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Foreign Exposure in the Insurance Industry

In recent months, volatility in the capital markets has increased due in part to the ongoing debt crisis in Europe, with the fate of Greece being a particular focus. In addition, there has been increased concern regarding the exposure of global financial institutions to sovereign debt, which could cause significant losses or even threaten their solvency. Given the volatility in these markets, the NAIC Capital Markets Bureau has been monitoring the insurance industry's exposure to foreign entities, both corporate and sovereign. We recently reviewed direct exposure, such as that resulting from investments in bonds, common stock, preferred stock and derivatives, as well as indirect exposure from counterparty risk.

As of June 30, 2011, the insurance industry had total foreign exposure of \$624.4 billion. This foreign exposure includes investments in bonds, common stock, preferred stock and replications through the use of derivative instruments. Foreign exposure is defined as any exposure to an entity not domiciled in the United States. Bonds represented the majority (92.4%) of the exposure, and life insurance companies held most (81.2%) of the exposure.

Total Foreign Exposure by Insurer Type as of June 30, 2011

\$ BACV	Bonds	Common Stock	Preferred Stock	Replications	Grand Total
Life	485,715,132,629	18,247,240,203	2,479,851,548	454,506,678	506,896,731,058
PC	77,850,257,329	24,460,249,914	309,783,829	14,855,897	102,635,146,969
Fraternal	9,820,314,745	290,983,768	69,376,877	-	10,180,675,390
Health	3,117,424,669	1,048,357,624	7,372,118	-	4,173,154,411
Title	467,147,934	31,250,883	-	-	498,398,817
Grand Total	576,970,277,306	44,078,082,392	2,866,384,372	469,362,575	624,384,106,645

Foreign Bond Exposure

Total foreign bond exposure as of June 30, 2011, was \$577.0 billion for the insurance industry. This represents an increase of 8.2% compared to total foreign bond exposure as of Dec. 31, 2010. It should be noted that total foreign bond exposure does not include 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 obviously no apparent exposure to the economy of the respective country. Other structured securities where the disconnect is not so obvious were left in. In addition, other-than-temporary impairments (OTTI), if any were taken in the first half of 2011, are not reflected in the exposure numbers. Life insurance companies held the majority (84.2%) of the industry's foreign bond exposure.

Although the debt crisis in Europe has generally been centered on Greece, the market has also continued to raise concerns with other countries, such as Spain and Italy. There have also been concerns that financial institutions in other European countries (such as Belgium and France) with significant exposure to the sovereign debt of distressed countries, such as Greece, could potentially result in solvency issues if their holdings would have to be written down. Given this dynamic, the focus of the exposure analysis has expanded beyond sovereign debt to include

financial institutions in European countries. Almost two-thirds of the total foreign bond exposure was to investments in securities not related to foreign financial institutions or sovereigns; 20.0% and 15.7% of the exposure were to financial institutions and sovereign credits, respectively.

Total Foreign Bond Exposure by Insurer Type as of June 30, 2011

\$ BACV	Financial	Sovereign	Other	Bond Total	%
Life	89,953,640,624	68,327,101,139	327,434,390,866	485,715,132,629	84.2%
PC	22,446,830,442	20,856,005,980	34,547,420,907	77,850,257,329	13.5%
Fraternal	1,638,056,351	946,935,823	7,235,322,571	9,820,314,745	1.7%
Health	1,252,307,495	155,156,728	1,709,960,446	3,117,424,669	0.5%
Title	55,184,716	206,379,845	205,583,373	467,147,934	0.1%
Grand Total	115,346,019,628	90,491,579,515	371,132,678,163	576,970,277,306	100.0%

In absolute dollar terms, since year-end 2010, the insurance industry added the most exposure to the United Kingdom, Australia, the Cayman Islands, Canada and France, and was most active in reducing exposure to Portugal, Israel, Denmark, the Netherlands and Austria. The Cayman Islands exposure includes some structured securities that likely do not have any exposure to the economy of the Cayman Islands but were not easily identifiable. With respect to the more distressed Eurozone countries, the insurance industry increased exposure to Ireland, Italy and Spain by 10%, 5% and 1%, respectively, since year-end. Exposure to Greece and Portugal was reduced by 1% and 83%, respectively.

