

Reinsurance Group (RGA)

\$203.46 (Stock Price as of 12/31/2025)

Price Target (6-12 Months): **\$217.00**

Long Term: 6-12 Months | **Zacks Recommendation:** **Neutral**
(Since: 02/10/25)
Prior Recommendation: Outperform

Short Term: 1-3 Months | **Zacks Rank:** (1-5) **3-Hold**
Zacks Style Scores: **VGM: B**
Value: A | Growth: D | Momentum: A

Summary

Reinsurance Group steadily benefits from a mix of organic and transactional opportunities. Its niche position in reinsurance markets and expansion of its international footprint are positives. Individual mortality has matured and provides a base for stable earnings. Significant value embedded in in-force business should generate predictable long-term earnings. Despite a low interest rate environment, the company is set to benefit from improving life reinsurance pricing and higher investment income. A solid solvency position reflects its ability to make interest payments. Shares of Reinsurance Group have underperformed the industry over the past year. However, higher expenses continue to weigh on margins while foreign exchange volatility affects the results. High leverage ratio as well as low interest coverage ratio poses a financial risk.

Data Overview

52 Week High-Low	\$232.97 - \$159.25
20 Day Average Volume (sh)	455,179
Market Cap	\$13.5 B
YTD Price Change	-4.1%
Beta	0.55
Dividend / Div Yld	\$3.72 / 1.8%
Industry	Insurance - Life Insurance
Zacks Industry Rank	Top 45% (109 out of 243)

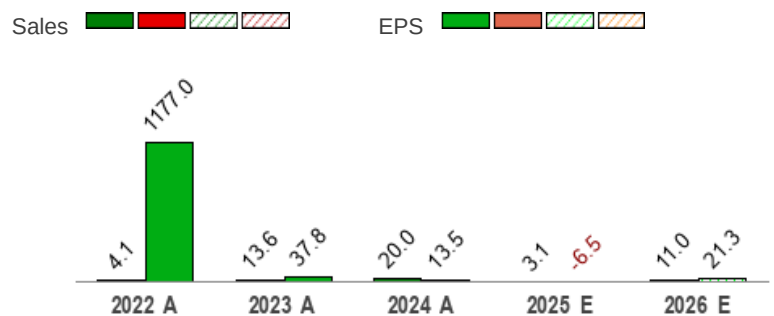
Last EPS Surprise	9.8%
Last Sales Surprise	1.0%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	02/05/2026
Earnings ESP	1.0%

P/E TTM	9.4
P/E F1	9.6
PEG F1	1.5
P/S TTM	0.6

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	6,373 E	6,549 E	6,548 E	6,676 E	26,152 E
2025	5,339 A	5,643 A	6,191 A	6,341 E	23,554 E
2024	6,486 A	5,149 A	5,729 A	5,488 A	22,852 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	5.90 E	6.51 E	6.84 E	6.44 E	25.59 E
2025	5.66 A	4.72 A	6.37 A	5.86 E	21.10 E
2024	6.02 A	5.48 A	6.13 A	4.99 A	22.57 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/31/2025.

(2) The report's text and the price target are as of 12/23/2025.

Overview

Formed in 1992 in Timberlake, MO, Reinsurance Group of America Inc. is a leading global provider of traditional life and health reinsurance and financial solutions with operations in the United States, Latin America, Canada, Europe, the Middle East, Africa, Asia and Australia.

Its Traditional reinsurance includes individual and group life and health, disability, and critical illness reinsurance. Life reinsurance primarily refers to reinsurance of individual or group-issued term, whole life, universal life, and joint and last survivor insurance policies. Health and disability reinsurance primarily refers to reinsurance of individual or group health policies. Critical illness reinsurance provides a benefit in the event of the diagnosis of a pre-defined critical illness. Its Financial solutions include longevity reinsurance, asset-intensive reinsurance, financial reinsurance and stable value products.

