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**

Insurance Industry Holdings in Countries Recently Noted as Facing Financial Difficulties

Since 2009, certain sovereign credits have been under intense pressure, especially the weakest eurozone credits. Five relative weak eurozone countries (Greece, Ireland, Portugal, Italy and Spain) have received the most attention. The first three countries have all been forced into requesting external financial assistance from the remainder of the European Union (EU), as well as the International Monetary Fund (IMF). First, Greece ran into trouble, even before the EU had developed an assistance mechanism for its member states. Next Ireland, and most recently Portugal, has needed assistance, but by then, the EU was at least partially prepared to supply the necessary support.

While recent problems have been concentrated in the eurozone, they are not necessarily limited to occurring in just EU member states. In an effort to better inform readers about the international investment exposures of the insurance industry, we have developed the information contained below.

In addition to those countries for which the rating agencies — Fitch Ratings (Fitch), Moody's Investors Service (Moody's) and Standard & Poor's (S&P) — have recently taken formal rating actions, there has also been increasing rating pressure occurring in other countries. In some cases, the rating agencies have taken actions such as placing the rating on review for possible downgrade or changing the rating outlook to negative. In other less serious cases, the rating agencies have expressed concerns regarding credit trends in the country, although they might not have taken any rating action including an outlook change.

Countries with negative outlooks or that are on review with all three rating agencies include Cyprus, Greece, Hungary, Ireland, Japan, Portugal and Spain. All of these countries have also been downgraded in recent years by one or more rating agencies.

In other cases, countries have negative outlooks or on review with one or more rating agencies, but have not been downgraded in recent years. Countries falling into this category — along with the rating agency and the date of the most recent outlook change — include Belgium (S&P, Dec. 14, 2010; Fitch, May 23, 2011), Italy (S&P, May 20, 2011), and the United States (S&P, April 18, 2011). In some cases, countries such as the United States and the UK have been discussed by rating agencies as being the subject of increasing credit trend concerns, but the rating agencies have not made any outlook changes as of yet.

The information is divided into two sections. The first table lists a group of countries for which one of more rating agency has taken an actual rating action (upgrade or downgrade on its long-term sovereign rating) since Dec. 31, 2009. In the table, we include a ratings history for the long-term sovereign debt rating for each of the three major rating agencies. We have also included a measure of the sovereign's debt as a percentage of gross domestic product (debt-to-GDP) as of Dec. 31, 2010, as calculated by Fitch Ratings. The debt-to-GDP is considered a key indicator of the economic health of a country. A low debt-to-GDP ratio indicates an economy that produces a large number of goods and services and probably profits that are sufficiently high enough to repay the country's debts. A government with a low debt-to-GDP ratio is generally considered stronger financially than a country with a higher debt-to-GDP ratio.

Lastly, we have included the insurance industry's total investment related holdings for each country as of Dec. 31, 2010.
The second chart contains the same information, but this time for a selection of leading countries for which no rating agency has taken a rating action during this time period. In this table, we have defined a rating action as an actual change in the long-term sovereign rating for the country. In some cases, while the actual sovereign rating might not have changed, the rating agency might have changed the outlook for the sovereign rating or placed the rating under review for a possible rating change. This table includes all of the EU member states not in the first table, plus any remaining countries that were in insurance industry's top 10 country exposures.

Selected Sovereign Rating History and Insurance Industry Investment Exposure
(millions of dollars)