The top 10 foreign bond exposures totaled \$454.5 billion (or 78.8%) of the total exposure. The top 10 includes five European Union (EU) countries, although none of the more financially distressed countries.

Top 10 Foreign Bond Exposures by Country as of June 30, 2011

\$ BACV	Financial	Sovereign	Other	Grand Total	%
Canada	9,688,601,084	26,493,736,056	75,907,291,195	112,089,628,335	19.4%
United Kingdom	21,852,083,225	564,441,489	59,296,468,669	81,712,993,383	14.2%
Australia	13,939,541,719	3,590,601,393	35,736,223,402	53,266,366,514	9.2%
Japan	3,914,835,406	37,787,011,473	7,706,669,424	49,408,516,303	8.6%
Cayman Islands	4,310,815,767	318,485,742	37,169,413,406	41,798,714,915	7.2%
Netherlands	8,120,668,317	431,534,834	32,345,107,083	40,897,310,234	7.1%
France	8,622,128,542	590,425,718	17,794,453,395	27,007,007,655	4.7%
Luxembourg	2,368,313,239	27,001,183	18,170,320,858	20,565,635,280	3.6%
Bermuda	2,330,088,360	550,898,479	11,066,782,856	13,947,769,695	2.4%
Germany	6,874,818,514	322,887,683	6,568,229,946	13,765,936,143	2.4%
Top (10)	82,021,894,173	70,677,024,050	301,760,960,234	454,459,878,457	78.8%
Other (98)	33,324,125,455	19,814,555,465	69,371,717,929	122,510,398,849	21.2%
Grand Total	115,346,019,628	90,491,579,515	371,132,678,163	576,970,277,306	100.0%

As mentioned previously, volatility and concern in the market has primarily been related to EU sovereign credits and financial institutions with exposure to these sovereign credits. The following table provides a detailed breakdown of the insurance industry's exposure to all EU countries by type of issuer: financial institution, sovereign or other. The "other" category primarily includes corporate credits other than financial institutions and structured finance securities. The table also shows the individual exposure for the 17 countries that are using the euro as currency and the combined exposure for the remaining 10 countries (labeled "Other EU Members") that do not. Total bond exposure to all EU countries totaled \$229.0 billion as of June 30, 2011, with 57.9% of the exposure in countries that participate in the euro.

Bond Exposure to EU Countries by Type of Issuer as of June 30, 2011

\$ BACV	Financial	Sovereign	Other	Grand Total	% of EU
Austria	653,967,771	123,821,598	1,217,103,821	1,994,893,190	0.9%
Belgium	506,252,104	69,487,211	2,289,337,797	2,865,077,112	1.3%
Cyprus	1,040,375	100,559,058	17,150,729	118,750,162	0.1%
Finland	627,989,735	60,209,459	2,122,122,732	2,810,321,926	1.2%
France	8,622,128,542	590,425,718	17,794,453,395	27,007,007,655	11.8%
Germany	6,874,818,514	322,887,683	6,568,229,946	13,765,936,143	6.0%
Greece	-	1,111,143,214	40,181,068	1,151,324,282	0.5%
Ireland	1,896,607,815	5,900,451	9,388,106,280	11,290,614,546	4.9%
Italy	412,663,310	824,278,901	1,174,375,195	2,411,317,406	1.1%
Luxembourg	2,368,313,239	27,001,183	18,302,129,759	20,697,444,181	9.0%
Malta	-	-	47,818,028	47,818,028	0.0%
Netherlands	8,120,668,317	431,534,834	33,292,785,247	41,844,988,398	18.3%
Portugal	-	30,540,566	110,972,993	141,513,559	0.1%
Slovenia	-	669,832	-	669,832	0.0%
Spain	802,481,871	770,046,091	4,881,970,986	6,454,498,948	2.8%
Total Eurozone	30,886,931,593	4,468,505,799	97,246,737,976	132,602,175,368	57.9%
Other EU Members	29,275,449,131	2,416,480,666	64,665,951,462	96,357,881,259	42.1%
Total European Union	60,162,380,724	6,884,986,465	161,912,689,438	228,960,056,627	100.0%
%	26.3%	3.0%	70.7%	100.0%	

Note: The EU is comprised of 27 member states. 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.

