

# Our business



**Securing the future of life  
insurance for the benefit  
of society**



# What we do

Since our formation in 2018 we've been resolutely focused on supporting the long-term future of the global life insurance industry by helping life insurance companies – our primary customers – to restructure and grow.

We breathe life into the industry in two main ways. By providing reinsurance, we take on the risks and responsibilities created by life insurance companies. We also acquire portfolios of existing life and annuity portfolios from established insurers. Their policyholders become our policyholders, and their promises our promises, however long they have to run.

Our bespoke solutions are designed to meet the needs of primary life insurers: removing the cost of maintaining old policies while providing certainty that their transfer will be efficient and the corresponding liabilities honoured. When we acquire portfolios, insurers in mature markets can use our capital, and their advisers' time, to sell policies in new, faster growing territories. This helps secure the future of life insurance, which we believe is a societal good.

We put policyholder protection at the centre of everything we do – from service, to how we manage insurance claims, our embrace of technology, how we manage our assets and risk, and how we grow the business.

## How we honour our promises

### Looking after our policyholders



Keeping our pledge to our insurance industry partners, we focus our time, energy and ideas on serving policyholders with care, dedication and empathy.

### Embracing technology



We're one of the few insurance companies with predominantly cloud-based IT systems. Our digital portals give policyholders, advisers, and agents access to different information and tools in one place. We're also exploring ways to use artificial intelligence (AI) technology to enhance our service.

### Expert asset management



Through our proven approach to investing, which involves actively rotating our assets using world-class asset managers, including Blackstone, we protect and reward all stakeholders – policyholders, primary insurers, and investors.

### A measured, long-term approach to risk



As a safe, responsible insurer in a strictly regulated industry, risk management informs every decision we make. We manage risk through our risk framework, and we only do reinsurance deals and make acquisitions that align with our business strategy, and where the risk and potential returns are within our risk appetite.

# What makes us different

**Two things make us stand out: our track record and commitment to the industry, and our partnerships.**

## Our track record, expertise and deep commitment to the life industry

As pioneers in the in-force insurance sector since 2003, we have more than two decades of specialist insurance knowledge and M&A experience. Since 2018, Resolution Life – we have committed more than \$5.7bn of equity in 12 transactions. In that time, we've served the needs of our policyholders and managed over \$85bn of assets. Diversification, both in terms of geographical markets in which we do business and the types of insurance policy portfolios that we look to acquire or reinsure, has been and continues to be a key part of our strategy.

This strong track record, combined with our commitment to supporting the industry and the policyholders it serves, has attracted many investors, including leading financial institutions, insurers, family offices and superannuation, pension and sovereign wealth funds. It's why we are the partner of choice for blue-chip life insurers looking to restructure their business.

## Our partnerships

While we remain a Board-led company, to support the next phase of our growth we agreed two complementary partnerships that solidify our position as a market leader. Under our asset management partnership with **Blackstone**, the world's largest alternative investment manager, Resolution Life is Blackstone's partner for new in-force transactions, including reinsurance, globally. And Blackstone is Resolution Life's investment manager for certain key areas, including directly originated assets across private credit, real estate and asset-based finance markets. This helps us to generate more value from our investments, for all our stakeholders, and enhances our ability to serve life insurance companies in the marketplace. Under the partnership, Blackstone

manages a substantial portion of our existing private assets, and of our future assets as we complete more transactions. We received regulatory approval for the partnership in the last quarter of 2023.

**Nippon Life**, one of our earliest investors, committed in January 2023 to invest a further \$1bn, bringing its total investment to \$1.65bn and remaining our largest investor. Founded more than 130 years ago, Nippon Life is the largest Japanese life insurer by revenue, and operates businesses in the US, Europe, and Asia-Pacific regions. Our partnership with Nippon Life is based on a strong foundation of shared values, clarity of vision and breadth of capabilities across our organisations.



**\$1.65bn**

**Nippon Life is one of our  
earliest and biggest investors**

# Our business model

Our purpose is to protect the financial futures entrusted to us, and we do so in a highly regulated environment. For us, doing the right thing in the right way, for all our stakeholders, is of crucial importance.

## In our business model, we:

Provide reinsurance and acquire high quality in-force portfolios of life and annuity policies from established life insurers who want to simplify and reinvest

Use our deep industry knowledge, and investments in talent and technology to manage those policies and our operations more efficiently

Actively manage and rotate our assets in a responsible way to generate sustainable returns for our policyholders and investors



Our business model continued

## How we create value for our stakeholders

Our business model allows us to create value for everyone directly involved with us, the wider insurance industry, and society.

