NAIC National Association of Insurance Commissioners & The Center for Insurance Policy and Research

Capital Markets Special Report

The **NAIC's Capital Markets Bureau** monitors developments in the capital markets globally and analyzes their potential impact on the investment portfolios of U.S. insurance companies. A list of archived Capital Markets Bureau Special Reports is available via the **index**.

Mutual Versus Stock Insurance Companies & Investment Portfolio Comparison

Mutual insurance companies by definition are owned entirely by their policyholders. Any profits earned are returned to policyholders in the form of dividend distributions or reduced future premiums. Stock insurance companies, on the other hand, are owned by their shareholders and, therefore, strive to maximize shareholder value. Stock insurance companies receive capital from stockholder contributions in addition to having capital from surplus. For both types of insurance companies, policyholders receive insurance coverage in exchange for premium payments. As of year-end 2013, stock insurance companies accounted for an overwhelming majority of the overall U.S. insurance industry at approximately $4.3 trillion book/adjusted carrying value (BACV) in cash and invested assets, out of an overall $5.5 trillion industry. Mutual insurance companies comprised about $985 billion in BACV assets (about 18% of total U.S. insurance industry cash and invested assets), with the remainder in other ownership structures (e.g., sole proprietors and partnerships). Given their large presence, the investment portfolio of stock companies is generally representative of the investment portfolio for the overall U.S. insurance industry. In this report, we compare the investment portfolios of U.S. stock insurers versus mutual insurers, as well as the investment portfolios of life companies compared to P/C companies within the stock and mutual companies' categories.

Stock Insurance Companies

For stock insurance companies, shareholders purchase stock in the company either through direct offerings by the company or in the secondary market. The shared ownership gives them a voice in electing a board of directors that oversees company management. In addition to selling shares, stock companies also add capital through operating income, including money earned from assets backing reserve funds (money set aside to pay claims). Note that stock companies may be publicly traded or private. Their biggest advantage (compared to mutual companies) is easier access to capital to pay claims or fund business growth among other business purposes. Because ownership is vested in stockholders, the stock companies' policyholders have no voting rights regarding board members. In comparison, for mutual companies, policyholders are the voting members for mutual companies.

Mutual Insurance Companies

Because a mutual insurance company is owned by its policyholders, they share ownership in the company, and, as such, they may vote in the board of directors' elections. Increasing equity capital for mutual companies tends to happen in the form of retaining net earnings. Because mutual companies do not have common stock per se, they do not have ready access to equity markets to raise equity capital. Demutualization (i.e., when a mutual company chooses to become a stock company) can occur when a mutual company needs to raise cash for business growth or cover higher than expected claims. Mutual companies may also merge, whereby the resulting entity is typically better off financially because of its expanded market share position.
As Table 1 shows, insurers in the life industry comprise the majority of both stock and mutual companies, followed by insurers in the P/C industry as of year-end 2013 (based on BACV).

Table 1: Mutual Versus Stock Companies – Insurance Industry Types

(Year-end 2013, % of total U.S. insurance industry cash and invested assets)

Industry	Mutual Companies	Stock Companies
Life	63%	70%
P/C	36%	29%
Health	1%	1%
	100%	100%

Demutualization

Mutual companies sometimes consider demutualization, or converting into a stock company. There are different forms of demutualization: full demutualization, where policyholders exchange all ownership share for stock and/or cash in the new stock company; sponsored demutualization, where the company is fully demutualized with ownership purchased by a stock company, which in turn issues stock to the former mutual company; and converting to a mutual insurance holding company (also known as an MIHC, or part stock company, party mutual company). In the 1990s, several large insurance companies fully demutualized. As previously mentioned, the most common motive for converting from a mutual to a stock company is the desire to raise capital to fund growth. When considering demutualizing, the company must safeguard the interests of its policyholders, which ultimately includes ongoing financial viability. As a publicly traded, stockholder-owned company, it is easier to raise capital, effect mergers and acquisitions, and attract and retain employees via stock options. Upon demutualization, mutual company policyholders elect to receive newly issued stock or cash. When considering demutualization, a company must draft a proposal that is first approved by its board of directors, after which it is submitted to the state insurance department for approval. Policyholders also vote on the proposal. In particular for life companies, more than 200 have demutualized since 1930; there are currently less than 40 mutual life insurance companies in the U.S.

MIHCs are not permitted by law in all U.S. states, and they are not permitted in Canada. A 1998 NAIC publication on MIHC reorganizations stated, “As of August 1998, 21 states and the District of Columbia had passed legislation allowing their domestic mutual insurance companies to reorganize by forming a MIHC and converting the mutual insurer into a stock corporation. The converted stock insurer [became] a wholly owned subsidiary of the MIHC or a new intermediate stock holding company. An intermediate stock holding company is typically formed to facilitate the IPO and may hold interest in affiliated businesses.” An MIHC structure allows for greater access to capital than the companies would have as straightforward mutual companies.

Assets of U.S. Mutual Insurance Companies Versus Stock Insurance Companies

In the U.S. insurance industry, *mutual* companies accounted for $984.7 billion BACV of total cash and invested assets as of year-end 2013 (about 18% of the entire U.S. insurance industry’s $5.5 trillion cash and invested assets). Within this amount, bonds were 58.3% of the total (see Table 2); common stock was 17.8% (which includes affiliate investments); and first lien mortgage loans on real estate was 7.4% of total mutual companies’ cash and invested assets.

