



# Capital Markets Special Report

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## U.S. Insurance Industry Cash and Invested Assets at Year-End 2015

This special report is an update to a previously published report on June 22, 2015, by the NAIC Capital Markets Bureau titled "Year-End 2014 Insurance Industry Investment Portfolio Asset Allocations." In this report, we analyze the U.S. insurance industry's holdings of cash and invested assets for the year ended Dec. 31, 2015, and we review year-over-year (YOY) developments and noteworthy changes since year-end 2011. The analysis covers around 4,800 insurers comprised of fraternal, health, life, P/C and title companies that filed their annual statements with the NAIC and state insurance departments.

### Cash and Invested Assets

U.S. insurers, as shown in Table 1, reported more than \$5.8 trillion of cash and invested assets, on a book/adjusted carrying value (BACV) basis, for 2015. This represented a \$56 billion, or close to 1%, increase from year-end 2014. In comparison, the industry's total cash and invested assets increased \$241 billion, or more than 4%, from 2013 to 2014. U.S. insurers' cash and invested assets had also increased YOY, from at least 2011 through 2013, at approximately 4% per year.

**Table 1: U.S. Insurer Cash and Invested Assets 2011-2015 (\$bil)\***

Year	Cash and											Total
	Bonds	Common Stock	Mortgages	Schedule BA and Other	Short-term Investments	Contract Loans	Derivatives	Real Estate	Preferred Stock	Securities Lending	Other Receivables	
2015	3,904	673	427	306	225	130	54	41	25	17	16	5,818
2014	3,859	684	393	313	228	133	57	38	25	17	14	5,762
2013	3,726	669	368	287	211	130	38	39	21	19	12	5,521
2012	3,632	588	348	264	223	130	42	38	21	15	10	5,311
2011	3,519	544	330	240	195	124	44	37	21	15	11	5,079

\*Includes affiliated and unaffiliated investments.

More than 95% of insurer assets, at least from 2011 through 2015, were concentrated within bonds, common stock, mortgages, Schedule BA and Other assets, and cash and short-term investments. The remaining 5% consisted of contract loans, derivatives, real estate, preferred stock, securities lending and other receivables.

Consistent with years prior, bonds remained the largest portion of total cash and invested assets for insurers in 2015, with BACV of \$3.9 trillion, or 67% of the total. Aggregate bond BACV was up by \$45 billion, or by 1%, from a year prior—the smallest rate of increase compared to the prior four years, where bond BACV grew closer to a 3% to 4% rate. Although growth was lower in 2015, bonds as a share of total cash and invested assets did not change from 2014 in percentage terms. Bonds were \$385 billion, or 11%, higher at year-end 2015 than at year-end 2011.

Insurers reported a total of \$673 billion in common stock holdings at year-end 2015, in comparison to \$684 billion in 2014. This is a decrease in total common stock of \$11 billion, or 2%, from the year prior. Unaffiliated common stock accounted for \$269 billion, or 40%, of total U.S. insurer common stock in 2015, which was a decrease of \$18 billion (or 6%) from year-end 2014. This YOY change represented the first decline in unaffiliated common stock exposure since 2008; from 2011 to 2014, there had been a gain of nearly of \$77 billion, or 40%, in unaffiliated common stock. That growth, at least in part, was a reflection of the strong performance in U.S. equity markets over the respective time period. In 2012, for example, the S&P 500 Index (S&P) returned 13% following zero return in 2011. In the succeeding two years, returns were 30% in 2013 and 11% in 2014. For 2015, equities in the U.S., as measured by the Dow Jones Industrial Average (Dow) and the S&P 500, had their worst annual results since 2008—when the Dow was down by 34% and the S&P by 38% for the year—with the Dow down by 2% and the S&P 500 down by 0.7%. This, in turn, contributed to some of the decline (or devaluation) in insurers' common stock holdings in 2015.

Mortgage loans on real estate at year-end 2015, comprised mainly of first-lien loans, totaled \$427 billion in BACV and accounted for 7% of total cash and invested assets in 2015. This was a \$34 billion increase from year-end 2014 and a total of \$97 billion growth since year-end 2011. Insurers have increased their holdings of mortgages in each of the last four years ended 2015, but at a relatively conservative rate; mortgages, as a percentage of insurers' total assets, have remained in the 6.5% to 7% range from 2011 through 2015.

