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 US insurance companies. A list of archived Capital Markets Bureau Special Reports is available via the index

U.S. Insurance Industry CDO/CLO Update

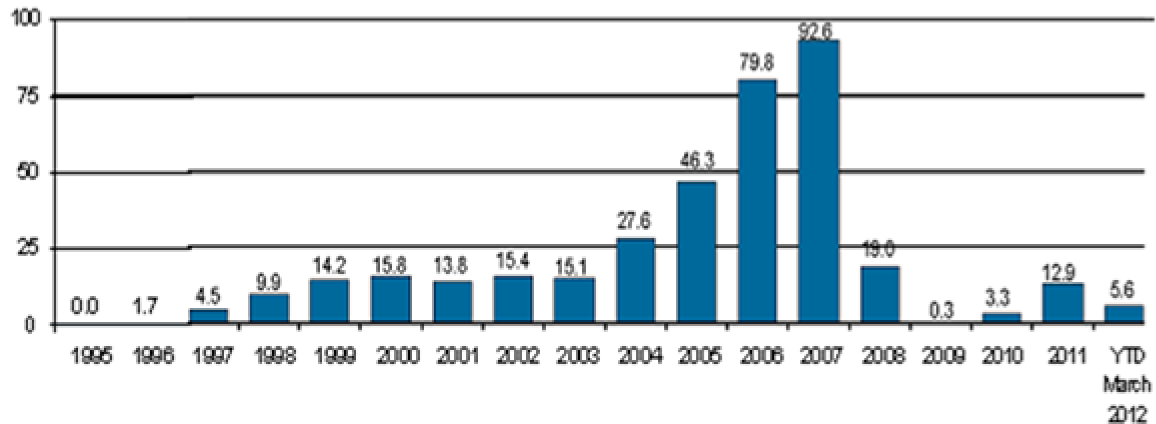
In February 2011, the NAIC Capital Markets Bureau published a report on the U.S. insurance industry's exposure to collateralized debt obligations (CDOs), including collateralized loan obligations (CLOs) as of year-end 2009. CDOs and CLOs are included as part of structured finance securities. In this aforementioned article, we also discussed the various types of CDOs, including the different types of structures, trends and potential risks to investors. In general, CDOs are defined as structured finance securities that are collateralized by a pool of bonds, bank loans and/or other debt instruments. CLOs may be considered a "subset" of CDOs, in that they are mostly collateralized by below-investment-grade broadly syndicated bank loans (typically at least 90% of the underlying portfolio), while other CLOs are collateralized by middle-market bank loans (that is, loans to companies with less than or equal to $50 million operating cash flow and no more than $500 million in gross revenues). Syndicated bank loans are generally made by a group of lenders that are typically comprised of commercial banks.

While CDOs and CLOs comprise an extremely small portion of overall U.S. insurance industry investments (less than 1%), since the financial crisis, certain types of CDOs have shown to be volatile. In particular, CDOs collateralized by non-agency (private label) residential mortgage-backed securities (RMBS) — also known as ABS CDOs — have experienced significant deterioration in terms of credit and market value due to the collapse of the U.S. housing sector. As a result, there has been almost no new issuance in RMBS-backed CDOs since 2008. On the other hand, in recent times, CLOs have proven to be the survivors, evidenced by rating agency upgrades, new issuance and new market participants — including insurance companies — as investors.

U.S. Structured Finance Issuance and Statistics

According to Standard & Poor's (S&P) Structured Finance Research, since the beginning of 2012, U.S. structured finance issuance reached a total of $28 billion as of mid-April 2012, which includes CDOs, CLOs and asset-backed securities (ABS), such as those collateralized by auto loans, credit card receivables and student loans. Included in this total was approximately $10 billion in 23 new CLOs. Year-to-date new issuance for CLOs was $14.7 billion in 35 transactions as of the end of May 2012, compared to $3.5 billion in eight transactions at the same time last year. This is due in part to a widening investor base, which includes insurance companies, as well as some Japanese banks, European and U.S. banks and pension funds. In comparison, during 2011, new CLO issuance was approximately $13 billion, according to S&P, compared to $4 billion as of year-end 2010. New issuance in 2012 is expected to be around $35 billion, based on current and projected volume. While this increased new issuance is indicative of a market rebound, it is still well below the peak of $96 billion for year-end 2006. Other than CLOs, there has not been any meaningful new issuance with respect to other CDO types — such as CDOs collateralized by trust preferred securities (TruPS) — over the past few years.

