# Financial Supplement

Quarter Ended June 30, 2010

**LIBERTY MUTUAL HOLDING COMPANY INC.**
**Financial Supplement**


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## LIBERTY MUTUAL HOLDING COMPANY INC.

### Reconciliation of PTOI to Net Income

(dollars in millions)

(Unaudited)

| | Three Months Ended June 30, 2010 [1] | | | | | | Three Months Ended June 30, 2009 [2] | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Agency Markets | Personal Markets | International | Commercial Markets | Corporate and Other | Consolidated | Agency Markets | Personal Markets | International | Commercial Markets | Corporate and Other | Consolidated |
| **Revenues** | $2,822 | $1,852 | $1,943 | $1,490 | ($41) | $8,066 | $2,871 | $1,731 | $1,866 | $1,681 | ($319) | $7,830 |
| **Pre-tax operating income (loss) before catastrophes, net incurred losses attributable to prior years and private equity income (loss)** | $315 | $296 | $222 | $81 | ($187) | $727 | $284 | $265 | $99 | $79 | ($214) | $513 |
| **Catastrophes** [3, 4] | (256) | (203) | (2) | (35) | (1) | (497) | (127) | (93) | (2) | (28) | (3) | (253) |
| **Net incurred losses attributable to prior years:** | | | | | | | | | | | | |
| - Asbestos & environmental [5] | - | - | - | - | - | - | - | - | - | - | (2) | (2) |
| - All other [6] | 8 | (1) | 63 | 15 | (132) | (47) | 122 | (4) | 32 | 20 | (10) | 160 |
| **Pre-tax operating income before private equity income (loss)** | 67 | 92 | 283 | 61 | (320) | 183 | 279 | 168 | 129 | 71 | (229) | 418 |
| Private equity income (loss) [7] | - | - | - | - | 5 | 5 | - | - | - | - | (20) | (20) |
| **Pre-tax operating income (loss)** | 67 | 92 | 283 | 61 | (315) | 188 | 279 | 168 | 129 | 71 | (249) | 398 |
| Realized investment gains (losses), net | - | (1) | 16 | (1) | 97 | 111 | - | (3) | 7 | - | (31) | (27) |
| Income tax (expense) benefit | (23) | (28) | (65) | (17) | 54 | (79) | (90) | (50) | (34) | (21) | 92 | (103) |
| **Net income (loss)** | **$44** | **$63** | **$234** | **$43** | **($164)** | **$220** | **$189** | **$115** | **$102** | **$50** | **($188)** | **$268** |

[1] Effective January 1, 2010, the Venezuelan operations of the Company's International SBU began applying hyper-inflationary accounting, utilizing the U.S. dollar as the functional currency.

[2] 2009 results have been restated for the retrospective accounting change related to the change in the discount rate applied to the long-term indemnity portion of the settled unpaid workers compensation claims.

[3] Catastrophes include all current and prior year catastrophe losses including assessments from TWIA and exclude losses related to the Company's external reinsurance assumed lines (assumed voluntary reinsurance and reinsurance assumed through Lloyd's Syndicate 4472) except for losses related to the events of September 11, 2001, the 2004 U.S. Hurricanes, the 2005 U.S. Hurricanes and the September 2008 Hurricanes. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.

[4] Catastrophe losses ceded under the homeowners quota share treaty are included to the extent that the ceded combined ratio exceeds 100.0%.

[5] Net of allowance for uncollectible reinsurance.

[6] Net of earned premium attributable to prior years and amortization of deferred gains on retroactive reinsurance.

[7] Private equity income (loss) is included in net investment income in the accompanying statements of income.

**LIBERTY MUTUAL HOLDING COMPANY INC.**

**Reconciliation of PTOI to Net Income**

(dollars in millions)

(Unaudited)