Schedule BA and Other assets, including both affiliated and unaffiliated investments, have remained in the 5% range of insurer total cash and invested assets for the five years ended 2015. For year-end 2015, total BACV of Schedule BA and Other amounted to \$306 billion as compared to \$313 billion in 2014. Unaffiliated investments constituted \$133 billion of Schedule BA and Other at year-end 2015, or 43.5% of the total. This is a decrease from \$138 billion, or 44.1%, in 2014. Since year-end 2011, total BACV of unaffiliated Schedule BA and Other holdings has increased by \$26 billion, or 24.3%. Some of that growth was likely driven by insurers seeking higher returns from alternative investments in a sustained low interest rate environment. For more detail on the U.S. insurance industry's exposure to Schedule BA and Other (long-term) assets, please refer to the NAIC Capital Markets Bureau's Special report titled "U.S. Insurer Exposure to Schedule BA (Other Long-Term Invested Assets): Focus on Private Equity, Hedge Funds and Real Estate," published in March 2016.

Cash and short-term assets have, over the five-year period analyzed, steadily represented close to 4% of total cash and invested assets. BACV for year-end 2015 was relatively flat to the year prior, at \$227 billion, but up by \$33 billion from five years ago.

The remaining asset classes, which in the aggregate have accounted for close to 5% of insurers' total cash and invested assets in each of the four years since 2011, totaled \$283 billion in 2015, compared to \$284 billion a year prior. The YOY change within each of these asset classes was relatively minor in both dollar and percentage terms.

### **Cash and Invested Asset Distribution Among Insurer Types**

The distribution of cash and invested assets among insurer types, as shown in Table 2, has not changed significantly over the five years ended 2015. Life companies have accounted for the majority of the industry's cash and invested assets, reporting between 64% and 65% of U.S. insurer investments in each of the five years ended 2015. In 2015, they held an aggregate of \$3.8 trillion in BACV, or 65% of total U.S. insurance industry assets, which was a slight increase from \$3.7 trillion (65%) the year prior. Similarly, P/C companies have consistently held around 30% of the industry's total cash and invested assets over the same five-year time period. This trend continued into 2015 as P/C companies reported

\$1.7 trillion in total assets, or close to 30% of the industry's total cash and invested assets. This was a decrease in BACV of \$1 billion from year-end 2014.

The balance, around 5% of total assets, has been and continues to be distributed among health, fraternal and title companies. At year-end 2015, health companies held about 3% of total cash and invested assets, or \$162 billion, followed by fraternal companies at 2% (\$124 billion) and title companies with less than 1% (\$9 billion). These proportions were also in line with prior years.

**Table 2: Cash and Invested Assets by Insurer Type (\$ mil BACV)**

Asset	Life	P/C	Health	Fraternal	Title	Total	Percent
Bonds	2,743,962	967,715	89,365	98,515	4,984	3,904,521	67%
Common Stock	147,733	489,988	29,442	3,655	1,746	672,564	12%
Mortgages, First Lien	397,051	11,914	37	10,637	33	419,673	7%
BA & Other	158,191	135,492	8,195	3,691	343	305,912	5%
Cash & Short-term Investments	103,399	90,468	27,705	2,972	1,059	225,604	4%
Contract Loans	126,929	4	1	2,843	-	129,777	2%
Derivatives	53,830	594	6	26	-	54,457	1%
Real Estate	23,685	11,567	5,271	294	179	40,995	1%
Preferred Stock	9,707	14,094	319	288	305	24,713	0%
Securities Lending (Reinvested Collateral)	11,685	2,740	1,308	888	-	16,621	0%
Other Receivables	6,457	8,531	744	53	30	15,815	0%
Mortgages, Not First Lien	6,843	355	-	2	1	7,201	0%
<b>Totals:</b>	<b>3,789,463</b>	<b>1,733,460</b>	<b>162,383</b>	<b>123,866</b>	<b>8,680</b>	<b>5,817,852</b>	<b>100%</b>
<b>Percent of Total:</b>	<b>65%</b>	<b>30%</b>	<b>3%</b>	<b>2%</b>	<b>0%</b>	<b>100%</b>	

### Cash and Invested Assets by Insurer Asset Size

At year-end 2015, the distribution of insurer asset types across insurers' total asset size (Table 3) was consistent with year-end 2014. For year-end 2015, 71.7% of the industry's total assets (versus 71.6% in 2014) was held by insurers reporting total cash and invested assets greater than \$10 billion.

