New York Life Global Funding

$11,000,000,000
GLOBAL DEBT ISSUANCE PROGRAM

This supplement ("Base Prospectus Supplement") is supplemental to and must be read in conjunction with the Offering Memorandum dated May 30, 2012 (the "Offering Memorandum"), as supplemented by a first base prospectus supplement dated June 7, 2012, a second base prospectus supplement dated September 5, 2012, a third base prospectus supplement dated December 6, 2012 and a fourth base prospectus supplement dated March 11, 2013, prepared by New York Life Global Funding (the "Issuer") under the Issuer's $11,000,000,000 Global Debt Issuance Program for the issuance of senior secured medium-term notes (the "Notes").

This Base Prospectus Supplement has been approved by the Central Bank of Ireland, as competent authority under Directive 2003/71/EC (the "Prospectus Directive"). The Central Bank of Ireland only approves this Base Prospectus Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

This document constitutes a Base Prospectus Supplement for the purposes of Article 16 of the Prospectus Directive. References herein to this document are to this Base Prospectus Supplement incorporating Annex 1 hereto.

On April 1, 2013, New York Life Insurance Company ("New York Life") published its annual audited statutory statements (including any notes thereto, the "2012 and 2011 Audited Statutory Financial Statements"), the text of which is set out in Annex 1 to this document. Copies of such 2012 and 2011 Audited Statutory Financial Statements will be made available for inspection at the offices of the parties at whose offices documents are to be available for inspection as identified in "General Information" in the Offering Memorandum.

Except as disclosed in this document, there has been no other significant new factor, material mistake or inaccuracy relating to the information included in the Offering Memorandum.

Each of the Issuer and New York Life accepts responsibility for the information contained in this Base Prospectus Supplement. To the best of the knowledge of each of the Issuer and New York Life (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Where there is any inconsistency among the Offering Memorandum and this Base Prospectus Supplement, the language used in this Base Prospectus Supplement shall prevail.

Base Prospectus Supplement dated April 9, 2013

ANNEX 1

NEW YORK LIFE INSURANCE COMPANY

FINANCIAL STATEMENTS
(STATUTORY BASIS)

DECEMBER 31, 2012 and 2011

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Independent Auditor's Report

To the Board of Directors of
New York Life Insurance Company:

We have audited the accompanying statutory financial statements of New York Life Insurance Company (the "Company"), which comprise the statutory statements of financial position as of December 31, 2012 and 2011, and the related statutory statements of operations, of changes in surplus, and of cash flows for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices prescribed or permitted by the New York State Department of Financial Services. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, the financial statements are prepared by the Company on the basis of the accounting practices prescribed or permitted by the New York State Department of Financial Services, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the statutory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America are material.

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Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Company as of December 31, 2012 and 2011, or the results of its operations or its cash flows for the years then ended.

Opinion on Statutory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the admitted assets, liabilities and surplus of the Company as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended, in accordance with the accounting practices prescribed or permitted by the New York State Department of Financial Services described in Note 1.

PricewaterhouseCoopers LLP

March 14, 2013

NEW YORK LIFE INSURANCE COMPANY

STATUTORY STATEMENTS OF FINANCIAL POSITION

	December 31, 2012	December 31, 2011
	(in millions)	
Assets		
Bonds	$ 68,459	$ 68,138
Common and preferred stocks	10,713	9,081
Mortgage loans	10,681	10,102
Policy loans	8,397	8,191
Limited partnerships and other invested assets	9,451	8,321
Cash, cash equivalents and short-term investments	1,622	2,595
Derivatives	918	1,019
Other investments	578	488
Total cash and invested assets	110,819	107,935
Deferred and uncollected premiums	1,656	1,571
Investment income due and accrued	1,126	1,035
Separate account assets	10,998	9,943
Funds held by reinsurer - affiliated	4,616	4,749
Other assets	5,512	5,453
Total assets	$ 134,727	$ 130,686
Liabilities and Surplus		
Liabilities:		
Policy reserves	$ 82,527	$ 79,923
Deposit funds	13,224	13,305
Dividends payable to policyholders	1,340	1,245
Policy claims	724	706
Borrowed money	557	1,795
Separate account liabilities	10,992	9,940
Amounts payable under security lending agreements	510	510
Derivatives	365	420
Other liabilities	5,128	5,269
Interest maintenance reserve	512	374
Asset valuation reserve	2,279	2,070
Total liabilities	118,158	115,557
Surplus:		
Surplus notes	1,991	1,991
Special surplus funds - deferred tax	-	701
Unassigned surplus	14,578	12,437
Total surplus	16,569	15,129
Total liabilities and surplus	$ 134,727	$ 130,686

See accompanying notes to financial statements

NEW YORK LIFE INSURANCE COMPANY

STATUTORY STATEMENTS OF OPERATIONS

	Years Ended December 31, 2012	2011
	(in millions)	
Income		
Premiums	$ 13,722	$ 14,108
Net investment income	5,143	4,933
Other income	649	470
Total income	19,514	19,511
Benefits and expenses		
Benefit payments:		
Death benefits	3,006	2,865
Annuity benefits	1,128	1,104
Health and disability insurance benefits	387	355
Surrender benefits	2,516	2,524
Payments on matured contracts	4,702	2,864
Other benefit payments	416	465
Total benefit payments	12,155	10,177
Additions to reserves	2,726	3,382
Net transfers to Separate Accounts	(36)	1,621
Operating expenses	2,473	2,373
Total benefits and expenses	17,318	17,553
Gain from operations before dividends and federal income taxes	2,196	1,958
Dividends to policyholders	1,403	1,279
Gain from operations before federal income taxes	793	679
Federal income taxes	(20)	170
Net gain from operations	813	509
Net realized capital (losses), after tax and transfers to interest maintenance reserve	(123)	(246)
Net income	$ 690	$ 263

See accompanying notes to financial statements

NEW YORK LIFE INSURANCE COMPANY

STATUTORY STATEMENTS OF CHANGES IN SURPLUS

	December 31,	
	2012	**2011**
	(in millions)	
Surplus, beginning of year	$ 15,129	$ 14,717
Net income/(loss)	690	263
Change in net unrealized gains/(losses) on investments	1,259	1,052
Prior period correction	135	-
Change in net deferred income tax	(18)	337
Change in additional minimum pension liability	(33)	(818)
Cumulative effect of changes in accounting principles - (See Note 1)	(46)	(4)
Change in intangible asset	(5)	8
Change in asset valuation reserve	(209)	(593)
Change in nonadmitted assets	(336)	5
Change in special surplus funds - deferred tax	-	170
Other adjustments, net	3	(8)
Surplus, end of year	$ 16,569	$ 15,129

See accompanying notes to financial statements

NEW YORK LIFE INSURANCE COMPANY

STATUTORY STATEMENTS OF CASH FLOWS

	Years Ended December 31, 2012	2011
	(in millions)	
Cash flow from operating activities:		
Premiums received	$ 13,558	$ 14,055
Net investment income received	4,643	4,533
Other	366	323
Total received	18,567	18,911
Benefits and other payments	11,929	9,725
Net transfers to Separate Accounts	(31)	1,631
Operating expenses	2,409	2,340
Dividends to policyowners	1,308	1,365
Federal income taxes	2	172
Total paid	15,617	15,233
Net cash from operations	2,950	3,678
Cash flow from investing activities:		
Proceeds from investments sold	6,321	8,525
Proceeds from investments matured or repaid	25,295	27,841
Cost of investments acquired	(33,559)	(38,791)
Net change in policy loans and premium notes	(205)	(281)
Net cash from investing activities	(2,148)	(2,706)
Cash flow from financing and miscellaneous activities:		
Net (repayments) borrowings under repurchase agreements	(10)	(18)
Net borrowings (repayments) under credit agreements	(1,034)	964
Other changes in borrowed money	(214)	(171)
Net (outflows) from deposit contracts	(555)	(746)
Net change in amounts payable under security lending agreements	-	(150)
Other miscellaneous (uses) sources	38	136
Net cash from financing and miscellaneous activities	(1,775)	15
Net increase/(decrease) in cash, cash equivalents and short-term investments	(973)	987
Cash, cash equivalents and short-term investments, beginning of year	2,595	1,608
Cash, cash equivalents and short-term investments, end of year	$ 1,622	$ 2,595