| | Six Months Ended June 30, 2010 [1] | | | | | | Six Months Ended June 30, 2009 [2] | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Agency Markets | Personal Markets | International | Commercial Markets | Corporate and Other | Consolidated | Agency Markets | Personal Markets | International | Commercial Markets | Corporate and Other | Consolidated |
| **Revenues** | $5,604 | $3,675 | $3,910 | $3,094 | ($27) | $16,256 | $5,747 | $3,402 | $3,594 | $3,443 | ($950) | $15,236 |
| **Pre-tax operating income (loss) before catastrophes, net incurred losses attributable to prior years and private equity income (loss)** | $690 | $552 | $299 | $164 | ($376) | $1,329 | $600 | $487 | $227 | $202 | ($465) | $1,051 |
| **Catastrophes [3, 4]** | (398) | (338) | (20) | (50) | (102) | (908) | (333) | (195) | (6) | (34) | (11) | (579) |
| **Net incurred losses attributable to prior years:** | | | | | | | | | | | | |
| - Asbestos & environmental | - | - | - | - | (3) | (3) | - | - | - | - | (3) | (3) |
| - All other [5] | 111 | 6 | 57 | 24 | (129) | 69 | 272 | 14 | 30 | 40 | (12) | 344 |
| **Pre-tax operating income before private equity income (loss)** | 403 | 220 | 336 | 138 | (610) | 487 | 539 | 306 | 251 | 208 | (491) | 813 |
| Private equity income (loss) [6] | - | - | - | - | 89 | 89 | - | - | - | - | (393) | (393) |
| **Pre-tax operating income (loss)** | 403 | 220 | 336 | 138 | (521) | 576 | 539 | 306 | 251 | 208 | (884) | 420 |
| Realized investment gains (losses), net | - | - | 35 | (1) | 172 | 206 | - | (16) | 15 | - | (20) | (21) |
| Income tax (expense) benefit | (121) | (68) | (69) | (40) | 51 | (247) | (171) | (87) | (64) | (62) | 275 | (109) |
| **Net income (loss)** | **$282** | **$152** | **$302** | **$97** | **($298)** | **$535** | **$368** | **$203** | **$202** | **$146** | **($629)** | **$290** |

[1] Effective January 1, 2010, the Venezuelan operations of the Company's International SBU began applying hyper-inflationary accounting, utilizing the U.S. dollar as the functional currency.

[2] 2009 results have been restated for the retrospective accounting change related to the change in the discount rate applied to the long-term indemnity portion of the settled unpaid workers compensation claims.

[3] Catastrophes include all current and prior year catastrophe losses including assessments from TWIA and exclude losses related to the Company's external reinsurance assumed lines (assumed voluntary reinsurance and reinsurance assumed through Lloyd's Syndicate 4472) except for losses related to the events of September 11, 2001, the 2004 U.S. Hurricanes, the 2005 U.S. Hurricanes and the September 2008 Hurricanes. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.

[4] Catastrophe losses ceded under the homeowners quota share treaty are included to the extent that the ceded combined ratio exceeds 100.0%.

[5] Net of allowance for uncollectible reinsurance.

[6] Net of earned premium attributable to prior years and amortization of deferred gains on retroactive reinsurance.

[7] Private equity income (loss) is included in net investment income in the accompanying statements of income.

## LIBERTY MUTUAL HOLDING COMPANY INC.

### Combined Ratio by Strategic Business Unit

(Unaudited)

| | Three Months Ended June 30, 2010 [1] | | | | | Three Months Ended June 30, 2009 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Combined ratio, before catastrophes and net incurred losses attributable to prior years** | Agency Markets | Personal Markets | International | Commercial Markets | Consolidated | Agency Markets | Personal Markets | International | Commercial Markets | Consolidated |
| Claims and claims adjustment expense ratio | 63.4% | 62.3% | 70.5% | 84.4% | 68.0% | 64.5% | 61.9% | 71.4% | 85.1% | 70.0% |
| Underwriting expense ratio | 31.9% | 25.1% | 30.0% | 24.3% | 28.4% | 31.0% | 26.0% | 30.0% | 22.3% | 28.7% |
| Dividend ratio | 0.1% | - | - | 0.7% | 0.2% | 0.2% | - | - | 0.9% | 0.2% |
| Subtotal | **95.4%** | **87.4%** | **100.5%** | **109.4%** | **96.6%** | **95.7%** | **87.9%** | **101.4%** | **108.3%** | **98.9%** |
| **Catastrophes [2]** | 9.9% | 13.0% | 0.2% | 3.2% | 7.4% | 4.8% | 6.5% | 0.2% | 2.3% | 3.8% |
| **Net incurred losses attributable to prior years:** | | | | | | | | | | |
| - Asbestos & environmental | - | - | - | - | - | - | - | - | - | - |
| - All other | (0.3%) | 0.1% | (4.0%) | (0.2%) | 0.7% | (4.6%) | 0.3% | (2.0%) | (1.6%) | (2.4%) |
| **Total combined ratio [3]** | **105.0%** | **100.5%** | **96.7%** | **112.4%** | **104.7%** | **95.9%** | **94.7%** | **99.6%** | **109.0%** | **100.3%** |

[1] 2010 combined ratio has been adjusted to exclude the impact of the devaluation of the Venezuelan Bolivar for comparative purposes.

