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Year-End 2013 Foreign Exposure in the U.S. Insurance Industry

The insurance industry's holdings of foreign investments accounted for 12% of cash and invested assets as of year-end 2013. Canada and European Union (EU) countries accounted for more than 60% of the foreign investments. The NAIC continues to monitor these holdings for any shifts that may introduce added risk to U.S. insurer portfolios.

As of year-end 2013, the U.S. insurance industry reported holding total direct foreign investments with a book/adjusted carrying value (BACV) of about \$672 billion. These foreign holdings include investments in bonds, common stock and preferred stock. Approximately \$116 billion (or 17%) of these foreign investments were denominated in a foreign currency. Canadian dollar denominated investments accounted for the largest portion at about \$21 billion, followed by the Japanese yen (\$9.2 billion), the euro (\$7.5 billion) and the British pound (\$5.2 billion). Interestingly, foreign holdings denominated in the U.S. dollar (USD) were about \$9.7 billion. Foreign exposure is defined as any entity that is domiciled outside of the United States. It excludes some of the structured securities that are technically domiciled in foreign countries (such as Bermuda, Cayman Islands and Ireland) for legal and tax reasons, but where there is no obvious exposure to the economy of the respective country. Other structured securities where the risk related to the domicile is not so apparent are included.

Table 1: 2013 Foreign Holdings Summary (\$ Mil.)

Industry	Bonds	Foreign Bond Exposure as Pct of Total Bond Exposure	Stocks	Foreign Stock Exposure as Pct of Total Stock Exposure	Industry Total	Foreign Bond and Stock Exposure as Pct of Bond and Stock Exposure	YOY Change
Life	518,214	20%	13,383	8%	531,597	19%	2%
Property/Casualty	95,941	10%	25,595	5%	121,536	8%	8%
Fraternal	13,002	14%	288	8%	13,290	14%	6%
Health	4,353	5%	718	2%	5,071	4%	17%
Title	473	9%	131	7%	604	9%	7%
Total	631,983	17%	40,115	6%	672,098	15%	3%

Table 2: 2012 Foreign Holdings Summary (\$ Mil.)

Industry	Bonds	Pct of Bonds	Stocks	Pct of Stocks	Industry Total	Pct of Industry Total
Life	506,884	83%	13,239	36%	520,123	80%
Property/Casualty	90,540	15%	22,210	61%	112,750	17%
Fraternal	12,228	2%	263	1%	12,491	2%
Health	3,774	1%	567	2%	4,341	1%
Title	488	0%	76	0%	564	0%
Total	613,914		36,355		650,269	

The bulk of the industry's foreign investments were in bonds at \$631.9 billion (or 94%) of total foreign exposure. The total foreign exposure of \$672.1 billion was a 3% increase from year-end 2012, which closely approximates the 3.5% increase in cash and invested assets reported at year-end 2013. Life companies increased foreign exposure by 2% year-over-year (YOY) to \$531.6 billion, or 79% of total industry foreign exposure. Property/casualty (P/C) was a distant second at 18%, or \$121.5 billion of the industry's exposure as of year-end 2013. Health company exposure increased 17% to about \$5 billion from \$4 billion YOY. For health

companies, an increase of 27% in the foreign stock exposures accounted for the majority of the YOY change. Much of the growth in stock exposure was due to appreciation in holdings. Overall, total foreign exposure increased by about \$22 billion (or 3%) from year-end 2012. (See Table 1 and Table 2.)

Table 3: 2013 Total Foreign Bond Exposure by Sector (\$ Mil.)

Industry	Financial	Government	Other	Total	% of Total	YOY Change
Life	67,561	58,069	392,584	518,214	82%	2%
Property/Casualty	24,481	24,647	46,812	95,940	15%	6%
Fraternal	1,979	1,124	9,900	13,003	2%	6%
Health	1,636	295	2,422	4,353	1%	15%
Title	84	211	178	473	0%	-3%
Total	95,741	84,346	451,896	631,983	100%	3%
YoY Change	-1%	-10%	7%	3%		

Table 4: 2012 Total Foreign Bond Exposure by Sector (\$ Mil.)

