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## Year-end 2013 Insurance Industry Investment Portfolio Asset Mixes

The asset mix of an insurance company's investment portfolio varies over time based on different influences, including both macroeconomic and industry-specific factors. The general state of the global economy, industry trends, market events and the political environment all impact investment-management decisions. Similar to other industries, for U.S. insurance companies, a change in risk appetite also tends to result in an adjustment to investment strategies and philosophies. In a strong economy, risk appetite typically increases, and the converse is true during poor economic conditions.

Depending on the insurer type, portfolio compositions vary, due mostly to appropriately matching assets to liabilities and taking into consideration relative duration and liquidity risk. For example, life companies generally have longer-term liabilities than property/casualty (P/C) companies; therefore, the former tends to invest more heavily in longer-term assets, such as bonds with 30-year maturities, than do the other insurer types.

The NAIC Capital Markets Bureau published a special report in September 2013 titled, "Update on Insurance Industry Investment Portfolio Asset Mixes," which reviewed the insurance industry's portfolio asset mix across the five general insurance company types (life, P/C, fraternal, health and title) as of year-end 2012 and year-end 2011. This special report provides a more recent update on the insurance industry's portfolio asset mix, as well as a breakdown of the bond sector and a further breakdown of the corporate bond exposure into sectors/industries, as of year-end 2013 and year-end 2012.

### **Asset Mix Comparison Between 2013 and 2012**

In 2013, the overall book/adjusted carrying value (BACV) of the insurance industry's cash and invested assets increased 3.5%, to \$5.54 trillion from \$5.35 trillion in 2012. As shown in Table 1A and Table 1B, the majority of insurance industry investments in both years was 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 2A and 2B for a complete listing of the bond categories.) The BACV of bonds at year-end 2013 increased 2.2% to \$3.74 trillion from \$3.66 trillion in 2012.

Common stock and mortgages represent the second- and third-largest assets types at 12.0% and 7.0%, respectively. The top three asset types as a percentage of total cash and invested assets have not changed since 2011. At year-end 2013, common stock investments increased 13.1% to \$666.9 billion from \$590 billion in 2012. This follows the 10.5% increase in 2012 over 2011. Mortgages accounted for \$371.4 billion and \$351.4 billion at year-end 2013 and 2012, respectively.

Overall, the broad asset mix of the U.S. insurance industry's investment portfolios has remained fairly stable year-over-year, even though there were large shifts in asset type. In 2013, securities lending (reinvested collateral assets) increased 26.1% to \$19 billion from approximately \$15 billion in 2012. Other receivables, also known as broker receivables, were

second with an increase of 24.5%. The largest declines included exposure to derivatives, which decreased 9.3%. The derivative position of fraternal insurers was a negative \$6.58 million. The negative balance indicates the expected payments to counterparties from insurers is greater than the expected payments from counterparties. Cash and short-term investments decreased 6.5%. This could be an indication that, much like the broader market, the insurance industry is fully employing cash to maximize yield.

**Table 1A: Year-end 2013 Insurance Industry Asset Mix (\$mil)**

Asset Type	Life	Property/Casualty	Fraternal	Title	Health	Total	% of Total
Bonds	2,605,105	948,228	91,581	5,083	92,419	3,742,417	68%
Preferred Stocks (Stocks)	8,314	11,680	310	198	399	20,902	0%
Common Stocks (Stocks)	152,365	472,113	3,173	1,677	37,663	666,991	12%
Mortgages	353,151	7,989	10,204	41	37	371,423	7%
Real Estate	22,370	9,964	321	176	5,842	38,673	1%
Cash & Short-term Investments	94,635	86,790	2,218	848	26,455	210,947	4%
Contract Loans	128,542	4	2,881	0	1	131,427	2%
BA & Other	148,117	127,042	3,228	404	8,695	287,485	5%
Other receivables (Broker Receivables)	4,842	6,971	16	0	486	12,314	0%
Derivatives	37,807	471	(7)	0	6	38,279	1%
Securities lending (reinvested collateral)	13,828	3,150	809	0	1,247	19,034	0%
<b>Total</b>	<b>3,569,077</b>	<b>1,674,401</b>	<b>114,734</b>	<b>8,427</b>	<b>173,252</b>	<b>5,539,891</b>	<b>100%</b>
<b>% of Total</b>	<b>64%</b>	<b>30%</b>	<b>2%</b>	<b>0%</b>	<b>3%</b>	<b>100%</b>	