Almost all of the insurance industry's \$1.2 billion bond exposure in Greece is sovereign debt. The majority of the holdings is intermediate- and long-dated paper and has not been subject to the voluntary restructuring of Greek debt. For more details, see the section titled, "A Focus on Greece."

The insurance industry's bond exposure in Ireland totaled \$11.3 billion. There was minimal exposure to sovereign debt, and 83% and 17% of the exposure was in "other" and financial institutions, respectively.

The industry's \$2.4 billion bond exposure to Italy was more evenly distributed, with 49%, 34% and 17% in "other," sovereign debt and financial institutions, respectively.

Bond exposure in Portugal was limited in the insurance industry, with only \$141.5 million in holdings. Only 22% was held in sovereign debt, and the remaining 78% was held in "other." As noted previously, the insurance industry significantly reduced its holdings in Portugal during the first half of 2011.

The insurance industry's bond holdings in Spain totaled \$6.5 billion as of June 30, 2011.

Financial institution and sovereign debt each represented 12% of the total, while "other" made up the balance.

A Focus on Greece

Of the European countries that are facing financial difficulties, Greece has been scrutinized the most. The U.S. insurance industry has a relatively modest exposure to Greek-related debt of \$1.2 billion as of June 30, 2011, although most of it is sovereign debt. There were 23 individual insurance companies that had exposure to Greek debt, none of which are unmanageable concentrations. The largest Greek exposure was 5% of the company's total cash and invested assets.

Reports were that private creditors agreed in July to a voluntary write-down of 21% on their Greek debt, a figure that now appears insufficient. More recently, Eurozone officials have been suggesting that the situation is more serious and that significantly larger concessions will be needed. Thus far, restructuring discussions have focused on shorter-term debt, whereas the insurance industry mostly held intermediate and longer-term bonds.

Greek sovereign debt is trading at depressed levels, reflecting continued concerns that Greece will not be able to meet its budget targets despite its best efforts to implement austerity measures, putting at risk further international financial aid and likely leading to a default. On Oct. 21, 2011, two-year Greek sovereign debt was bid at \$38 and 10-year debt was bid at \$37.

Foreign Common Stock and Preferred Stock Exposure

The insurance industry's foreign common stock and preferred stock exposure as of June 30, 2011, totaled \$44.1 billion and \$2.9 billion, respectively. The largest exposures were to the United Kingdom, Bermuda, Canada, the Cayman Islands and Switzerland. Similar to the equity market in the United States, foreign equity markets have experienced significant declines in value in recent months. As of the close of business Oct. 19, 2011, the United Kingdom's FTSE index and Germany's DAX index were down 8.7% and 16.6%, respectively, since year-end 2010. For the same period, Japan's Nikkei index was down 15.2%.

Top 10 Foreign Stock Exposures by Country as of June 30, 2011

\$ BACV	Common Stock	Preferred Stock	Grand Total	%
United Kingdom	14,703,717,438	265,048,963	14,968,766,401	31.9%
Bermuda	6,501,388,034	238,067,655	6,739,455,689	14.4%
Canada	3,557,437,906	105,311,728	3,662,749,634	7.8%
Cayman Islands	1,456,053,580	950,124,966	2,406,178,546	5.1%
Switzerland	2,357,525,991	-	2,357,525,991	5.0%
Hong Kong	2,050,937,476	-	2,050,937,476	4.4%
Japan	2,032,099,170	874,550	2,032,973,720	4.3%
Luxembourg	1,143,039,452	786,744,995	1,929,784,447	4.1%
Ireland	1,249,487,434	68,751,111	1,318,238,545	2.8%
France	1,302,683,176	14,148,800	1,316,831,976	2.8%
Top (10)	36,354,369,657	2,429,072,768	38,783,442,425	82.6%
Other (61)	7,723,712,735	437,311,604	8,161,024,339	17.4%
Grand Total	44,078,082,392	2,866,384,372	46,944,466,764	100.0%

Foreign Replication Exposure

In addition to exposure through cash instruments, investors (including insurance companies) are also able to add to their exposure through derivatives. In the case of U.S. insurers, more than 90% of derivatives use is for hedging purposes. A strategy of managing or reducing risk would suggest that those transactions would not result in adding European exposure. On the other hand, U.S. insurers are able to add risk through replications.