Industry	Financial	Government	Other	Total	% of Total
Life	68,781	67,158	370,945	506,884	82%
Property/Casualty	24,467	24,792	41,281	90,540	15%
Fraternal	1,895	1,152	9,181	12,228	2%
Health	1,415	259	2,100	3,774	1%
Title	96	204	188	488	0%
Total	96,654	93,565	423,695	613,914	100%

Life insurers accounted for about 82% of the foreign bond exposure, followed by P/C (15%) and fraternal (2%). The 1% of total exposure held by health insurers, while small, represented a 15% increase from the 2012 year-end exposure of \$3.8 billion. The largest sector exposure was to foreign financial institutions at \$95.7 billion, or 15% of total foreign bond exposure. Exposure to government bonds decreased 10% from year-end 2012, and exposure to "other" sectors (i.e. corporates) increased 7%. (See Table 3 and Table 4.)

In the financial sector, dispositions and other than temporary impairment (OTTI) accounted for \$428 million and \$35 million, respectively, of the total \$912 million decrease in BACV from 2012 to year-end 2013. The change in BACV of government bonds was due to dispositions of about \$2.7 billion and OTTI of about \$57.1 million. Currency exchange variations accounted for about \$6.4 billion of the decrease in government sector BACV YOY, of which dollar-yen fluctuations accounted for about \$5.7 billion.

Largest Foreign Country Bond Exposures

The top 10 countries accounted for 78% of the foreign bond holdings as of year-end 2013, which was the same level as in 2012. In addition, the countries in the top 10 have not changed since year-end 2012. Canada remains the largest single country exposure at about 20% of total foreign bond exposure.

Country Name	Financial	Government	Other	Total	% of Total	Top 10 YOY
Canada	18,145	24,535	85,494	128,174	20%	3%
United Kingdom	16,343	1,226	84,218	101,787	16%	8%
Australia	9,976	802	46,106	56,884	9%	-1%
Netherlands	7,916	101	41,645	49,662	8%	2%
Japan	3,393	29,602	12,074	45,069	7%	-3%
Cayman Islands	5,269	182	28,000	33,451	5%	5%
France	5,077	213	25,518	30,808	5%	-1%
Luxembourg	862	200	18,552	19,614	3%	1%
Ireland	1,990	62	12,689	14,741	2%	8%
Bermuda	2,146	374	11,542	14,062	2%	11%
Total	71,117	57,297	365,838	494,252	77%	3%
YOY Change	2%	-15%	7%	3%		

Table 6: 2012 Top 10 Foreign Bond Exposures by Country (\$ Mil.)

Country Name	Financial	Government	Other	Total	% of Total
Canada	17,691	25,758	81,378	124,828	20%
United Kingdom	15,580	755	77,818	94,153	15%
Australia	11,294	856	45,287	57,437	9%
Netherlands	7,872	146	40,511	48,528	8%
Japan	2,408	38,782	5,467	46,658	8%
Cayman Islands	4,876	124	26,895	31,895	5%
France	4,997	251	25,849	31,097	5%
Luxembourg	837	222	18,436	19,495	3%
Ireland	2,170	50	11,423	13,643	2%
Bermuda	2,176	216	10,243	12,635	2%
Total	69,902	67,160	343,307	480,369	78%

Table 5 and Table 6 show that the decrease in government bonds was broad, not just limited to lesser developed countries. In fact, the largest single country decrease was in Japan, about \$1.6 billion. The insurance industry's concentration of foreign investments is in larger and relatively "safe" countries. Year-over-year, however, the rating distribution has changed. As of year-end 2012, six of the top 10 country exposures had the highest quality long-term sovereign debt ratings (i.e., AAA/Aaa) from the nationally recognized statistical ratings organizations (NRSROs). The remaining four countries had high-quality long-term sovereign debt ratings in the AA category. As of year-end 2013, there were four (out of the previous six) remaining AAA-rated countries: Canada, United Kingdom, Australia and Luxembourg. The rating concentration for the top 10 country exposures remains investment grade as of year-end 2013, with the lowest rated country (Ireland) at A-.

