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Year-End 2014 Insurance Industry Investment Portfolio Asset Allocations

The asset allocations of U.S. insurers' portfolios have been fairly steady dating back to at least 2010. As of year-end 2014, the top five asset classes as a percentage of total cash and invested assets were bonds (67%), followed by common stock (11.9%), mortgages (6.8%), other assets reported in Schedule BA (5.4%) and cash (4%). Further highlighting the consistency is that the allocation to bonds decreased by only 2.5 percentage points from 69.5% in 2010 to 67% at year-end 2014.

Table 1: Insurance Industry Historical Asset Allocation (\$mil)

Asset Class	2014	2013	2012	2011	2010
Bonds	3,858,960	3,726,046	3,632,247	3,519,318	3,391,815
Preferred Stock	24,781	20,833	21,149	20,616	27,231
Common Stock	684,242	669,400	588,067	544,283	515,008
Mortgages, First Lien	393,429	368,469	348,335	329,789	313,264
Real Estate	38,461	38,617	38,049	36,988	35,760
Cash & Short-Term Investments	227,837	210,985	223,005	194,647	199,970
Contract Loans	133,108	130,475	129,500	123,731	121,200
BA & Other	313,451	286,814	264,136	240,282	225,932
Other Receivables	13,969	12,359	9,865	10,930	13,926
Derivatives	57,141	38,236	41,934	43,511	20,536
Securities Lending (Reinvested Collateral)	16,539	18,948	15,006	14,921	17,819
Industry Total	5,761,918	5,521,182	5,311,294	5,079,014	4,882,461

Table 2: Insurance Industry Historical Asset Allocation (% of Total Cash and Invested Assets)

Asset Class	2014	2013	2012	2011	2010
Bonds	67.0%	67.5%	68.4%	69.3%	69.5%
Preferred Stock	0.4%	0.4%	0.4%	0.4%	0.6%
Common Stock	11.9%	12.1%	11.1%	10.7%	10.5%
Mortgages, First Lien	6.8%	6.7%	6.6%	6.5%	6.4%
Real Estate	0.7%	0.7%	0.7%	0.7%	0.7%
Cash & Short-Term Investments	4.0%	3.8%	4.2%	3.8%	4.1%
Contract Loans	2.3%	2.4%	2.4%	2.4%	2.5%
BA & Other	5.4%	5.2%	5.0%	4.7%	4.6%
Other Receivables	0.2%	0.2%	0.2%	0.2%	0.3%
Derivatives	1.0%	0.7%	0.8%	0.9%	0.4%
Securities Lending (Reinvested Collateral)	0.3%	0.3%	0.3%	0.3%	0.4%

Since 2010, the book/adjusted carrying value (BACV) of derivative transactions increased 178.2%. Investments in alternative assets such as private equity, hedge funds and joint ventures in real estate increased 38.7% over the same period. The increase in alternative assets, similar to most other investments held by insurers, is affected by the inclusion of affiliated investments. Affiliated alternative investments account for more than 56% of alternative investments. Investments in common stock also increased over that period 32.9%.

Portfolio compositions vary depending on type of insurer, due mostly to appropriately matching assets to liabilities and taking into consideration relative duration and liquidity risk. Portfolio

composition also varies by insurer size, likely due to the increased use by larger insurers of outside managers specializing in alternative assets, as well as internal resources and investment expertise. Insurers with less than \$250 million in cash and invested assets hold about 69% in bonds, 10% in common stock, and about 17% in cash and other short-term investments, whereas insurers with more than \$10 billion in cash and invested assets hold about 66% in bonds, 11% in common stock, and less than 3% in cash and other short-term investments. Insurers with more than \$10 billion in assets hold almost 72% of all cash and invested assets in the U.S. insurance industry.