Total cash and invested assets for U.S. *stock* insurance companies was $4.3 trillion as of year-end 2013 (about 78% of the entire U.S. insurance industry’s cash and invested assets). Bonds accounted for 70% of total stock companies’ cash and invested assets as shown in Table 2. The second largest asset for stock insurance companies was common equity at 10%, followed by 6.6% in first lien mortgage loans on real estate.

Bonds were by far the largest asset exposure for both mutual and stock insurance companies; however, stock companies had a much higher proportion of bonds as shown in Table 2. Equities, and more specifically common stock holdings, are the second largest concentration for both stock and mutual companies. Over the long term, investments in common stock are expected to generate higher returns, but are subject to greater short-term volatility. First-lien mortgage loans offer not only a source of asset diversification, but also a higher yield than bonds generally.

Table 2: Assets of U.S. Mutual and Stock Insurance Companies – Year-End 2013 (% of Total Assets)

Asset Types	Mutual Companies	Stock Companies
Bonds	58.3%	70%
Common stock	17.8%	10.1%
Preferred stock	0.3%	0.4%
First lien, mortgage loans	7.4%	6.6%
Cash, cash equivalents & short-term invested assets	2.7%	4.1%
Contract loans	4.9%	1.9%
Other mortgage loans and real estate properties	1%	0.6%
Other invested assets	6.3%	5%
Derivatives	0.8%	0.7%
Other	0.3%	0.2%
Securities lending reinvested collateral	0.1%	0.4%
Total Assets	**100.0%**	**100.0%**

Total Assets by Company Size – Mutual Versus Stock Insurance Companies

Mutual Companies

In aggregate, the life and P/C industries accounted for all but 1% of mutual insurance companies' assets as shown in Table 1. Within the life industry, companies with greater than $10 billion assets under management (a total of seven insurers) held the majority, or 76.8%, of all life mutual company assets as shown in Table 2, followed by companies with $5 billion up to $10 billion assets under management (a total of three insurers). Note that the largest life company within mutual insurers (approximately $182 billion assets under management) accounted for about 30% of the total $597.7 billion assets for life mutual companies. Similarly, P/C companies with greater than $10 billion in assets under management (a total of six insurers) accounted for the majority, or 43.2%, of all P/C mutual company assets under management. The largest P/C mutual insurer (approximately $122 billion assets under management) accounted for about 35% of the total $348.8 billion in P/C mutual assets shown in Table 3.

Table 3: Total Assets of Life and P/C Mutual Insurers ($ mil BACV) – by Company Size

Company Size	Life	% of Total	P/C	% of Total
Less than $250mil	7,527.33	1.3%	37,529.31	10.8%
Between $250mil and $500 mil	5,930.33	1%	20,044.74	5.7%
Between $500mil and $1 bil	10,033.77	1.7%	25,984.81	7.4%
Between $1bil and $2.5 bil	35,897.39	6%	34,736.94	10%
Between $2.5 bil and $5 bil	14,889.03	2.5%	43,496.04	12.5%
Between $5 bil and $10 bil	64,579.74	10.8%	36,350.13	10.4%
Greater than $10 bil	458,907.36	76.8%	150,713.63	43.2%
	$ 597,764.95	**100%**	**$ 348,855.60**	**100%**

Given mutual insurers' total assets are a much smaller percentage of the overall U.S. insurance industry (than stock insurers), it is no surprise that a small number of insurers comprise the company size categories in Table 3.

Stock Companies

As with mutual companies, for stock insurers, the life and P/C industries dominated assets under management. Within the life industry, companies with greater than $10 billion assets under management (approximately 45 life insurers) accounted for 60.4% of total stock life companies' assets under management, followed by 13.3% in life companies, with between $5 billion and $10 billion assets under management (approximately 29 life insurers). The largest life insurer (approximately $318.4 billion assets under management) within stock companies represented 10.6% of the total $2.9 trillion in life stock companies' cash and invested assets shown in Table 3.

For the P/C industry, companies with greater than $10 billion assets under management (approximately 13 P/C insurers) were also the largest component at 36.3% of total stock P/C assets under management, but were followed by 14.8% in companies with between $1 billion and $2.5 billion in assets under management (approximately 67 P/C insurers). The largest P/C insurer within stock companies (at approximately $254 billion assets under management) represented 20.4% of total P/C stock companies' $1.2 trillion cash and invested assets as of year-end 2013.