Foreign exposure resulting from replication transactions, or a derivative transaction entered into in conjunction with other investments to reproduce the investment characteristics of otherwise permissible investments, totaled \$469.4 million as of June 30, 2011. This total includes exposure to all foreign entities but excludes \$90.8 million of exposure to the iTraxx, which is a European bond index that consists of approximately 125 European credits. Because the index exposure is diversified across many names, the additional exposure to any one particular country would be immaterial. The majority of the foreign exposure created by the replication transactions is to foreign corporate credits as opposed to sovereign credits.

The following table shows the top 10 foreign replication exposures by country, which represented \$343.6 million or 73.2% of the total. \$141.6 million or 41.2% of the top 10 countries'

exposures were sovereign debt. All of the exposure to Chile, Egypt, Malaysia and Mexico were sovereign. Replications in foreign financial institutions totaled \$10 million and were in Commonwealth Bank of Australia and Mizuho Bank (Japan).

Top 10 Foreign Replication Exposure by Country as of June 30, 2011

\$ BACV	Replication	%
UK	69,493,838	14.8%
Canada	65,118,598	13.9%
Chile	50,488,100	10.8%
Brazil	34,745,560	7.4%
Malaysia	29,829,338	6.4%
Mexico	26,916,760	5.7%
Switzerland	20,144,255	4.3%
Italy	19,238,043	4.1%
Egypt	15,097,156	3.2%
France	12,577,212	2.7%
Top (10)	343,648,860	73.2%
Other (16)	125,713,715	26.8%
Grand Total	469,362,575	100.0%

Foreign Counterparty Exposure

In addition to any exposure to the reference entity, users of derivatives also have potential credit exposure to the counterparty. Counterparty risk is the risk faced by one party that the other party will not satisfy the obligations of a derivatives contract. As there have been market concerns about the stability of certain EU financial institutions, it is prudent to have a good understanding of the exposure that counterparty risk creates. In the event that a counterparty fails and a credit event occurs simultaneously, the insurer would not receive the intended credit protection or effect of a hedge. The insurer would also face additional costs in replacing the hedge. The cost to replace the hedges would be the carrying value or fair market value of the derivative positions.

The following table lists all of the foreign derivatives counterparties as of June 30, 2011. The positive book adjusted carrying values (BACV) represent transactions where the counterparty “owes” the insurer, and the negative BACVs represent transactions where the insurer “owes” the counterparty.

Foreign Derivatives Counterparty Exposure as of June 30, 2011

\$	Positive BACV	Negative BACV	Net
Deutsche Bank	3,692,247,362	(2,136,342,173)	1,555,905,189
Credit Suisse	2,615,699,400	(1,178,839,366)	1,436,860,034
Barclays PLC	2,288,709,465	(1,366,945,101)	921,764,364
BNP Paribas	1,566,421,504	(839,985,611)	726,435,893
Union Bank of Switzerland	1,339,635,777	(830,959,396)	508,676,381
Societe Generale	439,526,438	(124,802,216)	314,724,222
Royal Bank of Scotland	822,231,761	(513,273,341)	308,958,420
Credit Agricole	130,507,209	(3,319,102)	127,188,107
Bank of Nova Scotia	694,924,474	(619,065,965)	75,858,509
BBVA	17,857,625	-	17,857,625
Commerzbank	16,796,713	-	16,796,713
ING	15,760,007	(5,788,691)	9,971,316
Nomura	645	-	645
Aegon	562,411	(1,029,638)	(467,227)
National Bank of Canada	17,446	(1,317,180)	(1,299,734)
Sumitomo Mitsui	864,915	(3,106,039)	(2,241,124)
Rabobank	-	(4,761,774)	(4,761,774)
Dresdner Bank	21,065	(13,515,769)	(13,494,704)
National Australia Bank	716,720	(15,522,743)	(14,806,023)
Royal Bank of Canada	1,140,834,362	(1,179,392,170)	(38,557,808)
CIBC	50,071,533	(100,025,387)	(49,953,854)
TD Bank	166,211,338	(359,835,997)	(193,624,659)
HSBC	313,911,664	(522,264,052)	(208,352,388)
Bank of Montreal	67,640,007	(298,038,558)	(230,398,551)
Grand Total	15,381,169,841	(10,118,130,269)	5,263,039,572

Deutsche Bank and Credit Suisse were the counterparties that “owed” the most to insurers. To give this some context, the net amount owed by these two foreign counterparties was in line with the net amount for the largest domestic counterparties, including \$1.4 billion owed by U.S.-based JP Morgan Chase.