CLO Issuance
(As of Dec. 30, 2011)



CLO- Collateralized loan obligation. YTD- Year to date.
Source: Royal Bank of Scotland, Fitch Ratings.

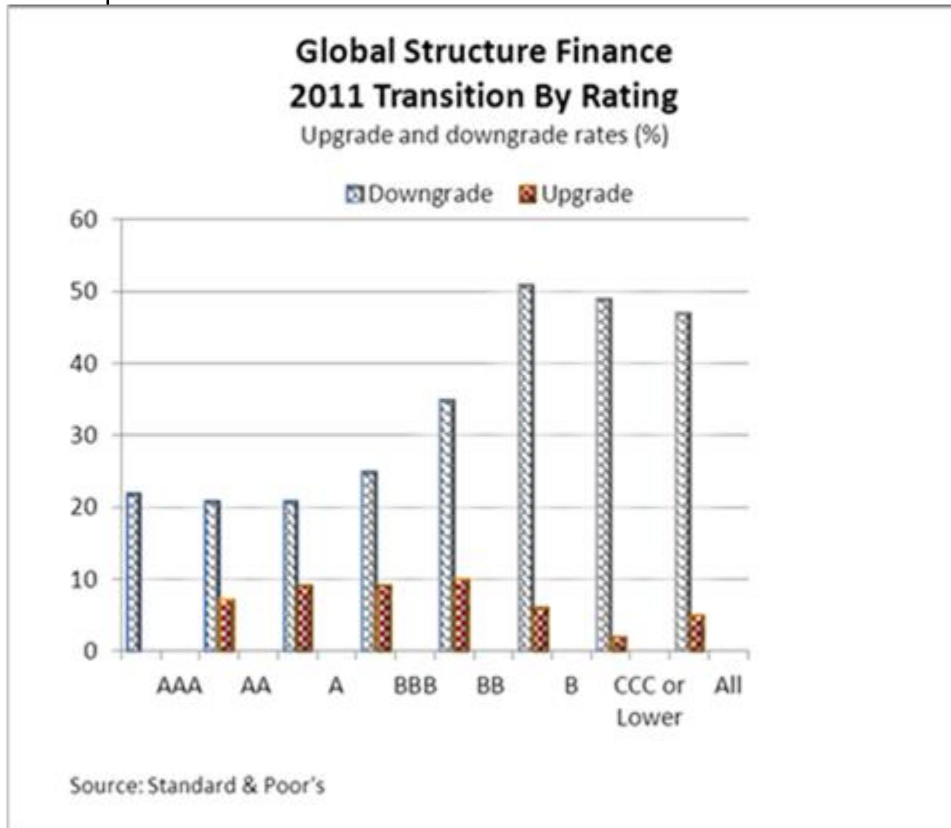
In comparison to other structured finance securities, there has been substantially no new issuance with respect to private label RMBS, but there has been some new issuance in commercial mortgage-backed securities (CMBS) and in U.S. ABS, particularly those securitized by auto loans, credit card receivables and student loans. According to S&P's weekly structured finance research update, CMBS year-to-date new issuance was slightly more than $16 billion through the end of May 2012, with a forecast of $35 billion by year-end. U.S. ABS new issuance was approximately $120 billion as of year-end 2011, of which $68 billion was in ABS collateralized by auto loans. Through the end of May 2012, U.S. ABS new issuance totaled $59 billion according to S&P, with the majority of new issuance again in auto ABS at $41 billion, followed by credit card ABS at $11 billion, and student loan ABS at $8 billion.

U.S. Structured Finance and CLO Trends and Investment Risk

According to a global structured finance default study conducted by S&P, credit quality for structured finance securities in general declined for the fifth consecutive year in 2011. However, global ABS has exhibited more stable performance — evidenced by lower default rates than other structured finance sectors — "solid performance among speculative-grade corporate loan issuers drove the continued upgrades of U.S. CLOs." Fitch Ratings (Fitch) also conducted a global structured finance default study confirming positive ratings performance for CLOs in 2011. Corporate-backed CDOs — primarily, CLOs and synthetic corporate investment grade CDOs — initially experienced significant downgrades in late 2009 and early 2010 because of changes in rating agency criteria combined with the stressed economic environment, according to S&P. Synthetic corporate investment grade CDOs are structured transactions whereby the underlying collateral is a pool of referenced obligations (typically in the form of credit default swaps) rather than direct investments in corporate bonds.

