What is reinsurance?

Reinsurance is a method of sharing financial risk with another insurance company.

Securian Financial and its affiliates use reinsurance when a large amount of insurance is applied for or when a client has a significant medical history.

Through our relationships with several reinsurance companies, we can share risk, provide more favorable offers to clients and give the best possible coverage. For example, through reinsurance, we may be able to offer an improved table rating.

Internal retention

Single life			
Issue age	STD - Table D	Table E - Table H	Table I - Table P
0-75	$5,000,000	$5,000,000	$2,500,000
76-80	$2,500,000	$2,500,000	$1,500,000
81-85	$1,500,000	$1,500,000	$0
>85	$0	$0	$0
Professional athlete 15-70	$2,500,000	$2,500,000	$2,500,000

Joint life (using oldest actual age)			
Issue age	STD - Table D	Table E - Table H	Table I - Table P
19-70	$7,500,000	$7,500,000	$7,500,000
71-80	$5,000,000	$5,000,000	$2,500,000
81-85	$2,500,000	$0	$0
20-70+ Uninsurable	$5,000,000	$0	$0
71-80+ Uninsurable	$2,500,000	$0	$0
81-85+ Uninsurable	$0	$0	$0
Other situations	Facultative	Facultative	Facultative

Glossary

Retention
The dollar amount or percentage of risk retained by the ceding company under a reinsurance agreement.

Auto bind
Automatic reinsuring of individual risks by an insurer with a reinsurer. The insurer must transfer the risks to its reinsurer and its reinsurer must accept this transfer.

Facultative
Reinsurance of individual risks by offer and acceptance wherein the reinsurer retains the ability to accept or reject each risk offered by the ceding company. (The application/papers are sent to the reinsurers and reviewed.)

Jumbo limit
The maximum amount of life insurance in force, including any amounts to be replaced, plus the new maximum amount of life insurance applied for with all companies. Once this jumbo limit is exceeded, the case must be sent facultative to the reinsurers.

Auto binding limits

Single life			
Issue age	**STD - Table D**	**Table E - Table H**	**Table I - Table P**
0-75	$50,000,000	$50,000,000	Facultative
76-80	$30,000,000	$30,000,000	Facultative
81-85	$5,000,000	Facultative	Facultative
>85	Facultative	Facultative	Facultative
Professional athlete	Facultative	Facultative	Facultative

Joint life (using oldest actual age)			
Issue age	**STD - Table D**	**Table E - Table H**	**Table I - Table P**
19-70	$50,000,000	$50,000,000	Facultative
71-80	$30,000,000	$30,000,000	Facultative
81-85	$5,000,000	Facultative	Facultative
20-70+ Uninsurable	$50,000,000	Facultative	Facultative
71-80+ Uninsurable	$30,000,000	Facultative	Facultative
81-85+ Uninsurable	Facultative	Facultative	Facultative
Other situations	Facultative	Facultative	Facultative

Jumbo limits - single and joint life

Single life	
Issue age	**Jumbo limits**
0-80	$65,000,000
81+	$50,000,000

Life reinsurance FAQ

Will your offers be pulled if a case is sent facultative to reinsurance?

No, we will stand by our offer to our maximum available retention. For example:

• If a case is for $10 million permanent life insurance,

• We offer Table C, and

• When sending to reinsurers all reinsurers are a Table D or higher,

• We will honor our Table C to a maximum of our $5 million retention, assuming we have no coverage in force.

Therefore, when the application and in-force coverage combined is above $5 million, you should work closely with your underwriter to decide the option of facultative reinsurance.

How long does it take to receive offers?

Typically we will have an offer in 3-4 business days.

How many reinsurers do you have?

We have a pool of up to eight reinsurers, including RGA, SWISS RE®, MUNICH RE, HANNOVER RE®, SCOR and GEN RE® Canada Life Re & Partner Re.

What are the reinsurers' "sweet spots"?

They include (but are not limited to): diabetes, cancer, liver enzymes, cardiovascular and avocations.

If one company uses facultative reinsurance, does that mean no other company can auto bind to a reinsurer?

The company would need to follow what is outlined in their treaty with their reinsurers, but typically there is no restriction in binding a reinsurer automatically if another company uses facultative.

Will reinsurance limit amounts I may be able to place elsewhere?

In the vast majority of cases this will not be a concern. When getting involved with very large amounts of insurance (i.e., total line of $50 million range), work closely with your underwriter to weigh all your options.

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