The insurance industry's foreign investments in Central America and South America were about \$18 billion. About 35%, or \$6.4 billion, was in government bonds. The next four largest sectors were basic materials (\$3.6 billion, or 20%), financials (\$2.3 billion, or 13%), utilities (\$1.3 billion, or 7%) and consumer non-cyclical (\$1.1 billion, or 6%). Brazil has the largest allocation (about \$1.6 billion) of the government bond investments. Argentina exposure was \$172 million as of year-end 2013, all of which were in the sovereign bonds maturing in 2033 that defaulted due to failure to pay interest on July 30, 2014. Following this default, Standard & Poor's lowered its long-term sovereign debt rating on Argentina to "selective default" from CCC-.

European Union Bond Exposure

Table 7 and Table 8 show a category breakdown (i.e. financial, sovereign and other) of the insurance industry's exposure to EU countries, particularly the Eurozone, as of year-end 2013 and year-end 2012, respectively. The percentage of foreign bond holdings concentrated in EU countries increased by 4% at year-end 2013 to about \$256 billion (40% of total foreign bond holdings) from \$246 billion as of year-end 2012 (39% of foreign bond holdings). Most EU investments were within the "other" bond category, at 82%. Furthermore, exposure to countries under the euro currency (Eurozone) increased slightly to \$139 billion in 2013 from \$138 billion in 2012. Eurozone financial holdings were relatively consistent YOY at approximately \$20 billion, while government bond exposure decreased to \$1.5 billion from \$1.9 billion. The "other" category, however, increased by 2% to \$117.6 billion in 2013 (from \$114.7 billion in 2012).

Table 7: 2013 Bond Exposure to EU Countries by Sector (\$ Mil.)

Country Name	Financial	Government	Other	Total	% of EU Total
Netherlands	7,916	101	41,645	49,662	19%
France	5,077	213	25,518	30,808	12%
Luxembourg	862	200	18,552	19,614	8%
Ireland	1,990	62	12,689	14,741	6%
Germany	3,168	204	8,381	11,753	5%
Spain	541	140	2,963	3,644	1%
Belgium	2	9	3,028	3,039	1%
Italy	224	247	1,870	2,341	1%
Finland	21	65	1,765	1,851	1%
Austria	333	14	961	1,308	1%
Portugal	0	3	102	105	0%
Latvia	0	101	0	101	0%
Slovakia	0	96	0	96	0%
Slovenia	0	65	6	71	0%
Malta	0	0	67	67	0%
Greece	0	0	49	49	0%
Total Eurozone	20,134	1,520	117,596	139,250	55%
Other EU Members	21,624	3,917	90,941	116,482	45%
Total European Union	41,758	5,437	208,537	255,732	100%
% of Sector Total	16%	2%	82%	100%	

Table 8: 2012 Bond Exposure to EU Countries by Category (\$ Mil.)

Country Names	Financial	Government	Other	Total	% of Total
Netherlands	7,872	146	40,511	48,529	20%
France	4,997	251	25,849	31,097	13%
Luxembourg	837	222	18,436	19,495	8%
Ireland	2,170	50	11,423	13,643	6%
Germany	3,377	412	7,447	11,236	5%
Spain	917	143	3,215	4,275	2%
Belgium	2	26	2,962	2,990	1%
Finland	288	84	1,915	2,287	1%
Italy	192	318	1,772	2,282	1%
Austria	322	76	978	1,376	1%
Portugal	0	0	104	104	0%
Slovakia	0	95	0	95	0%
Latvia	0	91	0	91	0%
Malta	0	0	67	67	0%
Slovenia	0	58	0	58	0%
Greece	0	0	50	50	0%
Total Eurozone	20,974	1,972	114,729	137,675	58%
Other EU Members	20,667	3,355	85,227	109,249	42%
Total European Union	41,641	5,327	199,956	246,924	100%
% of Sector Total	17%	2%	81%	100%	

Note: The EU is comprised of 27 member states. The result of this analysis reflects only 26 member states as insurers did not have any exposure to Cyprus. The Eurozone consists of 17 member states that use the euro as their sole currency. The 10 other EU members do not use the euro as their currency.