Table 3: Year-End 2014 Insurance Industry Asset Allocations by Insurer Size (\$mil)

Asset Class	Less than \$250mm	Between \$250mm and \$499mm	Between \$500mm and \$999mm	Between \$1B and \$2.49B	Between \$2.5B and \$4.9B	Between \$5B and \$9.9B	At least \$10B	Asset Class Total
Bonds	119,530	96,347	108,653	273,820	253,265	292,619	2,714,710	3,858,943
Preferred Stock	693	704	755	2,812	1,835	2,166	15,815	24,781
Common Stock	17,553	20,196	22,499	63,227	46,096	67,943	446,726	684,241
Mortgages, First Lien	649	1,684	1,185	6,155	9,302	19,326	355,128	393,429
Real Estate	1,505	1,481	1,717	3,684	2,554	2,585	24,934	38,461
Cash & Short-term Investments	29,713	16,143	11,416	22,913	11,072	16,878	119,896	228,030
Contract Loans	450	915	671	4,067	4,497	8,770	113,736	133,108
BA & Other Invested Assets	1,961	2,690	3,804	14,154	10,119	18,822	261,902	313,452
Other receivables	290	413	259	356	1,913	857	9,881	13,969
Derivatives	3	5	47	461	609	2,789	53,229	57,141
Securities lending (reinvested collateral)	235	256	467	1,475	1,635	1,595	10,876	16,539
Asset Bucket Total	172,583	140,838	151,473	393,123	342,897	434,351	4,126,834	5,762,094
Asset Bucket Total/Total (%)	3.0%	2.4%	2.6%	6.8%	6.0%	7.5%	71.6%	100.0%

This special report provides an update on the insurance industry's portfolio asset allocations, a historical perspective, and a breakdown of the bond sector and bond credit quality, as well as a further breakdown of the corporate bond exposure relative to the largest sectors/industries, as of year-end 2014.

Asset Allocations Comparison Between 2014 and 2013

In 2014, the overall BACV of the insurance industry's cash and invested assets increased 4.4%, to \$5.76 trillion from \$5.52 trillion in 2013. As shown in Table 2, the majority of insurance industry investments were in bonds. Bonds also were the largest component of investment portfolios across each of the five insurance company types. In this report, "bonds" include categories such as corporate debt, municipal bonds, structured securities, U.S. government bonds and foreign government bonds. (See Table 6 and Table 7 for a more detailed listing of the bond categories.) The BACV of bonds at year-end 2014 increased 3.6% to \$3.86 trillion from \$3.73 trillion in 2013.

Common stock and mortgages represented the second- and third-largest assets types at 11.9% and 6.8%, respectively. The top three asset types as a percentage of total cash and invested assets have not changed since 2010. At year-end 2014, common stock investments increased 2.2% to \$684.2 billion from \$669.4 billion in 2013. This follows a 13.1% increase in 2013 over 2012. In 2013, the Standard & Poor's 500 Index (S&P) was up 26% and insurer exposure to common stock increased 13.1%, while in 2014, the S&P was up 11.5% and exposure increased only 2.2%. This suggests that while there was growth in common stock, the industry was taking gains. Note that common stock exposure includes affiliate investments. Mortgages accounted for \$393.4 billion and \$368.5 billion at year-end 2014 and 2013, respectively, for a 6.8% increase.

In 2014, the BACV of derivatives increased 49.4% to \$57.1 billion from approximately \$38.2 billion in 2013. The notional value of derivatives transactions increased to \$2,015 billion at year-end 2014 from \$1,854 billion in 2013. Interest rate swaps represented the largest increase to \$818 million at year-end 2014 from \$714.6 million in 2013. Preferred stock increased 19%, followed by other receivables, also known as broker receivables, by 13.1%. The only decline in assets year-over-year (YOY) was in securities lending (reinvested collateral), which decreased 12.7%. Cash and short-term investments increased 8%.

Table 4: Year-End 2014 Insurance Industry Asset Allocations (\$mil)