Reinsurance Group reports through four geographic segments:

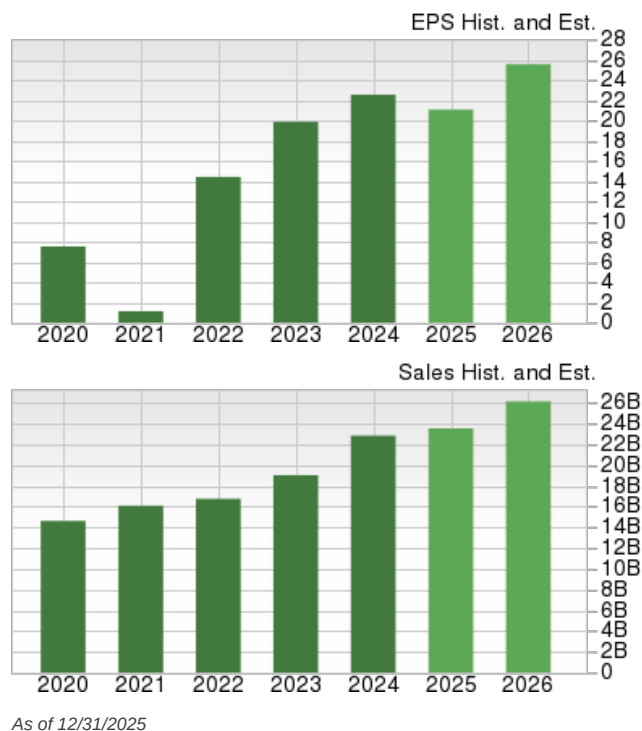
U.S. and Latin America (58.7% of 2024 Net Premiums) – Segmented into traditional and non-traditional businesses, namely individual life, long-term care, group life and health reinsurance, annuity and financial reinsurance products. The non-traditional business also issues fee-based synthetic guaranteed investment contracts such as investment-only, stable-value contracts, to retirement plans.

Canada Operations (8.1%) – Reinsures traditional life products and creditor reinsurance, group life and health reinsurance, non-guaranteed critical illness products, and longevity reinsurance.

Europe, Middle East and Africa (15%) – Includes a variety of life and health products, critical illness and longevity business throughout Europe and in South Africa, in addition to other markets.

Asia Pacific (18.2%) – Includes life, critical illness, health, disability, superannuation and financial reinsurance.

Corporate and Other – Includes results from, among others, RGA Technology Partners, Inc., a wholly owned subsidiary that develops and markets technology solutions for the insurance industry, interest expense related to debt and investment income and expense associated with the company's collateral finance facility.



Reasons To Buy:

- ▲ Reinsurance Group is a leader in the U.S. and Latin American traditional market. It successfully expands its product line with market leading services, capabilities, expertise and innovation. Individual mortality has matured and provided a base for stable earnings and capital generation. Significant value embedded in the in-force business is anticipated to generate predictable long-term earnings. Product-line expansion would also contribute to risk diversification. Finally, given an experienced management team, the company has a strong appetite and capacity for attractive block opportunities. We expect expanded product offerings, underwriting, analytics and innovation to consistently support growth. The traditional results reflected favorable individual life claims experience, driven by a lower-than-expected number of large claims. Other experience in the segment was in line with expectations. The Equitable transaction is expected to be recorded within this segment once closed. Assuming a mid-year close, RGA expects pre-tax operating income contributions of approximately \$70 million in 2025 and \$160 million to \$170 million in 2026.
- ▲ In Canada, Reinsurance Group is a market leader with solid growth and profitability. It has a sizable block of in-force business which acts as a significant source of future earnings. Reinsurance Group expects longevity insurance, which is projected to see steady demand, to see long-term growth in the Canadian market. While longevity insurance provides a source of diversified income, it also acts as a hedge to a large mortality position. The Canada Traditional segment's results, reflected unfavorable group and individual life experience. Canada Ttraditional's results reflected a modestly unfavorable lapse experience, partially offset by a favorable claims experience. The financial solutions results reflected favorable longevity experience.
- ▲ The company's net investment income has been improving over the years. It witnessed a CAGR of 17.2% over the nine years (2016-2024). Net investment income should gain from an increase in the average invested asset base and higher risk-free rates earned on new investments and higher yields earned on alternative and private asset classes. It was partially offset by a decrease in variable investment income associated with joint venture and limited partnership investments. A high-quality investment portfolio is well-positioned as it remains diversified across asset classes, sectors, issuers and geography. Also, an improving interest rate environment should add to the upside.
- ▲ Reinsurance Group has also been managing capital effectively via share buybacks and dividend payments and prudent investments. The company deployed approximately \$1.7 billion of capital into in-force block transactions, which include \$1.5 billion deployed into the transaction with subsidiaries of Equitable Holdings, Inc. RGA ended the third quarter with estimated excess capital of \$2.3 billion and estimated deployable capital of \$3.4 billion. The company expects to remain active in deploying capital into attractive growth opportunities in organic flow and in-force block transactions and returning excess capital to shareholders through dividends and share repurchases. On Jan 23, 2024, the board authorized a share repurchase program for up to \$500 million of shares. During the nine months ended Sept 30, 2025, the company repurchased shares under this program. As of Sept. 30, 2025, the aggregate amount remaining under the company's share repurchase authorization was \$425 million. While in August 2024, it increased the quarterly dividend by 4.7%.