[2] Catastrophes include all current and prior year catastrophe losses including assessments from TWIA and exclude losses related to the Company's external reinsurance assumed lines (assumed voluntary reinsurance and reinsurance assumed through Lloyd's Syndicate 4472) except for losses related to the events of September 11, 2001, the 2004 U.S. Hurricanes, the 2005 U.S. Hurricanes and the September 2008 Hurricanes. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.

[3] The combined ratio, expressed as a percentage, is a measure of underwriting profitability. This measure should only be used in conjunction with, and not in lieu of, underwriting income and may not be comparable to other performance measures used by the Company's competitors. The combined ratio is computed as the sum of the following property and casualty ratios: the ratio of claims and claim adjustment expense to earned premium; the ratio to earned premium of insurance operating costs plus amortization of deferred policy acquisition costs less fee income (primarily related to the Company's involuntary market servicing carrier operations and managed care income) and less installment charges; and the ratio of policyholder dividends to earned premium. Provisions for uncollectible premium and reinsurance are not included in the combined ratio unless related to an asbestos and environmental commutation.

## LIBERTY MUTUAL HOLDING COMPANY INC.

### Combined Ratio by Strategic Business Unit

(Unaudited)

| | Six Months Ended June 30, 2010 [1] | | | | | Six Months Ended June 30, 2009 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Combined ratio, before catastrophes and net incurred losses attributable to prior years** | Agency Markets | Personal Markets | International | Commercial Markets | Consolidated | Agency Markets | Personal Markets | International | Commercial Markets | Consolidated |
| Claims and claims adjustment expense ratio | 62.7% | 63.5% | 72.2% | 84.4% | 68.7% | 63.9% | 63.6% | 70.3% | 84.2% | 69.6% |
| Underwriting expense ratio | 31.2% | 25.1% | 30.3% | 24.2% | 28.3% | 31.1% | 25.3% | 30.5% | 21.6% | 28.4% |
| Dividend ratio | 0.2% | - | - | 0.7% | 0.2% | 0.2% | - | - | 0.9% | 0.2% |
| Subtotal | **94.1%** | **88.6%** | **102.5%** | **109.3%** | **97.2%** | **95.2%** | **88.9%** | **100.8%** | **106.7%** | **98.2%** |
| **Catastrophes [2]** | 7.8% | 11.0% | 0.7% | 2.2% | 6.8% | 6.3% | 6.9% | 0.2% | 1.3% | 4.3% |
| **Net incurred losses attributable to prior years:** | | | | | | | | | | |
| - Asbestos & environmental | - | - | - | - | - | - | - | - | - | - |
| - All other | (2.2%) | (0.2%) | (1.8%) | (0.5%) | (0.5%) | (5.2%) | (0.6%) | (0.9%) | (1.6%) | (2.6%) |
| **Total combined ratio [3]** | **99.7%** | **99.4%** | **101.4%** | **111.0%** | **103.5%** | **96.3%** | **95.2%** | **100.1%** | **106.4%** | **99.9%** |

[1] 2010 combined ratio has been adjusted to exclude the impact of the devaluation of the Venezuelan Bolivar for comparative purposes.

[2] Catastrophes include all current and prior year catastrophe losses including assessments from TWIA and exclude losses related to the Company's external reinsurance assumed lines (assumed voluntary reinsurance and reinsurance assumed through Lloyd's Syndicate 4472) except for losses related to the events of September 11, 2001, the 2004 U.S. Hurricanes, the 2005 U.S. Hurricanes and the September 2008 Hurricanes. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.

[3] The combined ratio, expressed as a percentage, is a measure of underwriting profitability. This measure should only be used in conjunction with, and not in lieu of, underwriting income and may not be comparable to other performance measures used by the Company's competitors. The combined ratio is computed as the sum of the following property and casualty ratios: the ratio of claims and claim adjustment expense to earned premium; the ratio to earned premium of insurance operating costs plus amortization of deferred policy acquisition costs less fee income (primarily related to the Company's involuntary market servicing carrier operations and managed care income) and less installment charges; and the ratio of policyholder dividends to earned premium. Provisions for uncollectible premium and reinsurance are not included in the combined ratio unless related to an asbestos and environmental commutation.

## CORPORATE REINSURANCE GUIDELINES AND POLICIES

### Scope

The term “reinsurance” refers to all assumed and ceded reinsurance (and coinsurance) arrangements that typically transfer risk in the property-casualty and life insurance industries.