### The life insurance industry



Through reinsurance and by acquiring portfolios, we provide capital for primary life insurance companies so they can innovate and expand into new markets.

### Our policyholders



By investing in people and technology we give policyholders a better, faster service, and the confidence that we'll act in their best interests should they need us.

### Our investors



We generate cash by improving the returns on assets and by using technology to manage our operations and administer policies more efficiently. This allows us to pay predictable, steady dividends.

### Our people



We're committed to the wellbeing and development of our employees, empowering them to make decisions and fulfil their potential in a positive, motivating workplace.

### The regulators



We provide certainty and comfort to regulators through our deep experience and strong industry track record, and our measured approach to risk management.

### The community



We support local communities through volunteer work and donations, and promote responsible, sustainable investment by engaging with our asset managers.



# Our market

**We operate in an attractive sector of the global life insurance market, which is undergoing significant change. For primary life insurers in mature markets – our main customers – there are clear opportunities to sell new policies in their existing markets and, especially, in faster growing markets in the developing world, where a new middle class is emerging.**

However, to pursue that growth, for innovation and other business purposes, the life insurance companies first need to free up capital. That is the market we serve, providing capital to these companies through acquiring in-force portfolios of life and annuity policies from established life insurers, by reinsurance or legal entity acquisition, or by providing yield support on new business through reinsurance transactions.

The in-force consolidation sector is the fastest growing part of the life insurance market today. Between 2015 and 2023, reserves held by consolidators rose to \$1.6tn, at a compound annual growth rate of 30%. We are one of the biggest players in the global sector by size of transactions between 2020 and 2023, and in the US we are the second largest, by number of deals, since 2018.

The rapid growth in our market has proved consistent, enduring through the pandemic and the recent period of higher interest rates. We expect this strong demand for capital to continue, as primary insurers look to restructure to move into higher growth markets and products, to save costs related to administering legacy policies, and to pay dividends and buy back shares.

## Expanding into new geographic markets and product sectors

While our core strategy is unchanged, we have refined it and are diversifying our capital deployment. We're strengthening our position in our traditional in-force consolidation markets, in particular the US and Australasia, where insurers remain under pressure to improve their performance. We are now also:

- Expanding into new geographic markets, such as Japan and other mature markets in Asia, where life insurance companies are facing decreasing sales and new regulatory regimes requiring them to hold more capital.



**Our market** continued

- Expanding into new product sectors globally, including in the UK, where insurers are looking to offload risk and restructure their businesses. These products include:
  - Flow reinsurance, where we reinsure a share of the future premiums of a primary life insurer
  - Pension risk transfer (PRT), where we reinsure and take on the responsibility for paying guaranteed defined benefits

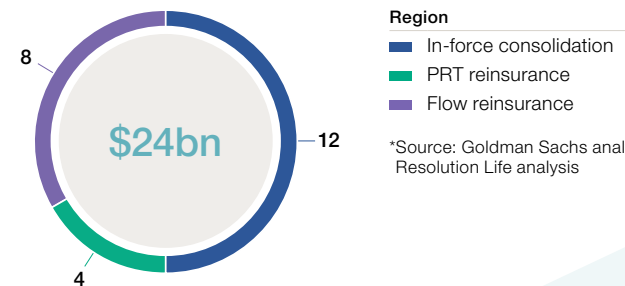
Through this diversification, we have doubled the size of our annual total addressable market, from \$12bn to \$24bn (see chart, right).

**Increased opportunities, increased competition**

As the opportunities in our market have grown in recent years, so has the number of entrants, in particular private asset managers targeting a wide range of geographic markets and types of liabilities. Their focus is especially strong on North America and the mature economies of Asia. Despite the increased competition, the market is far from saturated, with more than enough business for everyone. To meet our investment ambitions in the next few years, we aim to win a 5% to 10% share of our addressable market. Furthermore, the in-force consolidation sector globally is still small compared to the overall size of the life insurance industry, so there is plenty of room for the sector to grow.

**How we're positioned for growth**

At the start of 2024, there was a healthy supply of opportunities across our market globally, for all types of liabilities. With our strong track record of doing deals with large insurance companies, our scale, and having raised \$3bn in equity capital during 2023, we are well-placed to make acquisitions that suit our risk profile and complement our existing businesses.