Reinsurance Group is poised to benefit from the changing life reinsurance pricing environment, expanding business in the pension risk transfer market and disciplined capital management.

Reasons To Sell:

- ▼ Reinsurance Group's expenses have been increasing over the years due to higher claims and other policy benefits, interest credited, operating costs and interest expense. The company must control its costs prudently else margin might erode.
- ▼ Return on equity is a profitability metric that measures how effectively the company is utilizing its shareholders' funds. In the third quarter of 2025, adjusted operating return on equity (excluding accumulated other comprehensive income) contracted 60 basis points year over year to 13.2%. The company's trailing 12-month ROE of 12.2% contracted 280 bps year over year.
- ▼ Reinsurance Group's debt levels have been increasing in the past few years. As of Sept. 30, 2025, the company's long-term debt was \$5.73 billion, which increased 13.7% from the 2024-end level. As of Sept. 30, 2025, the company's total debt/total capital ratio was 30.5. However, the company's times interest earned of 4.5 in the third quarter of 2025 is better when compared with the 2023-end figure of 4.2. The company must service its debt uninterruptedly, else its creditworthiness will be dented.

Increasing expenses weighing on margin expansion, volatility from foreign exchange fluctuation and evolving capital requirements could pose as near-term headwinds for Reinsurance Group.

Last Earnings Report

Reinsurance Group Q3 Earnings Top Estimates on Solid Investment Income

Reinsurance Group of America, Incorporated reported third-quarter 2025 adjusted operating earnings of \$6.37 per share, which beat the Zacks Consensus Estimate by 9.8%. Moreover, the bottom line increased 3.9% from the year-ago quarter's figure. Net foreign currency fluctuations had an adverse effect of 1 cent per diluted share on net income available to RGA shareholders, and a favorable effect of 4 cents per diluted share on adjusted operating income, both as compared with the prior year.

Reinsurance Group witnessed a solid performance in the Asia/Pacific, U.S. and Latin America and Canada segments, offset by the soft result in the Europe, Middle East and Africa (EMEA) and Corporate and Other segments. RGA's operating revenues of \$6.2 billion beat the Zacks Consensus Estimate by 0.9%. The top line also improved 8% year over year due to higher net investment income and other revenues.

Net premiums of \$4.3 billion declined 2.5% year over year. Investment income increased 24% from the prior-year quarter to \$1.5 billion. The average investment yield decreased to 4.73% in the third quarter from 5.08% in the prior-year period due to lower variable investment income. Total benefits and expenses at Reinsurance Group increased 8.2% year over year to \$5.9 billion on higher claims and other policy benefits, interest credited, policy acquisition costs and other insurance expenses, other operating expenses and interest expense.

Quarterly Segment Update

U.S. and Latin America: Total pre-tax adjusted operating income was \$236 million in the quarter under discussion, which increased 48.4% year over year.

The Traditional segment reported a pre-tax adjusted operating income of \$136 million, which increased 72% year over year. Net premiums declined 1.5% from the year-ago quarter to \$1.9 billion. The Financial Solutions segment's pre-tax adjusted operating income increased 25% to \$100 million, which reflected the earnings contribution from the Equitable transaction, which was closed in the third quarter, partially offset by lower variable investment income.

Canada: Total pre-tax adjusted operating income rose 47% year over year to \$50 million. The traditional segment's pre-tax adjusted operating income increased 43% year over year to \$43 million. Net premiums increased 3.8% to \$326 million. Foreign currency exchange rates had an adverse effect on net premiums of \$3 million for the quarter. The Financial Solutions segment's pre-tax adjusted operating income increased 75% year over year to \$7 million. Foreign currency exchange rates had an immaterial effect on adjusted operating income before taxes.