Countries with Ratings Changes During Period

Country	Debt as % of GDP	Current L-T Sovereign Rating						12/31/10 L-T Sovereign Rating			12/31/09 L-T Sovereign Rating			Total Investments
		Moody's		S&P		Fitch		Moody's	S&P	Fitch	Moody's	S&P	Fitch	
Cyprus	62	A2	Negative	A-	Negative	A-	Negative	Aa3	A	AA-	Aa3	A+	AA-	$137
Estonia	7	A1	Positive	A	Positive	A	Stable	A1	A	A	A1	A-	BBB+	$0
Greece	143	Caa1	Negative	B	Negative	B+	Downgrade	Ba1	BB+	BBB-	A2	BBB+	BBB+	$1,168
Hungary	80	Baa3	Negative	BBB-	Negative	BBB-	Negative	Baa3	BBB-	BBB-	Baa1	BBB-	BBB	$59
Ireland	95	Baa3	Negative	BBB+	Negative	BBB+	Negative	Baa1	A	BBB+	Aa1	AA	AA-	$11,539
Japan	215	Aa2	Negative	AA-	Negative	AA	Negative	Aa2	AA	AA	Aa2	AA	AA	$46,421
Latvia	42	Baa3	Positive	BB+	Positive	BBB-	Positive	Baa3	BB+	BB+	Baa3	BB	BB+	$0
Portugal	82	Baa1	Negative	BBB-	Negative	BBB-	Negative	A1	A-	A+	A1	A+	AA	$831
Spain	60	Aa2	Negative	AA	Negative	AA+	Negative	Aa1	AA	AA+	Aaa	AA+	AAA	$6,660

Countries without Ratings Changes During Period

Country	Debt as % of GDP	Current L-T Sovereign Rating						12/31/10 L-T Sovereign Rating			12/31/09 L-T Sovereign Rating			Total Investments
		Moody's		S&P		Fitch		Moody's	S&P	Fitch	Moody's	S&P	Fitch	
Australia	23	Aaa	Stable	AAA	Stable	AA+	Stable	Aaa	AAA	AA+	Aaa	AAA	AA+	$48,188
Austria	70	Aaa	Stable	AAA	Stable	AAA	Stable	Aaa	AAA	AAA	Aaa	AAA	AAA	$2,194
Belgium	96	Aa1	Stable	AA+	Negative	AA+	Negative	Aa1	AA+	AA+	Aa1	AA+	AA+	$2,888
Bermuda	16	Aa2	Stable	AA	Stable	AA+	Stable	Aa2	AA	AA+	Aa2	AA	AA+	$19,890
Bulgaria	15	Baa3	Positive	BBB	Stable	BBB-	Positive	Baa3	BBB	BBB-	Baa3	BBB	BBB-	$29
Canada	84	Aaa	Stable	AAA	Stable	AAA	Stable	Aaa	AAA	AAA	Aaa	AAA	AAA	$110,189
Cayman Islands	N/A	Aa3	Stable	N/A	N/A	N/A	N/A	Aa3	N/A	N/A	Aa3	N/A	N/A	$52,156
Czech Republic	38	A1	Stable	A	Stable	A+	Positive	A1	A	A+	A1	A	A+	$470
Denmark	43	Aaa	Stable	AAA	Stable	AAA	Stable	Aaa	AAA	AAA	Aaa	AAA	AAA	$2,841
Finland	48	Aaa	Stable	AAA	Stable	AAA	Stable	Aaa	AAA	AAA	Aaa	AAA	AAA	$2,774
France	85	Aaa	Stable	AAA	Stable	AAA	Stable	Aaa	AAA	AAA	Aaa	AAA	AAA	$23,241
Germany	81	Aaa	Stable	AAA	Stable	AAA	Stable	Aaa	AAA	AAA	Aaa	AAA	AAA	$13,327
Italy	119	Aa2	Stable	A+	Negative	AA-	Stable	Aa2	A+	AA-	Aa2	A+	AA-	$2,427
Lithuania	37	Baa1	Stable	BBB	Stable	BBB	Positive	Baa1	BBB	BBB	Baa1	BBB	BBB	$53
Luxembourg	17	Aaa	Stable	AAA	Stable	AAA	Stable	Aaa	AAA	AAA	Aaa	AAA	AAA	$21,070
Malta	69	A1	Positive	A	Stable	A+	Stable	A1	A	A+	A1	A	A+	$48
Netherlands	65	Aaa	Stable	AAA	Stable	AAA	Stable	Aaa	AAA	AAA	Aaa	AAA	AAA	$110,189
Poland	55	A2	Positive	A-	Stable	A-	Stable	A2	A-	A-	A2	A-	A-	$938
Romania	29	Baa3	Positive	BB+	Stable	BB+	Stable	Baa3	BB+	BB+	Baa3	BB+	BB+	$20
Slovakia	42	A1	Stable	A+	Stable	A+	Stable	A1	A+	A+	A1	A+	A+	$0
Slovenia	38	Aa2	Stable	AA	Stable	AA	Stable	Aa2	AA	AA	Aa2	AA	AA	$1
Sweden	40	Aaa	Stable	AAA	Stable	AAA	Stable	Aaa	AAA	AAA	Aaa	AAA	AAA	$8,614
UK	79	Aaa	Stable	AAA	Stable	AAA	Stable	Aaa	AAA	AAA	Aaa	AAA	AAA	$90,031
US	89	Aaa	Stable	AAA	Negative	AAA	Stable	Aaa	AAA	AAA	Aaa	AAA	AAA	n/a