**Table 1B: Year-end 2012 Insurance Industry Asset Mix (\$mil)**

Asset Type	Life	Property/Casualty	Fraternal	Title	Health	Total	% of Total
Bonds	2,547,315	934,579	86,902	4,942	86,907	3,660,645	68%
Preferred Stocks (Stocks)	7,841	12,144	525	273	438	21,220	0%
Common Stocks (Stocks)	143,807	406,565	2,898	1,457	35,106	589,832	11%
Mortgages	335,611	5,686	10,002	47	40	351,385	7%
Real Estate	21,430	10,455	342	171	5,884	38,281	1%
Cash & Short-term Investments	106,714	85,040	4,462	934	28,488	225,638	4%
Contract Loans	127,567	2	2,869	0	1	130,439	2%
BA & Other	139,087	115,841	3,053	487	7,282	265,751	5%
Other receivables (Broker Receivables)	1,826	7,723	25	0	314	9,889	0%
Derivatives	41,580	592	1	0	18	42,191	1%
Securities lending (reinvested collateral)	10,829	2,852	681	0	729	15,091	0%
<b>Total</b>	<b>3,483,607</b>	<b>1,581,479</b>	<b>111,759</b>	<b>8,311</b>	<b>165,206</b>	<b>5,350,363</b>	<b>100%</b>
<b>% of Total</b>	<b>65%</b>	<b>30%</b>	<b>2%</b>	<b>0%</b>	<b>3%</b>	<b>100%</b>	

Life companies accounted for the majority of BACV of cash and invested assets in the industry, at 64%, down from 65% as of year-end 2012 (and a slight decline from 65.8% at year-end 2011). P/C companies represented the second-largest, at 30% of total cash and invested assets at year end 2013 (a slight increase from 29.1% at year-end 2011). Similar to the broader asset class mix, the overall composition of the insurance industry's investment portfolios by insurer type did not noticeably change year-over-year.

#### **Bonds' Breakdown Comparison Between 2013 and 2012**

In terms of specific bond types within the insurance industry, Table 2A and Table 2B show that approximately half of all bond investments were corporate bonds for both year-end 2013 and year-end 2012. A large corporate bond focus also existed in 2011 at 49.5% of cash and

invested assets. As of year-end 2013, total corporate bond investments were almost \$2.0 trillion (or approximately 53% of total bond investments), representing a 5.1% increase over year-end 2012 when corporate bond investments totaled about \$1.9 trillion, and a 4.9% increase from the \$1.8 trillion in corporate bonds at year-end 2011. That, in turn, was a 5.5% increase from \$1.7 trillion of corporate bonds held at year-end 2010. The trend of increased year-over-year absolute dollar investments in corporate bonds and their share of total bond investments continued into a fourth year.

Municipal bonds were the second-largest bond category for the insurance industry for year-end 2011, year-end 2012 and again for year-end 2013. Similar to the corporate bond exposure, both the absolute dollar amount of municipal bonds and their share of total bond investments have steadily increased year-over-year. They increased from \$467 billion (or 12.9% of total bond investments) at year-end 2011 to \$524 billion (or 14% of total bond investments) at year-end 2012 and, at year-end 2013, municipal bond investments increased again by 2.7% to about \$537.7 billion. A more detailed analysis of the U.S. insurance industry's exposure to municipal bonds was published July 1, 2013, in a special report titled, "Update on Municipal Bonds Held by the U.S. Insurance Industry."

Overall, the analysis shows a percentage decrease as of year-end 2013: hybrid securities (-18.5%), agency-backed residential mortgage-backed securities (RMBS) (-6.9%), U.S. Government securities (-4.4%), private-label RMBS (-2.2%), and foreign government bonds (-0.7%). The decreased investments in those securities were reallocated as follows: to agency-backed commercial mortgage-backed securities (CMBS) (14.2%); to corporate bonds (5.1%); to asset-backed securities (ABS); to other structured securities (4.7%); to municipal bonds (2.7%); and to private-label CMBS (2.2%). Year-over-year 2013 total bond investments increased 2.3% from year-end 2012.