Table 4: Total Assets of Life and P/C Stock Insurers ($mil BACV) – by Company Size

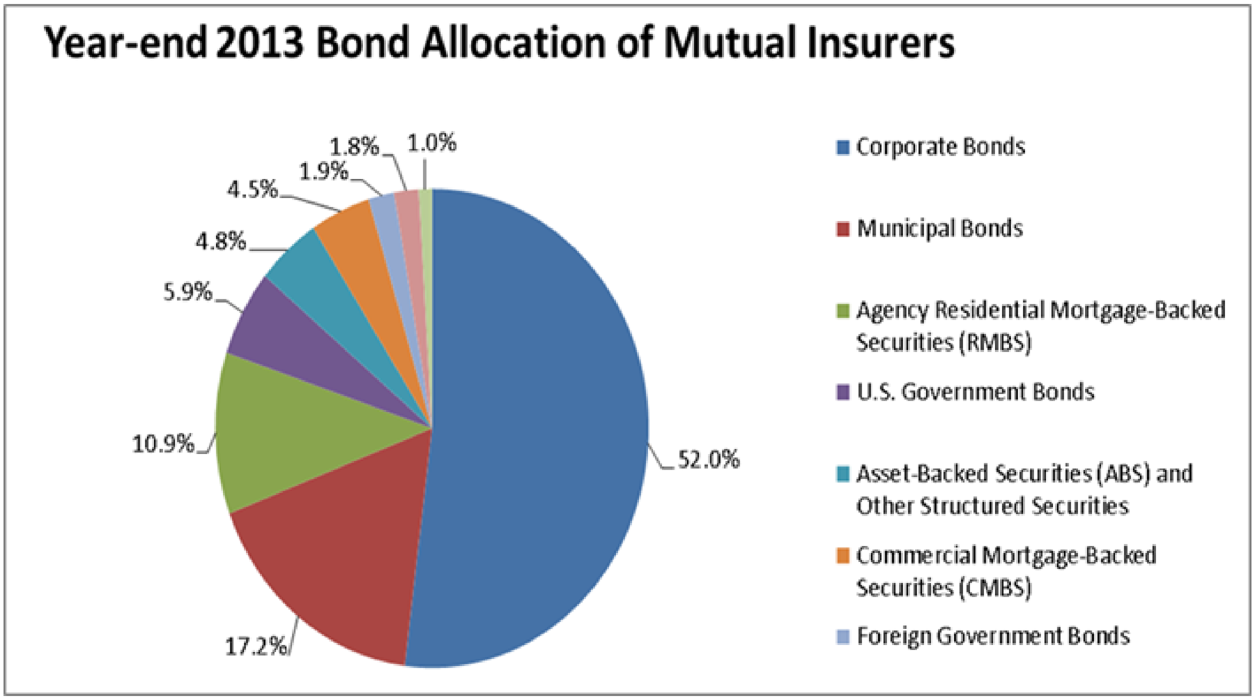
Company Size	Life	% of Total	P/C	% of Total
Less than $250mil	89,925.49	3%	162,662.59	13.1%
Between $250mil and $500 mil	73,832.84	2.5%	82,205.52	6.6%
Between $500mil and $1 bil	110,701.09	3.7%	95,970.18	7.7%
Between $1bil and $2.5 bil	225,394.39	7.6%	183,624.58	14.8%
Between $2.5 bil and $5 bil	280,975.48	9.5%	149,474.41	12%
Between $5 bil and $10 bil	394,434.59	13.3%	116,167.60	9.4%
Greater than $10 bil	1,796,324.54	60.4%	450,937.80	36.3%
	$ 2,971,588.42	**100%**	**$ 1,241,042.68**	**100%**

Stock insurers comprise such a vast majority of the overall U.S. insurance industry; therefore, a larger number of insurers comprise the company size categories shown in Table 4 (as compared to the same company size categories for mutual insurers). This is particularly true with respect to life companies, but life companies comprise about 64% of the overall U.S. insurance industry's investments.

Mutual Insurance Companies' Bond Exposure

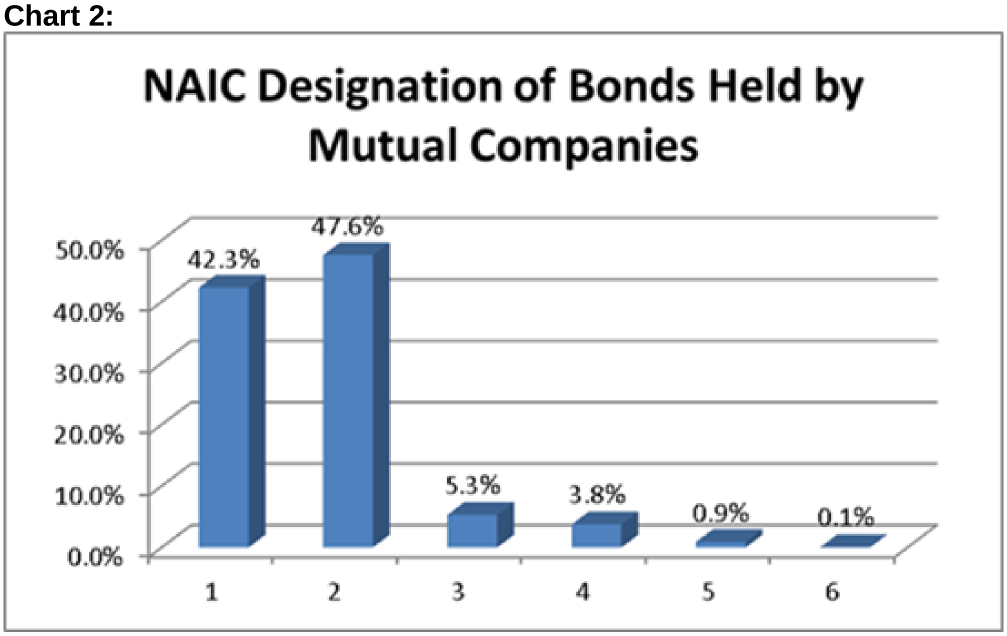
As shown in Chart 1, corporate bonds represented the largest bond exposure as of year-end 2013 for all mutual insurance companies, at 52% of total mutual insurance companies' bond exposure. The second and third largest bond exposures for mutual companies were municipals and agency residential mortgage-backed securities (RMBS), at 17.2% and 10.9%, respectively.

