability Across Interest Rate Environments

Life and annuity reinsurance has demonstrated resilience across interest rate cycles due to its long-duration liability profile and disciplined asset-liability management. Asset yields are typically locked in at inception to match liability cash flows, limiting reinvestment risk and reducing sensitivity to short-term rate movements.

In rising-rate environments, reinsurers may benefit from deploying new capital into higher-yielding assets, which can support attractive new business pricing and earnings growth. In declining-rate environments, existing portfolios can continue to generate contracted cash flows, while conservative credit positioning and duration matching may help preserve spread income.

This structural alignment can allow reinsurance entities to generate stable returns through varying macroeconomic conditions, unlike traditional asset strategies that rely on continuous market timing or leverage to sustain performance.

Scarcity Value of New Reinsurance Entities

Reinsurance is a hard-to-access market given the limited number of new reinsurance platforms that are investable and unaffiliated with existing life and annuity insurers. When evaluating the reinsurance market opportunity, investors should look for the following differentiating factors that position the reinsurer for success in the long run.

Ability to Source Liabilities: Successful reinsurers have multiple channels to originate liabilities, including through exclusive reinsurance arrangements and strong relationships with leading players in the life and annuity market. In addition to providing a pipeline for growth, partnering with insurers that have a long track record of liability origination also benefits underwriting and pricing through extensive credible data and actuarial experience.

Diverse Balance Sheet Liabilities: A reinsurer's liabilities should be well diversified across products, risk types, and geographies, with exposure to major insurance markets such as the US, UK, and Japan. A balanced mix of mortality and longevity risks, both generally predictable with credible data, can provide natural offsets, while policyholder behavior risk can be priced and managed through product design. In contrast, more complex liabilities, particularly those with market guarantees and significant lapse sensitivity, are typically less conducive to stable spread-based earnings. A diversified liability profile can support a more resilient risk profile, improved capital efficiency (particularly under the Bermuda regulatory framework), and stronger competitive positioning.

Asset Management Capabilities in Public and Private Asset Classes, With a Strong Track Record Across Cycles: Effectively managing the assets that back the liabilities is the main driver of value creation of a reinsurer by maximizing spread income and competitive reinsurance pricing. Asset management capabilities can be in-house to the reinsurer, or, more likely, outsourced to external managers that have expertise in specific public and private asset classes. Asset managers' performance is measured by 1) the ability to originate differentiated assets that meet target liability durations; 2) deliver strong risk-adjusted returns through cycles that are in-line or exceed liability pricing; and 3) a track record of strong credit metrics over cycles, including a low level of ratings downgrades and defaults/losses. Further, asset managers that can take advantage of market disruptions to tactically reposition assets within established limits can reduce the risk of investment portfolio underperformance.

Strong ALM Discipline: Earnings and balance sheet risks of the reinsurer are mitigated by strong asset-liability management, closely matching the duration of the assets to the liability duration by product type. Tight ALM reduces reinsurers' interest rate exposure by mitigating reinvestment and liquidity risks. In addition, Bermuda reinsurers are explicitly rewarded for ALM discipline through lower capital requirements.

Conservative Balance Sheet: Reinsurers that are well-capitalized — defined as holding a material capital buffer above regulatory minimum levels and with low financial leverage — have financial flexibility and can absorb near-term volatility without negatively impacting dividend capacity. Further, reinsurers with strong balance sheets are positioned for relatively high financial strength ratings, improving their competitive position to win new business.

Experienced Management Team and Robust Governance Structure: The leadership team of the reinsurer should have relevant (re)insurance experience through cycles and be responsible for all decision-making related to liabilities, assets, and operations. To minimize expense drag, the leadership team can be supplemented by best-in-class third parties to provide operational support across key functions; over time, these functions can be brought in-house once the reinsurance entity reaches critical scale. Crucially, the governance structure should be robust and independent, with a board of directors with meaningful relevant experience, skills, and representation and oversight from outside directors. Other governance best practices include committees chaired by independent directors, transparent fee economics and investment guidelines, and robust board consent rights.

Exhibit 5: Reinsurance liability considerations[16]

Simple, predictable liabilities

Consistent cash flows · well-understood risks

Term & Whole Life / Mortality
Biometric risk, short-tail

Fixed Annuities / Pension Risk Transfer / Payout
Interest rate & longevity risk

Group Life & Health
High volume, short duration, highly poolable risks

✓ Stable, deterministic liability profiles
✓ Well established actuarial models

Increasing Complexity →

Complex, market-sensitive liabilities

Policyholder optionality · market-linked payoffs

Variable Annuities / GMLB[17] / GMWB[18]
Equity · guarantee · policyholder behavior

UL w/ Secondary Guarantees / Indexed Universal Life (IUL)
Crediting rates · lapse dynamics

Long-Term Care (LTC)
Morbidity trend · long-tail uncertainty

△ Path-dependent, model-sensitive
△ Capital-intensive, limited hedging options

Liquidity and Exit Pathways for Investors

Investors in reinsurance entities can benefit from multiple, complementary liquidity pathways. The primary source of capital return is recurring dividend distributions generated from ongoing spread income, which can meaningfully de-risk invested capital over time. In addition, reinsurance structures typically provide strategic exit optionality through recapitalizations, third-party stake sales, mergers, or public listings once scale, diversification, and ratings objectives are achieved. Natural acquirers may include global insurers, established reinsurers, long-term institutional investors, and strategic asset managers seeking permanent capital exposure.

The combination of current income and flexible exit alternatives distinguishes reinsurance co-investments from closed-end fund structures and provides investors with greater control over timing and realization of returns.

Conclusion and Outlook

By providing needed capital to the life and annuity market, global reinsurers are playing a critical role in closing the global retirement gap, which is being fueled by aging populations, longer lifespans, and growing individual retirement responsibilities. Global investors can access the attractive fundamentals in the reinsurance market by investing directly in new and private Bermuda-based reinsurance entities. Through exposure to insurance company economics without the required infrastructure or operational set-up, investors can potentially realize meaningful portfolio benefits including relatively high and stable dividends with upside potential and greater diversification due to low correlation to most traditional equity and credit asset classes. However, not all reinsurance companies are created equal: when evaluating the opportunity set, investors should seek reinsurers with certain characteristics — namely the ability to source diverse liabilities, differentiated asset management capabilities, strong ALM discipline, conservative balance sheets, and experienced management teams and robust governance structures. In our view, these reinsurers are positioned to capitalize on the favorable growth outlook for life and annuity markets worldwide over the next decade and beyond.

16 General Atlantic. Illustrative framework for reinsurance liability risk assessment.
17 GMLB = Guaranteed Minimum Living Benefit
18 GMWB = Guaranteed Minimum Withdrawal Benefit

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