Insurers with assets between \$5 billion and \$10 billion held 7.4% of the industry's total cash and invested assets (versus 7.5% in 2014); those with assets in the \$1 billion to \$5 billion range accounted for 12.9% (versus 12.8%), and the remainder, or about 8.0%, was with companies with assets of less than \$1 billion.

**Table 3: Cash and Invested Assets by Insurer Asset Size (\$ mil)**

Asset	Greater Than	Between	Between	Between	Between	Between	Less Than
	\$10B	\$5B and \$10B	\$5B	\$2.5B	\$1B and \$2.5B	\$500MM and \$1B	
Bonds	2,769,594	287,553	276,769	268,647	113,007	92,121	119,359
Common Stock	445,469	70,755	45,953	58,205	24,046	17,586	16,969
Mortgages	387,929	18,329	10,529	7,167	1,356	1,349	727
BA & Other	254,045	18,911	12,213	14,835	4,448	2,071	1,804
Cash & Short-Term Investment	116,514	16,394	12,443	23,547	17,991	15,486	31,733
Contract Loans	111,147	8,665	5,102	2,925	715	785	465
Derivatives	50,315	3,034	669	427	58	10	2
Real Estate	27,520	3,247	2,503	3,581	2,005	1,316	1,414
Preferred Stock	15,910	2,559	1,672	2,646	713	662	626
Securities Lending (Reinvested Collateral)	12,011	1,219	1,325	1,462	330	246	144
Other Receivables	11,704	340	2,152	626	315	474	283
<b>Totals:</b>	<b>4,202,158</b>	<b>431,008</b>	<b>371,332</b>	<b>384,068</b>	<b>164,984</b>	<b>132,107</b>	<b>173,526</b>
<b>Percent of Total:</b>	<b>71.7%</b>	<b>7.4%</b>	<b>6.3%</b>	<b>6.6%</b>	<b>2.8%</b>	<b>2.3%</b>	<b>3.0%</b>

### Bond Breakdown by Sector

Corporate bonds, for at least the fifth year in a row, constituted the largest portion of insurers' bond investments in 2015, with BACV of \$2.1 trillion (54% of total bonds). This represents YOY BACV growth of \$56 billion or close to 3%. Through 2015, insurers' corporate bond exposure has increased by approximately \$318 billion from year-end 2011, or by an aggregate of 18%.

Municipal bonds have also been one of the largest bond types for insurers over the past several years and since at least 2011, they have averaged close to 14% of total bond holdings. At year-end 2015, total municipal bond BACV was up by \$9 billion, or by 2%, from 2014, to \$549 billion. In total, municipal bond BACV has grown from year-end 2011 to year-end 2015 by a total of 18% or \$82 billion.

The next three largest bond types, each with approximately 7% share of total bonds, include agency-backed residential mortgage-backed securities (RMBS), asset-backed securities (ABS) and U.S. government bonds.

Relative to year-end 2014, agency-backed RMBS were down by \$20 billion, decreasing to \$281 billion at year-end 2015. From year-end 2011, agency-backed RMBS had decreased by \$74 billion or by 21%. ABS increased YOY by \$13 billion and by \$62 billion (or by 29%) since 2011. U.S. government bond holdings grew by \$8 billion, or 3%, from 2014 but were down by \$47 billion or 16% since year-end 2011. This reduction in government bonds, at least in some part, is due to the improving economic environment and insurers' trading the safety of lower-yielding government bonds for higher-yielding investments, offset by the need for government bonds to post as collateral.

Table 4 summarizes insurer bond holdings as of year-end 2015 and year-end 2014 and the respective dollar and percentage YOY changes.