Eurozone Crisis Exposure

We have analyzed in additional detail the insurance industry's exposure to the five key eurozone member states that have been of most concern during this period. The eurozone crisis has been expanding almost daily since it began in November 2009, when a newly installed Greek government announced that the country's actual 2009 deficit would be more than twice its previous expectations. This surprising announcement focused considerable attention on the true financial position of the weaker eurozone sovereigns, throwing into question the accuracy of eurozone member states' published financial statistics.
The NAIC has published a previous report on the eurozone sovereign crisis and its potential impact on the U.S. insurance industry's investment holdings. This report updates and expands that report. Early in 2010, the NAIC conducted a stress test of the industry's exposure to the eurozone credits discussed in this report to identify any problematic investment concentrations in insurers' investment portfolios. The test assumed significant realized losses in the industry's holdings and rating agency downgrades for all of the five named countries.

In turn, Greece, Ireland and Portugal have each been forced by market forces to request explicit financial support from entities affiliated with the EU and the IMF. The governments of Ireland and Portugal lost no confidence votes and have since had new governments elected due to domestic dissatisfaction with unfolding events. The current governments of Greece and Spain are also under heavy domestic pressure due to the poor state of their respective economies, heavy budget cuts and tax increases.

While each of these five countries is dealing with meaningful financial issues, they clearly fall into two different groups. Greece, Ireland and Portugal have all already received or have requested external financial assistance. Their access since early 2010 to normal funding sources has been severely limited by debt markets that would require prohibitive pricing concessions. Greece has not accessed the public debt markets since it requested external aid from the EU and IMF on April 23, 2010. Ireland has not accessed the public debt markets since it requested external aid on Nov. 21, 2010. Portugal has not accessed the public debt markets since it requested external aid on April 6, 2011. As of June 9, 2011, the prices of the current 10-year sovereign bonds for Greece, Ireland and Portugal, respectively, are €53, €65 and €61, with respective yields of 16.8%, 11.1% and 10.4%.

There has been extensive public discussion about the ability of these countries, especially Greece and Portugal and possibly even Ireland, to be able to realistically repay their respective large existing debt burdens. Not only does each country have a large existing debt burden, but unfavorable debt financing costs plus current government operating deficits makes the repayment of the countries' debt even more challenging. It is possible that some or all three of these countries will have to eventually restructure their existing debt in some fashion. Some eurozone members have suggested that be a condition of further aid, while others have suggested this need to be avoided, given the expected turmoil that would result. One suggested compromise has been a voluntary, but incentivized "re-profiling" that would extend maturities. It is uncertain if this would still be considered a credit event in the credit default swap (CDS) market.

Italy and Spain continue to have current access to public debt markets, albeit at elevated pricing levels. Italy issued its last long-term debt issue of €8.3 billion of 10-year debt on May 30, 2011. The current spread on Italy's 10-year sovereign debt is 173 basis points (bps) over the benchmark comparable German bund as of May 26, 2011. Spain issued its last long-term debt issue of €3.4 billion of five-year debt on May 5, 2011. The current spread on Spain's 10-year sovereign debt is 230 bps over the benchmark comparable German bund as of May 26, 2011. There remains a distinct possibility that these two countries may be able to survive this crisis without requiring formal external assistance or a debt restructuring if all goes well.