See accompanying notes to financial statements

NEW YORK LIFE INSURANCE COMPANY

STATUTORY STATEMENTS OF CASH FLOWS (supplemental)

	Years Ended December 31,	
	2012	2011
	(in millions)	
Supplemental disclosures of cash flow information:		
Non-cash investing and financing activities during the year not included in the Statutory Statements of Cash Flows:		
Exchange of bond investment to bond investment	121	262
Merger/spinoffs/exchange/conversion of equity investment to equity investment	112	21
Internal transfer of bonds between investment portfolios	112	1,537
Capitalized interest on bonds	103	96
Transfer of other invested asset to other invested asset	83	-
Bond to be announced commitments-purchased/sold	53	1,602
Other invested assets stock distribution	30	-
Increase/decrease of note payable to affiliated equity investment	19	39
Capitalized interest on affiliated other invested assets	17	-
Exchange/conversion of bond investment to equity investment	16	9
Transfer of equity to charitable organizations	14	-
Dividend reinvestment of equities	7	-
Internal transfer of equity investment to equity investment	-	40
Transfer of receivable and other asset to affiliated equity investment	-	211
Transfer of equities held by affiliate to unaffiliated equity in the form of a return of capital, dividend distribution and other liability	-	93
Exchange of equity investment to bond investment	-	19
Transfer of mortgage loan to other invested asset	-	8
	$ 687	$ 3,937

See accompanying notes to financial statements

NEW YORK LIFE INSURANCE COMPANY
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 1 – NATURE OF OPERATIONS

New York Life Insurance Company ("the Company"), a mutual life insurance company domiciled in New York State, and its subsidiaries offer a wide range of insurance and investment products and services including life and health insurance, long-term care, annuities (including single premium immediate annuities or guaranteed lifetime income annuities), pension products, mutual funds, and other investments and investment advisory services. Through certain Affinity programs, the Company is the exclusive provider of life insurance and fixed immediate and deferred annuities to members of AARP and underwrites group life, health and disability programs for professional and affinity organizations. The Company's primary business operations are its Insurance and Investment Groups. The Insurance Group operations are conducted primarily through the Company and its wholly owned U.S. insurance subsidiaries New York Life Insurance and Annuity Corporation ("NYLIAC") and NYLIFE Insurance Company of Arizona ("NYLAZ"). Through its wholly owned subsidiary, New York Life Enterprises LLC ("NYLE"), the Company markets individual insurance and investment products in Mexico. The Investment Group activities are conducted primarily through the Company, NYLIAC and various registered investment advisory subsidiaries of its wholly owned subsidiary, New York Life Investment Management Holdings LLC ("NYL Investments"). NYLIFE LLC is a wholly owned subsidiary of the Company, and is a holding company for certain non-insurance subsidiaries of the Company. NYLIFE LLC, through its subsidiaries, offers securities brokerage, financial planning and investment advisory services, trust services and capital financing.

Basis of Presentation

The accompanying financial statements have been prepared using accounting practices prescribed by the New York State Department of Financial Services ("statutory accounting practices"), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America ("U.S. GAAP").

The New York State Department of Financial Services ("NYSDFS") recognizes only statutory accounting practices prescribed or permitted by the State of New York for determining and reporting the financial position and results of operations of an insurance company and for determining its solvency under New York Insurance Law. The National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures Manual* ("NAIC SAP") has been adopted as a component of prescribed practices by the State of New York. Prescribed statutory accounting practices include state laws and regulations. Permitted statutory accounting practices encompass accounting practices that are not prescribed; such practices differ from state to state, may differ from company to company within a state, and may change in the future. The Company has no permitted practices.

A reconciliation of the Company's net income at December 31, 2012 and 2011 between NAIC SAP and practices prescribed by the State of New York is shown below (in millions):

	December 31, 2012	December 31, 2011
Statutory Net Income, New York basis	$ 690	$ 263
State Prescribed Practices:		
1. NYSDFS Circular Letter No. 11 (2010) impact on deferred premiums*	3	3
2. NYSDFS Seventh Amendment to Regulation No. 172 admitted unearned reinsurance premium**	(2)	(2)
Statutory Net Income, NAIC SAP	$ 691	$ 264

A reconciliation of the Company's surplus at December 31, 2012 and 2011 between NAIC SAP and practices prescribed by the State of New York is shown below (in millions):

	December 31, 2012	December 31, 2011
Statutory Surplus, New York basis	$ 16,569	$ 15,129
State Prescribed Practices:		
1. NYSDFS Circular Letter No. 11 (2010) impact on deferred premiums*	100	96
2. NYSDFS Seventh Amendment to Regulation No. 172 admitted unearned reinsurance premium**	(39)	(37)
Statutory Surplus, NAIC SAP	$ 16,630	$ 15,188

* NYSDFS Circular Letter No. 11 (2010) clarified the accounting for deferred premium assets when reinsurance is involved.

** NYSDFS Regulation 172 was amended to allow for the admission of an unearned reinsurance premium asset.

Certain amounts in prior years have been reclassified to conform to the current year presentation. These reclassifications had no effect on net income or surplus as previously reported.

In 2012, the Company determined it had misstated certain cash and non-cash items in 2011 within and between "Net cash provided by operating activities" and "Net cash used in investing activities" in the Company's Consolidated Statement of Cash Flow and, therefore, such items were corrected for the year ended December 31, 2011. Although the Company does not consider these amounts to be material, the 2011 amounts were revised to conform to the current year presentation. As a result of the correction, "Net cash provided by operating activities" decreased by $96 million and "Net cash used by investing activities" increased by $96 million due to the removal of capitalized interest on bonds which is a non-cash transaction.

In addition, offsetting adjustments of $3,249 million were made to the "proceeds from" and "cost of" investments purchased within the investing section of the cash flow statement. These adjustments relate to the removal of "to be announced" ("TBA") security purchase and sale commitments as they are non-cash transactions and the removal of dollar roll transactions as this is financing not investing activity.

This correction of the Company's Consolidated Statement of Cash Flow did not impact the Company's previously reported Consolidated Statement of Income or the Consolidated Balance Sheet and, in particular, "Cash and cash equivalents" reported at the end of 2011 in the Company's Consolidated Statement of Cash Flow remain unchanged.

Changes in Accounting Principles

Accounting changes adopted to conform to the provisions of NAIC SAP or other state prescribed accounting practices are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is generally reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. Generally, the cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods.

In November 2011, the NAIC issued Statement of Statutory Accounting Principles ("SSAP") No. 101, *"Income Taxes—A Replacement of SSAP No. 10R and SSAP No. 10"* that reduces the recognition threshold used in determining a tax contingency related to uncertain tax positions from "probable" to "more likely than not". The amount of the contingency reserve shall be management's best estimate of the amount of the original tax benefit that could be reversed upon audit, unless the best estimate is greater than 50% of the original tax benefit, in which case the reserve shall equal the entire tax benefit. In addition, the guidance also places additional restrictions on the admissibility of deferred tax assets. The Company's adoption of this guidance effective January 1, 2012 resulted in a $46 million reduction to statutory surplus.