**Table 4: Breakdown of Bond Types; Year-Over-Year Change, 2014-2015 (\$ bil)**

<b>Bond Type</b>	<i>Percent of 2015 Total Bonds</i>		<i>Percent of 2014 Total Bonds</i>		<i>Y-O-Y Dollar Change</i>	<i>Y-O-Y Percent Change</i>
	<b>2015</b>	<b>Total Bonds</b>	<b>2014</b>	<b>Total Bonds</b>		
Corporate Bonds	2,117	54%	2,061	53%	56	3%
Municipal Bonds	549	14%	541	14%	9	2%
Agency-backed RMBS	281	7%	301	8%	-20	-7%
ABS & Other Structured Securities	275	7%	261	7%	13	5%
U.S. Government	252	6%	244	6%	8	3%
Private-label CMBS	166	4%	173	4%	-7	-4%
Private-label RMBS	108	3%	114	3%	-6	-5%
Foreign Government	96	2%	103	3%	-8	-7%
Agency-backed CMBS	38	1%	35	1%	3	8%
Hybrid Securities	23	1%	25	1%	-3	-10%
<b>Bond Total</b>	<b>3,904</b>		<b>3,859</b>		<b>45</b>	

### **Bond Holdings Amongst Insurer Types**

Similar to at least five years prior, life companies held 70% of U.S. insurers' total \$3.9 trillion bond BACV at year-end 2015. Life companies (as shown in Table 5) reported an aggregate bond BACV of \$2.7 trillion, or an increase of \$50 billion, over year-end 2014. P/C companies reported \$968 billion in bonds at year-end 2015, which was a small increase from a year prior, accounting for 25% of total bond exposure. Fraternal companies reported approximately \$99 billion in bonds (2.5%) or an increase of \$3 billion from 2014.

For all insurer types except P/C, corporate bonds constituted the largest portion of their respective total bond holdings at year-end 2015. Corporate bonds accounted for 61.3% of life companies' total bond exposure, or approximately \$1.7 trillion, compared to 60.6% (\$1.6 trillion) in 2014. Corporate bonds also accounted for 67.6%, 57% and 38.8% of total bonds for fraternal, title and health companies, respectively, as of year-end 2015. The largest bond type for P/C companies, at 35.4% of total bonds, was in municipal bonds, with an aggregate BACV of \$343 billion. This was an increase of \$3 billion, or 35.1%, from year-end 2014, following a decrease of about \$6 billion from 2013 to 2014.

**Table 5: Year-End 2015 Bond Exposure by Insurer and Bond Type (\$ mil)**

Bond Type	Life	P/C	Health	Fraternal	Title	Total	Percent of Total Bond Type
Corporate Bonds	1,680,974	332,132	34,715	66,629	2,843	2,117,293	54.2%
Municipal Bonds	176,753	342,927	20,016	8,325	1,335	549,357	14.1%
Agency-backed RMBS	183,925	75,668	11,761	9,276	235	280,866	7.2%
ABS and Other Structured Securities	215,876	51,413	4,372	2,812	34	274,508	7.0%
US Government	151,576	84,141	12,676	3,040	267	251,699	6.4%
Private-label CMBS	125,822	33,170	3,894	3,244	1	166,131	4.3%
Private-label RMBS	87,011	18,698	802	1,205	2	107,718	2.8%
Foreign Government	77,318	16,711	373	1,131	243	95,776	2.5%
Agency-backed CMBS	25,256	10,018	366	2,514	2	38,157	1.0%
Hybrid Securities	19,423	2,652	329	339	22	22,764	0.6%
<b>Total:</b>	<b>2,743,933</b>	<b>967,532</b>	<b>89,305</b>	<b>98,515</b>	<b>4,984</b>	<b>3,904,269</b>	<b>100%</b>
Percent of Total:	70.3%	24.8%	2.3%	2.5%	0.1%	100.0%	

### Changes in Insurer Bond Holdings

As shown in Table 6, marked changes included a \$56 billion increase in total corporate bond BACV from 2014 to 2015, a \$20 billion decrease in agency-backed RMBS and a \$13 billion increase in ABS. Additionally, insurers increased their municipal and U.S. government bonds and agency-backed commercial mortgage-backed securities (CMBS) from 2014 to 2015 while reducing non-agency CMBS and RMBS, foreign government bonds and hybrid securities.