Chart 1:



Bond Credit Quality
The credit quality of all bonds held by mutual insurance companies was predominantly investment-grade as shown in Chart 2. Almost 90% of all bonds carried NAIC 1 and NAIC 2 designations as of year-end 2013. Bonds designated NAIC 3 and NAIC 4 comprised about 9% of total mutual companies' bond exposure, which suggests they are comfortable with below investment grade credit risk as they generally have a longer view (than stock companies) regarding returns since they do not need to be as concerned about short-term quarterly earnings reports.

Chart 2:



Life Versus P/C Bond Exposure for Mutual Companies
Within mutual companies, there is a distinction between life versus P/C bond exposures due in part to the long asset-liability matching of life companies (see Table 5). For example, with life

companies, corporate bonds comprised the largest bond exposure at 63.5% of total mutual life company bond exposure compared to 27.5% for mutual P/C insurer bond exposure. Municipal bonds, however, accounted for P/C companies' largest bond exposure at 43.1% but were only 6.2% for life companies. P/C companies' larger municipal bond exposure is due in part to the attractive tax treatment they receive.

Table 5: Mutual Companies Bond Breakdown: Life Versus P/C Industries (% of Total Bonds by BACV)

Bond Type	Life	P/C
Corporate Bonds	63.5%	25.7%
Municipal Bonds	6.2%	43.1%
Agency RMBS	10.5%	11.3%
U.S. Government Bonds	4.5%	8.6%
ABS and Other Structured Securities	5.5%	3.2%
CMBS	5.2%	2.8%
Foreign Government Bonds	0.8%	4.5%
RMBS	2.3%	0.8%
Other	1.4%	0.1%
Total	100%	100%

Life Versus P/C Common Equity Exposure for Mutual Companies

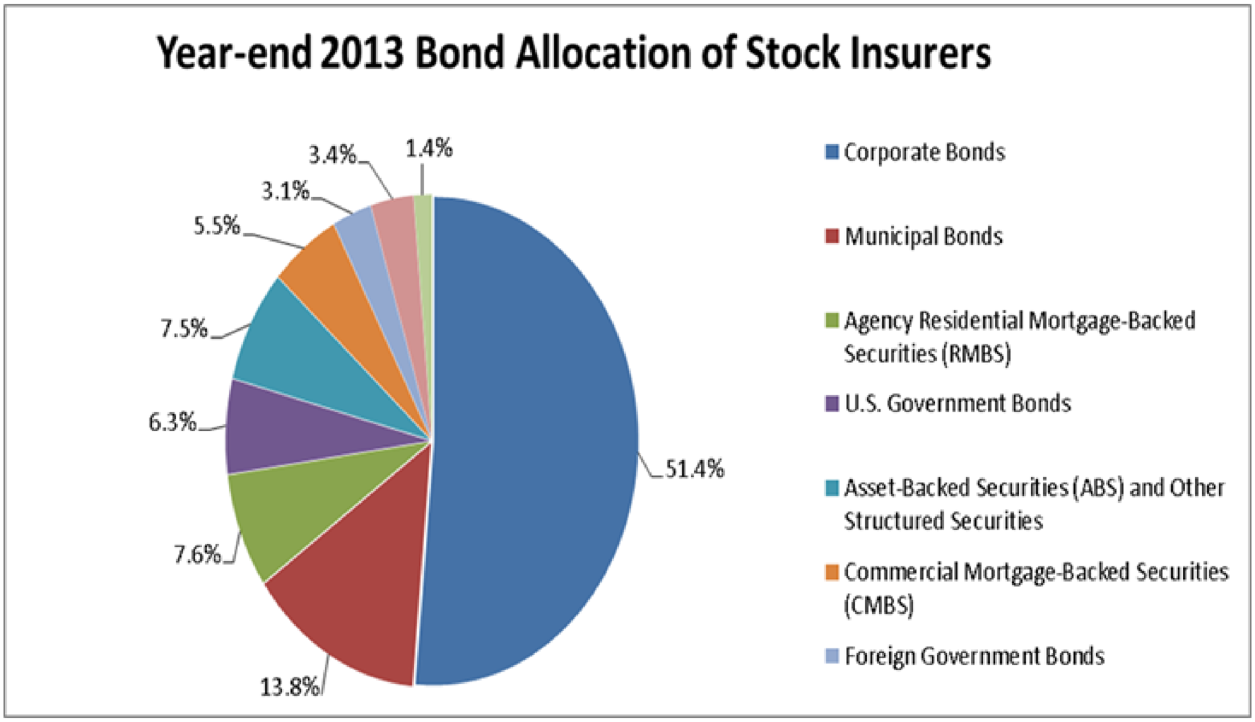
As shown in Table 2, common equity (including affiliates) was the second largest asset type for mutual companies as a percentage of total cash and invested assets. Approximately 77% of mutual companies' common equity exposure was in the P/C industry, while another 20.4% was with life companies. The remainder was with health companies. Note that slightly more than half (53.5%) of P/C mutual insurance companies' equity exposure was with one insurance company, and two insurers comprised about half (52.3%) of life mutual insurance companies' equity exposure.