Asset Class	Life	P/C	Health	Fraternal	Title	Asset Class Total	Asset Class Total/Total (%)
Bonds	2,694,174	966,972	97,644	95,076	5,005	3,858,870	67.0%
Common Stock	149,446	496,614	32,987	3,476	1,678	684,201	11.9%
Mortgages, First Lien	373,020	10,023	38	10,310	38	393,429	6.8%
BA & Other	164,632	136,160	8,735	3,533	391	313,451	5.4%
Cash & Short-Term Instruments	100,748	94,292	29,083	2,847	836	227,807	4.0%
Contract Loans	130,241	-	0	2,868	-	133,108	2.3%
Derivatives	56,488	637	6	10	-	57,141	1.0%
Real Estate	21,929	10,208	5,859	299	165	38,461	0.7%
Preferred Stock	9,192	14,722	296	297	274	24,781	0.4%
Securities Lending (Reinvested Collateral)	11,156	2,948	1,638	797	-	16,539	0.3%
Other Receivables	6,199	7,031	723	28	0	13,981	0.2%
Industry Total	3,717,225	1,739,605	177,010	119,541	8,388	5,761,769	100.0%
Industry Total/ Total (%)	64.5%	30.2%	3.1%	2.1%	0.1%	100.0%	

Table 5: Year-End 2013 Insurance Industry Asset Allocations (\$mil)

Asset Class	Life	P/C	Health	Fraternal	Title	Asset Class Total	Asset Class Total/Total (%)
Bonds	2,581,240	951,671	96,485	91,571	5,079	3,726,046	67.5%
Common Stock	151,705	474,753	38,091	3,174	1,677	669,400	12.1%
Mortgages, First Lien	350,189	7,989	46	10,203	41	368,469	6.7%
Cash & Short-Term Investments	94,058	87,428	26,435	2,218	846	210,985	3.8%
Contract Loans	127,590	4	1	2,881	-	130,475	2.4%
Real Estate	22,232	10,028	5,861	321	176	38,617	0.7%
Derivatives	37,659	578	6	(7)	-	38,236	0.7%
Preferred Stock	8,200	11,725	400	310	198	20,833	0.4%
Securities Lending (Reinvested Collateral)	13,740	3,150	1,247	811	-	18,948	0.3%
Other Receivables	4,824	7,030	490	16	0	12,359	0.2%
BA & Other	146,577	127,900	8,705	3,228	404	286,814	0.0%
Industry Total	3,538,014	1,682,254	177,767	114,726	8,422	5,521,182	100.0%
Industry Total/Total (%)	64.1%	30.5%	3.2%	2.1%	0.2%	100.0%	

Life companies accounted for the majority of BACV of cash and invested assets in the industry, at 64.1% as of year-end 2014. P/C companies represented the second-largest, at 30.5% of total cash and invested assets at year-end 2014. Similar to the broader asset class allocations, the overall composition of the insurance industry's investment portfolios by insurer type did not noticeably change YOY.

The assets of life companies grew 5.1%, while P/C company assets grew 3.4% from year-end 2013 to year-end 2014. The noticeable difference in percentage allocation of bonds and common stock between life and P/C has always been a point of interest to industry observers. In 2014, life companies had 72.5% of total assets in bonds versus 55.6% for P/C companies, whereas life companies allocated 4.0% to common stock versus 28.5% for P/C; however, a sizable portion of the common stock allocation is to affiliated companies and is skewed by a few large insurers that are heavily weighted to equities.

Bonds' Breakdown Comparison Between 2014 and 2013

In terms of specific bond types within the insurance industry, Table 6 and Table 7 show that approximately half of all bond investments were corporate bonds for year-end 2014 and year-end 2013; this trend was also the same for year-end 2012. Corporate bonds were also the largest exposure in 2011 at 49.5% of total cash and invested assets. As of year-end 2014, total corporate bond investments were almost \$2.1 trillion (or approximately 53% of total bond investments), representing a 4.5% increase over year-end 2013 when corporate bond investments totaled about \$1.97 trillion.

Life and P/C companies diverged in their allocation to municipal bonds; that is, life companies' exposure increased while P/C companies' decreased from year-end 2013 to year-end 2014. Municipal bonds remain the second-largest bond category for the insurance industry since year-

end 2011. The exposure was about \$540.6 billion, representing a slight (0.7%) increase over \$537 billion at year-end 2013. Large year over year increases were evident in terms of BACV for agency commercial mortgage-backed securities (CMBS)—11.1% increase from 2013 to 2014—although, as a percent of total bonds, agency CMBS exposure was 0.9% for both years. Agency CMBS are mortgage-backed securities primarily backed by commercial multifamily housing, unlike the broader mix of property types for non-agency CMBS. Similarly, the BACV of asset-backed securities (ABS) and other structured securities increased 12.1% from 2013 to 2014 (while as a percent of total bonds, ABS and other structured securities' exposure only increased from 6.3% to 6.8%, as shown in Tables 6 and 7).