CLO debt upgrades generally began in 2010 and continued through 2011, due mostly to a rebound in collateral performance. More stability (as well as more upgrades to CLO tranches) is expected in 2012. Both S&P and Fitch studies noted that ABS CDO downgrades have, and continue to be, primarily attributed to significant downgrade activity relative to the underlying RMBS pools. The U.S. housing market-related sectors showed continued deterioration and ratings volatility in 2011 despite signs of recovery, including lower delinquency and foreclosure rates and stabilizing home sales.

Overall, there is a correlation between a structured finance security's initial rating level and its rating stability. That is, securities with higher ratings tend to be more stable or experience upgrades compared to lower-rated securities. As shown in the chart below, lower-rated securities experienced a higher percentage of downgrades in 2011 than their higher-rated counterparts.



Additionally, in 2011, structured finance transactions collateralized by auto and corporate debt (i.e., corporate bank loans relative to the latter) represented a significant percentage of positive ratings actions, according to S&P research: "Positive performance in the auto and corporate-related sectors helped the drop in the global structured finance's credit quality to slow in 2011." The table below shows the number of S&P ratings outstanding at the beginning of 2011 for each of the named structured finance sectors (and regions) along with ratings transition rates for the same year. There was greater volatility in ratings among U.S. CDOs, which includes U.S. CLOs. This was most likely attributable to negative volatility of ABS CDOs (and not necessarily CLOs).

Global Structured Finance 2011 Rating Transition By Region And Sector*

Region/sector	Beginning no. of ratings	Stable (%)	Upgrade (%)	Downgrade (%)	Near default (%)	Default (%)
U.S. ABS	3,121	85.10	4.97	9.93	0.03	0.67
U.S. CDO	7,409	48.09	19.48	32.43	2.28	26.32
U.S. CMBS	5,799	58.03	1.16	40.82	0.14	17.62
U.S. RMBS	24,506	52.98	0.84	46.18	15.36	12.78
U.S. single-name synthetics	585	58.80	7.86	33.33	0.17	1.03
European ABS	1,137	73.79	4.66	21.55	0.35	0.35
European CDO	2,926	72.11	14.70	13.19	1.74	4.07
European CMBS	745	57.58	3.22	39.19	0.13	4.83
European RMBS	2,624	67.07	4.84	28.09	0.15	0.57
European single-name synthetics	329	52.58	3.95	43.47	1.52	0.91

Source: Standard & Poor's.

S&P noted in its global structured finance default study that, since the fourth quarter of 2010, it has upgraded about 60% of its U.S. CLO ratings due mostly to overall sound transaction performance, and not necessarily due to methodology changes. The strong performance of the underlying loan portfolios are due, in part, to improving performance of corporate loans and a decrease in the leveraged loan default rate, from 11% in 2009 to 0.21% in January 2012. In addition, many CLOs are concluding their reinvestment periods (during which time the asset manager is permitted to buy and sell loans for discretionary purposes — i.e. deemed appropriate if the trade is considered value-added — as well as for credit risk or credit impaired purposes). The senior-most notes are being paid down with principal and interest proceeds generated from the underlying collateral rather than the collateral manager reinvesting these funds, which means the structures are de-levering. As of mid-April, about 40% of CLOs (rated by S&P) were amortizing. S&P noted that more than 60% of CLOs (approximately $48 billion) are expected to end their reinvestment periods (and, therefore, commence amortization of the rated notes) by year-end 2012. Additionally, S&P expects another $68 billion and $53 billion of CLO debt will begin amortizing in 2013 and 2014, respectively. Corporate default rates are expected to remain low in 2012, and S&P expects a moderate but steady stream of upgrades particularly with respect to the additional CLOs that will exit their reinvestment periods in 2012.