**Table 6: 2014-2015 Changes in Bond BACV by Insurer Type (\$ mil)**

Bond Type	Life	P/C	Health	Fraternal	Title	Total \$ Change
Corporate Bonds	47,169	7,849	-2,732	3,874	-39	56,121
Municipal Bonds	8,868	3,080	-2,650	-440	-78	8,781
Agency-backed RMBS	-11,748	-6,835	-1,446	260	-9	-19,777
ABS and Other Structured Securities	10,972	2,298	-303	112	-5	13,075
US Government	8,654	-320	-539	-165	64	7,693
Private-label CMBS	-7,838	1,354	-578	124	1	-6,937
Private-label RMBS	-4,580	-1,475	11	-184	2	-6,226
Foreign Government	-32	-7,265	-145	-150	41	-7,551
Agency-backed CMBS	1,396	1,382	-57	48	-16	2,754
Hybrid Securities	-3,101	490	100	-38	22	-2,528
<b>Total \$ Change, Insurer type</b>	<b>49,760</b>	<b>560</b>	<b>-8,338</b>	<b>3,441</b>	<b>-17</b>	<b>45,405</b>

### Bond Credit Quality: Still Predominantly Investment Grade

The overall credit quality of insurer bond holdings at year-end 2015, as shown in Graph 1, was consistent with the previous four years, with investment grade bonds, or bonds with NAIC 1 and NAIC 2 designations, accounting for around 94% of insurer's total bond holdings. In 2015, bonds in the NAIC 1 category were close to 67% of total bonds, versus 68% in 2014, but down from 70% in 2011. The remaining bonds were non-investment grade, or designated at NAIC 3 through NAIC 6 levels. Bonds designated at NAIC 3, a notch below investment grade, accounted for the largest portion of non-investment grade bonds.

**Graph 1: Year-End 2015 Bond Designations**

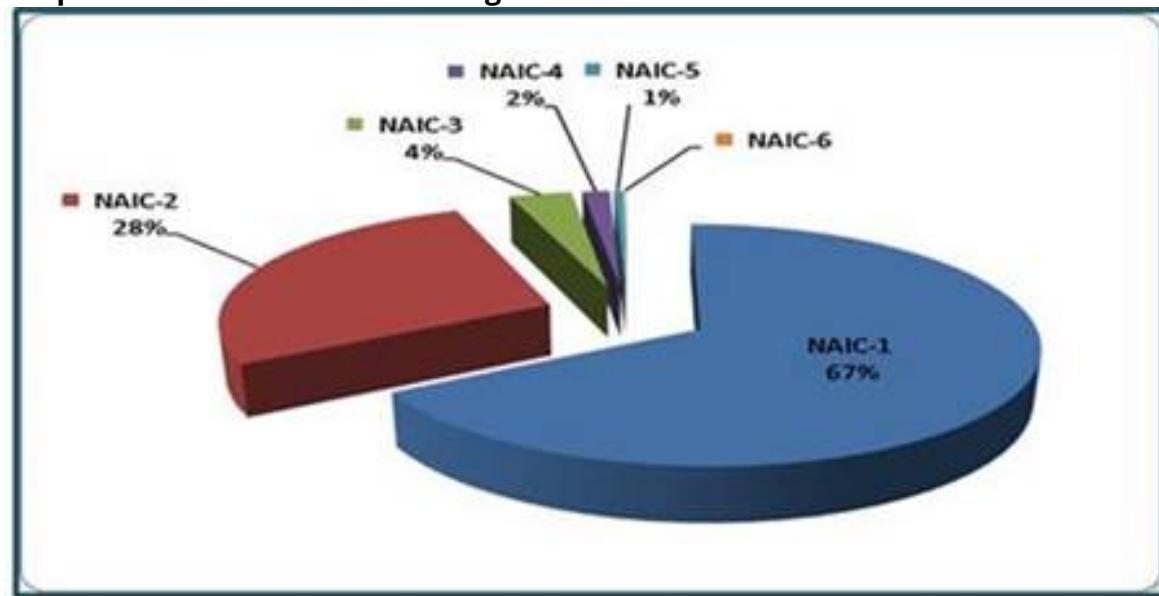


Table 7 shows the breakout by insurer type for each NAIC designation category (NAIC 1 through NAIC 6) as of year-end 2015. Consistent with years past, more than 90% of the industry's bonds carry NAIC 1 and NAIC 2 designations, with NAIC 1 comprising the largest portion.

