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**

Securities Lending in the Insurance Industry – Part 2: Securities Lent

On July 11, 2011, the Capital Markets Bureau published a Special Report titled, "Securities Lending in the Insurance Industry," which provided a general overview of securities lending within the insurance industry, including updates to statutory accounting and reporting requirements that have been implemented since 2008. In addition, we disclosed the dollar amounts and types of investments that insurance companies made as of March 31, 2011, with respect to the posted collateral received from the securities lending borrowers (also known as counterparties). As a follow-up to that article, in this report we focus on the other side of the equation — that is, the securities lent to the counterparties by the insurance companies — and we make a comparison of certain characteristics with respect to the borrower's reinvested cash collateral and the securities lent.

As a brief refresher, securities lending is the act of loaning a bond, stock or other security to an investor in an over-the-counter market. It requires that the borrower post collateral in the form of cash or security. A securities lending agreement 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.

The securities borrower may be a bank or other institutional investor. The borrower benefits by profiting from shorting the borrowed securities (that is, borrowing the securities to immediately sell them). Broker-dealers, for example, borrow securities to make a market for buying and selling securities and to settle trades for clients.

Securities Lent by Insurance Companies

One feature we reviewed for this report was the types of securities lent by the insurance companies to the borrowers. As of March 31, 2011, NAIC data shows that there was approximately $80 billion in book/adjusted carrying value (BACV) *associated* with securities lent by the insurance industry to borrowers. That is, the insurance industry identified a total of approximately $80 billion of securities as "lent securities" in the reporting process; however, it did not necessarily lend out the full amount of each security that comprises this total. As an example, an insurance company that reportedly owns $40 million of a U.S. Treasury security identified for reporting purposes as a "lent security" might have only actually lent out $20 million of the $40 million bond. Because borrowed securities are typically collateralized with 102%–105% in insurance industry securities lending, we estimate that about $57 billion to $58 billion of the total $80 billion comprised the BACV of securities *actually* lent to borrowers as of March 31, 2011.

As mentioned in our previous article, as of March 31, 2011, the majority of cash received by the insurance industry that represented posted collateral was invested in corporate debt securities; that is, approximately $25 billion in BACV out of a total of $56 billion in BACV of reinvested collateral (or 45% of the total). Additionally, in our previous report we noted that the majority of

securities lending activity (slightly more than 80%) occurs within the life industry. As a recap, the table below shows a breakdown of the reinvested collateral by bond type as of March 31, 2011.

*Securities Lending ($mil) – Reinvested Collateral as of March 31, 2011**

Bond Type	Life	Property & Casualty	Fraternal	Health	Grand Total	% of total
U.S. Treasuries/GSE/Agency Bonds	8,128.7	1,455.5	-	6.9	9,591.1	17.1
Foreign Government	13.9	-	8.2	-	22.1	0.0
U.S. State and Local Municipal Bonds	504.1	1.9	121.2	23.5	650.7	1.2
Corporate Bonds	20,772.7	3,007.4	610.6	874.1	25,264.9	45.1
RMBS	10,209.9	130.6	3.4	84.6	10,428.5	18.6
CMBS	4,651.7	74.5	-	3.1	4,729.2	8.4
ABS	1,321.4	283.8	22.1	34.1	1,661.5	3.0
Hybrid Securities	705.7	-	-	-	705.7	1.3
Common Stocks	146.4	2,408.2	79.1	303.1	2,936.7	5.2
Preferred Stocks	11.0	-	-	-	11.0	0.0
	$ 46,465.6	$ 7,361.9	$ 844.6	$ 1,329.4	$ 56,001.5	100.0
	83.0%	13.1%	1.5%	2.4%	100.0%	

*The table includes short-term investments and cash equivalents in the most relative categories, particularly in the corporate bonds category.

The table below shows the total $80 billion in BACV that was associated with securities lent by the insurance industry, grouped by bond types, as of March 31, 2011. In securities lending, borrowers request to receive a specific security that covers a particular position. As of March 31, 2011, almost half of securities lent consisted of corporate bonds at 49.2%. While the insurance industry invested cash collateral in private-label residential mortgage-backed securities (RMBS) (18.6% of the total) no private-label RMBS was comprised of lent securities. The need to borrow securities is heavily dependent on market dynamics, including the volume of new issuance and market expectations for an asset class. In 2010, a surge in corporate bond issuance created significant trading opportunities in the marketplace and, hence, the need for broker-dealers to borrow bonds. On the other hand, the RMBS market was still unsettled and relatively illiquid.