Analysis also shows small percentage decreases (in terms of BACV) as of year-end 2014 for foreign government bonds (-3.1%) and hybrid securities (-3%), and a small decrease in agency-backed residential mortgage-backed securities (RMBS) (-1.8%). Year-over-year 2014 total bond investments increased 3.6% from year-end 2013.

The industry's bond breakdown has changed very little since 2010. The top two bond types were corporate bonds (50% of total bonds) and municipal bonds (14%). Agency-backed RMBS was the third largest exposure at 10% of total bonds. The allocation to agency-backed RMBS, which was 7.8% of total bonds at year-end 2014, was 10% in 2010.

Table 6: Year-End 2014 Bond Breakdown (\$mil)

Bond Type	Life	P/C	Health	Fraternal	Title	Bond Total	Bond Total/Total (%)
Corporate Bonds	1,633,805	324,283	37,447	62,755	2,882	2,061,173	53.4%
Municipal Bonds	167,885	339,847	22,666	8,765	1,413	540,576	14.0%
Agency-Backed RMBS	195,673	82,503	13,207	9,016	244	300,643	7.8%
ABS and Other Structured Securities	204,904	49,115	4,675	2,700	39	261,434	6.8%
US Government	142,922	84,461	13,215	3,205	203	244,005	6.3%
Private-Label CMBS	133,660	31,816	4,472	3,120	-	173,069	4.5%
Private-Label RMBS	91,591	20,173	791	1,389	0	113,944	3.0%
Foreign Government	77,350	23,976	518	1,281	202	103,326	2.7%
Agency-Backed CMBS	23,860	8,636	423	2,466	18	35,404	0.9%
Hybrid Securities	22,524	2,162	229	377	0	25,292	0.7%
Industry Total	2,694,174	966,971	97,644	95,076	5,003	3,858,867	100.0%
Industry Total/Total (%)	69.8%	25.1%	2.5%	2.5%	0.1%	100.0%	

Table 7: Year-End 2013 Bond Breakdown (\$mil)

Bond Type	Life	P/C	Health	Fraternal	Title	Bond Total	Bond Total/Total (%)
Corporate Bonds	1,560,570	311,913	36,298	60,827	2,710	1,972,318	52.9%
Municipal Bonds	159,845	346,219	22,931	6,422	1,563	536,980	14.4%
Agency-Backed RMBS	198,163	83,974	14,266	9,527	338	306,268	8.2%
ABS and Other Structured Securities	184,315	42,650	3,498	2,789	32	233,284	6.3%
US Government	132,706	81,600	13,455	3,414	224	231,400	6.2%
Private-Label CMBS	131,695	28,672	3,952	3,208	1	167,528	4.5%
Private-Label RMBS	91,815	19,249	862	1,715	0	113,641	3.0%
Foreign Government	76,853	27,647	569	1,421	190	106,681	2.9%
Agency-backed CMBS	21,814	7,857	354	1,833	20	31,878	0.9%
Hybrid Securities	23,463	1,889	297	416	1	26,066	0.7%
Industry Total	2,581,240	951,671	96,482	91,571	5,079	3,726,043	100.0%
Industry Total/Total (%)	69.3%	25.5%	2.6%	2.5%	0.1%	100.0%	

Corporate bonds continue to be the largest category for four of the five insurance company types. The one exception, P/C companies, had its largest exposure in municipal bonds, at approximately \$339.8 billion in BACV (or 35.1% of P/C companies' total bond investments at year-end 2014). For life companies, corporate bonds represented \$1.6 trillion (or 60.6% of total bond investments). As Table 8 and Table 9 show, the percentage mix of bond types varies between the different insurance company types due, in part, to duration management and risk appetite. Municipal bonds are the largest bond type for P/C companies; however, they remain only 6% of life companies' total bond investments. P/C companies generally benefit more from the tax exempt status of most municipal bonds.