**Table 2A: Year-end 2013 Bond Breakdown (\$mil)**

Bond Type	Life	Property/Casualty	Fraternal	Title	Health	Total	% of Total
Corporate Bonds	1,573,831	311,728	60,836	2,712	34,745	1,983,852	53%
Municipal Bonds	162,413	346,040	6,422	1,563	21,278	537,715	14%
US Government	135,316	81,707	3,414	227	13,379	234,044	6%
Agency-backed RMBS	200,294	83,993	9,527	337	13,760	307,911	8%
Agency-backed CMBS	21,871	7,860	1,833	20	354	31,938	1%
Private-label RMBS	92,878	19,219	1,715	0	859	114,671	3%
Private-label CMBS	132,709	28,576	3,208	1	3,711	168,204	4%
Foreign Government	77,032	27,650	1,421	190	561	106,855	3%
Hybrid Securities	23,599	1,864	416	1	297	26,177	1%
ABS and Other Structured Securities	185,423	42,590	2,789	32	3,474	234,308	6%
<b>Total</b>	<b>2,605,367</b>	<b>951,227</b>	<b>91,581</b>	<b>5,083</b>	<b>92,417</b>	<b>3,745,675</b>	<b>100%</b>
<b>% of Total</b>	<b>70%</b>	<b>25%</b>	<b>2%</b>	<b>0%</b>	<b>2%</b>	<b>100%</b>	

**Table 2B: Year-end 2012 Bond Breakdown (\$mil)**

Bond Type	Life	Property/Casualty	Fraternal	Title	Health	Total	% of Total
Corporate Bonds	1,506,512	292,717	55,475	2,413	31,070	1,888,188	52%
Municipal Bonds	149,432	346,059	6,644	1,532	20,047	523,714	14%
US Government	143,239	84,823	2,630	379	13,664	244,735	7%
Agency-backed RMBS	213,245	91,832	10,405	484	14,769	330,735	9%
Agency-backed CMBS	19,285	6,624	1,807	0	252	27,967	1%
Private-label RMBS	96,743	17,705	2,052	12	765	117,277	3%
Private-label CMBS	131,542	26,811	3,204	23	3,020	164,601	4%
Foreign Government	78,265	27,351	1,472	68	412	107,568	3%
Hybrid Securities	29,259	2,077	590	4	184	32,115	1%
ABS and Other Structured Securities	179,793	38,580	2,624	27	2,721	223,746	6%
<b>Total</b>	<b>2,547,315</b>	<b>934,579</b>	<b>86,902</b>	<b>4,942</b>	<b>86,906</b>	<b>3,660,645</b>	<b>100%</b>
<b>% of Total</b>	<b>70%</b>	<b>26%</b>	<b>2%</b>	<b>0%</b>	<b>2%</b>	<b>100%</b>	

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 \$346 billion in BACV (or 36% of P/C companies' total bond investments at year-end 2013). For life companies, corporate bonds represented \$1.57 trillion (or 60% of total bond investments). As Table 3A and Table 3B 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 are only 6% of life companies' total bond investments, primarily because of tax reasons.

Life companies continue as holders of the largest concentration of non-agency RMBS and CMBS among insurers, at 9% as of 2013, unchanged from year-end 2012. Fraternal companies are a distant second, holding 6% followed by 5% for P/C companies. Though smaller at both, P/C and health companies did increase their exposure to non-agency RMBS and CMBS in terms of BACV and as a percentage of their total bond investments as of year-end 2013. As the housing market recovery continues and new issuance volume increases, perhaps allocations to these asset classes will increase in the future if they are deemed attractive investment opportunities.

In 2012, all insurer types except title companies reduced their exposure to U.S. government bonds, both in terms of BACV and as a percentage of their total bond investments. In 2013, title companies reduced their holdings along with life, P/C and health companies, while fraternal companies increased their holdings. Even though U.S. government-related and foreign government debt are usually a small part of insurers' invested assets, they serve an important role in their investment portfolios. A more thorough analysis of the U.S. insurance industry's exposure to the U.S. government bond market was published May 9, 2013, in a special report titled, "U.S. Government-Related and Foreign Government Debt Holdings Within the U.S. Insurance Industry." 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 and universal acceptability serving as required collateral in derivative transactions.