Stock Insurance Companies' Bond Exposure

Corporate bonds comprised half of all stock insurance company bond investments as of year-end 2013, not too distinct from the overall U.S. insurance industry's exposure. The second largest bond type for all stock insurance companies was in municipals at 13.8% as shown in Chart 3, which was consistent with the overall U.S. insurance industry.

Generally, both mutual and stock insurance companies have half of their bond portfolios in corporate bonds. But stock insurers have a more even distribution across other bond types than mutual insurance companies. (Refer back to Chart 1 for comparison.)

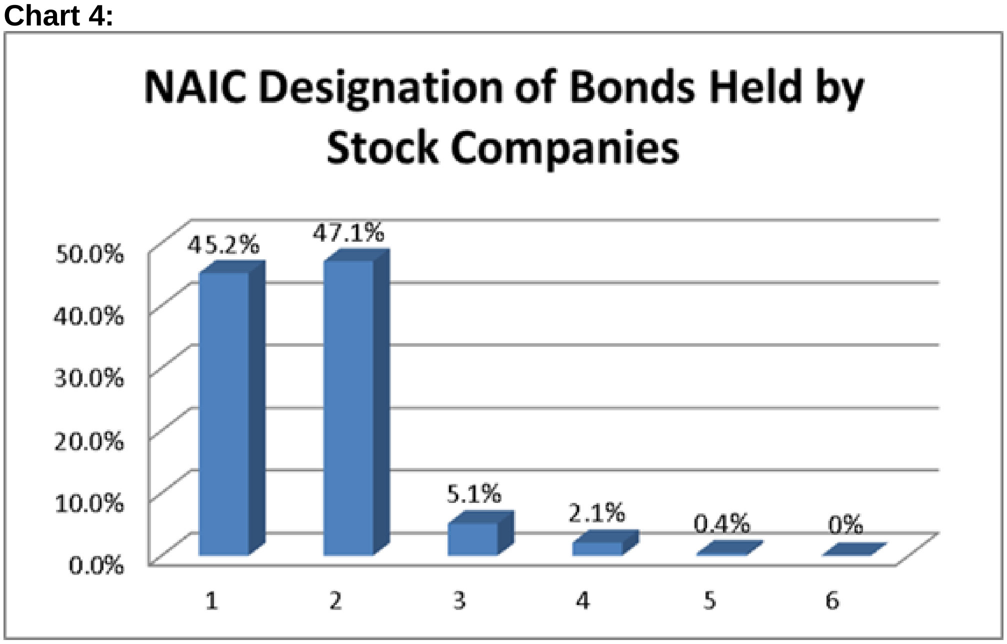
Chart 3:



Bond Credit Quality

For stock insurance companies, approximately 92% of bond exposure carried NAIC 1 and NAIC 2 designations, with about 7% carrying NAIC 3 and NAIC 4 designations, as shown in Chart 4.

Chart 4:



Life Versus P/C Bond Exposure for Stock Companies

Similar to mutual companies, there was a difference in bond allocations between life and P/C stock insurers. Within stock insurers, life companies accounted for the majority of bond investments at $2.2 trillion in BACV as of year-end 2013, compared to $740.3 billion for the P/C industry. In particular, as shown in Table 6, for life companies, 58% of stock life companies' bond exposure was in corporate bonds, followed by 8.5% in ABS and other structured securities. The investment in ABS and other structured securities is not surprising given the nature of life companies' liabilities and asset-liability matching strategy. For P/C companies, the largest bond exposure was in municipals at 35.2% of total P/C stock companies' bonds, followed by 31.9% in corporate bonds.

Table 6: Stock Companies Bond Breakdown: Life Versus P/C Industries (% of Total Bonds by BACV)

Bond Type	Life	P/C
Corporate Bonds	58.2%	31.9%
Municipal Bonds	6.4%	35.2%
Agency RMBS	7.3%	8.4%
U.S. Government Bonds	5.4%	8.5%
ABS and Other Structured Securities	8.5%	4.9%
CMBS	6%	4%
Foreign Government Bonds	3.3%	2.6%
RMBS	3.8%	2.4%
Other	1.2%	2.2%
Total	100%	100%

Life Versus P/C Common Equity Exposure for Stock Companies

As shown in Table 2, common stock (including affiliates) was the second largest asset type for mutual companies as a percentage of total cash and invested assets. Approximately 69% of mutual companies' common equity exposure was in the P/C industry, while another 29% was with life companies. The remaining 2% was with health and title companies. The largest P/C stock insurance company accounted for approximately 50% of P/C stock companies' common equity exposure; in comparison, two insurers   accounted for 22.5% of life stock companies' common equity exposure.