### Strategy

Liberty uses reinsurance as a risk management tool to accomplish the following objectives:

- Limit the organization’s potential loss to catastrophic events such as hurricane, earthquake and terrorism.
- Limit the organization’s potential loss to non-catastrophic trends such as rising medical inflation.
- Improve the organization’s spread of risk.

Liberty is a servicing carrier for a number of voluntary and involuntary pools and associations in a number of states and classes of business. As a servicing carrier, the Company retains no direct underwriting risk but instead cedes 100% of the involuntary market premium and losses back to the pool.

### Reinsurance Security Oversight

As part of its reinsurance security oversight, Liberty Mutual has established a Reinsurance Credit Committee (“RCC”) that meets quarterly to monitor and review the credit quality of the existing reinsurance portfolio, discuss emerging trends in the reinsurance market place and ensure that the current portfolio of reinsurance is in compliance with the Committee’s security standards. The RCC is directly responsible for establishing the minimum rating, collateral and diversification requirements governing Liberty’s purchase and use of reinsurance.

**LIBERTY MUTUAL HOLDING COMPANY INC.**
**Footnotes to Reinsurance Recoverable Exhibits**

[1] AM Best Co. and Standard & Poor's ratings are as of June 30, 2010.

[2] Gross recoverables are defined as paid and unpaid claims and claim adjustment expense including IBNR and before both bad debt reserves set aside for potential uncollectible reinsurance and consideration of collateral.

[3] Collateral refers to letters of credit, trust accounts, and funds held against outstanding and potential future claims and claim adjustment expenses related to reinsurance recoverable balances.

[4] Net recoverables are defined as the difference between the amount of gross recoverables and collateral held for specific reinsurance contracts.
The portion of the Corporate H.O. QS Trust securing Unearned Premium has been excluded when calculating Net Recovables for Swiss Reinsurance America Corporation.

[5] The reinsurance recoverables from state mandated involuntary market pools and associations represent servicing carrier business. As a servicing carrier, the Company retains no direct underwriting risk but instead cedes 100% of the involuntary market premium and losses back to the pool. Payment of losses is shared among the pool participants in proportion to their pool participation. Credit risk with respect to this servicing carrier business is the composite of the cumulative creditworthiness of all participants in their respective pools.

[6] Reinsurers not rated by A.M. Best Co. and/or Standard & Poor's.

[7] Reinsurance Groups are defined as all reinsurance subsidiaries owned by a common parent.

[8] The rating of Nationwide Indemnity Co. (NIC) is determined for the purposes of this exhibit to equal the rating of its parent, Nationwide Mutual Insurance Co. Nationwide Mutual has guaranteed the timely payment and performance of the obligations of Nationwide Indemnity Company under the reinsurance agreements, dated December 31, 1998, between NIC and Employers Insurance Company of Wausau and certain of its affiliated property and casualty companies.

[9] The rating of Vantage Casualty Insurance Company is determined for the purposes of this exhibit to equal the rating of Prudential Insurance Company of America, the principal operating insurance company of the parent, Prudential Financial Inc. Pursuant to a guaranty agreement dated October 31, 2003, Prudential Financial Inc. has guaranteed the complete and timely payment and performance of the obligations of Vantage Casualty Insurance Company pursuant to two reinsurance agreements between Vantage Casualty Insurance Company and certain companies acquired by Liberty Mutual Group from subsidiaries of Prudential Financial, Inc.

# Liberty Mutual Group

Distribution of Reinsurance Recoverables by A.M. Best Rating

As of June 30, 2010 [1]

(dollars in millions)

| | Gross Recoverables [2] | Collateral Held [3] | Net Recoverables [4] | % of Total Net Recov. |
|---|---|---|---|---|
| **Rated Entities [8, 9]** | | | | |
| A++ | $ 1,350 | $ 775 | $ 575 | 5% |
| A+ | $ 4,145 | 574 | 3,641 | 32% |
| A | $ 4,037 | 1,123 | 3,087 | 27% |
| A- | $ 215 | 66 | 165 | 2% |
| B++ | $ 28 | 17 | 11 | - |
| B+ | $ 9 | 1 | 8 | - |
| B or below | $ - | - | $ - | 0% |
| **Subtotal** | **$ 9,784** | **$ 2,556** | **$ 7,487** | **66%** |
| **Pools & Associations** | | | | |
| State mandated involuntary pools and associations [5] | $ 2,974 | $ 6 | $ 2,968 | 26% |
| Voluntary | 371 | 69 | 302 | 3% |
| **Subtotal** | **$ 3,345** | **$ 75** | **$ 3,270** | **29%** |
| **Non-Rated Entities [6]** | | | | |
| Captives & fronting companies | $ 1,596 | $ 1,914 | $ 81 | 0% |
| Other [6] | 844 | 864 | 531 | 5% |
| **Subtotal** | **$ 2,440** | **$ 2,778** | **$ 612** | **5%** |
| **Grand Total** | **$ 15,569** | **$ 5,409** | **$ 11,369** | **100%** |

See explanation of footnoted items on page 6 of financial supplement.