*Securities Lent ($mil) as of March 31, 2011**

Bond Type	Life	Property & Casualty	Fraternal	Health	Title	Grand Total	% of total
U.S. Treasuries/GSE/Agency bonds	22,657.0	7,754.3	349.0	201.9	3.8	30,966.1	38.5
Foreign Governments	666.4	167.1	12.0	14.0	-	859.5	1.1
U.S. State and Local Municipal Bonds	156.3	6.2	13.5	0.9	-	176.8	0.2
Corporate Bonds	34,121.6	2,795.3	1,770.1	877.2	-	39,564.2	49.2
Agency-backed RMBS	6,832.4	81.8	-	1.2	-	6,915.4	8.6
CMBS (private label)	282.5	1.2	-	-	-	283.7	0.4
ABS	209.1	16.0	35.7	0.5	-	261.3	0.3
Hybrid Securities	1,186.1	42.5	28.6	2.7	-	1,259.9	1.6
Credit Tenant Leases (CTL)	21.0	6.6	-	-	-	27.6	0.0
Money Markets/Funds	-	-	22.4	0.6	-	23.0	0.0
Other Short-Term Debt	18.2	7.6	-	1,099.1	-	25.8	0.0
	$ 66,150.6	$ 10,878.7	$ 2,231.2	$2,198.1	$ 3.8	$ 80,363.3	100%
	82.3%	13.5%	2.8%	2.7%	0.0%		

* Represents all securities identified by the insurance industry in the reporting process as "lent securities" and not necessarily the (smaller) loaned amount.

U.S. Treasury securities and U.S. government agency bonds (such as the Federal Home Loan Mortgage Corporation, or FHLMC, and the Federal National Mortgage Association, or FNMA) represented the second-largest bond type lent to borrowers, at 38.5% of the total amount of associated securities lent, or almost $31 billion.

Maturity Dates: How Does Borrowers' Invested Collateral Match Up to Securities Lent?

Our study included an analysis of the maturity dates of securities lent by the insurance industry in comparison to how they matched up with the maturity dates of the borrowers' reinvested collateral. As we indicated in our previous article, since 2010, insurance companies have been

required to “bucket” the maturity dates of the reinvested collateral in Schedule DL, Part 1 or Part 2, as applicable.

The following table shows groupings of maturity dates by industry with respect to the $80 billion in BACV associated with securities lent as of March 31, 2011. Approximately 44% had maturity dates ranging between 11 and 20 years, and approximately half of all securities lent had maturity dates ranging between one and 10 years.

Maturity of Securities Lent ($mil) – as of March 31, 2011

	Life	Property & Casualty	Fraternal	Health	Title	Grand Total	% of total
< 1 year	2,119.1	1,075.9	27.3	17.9	-	3,240.1	4.0
1 to 4 years	13,357.1	4,213.6	800.8	267.3	3.8	18,642.6	23.2
5 to 10 years	16,153.7	3,855.3	915.2	530.1	-	21,454.3	26.7
11 to 20 years	33,336.4	1,708.4	449.4	122.4	-	35,616.6	44.3
> 20 years	760.6	22.0	14.3	1.2	-	798.0	1.0
N/A	423.7	3.5	24.3	160.2	-	611.7	0.8
Total	**$ 66,150.6**	**$ 10,878.7**	**$ 2,231.2**	**$ 1,099.1**	**$ 3.8**	**$ 80,363.3**	**100.0**

In comparison, the table below shows groupings of maturity dates with respect to the $56 billion of reinvested collateral as of March 31, 2011. A majority of the cash collateral, or 39.4%, had been invested in securities maturing in less than one year (that is, sometime in 2011), followed by approximately 32% maturing between one and 10 years. Longer maturity dates imply longer duration for the lent securities, and; therefore, a risk of higher market volatility. As a result, the timing of the borrowers’ demand for cash back in return for the lent securities may be influenced.