CLO structures have also become more conservative since the financial crisis — perhaps another reason for investor attraction. Ratings criteria revisions in 2009 called for more subordination — or credit support — that amounts to 33%–35% of credit support below the AAA-rated notes, compared to 22%–25% in transactions that were originated prior to the crisis, according to Citigroup Global Markets research. CLO transactions are also structured with shorter reinvestment periods of three years, compared to five years in 2006–2007 vintages. Newer vintage CLO structures are also generally not permitted to invest in other structured finance securities. Prior to the crisis, portfolio managers were typically able to invest 5% to 10% of the total portfolio in such assets. This means that about 90%–95% of the CLO portfolio consists of senior secured bank loans, compared to having 85%–90% of the portfolio in senior secured bank loans in years prior. As a result, higher quality collateral and higher subordination level in the newer vintage transactions have reduced credit risk and, therefore, downgrade risk.

While exposure to European corporate issuers is low, there is some expectation that the lack of access to bank funding in Europe could increase the presence of European issuers in the U.S. market, thereby increasing exposure to European credits in U.S. CLOs. Currently, S&P estimates that seven out of the top 100 CLO exposures are European-based.

CLO Managers

Pre-crisis, between 2004 and 2005, there had been an influx of new CLO managers in the market that were either new to CLOs or newly created asset management firms specifically established to manage CLOs. CLO managers are responsible for investment decisions relative to the underlying CLO portfolios, and they must have the appropriate infrastructure in place to appropriately manage these transactions. This not only includes having seasoned portfolio managers and credit analysts on board, but also experienced operations professionals and appropriate data-management systems in place. As a result of the crisis, there was significant consolidation among CLO managers — some of it voluntary, some of it involuntary. Most of the CLOs issued over the past few years are being managed by seasoned CLO managers; that is, those that existed prior to the crisis and demonstrated sound asset management capabilities throughout the crisis. According to S&P, there were more than 60 rating agency ratings confirmations issued relative to CLO/CDO manager replacements in 2010 and almost 30 in 2011. This means that, in many of these cases, the majority of senior investors in a CLO voted to change the CLO manager, but to do so they must receive confirmation from the rating agencies (according to legal documents that govern the transaction) that the change in asset manager would not adversely affect the transactions' ratings. In the current market environment, where instability persists, it makes sense that investors would derive comfort with having seasoned investment teams responsible for managing their money.

During a time when attractive risk/reward opportunities may be a challenge because of the low-interest rate environment, depending on investment strategy/philosophy, CLOs might represent an acceptable investment opportunity to atypical investors. Because of the higher-yielding nature of the underlying bank loans, even after subtracting the CLO manager portfolio management fees and expenses, the net yield on the rated debt could still be attractive to many investors. That is, due in part to the relative value of CLOs compared to other structured finance securities or even corporate bonds, the strong performance of the underlying bank loans combined with the conservative structures could present appealing investment opportunities for investors who had not participated in this market in the past, or perhaps participated on a limited basis.

According to Fitch's leveraged loan research, for the first quarter of 2012 there was $144 billion in new institutional bank loan issuance. Spreads on BB-rated bank loans and B-rated bank loans were 360 basis points and 560 basis points over the London InterBank Offer Rate (LIBOR), respectively, for primary new issuance. Bank loan spreads had tightened from the previous quarter due, in part, to a surge in refinancing activity.

As discussed in our previous CDO special report, several insurance companies benefit from having a specialized CLO investment management subsidiary from which they may leverage knowledge and expertise with respect to this asset class. This includes firms such as MassMutual's Babson Capital Management, Allianz's PIMCO and New York Life's NYLIM (New York Life Investment Management) to name a few.

CLOs: Attractive Investments from a Regulatory Standpoint?

Regulatory uncertainty continues, particularly with respect to the federal Dodd-Frank Wall Street Reform and Consumer Protection Act's (Dodd-Frank Act) proposed risk retention and how it will affect not only the CDO and CLO managers, but also the investors. Whether the CDO/CLO manager will be required to retain risk in the transaction, which is proposed at 5% of the transaction's par value, could influence whether an asset manager is able to market a new CDO/CLO. Investors also might or might not derive comfort in the CDO/CLO manager having an investment in their own transaction, perhaps depending on how the investment is "sliced" within the transaction; that is, where in the capital structure the investment is made. In the near term, the Dodd-Frank Act has not had any impact on issuance, as details of the plan are still being resolved.