Life companies continue as holders of the largest concentration of non-agency (private label) RMBS and CMBS among insurers; however, as a percentage of total bonds the aggregate exposure decreased to 8.4% at year-end 2014 from 8.7% as of 2013. As the housing market recovers, followed perhaps, by an increase in new issuance, insurers may find these assets attractive investments given the higher yields they offer compared to the more traditional investments. Even though U.S. government-related and foreign government debt are usually a small part of insurers' invested assets, they serve a particular role in their investment portfolios. Insurers typically have a portion of their assets in U.S. Treasuries for a number of reasons, including high credit quality, favorable liquidity, wide maturity distribution, zero haircut in the calculation of RBC, and universal acceptability serving as required collateral in derivative transactions. The overall insurance industry holdings of U.S. government debt increased to about \$244 billion as of year-end 2014 from about \$231.4 billion in 2013, after three years of declines starting at year-end 2011 when exposure was about \$299 billion. In addition to use as collateral for many transactions, investment in U.S. government debt may have increased over the last year due to economic uncertainty in the euro area as well as the turmoil that occurred in Russia and Ukraine, among other reasons.

Table 8: Year-End 2014 Bond Breakdown (%)

Bond Type	Life	P/C	Health	Fraternal	Title
Corporate Bonds	60.6%	33.5%	38.4%	66.0%	57.6%
Municipal Bonds	6.2%	35.1%	23.2%	9.2%	28.2%
Agency-Backed RMBS	7.3%	8.5%	13.5%	9.5%	4.9%
ABS and Other Structured Securities	7.6%	5.1%	4.8%	2.8%	0.8%
US Government	5.3%	8.7%	13.5%	3.4%	4.1%
Private-Label CMBS	5.0%	3.3%	4.6%	3.3%	0.0%
Private-Label RMBS	3.4%	2.1%	0.8%	1.5%	0.0%
Foreign Government	2.9%	2.5%	0.5%	1.3%	4.0%
Agency-Backed CMBS	0.9%	0.9%	0.4%	2.6%	0.4%
Hybrid Securities	0.8%	0.2%	0.2%	0.4%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Table 9: Year-End 2013 Bond Breakdown (%)

Bond Type	Life	P/C	Fraternal	Title	Health
Corporate Bonds	60.5%	32.8%	66.4%	53.4%	37.6%
ABS and Other Structured Securities	7.1%	4.5%	3.0%	0.6%	3.6%
Agency-Backed RMBS	7.7%	8.8%	10.4%	6.6%	14.8%
Municipal Bonds	6.2%	36.4%	7.0%	30.8%	23.8%
US Government	5.1%	8.6%	3.7%	4.4%	13.9%
Private-Label CMBS	5.1%	3.0%	3.5%	0.0%	4.1%
Private-Label RMBS	3.6%	2.0%	1.9%	0.0%	0.9%
Foreign Government	3.0%	2.9%	1.6%	3.7%	0.6%
Hybrid Security	0.9%	0.2%	0.5%	0.0%	0.3%
Agency-Backed CMBS	0.8%	0.8%	2.0%	0.4%	0.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Credit Quality Breakdown

The insurance industry's bond exposure continues to be predominantly investment grade credit risk with the concentration of NAIC 1 to NAIC 2 designations barely changed YOY; however, as of year-end 2014, the analysis also shows a small increase in non-investment grade designations (NAIC 3 to NAIC 6). There has been a reallocation of bonds designated NAIC 1 to NAIC 2 from 2010 to 2014. In 2010, bonds designated NAIC 1 were 71% of total bonds, while bonds carrying NAIC 2 designations were 23%. As of year-end 2014, bonds designated NAIC 1 and NAIC 2 were 68% and 26% of total bonds, respectively.