For life companies, the percentage of bonds allocated between investment grade and non-investment grade at year-end 2015 did not change from year-end 2014, with 93.9% of bonds remaining in investment grade and 6.1% in non-investment grade. Within those percentages, however, there was a slight shift to lower-quality investment grade bonds. That is, there was a 1% decrease in the percentage of NAIC 1 designated bonds with a corresponding increase in NAIC 2 designated bonds from 2014 to 2015.

P/C companies experienced a more pronounced shift within their investment grade bond holdings, whereby bonds carrying NAIC 1 designations decreased to 80.8% in 2015 from 83.1% in 2014, coinciding with an increase in NAIC 2 designations to 14.5% in 2015 from 12.5% in 2014. These changes could have been, in part, a reflection of credit agency downgrades or possibly some insurers moving into higher-yielding or lower-rated bonds.

**Table 7: Year-End 2015 Bond Designations by Insurer Type (%)**

NAIC Designation	Life		Property/Casualty		Fraternal		Title		Health	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
NAIC-1	<b>61.6%</b>	62.5%	<b>80.8%</b>	83.1%	<b>60.9%</b>	62.8%	<b>70.8%</b>	74.6%	<b>78.5%</b>	80.6%
NAIC-2	<b>32.4%</b>	31.4%	<b>14.5%</b>	12.5%	<b>34.8%</b>	33.3%	<b>22.6%</b>	20.7%	<b>16.3%</b>	14.1%
<b>Investment Grade:</b>	<b>93.9%</b>	93.9%	<b>95.4%</b>	95.6%	<b>95.8%</b>	96.1%	<b>93.4%</b>	95.4%	<b>94.8%</b>	94.7%
NAIC-3	<b>4.0%</b>	3.9%	<b>2.2%</b>	2.0%	<b>3.1%</b>	2.8%	<b>3.9%</b>	1.4%	<b>3.4%</b>	3.2%
NAIC-4	<b>1.6%</b>	1.6%	<b>1.4%</b>	1.3%	<b>1.0%</b>	1.0%	<b>1.8%</b>	1.7%	<b>1.7%</b>	1.8%
NAIC-5	<b>0.4%</b>	0.4%	<b>0.9%</b>	1.0%	<b>0.1%</b>	0.1%	<b>0.7%</b>	1.3%	<b>0.2%</b>	0.2%
NAIC-6	<b>0.1%</b>	0.1%	<b>0.2%</b>	0.1%	<b>0.0%</b>	0.0%	<b>0.1%</b>	0.2%	<b>0.0%</b>	0.1%
<b>Non-Investment Grade:</b>	<b>6.1%</b>	6.1%	<b>4.6%</b>	4.4%	<b>4.2%</b>	3.9%	<b>6.6%</b>	4.6%	<b>5.2%</b>	5.3%

## Corporate Bonds: Financials Still Top Sectors

Bonds issued by financial services companies, including banks and insurance companies, continued to comprise the largest portion of the industry's corporate bond exposure in 2015 at about 22% of the total but were down from 24% at year-end 2014. Consumer noncyclical bonds were again the second largest corporate bond sector, accounting for 17% of total corporate bond BACV in 2015, compared to 16% in 2014. Energy bonds, as in 2014, were 13% of total corporate bond BACV and the third largest sector; utilities were fourth at 12% of total corporate bonds versus 13% in 2014.

## Summary

The U.S. insurance industry's invested asset allocations did not experience significant changes from year-end 2014 to year-end 2015. Although our review discovered some minor movement among some of the assets, such as the growth in mortgage loans and Schedule BA assets, and the decline in common stock, the overriding trend was comparatively stable over the last five years.