The overall insurance industry holdings of U.S. government debt dropped from about \$328 billion (or 9.4% of total bond investments) at year-end 2010 to about \$299 billion (or 8.2%) at year-end 2011, and further decreased to about \$245 billion (or 6.7%) at year-end 2012. The trend continues as of year-end 2013, with U.S. government bonds decreasing 4.4% to \$234 billion. This trend is likely the result of insurers seeking higher returns from investments than what is offered by government bonds.

**Table 3A: Year-end 2013 Bond Breakdown (%)**

Bond Type	Life	Property/Casualty	Fraternal	Title	Health
Corporate Bonds	60%	33%	66%	53%	38%
Municipal Bonds	6%	36%	7%	31%	23%
US Government	5%	9%	4%	4%	14%
Agency-backed RMBS	8%	9%	10%	7%	15%
Agency-backed CMBS	1%	1%	2%	0%	0%
Private-label RMBS	4%	2%	2%	0%	1%
Private-label CMBS	5%	3%	4%	0%	4%
Foreign Government	3%	3%	2%	4%	1%
Hybrid Securities	1%	0%	0%	0%	0%
ABS and Other Structured Securities	7%	4%	3%	1%	4%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Table 3B: Year-end 2012 Bond Breakdown (%)**

Bond Type	Life	Property/Casualty	Fraternal	Title	Health
Corporate Bonds	59%	31%	64%	49%	36%
Municipal Bonds	6%	37%	8%	31%	23%
US Government	6%	9%	3%	8%	16%
Agency-backed RMBS	8%	10%	12%	10%	17%
Agency-backed CMBS	1%	1%	2%	0%	0%
Private-label RMBS	4%	2%	2%	0%	1%
Private-label CMBS	5%	3%	4%	0%	3%
Foreign Government	3%	3%	2%	1%	0%
Hybrid Securities	1%	0%	1%	0%	0%
ABS and Other Structured Securities	7%	4%	3%	1%	3%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

#### *Credit Quality Breakdown*

The insurance industry's bond exposure continues to be predominantly investment grade credit risk. However, the mix of NAIC 1 to NAIC 2 designations changed slightly. As of year-end 2013 the analysis shows a small decrease in NAIC 1 designations and an increase in NAIC 2 designations for title and health companies. As Table 4A and Table 4B show, the percentage split between NAIC 1 and NAIC 2 designations remained relatively stable for the remaining three industry types. About 95% of all insurance industry's bond investments were investment grade (NAIC 1 and NAIC 2 designations) at year-end 2013 and year-end 2012. The investment grade totals are similar among different insurer types, ranging from a low of 94% for life companies up to 97% for title companies.

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, which ranged from 62% to 63% of total bond investments versus the other insurer types' proportions, which ranged from 77% 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 4A: Year-end 2013 Bond Breakdown – NAIC Designation (%)**

NAIC Designation	Life	Property/Casualty	Fraternal	Title	Health	Total
1	62%	83%	63%	77%	81%	68%
2	32%	13%	33%	20%	14%	27%
<b>NAIC 1&amp;2</b>	<b>94%</b>	<b>96%</b>	<b>96%</b>	<b>97%</b>	<b>95%</b>	<b>95%</b>
3	4%	2%	2%	0%	3%	3%
4	2%	1%	1%	1%	2%	2%
5	0%	1%	0%	1%	1%	1%
6	0%	0%	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Table 4B: Year-end 2012 Bond Breakdown – NAIC Designation (%)**

NAIC Designation	Life	Property/Casualty	Fraternal	Title	Health	Total
1	62%	84%	64%	79%	83%	68%
2	32%	12%	33%	17%	13%	26%
<b>NAIC 1&amp;2</b>	<b>94%</b>	<b>96%</b>	<b>96%</b>	<b>96%</b>	<b>96%</b>	<b>94%</b>
3	4%	2%	2%	2%	2%	3%
4	2%	1%	1%	1%	1%	2%
5	1%	1%	0%	1%	0%	1%
6	0%	0%	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### **Corporate Bonds' Sector/Industry Breakdown Comparison Between 2013 and 2012**

As shown in Table 5A and Table 5B, our analysis also included a more detailed sector breakdown of the nearly \$2 trillion corporate bond exposure as of year-end 2013 and year-end 2012.

