

U.S. Sensitivity Analysis – Sovereign Debt

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Overview of Process

- Query Data from NAIC FDR Database
 - By Major Category of “All Other Governments”
 - By Subcategory (Issuer Obligations, ABS, RMBS, CMBS)
 - Pull Relevant Data (e.g. CUSIP, Book/Adjusted Carrying Value)
- Use CUSIPs from Above to Query Data from Other Sources (e.g. Bloomberg)
- Identify Direct and Indirect Exposures by Country and Assess Impacts per Scenarios

2010 Annual Schedule D, Part 1

Line	CUSIP	Description	Code	Foreign	CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	NAIC SVO Assigned Designation	Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)
2	100001	31331G 2R 9 FEDERAL FARM CREDIT BANK					10008300	102.302		10005177	0
33	100032	912803 BP 7 U.S. TREASURY STRIP PRINC	@				1361537	46.126		1224643	97437
178	2500001	452024 GZ 9 IL					1947036	98.135		1913633	-33457
180	Sub-total	8880L AA 1 W					135000	67.995		91793	-14742
181		581X0 BD 9 INTER-AMERICAN DEVELOPM	F				1223841	105.351		1211537	-8016
182	2599999						4598482			4498414	-56215
183	2600001	01F042 41 8 FEDERAL NATIONAL MORTGGA &					52			524141	1933
189	2600007	015070 61 7 FEDERAL NATIONAL MORTGGA &					56			564375	-3047
190	2600	TBA (To Be Announced) Bond					51			513750	1953
191	2600	Dollar Roll					492422	99.266		496328	3906
725	2600543	31416Q VZ 5 FNMA 15YR	B	DR			1473224	103.14		1471623	0
737	2600555	31417N LQ 2 FNMA 30YR					168755	107.04		168867	112
738	2600556	31417Q PC 2 FNMA 15YR	B				512370	103.141		512183	0
739	2600557	31417Q PC 2 FNMA 15YR	B	DR			1847759	103.141		1847084	0
2101	3400001	4375 BE 0 ACCREDITED MORTGAGE LOA					2023279			2039611	0
2102	3400002	7034 BN 0 ADJUSTABLE RATE MORTAGE					4972656			4972656	0
2103	3400003	7036 TJ 5 ADJUSTABLE RATE MORTAGE					827281			84618	-260997
2104	3400004	02149D					4841409			4841409	0
2105	3400005	03027W					4847656			4918070	0
2106	3400006	03072S					2952305	100.147		2997977	0
2107	3400007	03072S QQ 1 AMERIQUEST MORTGAGE SEC					1488194	96.593		1488194	0

1st 2 Digits Identify Category/Subcategory

3 Fields: Issuer, Issue, Check Digit

Foreign Issue, US \$ Denominated

NAIC SVO Assigned Designation

Rating Agency Rated

Zero Coupon Bond

Sub-total

Balance Sheet Amount prior to Nonadmitted deductions

TBA (To Be Announced) Bond

Dollar Roll

Issuer can vary timing of interest and/or principal

RMBS/CMBS Designation based on expected loss and Book/Adjusted Carrying Value

2010 Schedule D Categories

	→	Category	→	Line Number
Bonds:				
U.S. Governments				
		Issuer Obligations.....	→	0199999
		Single-Class-Mortgage-Backed/Asset-Backed Securities.....	→	0299999
		Subtotals—U.S. Governments.....	→	0399999
All Other Governments				
		Issuer Obligations.....	→	0499999
		Single-Class-Mortgage-Backed/Asset-Backed Securities.....	→	0599999
		Defined-Multi-Class-Residential-Mortgage-Backed Securities.....	→	0699999
		Other-Multi-Class-Residential-Mortgage-Backed Securities.....	→	0799999
		Defined-Multi-Class-Commercial-Mortgage-Backed Securities.....	→	0899999
		Other-Multi-Class-Commercial-Mortgage-Backed/Asset-Backed Securities.....	→	0999999
		Subtotals—All Other Governments.....	→	1099999
U.S. States, Territories and Possessions (Direct and Guaranteed)				
		Issuer Obligations.....	→	1199999
		Single-Class-Mortgage-Backed/Asset-Backed Securities.....	→	1299999
		Defined-Multi-Class-Residential-Mortgage-Backed Securities.....	→	1399999
		Other-Multi-Class-Residential-Mortgage-Backed Securities.....	→	1499999
		Defined-Multi-Class-Commercial-Mortgage-Backed Securities.....	→	1599999
		Other-Multi-Class-Commercial-Mortgage-Backed/Asset-Backed Securities.....	→	1699999
		Subtotals—U.S. States, Territories and Possessions (Direct and Guaranteed).....	→	1799999
U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)				
		Issuer Obligations.....	→	1899999
		Single-Class-Mortgage-Backed/Asset-Backed Securities.....	→	1999999
		Defined-Multi-Class-Residential-Mortgage-Backed Securities.....	→	2099999
		Other-Multi-Class-Residential-Mortgage-Backed Securities.....	→	2199999
		Defined-Multi-Class-Commercial-Mortgage-Backed Securities.....	→	2299999
		Other-Multi-Class-Commercial-Mortgage-Backed/Asset-Backed Securities.....	→	2399999
		Subtotals—U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed).....	→	2499999

