

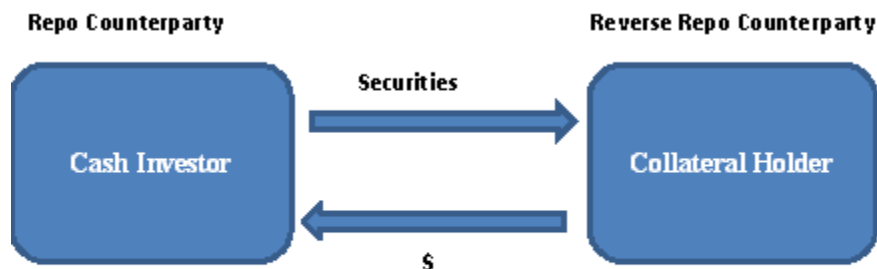
The [NAIC's Capital Markets Bureau](#) monitors developments in the capital markets globally and analyzes their potential impact on the investment portfolios of US insurance companies. A list of archived Capital Markets Bureau Special Reports is available via the [index](#)

## Repurchase Agreements, Dollar Repurchase Agreements and Reverse Repurchase Agreements in the Insurance Industry

Insurance companies engage in repurchase agreements, dollar repurchase agreements and reverse repurchase agreements primarily as a short-term investment strategy and for access to low-risk cash flow. According to insurance industry standards, repurchase agreements (repos) and dollar repurchase agreements (dollar repos), are agreements whereby insurance companies initially sell securities in exchange for cash, and they agree to repurchase the same or substantially the same securities back from the counterparty on an agreed-upon date at a predetermined price within 12 months, but most often overnight. With reverse repurchase agreements (reverse repos), insurance companies purchase securities from a counterparty in exchange for cash and agree to resell the same or substantially the same securities to the counterparty on an agreed-upon date for a predetermined price within a 12-month time frame. But similar to repos, most often, reverse repos are also overnight transactions.

The insurance industry also may engage in dollar repos and dollar reverse repos, which are essentially the same as repos and reverse repos, respectively, except that they involve debt instruments that are pass-through securities collateralized by the Government National Mortgage Association (GNMA or Ginnie Mae), Federal Home Loan Mortgage Corp (FHMLC or Freddie Mac) and Federal National Mortgage Association (FNMA or Fannie Mae). Currently, the insurance industry does not invest in dollar reverse repos.

Tri-party repos involve a custodian bank or international clearing organization (the tri-party agent) as an intermediary between the two counterparties; that is, the tri-party agent administers the overall transaction, in particular collateral allocation, between the collateral holder and cash investor. The two most-utilized clearing banks in the United States are JPMorgan Chase and Bank of New York Mellon. Currently, the insurance industry does not invest in tri-party repos.



The table below shows the insurance industry's approximate exposure to repo, dollar repo and reverse repo agreements as of year-end 2010, as well as for the first three quarters of 2011. These amounts were calculated based on codes as reported by insurers in Schedule D1. As of

Sept. 30, 2011, approximately \$8.7 billion (or 66% of the total) included exposure to repos and dollar repos, whereas \$4.4 billion (34% of the total) included exposure to reverse repos. This means that insurance companies sold an estimated \$8.7 billion of securities related to repo agreements in exchange for cash, and they purchased \$4.4 billion of securities related to reverse repo agreements.