Industry Holdings

The NAIC staff has analyzed the investment exposure of the U.S. domiciled insurance industry as of Dec. 31, 2010. We have classified all investment holdings by the investment's country of origin, as well as by investment category. The total investment for all five countries was $21.3 billion as of Dec. 31, 2010. Spain and Italy also had significant investments. The investments related to Greece and Portugal is comparatively small, in the range of $1 billion each.

We have also classified these investments by the nature of the investee. Our debt categories are government debt, debt of communications companies, debt of financial companies, asset-backed securities, debt of utility companies and all other corporate debt. The industry also owns a fairly small amount of common and preferred stock. All of the debt categories are approximately equal in size for the five countries as a group, although they are distributed quite differently country by country.

U.S Insurance Industry Holdings of Selected Eurozone Countries
December 31, 2010
(millions of dollars)

	Greece	Ireland	Italy	Portugal	Spain	Grand Total	Percentage
Government	1,119	44	925	538	893	3,519	17%
Communications	0	28	64	0	3,677	3,770	18%
Non-Bank Financials	0	1,494	235	0	636	2,365	11%
Banks	0	995	169	92	818	2,074	10%
Asset-Backed	0	1,230	0	0	0	1,230	6%
Utilities	0	2,079	176	0	258	2,513	12%
Other Corporates	42	2,963	901	191	90	4,185	20%
Total Bonds	1,160	8,833	2,470	821	6,372	19,656	92%
Common & Preferred Stock	7	1,223	128	10	288	1,656	8%
Total	1,168	10,056	2,598	831	6,660	21,313	100%
Percentage	5%	47%	12%	4%	31%	100%	

Investments by Country

Ireland: Thelargest exposure by a considerable margin is related to Ireland at $10.1 billion. This is 47% of the total exposure for all five countries combined. Less than 1% of the total is in government debt, so the direct exposure to the sovereign is almost insignificant.

Spain: Spain is the second-largest country exposure, at $6.7 billion. More than half of this amount is invested in Telefonica, a multinational communications company. Telefonica is the dominant telephone company in Spain. Telefonica has extensive operations outside of Spain, especially in Latin America, and is the fifth-largest mobile phone network operator in the world.

Italy: Italy is third-largest, with the industry having a $2.6 billion investment. The largest portion is $925 million invested in Italian government sovereign debt.

Greece: The entire exposure to Greece is $1.2 billion, nearly all of which is in sovereign debt of the Greek government. There is high degree of likelihood that this investment will become impaired at some point, if it has not been impaired already.

Portugal: The entire exposure to Portugal is $831 million, with 65% of this in government debt. The remainder is in other corporate debt and banks. As with Greek government debt, the potential for impairment remains quite high.

Categories of Investments

For the most part, as a group, the industry's investments are evenly split among our primary categories: government sovereign debt, debt of communications companies, debt of banks, debt of financial companies, debt of utility companies and all other corporate debt. There is also a smaller slice of asset-backed securities. The industry also owns a fairly small amount of common and preferred stock. Much of the common and preferred stock investments are actually investments in current or former business affiliates, although they are classified as investments on the company's financial statements.

Government: This category is the debt of the sovereign country itself, as well as any sub-sovereign related investments for the country. Total holdings in this category are $3.5 billion. The largest exposures (in descending order) are in Greece, Italy and Spain. Over the past few months, all three rating agencies have taken major negative rating actions for some of these countries. In addition, if future circumstances do not work out well, significant additional rating actions are possible. However, the size of these holdings is sufficiently small to not be a meaningful issue overall.

In general, the holdings are not of short-dated paper, but of maturities of five years or longer. In particular, the largest holdings of Greece are in the 10- to 15-year maturity category.