The short-term prospect for euro bonds has not been favorable given the current economic and political environment. The conflict between Russian separatists and the Ukrainian government is far from resolved. Recent economic data shows stagnant growth in the Eurozone, with the highest growth country, Portugal, growing gross domestic product (GDP) at only 0.6%. The three largest economies—France, Germany and Italy— had negative growth in Q2 2014. In addition, the sanctions against Russia are expected to be a drag on these three economies especially, but the effects should be temporary.



Foreign Common Stock and Preferred Stock Exposure

In 2013, U.S. insurers increased overall foreign stock exposure by 10%, YOY, to about \$40 billion. (See Table 9 and Table 10.) United Kingdom (UK) domiciled stocks comprised 35% of total stock exposure. The share of common versus preferred stock exposure as of year-end 2013 totaled about \$38.2 billion and \$1.9 billion, respectively. The largest exposures were to companies based in the UK, Canada, China, Switzerland and Bermuda. About \$3.7 billion were companies domiciled in the emerging market countries comprising the MSCI Emerging Markets Index. There was a split performance in the foreign equity markets in 2013. The STOXX Europe 600 Index—which represents large, mid-size and small capitalization companies across 18 countries of the European region—was up by 15% for the year, as of December 2013. The MSCI Emerging Markets Index was down 5% for the same period, but was in positive territory until the Q4 2013.

Table 9: 2013 Foreign Stock Exposures by Industry (\$ Mil.)

Industry	Preferred	Common	Total	% of Total	YOY
Property/Casualty	382	25,213	25,595	64%	15%
Life	1,402	11,982	13,384	33%	1%
Health	4	714	718	2%	27%
Franternal	49	239	288	1%	9%
Title	39	92	131	0%	73%
Total	1,876	38,240	40,116	100%	10%
YoY Change	-17%	12%	10%		

Table 10: 2012 Foreign Stock Exposures by Industry (\$ Mil.)

Industry	Preferred	Common	Total	% of Total
Property/Casualty	378	21,832	22,210	61%
Life	1,771	11,468	13,239	36%
Health	4	563	567	2%
Franternal	77	186	263	1%
Title	42	34	76	0%
Total	2,272	34,083	36,355	100%

The largest share of foreign stock is held by P/C insurers with 64%, or \$25.6 billion of the total \$40.1 billion held by all insurers. Life companies followed at about 33%, or \$13.3 billion. The top 10 countries' exposure to foreign stocks accounted for about 82% of total foreign stock exposure held by U.S. insurers as of year-end 2013, compared to 80% as of year-end 2012.

(See Table 11 and Table 12.) The largest increase in 2013 was in stock holdings in the Netherlands (38%), followed by the UK at a 26% increase from year-end 2012. Other notable increases were in Cayman Islands (15%), China (13%) and Switzerland (13%). Only three countries experienced a decrease: Japan (16%), France (7%) and Bermuda (5%). Overall, stock exposure in the top 10 countries was 13% higher in 2013 at \$33.2 billion, compared to \$29.3 billion in 2012.

Table 11: 2013 Top 10 Foreign Stock Exposures by Country (\$ Mil.)