Risk-Based Capital Comparison

Several factors affect the risk-based capital (RBC) ratio of insurance companies An analysis of RBC data as of year-end 2013 showed that on average, RBC for mutual companies is significantly higher than the U.S. industry overall. In particular, the average RBC ratio for mutual P/C companies with more than $250 million in assets was approximately twice that of P/C companies (with assets under management exceeding $250 million) within the overall U.S. insurance industry. (Note that stock companies comprise about 78% of the overall industry.) Similarly, the average RBC ratio for mutual life companies with assets under management exceeding $250 million was much higher than, but not necessarily double, the average RBC ratio for life companies in the overall industry whose assets under management exceeded $250 million. While we have noted in several areas of this report that mutual companies tend to have a higher investment risk profile than the overall industry (and perhaps compared to stock companies), they appear well-capitalized relative to that risk.

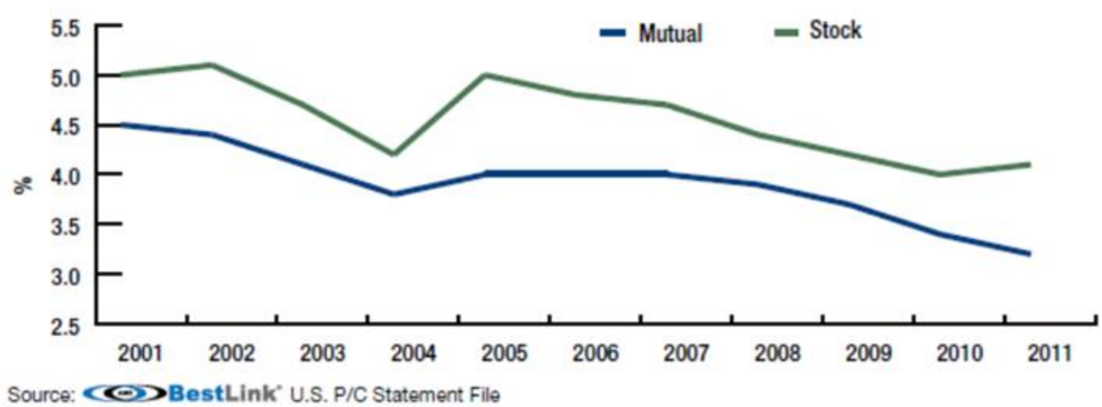
Investment Strategies and Performance of Stock Companies Versus Mutual Companies

Mutual insurers exhibit a larger appetite for risk than stock insurers, evidenced by the asset mix within their investment portfolios. While bonds represented both stock and mutual companies' largest investment type, they were a larger proportion of assets for stock companies than for mutual companies. (Refer back to Table 2.) In addition, mutual companies had more below investment-grade bonds than stock companies, as shown in Charts 2 and 4. And as a percentage of the investment portfolio, common equities exposure was higher for mutual companies than it was for stock companies.

An A.M. Best research article titled "Best's Special Report: Addressing Structural Differences in the Rating Process," dated Aug. 13, 2012, commented that mutual companies lack the pressure for stock price performance that stock companies experience, and so mutual companies can take a longer view with regard to investment strategy and risk appetite. Consequently, mutual companies have demonstrated a tendency to invest in more common equity than stock companies as they can afford the potential market volatility risk. In addition, because of mutual companies' limited access to the capital markets (as compared to stock companies), National Association of Mutual Insurance Companies (NAMIC) research regarding investment trends (for P/C mutual companies) noted, "Investment returns generated by mutual companies … will usually be used for internal company financing to sustain or grow the mutual company, to ensure that the company remains able to meet all of the commitments made to the members." According to the same aforementioned A.M. Best research publication, in a 10-year study (2001-–2011) of P/C companies' investment performance, net investment yield generally trended in the same direction for both stock and mutual companies. P/C stock companies, however, produced a higher net investment yield than P/C mutual companies primarily because of higher yielding investments, while also more volatile, in their fixed income portfolios in addition to investing in a higher percentage of riskier assets. Notwithstanding, both stock and mutual companies have been affected by the low interest rate environment, experiencing downward pressure on investment income as shown in Chart 5.

Chart 5:

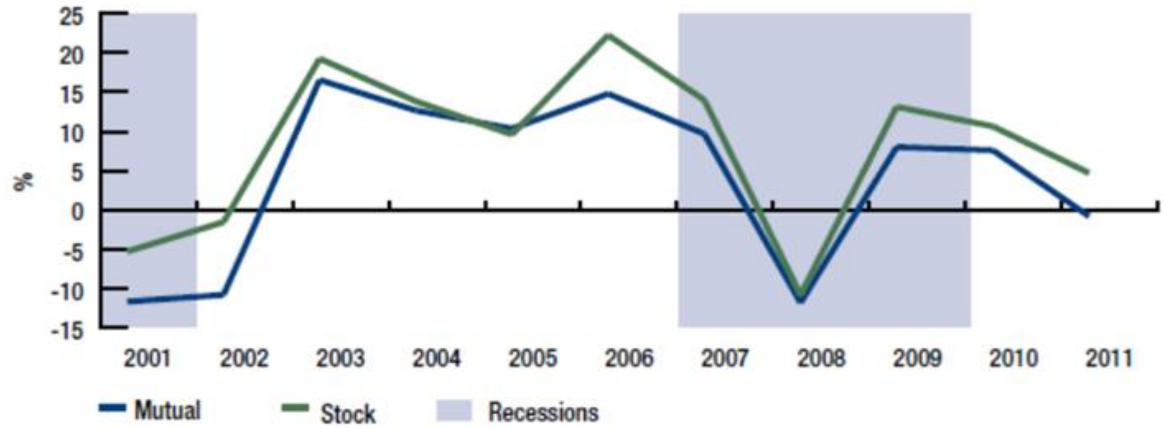
U.S. Property/Casualty – Comparison of Net Investment Yield (2001-2011)