In October 2010, the NAIC revised SSAP No. 5, *"Liabilities, Contingencies and Impairments of Assets"*. The revisions require the reporting entity to recognize, at the inception of a guarantee, the fair value of the liability for the obligations it has undertaken in issuing the guarantee, even if the likelihood of having to make payments under the guarantee is remote. This includes related party guarantees, except when the transaction is considered an "unlimited guarantee," such as a commitment to support a subsidiary for purposes of obtaining a rating agency rating, or a guarantee made on behalf of a wholly owned subsidiary. The guidance also requires new disclosures for the reporting entity's guarantees. This guidance applies to all guarantees issued and outstanding as of December 31, 2011. The Company's adoption of this guidance effective December 31, 2011 resulted in a $4 million reduction to Statutory Surplus that was recorded as a change in accounting principle.

Prior Period Correction

In 2009, the Company entered into a Real Estate Mortgage Investment Conduit ("REMIC") with a trust known as Madison ResCom Securities Funding Trust 2009 that met the criteria for a qualified special purpose entity. As residual interest holder in the REMIC, the Company recognized a tax loss on the sale of a regular interest note issued by the REMIC and additional tax losses with respect to the residual interest in the REMIC from 2009 through the first quarter of 2012. In March of 2012, the regular interest note matured and the REMIC was dissolved. During the second quarter of 2012, it was discovered that the accrual of discount on the mortgage-backed securities held by the REMIC was calculated based on the expected life of the REMIC rather than the expected remaining life of the mortgages. This error understated the tax loss recognized by the Company for the years 2009 through 2011. To correct this error, the Company has reduced current income taxes payable by $135 million and has recorded a prior period correction that increased statutory surplus by the same amount.

Discontinued Operations

NYLE, a wholly-owned subsidiary of the Company, entered into a definitive agreement, dated August 10, 2011, to sell its Argentina joint ventures HSBC New York Life Seguros de Retiro (Argentina) S.A., HSBC New York Life Seguros de Vida (Argentina) S.A. and Maxima S.A. AFJP to HSBC Argentina Holdings S.A. and HSBC Participaciones (Argentina) S.A. The sales closed on January 13, 2012.

NYLE signed a definitive agreement, dated April 12, 2012, with its Indian joint venture partner, Max India Ltd., and Japanese insurer, Mitsui Sumitomo Insurance Company Limited, to sell its 26 percent ownership stake in Max New York Life Insurance Company Limited ("Max NYL"), the joint venture life insurance company formed between Max India Ltd. and NYLE in 2001. The sale closed on June 27, 2012.

NYLE signed a definitive agreement, dated September 12, 2012, with ACE INA International Holdings, Ltd. to sell its wholly owned surety bond business, Fianzas Monterey, S.A.

On April 6, 2012, NYL Investments, a wholly owned subsidiary of the Company, entered into a Sale and Purchase Agreement ("Agreement") to (1) sell 100% of NYL Investments equity interest in McMorgan & Company LLC ("McMorgan") to certain members of McMorgan's management team ("Management Team") and (2) integrate McMorgan's real estate business into the Real Estate Group of New York Life Investments. The sale of McMorgan closed on June 30, 2012.

On October 26, 2010, NYLE entered into a definitive agreement ("the Share Purchase Agreement") to sell its South Korea and Hong Kong subsidiaries to ACE INA International Holdings, Ltd. The sale of South Korea closed on February 1, 2011 and the sale of Hong Kong closed on April 1, 2011.

On January 7, 2011, the Company announced definitive agreements with its Chinese joint venture partner Qingdao Haier Investment & Development Company Limited and Japanese insurer Meiji Yasuda Life Insurance Company to sell the Company's ownership stake in Haier New York Life Insurance Company Limited ("HAIER"), the joint venture life insurance company formed between the Company and Qingdao Haier Investment & Development Company Limited in 2002. The sale closed on January 28, 2011.

On February 17, 2011, the Company announced a definitive agreement between NYLE and the Company's Thai affiliate (collectively "the New York Life Companies") and Siam Commercial Bank Public Company Limited ("SCB") to sell the New York Life Companies' ownership stake in Siam Commercial New York Life Insurance Public Company Limited, a joint venture life insurance company formed between the New York Life Companies and SCB in 2000. The sale closed on March 17, 2011.

New Accounting Pronouncements

In November 2012, the NAIC amended *SSAP No. 1*, *"Disclosure of Accounting Policies, Risks & Uncertainties, and Other Disclosures"* to require disclosure in each applicable financial statement note if the amounts reported in that note have been adjusted by state prescribed or permitted practices. Additionally, a reference to Note 1 shall be included in the individual notes to financial statements impacted by the prescribed or permitted practice as applicable. The adoption of this guidance was effective December 31, 2012 and did not have a material effect on the Company's note disclosures.

In August, 2012 the NAIC amended SSAP 61, *"Life, Deposit-Type and Accident and Health Reinsurance"* to incorporate the concept of Certified Reinsurer and to provide specific accounting guidance and disclosures for reinsurance ceded to certified reinsurers, a concept that was adopted by the NAIC as part of the Reinsurance Modernization Framework.

The guidance defines a certified reinsurer as "an assuming insurer that does not meet the requirements to be considered authorized in the domestic state of the ceding insurer, but has been certified by such state and is required to provide collateral as security for its reinsurance obligations incurred under contracts entered into or renewed on or after the effective date of certification." The guidance was effective December 31, 2012 and did not have a material effect on the Company's financial statements and note disclosures.

In March 2012, the NAIC adopted revisions to *SSAP 27, "Disclosure of Information about Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk",* to clarify that financial instruments that contain embedded derivatives that are not separately recognized as derivatives under SSAP No. 86, *"Accounting for Derivative Instruments and Hedging, Income Generation, and Replication (Synthetic Asset) Transactions",* and that expose the holder to the possibility (however remote) of making future payments are captured in SSAP No. 27. The guidance was effective December 31, 2012 and did not have a material effect on the Company's financial statements and note disclosures.

In March 2010, the NAIC revised SSAP 100, *"Fair Value Measurements"* to require a gross presentation of purchases, sales, issuance and settlement within the reconciliation for fair value of financial instruments categorized within Level 3 of the fair value hierarchy. This amended guidance also requires all investments that are disclosed but not measured at fair value to be reported within the fair value hierarchy, as well as additional qualitative disclosures. The new disclosures which were effective January 1, 2012 are incorporated into Note 17 – Fair Value Measurements.

In October 2010, the NAIC revised guidance pertaining to disclosure of withdrawal characteristics. These revisions expand the disclosure requirements for annuity actuarial reserves and deposit liabilities by withdrawal characteristics in accordance with the following categories: general account, separate account with guarantees, separate account nonguaranteed and the total. This guidance which was effective January 1, 2011 had no financial impact on the Company. The required disclosures have been incorporated in Note 8 – Insurance Liabilities.