**Annual opportunity in our addressable market (\$bn)**

\*Source: Goldman Sachs analysis, Resolution Life analysis

# Our strategy

Our mission is to be a long-term partner to the global primary life industry as it restructures, helping insurance companies reduce their liabilities so they can pursue their core business and continue to innovate.

To achieve that aim, our strategy focuses on three main areas: **delivering on our promises in our existing businesses, growing purposefully through reinsurance agreements and acquisitions, and building capabilities to create lasting value in our business.**

How we deliver on our promises to policyholders, investors and employees



- One of our guiding principles is to obsess over our policyholders whose financial futures have been entrusted to us, providing quick and efficient service, and acting with empathy when a claim is made.
- We manage our investments responsibly, with the help of world-class asset managers, to achieve targeted risk-adjusted returns. This enables us to generate a predictable cash flow to pay dividends to our investors and also to fund further acquisitions.
- To deliver on our promises to our employees, we help them develop and grow, so they can have a fulfilling career.

How we grow our business



- As a global company we do business across the world's mature insurance markets. We view our core markets as the US, Asia (read more in the box, right), and Australasia.
- Our flexibility as a life insurer enables us to maintain a broad mix of risks, and not be solely focused on assets.
- We offer reinsurance and M&A solutions that are scalable and repeatable.
- We have a strong brand, track record and reputation, built over 20 years, and partnerships with Blackstone and Nippon Life.

How we build capabilities to create lasting value in our business



- We attract and retain talented, high performing and passionate people, and help them grow through learning and development opportunities. Our leadership team is highly experienced in our specialised insurance sector.
- Our digital operations reduce the time and cost of future integrations.
- We're strongly capitalised, with investment grade credit ratings and robust solvency ratios in all of our businesses.

## Growing our business in Asia

▶ To read about our strategic progress in 2023, see [Highlights of the year, on page 3](#)

We've always viewed Asia as an important geographical market for us. We have raised over half of our equity capital from the Asia-Pacific region, including that of our biggest investor and strategic partner, Nippon Life, as well as other insurance firms and corporates in the region. These long-term investor partnerships have been a source of strength for us.

We have also developed our capabilities to provide market solutions in Asia. In 2022, we completed our first asset intensive offshore transaction in the region and we recently announced our first flow reinsurance partnership with a Japanese insurer. In 2024, we anticipate increasing our presence in Asia in line with the needs of the market.



# Our acquisitions

Since 2018, we've invested \$7.9bn of total capital across 12 deals, transforming us into a large, global life insurance company. In line with our business model, which calls for a wide diversity of risk by geography and policy type, the acquisitions are spread across four continents. They comprise life savings and policies, as well as reinsurance deals.

► Resolution Re

► Resolution Life US

► Resolution Life Australasia

2018

## ► September

Entered into a reinsurance agreement with **Symetra Life Insurance Company** to reinsure its US statutory payout annuity liabilities, which are mainly structured settlements.

2020

## ► July

Completed the acquisition of the Australian and New Zealand wealth protection and mature life insurance businesses of **AMP Holdings Ltd.**

2021

## ► January

Completed the acquisition of substantially all the in-force individual life business of **Voya Financial, Inc.**

## ► September

Entered into a reinsurance treaty agreement with **Allianz Suisse Life** that transferred a quota share of 80% of the liabilities of Allianz Suisse's Traditional Individual Life Business.

## ► September

Announced the signing of a reinsurance treaty between its insurance subsidiary, **Security Life of Denver Insurance Company** and Lincoln National Corporation's insurance subsidiary, **The Lincoln National Life Insurance Company.**

## ► November

Announced the acquisition of **AMP Limited's** minority equity interest in Resolution Life Australasia.

## ► December

Entered into a reinsurance treaty agreement with **Allianz Life Insurance Company of North America.**

2022

## ► February

Announced that it had entered into an agreement with **AIA Australia Limited** to acquire its Superannuation and investments business.

## ► June

Entered into a reinsurance agreement with **The Dai-ichi Life Insurance Company, Limited** that transferred a closed book of whole of life policies. The agreement relates to coverage for market risks and insurance risks.

2023

## ► May

Entered into a strategic reinsurance and administration transaction with **Farmers New World Life Insurance Company.**

## ► October

Announced it had entered the **UK pension risk transfer market** with an inaugural reinsurance agreement covering pensions in payment and deferred pensions.

## ► December

Entered into an agreement with a **prominent UK-regulated insurer** to reinsure the market and longevity risks related to c.\$2.5bn of individual in-payment UK annuity liabilities.