The A.M. Best study also found that despite a similar trend in direction, P/C stock companies demonstrated a higher return on equity than P/C mutual companies because of their focus on capital management, though the difference was "immaterial." A.M. Best concluded that the P/C mutual companies preferred to focus on maintaining capital for its policyholders/owners rather than seek high returns especially given their long-term investment strategy and "desire to maintain capital for policyholders." Because of limited access to the financial markets, mutual companies also tend to hold more capital on a risk-adjusted basis than stock companies, which also affects returns. Consequently, mutual companies are likely to have higher RBC ratios.

Chart 6:

U.S. Property/Casualty – Return on Equity (2001-2011)



Source: BestLink U.S. P/C Statement File

Summary

In conclusion, the vast majority of the U.S. insurance industry consisted of stock insurance companies, evidenced by $4.3 trillion in cash and invested assets as of year-end 2013, compared to $985 billion in cash and invested assets for mutual insurance companies. While the investment portfolio composition was relatively similar between the two types of organizational structures—in that bonds comprised 70% of total cash and invested assets for stock companies and almost 60% for mutual companies—common equity was higher for mutual companies than for stock companies on a percentage basis primarily because of a long-term investment strategy and lack of pressure from public shareholders to generate earnings per share on a consistent quarterly basis. In addition, within bond investments, data showed that mutual companies held more corporate bonds (slightly), municipal bonds and agency RMBS than stock companies. Data also showed that mutual companies' bond investments had a higher concentration of lower quality fixed income assets than stock companies' bond investments, given their slightly higher concentration of NAIC 3 and NAIC 4 bond designations. The higher concentration of common equity and lesser bond credit quality suggests that mutual companies may be less conservative investors than stock companies.

Return on equity for both stock and mutual companies trended in a similar direction over the 10-year period analyzed by A.M. Best. However, stock companies achieved higher returns due in part to their willingness to take on more risk for stockholders' profits versus mutual companies' capital preservation strategy for policyholders. Net investment yield also trended in a similar direction for stock and mutual companies in the 10-year period, but economic conditions affected both company types similarly in terms of diminished investment income. And as stated by A.M. Best, "Regardless of organizational structure, insurers need to determine acceptable levels of profitability relative to the risk being absorbed by the company."

The Capital Markets Bureau will continue to monitor trends with stock and mutual insurance companies within the U.S. insurance industry and report as deemed appropriate.

April 24, 2015								
Major Insurer Share Prices			**Change %**			**Prior**		
		Close	**Week**	**QTD**	**YTD**	**Week**	**Quarter**	**Year**
Life	Aflac	$64.19	0.3	0.3	5.1	$63.98	$64.01	$61.09
	Ameriprise	127.75	(1.1)	(2.4)	(3.4)	129.19	130.84	132.25
	Genworth	7.86	(2.0)	7.5	(7.5)	8.02	7.31	8.50
	Lincoln	57.32	0.9	(0.2)	(0.6)	56.79	57.46	57.67
	MetLife	50.66	0.3	0.2	(6.3)	50.50	50.55	54.09
	Principal	51.62	1.7	0.5	(0.6)	50.77	51.37	51.94
	Prudential	80.79	2.1	0.6	(10.7)	79.13	80.31	90.46
	UNUM	33.68	0.6	(0.1)	(3.4)	33.49	33.73	34.88
PC	ACE	$108.51	(1.5)	(2.7)	(5.5)	$110.14	$111.49	$114.88
	Axis Capital	51.20	(3.0)	(0.7)	0.2	52.77	51.58	51.09
	Allstate	70.95	0.1	(0.3)	1.0	70.87	71.17	70.25
	Arch Capital	61.24	(0.6)	(0.6)	3.6	61.60	61.60	59.10
	Cincinnati	52.56	0.0	(1.4)	1.4	52.56	53.28	51.83
	Chubb	100.41	0.1	(0.7)	(3.0)	100.33	101.10	103.47
	Everest Re	182.29	0.7	4.8	7.0	180.99	174.00	170.30
	Progressive	26.86	0.4	(1.3)	(0.5)	26.75	27.20	26.99
	Travelers	103.95	(1.4)	(3.9)	(1.8)	105.40	108.13	105.85
	WR Berkley	49.76	(0.9)	(1.5)	(2.9)	50.19	50.51	51.26
	XL	37.79	1.3	2.7	10.0	37.30	36.80	34.37
Other	AON	$97.84	1.7	1.8	3.2	$96.17	$96.12	$94.83
	AIG	56.99	(0.8)	4.0	1.7	57.43	54.79	56.01
	Assurant	60.09	(1.4)	(2.1)	(12.2)	60.92	61.41	68.43
	Fidelity National	38.25	4.2	4.1	11.0	36.71	36.76	34.45
	Hartford	41.84	(0.1)	0.0	0.4	41.90	41.82	41.69
	Marsh	56.96	1.4	1.6	(0.5)	56.19	56.09	57.24
Health	Aetna	$108.82	1.0	2.1	22.5	$107.72	$106.53	$88.83
	Cigna	130.66	(0.4)	0.9	27.0	131.13	129.44	102.91
	Humana	182.35	2.7	2.4	27.0	177.48	178.02	143.63
	United	118.69	(0.0)	0.3	17.4	118.71	118.29	101.09
Monoline	Assured	$27.16	(2.5)	2.9	4.5	$27.87	$26.39	$25.99
	MBIA	9.10	(4.9)	(2.2)	(4.6)	9.57	9.30	9.54
	MGIC	10.78	8.8	11.9	15.7	9.91	9.63	9.32
	Radian	18.37	7.1	9.4	9.9	17.15	16.79	16.72
	XL Capital	37.79	1.3	2.7	10.0	37.30	36.80	34.37