Despite the concerns surrounding many EU financial institutions, their bonds are trading at or near par. The following quotes are as of Oct. 21, 2011, for 10-year senior unsecured bonds: Deutsche Bank – \$100; Credit Suisse – \$99; Barclays – \$102; BNP Paribas – \$100; and UBS – \$101. The one exception is Société Generale, whose 10-year senior unsecured bond is quoted at \$90.

Foreign Exposure in Securities Lending

Insurers generally reinvest the cash collateral posted by borrowers in a securities lending transaction. These investments are typically on balance sheet and, therefore, are already reflected in the totals discussed above. However, it is worth focusing on this information separately to give some idea of the exposure insurers might have if the securities borrowers decide to return the lent securities and request the return of the cash collateral. In stressed and volatile financial markets, the insurer might find it difficult to find liquidity or be forced to sell the securities at a lower price and receive less cash than was posted by the borrower.

Foreign exposure related to reinvested collateral from securities lending programs totaled \$8.7 billion as of June 30, 2011. As with the foreign bond exposure, this total does not include

structured securities that are technically domiciled in foreign countries (such as Bermuda, the Cayman Islands and Ireland) for legal and tax reasons, but where there is no apparent exposure to the economy of the respective country. Almost all (98.1%) of the exposure was to financial institutions. The total exposure includes exposure to the parent, as well as all of its subsidiaries. In many cases, the subsidiaries were based in the United States, but we decided to take a conservative approach and include this exposure in the totals on the theory that if the foreign parent suffered, it would likely be a drag on the U.S. subsidiary. Furthermore, a large percentage of the exposure is in relatively short-dated paper, including time deposits and certificates of deposit (CDs). There is little, if any, market risk in these securities.

Foreign Exposure Related to Securities Lending by Country as of June 30, 2011

\$ BACV	Total	Financial	%
Australia	1,013,222,204	1,013,222,204	11.8%
Belgium	123,748,200	123,748,200	1.4%
Canada	1,088,867,366	1,088,867,366	12.7%
Denmark	304,443,096	304,443,096	3.6%
Finland	330,668,272	330,668,272	3.9%
France	1,497,369,686	1,485,566,282	17.3%
Germany	685,042,644	685,042,644	8.0%
Italy	83,219,836	83,219,836	1.0%
Japan	865,022,640	725,669,100	8.5%
Multinational	19,369,998	19,369,998	0.2%
Netherlands	419,167,950	405,499,358	4.7%
Singapore	18,051,358	18,051,358	0.2%
Spain	179,969,284	179,969,284	2.1%
Sweden	409,123,776	409,123,776	4.8%
Switzerland	394,295,300	394,295,300	4.6%
UK	1,307,896,600	1,307,896,600	15.3%
Grand Total	8,739,478,210	8,574,652,674	100.0%

Summary

Although total foreign exposure, including the net counterparty exposure, is sizable in terms of absolute dollars, it only represents 12.2% of the insurance industry's cash and invested assets as of Dec. 31, 2010. The direct foreign exposure represents 12.1% of cash and invested assets, and the indirect counterparty exposure represents 0.1% of cash and invested assets. In addition, with almost two-thirds of the foreign exposure to investments in securities not related to foreign financial institutions or sovereigns, we do not expect the insurance industry's foreign exposure to have a material impact on the credit quality of their asset portfolios. We will, however, continue to monitor OTTI trends in these exposures, particularly with respect to Greek-related debt.

\$ BACV	\$ BACV	% of Cash and Invested Assets
Bonds	576,970,277,306	11.2%
Common Stock	44,078,082,392	0.9%
Preferred Stock	2,866,384,372	0.1%
Replications	469,362,575	0.0%
Net Counterparty Exposure	5,263,039,572	0.1%
Grand Total	629,647,146,217	12.2%

Note: The insurance industry's cash and invested assets as of Dec. 31, 2010, totaled \$5.144 trillion.