# Liberty Mutual Group

Distribution of Reinsurance Recoverables by Standard & Poor's Rating

As of June 30, 2010 [1]

(dollars in millions)

| | Gross Recoverables [2] | Collateral Held [3] | Net Recoverables [4] | % of Total Net Recov. |
|---|---|---|---|---|
| **Rated Entities [8, 9]** | | | | |
| AAA | $ 2 | $ - | $ 1 | 0% |
| AA+, AA , AA- | $ 3,159 | $ 1,216 | $ 2,014 | 18% |
| A+, A , A- | $ 6,499 | $ 1,377 | $ 5,329 | 47% |
| BBB+, BBB , BBB - | $ 12 | $ 2 | $ 10 | 0% |
| BB+ or below | $ 5 | $ - | $ 5 | 0% |
| **Subtotal** | **$ 9,677** | **$ 2,595** | **$ 7,359** | **65%** |
| **Pools & Associations** | | | | |
| State mandated involuntary pools and associations [5] | $ 2,974 | $ 6 | $ 2,968 | 26% |
| Voluntary | $ 371 | $ 69 | $ 302 | 3% |
| **Subtotal** | **$ 3,345** | **$ 75** | **$ 3,270** | **29%** |
| **Non-Rated Entities [6]** | | | | |
| Captives & fronting companies | $ 1,596 | $ 1,914 | $ 81 | 0% |
| Other [6] | $ 951 | $ 825 | $ 659 | 6% |
| **Subtotal** | **$ 2,547** | **$ 2,739** | **$ 740** | **6%** |
| **Grand Total** | **$ 15,569** | **$ 5,409** | **$ 11,369** | **100%** |

See explanation of footnoted items on page 6 of financial supplement.

# Liberty Mutual Group

Top 15 Reinsurance Recoverables by Group

As of June 30, 2010

(dollars in millions)

| | Reinsurance Groups [7] (Data in Millions) | | Gross Recoverables [2] | | Collateral Held [3] | | Net Recoverables [4] |
|---|---|---|---|---|---|---|---|
| 1 | Swiss Re Group | $ | 2,271 | $ | 904 | $ | 1,473 |
| 2 | Nationwide Group | $ | 1,613 | $ | - | $ | 1,613 |
| 3 | Berkshire Hathaway Insurance Group | $ | 1,057 | $ | 651 | $ | 406 |
| 4 | Everest Re Group | $ | 713 | $ | 173 | $ | 561 |
| 5 | Munich Re Group | $ | 619 | $ | 31 | $ | 595 |
| 6 | UPINSCO | $ | 551 | $ | 587 | $ | - |
| 7 | PartnerRe Group | $ | 434 | $ | 306 | $ | 163 |
| 8 | Chubb Group of Insurance Companies | $ | 315 | $ | 125 | $ | 190 |
| 9 | Lloyd's of London | $ | 291 | $ | - | $ | 291 |
| 10 | Transatlantic Holdings, Inc. Group | $ | 290 | $ | - | $ | 290 |
| 11 | Allianz Group | $ | 256 | $ | 36 | $ | 226 |
| 12 | Equitas Insurance Limited | $ | 256 | $ | 5 | $ | 250 |
| 13 | ACE Group | $ | 244 | $ | 204 | $ | 43 |
| 14 | AEGIS Group | $ | 227 | $ | 249 | $ | - |
| 15 | W. R. Berkley Group | $ | 197 | $ | 4 | $ | 193 |
| | State Mandated Involuntary pools and associations [5] | $ | 2,974 | $ | 6 | $ | 2,968 |
| | Voluntary pools and associations | $ | 371 | $ | 69 | $ | 302 |
| | All Other | $ | 2,890 | $ | 2,059 | $ | 1,805 |
| | **Total Reinsurance Recoverables** | **$** | **15,569** | **$** | **5,409** | **$** | **11,369** |

See explanation of footnoted items on page 6 of financial supplement.