#### **Insurance Industry Repo/Dollar Repo/Reverse Repo Exposure**

Description	YE 2010	1Q2011	2Q2011	3Q2011
Subject to dollar repurchase agmt	214,565,227	369,778,307	731,765,589	1,189,275,392
Subject to repurchase agmt	9,276,725,656	8,689,880,629	7,693,235,269	7,482,633,137
Subject to reverse repurchase agmt	5,222,436,983	5,118,080,652	4,960,729,594	4,414,240,143
<b>Grand Total</b>	<b>14,713,727,866</b>	<b>14,177,739,588</b>	<b>13,385,730,452</b>	<b>13,086,148,672</b>

#### *Repurchase Agreements*

Insurance companies usually enter into repos to raise short-term cash. Repos may be viewed as a collateralized short-term loan, whereby the collateral may be a Treasury security, money market instrument, federal agency security or mortgage-backed security (MBS). Insurance companies that engage in repos or dollar repos sell securities to a counterparty (such as a bank) in exchange for a discounted cash or collateral value (most commonly, receiving cash). These agreements are generally considered collateralized borrowings. The cash or collateral received by the insurer must have a fair value equal to at least 95% of the fair value of the securities sold to the counterparty. Upon the agreement's termination — which often is overnight, although some agreements may extend longer, expiring within 12 months — the insurance company repurchases the same or substantially the same securities from the dealer at a predetermined price. If, at any time during the term of the agreement, the fair value of the cash or collateral received by the insurance company decreases below 95% of the fair value of the securities sold, the buyer of the securities must provide additional cash or collateral to the insurer such that the value of all cash or collateral held by the insurer in connection with the agreement at least equals 95% of the fair value of securities sold. If the cash or collateral value is less than 95% of the fair value of securities sold on the agreement's termination date, then the difference between the actual cash or collateral value and 95% will be nonadmitted. Dollar repos differ from repos in that the securities sold by the insurance companies are specifically limited to pass-through certificates of government-sponsored entities, such as GNMA, FHLMC and FNMA.

Engaging in repo agreements means that the insurer effectively sells the securities at a discount to the fair value of the securities (that is, receiving 95% of the fair value as cash collateral). If, during the term of the agreement, the counterparty (buyer of securities) declares bankruptcy, the loss incurred by the insurer would be the 5% difference to the fair value of the securities. A more prominent risk, however, would be apparent if the value of a security sold by the insurer increased above par at some point during the term of the agreement, and the counterparty that purchased the security then declared bankruptcy. As a result, the insurer would not be able to repurchase the now highly valued security from the defunct counterparty as originally agreed. In turn, the insurer would miss out on receiving the higher value bond had the agreement reached its intended termination date. However, such risk is mitigated by the fact that often these transactions expire after one business day.

#### *Reverse Repurchase Agreements*

When an insurance company engages in a reverse repo agreement, it purchases securities from a counterparty (such as a bank) in exchange for cash (most often) or collateral securities. At the end of the agreement — typically one business day, although it may extend to up to 12 months — the insurance company resells the same or substantially the same securities at a predetermined price back to the counterparty. In addition, upon the agreement's termination, the insurance company also pays the counterparty any interest due on the securities based on the

principal amount and the duration of the agreement. The securities purchased by the insurer in a reverse repo must have a fair value of at least equal to 102% of the purchase price paid; that is, the amount of cash paid to the counterparty is discounted by 2% of the securities' fair value as a form of credit enhancement to protect against any losses in value to the securities during the term of the agreement. If, however, at any point during the term of the agreement, the fair value of the securities now owned by the insurance company declines to below 100% of the purchase price paid, the counterparty would then be obligated to deliver additional collateral to the insurer to top-off the 102% overcollateralization.

The most prominent risk that insurance companies face while engaging in reverse repo agreements is having the counterparty from which they purchased the securities declare bankruptcy prior to the agreement's termination date. If this were to occur, the insurance company would not be able to receive its cash back by reselling the securities to the counterparty as originally agreed. However, mitigating some concern, the securities purchased are valued at a premium (102% of the purchase price) to the cash paid.

There were no dollar reverse repurchase agreements recorded by insurers for the time periods observed (i.e., as of year-end 2010, and through Sept. 30, 2011).

As of Sept. 30, 2011, the insurance industry had an aggregate of approximately \$13.1 billion reported as repurchase, dollar repurchase and reverse repurchase agreement securities. This amount has not substantially changed since year-end 2010, as shown in the table earlier. The majority of activity was with repo agreements, at slightly more than half of all such activity. In addition, the majority of activity was with life companies, represented by \$12.3 billion in book/adjusted carrying value, which was almost 94% of total activity.