Table 10: Year-End 2014 Bond Breakdown – Historical NAIC Designation (%)

NAIC Designation	2014	2013	2012	2011	2010
1	68%	68%	68%	70%	71%
2	26%	27%	26%	24%	23%
Investment Grade	94%	95%	94%	94%	94%
3	3%	3%	3%	3%	3%
4	2%	2%	2%	2%	2%
5	1%	1%	1%	1%	1%
6	0%	0%	0%	0%	0%
Non-Investment Grade	6%	5%	6%	6%	6%

Between 94% and 96% of all insurance industry bond investments were investment grade (NAIC 1 and NAIC 2 designations) at year-end 2014. Life companies' concentration of investment grade holdings was about 94%, while fraternal companies held about 95%. The breakdown between NAIC 1 and NAIC 2 designations shows some fairly significant differences between insurer types. Life and fraternal companies have a much smaller share of NAIC 1-designated investments, and were 62.5% and 62.8% of total bond investments, respectively. This compares to the remaining three insurer types' proportions, which ranged from 74.6% to 83%. The shift from high investment grade to lower investment grade increases the yield from the insurers' invested assets, but it also slightly increases the risk and, ultimately, expected loss of the investment portfolio.

Table 11: Year-End 2014 Bond Breakdown – NAIC Designation (%)

NAIC Designation	Life	P/C	Fraternal	Title	Health
1	62.5%	83.1%	62.8%	74.6%	80.6%
2	31.4%	12.5%	33.3%	20.7%	14.1%
Investment Grade	93.9%	95.6%	96.1%	95.4%	94.6%
3	3.9%	2.0%	2.8%	1.4%	3.2%
4	1.6%	1.3%	1.0%	1.7%	1.8%
5	0.4%	1.0%	0.1%	1.3%	0.2%
6	0.1%	0.1%	0.0%	0.2%	0.1%
Non-Investment Grade	6.1%	4.4%	3.9%	4.6%	5.4%

Table 12: Year-End 2013 Bond Breakdown – NAIC Designation (%)

NAIC Designation	Life	P/C	Fraternal	Title	Health
1	61.7%	83.1%	63.2%	77.0%	80.3%
2	32.3%	12.8%	33.3%	20.0%	14.0%
Investment Grade	94.0%	95.9%	96.5%	97.0%	94.3%
3	3.8%	1.8%	2.4%	0.2%	3.0%
4	1.6%	1.2%	1.0%	1.4%	1.8%
5	0.5%	1.0%	0.1%	1.4%	0.8%
6	0.1%	0.1%	0.0%	0.1%	0.1%
Non-Investment Grade	6.0%	4.1%	3.5%	3.0%	5.7%

Corporate Bonds' Sector/Industry Breakdown Comparison Between 2014 and 2013

Financials are still the largest sector among corporate bonds held by insurance companies in terms of BACV (about \$376.3 billion), representing 24% of total insurance industry corporate bond exposure as of year-end 2014—a small increase from 23% at year-end 2013 but a decrease from 28% in 2010. Financial institutions have been major issuers in the corporate bond market, often accounting for well in excess of 35% of total issuance. The financial crisis raised concerns about volatility in this sector, including the risk of interconnectedness. A more detailed analysis of the U.S. insurance industry's exposure to the financial sector was published Feb. 12, 2015, in a special report titled "U.S. Insurance Industry Exposure to the Financial Sector in 2014."

The utilities sector (including electric, gas and water companies) was replaced in 2014 by consumer, non-cyclical as the second-largest sector, which accounted for 16% of the industry's total corporate bond exposure at year-end 2014, while the energy sector (including oil, gas, coal and renewable energy producers) remained third-largest sector with a 13% share of total year-end 2014 corporate bond holdings. The utilities sector dropped to fourth largest sector in terms of exposure in 2014 to 12%. The composition of the top four sectors invested by insurers has not changed since 2010, but the rank order has. At year-end 2010, financials were the largest sector, followed by consumer, non-cyclical (14.3%), utilities (14.1%), and energy (11.0%).

Summary

The insurance industry's asset allocations have not changed significantly over time, even as insurers make slight adjustments in line with changing economic and market conditions. Bonds continue to be the preferred investment type. Corporate bonds are the preferred bond type.

Overall, the broad asset allocations of the insurance industry's investment portfolios have remained fairly stable YOY, although some asset type proportions have shifted slightly.

Notably, corporate bonds' share of total bond investments has increased YOY, including in 2014 for the fourth consecutive year. Similarly, both the absolute amount of municipal bonds and their share of total bond investments have steadily increased over the past three years.