The NAIC Capital Markets Bureau will continue to monitor the insurance industry's foreign exposure, as well as developments in the EU and elsewhere around the world, that could have an impact on these exposures. We will provide updates as deemed appropriate.

October 14, 2011									
Major Insurer Share Prices		Close	Change %			Prior			
			Week	QTD	YTD	Week	Quarter	Year	
Life	Aflac	\$41.12	12.3	17.7	(27.1)	\$36.63	\$34.95	\$56.43	
	Ameriprise	42.78	9.5	8.7	(25.7)	39.06	39.36	57.55	
	Genworth	5.87	14.4	2.3	(55.3)	5.13	5.74	13.14	
	Lincoln	17.98	19.1	15.0	(35.3)	15.10	15.63	27.81	
	MetLife	32.06	11.3	14.5	(27.9)	28.80	28.01	44.44	
	Principal	25.02	10.4	10.4	(23.2)	22.67	22.67	32.56	
	Protective	17.18	11.5	9.9	(35.5)	15.41	15.63	26.64	
	Prudential	50.89	10.6	8.6	(13.3)	46.02	46.86	58.71	
	UNUM	23.84	8.4	13.7	(1.6)	22.00	20.96	24.22	
PC	ACE	\$62.94	4.3	3.9	1.1	\$60.34	\$60.60	\$62.25	
	Axis Capital	26.24	1.9	1.2	(26.9)	25.75	25.94	35.88	
	Allstate	24.89	4.9	5.1	(21.9)	23.72	23.69	31.88	
	Arch Capital	33.41	2.9	2.2	13.8	32.46	32.68	29.35	
	Cincinnati	26.61	1.2	1.1	(16.0)	26.29	26.33	31.69	
	Chubb	62.66	4.8	4.5	5.1	59.77	59.99	59.64	
	Everest Re	78.31	(0.1)	(1.3)	(7.7)	78.42	79.38	84.82	
	Progressive	17.90	(1.1)	0.8	(9.9)	18.09	17.76	19.87	
	Travelers	51.13	4.3	4.9	(8.2)	49.00	48.73	55.71	
	WR Berkley	30.18	4.1	1.7	10.2	28.99	29.69	27.38	
	XL	19.69	5.0	4.7	(9.8)	18.76	18.80	21.82	
Other	AON	\$44.99	3.9	7.2	(2.2)	\$43.30	\$41.98	\$46.01	
	AIG	23.30	11.1	6.2	(51.7)	20.97	21.95	48.27	
	Assurant	37.12	5.3	3.7	(3.6)	35.24	35.80	38.52	
	Fidelity National	15.62	4.6	2.9	14.2	14.94	15.18	13.68	
	Hartford	18.38	8.4	13.9	(30.6)	16.96	16.14	26.49	
	Marsh	28.12	5.5	5.9	2.9	26.66	26.55	27.34	
Health	Aetna	\$37.74	6.4	3.9	23.7	\$35.47	\$36.34	\$30.51	
	Cigna	44.61	6.3	6.4	21.7	41.98	41.94	36.66	
	Humana	74.87	6.8	2.9	36.8	70.11	72.73	54.74	
	United	47.10	4.9	2.1	30.4	44.89	46.12	36.11	
	WellPoint	66.94	1.7	2.5	17.7	65.79	65.28	56.86	
Monoline	Assured	\$12.13	10.4	10.4	(31.5)	\$10.99	\$10.99	\$17.70	
	MBIA	7.72	(0.8)	6.2	(35.6)	7.78	7.27	11.99	
	MGIC	2.38	10.7	27.3	(76.6)	2.15	1.87	10.19	
	PMI	0.29	21.1	45.0	(91.2)	0.24	0.20	3.30	
	Radian	2.42	9.5	10.5	(70.0)	2.21	2.19	8.07	
	XL Capital	19.69	5.0	4.7	(9.8)	18.76	18.80	21.82	