**Insurance Industry Repurchase/Reverse Repurchase Agreement Activity (\$mil) - as of Sept. 30, 2011**

Description	Property &			Grand Total	% of Total
	Life	Casualty	Title		
Subject to dollar repurchase agmt	1,188.63	0.64	-	1,189.28	9.1%
Subject to repurchase agmt	6,732.45	749.83	0.35	7,482.63	57.2%
Subject to reverse repurchase agmt	4,414.24	-	-	4,414.24	33.7%
	<b>12,335.32</b>	<b>750.47</b>	<b>0.35</b>	<b>13,086.15</b>	<b>100.0%</b>

*Insurance Industry Treatment of Repos and Dollar Repos*

Insurance companies must follow the appropriate statutory accounting rules related to repo, dollar repo and reverse repo transactions, which are included in the NAIC *Accounting Practices and Procedures Manual*, specifically in the *Statement of Statutory Accounting Principles (SSAP) No. 45—Repurchase Agreements, Reverse Repurchase Agreements and Dollar Repurchase Agreements*, as well as in *SSAP No. 91R—Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*.

According to SSAP No. 91R, repos are accounted for as collateralized borrowings. In a repo agreement, the securities sold by the insurer will continue to be accounted for as an investment owned by the insurer; the proceeds from the sale are recorded as a liability. The difference between the sale proceeds and the amount at which the securities are subsequently repurchased are to be reported as an interest expense.

Note, however, that when securities are sold pursuant to a repo agreement and equivalent securities (that is, securities of the same issuer having equal principal value, coupon rate and maturity date) are repurchased, the repo transaction is only then accounted for as a borrowing. If the securities to be repurchased are *not* equivalent securities, then the repo is accounted for as two separate transactions. In this latter case, the sold securities would be removed from accounting records recognizing any gains or losses immediately.

Dollar repos, which are also referred to as “dollar roll transactions” are also accounted for as collateralized borrowings. The principal amount of the MBS sold continues to be recorded as

assets on the balance sheet; the amount of proceeds received for the sale is recorded as a liability. In addition, during the term of the agreement, any interest income received on the MBS is recorded as interest income as if the MBS were held until termination of the agreement. Additional interest expense is recorded representing the difference between the initial sale price and subsequent repurchase price of the MBS sold.

In dollar repos, the MBS sold and then repurchased may or may not be considered “substantially the same securities.” If they are, the transaction is treated as a borrowing. If not, the transaction is treated as a purchase and sale of different securities, according to SSAP No. 45. To be considered “substantially the same,” MBS must have the following criteria:

- Same primary obligor;
- Identical form and type;
- Identical contractual rate;
- Similar maturities, resulting in similar market yield;
- Collateralized by a similar mortgage pool; and
- Aggregate principal amounts of the MBS must be substantially the same.

#### *Insurance Industry Treatment of Reverse Repos*

Reverse repos are accounted for as collateralized lendings. The amount the insurer pays for the securities purchased is considered an investment by the insurer. The difference between the amount paid and the amount at which the securities will be resold by the insurer at the predetermined later date is reported as interest income.

#### *Insurance Industry Repo/Dollar Repo/Reverse Repo Activity*

The table below shows a breakdown of the five largest types of collateral securities (initially) sold by the insurance industry in connection with repo agreements as of Sept. 30, 2011. As the table shows, the majority — or almost half — were U.S. Treasury STRIPS (separate trading of registered interest and principal securities) at \$3.5 billion, which are principal-only securities. U.S. Treasury Bonds/Notes represented the second-largest securities type, at almost 20% of the total.