In October 2010, the NAIC modified the definition of loan-backed and structured securities included in SSAP No. 43R, *"Loan-Backed and Structured Securities,"* ("SSAP 43R") an amendment of SSAP No. 43, *"Loan-Backed and Structured Securities"*, replacing SSAP No. 98, *"Treatment of Cash Flows When Quantifying Changes in Valuation and Impairments, an Amendment of SSAP No. 43-Loan-Backed and Structured Securities"*. The revised definition expands the requirement to include any securitized asset where the underlying cash flows are from all types of asset pools and not just those emanating from either mortgages or securities. Regardless of the underlying collateral, each security issued through a special purpose entity, trust, or limited liability company, when the Company's recourse is limited to the assets of the issuing entity, is expected to be reported as a SSAP 43R security, not as an issuer obligation under SSAP No. 26, *"Bonds, excluding Loan-Backed and Structured Securities"*. This guidance was effective January 1, 2011. The Company reclassified securities with a book value of $1,653 million as a result of this new guidance.

In October 2010, the NAIC adopted substantive revisions to SSAP No. 35, *"Guaranty Fund and Other Assessments"*. The revised SSAP modifies the conditions required before recognizing liabilities for insurance-related assessments. The accounting for guaranty fund assessments would be determined in accordance with the type of guaranty fund assessment imposed, and would incorporate the concept of an "obligating event" for prospective-based premiums assessments in determining whether a liability should be accrued. The Company's adoption of this guidance effective January 1, 2011 did not have a material effect on the Company's financial statements.

In June 2010, the NAIC clarified its intent on bifurcation of all realized gains and losses on sales of loan backed and structured securities. This new guidance requires a cash flow analysis at date of sale to bifurcate the realized gain or loss between credit and noncredit. The credit portion goes to the asset valuation reserve ("AVR") and the noncredit portion to the interest maintenance reserve ("IMR"). This guidance was issued as a revision to SSAP No. 43R. The adoption of this guidance effective January 1, 2011 did not have a material impact on the Company's financial statements.

In December 2011, the NAIC further expanded on its guidance for determining NAIC designations for all loan-backed and structured securities ("LBASS"). The RMBS initiative, which began in 2009 to create a modeling and rating process for non-agency residential mortgage-backed-securities ("RMBS"), was expanded in 2010 to include commercial mortgage-backed-securities ("CMBS") and all other LBASS securities (ABS, CBO, CMO, etc.). In December 2011, this guidance was amended to allow securities rated by the Securities Valuation Office ("SVO") or certain securities rated by an Credit Rating Provider ("CRP") to utilize those ratings. As part of this initiative, all LBASS designations are to be determined using one of the following four methods: (1) modeling for RMBS and CMBS; (2) derived from SVO or CRP ratings where rated securities are not modeled and certain criteria is met; (3) derived from Modified Filing Exempt process, where securities are not modeled, have a NAIC designation from 2-5 using the CRP equivalent, or are not rated by the SVO or an CRP; or (4) the current 5*/6* rule. A security's carrying amount is based upon the initial NAIC Designation, which is determined using the security's amortized cost. A final NAIC designation is determined using the security's carrying amount. This final NAIC designation is applicable for all statutory accounting and reporting purposes, including establishing IMR, AVR, and Risk Based Capital ("RBC") except for establishing the appropriate carrying value. This guidance was effective for December 31, 2011 and did not have a material impact on the Company's financial statements.

Future Adoption of New Accounting Pronouncements

In March 2012, the NAIC issued SSAP No. 102, *"Accounting for Pensions, A Replacement of SSAP No. 89"* and SSAP No. 92, *"Accounting for Postretirement Benefits Other Than Pensions, a Replacement of SSAP No. 14"*. Under these SSAPs, the statutory accounting standards will be similar to U.S. GAAP accounting standards. These SSAPs will require the pension and other postretirement benefit liabilities to include the unfunded projected benefit obligation and unfunded accumulated postretirement benefit obligation, respectively, including non-vested participants. The adoption of these SSAPs is expected to create an additional pension liability of approximately $462 million, and an additional other postretirement liability of approximately $708 million. These new requirements are effective January 1, 2013. Upon adoption, the Company will immediately record an additional pension liability of $34 million and an additional other postretirement liability of $71 million, while the remaining $428 million pension (transition) liability and $637 million other postretirement (transition) liability will be deferred and recognized over a period of up to 10 years.

In March 2012, the NAIC issued SSAP 103, *"Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities".* This SSAP will supersede SSAP No. 91R, *"Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities"* and incorporates the U.S. GAAP guidance of the Financial Accounting Standards Board (FASB) Statement No. 166, *"Accounting for Transfers and Servicing of Financial Assets, an amendment of FASB Statement No. 140"*, and Accounting Standards Update (ASU) No. 2011-03, *"Transfers and Servicing (Topic 860), Reconsideration of Effective Control for Repurchase Agreements"*, with modifications to conform the guidance to statutory accounting concepts. These modifications are primarily related to concepts that are not applicable or consistent with statutory accounting (e.g., rejection of U.S. GAAP consideration for consolidated affiliates, references to GAAP standards, methods, references and guidance not adopted for/applicable to statutory accounting). The guidance is applicable prospectively to transfers of financial assets occurring on or after January 1, 2013 and is not expected to have a material effect on the Company's financial statements.

In August 2012, the NAIC adopted revisions to SSAP 36, *"Troubled Debt Restructuring*" to provide additional guidance on whether a restructuring constitutes a troubled debt restructuring. The updates also include additional disclosures for creditors that pertain to all troubled debt restructurings. The guidance is effective January 1, 2013 and is not expected to have a material effect on the Company's financial statements or note disclosures.

In August 2012, the NAIC adopted a clarification to SSAPs 48, *"Joint Ventures, Partnerships and Limited Liability Companies"*, SSAP 97, *"Investments in Subsidiary, Controlled, and Affiliated* ("SCA") *Entities"*, and SSAP 68, *"Business Combinations and Goodwill"* that the basis difference between purchase price and underlying GAAP equity of minority owned SSAP 48 entities should be amortized, similar to goodwill for SCA entities. The guidance is effective January 1, 2013 for entities that had previously not been amortizing the basis difference. There is no impact to the Company's financial statements.

In August 2012, the NAIC adopted revisions to SSAP 35R, *"Guaranty Fund and Other Assessments"* which require disclosure of Fees Paid to the Federal Government by Health Insurers which have been mandated by the Patient Protection and Affordable Care Act. The disclosure should provide information regarding the nature of the assessment and an estimate of its financial impact, including the impact on its risk based capital position. Companies would also be required to consider whether to present pro forma financial information regarding the impact of the assessment, based on materiality. The guidance is effective prospectively as of January 1, 2013 and is not expected to have a material effect on the Company's note disclosures.

Statutory vs. GAAP Basis of Accounting

Financial statements prepared under NAIC SAP vary from those prepared under U.S. GAAP. The primary differences that apply to the financial statements of the Company are as follows:

- non-public majority owned subsidiaries are generally carried at net equity value with earnings of such subsidiaries recognized in net investment income only when dividends are declared whereas under U.S. GAAP, subsidiary earnings would be consolidated with net income and recognized when earned, and dividends from such subsidiaries would be eliminated in consolidation;

- the costs related to acquiring business, principally commissions, certain policy issue expenses and sales inducements, are charged to income in the year incurred, whereas under U.S. GAAP, they would be deferred for successful sales and amortized over the periods benefited;

- life insurance reserves are based on different assumptions than they are under U.S. GAAP and dividends on participating policies are recognized for the full year when approved by the Board of Directors, whereas under U.S. GAAP, they would be accrued when earned by policyholders;

- life insurance companies are required to establish an AVR by a direct charge to surplus to offset potential investment losses, whereas under U.S. GAAP, the AVR would not be recognized;

- investments in bonds are generally carried at amortized cost or values as prescribed by the NYSDFS, whereas under U.S. GAAP, investments in bonds that are classified as available for sale or trading would be carried at fair value, with changes in fair value of bonds classified as available for sale charged or credited to equity, and changes in fair value of bonds classified as trading would be reflected in earnings;