Notwithstanding the rating action on Puerto Rico in early 2015, as well as the rating action on the state of Illinois and the city of Chicago stemming from ongoing concerns about pension and retiree benefits, municipal credit concerns have diminished. Insurers increased their exposure to U.S. government bonds after a reduction in 2013. A slight shift from investment grade bonds to non-investment grade occurred in 2014; however, NAIC 1- and NAIC 2-designated assets continue to comprise the largest share of invested assets.

The Capital Markets Bureau will continue to monitor trends within the asset allocations in the insurance industry and report on any developments as deemed appropriate.

June 15, 2015								
Major Insurer Share Prices		Change %				Prior		
Close		Week	QTD	YTD	Week	Quarter	Year	
Life	Aflac	\$62.05	0.4	(3.1)	1.6	\$61.81	\$64.01	\$61.09
	Ameriprise	127.89	1.0	(2.3)	(3.3)	126.61	130.84	132.25
	Genworth	7.87	(0.1)	7.7	(7.4)	7.88	7.31	8.50
	Lincoln	60.63	2.0	5.5	5.1	59.43	57.46	57.67
	MetLife	55.57	2.1	9.9	2.7	54.45	50.55	54.09
	Principal	52.05	0.3	1.3	0.2	51.88	51.37	51.94
	Prudential	88.58	0.4	10.3	(2.1)	88.24	80.31	90.46
	UNUM	36.64	1.5	8.6	5.0	36.09	33.73	34.88
PC	ACE	\$105.43	0.7	(5.4)	(8.2)	\$104.68	\$111.49	\$114.88
	Axis Capital	55.34	2.6	7.3	8.3	53.96	51.58	51.09
	Allstate	66.67	0.3	(6.3)	(5.1)	66.48	71.17	70.25
	Arch Capital	65.49	2.0	6.3	10.8	64.23	61.60	59.10
	Cincinnati	50.36	(0.3)	(5.5)	(2.8)	50.53	53.28	51.83
	Chubb	96.80	1.5	(4.3)	(6.4)	95.41	101.10	103.47
	Everest Re	182.33	(0.2)	4.8	7.1	182.61	174.00	170.30
	Progressive	27.59	1.0	1.4	2.2	27.31	27.20	26.99
	Travelers	98.79	(0.5)	(8.6)	(6.7)	99.31	108.13	105.85
	WR Berkley	51.19	3.4	1.3	(0.1)	49.50	50.51	51.26
	XL	37.36	0.9	1.5	8.7	37.04	36.80	34.37
Other	AON	\$102.56	1.6	6.7	8.2	\$100.97	\$96.12	\$94.83
	AIG	62.57	3.4	14.2	11.7	60.50	54.79	56.01
	Assurant	66.60	1.0	8.5	(2.7)	65.92	61.41	68.43
	Fidelity National	36.10	(2.1)	(1.8)	4.8	36.86	36.76	34.45
	Hartford	41.75	0.5	(0.2)	0.1	41.54	41.82	41.69
	Marsh	58.82	1.7	4.9	2.8	57.85	56.09	57.24
Health	Aetna	\$121.01	3.6	13.6	36.2	\$116.86	\$106.53	\$88.83
	Cigna	153.43	10.0	18.5	49.1	139.50	129.44	102.91
	Humana	206.58	(3.6)	16.0	43.8	214.38	178.02	143.63
	United	118.98	2.1	0.6	17.7	116.53	118.29	101.09
Monoline	Assured	\$28.85	1.1	9.3	11.0	\$28.55	\$26.39	\$25.99
	MBIA	9.02	1.3	(3.0)	(5.5)	8.90	9.30	9.54
	MGIC	11.16	2.9	15.9	19.7	10.85	9.63	9.32
	Radian	18.37	2.2	9.4	9.9	17.97	16.79	16.72
	XL Capital	37.36	0.9	1.5	8.7	37.04	36.80	34.37
June 15, 2015								
Major Market Variables		Change %				Prior		
Close		Week	QTD	YTD	Week	Quarter	Year	
	Dow Jones Ind	17,791.17	(0.3)	0.1	(0.2)	17,849.46	17,776.12	17,823.07
	S&P 500	2,084.43	(0.4)	0.8	1.2	2,092.83	2,067.89	2,058.90
	S&P Financial	334.95	0.6	3.1	0.5	333.08	324.95	333.32
	S&P Insurance	310.86	1.3	3.4	1.2	306.90	300.59	307.04
US Dollar \$		Change %				Prior		
	/ Euro	\$1.13	1.5	5.1	(6.7)	\$1.11	\$1.07	\$1.21
	/ Crude Oil bbl	59.66	1.3	25.3	10.8	58.91	47.60	53.83
	/ Gold oz	1,185.30	1.5	0.2	0.3	1,167.80	1,183.10	1,182.10
Treasury Ylds %		Change bp				%		
	1 Year	0.26	(0.01)	(0.00)	0.04	0.27	0.26	0.22
	10 Year	2.36	(0.05)	0.43	0.19	2.41	1.93	2.17
	30 Year	3.09	(0.02)	0.55	0.34	3.11	2.54	2.75
Corp Credit Spreads -bp		Change %				Prior		
	CDX.IG	10.72	3.7	3.5	(8.3)	10.34	10.35	11.69