#### **Repos - Securities Sold as of Sept. 30, 2011**

	\$mil	% of total
US Treasury STRIP	3,501.9	46.8%
US Treasury Note/Bond	1,396.1	18.7%
FHLMC	1,105.7	14.8%
FNMA	1,076.4	14.4%
Resolution Funding Corp STRIP	63.1	0.8%
Other	339.4	4.5%
<b>Total</b>	<b>7,482.6</b>	<b>100.0%</b>

The largest type of security sold by insurers in connection with dollar repos as of Sept. 30, 2011, was approximately \$1.1 billion in GNMA, as shown in the table below. There were only three other securities types sold in connection with dollar repos, with the third-largest (not shown separately in the table below) being FNMA at \$3.7 million, or less than 1% of total dollar repo activity.

#### **Dollar Repos - Securities Sold as of Sept. 30, 2011**

	\$mil	% of total
GNMA	1,089.0	91.6%
FHLMC	95.8	8.1%
Other	4.5	0.4%
<b>Total</b>	<b>1,189.3</b>	<b>100%</b>

For the \$4.4 billion securities purchased by insurers via reverse repos as of Sept. 30, 2011, the majority included \$1.4 billion in FHLMC, which was almost one-third of total reverse repo activity, followed closely by FNMA at approximately \$1.3 billion.

**Reverse Repo - Securities Purchased as of Sept. 30, 2011**

	\$mil	% of total
FHLMC	1,410.0	31.9%
FNMA	1,271.4	28.8%
US Treasury Note/Bond	471.9	10.7%
US Treasury STRIP* Principal	465.8	10.6%
FHLMC REMICs**	147.5	3.3%
Other	647.60	14.7%
<b>Total</b>	<b>4,414.2</b>	<b>100.0%</b>

*Repos Compared to Other Economically Similar Programs*

Securities Lending

Repos and reverse repos are economically similar to securities lending, but there are some structural differences. As discussed in the Capital Market's Bureau Special Report dated July 8, 2011, titled "Securities Lending in the Insurance Industry," securities lending is the act of loaning a bond, stock or other security to an investor in an over-the-counter market. It requires the borrower to post collateral in the form of cash or security. The securities lending agreement, which is required to complete such a transaction, states the term of the loan, the fee that the lender receives and the amount and type of collateral to be posted, among other items. In general, securities lending transactions have a term of less than one year; however, terms can vary across different agreements. And, in most cases, the borrower may return the borrowed security and request its cash collateral back on relatively short notice, without penalty. For most insurers, securities lending is intended to be a low-risk investment strategy, to earn a modest income. As of Sept. 30, 2011, the insurance industry's exposure to investments lent under securities lending agreements was approximately \$53 billion.

One major difference between securities lending and repo/dollar repo/reverse repo agreements within the insurance industry is in reporting. Repo/dollar repo/reverse repo agreements are all off-balance sheet transactions, whereas securities lending activity, for the most part, is included on-balance sheet, particularly since changes to reporting and accounting treatment of securities lending activity were implemented in 2010. In addition, there are a couple of structural differences between repos and reverse repos, compared to securities lending within the insurance industry. With repos and reverse repos, securities are actually initially sold and purchased, respectively, rather than being lent (in exchange for cash), as they are in securities lending agreements. Additionally, repo and reverse repo agreements in the insurance industry expire within a year, usually overnight, whereas the maturities of securities lending agreements within the insurance industry may extend further. As such, insurance companies may invest the posted collateral of securities lending agreements to generate additional income.

Liquidity Swaps

Given the current environment in Europe, and as a means to ensure access to funding, some European banks have entered into "liquidity swaps" with certain assets — predominantly illiquid, below-investment grade bank loans — that have enabled them to continue borrowing from the European Central Bank (ECB). These liquidity swaps are similar in some ways to repo agreements (they are sometimes referred to as "term repos") in that the European banks sell (the illiquid) securities to counterparties (i.e., investment banks or insurance companies); however, rather than receiving cash, instead they are receiving a discounted value of government bonds or other liquid assets. In turn, the European banks utilize these swapped liquid assets as collateral to secure loans from the ECB. To date, some French, Italian and other European banks have entered into such transactions with stronger banks and asset managers,

as a way to improve liquidity and as a means to access liquid assets otherwise not readily available.