April 24, 2015

Major Market Variables

	Close	Change % Week	Change % QTD	Change % YTD	Prior Week	Prior Quarter	Prior Year
Dow Jones Ind	18,080.14	1.4	1.7	1.4	17,826.30	17,776.12	17,823.07
S&P 500	2,117.69	1.8	2.4	2.9	2,081.18	2,067.89	2,058.90
S&P Financial	326.66	0.5	0.5	(2.0)	325.04	324.95	333.32
S&P Insurance	302.04	0.1	0.5	(1.6)	301.63	300.59	307.04
US Dollar $		Change %			Prior		
/ Euro	$1.09	0.6	1.3	(10.1)	$1.08	$1.07	$1.21
/ Crude Oil bbl	57.19	2.0	20.1	6.2	56.06	47.60	53.83
/ Gold oz	1,175.20	(2.3)	(0.7)	(0.6)	1,202.90	1,183.10	1,182.10
Treasury Ylds %	%	Change bp			%	%	%
1 Year	0.21	0.01	(0.05)	(0.00)	0.21	0.26	0.22
10 Year	1.91	0.04	(0.01)	(0.26)	1.87	1.93	2.17
30 Year	2.61	0.09	0.08	(0.14)	2.52	2.54	2.75
Corp Credit Spreads -bp		Change %			Prior		
CDX.IG	9.04	(5.5)	(12.7)	(22.7)	9.57	10.35	11.69

April 24, 2015

Major Insurer Bond Yields

	Company	Coupon	Maturity	Weekly Change Price Current	Price Change	Yield	Spread over UST B.P.	Spread over UST Change	YTD Spread Change
Life	Ameriprise	5.300%	3/15/2020	$115.44	($0.12)	1.96%	65	0	(10)
	Genworth	6.515%	5/15/2018	$105.25	($0.06)	4.66%	371	4	(66)
	Lincoln National	8.750%	7/15/2019	$126.04	($0.36)	2.18%	99	6	(15)
	MassMutual	8.875%	6/15/2039	$161.19	($3.46)	4.63%	221	11	26
	MetLife	4.750%	2/15/2021	$113.86	($0.04)	2.18%	68	(1)	(9)
	New York Life	6.750%	11/15/2039	$142.21	($1.61)	4.03%	159	4	4
	Northwestern Mutual	6.063%	3/15/2040	$131.76	($1.17)	4.03%	155	0	6
	Pacific Life	9.250%	6/15/2039	$157.87	($3.02)	5.07%	263	8	18
	Principal	6.050%	10/15/2036	$125.27	($1.95)	4.24%	185	3	11
	Prudential	4.500%	11/15/2020	$111.56	($0.21)	2.27%	81	3	(18)
	TIAA	6.850%	12/15/2039	$136.61	($1.93)	4.40%	194	0	27
P&C	ACE INA	5.900%	6/15/2019	$115.32	($0.20)	2.01%	84	3	(0)
	Allstate	7.450%	5/15/2019	$121.25	($0.23)	1.96%	79	2	(5)
	American Financial	9.875%	6/15/2019	$127.80	($0.07)	2.71%	148	(6)	3
	Berkshire Hathaway	5.400%	5/15/2018	$112.61	($0.12)	1.17%	29	3	(12)
	Travelers	3.900%	11/15/2020	$109.60	$0.15	2.05%	60	(4)	(1)
	XL Group	6.250%	5/15/2027	$122.63	($0.97)	3.88%	174	2	(9)
Other	AON	5.000%	9/15/2020	$112.63	($0.58)	2.49%	105	10	9
	AIG	5.850%	1/15/2018	$111.76	$0.00	1.42%	65	(2)	(3)
	Hartford	5.500%	3/15/2020	$114.48	($0.28)	2.36%	98	5	(1)
	Nationwide	9.375%	8/15/2039	$158.43	($3.87)	5.14%	271	14	24
Health	Aetna	3.950%	9/15/2020	$109.10	($0.19)	2.14%	67	(3)	(26)
	CIGNA	5.125%	6/15/2020	$114.61	($0.15)	2.10%	69	2	(25)
	United Healthcare	3.875%	10/15/2020	$109.59	($0.16)	2.01%	51	1	(14)
	Wellpoint	4.350%	8/15/2020	$110.97	$0.04	2.15%	72	(2)	(19)