Country Name	Preferred	Common	Total	% of Total
United Kingdom	326	13,553	13,879	35%
Canada	107	3,678	3,785	9%
China	0	2,966	2,966	7%
Switzerland	1	2,700	2,701	7%
Bermuda	276	1,894	2,170	5%
Ireland	0	2,085	2,085	5%
Cayman Islands	956	981	1,937	5%
Netherlands	108	1,615	1,723	4%
France	0	1,118	1,118	3%
Japan	0	895	895	2%
Total	1,774	31,485	33,259	82%

Table 12: 2012 Top 10 Foreign Stock Exposures by Country (\$ Mil.)

Country Name	Preferred	Common	Total	% of Total
United Kingdom	208	10,817	11,025	30%
Canada	136	3,652	3,788	10%
China	0	2,616	2,616	7%
Switzerland	18	2,382	2,400	7%
Bermuda	318	1,957	2,275	6%
Cayman Islands	973	1,100	2,073	6%
Ireland	25	1,657	1,682	5%
Japan	0	1,253	1,253	3%
Australia	0	1,206	1,206	3%
Netherlands	133	938	1,071	3%
Total	1,811	27,578	29,389	80%

As of year-end 2013, EU stock exposure was 53% of total foreign stock exposure, compared to 48% as of year-end 2012. The three largest EU foreign stock exposures were in Ireland (\$2.1 billion, or 10%), the Netherlands (\$1.7 billion, or 8%) and France (\$1.1 billion, or 5%), with the majority in the form of common stock. The Netherlands had the largest preferred stock exposure at \$108 million. (See Table 13.)

Table 13: 2013 Stock Exposure to EU Countries by Category (\$ Mil.)

Country Name	Preferred	Common	Total	% of EU Total
Ireland	0	2,085	2,086	10%
Netherlands	108	1,615	1,723	8%
France	0	1,118	1,118	5%
Germany	11	882	893	4%
Luxembourg	28	469	497	2%
Spain	41	185	226	1%
Italy	0	224	224	1%
Belgium	0	134	134	1%
Greece	0	47	47	0%
Finland	0	29	29	0%
Austria	0	7	7	0%
Portugal	0	4	4	0%
Malta	0	0	0	0%
Total Eurozone	188	6,799	6,988	32%
Other EU Members	326	14,045	14,371	68%
Total European Union	514	20,844	21,359	100%
% of Sector Total	2%	98%	100%	

Note: The Ireland preferred stock exposure in BACV is approximately \$303,000. The Malta common stock exposure is approximately \$128,000. These amounts are not reflected in the table due to rounding.

Summary

As of year-end 2013, total foreign investments increased \$22 billion to 12% of the insurance industry's total cash and invested assets from \$650.3 billion as of year-end 2012. Of that exposure, more than 60% of foreign bonds and 80% of foreign stocks were domiciled in Canada and EU countries. GDP grew by 0.3% across EU countries and just 0.2% across Eurozone countries in 2013. Eurozone GDP is expected to grow by 1.6% in 2014 and 2% in 2015. The projections for Canada in 2014 are much higher, at 2.3% growth in GDP. The International Monetary Fund (IMF) estimates that Latin America and the Caribbean had growth of 2.7% in 2013, with expectations of 2.5% and 3% in 2014 and 2015, respectively. With slow to no growth of GDP in recent quarters in Eurozone countries, the technical default of Argentina, continued conflict in Ukraine/Russia and turmoil in the Middle East, there is much uncertainty regarding the impact on foreign investments in these domiciles. The small size of the U.S. insurance industry's exposure, however (relative to total cash and invested assets), was mainly to high-quality (lower risk) countries and securities, and was diversified across more than 11 industry sectors.

The NAIC Capital Markets Bureau will continue to monitor the insurance industry's foreign exposure, as well as developments within the aforementioned regions that could affect these exposures. We will provide updates as deemed appropriate.