U.S. Insurance Industry Exposure

As of year-end 2011, the U.S. industry had approximately $24.7 billion book/adjusted carrying value (BACV) invested in CDOs and CLOs. In comparison, as of year-end 2009, the industry had $23.8 billion BACV invested in CDOs and CLOs. As of year-end 2011, CLO investments were approximately 80% of total CDO and CLO exposure, whereas they were almost 60% of total exposure as of year-end 2009. Year-end 2011 CLO exposure also includes "repacks," whereby certain CLO tranches managed by the same asset manager had been refinanced to combine their shrinking bank loan pools into one portfolio.

U.S. Insurance Industry CDO and CLO Exposure

	YE 2011 $BACV	% of total	YE 2009 $BACV	% of total
ABS CDO*	687,240,340	2.5%	989,272,676	4.2%
Collateralized Bond Obligations (high-yield and investment grade)	154,455,518	0.6%	602,802,671	2.5%
CDO-squared**	82,421,176	0.3%	149,868,686	0.6%
CLO	***22,065,938,881***	***80.4%***	***13,764,731,123***	***57.9%***
Commercial Real Estate/Commercial Mortgage-Backed Securities (CMBS) CDO	811,694,629	3.0%	3,263,532,393	13.7%
Emerging Markets CDO	122,014,559	0.4%	105,335,205	0.4%
Equity/hedge fund CDO	34,991,358	0.1%	96,750,129	0.4%
European CLO	785,121,265	2.9%	52,980,047	0.2%
European Corporate Investment Grade Synthetic CDO	150,997,621	0.6%	186,183,457	0.8%
Corporate Investment Grade Synthetic CDO (U.S.)	1,075,408,483	3.9%	1,645,627,157	6.9%
Market Value CDO/CLO	176,022,297	0.6%	175,397,980	0.7%
Project Finance CDO	398,034,082	1.5%	294,476,298	1.2%
Trups CDO	886,223,480	3.2%	1,619,752,243	6.8%
Other CDO	-	0.0%	821,446,828	3.5%
Total	**$ 27,430,563,689**	100.0%	**$ 23,768,156,893**	100.0%

*Includes Synthetic ABS CDOs; ** Underlying collateral is other CDOs.

Given that CLOs constituted substantially all of any new CDO issuance in recent years, it is no surprise that they represent the overwhelming majority of industry CDO/CLO exposure. Therefore, the focus of our research relative to insurance industry CDO exposure is on the CLO investments. In addition to ABS CDOs, there has also been no meaningful new issuance in TruPS CDOs over the last few years, which is a likely explanation for the decrease in TruPS CDO exposure from year-end 2009 to year-end 2011.

According to research published by Citigroup Global Markets in November 2011, insurance companies in 2011 increased their CLO holdings not only in the primary (new issuance) market, but also by investing in the secondary market. Because most insurers are yield-sensitive, they have been attracted to the higher coupon offered on the AAA-rated (senior-most) tranches of the CLOs, which was about 150–160 basis points (bps) over three-month LIBOR as of April 2012. Higher demand for CLO paper, however, could result in spread tightening. In 2010, spreads on new issue AAA-rated CLO paper ranged between 150–190 bps. Some new issue CLOs have also issued tranches with fixed rates, which are attractive to insurance companies matching fixed-rate liabilities (thereby diminishing the need for an interest rate hedges for these particular investments). The secondary market has also offered relative value with respect to CLO paper, in that the shorter life of these vintage assets tend to have higher yields than their primary market counterparts. In comparison, spreads on AAA auto and credit card-backed ABS were approximately 25 bps and 10 bps over three-month LIBOR, respectively, as of May 2012, according to BMO Capital Markets' U.S. Securitization Report.

As expected, the majority of CLO investments were held by life companies (85%) followed by property/casualty companies (15%) as of year-end 2011. In addition, the majority, or 87%, was investment grade securities as indicated by the NAIC 1 and NAIC 2 designations, which is relatively consistent with the credit quality of the overall industry's investment portfolio.

CLO Exposure – year-end 2011

NAIC Designation	BACV	% of total
1	22,307,079,717	81%
2	1,509,679,400	6%
3	1,328,258,079	5%
4	466,827,470	2%
5	889,422,565	3%
6	905,826,550	3%
n/a	23,469,908	0%
Grand Total	**27,430,563,689**	**100%**

Summary

CLOs have resurfaced once again as attractive investment opportunities. Investor demand has slowly but surely increased since the financial crisis first sent investors fleeing for other, "safer," investments. Part of the decrease in new issuance volume was due, in part, to a "guilt by association" investor viewpoint related to ABS CDOs. The recent increase in demand is not only due to the sound structure of these investments, which has been refined with updated criteria, but also due to strong performance by the underlying bank loans that serve as collateral. While CLO new issuance pipeline is nowhere near pre-crisis levels, at the current pace, it is at least encouraging.