U.S. insurers, as a whole, continued to hold the largest portion of their cash and invested assets in bonds, and more than half of those were in corporate bonds. The credit quality of insurers' bond portfolios remained overwhelmingly investment grade. Life companies continued to account for the industry's largest share of investments at 65% of total cash and invested assets, followed by P/C companies at 30%.

The Capital Markets Bureau will continue to monitor trends across the various invested asset types and report as deemed appropriate.

June 6, 2016			Change %			Prior			
			Close	Week	QTD	YTD	Week	Quarter	Year
<b>Major Insurer Share Prices</b>									
Life	Aflac	\$69.59	0.4	16.2	16.2		\$69.35	\$59.90	\$59.90
	Ameriprise	102.46	1.2	(3.7)	(3.7)		101.26	106.42	106.42
	Genworth	3.67	(0.4)	(1.7)	(1.7)		3.68	3.73	3.73
	Lincoln	45.59	(1.0)	(9.3)	(9.3)		46.04	50.26	50.26
	MetLife	45.00	(1.4)	(6.7)	(6.7)		45.63	48.21	48.21
	Principal	43.70	(1.3)	(2.8)	(2.8)		44.29	44.98	44.98
	Prudential	77.53	(2.3)	(4.8)	(4.8)		79.36	81.41	81.41
	UNUM	36.43	(0.9)	9.4	9.4		36.75	33.29	33.29
PC	Axis Capital	55.45	1.2	(1.4)	(1.4)		54.81	56.22	56.22
	Allstate	67.83	0.4	9.2	9.2		67.56	62.09	62.09
	Arch Capital	71.94	(0.1)	3.1	3.1		72.00	69.75	69.75
	Cincinnati	69.62	0.8	17.7	17.7		69.06	59.17	59.17
	Chubb	127.12	0.1	(4.2)	(4.2)		127.03	132.64	132.64
	Everest Re	178.05	(0.1)	(2.8)	(2.8)		178.31	183.09	183.09
	Progressive	32.87	(1.0)	3.3	3.3		33.19	31.80	31.80
	Travelers	114.66	0.5	1.6	1.6		114.06	112.86	112.86
	WR Berkley	56.57	(0.0)	3.3	3.3		56.58	54.75	54.75
	XL	33.83	(1.7)	(13.7)	(13.7)		34.41	39.18	39.18
Other	AON	\$109.37	1.2	18.6	18.6		\$108.02	\$92.21	\$92.21
	AIG	57.58	(1.0)	(7.1)	(7.1)		58.16	61.97	61.97
	Assurant	84.97	(2.5)	5.5	5.5		87.16	80.54	80.54
	Fidelity National	35.57	3.2	2.6	2.6		34.48	34.67	34.67
	Hartford	44.65	(1.1)	2.7	2.7		45.13	43.46	43.46
	Marsh	66.39	0.9	19.7	19.7		65.78	55.45	55.45
Health	Aetna	\$122.77	8.5	13.5	13.5		\$113.15	\$108.12	\$108.12
	Cigna	129.30	0.2	(11.6)	(11.6)		129.02	146.33	146.33
	Humana	189.30	9.4	6.0	6.0		173.04	178.51	178.51
	United	138.31	3.4	17.6	17.6		133.81	117.64	117.64
Monoline	Assured	\$26.91	(0.7)	1.8	1.8		\$27.10	\$26.43	\$26.43
	MBIA	6.98	(5.8)	7.7	7.7		7.41	6.48	6.48
	MGIC	6.87	(2.2)	(22.3)	(22.3)		7.02	8.83	8.83
	Radian	11.90	(4.4)	(11.2)	(11.2)		12.44	13.39	13.39
	XL Capital	33.83	(1.7)	(13.7)	(13.7)		34.41	39.18	39.18