Maturity of Reinvested Collateral ($mil) – as of March 31, 2011

	Life	Property & Casualty	Fraternal	Health	Grand Total	% of total
< 1 year	16,318.4	4,244.2	650.6	829.0	22,042.2	39.4
1 to 4 years	14,745.9	263.3	81.2	163.3	15,253.7	27.2
5 to 10 years	2,813.2	9.9	4.1	10.2	2,837.5	5.1
11 to 20 years	8,695.4	66.1	24.3	2.4	8,788.1	15.7
> 20 years	2,430.6	401.6	0.5	12.9	2,845.6	5.1
N/A	1,453.1	2,373.3	84.0	311.6	4,222.0	7.5
2008-2009	9.0	3.4	-	-	12.4	0.0
Total	**$ 46,465.6**	**$ 7,361.9**	**$ 844.6**	**$ 1,329.4**	**$ 56,001.5**	**100.0**

As discussed in our previous report (published July 11, 2011), to address any mismatch in the maturity of the reinvested collateral and when a borrower can demand return of the cash collateral (as indicated in the applicable securities lending agreement), summary information is required on the duration of when the lent securities are expected to be returned to the insurance company and the cash collateral is to be returned to the borrower. This helps identify potential liquidity constraints within the securities lending program. Securities lending agreements are often intended to be short-term in nature, and most agreements allow the borrower to return the loaned security(ies) on short notice (and at no penalty) in exchange for the cash collateral posted to the insurance company. As a result, the insurance company must be able to liquidate the reinvested collateral on short order to return the cash to the borrower.

Lastly, the table above also shows that there was approximately $12 million invested in securities that matured in 2008 and 2009, which were identified as defaulted Lehman Brothers mortgage-backed securities, with NAIC 6 designations.

Collateral Features to Consider: Liquidity and Credit Quality

The terms and the length of securities lending agreements vary, although they are generally short-term, and many have a stated term, but are actually open-ended as to when the borrower expects to return the bonds. The objective of securities lending is for the lender to earn a low-risk return on collateral posted in exchange for lent securities. As such, the lender has the

discretion to invest the cash in “income productive” securities, which, on short notice, are liquid enough to be sold without losing significant market value. Good business practice suggests that the reinvested collateral should be marked to market daily, in part to address any liquidity or volatility concerns. As part of the reporting requirements, an insurance company as a securities lender must be able to identify additional liquidity when there is a maturity date mismatch between the reinvested collateral and the terms of the securities lending agreements. Insurance companies as securities lenders should also have written investment guidelines with respect to the types of securities they are permitted to invest with the borrowers’ cash collateral, such as in a documented statement of investment policy and guidelines manual.

The credit quality of the reinvested collateral is another indicator of potential volatility. As of March 31, 2011, the majority (or approximately 80%) of reinvested cash collateral from securities lending agreements was in securities designated NAIC 1. Overall, approximately 85% of reinvested collateral was investment grade, evidenced by the NAIC 1 and NAIC 2 designations shown in the table below.

NAIC Designations on Reinvested Collateral from Securities Lending Agreements (March 31, 2011)

	BACV ($mil)	% of total
NAIC 1	45,258.0	80.8%
NAIC 2	2,381.8	4.3%
NAIC 3	1,296.0	2.3%
NAIC 4	1,299.3	2.3%
NAIC 5	464.0	0.8%
NAIC 6	87.2	0.2%
N/A	5,215.1	9.3%
	$ 56,001.5	**100%**

In comparison, as of March 31, 2011 approximate

NAIC Designations on Investments Associated with Securities Lent (March 31, 2011)

	BACV ($mil)	% of total
NAIC 1	60,687.4	75.5%
NAIC 2	14,791.5	18.4%
NAIC 3	2,144.3	2.7%
NAIC 4	1,260.0	1.6%
NAIC 5	322.6	0.4%
NAIC 6	59.2	0.1%
N/A	1,098.3	1.4%
	$ 80,363.3	**100%**

ly 75% of investments associated with securities lent were designated NAIC 1, or high-quality investment grade; however, more than 90% of securities lent by the insurance industry were in the overall investment grade category (i.e., designated NAIC 1 and NAIC 2).