The top three sectors of the S&P 500 Index are technology (18.63%), financials (16.44%) and health care (13.37%).

A comparison of the sector weighting of the S&P 500 Index to the results of this analysis confirms the cautious nature of insurers and their reliance on dividends. Financials are still the largest sector among corporate bonds held by insurance companies in terms of BACV (about \$449.9 billion), representing 23% of total insurance industry corporate bond exposure as of year-end 2013, a small decrease from 24% at year-end 2012. A more detailed analysis of the U.S. insurance industry's exposure to the financial sector was published April 5, 2013, in a special report titled, "U.S. Insurance Industry's Investment Exposure to the Financial Sector." The utilities sector (including electric, gas and water companies) was the second-largest sector and accounted for 13% of the industry's total corporate bond exposure at year-end 2013, while the energy sector (including oil, gas, coal and renewable energy producers) was the third-largest sector with an 12% share of total year-end 2013 corporate bond holdings. Although the consumer discretionary (also called "consumer cyclical") and consumer staples (also called "consumer non-cyclical") sectors did not make the top three as stand-alone sectors, together they accounted for a sizable 16% share of total corporate bond investments at year-end 2013.

**Table 5A: Year-end 2013 Corporate Bond Investments – Sector Breakdown (\$mil)**

Sector	Life	Property/Casualty	Fraternal	Title	Health	Total	% of Total
Financials	328,849	95,700	12,377	914	12,149	449,989	23%
Communications	127,163	25,954	3,608	108	3,085	159,919	8%
Consumer Discretionary	107,445	19,778	2,863	229	1,774	132,089	7%
Consumer Staples	146,800	31,651	5,227	298	2,441	186,417	9%
Energy	197,823	28,793	6,022	201	2,877	235,716	12%
Health Care	114,660	23,154	3,604	164	1,314	142,896	7%
Industrials	165,153	23,956	5,294	241	1,961	196,605	10%
Materials	109,432	21,751	3,894	99	1,769	136,944	7%
Technology	42,189	12,818	2,759	229	1,632	59,626	3%
Utilities	227,865	25,620	11,207	190	3,575	268,457	13%
Government	4,654	2,046	1,518	2	737	8,957	0%
Unknown	1,688	557	24	7	3,962	6,238	0%
<b>Total</b>	<b>1,573,721</b>	<b>311,778</b>	<b>58,396</b>	<b>2,682</b>	<b>37,275</b>	<b>1,983,852</b>	<b>100%</b>

**Table 5B: Year-end 2012 Corporate Bond Investments – Sector Breakdown (\$mil)**

Sector	Life	Property/Casualty	Fraternal	Title	Health	Total	% of Total
Financials	329,476	92,116	11,900	890	12,278	446,660	24%
Communications	117,360	23,214	3,597	97	2,746	147,013	8%
Consumer Discretionary	99,393	16,776	2,643	136	1,585	120,533	6%
Consumer Staples	136,380	30,004	5,334	245	2,121	174,084	9%
Energy	187,864	26,024	5,992	183	2,879	222,943	12%
Health Care	97,936	22,043	2,790	172	2,191	125,132	7%
Industrials	143,144	21,495	4,881	188	1,829	171,536	9%
Materials	114,232	21,271	3,717	97	1,633	140,950	7%
Technology	46,081	12,915	2,106	218	1,636	62,956	3%
Utilities	227,186	24,331	10,805	164	1,814	264,299	14%
Government	4,794	2,040	1,697	20	255	8,806	0%
Unknown	2,916	490	12	5	91	3,514	0%
<b>Total</b>	<b>1,506,762</b>	<b>292,718</b>	<b>55,475</b>	<b>2,413</b>	<b>31,058</b>	<b>1,888,425</b>	<b>100%</b>

### Summary

The insurance industry's asset mix has 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 mix of the insurance industry's investment portfolios has remained fairly stable year-over-year, although some asset type proportions have shifted slightly.