U.S. Insurance Industry Sovereign Holdings by Country and Maturity December 31, 2010 (millions of dollars)							
Maturity	Greece	Ireland	Italy	Portugal	Spain	Total	% of Total
2011	3	-	40	15	23	81	2%
2012	-	-	63	23	62	148	4%
2013	7	-	57	92	67	223	6%
2014	117	-	17	83	35	252	7%
2015	1	-	35	31	5	72	2%
2010-2015 Subtotal	128	-	212	244	192	776	22%
2016	-	-	33	19	21	73	2%
2017	5	-	22	35	66	128	4%
2018	6	16	3	7	1	33	1%
2019	117	19	1	4	1	143	4%
2020	31	9	-	-	-	40	1%
2016-2020 Subtotal	159	44	59	66	88	416	12%
2021-2025	681	-	217	202	125	1,225	35%
2026-2030	-	-	-	-	15	15	0%
2031-2035	-	-	128	-	3	132	4%
2036-2040	151	-	309	26	469	955	27%
Grand Total	1,119	44	925	538	893	3,519	100%

Communications: This category is debt issued by communications companies. The total amount held is $3.8 billion. It is almost all debt issued by Telefonica of Spain. Telefonica is an investment-grade credit rated Baa1 by Moody's and A- by Standard & Poor's. Telefonica has a substantial portion of its operations outside of Spain, giving the company a considerable degree of geographic diversification from Spain.

Non-bank financial: This is debt issued by financial entities excluding banks. The total exposure in this category is $2.4 billion. This debt is primarily issued by Irish and Spanish institutions.

Banks: This is debt issued by banks. The total exposure in this category is $2.1 billion. This debt is primarily issued by Irish and Spanish institutions. The largest financial holding is Banco Santander of Spain at $649 million, which is rated Aa2 by Moody's and AA by Standard & Poor's. Santander has extensive operations in several parts of the world outside of Spain, including the United States. The second-largest holding is $475 million of DEPFA Bank plc of Ireland, which is rated Baa3 by Moody's and BBB by Standard & Poor's. While DEPFA is based in Ireland, it is 100% owned by Hypo Real Estate Holding AG of Germany.

Asset-backed securities: This category includes all forms of asset-backed debt. This category totals $1.2 billion and it is based on Ireland as the transactions' country of domicile. However, Ireland has been used as issuing domicile primarily due to favorable tax treatment. (Bermuda and Cayman Islands are similarly used for structured securities.) These transactions often have little or no real exposure to the Irish economy. For purposes of the listing, transactions that obviously had no real Ireland exposure were eliminated. The remaining holdings could similarly have little or no exposure, but were less obviously so. The largest holding is $97 million of VEGA ContainerVessel, which was used to fund the purchase of 12 container ships and is rated Ba3 by Moody's and not rated by Standard & Poor's. The second-largest holding is $85 million of bonds issued by Ballantyne Re, plc, which is no longer rated by Moody's and has a C and CC(sf) deep non-investment grade, unsolicited rating from Standard & Poor's.

Utilities: This category is for non-communication utility companies, such as electric, gas and water utilities. This category totals $2.5 billion. Historically, utilities have been considered some of the lowest risk forms of corporate debt, due to the stable and vital nature of the issuer. Almost all of this debt is issued by Irish-based companies. The largest holding is $1.1 billon issued by Electricity Supply Board, which is Ireland's leading electric utility. The second-largest holding is $642 million of Bord Gais Eireann, which is the leading Irish natural gas utility.

Other corporate debt: This includes any form of debt issued by any company that does not fall in one of the other above categories. The total for this category is $4.6 billion, with it predominantly issued by Irish entities. The largest Irish holding is Kerry Group at $1.1 billion. Kerry Group is not rated by Moody’s or Standard & Poor’s. In 2010, 88% of Kerry Group’s third-party revenue was from customers located out of Ireland.

Common and preferred stock: This is common and preferred stock issued by a company based in one of these five countries. The total holdings falling in this category is $1.7 billion. More than half of this is related to Irish companies. The largest investment is $459 million invested in Chartis Excess Ltd., which is an operating company of the worldwide American International Group, Inc. (AIG). The second-largest holding is $117 million in PineBridge Investments, which was also part of the AIG group until March 2010, when it was sold to a third party.

The situation among the named eurozone members, as well as other economically challenged nations, will continue to be a dynamic and evolving situation that the NAIC staff will follow closely and report on regularly.