October 14, 2011							
Major Market Variables		Change %			Prior		
	Close	Week	QTD	YTD	Week	Quarter	Year
Dow Jones Ind	11,644.49	4.9	6.7	0.6	11,103.12	10,913.38	11,577.51
S&P 500	1,224.57	6.0	8.2	(2.6)	1,155.46	1,131.42	1,257.64
S&P Financial	169.90	6.8	6.8	(20.9)	159.08	159.05	214.77
S&P Insurance	164.01	6.4	7.3	(12.9)	154.08	152.88	188.22
US Dollar \$		Change %			Prior		
/ Euro	\$1.39	3.8	3.7	3.7	\$1.34	\$1.34	\$1.34
/ Crude Oil bbl	87.22	5.1	10.7	(5.4)	82.98	78.80	92.22
/ Gold oz	1,681.70	2.9	3.7	18.4	1,634.50	1,621.20	1,420.78
Treasury Ylds %		Change			%	%	%
1 Year	0.10	0.00	(0.01)	(0.17)	0.10	0.11	0.27
10 Year	2.24	0.16	0.33	(1.05)	2.08	1.91	3.30
30 Year	3.23	0.20	0.31	(1.11)	3.02	2.91	4.34
Corp Credit Spreads -bp		Change %			Prior		
CDX.IG	119.65	(4.1)	(3.2)	40.8	124.73	123.58	85.00

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Major Insurer Bond Yields

Company	Coupon	Maturity	Price			Spread		
			Current	Change	Yield	B.P.	Change	
Life	Aflac	8.500%	5/15/2019	\$120.92	\$0.24	5.13%	317	(12)
	Ameriprise	5.300%	3/15/2020	\$108.23	(\$0.87)	4.13%	202	3
	Genworth	6.515%	5/15/2018	\$90.00	\$1.86	8.53%	669	(41)
	Lincoln National	8.750%	7/15/2019	\$117.92	\$1.21	5.83%	381	(21)
	MassMutual	8.875%	6/15/2039	\$140.96	(\$4.15)	5.86%	258	10
	MetLife	4.750%	2/15/2021	\$103.57	\$1.98	4.28%	202	(25)
	Mutual of Omaha	6.800%	6/15/2036	\$109.63	(\$1.75)	6.04%	305	2
	New York Life	6.750%	11/15/2039	\$118.59	(\$2.07)	5.45%	219	(1)
	Northwestern Mutual	6.063%	3/15/2040	\$111.09	\$0.05	5.30%	203	(19)
	Pacific Life	9.250%	6/15/2039	\$127.50	\$0.16	6.99%	378	(19)
	Principal	6.050%	10/15/2036	\$104.85	\$0.82	5.68%	260	(24)
	Prudential	4.500%	11/15/2020	\$99.85	\$1.53	4.52%	233	(23)
	TIAA	6.850%	12/15/2039	\$117.56	(\$1.27)	5.60%	237	(4)
P&C	ACE INA	5.900%	6/15/2019	\$115.82	\$0.10	3.52%	154	(9)
	Allstate	7.450%	5/15/2019	\$120.99	\$0.11	4.19%	224	(8)
	American Financial	9.875%	6/15/2019	\$119.17	(\$0.81)	6.64%	469	12
	Berkshire Hathaway	5.400%	5/15/2018	\$113.09	(\$0.04)	3.18%	148	1
	Travelers	3.900%	11/15/2020	\$101.82	\$0.51	3.66%	147	(8)
	XL Group	6.250%	5/15/2027	\$98.64	(\$2.15)	6.39%	365	(4)
Other	AON	5.000%	9/15/2020	\$107.05	\$0.63	4.05%	189	(8)
	AIG	5.850%	1/15/2018	\$96.87	\$1.81	6.46%	481	(41)
	Fidelity National	7.875%	7/15/2020	\$109.13	\$3.88	6.49%	448	(75)
	Hartford	5.500%	3/15/2020	\$97.45	\$1.39	5.89%	378	(23)
	Marsh	9.250%	4/15/2019	\$130.28	(\$0.34)	4.45%	250	(2)
	Nationwide	9.375%	8/15/1939	\$113.09	(\$4.51)	8.17%	477	(1)
Health	Aetna	3.950%	9/15/2020	\$102.34	(\$0.09)	3.64%	151	(5)
	CIGNA	5.125%	6/15/2020	\$107.53	(\$0.07)	4.08%	197	(8)
	United Healthcare	3.875%	10/15/2020	\$103.07	(\$0.15)	3.47%	131	(4)
	Wellpoint	4.350%	8/15/2020	\$104.14	(\$0.42)	3.79%	167	1

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

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