Demand for liquidity swaps has increased in Europe in recent months, particularly between European banks and insurers. According to a guidance consultation paper written by Europe's Financial Services Authority (FSA) in July 2011, liquidity swaps between European banks and insurers are an increasing trend, causing the FSA to be concerned over the spread of systemic risk (that is, resulting in continued collapse of the financial system) in Europe. The suggested rationale is that liquidity swaps offer a solution to insurers' search for yield, and they also fulfill the banks' need for liquidity. For a fee, the banks can pledge illiquid structured assets (at a discount) in return for liquid collateral.

In the paper, the FSA also noted that the concept for the liquidity swaps is not necessarily new to the market; however, the participants are "using existing industry standards at a much greater scale in terms of size, duration and concentration." As a result, the FSA is concerned about the interconnectedness between the insurance and banking sectors, meaning that a bank failure could also cause distress or failure among connected insurance companies (due in part to the swapped assets), which could in turn worsen the existing financial crisis if this activity continues on a widespread basis. The paper also stated that perhaps the liquidity swaps are becoming more popular because some structured credit assets, such as certain private-label residential mortgage-backed securities, might not meet repo collateral requirements, and so banks resort to other more creative types of arrangements to satisfy liquidity needs. Since the July 2011 paper, the FSA has continued to express concern over extensive use of these liquidity swaps and their potential negative influence on the financial crisis in Europe, particularly over the past few months. Thus far, we have not seen any evidence that insurers in the United States have engaged in this activity. While the Capital Markets Bureau will continue to monitor trends within this area, we think this issue requires particular focus and monitoring by financial analysts and examiners.

We do not believe that liquidity swaps fit within the guidelines established for repurchase agreements. Liquidity swaps differ from repo agreements, mostly because they tend to be larger in size (€200 million – €500 million), longer in terms of maturity (two to ten years), and they involve the use and transfer of illiquid securities. Additionally, the extra margin required (overcollateralization) in liquidity swaps to protect against market adjustments is much higher than in repos, at 15% – 25% (compared to 2% in reverse repos, for example).

Liquidity swaps also differ from repo and repurchase agreements in that, with liquidity swaps, banks sell illiquid securities in exchange for a discounted value of collateral; whereas, with respect to repo agreements, insurance companies do not sell illiquid securities, nor do they purchase illiquid securities when entering into reverse repo agreements. On the contrary, securities sold/purchased within repo/reverse repo agreements tend to be liquid, U.S. government investments. So, because of the use of illiquid securities in a liquidity swap, upon an event of a default by the bank, the insurer might not be able to replace the liquid assets it swapped using the proceeds from a collateral "fire-sale" in a distressed market.

#### *Summary*

Repos, dollar repos and reverse repos are a relatively small amount of the insurance industry's investment activity, estimated at approximately \$13 billion as of Sept. 30, 2011. While market risk is inherent in these types of transactions (that is, there is a risk of market value decline with respect to the securities purchased or sold as collateral), provisions requiring counterparties to "make whole" any deficiencies in overcollateralization mitigate this concern. Additionally, as the data shows, the majority of securities sold or purchased in these transactions consist of U.S. Treasuries or government-related securities; therefore, credit risk is minimized by the high credit quality of these investments.

The Capital Markets Bureau will continue to monitor activity within the insurance industry's repo, dollar repo and reverse repo exposure and provide more insightful research as deemed appropriate.