- realized gains and losses resulting from changes in interest rates on fixed income investments are deferred in the IMR and amortized into investment income over the remaining life of the investment sold, whereas under U.S. GAAP, the gains and losses would be recognized in income at the time of sale;

- deferred income taxes exclude state income taxes and are admitted to the extent they can be realized within three years subject to a 15% limitation of capital and surplus with changes in the net deferred tax reflected as a component of surplus, whereas under U.S. GAAP, deferred income taxes include federal and state income taxes and changes in the deferred tax are reflected in either earnings or other comprehensive income;

- the Company is required to establish a tax loss contingency if it is more likely than not that a tax position will not be sustained. If a loss contingency is greater than 50 percent of the tax benefit associated with a tax position, the loss contingency is increased to 100 percent, whereas under U.S. GAAP, a tax position must be more-likely-than-not to be sustained upon examination by tax authorities before any tax benefit would be recorded in the financial statements and the amount of the benefit for any uncertain tax position would be the largest amount that is greater than 50 percent likely of being realized upon settlement;

- certain reinsurance transactions are accounted for using deposit accounting and assets and liabilities are reported net of reinsurance, whereas under U.S. GAAP, these transactions qualify for reinsurance accounting and assets and liabilities would be reported gross of reinsurance;

- certain assets, such as intangible assets, furniture and equipment, deferred taxes that are not realizable within three years and unsecured receivables are considered nonadmitted and excluded from assets, whereas they would be included under U.S. GAAP, subject to a valuation allowance, as appropriate;

- contracts that have any mortality and morbidity risk, regardless of significance, and contracts with life contingent annuity purchase rate guarantees are classified as insurance contracts, whereas under GAAP, contracts that do not subject the Company to significant risks arising from policyholder mortality or morbidity would be accounted for in a manner consistent with the accounting for interest bearing or other financial instruments;

- goodwill held in an insurance company is admitted subject to a 10% limitation on surplus and amortized over the useful life of the goodwill, not to exceed 10 years and goodwill held by non-insurance subsidiaries is assessed in accordance with U.S. GAAP, subject to certain limitations for holding companies and foreign insurance subsidiaries, whereas under U.S. GAAP, goodwill, which is considered to have an indefinite useful life, is tested for impairment and losses are recorded, only when goodwill is deemed impaired;

- pension and other postretirement obligations are measured for only vested employees and agents, whereas under U.S. GAAP, these costs would be measured for both vested and non-vested employees and agents[1];

- an additional minimum liability ("AML") is required for pensions only when the accumulated benefit obligation ("ABO") exceeds the fair value of the plan assets (for qualified plans) or the ABO liability exceeds the accrued for cumulative expenses (non-qualified plans), and changes in the AML are recorded as a direct impact to surplus, whereas under U.S. GAAP, the overfunded or underfunded status of defined benefit pension and postretirement plans would be recognized as an asset or liability in the statement of financial position, and changes in the funded status would be recognized through other comprehensive income[1];

- surplus notes are included as a component of surplus, whereas under U.S. GAAP, they would be presented as a liability;

- U.S. GAAP requires that for certain reinsurance arrangements whereby assets are retained by the ceding insurer (such as funds withheld or modified coinsurance) and a return is paid based on the performance of underlying investments, then the liabilities for these reinsurance arrangements must be adjusted to reflect the fair value of the invested assets; NAIC SAP does not contain a similar requirement;

- contracts that contain an embedded derivative are not bifurcated between components and are accounted for consistent with the host contract, whereas under U.S. GAAP the embedded derivative would be bifurcated from the host contract and accounted for separately unless the entire hybrid instrument is carried at fair value with changes in fair value reflected in GAAP earnings;

- all other-than-temporarily impaired ("OTTI") corporate securities are written down to fair value and, if certain conditions are met, the non-credit portion of OTTI on a loan-backed or structured security is not recognized; whereas under U.S. GAAP, if certain conditions are met, the non-credit portion of OTTI on a debt security is recorded through other comprehensive income. A non-credit loss exists when the fair value of a security is less than the present value of projected future cash flows expected to be collected;

- undistributed income and capital gains and losses for limited partnerships and limited liability companies are reported in surplus as unrealized gains or losses, whereas under U.S. GAAP, in many cases, under specialized accounting treatment for investment companies, unrealized gains and losses would be included in net income;

- certain derivative instruments are carried at amortized cost, whereas under U.S. GAAP, all derivative instruments would be carried at fair value;

[1] The NAIC has adopted modifications to statutory accounting guidance that have effectively eliminated these differences. The financial impact of these changes will reduce New York Life's reported surplus. The guidance is effective beginning January 1, 2013.

- changes in the fair value of derivative financial instruments not carried at amortized cost are recorded as unrealized capital gains or losses and reported as changes in surplus, whereas under U.S. GAAP, these changes would generally be reported through earnings unless deemed an effective hedge; and

- certain group annuity policies which do not pass through all investment gains to policyholders are maintained in separate accounts, whereas U.S. GAAP reports these policies in the general account assets and liabilities of the Company.

The effects on the financial statements of the variances between NAIC SAP and U.S. GAAP are material to the Company.

The following table reconciles the Company's statutory surplus determined in accordance with statutory accounting practices with consolidated New York Life equity, excluding non-controlling interests, determined on a GAAP basis (in millions):

	Years Ended December 31,	
	2012	**2011**
Statutory surplus	$ 16,569	$ 15,129
AVR	2,279	2,070
Statutory surplus and AVR	18,848	17,199
Adjustments to statutory basis for:		
Inclusion of deferred policy acquisition cost asset ("DAC")	3,684	3,977
Re-estimation of future policy benefits and policyholders' account balances	(5,021)	(4,994)
Inclusion of AVR of domestic insurance companies	765	661
Mark-to-market on investments, pre-tax and DAC	15,664	12,538
Removal of IMR	753	582
Net adjustment for deferred taxes	(4,216)	(2,982)
Inclusion of certain assets that are non-admitted for statutory accounting	1,915	1,619
Inclusion of goodwill in excess of statutory limitations	358	371
Liability for pension and post retirement benefits	(2,350)	(2,069)
Removal of surplus notes	(1,991)	(1,991)
Net assets of separate accounts	482	313
Inclusion of change in accounting principles - DAC	-	918
Appropriated retained earnings of consolidated variable interest entities ("VIEs")	59	131
Other	780	558
Total adjustments	10,882	9,632
Total consolidated New York Life GAAP equity, excluding non-controlling interests	$ 29,730	$ 26,831

The following table reconciles the Company's statutory net income determined in accordance with statutory accounting practices with consolidated New York Life GAAP net income determined on a GAAP basis (in millions):

	Years Ended December 31, 2012	2011
Statutory net gain from operations	$ 813	$ 509
Net realized capital losses	(123)	(246)
Statutory net income	690	263
Adjustments to statutory net income for:		
Inclusion of net income from subsidiaries	1,027	457
Inclusion of net capitalization/(amortization) of DAC	82	192
Re-estimation of future policy benefits and policyholders' account balances	(32)	57
Policyholder dividends	58	(93)
Inclusion of GAAP earnings of limited partnership, net of	114	(198)
Removal of IMR capitalizations, net of amortization	138	104
Inclusion of deferred income taxes	(257)	37
Fair value adjustment of certain liabilities	(101)	(332)
Inclusion of GAAP net investment gains	206	697
Other	74	(21)
Total adjustments	1,309	900
Total consolidated New York Life GAAP net income	$ 1,999	$ 1,163

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Management is also required to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the period. Actual results may differ from those estimates.