Notably, both the absolute amount of *corporate* bonds and their share of total bond investments have steadily increased year-over-year over the past three years. Similarly, both the absolute amount of *municipal* bonds and their share of total bond investments have steadily increased over the past two years. Insurers continued reducing their exposure to *U.S. government bonds* and to both *agency and non-agency RMBS and CMBS* in terms of BACV and as a share of their total bond investments over the past three years. A slight shift into NAIC 2-designated bonds from NAIC 1-designated bonds (for two insurer types) continued in 2013. However, NAIC 1 and NAIC 2-designated assets comprised the largest share of invested assets.

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

May 2, 2014								
Major Insurer Share Prices		Close	Change %			Prior		
			Week	QTD	YTD	Week	Quarter	Year
Life	Aflac	\$63.15	2.0	(0.9)	19.4	\$61.90	\$63.72	\$52.89
	Ameriprise	112.34	8.4	21.0	79.9	103.68	92.84	62.45
	Genworth	17.81	2.7	38.0	137.8	17.35	12.91	7.49
	Lincoln	49.18	3.3	14.2	90.8	47.59	43.08	25.77
	MetLife	51.89	1.3	8.9	58.4	51.20	47.66	32.76
	Principal	46.65	0.5	7.5	64.4	46.41	43.39	28.38
	Protective	51.24	2.1	17.1	80.0	50.17	43.76	28.47
	Prudential	82.05	1.5	4.7	54.5	80.85	78.39	53.09
	UNUM	33.62	2.4	9.4	62.2	32.83	30.72	20.73
PC	ACE	\$102.06	0.3	10.0	28.4	\$101.74	\$92.78	\$79.50
	Axis Capital	45.17	(3.9)	2.0	31.1	47.00	44.30	34.46
	Allstate	57.18	1.7	9.3	42.8	56.22	52.33	40.05
	Arch Capital	57.07	(0.8)	3.8	30.2	57.53	54.96	43.82
	Cincinnati	49.09	2.1	3.1	26.0	48.09	47.63	38.95
	Chubb	92.61	2.8	4.3	23.5	90.07	88.80	75.01
	Everest Re	159.31	0.7	7.8	45.3	158.25	147.73	109.67
	Progressive	24.80	4.1	(9.3)	18.0	23.83	27.33	21.01
	Travelers	91.00	3.0	7.5	27.2	88.36	84.66	71.53
	WR Berkley	44.64	4.0	4.9	18.8	42.93	42.54	37.59
	XL	31.83	1.2	2.2	27.6	31.44	31.14	24.94
	Other	AON	\$85.04	(0.5)	16.9	53.5	\$85.44	\$72.76
AIG		52.35	1.2	5.8	48.4	51.75	49.48	35.28
Assurant		68.02	1.7	23.2	97.3	66.89	55.23	34.48
Fidelity National		33.60	6.5	28.3	42.5	31.56	26.18	23.58
Hartford		35.78	2.3	13.5	59.8	34.98	31.52	22.39
Marsh		48.46	(0.5)	11.4	41.3	48.71	43.51	34.30
Health	Aetna	\$71.49	0.1	7.7	54.8	\$71.42	\$66.40	\$46.17
	Cigna	82.66	4.5	4.3	55.1	79.10	79.22	53.29
	Humana	108.89	(0.3)	12.8	59.1	109.27	96.52	68.43
	United	75.03	(0.8)	2.8	38.6	75.66	73.01	54.12
	WellPoint	100.87	4.9	15.6	66.1	96.12	87.24	60.73
Monoline	Assured	\$24.45	3.3	25.1	73.2	\$23.67	\$19.54	\$14.12
	MBIA	12.25	2.8	14.9	54.7	11.92	10.66	7.92
	MGIC	8.68	3.4	20.6	221.5	8.40	7.20	2.70
	Radian	14.27	2.2	2.1	132.0	13.97	13.98	6.15
	XL Capital	31.83	1.2	2.2	27.6	31.44	31.14	24.94