The Capital Markets Bureau will continue to monitor trends within the CLO market and report as deemed appropriate.

June 4, 2012								
Major Insurer Share Prices			Change %			Prior		
		Close	Week	QTD	YTD	Week	Quarter	Year
Life	Aflac	$38.45	(4.1)	(11.1)	(11.1)	$40.08	$43.26	$43.26
	Ameriprise	45.58	(4.9)	(8.2)	(8.2)	47.92	49.64	49.64
	Genworth	5.07	(3.2)	(22.6)	(22.6)	5.24	6.55	6.55
	Lincoln	19.30	(6.6)	(0.6)	(0.6)	20.67	19.42	19.42
	MetLife	27.79	(4.9)	(10.9)	(10.9)	29.21	31.18	31.18
	Principal	23.30	(5.1)	(5.3)	(5.3)	24.56	24.60	24.60
	Protective	24.95	(5.3)	10.6	10.6	26.36	22.56	22.56
	Prudential	44.75	(3.7)	(10.7)	(10.7)	46.45	50.12	50.12
	UNUM	19.06	(4.5)	(9.5)	(9.5)	19.95	21.07	21.07
PC	ACE	$70.01	(3.2)	(0.2)	(0.2)	$72.33	$70.12	$70.12
	Axis Capital	31.99	(2.8)	0.1	0.1	32.90	31.96	31.96
	Allstate	33.00	(2.8)	20.4	20.4	33.94	27.41	27.41
	Arch Capital	37.31	(2.4)	0.2	0.2	38.23	37.23	37.23
	Cincinnati	34.94	(3.2)	14.7	14.7	36.08	30.46	30.46
	Chubb	69.68	(3.3)	0.7	0.7	72.07	69.22	69.22
	Everest Re	100.87	(1.2)	20.0	20.0	102.12	84.09	84.09
	Progressive	21.10	(2.9)	8.1	8.1	21.73	19.51	19.51
	Travelers	60.40	(3.3)	2.1	2.1	62.49	59.17	59.17
	WR Berkley	37.46	(2.3)	8.9	8.9	38.32	34.39	34.39
	XL	19.60	(4.0)	(0.9)	(0.9)	20.42	19.77	19.77
Other	AON	$45.33	(2.5)	(3.1)	(3.1)	$46.50	$46.80	$46.80
	AIG	27.51	(5.7)	18.6	18.6	29.18	23.20	23.20
	Assurant	32.55	(2.5)	(20.7)	(20.7)	33.38	41.06	41.06
	Fidelity National	18.50	(1.8)	16.1	16.1	18.84	15.93	15.93
	Hartford	16.12	(4.2)	(0.8)	(0.8)	16.82	16.25	16.25
	Marsh	31.51	(1.5)	(0.3)	(0.3)	31.98	31.62	31.62
Health	Aetna	$40.51	(0.9)	(4.0)	(4.0)	$40.89	$42.19	$42.19
	Cigna	42.58	(3.0)	1.4	1.4	43.91	42.00	42.00
	Humana	77.07	0.9	(12.0)	(12.0)	76.39	87.61	87.61
	United	54.91	(1.5)	8.3	8.3	55.77	50.68	50.68
	WellPoint	65.35	(3.0)	(1.4)	(1.4)	67.39	66.25	66.25
Monoline	Assured	$11.26	(5.7)	(14.3)	(14.3)	$11.94	$13.14	$13.14
	MBIA	8.55	(4.7)	(26.2)	(26.2)	8.97	11.59	11.59
	MGIC	2.24	(11.8)	(39.9)	(39.9)	2.54	3.73	3.73
	Radian	2.20	(11.5)	(6.2)	(6.2)	2.48	2.34	2.34
	XL Capital	19.60	(4.0)	(0.9)	(0.9)	20.42	19.77	19.77