Investments

Investments are valued in accordance with methods and values prescribed by the NYSDFS.

Bonds other than loan-backed and structured securities are stated at amortized cost using the interest method. Bonds in or near default (rated NAIC 6) are stated at the lower of amortized cost or fair value. See Note 17 – Fair Value Measurements, for discussion of valuation methods for bonds.

Loan-backed and structured securities, which are included in "Bonds", are valued at amortized cost using the interest method including anticipated prepayments at the date of purchase.

Loan-backed and structured securities in or near default (rated NAIC 6) are stated at the lower of amortized cost or fair value. Amortization of the premium or accretion of discount from the purchase of these securities considers the estimated timing and amount of cash flows of the underlying loans, including prepayment assumptions based on data obtained from external sources or internal estimates. For loan-backed bond and structured securities, projected future cash flows are updated monthly, and the amortized cost and effective yield of the securities are adjusted as necessary to reflect historical prepayment experience and changes in estimated future prepayments. For high credit quality loan-backed and structured securities (those rated AA or above at the date of acquisition), the adjustments to amortized cost are recorded as a charge or credit to net investment income in accordance with the retrospective method. For loan-backed bond and structured securities that are not of high credit quality (those rated below AA at date of acquisition), certain floating rate securities and securities with the potential for a loss of a portion of the original investment due to contractual prepayments (i.e., interest only securities), the effective yield is adjusted prospectively for any changes in estimated cash flows. See Note 17 – Fair Value Measurements, for discussion of valuation methods for bonds.

Preferred stocks in "good standing" (NAIC designation of 1 to 3) are valued at amortized cost. Preferred stocks "not in good standing" (NAIC designation of 4 to 6) are valued at the lower of amortized cost or fair value. See Note 17 – Fair Value Measurements, for discussion of valuation methods for preferred stocks.

Common stocks include the Company's investments in unaffiliated stocks, mutual funds and the following direct, wholly owned subsidiaries and membership interests: NYLIAC, NYLAZ, NYLE, NYLIFE LLC, and New York Life Investments.

Unaffiliated common stocks are carried at fair value. Unrealized gains and losses are reflected in surplus, net of deferred taxes. See Note 17 – Fair Value Measurements, for a discussion of valuation methods of unaffiliated common stocks.

Investments in stocks of U.S. insurance subsidiaries are carried as an asset provided their U.S. statutory net asset value is audited. Investments in stocks and membership interests of all other subsidiaries are carried as an asset provided the entity's U.S. GAAP equity is audited. In the absence of an admissible audit, the entire investment is nonadmitted. Each of the Company's direct subsidiaries, except NYLIFE LLC, has a U.S. GAAP audit and are stated as follows: (1) domestic insurance subsidiaries are stated at the value of their underlying U.S. statutory net assets; (2) foreign insurance operations that have U.S. GAAP audits are stated at U.S. GAAP equity adjusted for certain assets that are disallowed under statutory accounting practices, otherwise the investment is nonadmitted; (3) non-insurance subsidiaries are carried at U.S. GAAP equity unless they are engaged in certain transactions that are for the benefit of the Company or its affiliates and receive 20% or more of their revenue from the Company or its affiliates. In this case, non-insurance subsidiaries are carried at U.S. GAAP equity adjusted for the same items as foreign insurance subsidiaries; (4) all other assets and liabilities in a downstream holding company are accounted for in accordance with the appropriate NAIC SAP guidance. Dividends and distributions from subsidiaries are recorded as a component of investment income when declared and changes in the equity of subsidiaries are recorded as unrealized gains or losses in surplus, net of deferred taxes.

The cost basis of bonds and equity securities is adjusted for impairments in value deemed to be other than temporary. Factors considered in evaluating whether a decline in value is other than temporary include: (1) whether the decline is substantial; (2) duration that the fair value has been less than cost; (3) the financial condition and near-term prospects of the issuer; and (4) the Company's ability and intent to retain the investment for the period of time sufficient to allow for an anticipated recovery in value.

When a bond (other than loan-backed and structured securities), preferred stock or common stock is deemed other-than-temporarily impaired, the difference between the investments' amortized cost and its fair value is recognized as a realized loss and reported in net income.

An other-than-temporary loss is recognized in net income when it is anticipated that the amortized cost will not be recovered. The entire difference between the loan-backed or structured security's amortized cost and its fair value is recognized in net income only when the Company (a) has the intent to sell the security or (b) it does not have the intent and ability to hold the security to recovery. If neither of these two conditions exists, a realized loss is recognized in net income for the difference between the amortized cost basis of the security and the net present value of projected future cash flows expected to be collected. The net present value is calculated by discounting the Company's best estimate of projected future cash flows at the effective interest rate implicit in the loan-backed or structured security prior to impairment.

The determination of cash flow estimates in the net present value is subjective and methodologies will vary, depending on the type of security. The Company considers all information relevant to the collectability of the security, including past events, current conditions, and reasonably supportable assumptions and forecasts in developing the estimate of cash flows expected to be collected. This information generally includes, but may not be limited to, the remaining payment terms of the security, estimated prepayment speeds, defaults, recoveries upon liquidation of the underlying collateral securing the notes, the financial condition of the issuer(s), credit enhancements and other third party guarantees. In addition, other information, such as industry analyst reports and forecasts, sector credit ratings, the financial condition of the bond insurer for insured fixed income securities and other market data relevant to the collectability may also be considered, as well as the expected timing of the receipt of insured payments, if any. The estimated fair value of the collateral may be used to estimate recovery value if the Company determines that the security is dependent on the liquidation of the collateral for recovery.

For the Non-Agency RMBS portfolio, the Company updates cash flow projections quarterly. The projections are done for each security based upon the evaluation of prepayment, delinquency, and default rates for the pool of mortgages collateralizing each security, and the projected impact on the course of future prepayments, defaults, and loss in the pool of mortgages, but do not include market prices. As a result, forecasts may change from period to period and additional impairments may be recognized over time as a result of deterioration in the fundamentals of a particular security or group of securities and/or a continuation of heightened mortgage defaults for a period longer than the assumptions used for the forecasts. Both qualitative and quantitative factors are used in creating the Company's RMBS cash flow models. As such, any estimate of impairments is subject to the inherent limitation on the Company's ability to predict the aggregate course of future events. It should therefore be expected that actual losses may vary from any estimated losses and the Company may recognize additional other-than-temporary losses.

The new cost basis of an impaired security is not adjusted for subsequent increases in estimated fair value. In periods subsequent to the recognition of an other-than-temporary impairment, the impaired loan-backed or structured security is accounted for as if it had been purchased on the measurement date of the impairment. Accordingly, the discount (or reduced premium) based on the new cost basis may be accreted into net investment income in future periods based on prospective changes in cash flow estimates, to reflect adjustments to the effective yield.

Mortgage loans on real estate are carried at unpaid principal balances, net of discounts/premiums and specific valuation allowances, and are secured. Specific valuation allowances are established for the excess carrying value of the mortgage loan over the estimated fair value of the collateral as an unrealized loss in surplus, when it is probable that based on current information and events, the Company will be unable to collect all amounts due under the contractual terms of the loan agreement or if a loan modification has been deemed to qualify as a troubled debt restructuring ("TDR"). Fair value of the collateral is estimated by obtaining a current appraisal. If impairment is deemed to be other than temporary, a direct write-down is recognized as a realized loss reported in net income, and a new cost basis, which is equal to the fair value of the collateral for the individual mortgage loan, is established. See Note 17 – Fair Value Measurements, for discussion of valuation methods for mortgage loans.