Reinvested Collateral and Securities Lent: Additional Detail

As part of our analysis of the reinvested cash collateral, we identified that the largest overall issuer was in U.S. Treasuries for a BACV of $2.7 billion, which was almost 5% of total reinvested collateral as of March 31, 2011.

Within the largest bond type of reinvested collateral ($25.2 billion BACV were corporate securities, which could also include short-term investments in mutual funds and money markets), approximately $9.4 billion had maturity dates during 2012 and beyond as of March 31, 2011. The largest issuer within the corporate bond category of the reinvested collateral (maturing during or after 2012) was Federated Prime Obligations Fund, for a BACV of $240.9 million (or 2.6% of the total) which is an open-ended fund investing in short-term, high-quality fixed-income securities issued by banks, corporations and the U.S. government.

Corporate securities also comprised the largest exposure for securities lent by the insurance industry as of March 31, 2011, and were approximately $39 billion in BACV. Based on our analysis, the largest issuer within these associated corporate securities lent was $629.5 million in BACV of Wal-Mart Stores (or 1.6% of the total). Additionally, the largest industry exposure of associated corporate securities lent was $2.9 billion BACV in the electric-integrated industry (or 7.5% of total associated corporate securities lent), followed by medical-drugs at $1.9 billion and telephone-integrated at $1.7 billion. Again, we note that these amounts represent total amounts identified by the insurance industry as lent securities; however, only a portion has actually been loaned out to counterparties.

Risky Exposures?

With respect to the 17% of reinvested collateral in U.S. government bonds, these securities are considered relatively safe, stable investments, despite uncertainty over the current status of the United States' sovereign debt rating. Structured securities — including non-agency backed RMBS, commercial mortgage-backed securities (CMBS) and asset-backed securities (ABS) — comprised 30% of total reinvested collateral. These securities have been particularly volatile in recent times, due in part to the financial and housing market crises. With regard to RMBS investments, approximately $1.6 billion were designated NAIC 3 through NAIC 6, which are considered below investment grade and were 2.9% of total reinvested collateral. The most speculative grade RMBS (designated NAIC 6) comprised only $15.9 million and included exposure to Countrywide. CMBS with NAIC 3 through NAIC 6 designations comprised $67.4 million, while ABS with the same designations comprised $197.6 million, as of March 31, 2011. Within reinvested collateral in corporate securities, those designated NAIC 3 through NAIC 6, which are considered below investment grade, consisted of $1.3 billion in BACV as of March 31, 2011. Approximately $46 million of this amount was designated NAIC 6, representing the poorest credit quality and potentially the most volatile. These bonds included $17.8 million of Lehman Brothers corporate debt.

With regard to bonds associated with securities lent by the insurance industry, almost 40% comprised U.S. Treasury or government agency bonds, which, similar to the reinvested collateral, carry a certain amount of risk relative to uncertainty over the status of the United States' long-term sovereign debt rating. Otherwise, associated corporate securities lent that were designated NAIC 3 through NAIC 6 (and considered below investment grade) comprised $3.4 billion in BACV as of March 31, 2011 (or 4.25% of the total). The largest issuer exposure within the NAIC 3 through NAIC 6 corporate bonds was $199 million BACV of Masco Corp., a manufacturer of home-building and home-improvement products, and the largest industry concentration was in the oil industry, at almost $174 million in BACV as of March 31, 2011. The poorest credit quality corporate bonds (that is, those designated NAIC 6), consisted of $55.2 million in BACV as of March 31, 2011. Within this exposure, Harrah's Operating Co. was the largest issuer, at $23.4 million; the largest industry exposure was to casinos and hotels, also at $23.4 million.

Securities Lending: A Source of Steady Income for the Insurance Industry

When used appropriately, securities lending serves as a reliable source of short-term, low-risk investment income for the insurance industry. In response to a demand for more transparency regarding securities lending activity, and in an effort to better understand available funds, new reporting and accounting rules have been implemented by the NAIC. While the process continues to evolve, the current standards allow for more efficient monitoring of liquidity, credit quality and volatility, along with asset-liability matching, relative to the invested cash collateral. As indicated in our initial securities lending research published July 11, 2011, the current adopted reporting and accounting changes have succeeded in providing more detail and transparency related to insurance industry's securities lending activity. The parties involved in proposing and implementing these revisions continue to evaluate its success and whether additional disclosures or changes should be considered going forward.