June 15, 2015									
Major Insurer Bond Yields				Weekly Change					YTD
Company	Coupon	Maturity	Price			Spread over UST		Spread	
			Current	Change	Yield	B.P.	Change	Change	
Life	Ameriprise	5.300%	3/15/2020	\$113.15	\$0.01	2.35%	65	3	(9)
	Genworth	6.515%	5/15/2018	\$105.31	(\$0.06)	4.55%	337	1	(101)
	Lincoln National	8.750%	7/15/2019	\$123.23	(\$0.22)	2.64%	118	6	3
	MassMutual	8.875%	6/15/2039	\$149.48	(\$0.37)	5.23%	223	(6)	28
	MetLife	4.750%	2/15/2021	\$110.55	(\$0.15)	2.72%	83	6	7
	New York Life	6.750%	11/15/2039	\$131.54	(\$1.11)	4.59%	164	6	9
	Northwestern Mutual	6.063%	3/15/2040	\$120.18	(\$1.24)	4.68%	171	5	22
	Pacific Life	9.250%	6/15/2039	\$149.14	(\$0.78)	5.53%	261	7	17
	Principal	6.050%	10/15/2036	\$115.48	(\$0.83)	4.87%	205	11	31
	Prudential	4.500%	11/15/2020	\$108.79	\$0.07	2.74%	88	(2)	(11)
TIAA	6.850%	12/15/2039	\$126.91	(\$0.93)	4.94%	204	10	37	
P&C	ACE INA	5.900%	6/15/2019	\$113.73	\$0.41	2.28%	77	(11)	(7)
	Allstate	7.450%	5/15/2019	\$118.76	\$0.06	2.40%	95	(0)	11
	American Financial	9.875%	6/15/2019	\$125.33	\$0.03	3.08%	159	2	14
	Berkshire Hathaway	5.400%	5/15/2018	\$111.13	(\$0.06)	1.47%	38	2	(3)
	Travelers	3.900%	11/15/2020	\$107.82	\$0.31	2.34%	53	1	(8)
	XL Group	6.250%	5/15/2027	\$117.06	\$0.01	4.39%	182	(5)	(2)
Other	AON	5.000%	9/15/2020	\$110.50	\$0.15	2.85%	101	0	5
	AIG	5.850%	1/15/2018	\$110.17	(\$0.18)	1.80%	85	6	17
	Hartford	5.500%	3/15/2020	\$112.16	(\$0.56)	2.77%	105	13	6
	Nationwide	9.375%	8/15/2039	\$149.64	(\$3.36)	5.60%	271	22	24
Health	Aetna	3.950%	9/15/2020	\$106.52	(\$0.04)	2.60%	78	1	(16)
	CIGNA	5.125%	6/15/2020	\$112.20	\$0.22	2.51%	72	(1)	(22)
	United Healthcare	3.875%	10/15/2020	\$106.97	\$0.06	2.47%	61	5	(4)
	Wellpoint	4.350%	8/15/2020	\$108.30	\$0.09	2.62%	82	2	(9)

Questions and comments are always welcomed. Please contact the Capital Markets Bureau at CapitalMarkets@naic.org

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