Real estate held for the production of income and home office properties are stated at cost less accumulated depreciation and encumbrances. Real estate held for sale is stated at the lower of cost less accumulated depreciation or fair value, less encumbrances and estimated costs to sell, which may result in an other-than-temporary impairment recognized as a realized loss in net income. Depreciation of real estate is calculated using the straight-line method over the estimated lives of the assets, generally 40 years. Costs of permanent improvements are depreciated over their estimated useful life.

Policy loans are stated at the aggregate balance due. The excess of the unpaid balance of a policy loan that exceeds the cash surrender value is nonadmitted.

Limited partnerships and limited liability companies which have admissible audits as set forth in SSAP No. 97, "*Investments in Subsidiary, Controlled and Affiliated Entities*", are carried at the underlying audited equity of the investee. The cost basis of limited partnerships is adjusted for impairments in value deemed to be other than temporary, with the difference between cost and carrying value recognized as a realized loss reported in net income. The new cost basis of an impaired limited partnership is not adjusted for subsequent increases in the underlying audited equity of the investee. The Company nonadmits the entire investment when an admissible audit is not performed. Dividends and distributions from limited partnerships and limited liability companies are recorded in investment income. Undistributed earnings are included in unrealized gains and losses and are reflected in surplus, net of deferred taxes.

Low-Income Housing Tax Credit ("LIHTC") investments are recorded at amortized cost. The carrying value of the investment is amortized into income in proportion to the actual and projected future amounts of tax credits and deductible losses. The amortization is recorded through net investment income.

Derivative instruments that qualify and are designated for hedge accounting are valued in a manner consistent with the items being hedged. Periodic payments and receipts on these derivatives are recorded on an accrual basis within net investment income for fixed income securities, other income for hedges of liabilities, and realized capital gains and losses for hedges of net investments in foreign operations. Realized gains and losses are recognized upon termination or maturity of these contracts in a manner consistent with the hedged item and are transferred to the IMR, net of tax, when the items being hedged are subject to the IMR.

Derivative instruments that do not qualify or are not designated for hedge accounting are carried at fair value and changes in fair value are recorded in surplus as unrealized gains and losses, net of deferred taxes. Periodic payments and receipts on these derivatives are recorded on an accrual basis within net investment income for hedges of fixed income securities and other income for hedges of liabilities and net realized capital gains and losses for hedges of foreign net investments and credit default swaps. Upon termination or maturity the gains or losses on these contracts are recognized in net realized capital gains and losses, net of taxes. Realized gains or losses on terminated or matured interest rate related derivatives are transferred to the IMR, net of taxes.

Short-term investments consist of securities that have maturities of greater than three months and less than or equal to twelve months when purchased and are stated at amortized cost, which approximates fair value. Cash and cash equivalents include cash on hand, amounts due from banks and highly liquid debt instruments that have original maturities of three months or less at date of purchase and are stated at amortized cost, which approximates fair value.

All securities are recorded in the financial statements on a trade date basis except for the acquisition of private placement bonds, which are recorded on the funding date.

The AVR is used to stabilize surplus from fluctuations in the market value of bonds, stocks, mortgage loans, real estate, limited partnerships and other investments. Changes in the AVR are accounted for as direct increases or decreases in surplus. The IMR captures interest related realized gains and losses on sales (net of taxes) of bonds, preferred stocks, mortgage loans, interest related other-than-temporary impairments (net of taxes) and realized gains or losses (net of taxes) on terminated interest rate related derivatives which are amortized into net income over the expected years to maturity of the investments sold or the item being hedged using the grouped method. An interest related other-than-temporary impairment occurs when the Company has the intent to sell an investment, at the balance sheet date, before recovery of the cost of the investment. For loan-backed and structured securities, the non-interest related other-than-temporary impairment is booked to AVR, and the interest related portion to IMR.

Loaned Securities and Repurchase Agreements

The Company has entered into securities lending agreements whereby certain general account investment securities are loaned to third parties for the purpose of enhancing income on certain securities held. Securities loaned are treated as financing arrangements, and are recorded at the amount of cash advanced or received. With respect to securities loaned, the Company requires initial collateral, usually in the form of cash, equal to 102% of the fair value of domestic securities loaned. If foreign securities are loaned and the denomination of the collateral is other than the denomination of the currency of the loaned securities, then the initial required collateral is 105% of their face value. The Company monitors the fair value of securities loaned with additional collateral obtained as necessary.

The Company enters into agreements to sell and repurchase securities for the purpose of enhancing income on the securities portfolio. Assets to be repurchased are the same, or substantially the same, as the assets transferred. Securities sold under agreements to repurchase are treated as financing arrangements. Cash collateral received is invested in short-term investments with an offsetting collateral liability included in “Borrowed Money” in the accompanying Statutory Statements of Financial Position. The Company receives cash collateral equal to at least 95% of the fair value of the securities to be repurchased. The fair value of the securities to be repurchased is monitored and additional collateral is obtained, where appropriate, to protect against credit exposure.

The Company enters into agreements to purchase and resell securities for the purpose of enhancing income on the securities portfolio. Securities purchased under agreements to resell are treated as investing activities and are carried at amortized cost, and it is the Company’s policy to generally take possession or control of the securities purchased under these agreements. However, for tri-party repurchase agreements, the Company’s designated custodian takes possession of the underlying collateral securities. Securities purchased under agreements to resell are reflected in “Cash, Cash Equivalents and Short-Term Investments” in the accompanying Statutory Statements of Financial Position. The Company receives securities as collateral, having a fair value at least equal to 102% of the purchase price paid by the Company for the securities. The fair value of the securities to be resold is monitored and additional collateral is obtained, where appropriate, to protect against credit exposure.

Premiums and Related Expenses

Life premiums are taken into income over the premium-paying period of the policies. Annuity considerations are recognized as revenue when received. Commissions and other costs associated with acquiring new business are charged to operations as incurred. Guaranteed interest contracts (“GICs”) with purchase rate guarantees, which introduce an element of mortality risk, are recorded as income when received. Maturation of GICs with purchase rate guarantees are reported as payments on matured contracts and included in surrender benefits in the Statutory Statements of Operations. Amounts received or paid under contracts without mortality or morbidity risk are recorded directly in the Statutory Statements of Financial Position as an adjustment to “Deposit Funds” and not reflected in the Statutory Statements of Operations.

Dividends to Policyholders

The liability for dividends to policyholders consists principally of dividends expected to be paid during the subsequent year. The allocation of dividends is approved annually by the Board of Directors and is determined by means of formulas, which reflect the relative contribution of each group of policies to divisible surplus.

Policy Reserves

Policy reserves are based on mortality tables and valuation interest rates, which are consistent with statutory requirements and are designed to be sufficient to provide for contractual benefits. The Company holds reserves greater than those developed under the minimum statutory reserving rules when the Valuation Actuary determines that the minimum statutory reserves are inadequate. Actual results could differ from these estimates and may result in the establishment of additional reserves. The Valuation Actuary monitors actual experience and, where circumstances warrant, revises assumptions and the related estimates for policy reserves. See Note 8 – Insurance Liabilities, for a discussion of reserves in excess of minimum NAIC requirements.