EMEA: Total pre-tax adjusted operating loss was \$52 million against the year-ago quarter's adjusted operating income of \$68 million. Pre-tax adjusted operating loss of the traditional segment was \$192 million, wider than the year-ago quarter's loss of \$18 million. Foreign currency exchange rates had an adverse effect of \$7 million on adjusted operating income before taxes. Premiums increased 7.8% to \$562 million in the quarter. Foreign currency exchange rates had a favorable effect on net premiums of \$18 million for the quarter. The Financial Solutions pre-tax adjusted operating income increased 62.8% year over year to \$140 million. Foreign currency exchange rates had a favorable effect of \$5 million on adjusted operating income before taxes.

Asia/Pacific: Total pre-tax adjusted operating income was \$209 million, which surged nearly threefold from the year-ago quarter. The Traditional segment's pre-tax adjusted operating income was \$138 million, which skyrocketed more than 12-fold from the year-ago quarter. Foreign currency exchange rates had a favorable effect of \$6 million on adjusted operating income before taxes.

The Financial Solutions segment's pre-tax adjusted operating income increased 18.3% to \$71 million. Foreign currency exchange rates had an immaterial effect on adjusted operating income before taxes. Net premiums increased 48.3% to \$92 million.

Corporate and Other: Pre-tax adjusted operating loss was \$58 million, wider than the year-ago quarter's loss of \$18 million. The wider loss was primarily due to lower variable investment income and higher general expenses.

Financial Update

As of Sept. 30, 2025, the company had assets worth \$152 billion, up 26.4% year over year. As of Sept. 30, 2025, Reinsurance Group's book value per share, excluding accumulated other comprehensive income, increased 6% year over year to \$158.67. The adjusted operating return on equity (excluding accumulated other comprehensive income) was 13.2%, which contracted 60 basis points year over year.

Capital Deployment

RGA deployed \$1.7 billion into in-force block transactions, which include \$1.5 billion deployed into the transaction with subsidiaries of Equitable Holdings, Inc.

Reinsurance Group repurchased shares of \$75 million in the quarter. The board of directors declared a quarterly dividend of 93 cents. Effective Oct. 28, 2025, the dividend will be paid out on Nov. 25 to shareholders of record as of Nov. 11.

FY Quarter Ending 12/31/2025

Earnings Reporting Date	Oct 30, 2025
Sales Surprise	0.95%
EPS Surprise	9.83%
Quarterly EPS	6.37
Annual EPS (TTM)	21.74

Recent News

Reinsurance Group Inks Reinsurance Transaction With Equitable Holdings– Feb 24, 2025

Reinsurance Group of America inked reinsurance transaction with Equitable Holdings. Per the deal, Equitable Holdings will reinsure RGA's \$32 billion of a diversified mix of life insurance products. RGA expects to deploy \$1.5 billion of capital at closing into this reinsurance transaction. This transaction will significantly favor RGA's adjusted operating EPS.

Valuation

Reinsurance Group shares are up 4.8% and down 1.8% in the last six months period and over the trailing 12-month period, respectively. Stocks in the Zacks sub-industry and the Zacks Finance sector are up 5.8% and up 8.6% in the last six months period, respectively. Over the past year, the Zacks sub-industry and sector are up 8.1% and up 15.7%, respectively.

The S&P 500 index is up 15% in the last six months period, and up 15.1% in the past year..

The stock is currently trading at 0.99X price to book, which compares to 1.89X for the Zacks sub-industry, 4.22X for the Zacks sector and 8.51X for the S&P 500 index.

Over the past five years, the stock has traded as high as 2.66X and as low as 0.49X with a 5-year median of 1.18X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$217 price target reflects 1.03X trailing 12-month book value.

The table below shows the summary of valuation data for RGA.