January 6, 2012		Change %			Prior			
Major Insurer Share Prices		Close	Week	QTD	YTD	Week	Quarter	Year
Life	Aflac	\$44.29	2.4	2.4	2.4	\$43.26	\$43.26	\$43.26
	Ameriprise	51.07	2.9	2.9	2.9	49.64	49.64	49.64
	Genworth	6.77	3.4	3.4	3.4	6.55	6.55	6.55
	Lincoln	20.09	3.5	3.5	3.5	19.42	19.42	19.42
	MetLife	32.96	5.7	5.7	5.7	31.18	31.18	31.18
	Principal	24.52	(0.3)	(0.3)	(0.3)	24.60	24.60	24.60
	Protective	23.26	3.1	3.1	3.1	22.56	22.56	22.56
	Prudential	52.74	5.2	5.2	5.2	50.12	50.12	50.12
	UNUM	21.50	2.0	2.0	2.0	21.07	21.07	21.07
PC	ACE	\$70.09	(0.0)	(0.0)	(0.0)	\$70.12	\$70.12	\$70.12
	Axis Capital	31.16	(2.5)	(2.5)	(2.5)	31.96	31.96	31.96
	Allstate	28.03	2.3	2.3	2.3	27.41	27.41	27.41
	Arch Capital	37.47	0.6	0.6	0.6	37.23	37.23	37.23
	Cincinnati	30.71	0.8	0.8	0.8	30.46	30.46	30.46
	Chubb	69.40	0.3	0.3	0.3	69.22	69.22	69.22
	Everest Re	84.12	0.0	0.0	0.0	84.09	84.09	84.09
	Progressive	19.53	0.1	0.1	0.1	19.51	19.51	19.51
	Travelers	59.38	0.4	0.4	0.4	59.17	59.17	59.17
	WR Berkley	34.53	0.4	0.4	0.4	34.39	34.39	34.39
	XL	19.94	0.9	0.9	0.9	19.77	19.77	19.77
Other	AON	\$46.16	(1.4)	(1.4)	(1.4)	\$46.80	\$46.80	\$46.80
	AIG	23.57	1.6	1.6	1.6	23.20	23.20	23.20
	Assurant	41.27	0.5	0.5	0.5	41.06	41.06	41.06
	Fidelity National	16.27	2.1	2.1	2.1	15.93	15.93	15.93
	Hartford	16.38	0.8	0.8	0.8	16.25	16.25	16.25
	Marsh	30.80	(2.6)	(2.6)	(2.6)	31.62	31.62	31.62
Health	Aetna	\$44.14	4.6	4.6	4.6	\$42.19	\$42.19	\$42.19
	Cigna	43.60	3.8	3.8	3.8	42.00	42.00	42.00
	Humana	92.29	5.3	5.3	5.3	87.61	87.61	87.61
	United	52.87	4.3	4.3	4.3	50.68	50.68	50.68
	WellPoint	70.83	6.9	6.9	6.9	66.25	66.25	66.25
Monoline	Assured	\$14.30	8.8	8.8	8.8	\$13.14	\$13.14	\$13.14
	MBIA	12.37	6.7	6.7	6.7	11.59	11.59	11.59
	MGIC	3.94	5.5	5.5	5.5	3.73	3.73	3.73
	Radian	2.45	4.7	4.7	4.7	2.34	2.34	2.34
	XL Capital	19.94	0.9	0.9	0.9	19.77	19.77	19.77

January 6, 2012		Change %			Prior			
Major Market Variables		Close	Week	QTD	YTD	Week	Quarter	Year
Dow Jones Ind		12,359.92	1.2	1.2	1.2	12,217.56	12,217.56	12,217.56
S&P 500		1,277.81	1.6	1.6	1.6	1,257.60	1,257.60	1,257.60
S&P Financial		180.58	3.1	3.1	3.1	175.23	175.23	175.23
S&P Insurance		171.85	1.0	1.0	1.0	170.17	170.17	170.17
US Dollar \$			Change %			Prior		
	/ Euro	\$1.27	(1.9)	(1.9)	(1.9)	\$1.30	\$1.30	\$1.30
	/ Crude Oil bbl	101.79	3.0	3.0	3.0	98.83	98.83	98.83
	/ Gold oz	1,617.40	3.2	3.2	3.2	1,566.80	1,566.80	1,566.80
Treasury Ylds %	%		Change			%	%	%
	1 Year	0.10	(0.01)	(0.01)	(0.01)	0.11	0.11	0.11
	10 Year	1.96	0.08	0.08	0.08	1.88	1.88	1.88
	30 Year	3.01	0.12	0.12	0.12	2.90	2.90	2.90
Corp Credit Spreads -bp			Change %			Prior		
	CDX.IG	114.45	0.5	0.5	0.5	113.83	113.83	113.83