The Capital Markets Bureau will continue to follow any developments and provide more insightful research as deemed appropriate.

July 22, 2011 Major Insurer Share Prices			Change %			Prior		
		Close	Week	QTD	YTD	Week	Quarter	Year
Life	Aflac	$46.15	1.8	(2.7)	(18.2)	$45.35	$47.43	$56.43
	Ameriprise	55.38	2.5	(5.2)	(3.8)	54.05	58.39	57.55
	Genworth	8.93	(9.0)	(15.5)	(32.1)	9.81	10.56	13.14
	Lincoln	27.78	2.3	(4.7)	(0.1)	27.16	29.15	27.81
	MetLife	41.72	0.4	(6.0)	(6.1)	41.57	44.38	44.44
	Principal	28.99	2.0	(6.1)	(11.0)	28.41	30.87	32.56
	Protective	22.86	2.3	(3.0)	(14.2)	22.34	23.56	26.64
	Prudential	60.94	0.3	(5.9)	3.8	60.76	64.77	58.71
	UNUM	25.55	0.9	(1.5)	5.5	25.31	25.94	24.22
PC	ACE	$65.80	1.9	(0.7)	5.7	$64.57	$66.26	$62.25
	Axis Capital	31.69	2.1	1.8	(11.7)	31.03	31.13	35.88
	Allstate	28.66	(2.7)	(7.2)	(10.1)	29.47	30.90	31.88
	Arch Capital	32.63	(0.1)	0.2	11.2	32.65	32.56	29.35
	Cincinnati	28.41	2.1	(3.6)	(10.4)	27.82	29.47	31.69
	Chubb	64.46	3.6	2.3	8.1	62.22	63.03	59.64
	Everest Re	81.58	0.3	(0.3)	(3.8)	81.37	81.80	84.82
	Progressive	20.46	2.0	(4.6)	3.0	20.06	21.44	19.87
	Travelers	57.55	(0.6)	(2.6)	3.3	57.90	59.11	55.71
	WR Berkley	32.46	3.0	(0.9)	18.6	31.52	32.75	27.38
	XL	21.56	1.7	(3.3)	(1.2)	21.19	22.30	21.82
Other	AON	$50.36	1.0	(2.6)	9.5	$49.86	$51.71	$46.01
	AIG	29.06	2.9	(3.1)	(39.8)	28.23	29.98	48.27
	Assurant	35.04	2.0	(4.4)	(9.0)	34.36	36.64	38.52
	Fidelity National	15.96	2.4	(0.2)	16.7	15.58	16.00	13.68
	Hartford	23.83	(2.3)	(11.9)	(10.0)	24.38	27.05	26.49
	Marsh	29.81	(0.2)	(5.5)	9.0	29.87	31.54	27.34
Health	Aetna	$43.36	0.0	(4.1)	42.1	$43.36	$45.23	$30.51
	Cigna	52.59	1.8	0.7	43.5	51.66	52.20	36.66
	Humana	79.57	(1.2)	(4.3)	45.4	80.55	83.12	54.74
	United	52.80	1.6	(0.6)	46.2	51.97	53.13	36.11
	WellPoint	74.43	(0.6)	(7.9)	30.9	74.90	80.79	56.86
Monoline	Assured	$14.95	(7.2)	(11.1)	(15.5)	$16.11	$16.82	$17.70
	MBIA	9.85	(3.4)	8.6	(17.8)	10.20	9.07	11.99
	MGIC	4.14	(31.0)	(32.1)	(59.4)	6.00	6.10	10.19
	PMI	1.03	(18.9)	(7.2)	(68.8)	1.27	1.11	3.30
	Radian	3.32	(18.2)	(22.2)	(58.9)	4.06	4.27	8.07
	XL Capital	21.56	1.7	(3.3)	(1.2)	21.19	22.30	21.82