Non-U.S.: Sovereigns and Local Governments

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	A	P	Q	R	S	T	U	V	W	Name of Pricing Service in this example		Z	AA	AB	AC
1	Line	Current Year's (Amortization)/Accretion	Current Year's OTTI Recognized	Total FX Change in B./A.C.V.	Rate of Interest	Effective Rate of Interest	When Paid Interest	Admitted Amount Due and Accrued	Amount Received During Year	Date Acquired	Maturity Date	State Identifier	Fair Value Method	Source - Method Used to Obtain Fair Value	Collateral Type
2	100001	-2607	0	0	1.875	1.84	JD	12500	187500	10/27/2009	12/7/2012		a	IDC CURRENT	
33	100032	48781			0	3.43	N/A	0	0	1/5/2009	8/15/2028		a	MACKAY IDC	
178	2500001	54			3.603	3.64	FA	6050	0	12/6/2010	2/1/2015	IL	a	MACKAY JJ KENNY	
180	2500003	0			7.467	7.46	JD	840	10080	6/15/2007	6/1/2047	WV	a	MACKAY JJ KENNY	
181	2500004	-4288			3	1.13	AO	6625	10875	12/30/2010	1/22/2014		a	IDC CURRENT	
182	2599999	-24796						39245	82708				a		
183	2600001	0	0	0	4.5	0	MON	0	0	12/20/2010	1/1/2026	US	a	IDC CURRENT	
189	2600007	0	0	0	7	0	MON	0	0	12/20/2010	1/1/2041	US	a	IDC CURRENT	
190	2600008	0	0	0	4	3.27	MON	0	0		1/1/2023	US	a	IDC CURRENT	
191	2600009	0	0	0	4	4.08	MON	0	0		1/1/2039	US	a	IDC CURRENT	
725	2600543	-7605	0	0	4	3.58	MON	0	0		9/1/2023	US	a	IDC CURRENT	
737	2600555		0	0	5.5	4.02	MON	723	1446	9/16/2010	11/1/2039	US	a	IDC CURRENT	
738	2600556		0	0	4	3.61	MON	1097	20795	11/13/2009	8/1/2024	US	a	IDC CURRENT	
739	2600557		0	0	4	3.61	MON	587	78260	11/13/2009	8/1/2024	US	a	IDC CURRENT	
2101	3400001		0	0	5.25	5.68	MON						a	IDC CURRENT	2
2102	3400002	0	0	0	5.537	5.65	MON						a	IDC CURRENT	1
2103	3400003	1282	0	0	5.314	54.72	MON						a	IDC CURRENT	1
2104	3400004	6331	0	0	5.766	5.96	MON	23419	284504	8/28/2007	10/1/2014		a	IDC CURRENT	1
2105	3400005	21837	0	0	5.537	6.08	MON	12304	276850	7/9/2007	4/15/2014		a	IDC CURRENT	13
2106	3400006	33575	0	0	5.14	5.17	MON						a	IDC CURRENT	2
2107	3400007	0	0	0	4.56	4.49	MON						a	IDC CURRENT	2

June/Dec., N/A (Int. Only), Feb./April, June/Dec., April/Oct.

Illinois, West Virginia Issuers

Federal Agency Issuers

Fair Value by Pricing Service

Monthly Interest Payment

RMBS Non-Prime

RMBS Prime

Asset-Backed Security: Loans

Bloomberg and Other Data

- Bloomberg – Sectors and Industries
 - Sovereigns and Local Governments
 - Allows us to identify the specific government for the CUSIPs without requiring insurers to provide the data
 - Asset Types
 - Allows us to pull out exposure that was strictly structured and not subject to the local economy
- Other Data
 - S&P/CUSIP
 - Country Codes, Issuer Codes
 - Rating Agencies
 - Countries/Entities on Negative Watch
- Aggregate by Insurer, Insurers in Group, Industry

Industry Exposure to EU Countries

Foreign Bond Holdings as of June 30, 2011					
	Financial	Sovereign	Other	Grand Total	
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%
Bulgaria		32,948,527		32,948,527	0.0%
Czech Republic		368,735,319	107,366,763	476,102,082	0.2%
Denmark	885,394,427	23,810,277	1,456,578,225	2,365,782,929	1.0%
Hungary		161,519,163		161,519,163	0.1%
Latvia		54,096,543		54,096,543	0.0%
Lithuania		98,334,516		98,334,516	0.0%
Poland		1,088,859,528	66,330,747	1,155,190,275	0.5%
Romania			16,216,776	16,216,776	0.0%
Sweden	6,536,502,979	23,735,304	3,432,174,414	9,992,412,697	4.4%
United Kingdom	21,853,551,725	564,441,489	59,587,284,537	82,005,277,751	35.8%

Questions