January 6, 2012 Major Insurer Bond Yields				Weekly Change				
Company	Coupon	Maturity	Price			Spread		
			Current	Change	Yield	B.P.	Change	
Life	Aflac	8.500%	5/15/2019	\$123.67	\$0.25	4.66%	308	(1)
	Ameriprise	5.300%	3/15/2020	\$108.29	\$0.30	4.10%	237	(6)
	Genworth	6.515%	5/15/2018	\$94.83	\$0.95	7.55%	631	3
	Lincoln National	8.750%	7/15/2019	\$121.59	(\$0.39)	5.22%	355	3
	MassMutual	8.875%	6/15/2039	\$144.22	(\$1.09)	5.67%	271	3
	MetLife	4.750%	2/15/2021	\$107.98	(\$0.11)	3.71%	181	2
	Mutual of Omaha	6.800%	6/15/2036	\$113.72	(\$0.74)	5.75%	300	4
	New York Life	6.750%	11/15/2039	\$128.95	\$0.45	4.84%	187	(8)
	Northwestern Mutual	6.063%	3/15/2040	\$118.52	\$0.79	4.85%	186	(6)
	Pacific Life	9.250%	6/15/2039	\$132.17	(\$3.69)	6.68%	361	6
	Principal	6.050%	10/15/2036	\$105.31	\$0.19	5.65%	282	(2)
	Prudential	4.500%	11/15/2020	\$101.11	(\$0.07)	4.35%	246	4
	TIAA	6.850%	12/15/2039	\$126.93	(\$1.08)	5.04%	203	4
P&C	ACE INA	5.900%	6/15/2019	\$119.39	\$0.52	2.97%	143	(4)
	Allstate	7.450%	5/15/2019	\$122.19	\$0.23	3.94%	235	(6)
	American Financial	9.875%	6/15/2019	\$117.50	\$0.07	6.83%	520	0
	Berkshire Hathaway	5.400%	5/15/2018	\$117.42	\$0.09	2.42%	115	12
	Travelers	3.900%	11/15/2020	\$106.24	(\$0.09)	3.08%	129	6
	XL Group	6.250%	5/15/2027	\$102.55	\$0.68	5.99%	370	(9)
Other	AON	5.000%	9/15/2020	\$110.08	\$0.20	3.64%	187	(0)
	AIG	5.850%	1/15/2018	\$98.20	(\$0.21)	6.21%	497	9
	Fidelity National	7.875%	7/15/2020	\$109.25	\$0.56	6.45%	484	2
	Hartford	5.500%	3/15/2020	\$100.86	(\$0.07)	5.37%	368	8
	Marsh	9.250%	4/15/2019	\$131.64	(\$0.31)	4.16%	258	3
	Nationwide	9.375%	8/15/1939	\$119.58	\$0.26	7.66%	470	(2)
Health	Aetna	3.950%	9/15/2020	\$104.03	\$0.29	3.41%	158	0
	CIGNA	5.125%	6/15/2020	\$107.89	\$0.16	4.01%	223	(3)
	United Healthcare	3.875%	10/15/2020	\$104.59	(\$1.44)	3.27%	143	18
	Wellpoint	4.350%	8/15/2020	\$109.00	\$0.18	3.15%	136	2

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

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