June 6, 2016		Change %			Prior		
Major Market Variables	Close	Week	QTD	YTD	Week	Quarter	Year
Dow Jones Ind	17,939.89	0.5	3.0	3.0	17,851.58	17,425.03	17,425.03
S&P 500	2,113.08	0.9	3.4	3.4	2,094.11	2,043.94	2,043.94
S&P Financial	319.18	(0.1)	(0.8)	(0.8)	319.63	321.73	321.73
S&P Insurance	316.72	(0.5)	2.9	2.9	318.25	307.71	307.71
US Dollar \$		Change %			Prior		
/ Euro	\$1.14	2.3	4.6	4.6	\$1.11	\$1.09	\$1.09
/ Crude Oil bbl	49.67	1.0	33.9	33.9	49.20	37.09	37.09
/ Gold oz	1,244.70	3.0	17.5	17.5	1,208.70	1,059.60	1,059.60
Treasury Ylds %	%	Change bp			%	%	%
1 Year	0.59	(0.10)	(0.01)	(0.01)	0.69	0.60	0.60
10 Year	1.72	(0.13)	(0.55)	(0.55)	1.85	2.27	2.27
30 Year	2.54	(0.10)	(0.47)	(0.47)	2.65	3.02	3.02
Corp Credit Spreads -bp		Change %			Prior		
CDXIG	74.32	(2.5)	(15.8)	(15.8)	76.24	88.24	88.24

Major Insurer Bond Yields		Weekly Change					YTD		
		Company	Coupon	Maturity	Price		Spread over UST		Spread
					Current	Change	Yield	B.P.	Change
Life	Ameriprise	5.300%	3/15/2020	\$111.33	(\$0.63)	2.19%	104	12	10
	Genworth	6.515%	5/15/2018	\$98.69	(\$0.81)	7.29%	636	7	24
	Lincoln National	8.750%	7/15/2019	\$118.74	\$0.37	2.37%	138	41	20
	MassMutual	8.875%	6/15/2039	\$148.92	\$0.53	5.20%	292	7	36
	MetLife	4.750%	2/15/2021	\$111.48	(\$0.35)	2.19%	92	3	3
	New York Life	6.750%	11/15/2039	\$133.37	\$0.44	4.44%	216	1	23
	Northwestern Mutual	6.063%	3/15/2040	\$124.17	\$0.06	4.41%	211	8	30
	Pacific Life	9.250%	6/15/2039	\$147.00	\$2.72	5.59%	332	3	44
	Principal	6.050%	10/15/2036	\$121.46	\$1.47	4.44%	225	(8)	17
	Prudential	4.500%	11/15/2020	\$109.65	\$0.46	2.20%	103	7	(5)
	TIAA	6.850%	12/15/2039	\$131.17	\$1.12	4.66%	237	6	10
P&C	ACE INA	5.900%	6/15/2019	\$112.25	\$0.15	1.72%	73	(9)	(9)
	Allstate	7.450%	5/15/2019	\$115.51	(\$0.06)	1.98%	89	(21)	(9)
	American Financial	9.875%	6/15/2019	\$120.36	(\$0.17)	2.79%	170	7	(8)
	Berkshire Hathaway	5.400%	5/15/2018	\$108.27	(\$0.06)	1.07%	24	(7)	(19)
	Travelers	3.900%	11/15/2020	\$109.03	\$0.82	1.76%	60	4	(12)
	XL Group	6.250%	5/15/2027	\$117.51	(\$0.00)	4.23%	234	(1)	39
Other	AON	5.000%	9/15/2020	\$111.03	\$0.16	2.30%	113	(2)	9
	AIG	5.850%	1/15/2018	\$106.83	\$0.53	1.52%	77	1	(9)
	Hartford	5.500%	3/15/2020	\$111.69	(\$0.17)	2.28%	116	8	(1)
	Nationwide	9.375%	8/15/2039	\$149.29	(\$0.00)	5.56%	327	(3)	45
Health	Aetna	3.950%	9/15/2020	\$107.01	(\$0.74)	2.20%	104	44	8
	CIGNA	5.125%	6/15/2020	\$110.92	(\$0.14)	2.27%	108	(15)	(13)
	United Healthcare	3.875%	10/15/2020	\$108.22	\$0.06	1.90%	62	(10)	(8)
	Wellpoint	4.350%	8/15/2020	\$108.13	(\$0.06)	2.30%	113	(11)	(9)

Questions and comments are always welcome. Please contact the Capital Markets Bureau at [CapitalMarkets@naic.org](mailto:CapitalMarkets@naic.org).

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