June 3, 2011

Major Insurer Share Prices

			Change %			Prior		
		Close	Week	QTD	YTD	Week	Quarter	Year
Life	Aflac	$46.55	(3.1)	(11.8)	(17.5)	$48.05	$52.78	$56.43
	Ameriprise	58.34	(3.5)	(4.5)	1.4	60.48	61.08	57.55
	Genworth	10.75	(3.6)	(20.1)	(18.2)	11.15	13.46	13.14
	Lincoln	27.50	(4.8)	(8.5)	(1.1)	28.90	30.04	27.81
	MetLife	41.85	(4.7)	(6.4)	(5.8)	43.92	44.73	44.44
	Principal	29.99	(3.2)	(6.6)	(7.9)	30.97	32.11	32.56
	Protective	23.13	(4.3)	(12.9)	(13.2)	24.17	26.55	26.64
	Prudential	61.36	(3.2)	(0.4)	4.5	63.39	61.58	58.71
	UNUM	25.30	(3.2)	(3.6)	4.5	26.13	26.25	24.22
PC	ACE	$68.27	(0.3)	5.5	9.7	$68.50	$64.70	$62.25
	Axis Capital	32.77	0.3	(6.2)	(8.7)	32.68	34.92	35.88
	Allstate	30.72	(1.7)	(3.3)	(3.6)	31.26	31.78	31.88
	Arch Capital	33.73	(0.5)	(66.0)	(61.7)	33.91	99.19	88.05
	Cincinnati	29.48	(1.8)	(10.1)	(7.0)	30.03	32.79	31.69
	Chubb	65.25	0.5	6.4	9.4	64.90	61.31	59.64
	Everest Re	87.74	(1.9)	(0.5)	3.4	89.42	88.18	84.82
	Progressive	21.00	(2.6)	(0.6)	5.7	21.57	21.13	19.87
	Travelers	61.24	(0.5)	3.0	9.9	61.54	59.48	55.71
	WR Berkley	32.70	(0.1)	1.5	19.4	32.73	32.21	27.38
	XL	22.48	(3.3)	(8.6)	3.0	23.25	24.60	21.82
Other	AON	$51.55	(0.1)	(2.7)	12.0	$51.59	$52.96	$46.01
	AIG	27.62	(4.3)	(21.4)	(42.8)	28.86	35.14	48.27
	Assurant	35.77	(3.6)	(7.1)	(7.1)	37.11	38.51	38.52
	Fidelity National	15.64	(0.9)	10.7	14.3	15.79	14.13	13.68
	Hartford	25.50	(3.7)	(5.3)	(3.7)	26.49	26.93	26.49
	Marsh	30.32	(1.8)	1.7	10.9	30.88	29.81	27.34
Health	Aetna	$43.26	(1.1)	15.6	41.8	$43.75	$37.43	$30.51
	Cigna	49.68	0.6	12.2	35.5	49.40	44.28	36.66
	Humana	78.19	(1.5)	11.8	42.8	79.37	69.94	54.74
	United	48.93	1.5	8.3	35.5	48.22	45.20	36.11
	WellPoint	76.82	(1.0)	10.1	35.1	77.56	69.79	56.86
Monoline	Assured	$16.38	(1.8)	9.9	(7.5)	$16.68	$14.90	$17.70
	MBIA	8.67	(3.5)	(13.6)	(27.7)	8.98	10.04	11.99
	MGIC	7.59	(4.3)	(14.6)	(25.5)	7.93	8.89	10.19
	PMI	1.37	(1.5)	(49.3)	(58.5)	1.39	2.70	3.30
	Radian	4.40	(9.3)	(35.4)	(45.5)	4.85	6.81	8.07
	XL Capital	22.48	(3.3)	(8.6)	3.0	23.25	24.60	21.82