May 2, 2014							
Major Market Variables		Change %			Prior		
		Close	Week	QTD	YTD	Week	Quarter
Dow Jones Ind	16,512.89	0.9	9.6	26.1	16,361.78	15,072.58	13,099.80
S&P 500	1,881.14	0.8	11.3	32.3	1,865.61	1,689.92	1,422.10
S&P Financial	296.32	0.7	9.6	34.0	294.32	270.26	221.17
S&P Insurance	283.44	1.6	7.2	42.0	278.89	264.30	199.67
US Dollar \$		Change %			Prior		
/ Euro	\$1.39	0.3	2.4	5.1	\$1.38	\$1.36	\$1.32
/ Crude Oil bbl	99.89	(0.7)	(3.6)	9.0	100.64	103.60	91.62
/ Gold oz	1,300.70	0.0	(0.7)	(22.3)	1,300.70	1,309.80	1,673.70
Treasury Ylds %		Change bp			%	%	%
1 Year	0.10	0.01	0.00	(0.04)	0.09	0.10	0.14
10 Year	2.59	(0.08)	(0.06)	0.83	2.67	2.65	1.76
30 Year	3.37	(0.08)	(0.35)	0.42	3.45	3.72	2.95
Corp Credit Spreads -bp		Change %			Prior		
CDX.IG	14.25	0.0	(43.1)	(75.0)	14.25	25.04	57.04

May 2, 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	\$129.43	\$0.12	2.27%	57	4	(70)
	Ameriprise	5.300%	3/15/2020	\$114.48	\$0.22	2.62%	65	3	(53)
	Genworth	6.515%	5/15/2018	\$115.67	\$0.17	2.42%	110	(2)	(280)
	Lincoln National	8.750%	7/15/2019	\$129.92	\$0.14	2.52%	78	2	(106)
	MassMutual	8.875%	6/15/2039	\$157.05	\$2.15	4.90%	165	(2)	(83)
	MetLife	4.750%	2/15/2021	\$111.60	\$0.16	2.85%	69	5	(39)
	New York Life	6.750%	11/15/2039	\$132.84	\$0.55	4.56%	130	5	(33)
	Northwestern Mutual	6.063%	3/15/2040	\$123.00	\$0.49	4.54%	127	5	(18)
	Pacific Life	9.250%	6/15/2039	\$152.31	\$0.21	5.41%	218	7	(113)
	Principal	6.050%	10/15/2036	\$122.18	\$0.84	4.47%	135	4	(46)
	Prudential	4.500%	11/15/2020	\$110.00	\$0.24	2.81%	70	3	(71)
	TIAA	6.850%	12/15/2039	\$132.97	\$0.35	4.64%	139	6	(31)
P&C	ACE INA	5.900%	6/15/2019	\$117.22	\$0.01	2.30%	57	7	(20)
	Allstate	7.450%	5/15/2019	\$124.93	\$0.66	2.18%	48	(6)	(63)
	American Financial	9.875%	6/15/2019	\$130.98	\$1.54	3.24%	149	(22)	(164)
	Berkshire Hathaway	5.400%	5/15/2018	\$114.33	\$0.09	1.70%	38	0	(25)
	Travelers	3.900%	11/15/2020	\$106.91	\$0.15	2.73%	63	6	(1)
	XL Group	6.250%	5/15/2027	\$117.58	\$0.51	4.46%	166	5	(75)
Other	AON	5.000%	9/15/2020	\$111.70	\$0.24	2.98%	91	3	(41)
	AIG	5.850%	1/15/2018	\$114.27	\$0.10	1.83%	66	(0)	(55)
	Hartford	5.500%	3/15/2020	\$114.44	\$0.19	2.82%	87	4	(85)
	Marsh	9.250%	4/15/2019	\$130.89	\$0.21	2.55%	87	(2)	(110)
	Nationwide	9.375%	8/15/2039	\$154.32	(\$0.64)	5.41%	216	10	(106)
Health	Aetna	3.950%	9/15/2020	\$107.83	\$0.87	2.60%	53	(8)	(67)
	CIGNA	5.125%	6/15/2020	\$112.75	\$0.08	2.84%	85	9	(59)
	United Healthcare	3.875%	10/15/2020	\$106.80	\$0.23	2.72%	66	2	(31)
	Wellpoint	4.350%	8/15/2020	\$107.99	\$0.37	2.94%	91	2	(47)

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

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