Valuation Multiples - RGA					
		Stock	Sub-Industry	Sector	S&P 500
P/B TTM	Current	0.99	1.89	4.22	8.51
	5-Year High	2.66	2.11	4.37	9.16
	5-Year Low	0.49	1.04	2.87	6.6
	5-Year Median	1.18	1.53	3.52	8.05
P/S F12M	Current	0.52	1.77	9.08	5.25
	5-Year High	0.7	4.79	10.06	5.5
	5-Year Low	0.39	0.79	6.69	3.82
	5-Year Median	0.53	1.17	8.4	5.04
P/E F12M	Current	8.12	8.15	17.3	23.27
	5-Year High	28.91	8.61	18.28	23.78
	5-Year Low	7.17	5.39	12.36	15.73
	5-Year Median	9.03	6.97	16.12	21.22

As of 12/22/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 45% (109 out of 243)



Top Peers ⁽¹⁾

Company (Ticker)	Rec	Rank
Brighthouse Financial (BHF)	Neutral	3
Citizens, Inc. (CIA)	Neutral	4
Lincoln National Corporation (LNC)	Neutral	3
Manulife Financial Corporation (MFC)	Neutral	2
NN Group NV Unponsored (NNGRY)	Neutral	4
Primerica, Inc. (PRI)	Neutral	3
Sun Life Financial Limited (SLF)	Neutral	3
Voya Financial, Inc. (VOYA)	Neutral	3

Industry Comparison⁽¹⁾ Industry: Insurance - Life Insurance

	RGA	X Industry	S&P 500	LNC	MFC	NNGRY
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	2	4
VGM Score	B	-	-	D	B	D
Market Cap	13.46 B	7.09 B	39.51 B	8.53 B	61.42 B	20.31 B
# of Analysts	4	4	22	6	2	1
Dividend Yield	1.82%	1.35%	1.42%	4.01%	3.43%	3.27%
Value Score	A	-	-	C	A	C
Cash/Price	0.37	0.42	0.04	2.64	0.91	4.78
EV/EBITDA	12.63	4.61	14.63	-1.77	2.28	NA
PEG Ratio	1.49	0.68	2.21	0.45	NA	1.12
Price/Book (P/B)	1.03	0.97	3.34	0.90	1.84	0.83
Price/Cash Flow (P/CF)	9.99	8.86	15.24	5.78	11.95	11.36
P/E (F1)	9.64	11.85	20.05	5.69	12.38	13.80
Price/Sales (P/S)	0.60	0.83	3.14	0.46	1.47	NA
Earnings Yield	10.30%	8.26%	4.94%	17.57%	8.08%	7.25%
Debt/Equity	0.44	0.35	0.57	0.61	0.14	0.55
Cash Flow (\$/share)	20.38	3.62	8.98	7.70	3.04	3.39
Growth Score	D	-	-	F	D	D
Hist. EPS Growth (3-5 yrs)	59.37%	8.06%	8.21%	4.49%	5.13%	NA
Proj. EPS Growth (F1/F0)	-6.51%	0.00%	0.00%	11.60%	4.61%	-7.28%
Curr. Cash Flow Growth	7.53%	30.80%	7.00%	34.84%	-12.49%	31.16%
Hist. Cash Flow Growth (3-5 yrs)	9.64%	3.79%	7.48%	-0.18%	1.83%	-5.16%
Current Ratio	0.13	0.28	1.18	0.28	NA	72.56
Debt/Capital	30.50%	30.50%	38.15%	35.58%	10.80%	35.35%
Net Margin	3.89%	6.50%	12.77%	11.49%	9.81%	NA
Return on Equity	12.19%	12.76%	17.03%	18.77%	16.11%	NA
Sales/Assets	0.17	0.10	0.53	0.05	0.06	NA
Proj. Sales Growth (F1/F0)	3.10%	0.00%	5.85%	3.80%	-25.30%	NA
Momentum Score	A	-	-	A	C	D
Daily Price Chg	-0.68%	-0.83%	-0.74%	-0.85%	-0.68%	-0.41%
1 Week Price Chg	-0.05%	0.46%	-0.20%	-1.02%	1.16%	1.49%
4 Week Price Chg	7.47%	3.66%	0.98%	6.23%	3.36%	5.92%
12 Week Price Chg	3.20%	3.26%	2.71%	11.66%	11.36%	10.61%
52 Week Price Chg	-4.76%	19.29%	17.25%	40.43%	18.14%	76.19%
20 Day Average Volume	455,179	288,206	2,520,743	1,483,663	1,897,458	21,551
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	0.36%	3.15%	-1.06%
(F1) EPS Est 12 week change	-0.07%	-0.79%	0.69%	3.87%	-1.40%	-0.36%
(Q1) EPS Est Mthly Chg	0.24%	0.00%	0.00%	-0.98%	3.45%	NA

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	A
Growth Score	D
Momentum Score	A
VGM Score	B

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

Disclosures

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