**LIBERTY MUTUAL HOLDING COMPANY INC.**

**Issuer and Sector Exposure as of June 30, 2010**

(dollars in millions)

(Unaudited)

| | Top 20 Issuers | Fixed Maturity | Equity | Short Term | Total Exposure | Percent of Invested Assets |
|---|---|---|---|---|---|---|
| 1 | Government of Canada | $481 | $ - | $ - | $481 | 0.72% |
| 2 | Bank of America Corp | 287 | 163 | - | 450 | 0.67% |
| 3 | Wells Fargo & Co | 387 | 23 | - | 410 | 0.61% |
| 4 | Government of Venezuela | 408 | - | - | 408 | 0.61% |
| 5 | Government of Brazil | 400 | - | - | 400 | 0.60% |
| 6 | State of Florida | 392 | - | - | 392 | 0.58% |
| 7 | JP Morgan Chase & Co | 326 | 29 | - | 355 | 0.53% |
| 8 | Government of Germany | 340 | - | 3 | 343 | 0.51% |
| 9 | AT&T Corp | 334 | 3 | - | 337 | 0.50% |
| 10 | Verizon Communications | 300 | 1 | - | 301 | 0.45% |
| 11 | Invenergy | 273 | - | 21 | 294 | 0.44% |
| 12 | Government of Colombia | 291 | - | - | 291 | 0.43% |
| 13 | State of California | 286 | - | - | 286 | 0.43% |
| 14 | Citigroup Inc | 264 | 1 | - | 265 | 0.39% |
| 15 | Telefonica SA | 265 | - | - | 265 | 0.39% |
| 16 | Berkshire Hathaway Inc | 255 | - | - | 255 | 0.38% |
| 17 | Commonwealth of Massachusetts | 252 | - | - | 252 | 0.38% |
| 18 | Commonwealth of Pennsylvania | 246 | - | - | 246 | 0.37% |
| 19 | Royal Bank of Scotland Group Plc | 237 | - | - | 237 | 0.35% |
| 20 | State of Texas | 236 | - | - | 236 | 0.35% |
| | | **$6,260** | **$220** | **$24** | **$6,504** | **9.69%** |

| | Top 20 Sectors | Fixed Maturity | Equity | Short Term | Total Exposure | Percent of Invested Assets |
|---|---|---|---|---|---|---|
| 1 | Municipal | $13,864 | $ - | $ - | $13,864 | 20.64% |
| 2 | Banks | 3,447 | 438 | 50 | 3,935 | 5.86% |
| 3 | Sovereign | 3,349 | - | 37 | 3,386 | 5.04% |
| 4 | Electric | 1,849 | 64 | 2 | 1,915 | 2.85% |
| 5 | Telecommunications | 1,747 | 11 | 1 | 1,759 | 2.62% |
| 6 | Oil&Gas | 1,085 | 452 | - | 1,537 | 2.29% |
| 7 | Diversified Financial Services | 1,441 | 5 | 6 | 1,452 | 2.16% |
| 8 | Retail | 1,279 | 10 | - | 1,289 | 1.92% |
| 9 | Transportation | 920 | 3 | - | 923 | 1.37% |
| 10 | Media | 794 | 5 | - | 799 | 1.19% |
| 11 | Food | 739 | 6 | - | 745 | 1.11% |
| 12 | Insurance | 624 | 72 | - | 696 | 1.04% |
| 13 | Beverages | 521 | 5 | - | 526 | 0.78% |
| 14 | Miscellaneous Manufacturers | 490 | 7 | - | 497 | 0.74% |
| 15 | Pharmaceuticals | 430 | 12 | 2 | 444 | 0.66% |
| 16 | Aerospace/Defense | 408 | 4 | - | 412 | 0.61% |
| 17 | Real Estate | 44 | 353 | - | 397 | 0.59% |
| 18 | Energy-Alternate Sources | 332 | 34 | 21 | 387 | 0.58% |
| 19 | Mining | 351 | 2 | - | 353 | 0.53% |
| 20 | Chemicals | 335 | 9 | - | 344 | 0.51% |
| | | **$34,049** | **$1,492** | **$119** | **$35,660** | **53.09%** |

Note: Charts exclude US Treasury and agency securities, mortgage-backed securities, private equity investments, syndicated loans, and other invested assets.

Note: Top 20 issuers excludes municipal obligations that are pre-refunded or escrowed to maturity.

*Currency devaluation effective in 2010 would reduce 2009 exposure approximately $145M