July 22, 2011 Major Market Variables	Close	Change % Week	Change % QTD	Change % YTD	Prior Week	Prior Quarter	Prior Year
Dow Jones Ind	12,681.16	1.6	0.8	9.5	12,479.73	12,582.77	11,577.51
S&P 500	1,345.01	2.2	0.4	6.9	1,316.14	1,339.67	1,257.64
S&P Financial	206.45	3.3	(1.9)	(3.9)	199.93	210.45	214.77
S&P Insurance	182.67	1.2	(3.4)	(2.9)	180.58	189.06	188.22
US Dollar $		Change %			Prior		
/ Euro	$1.44	1.5	(1.1)	7.3	$1.42	$1.45	$1.34
/ Crude Oil bbl	99.75	2.4	5.1	8.2	97.41	94.94	92.22
/ Gold oz	1,603.30	0.6	8.1	12.8	1,594.40	1,482.60	1,420.78
Treasury Ylds %	%	Change			%	%	%
1 Year	0.18	0.03	(0.02)	(0.09)	0.15	0.19	0.27
10 Year	2.96	0.05	(0.22)	(0.34)	2.91	3.18	3.30
30 Year	4.26	0.01	(0.14)	(0.08)	4.25	4.39	4.34
Corp Credit Spreads -bp		Change %			Prior		
CDX IG	79.24	(4.5)	3.2	(6.8)	82.98	76.76	85.00

July 22, 2011
Major Insurer Bond Yields

	Company	Coupon	Maturity	Price			Spread	
				Current	Change	Yield	B.P.	Change
Life	Aflac	8.500%	5/15/2019	$124.69	($0.36)	4.68%	215	(2)
	Ameriprise	5.300%	3/15/2020	$108.75	($0.45)	4.09%	132	1
	Genworth	6.515%	5/15/2018	$95.71	($6.98)	7.32%	494	115
	Lincoln National	8.750%	7/15/2019	$128.28	($0.36)	4.47%	190	0
	MassMutual	8.875%	6/15/2039	$141.85	($0.24)	5.82%	162	0
	MetLife	4.750%	2/15/2021	$103.53	($0.52)	4.29%	134	2
	Mutual of Omaha	6.800%	6/15/2036	$106.76	($0.03)	6.26%	224	(2)
	New York Life	6.750%	11/15/2039	$117.47	($0.35)	5.52%	130	3
	Northwestern Mutual	6.063%	3/15/2040	$108.53	($1.62)	5.47%	121	13
	Pacific Life	9.250%	6/15/2039	$132.80	($0.23)	6.65%	244	(0)
	Principal	6.050%	10/15/2036	$106.25	$1.13	5.58%	154	(8)
	Prudential	4.500%	11/15/2020	$101.66	($0.58)	4.28%	138	2
	TIAA	6.850%	12/15/2039	$117.00	($0.04)	5.64%	139	(1)
P&C	ACE INA	5.900%	6/15/2019	$114.44	($0.44)	3.76%	119	(1)
	Allstate	7.450%	5/15/2019	$121.66	($0.51)	4.17%	164	0
	American Financial	9.875%	6/15/2019	$125.73	($0.69)	5.77%	319	1
	Berkshire Hathaway	5.400%	5/15/2018	$112.93	($0.32)	3.26%	100	(1)
	Travelers	3.900%	11/15/2020	$98.42	($0.41)	4.11%	120	1
	XL Group	6.250%	5/15/2027	$102.32	($0.34)	6.02%	259	(0)
Other	AON	5.000%	9/15/2020	$104.93	($0.31)	4.34%	146	(2)
	AIG	5.850%	1/15/2018	$105.51	($0.33)	4.85%	267	(1)
	Fidelity National	7.875%	7/15/2020	$106.94	$0.50	6.83%	448	(17)
	Hartford	5.500%	3/15/2020	$104.28	($0.51)	4.89%	213	1
	Marsh	9.250%	4/15/2019	$129.31	($1.16)	4.68%	214	8
	Nationwide	9.375%	8/15/1939	$124.85	($0.42)	7.28%	307	2
Health	Aetna	3.950%	9/15/2020	$100.50	($0.28)	3.88%	103	(1)
	CIGNA	5.125%	6/15/2020	$107.76	($0.39)	4.07%	126	2
	United Healthcare	3.875%	10/15/2020	$100.09	($0.11)	3.86%	105	(6)
	Wellpoint	4.350%	8/15/2020	$103.84	($0.01)	3.84%	101	(6)

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