August 29, 2014		Change %			Prior			
Major Insurer Share Prices		Week	QTD	YTD	Week	Quarter	Year	
	Close							
Life	Aflac	\$61.24	1.1	(2.9)	(8.3)	\$60.55	\$63.04	\$66.80
	Amenprise	125.76	2.1	14.3	9.3	123.19	110.07	115.05
	Genworth	14.19	2.2	(20.0)	(8.6)	13.88	17.73	15.53
	Lincoln	55.04	3.0	8.6	6.6	53.43	50.67	51.62
	MetLife	54.74	2.1	3.7	1.5	53.59	52.80	53.92
	Principal	54.29	2.6	18.0	10.1	52.92	45.99	49.31
	Protective	69.40	0.2	32.0	37.0	69.24	52.59	50.66
	Prudential	89.70	1.2	6.0	(2.7)	88.65	84.65	92.22
	UNUM	36.27	3.3	2.7	3.4	35.10	35.31	35.08
PC	ACE	\$106.33	1.5	7.3	2.7	\$104.76	\$99.06	\$103.53
	Axis Capital	48.22	2.4	5.2	1.4	47.10	45.85	47.57
	Allstate	61.49	0.4	8.7	12.7	61.22	56.58	54.54
	Arch Capital	55.58	0.2	(3.4)	(6.9)	55.49	57.54	59.69
	Cincinnati	48.09	(0.3)	(1.2)	(8.2)	48.24	48.66	52.37
	Chubb	91.95	1.7	3.0	(4.8)	90.43	89.30	96.63
	Everest Re	163.84	1.0	7.0	5.1	162.14	153.05	155.87
	Progressive	25.02	0.9	3.3	(8.3)	24.79	24.22	27.27
	Travelers	94.71	1.0	11.3	4.6	93.75	85.10	90.54
	WR Berkley	48.35	1.2	16.2	11.4	47.80	41.62	43.39
	XL	34.18	1.6	9.4	7.3	33.63	31.25	31.84
Other	AON	\$87.16	0.5	3.4	3.9	\$86.69	\$84.28	\$83.89
	AIG	56.06	1.3	12.1	9.8	55.33	50.01	51.05
	Assurant	66.75	2.7	2.8	0.6	64.99	64.96	66.37
	Fidelity National	28.31	(0.3)	(10.0)	(12.8)	28.39	31.44	32.45
	Hartford	37.05	2.1	5.0	2.3	36.30	35.27	36.23
	Marsh	53.10	1.8	7.7	9.8	52.16	49.30	48.36
Health	Aetna	\$82.13	4.3	9.6	19.7	\$78.77	\$74.97	\$68.59
	Cigna	94.60	1.6	13.0	8.1	93.14	83.73	87.48
	Humana	128.74	4.5	14.2	24.7	123.19	112.72	103.22
	United	86.68	3.5	5.7	15.1	83.78	81.99	75.30
	WellPoint	116.51	3.2	17.0	26.1	112.87	99.55	92.39
Monoline	Assured	\$24.15	1.5	(4.6)	2.4	\$23.79	\$25.32	\$23.59
	MBIA	10.43	0.2	(25.4)	(12.6)	10.41	13.99	11.94
	MGIC	8.43	1.1	(1.1)	(0.1)	8.34	8.52	8.44
	Radian	14.56	2.0	(3.1)	3.1	14.28	15.03	14.12
	XL Capital	34.18	1.6	9.4	7.3	33.63	31.25	31.84
August 29, 2014		Change %			Prior			
Major Market Variables		Week	QTD	YTD	Week	Quarter	Year	
	Close							
Dow Jones Ind	17,098.45	0.6	3.9	3.1	17,001.22	16,457.66	16,576.66	
S&P 500	2,003.37	0.8	7.0	8.4	1,988.40	1,872.34	1,848.36	
S&P Financial	313.99	1.0	4.3	6.5	310.83	301.06	294.71	
S&P Insurance	296.73	1.5	5.9	2.6	292.36	280.10	289.10	
US Dollar\$		Change %			Prior			
/ Euro	\$1.31	(0.8)	(4.6)	(4.4)	\$1.32	\$1.38	\$1.37	
/ Crude Oil bbl	95.90	2.4	(5.6)	(2.6)	93.65	101.58	98.42	
/ Gold oz	1,287.30	0.7	0.3	7.1	1,278.60	1,283.40	1,202.30	
Treasury Ylds %	%	Change bp			%	%	%	
1 Year	0.09	(0.01)	(0.02)	(0.02)	0.10	0.11	0.11	
10 Year	2.34	(0.06)	(0.38)	(0.69)	2.40	2.72	3.03	
30 Year	3.08	(0.08)	(0.48)	(0.89)	3.16	3.56	3.97	
Corp Credit Spreads -bp		Change %			Prior			
CDX.IG	13.43	0.0	(22.7)	1.2	13.43	17.37	13.27	