June 4, 2012								
Major Market Variables			Change %			Prior		
		Close	Week	QTD	YTD	Week	Quarter	Year
Dow Jones Ind		12,101.39	(2.4)	(1.0)	(1.0)	12,393.45	12,217.56	12,217.56
S&P 500		1,276.96	(2.5)	1.5	1.5	1,310.33	1,257.60	1,257.60
S&P Financial		179.47	(4.6)	2.4	2.4	188.19	175.23	175.23
S&P Insurance		170.41	(2.5)	0.1	0.1	174.83	170.17	170.17
US Dollar $			Change %			Prior		
	/ Euro	$1.25	1.1	(3.6)	(3.6)	$1.24	$1.30	$1.30
	/ Crude Oil bbl	84.35	(2.5)	(14.7)	(14.7)	86.54	98.83	98.83
	/ Gold oz	1,620.20	3.8	3.4	3.4	1,560.70	1,566.80	1,566.80
Treasury Ylds %		%	Change			%	%	%
	1 Year	0.18	(0.01)	0.07	0.07	0.18	0.11	0.11
	10 Year	1.52	(0.04)	(0.36)	(0.36)	1.56	1.88	1.88
	30 Year	2.56	(0.08)	(0.33)	(0.33)	2.64	2.90	2.90
Corp Credit Spreads -bp			Change %			Prior		
	CDX.IG	89.49	2.0	(21.4)	(21.4)	87.70	113.83	113.83

June 4, 2012									
Major Insurer Bond Yields				Weekly Change					
				Price			Spread	
	Company	Coupon	Maturity	Current	Change	Yield	B.P.	Change
Life	Aflac	8.500%	5/15/2019	$132.18	$0.16	3.28%	221	(2)
	Ameriprise	5.300%	3/15/2020	$114.97	$1.11	3.12%	193	(13)
	Genworth	6.515%	5/15/2018	$96.19	($0.23)	7.31%	638	(1)
	Lincoln National	8.750%	7/15/2019	$127.65	$0.08	4.19%	310	(1)
	MassMutual	8.875%	6/15/2039	$147.98	$1.42	5.46%	297	1
	MetLife	4.750%	2/15/2021	$111.29	($0.27)	3.24%	188	6
	Mutual of Omaha	6.800%	6/15/2036	$112.50	$0.38	5.83%	355	4
	New York Life	6.750%	11/15/2039	$134.99	$1.13	4.51%	203	3
	Northwestern Mutual	6.063%	3/15/2040	$125.58	$1.08	4.45%	194	2
	Pacific Life	9.250%	6/15/2039	$131.70	$0.60	6.70%	423	4
	Principal	6.050%	10/15/2036	$115.34	($0.34)	4.96%	262	14
	Prudential	4.500%	11/15/2020	$105.14	$0.07	3.78%	244	2
	TIAA	6.850%	12/15/2039	$132.73	$1.37	4.71%	220	(0)
P&C	ACE INA	5.900%	6/15/2019	$123.44	$0.33	2.27%	118	(6)
	Allstate	7.450%	5/15/2019	$128.75	$0.12	2.85%	178	(3)
	American Financial	9.875%	6/15/2019	$127.09	($0.04)	5.22%	391	3
	Berkshire Hathaway	5.400%	5/15/2018	$117.83	($0.90)	2.18%	128	12
	Travelers	3.900%	11/15/2020	$111.27	$0.15	2.41%	104	(1)
	XL Group	6.250%	5/15/2027	$109.46	$0.57	5.32%	349	(1)
Other	AON	5.000%	9/15/2020	$113.55	$0.51	3.14%	184	(3)
	AIG	5.850%	1/15/2018	$109.59	($0.40)	3.93%	307	5
	Fidelity National	7.875%	7/15/2020	$108.95	($0.30)	2.67%	172	3
	Hartford	5.500%	3/15/2020	$104.99	($0.07)	4.73%	351	4
	Marsh	9.250%	4/15/2019	$135.40	$0.86	3.41%	224	(20)
	Nationwide	9.375%	8/15/1939	$131.78	$0.55	6.79%	432	4
Health	Aetna	3.950%	9/15/2020	$109.11	$0.34	2.71%	142	(2)
	CIGNA	5.125%	6/15/2020	$111.71	($0.14)	3.44%	220	5
	United Healthcare	3.875%	10/15/2020	$109.14	$0.44	2.65%	132	(6)
	Wellpoint	4.350%	8/15/2020	$110.87	$0.12	2.85%	158	(0)

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

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