June 3, 2011

Major Market Variables

			Change %			Prior		
		Close	Week	QTD	YTD	Week	Quarter	Year
Dow Jones Ind		12,151.26	(2.2)	(1.4)	5.0	12,427.66	12,319.73	11,577.51
S&P 500		1,300.16	(2.2)	(1.9)	3.4	1,329.44	1,325.83	1,257.64
S&P Financial		204.60	(3.0)	(7.3)	(4.7)	210.92	220.71	214.77
S&P Insurance		184.83	(2.3)	(5.2)	(1.8)	189.13	194.96	188.22
US Dollar $			Change %			Prior		
	/ Euro	$1.46	2.5	3.4	9.4	$1.43	$1.42	$1.34
	/ Crude Oil bbl	100.43	0.1	(5.9)	8.9	100.37	106.72	92.22
	/ Gold oz	1,541.90	0.5	7.2	8.5	1,534.30	1,438.90	1,420.78
Treasury Ylds %		%	Change			%	%	%
	1 Year	0.17	0.02	(0.11)	(0.10)	0.16	0.28	0.27
	10 Year	2.99	(0.08)	(0.48)	(0.31)	3.08	3.47	3.30
	30 Year	4.22	(0.02)	(0.29)	(0.11)	4.24	4.51	4.34
Corp Credit Spreads -bp			Change %			Prior		
	CDX.IG	80.45	3.1	(4.0)	(5.4)	78.02	83.81	85.00

June 3, 2011
Major Insurer Bond Yields

	Company	Coupon	Maturity	Price Current	Price Change	Yield	Spread B.P.	Spread Change
Life	Aflac	8.500%	5/15/2019	$124.24	$0.21	4.79%	219	7
	Ameriprise	5.300%	3/15/2020	$109.75	$0.31	3.97%	120	6
	Genworth	6.515%	5/15/2018	$103.04	($0.30)	5.97%	360	16
	Lincoln National	8.750%	7/15/2019	$128.77	($0.75)	4.46%	181	16
	MassMutual	8.875%	6/15/2039	$142.51	$0.02	5.79%	162	2
	MetLife	4.750%	2/15/2021	$103.37	$0.12	4.32%	132	6
	Mutual of Omaha	6.800%	6/15/2036	$106.31	$0.34	6.30%	231	1
	New York Life	6.750%	11/15/2039	$118.78	$0.23	5.44%	126	1
	NLV Financial	7.500%	8/15/2033	$117.94	($0.42)	6.02%	221	7
	Northwestern Mutual	6.063%	3/15/2040	$110.38	$0.52	5.35%	110	(3)
	Pacific Life	9.250%	6/15/2039	$135.00	$0.73	6.52%	232	(2)
	Principal	6.050%	10/15/2036	$106.99	($0.52)	5.53%	141	4
	Prudential	4.500%	11/15/2020	$101.20	$0.16	4.34%	140	5
	TIAA	6.850%	12/15/2039	$117.42	($0.16)	5.62%	143	4
P&C	ACE INA	5.900%	6/15/2019	$114.61	$0.07	3.77%	117	4
	Allstate	7.450%	5/15/2019	$121.95	$0.18	4.17%	160	6
	American Financial	9.875%	6/15/2019	$126.13	$0.14	5.76%	316	4
	Berkshire Hathaway	5.400%	5/15/2018	$112.89	$0.33	3.30%	97	6
	Travelers	3.900%	11/15/2020	$98.62	$0.27	4.08%	117	5
	XL Group	6.250%	5/15/2027	$102.10	$1.38	6.04%	261	2
Other	AON	5.000%	9/15/2020	$104.64	$0.23	4.39%	146	6
	AIG	5.850%	1/15/2018	$106.28	($0.32)	4.73%	249	15
	Fidelity National	7.875%	7/15/2020	$111.06	($0.06)	6.26%	468	6
	Hartford	5.500%	3/15/2020	$105.74	$0.18	4.70%	192	7
	Marsh	9.250%	4/15/2019	$131.23	$0.78	4.49%	187	(8)
	Nationwide	9.375%	8/15/1939	$127.77	$0.27	7.08%	290	1
Health	Aetna	3.950%	9/15/2020	$99.72	$0.32	3.99%	110	5
	CIGNA	5.125%	6/15/2020	$107.68	$0.32	4.10%	125	6
	United Healthcare	3.875%	10/15/2020	$99.44	$0.69	3.95%	104	3
	Wellpoint	4.350%	8/15/2020	$102.50	($0.32)	4.02%	114	12

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