August 29, 2014									
Major Insurer Bond Yields				Weekly Change					YTD
Company		Coupon	Maturity	Price			Spread over UST		Spread
				Current	Change	Yield	B.P.	Change	Change
Life	Aflac	8.500%	5/15/2019	\$128.29	\$0.00	2.14%	59	0	(33)
	Ameriprise	5.300%	3/15/2020	\$114.62	\$0.00	2.46%	67	(0)	(15)
	Genworth	6.515%	5/15/2018	\$114.58	\$0.00	2.39%	116	(0)	(47)
	Lincoln National	8.750%	7/15/2019	\$128.75	\$0.00	2.40%	78	(0)	(31)
	MassMutual	8.875%	6/15/2039	\$160.24	\$0.00	4.72%	174	(0)	(2)
	MetLife	4.750%	2/15/2021	\$112.76	\$0.00	2.58%	63	(0)	(25)
	New York Life	6.750%	11/15/2039	\$136.64	\$0.00	4.34%	143	(0)	15
	Northwestern Mutual	6.063%	3/15/2040	\$126.18	\$0.00	4.36%	142	(0)	17
	Pacific Life	9.250%	6/15/2039	\$157.88	\$0.00	5.11%	217	(0)	(17)
	Principal	6.050%	10/15/2036	\$125.97	\$0.00	4.23%	140	(0)	2
	Prudential	4.500%	11/15/2020	\$110.10	\$0.00	2.72%	80	(0)	2
	TIAA	6.850%	12/15/2039	\$136.51	\$0.00	4.43%	151	(0)	18
P&C	ACE INA	5.900%	6/15/2019	\$116.59	\$0.00	2.22%	60	(0)	(2)
	Allstate	7.450%	5/15/2019	\$123.53	\$0.00	2.16%	58	(0)	(5)
	American Financial	9.875%	6/15/2019	\$130.38	\$0.00	3.00%	136	(0)	(51)
	Berkshire Hathaway	5.400%	5/15/2018	\$113.58	\$0.00	1.60%	38	(0)	(1)
	Travelers	3.900%	11/15/2020	\$108.02	\$0.00	2.49%	59	(0)	(3)
	XL Group	6.250%	5/15/2027	\$119.85	\$0.00	4.21%	171	(0)	(11)
Other	AON	5.000%	9/15/2020	\$112.52	\$0.00	2.75%	86	(0)	(3)
	AIG	5.850%	1/15/2018	\$113.51	\$0.00	1.70%	61	(0)	(13)
	Hartford	5.500%	3/15/2020	\$114.52	\$0.00	2.68%	89	(0)	(16)
	Marsh	9.250%	4/15/2019	\$129.43	\$0.00	2.46%	91	(0)	(34)
	Nationwide	9.375%	8/15/2039	\$159.33	\$0.00	5.13%	220	(0)	(16)
Health	Aetna	3.950%	9/15/2020	\$107.92	\$0.00	2.52%	64	(0)	(22)
	CIGNA	5.125%	6/15/2020	\$113.09	\$0.00	2.66%	83	(0)	(14)
	United Healthcare	3.875%	10/15/2020	\$107.80	\$0.00	2.49%	59	(0)	(6)
	Wellpoint	4.350%	8/15/2020	\$109.13	\$0.00	2.68%	81	(0)	(18)

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

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