Federal Income Taxes

Current federal income taxes are charged or credited to operations based upon amounts estimated to be payable or recoverable as a result of taxable operations for the current year and any adjustments to such estimates from prior years. DTAs and deferred federal income tax liabilities (“DTLs”) are recognized for expected future tax consequences of temporary differences between statutory and taxable income. Temporary differences are identified and measured using a balance sheet approach whereby statutory and tax balance sheets are compared. Changes in DTAs and DTLs are recognized as a separate component of surplus (except for the net deferred tax asset related to unrealized gains, which is reclassed to be included in unrealized gains and losses). Net deferred tax assets are admitted to the extent permissible under NAIC SAP. Gross DTAs are reduced by a statutory valuation allowance, if any, if it is more likely than not that some portion or all of the gross DTA will not be realized. For 2012, the Company is required to establish a tax loss contingency if it is more likely than not that a tax position will not be sustained. If a loss contingency is greater than 50 percent of the tax benefit associated with a tax position, the loss contingency is increased to 100 percent. For 2011, the benefit of a tax position is offset by a tax contingency reserve if it is probable that the Company will have to pay additional tax and related charges as a result of an adjustment by the taxing authorities during a tax audit.

The Company files a consolidated federal income tax return with certain of its domestic insurance and non-insurance subsidiaries. The consolidated income tax liability is allocated among the members of the group in accordance with a tax allocation agreement.

The tax allocation agreement provides that each member of the group is allocated its share of the consolidated tax provision or benefit, determined generally on a separate company basis, but may, where applicable, recognize the tax benefits of net operating losses or capital losses utilizable in the consolidated group. Intercompany tax balances are settled quarterly on an estimated basis with a final settlement within 30 days of the filing of the consolidated return.

Separate Accounts

The Company has established both non-guaranteed and guaranteed separate accounts with varying investment objectives which are segregated from the Company's general account and are maintained for the benefit of separate account contractholders. Separate account assets are primarily invested in bonds, common stocks, limited partnerships and hedge funds, and are generally stated at market value.

The liability for non-guaranteed separate accounts represents contractholders' interests in the separate account assets, including accumulated net investment income and realized and unrealized gains and losses on those assets.

Guaranteed separate accounts maintained on a market value basis provide a guaranteed minimum interest rate (reset periodically), and for other market value separate accounts, the guarantee is tied to an index. For the accounts which provide a minimum guaranteed interest rate, at contract discontinuance, the contract holder is entitled to an immediate payout of market value, or an installment payout of the guaranteed amount, or for certain contracts, a lump sum payout of the guaranteed amount at the end of a specified number of years, as set forth in the contract. For accounts where the guarantee is tied to an index, at contract discontinuance, and given 10 days notice, if the market value is greater than the guaranteed amount the contract holder is entitled to the guaranteed amount plus one-half of the excess performance. If the market value of the assets is less than the guaranteed amount, the contract holder is entitled to an immediate payout of market value, or an installment payout of the guaranteed amount.

Guaranteed separate accounts maintained on an amortized cost/book value basis provide a guarantee of principal and interest during active status, and at contract discontinuance, the contractholder is entitled to a book value payout so long as 12 months' advance notice is provided. Alternatively, the contractholder may elect discontinuance with at least 10 days notice and receive an immediate lump sum payment subject to a market value adjustment factor.

Nonadmitted Assets

Under statutory accounting practices, certain assets are designated as "nonadmitted assets" and are not included in the accompanying Statutory Statements of Financial Position since these assets are not permitted by the NYSDFS to be taken into account in determining an insurer's financial condition. Nonadmitted assets often include furniture and equipment, agents' debit balances, deferred tax assets not realizable within three years, receivables over 90 days old, and the prepaid pension assets on qualified plans. Changes to nonadmitted assets are reported as a direct adjustment to surplus in the Statutory Statements of Changes in Surplus.

Fair Value of Financial Instruments and Insurance Liabilities

Fair value of various assets and liabilities are included throughout the notes to the financial statements. Specifically, fair value disclosure of investments held is reported in Note 3 – Investments. Fair values for derivative financial instruments are included in Note 5 – Derivative Financial Instruments and Risk Management. Fair values for insurance liabilities are reported in Note 8 – Insurance Liabilities. The aggregate fair value of all financial instruments summarized by type is included in Note 17 – Fair Value Measurements.

Contingencies

Amounts related to contingencies are accrued if it is probable that a liability has been incurred and an amount is reasonably estimable. Regarding litigation, management evaluates whether there are incremental legal or other costs directly associated with the ultimate resolution of the matter that are reasonably estimable and, if so, includes such costs in the accrual.

At the inception of a guarantee (except unlimited guarantees and guarantees made to or on behalf of wholly owned subsidiaries), the Company recognizes an initial liability at fair value for the obligations it has undertaken, regardless of the probability of performance under the guarantee. This includes guarantees made on behalf of affiliates other than wholly owned subsidiaries unless the guarantee is deemed unlimited.

Foreign Currency Translation

The Company's Canadian insurance operations are stated in Canadian dollars, with a single foreign currency adjustment of the net value reflected in unrealized gains and losses as a component of surplus. For all other foreign currency items, income and expenses are translated at the average exchange rate for the period while balance sheet items are translated using the spot rate in effect at the balance sheet date. In addition, the impact of the cumulative translation adjustment on the Company's foreign insurance subsidiaries are included in investment in subsidiaries with the change reported as an unrealized gain or loss.

Benefit Plans

The Company maintains various tax-qualified and non-qualified plans that provide defined benefit pension and other postretirement benefits covering eligible U.S. employees and agents. A December 31 measurement date is used for all defined benefit pension and other postretirement benefit plans.

Under NAIC SAP related to pension plan obligations, the projected pension benefit obligation ("PBO") is defined as the actuarially calculated present value of vested pension benefits accrued based on service accruals through the measurement date and anticipated future salary levels. The ABO is the basis upon which pension liabilities are determined. The ABO differs from the PBO in that it includes no assumptions about future compensation levels. The PBO and ABO of the defined benefit pension plans are determined using a variety of actuarial assumptions, from which actual results may vary.

Under NAIC SAP related to postretirement benefit plans, the accumulated postretirement benefit obligations ("APBO") represents the actuarial present value of future other postretirement benefits attributed to employee services rendered through the measurement date and is the valuation basis upon which postretirement benefits are established and net periodic postretirement benefit cost is determined. The APBO is determined using a variety of actuarial assumptions, from which actual results may vary.

The Company recognizes an AML on the Statutory Statements of Financial Position when the ABO exceeds the fair value of the plan assets for funded plans or the accrued benefit liability for the unfunded plans. Changes in the AML are recorded as a direct increase or decrease in surplus on the Statutory Statements of Changes in Surplus. For pension benefits, the Company recognizes the change in the PBO as a component of pension benefit cost included as an expense in the Statutory Statements of Operations. For other post-retirement benefits, the Company recognizes the change in the APBO as a component of postretirement benefit cost included as an expense in the Statutory Statements of Operations.

Net periodic benefit cost is determined using management estimates and actuarial assumptions to derive service cost, interest cost, and expected return on plan assets for a particular year. Net periodic benefit cost also includes the applicable amortization of any prior service cost (credit) arising from the increase (decrease) in prior years' benefit costs due to plan amendments or initiation of new plans. These costs are amortized into net periodic benefit cost over the expected service years of employees whose benefits are affected by such plan amendments. Actual experience related to plan assets and/or the benefit obligations may differ from that originally assumed when determining net periodic benefit cost for a particular period, resulting in gains or losses. To the extent such aggregate gains or losses exceed 10 percent of the greater of the benefit obligations or the market-related asset value of the plans; they are amortized into net periodic benefit cost over the expected service years of employees expected to receive benefits under the plans.

The obligations and expenses associated with these plans require an extensive use of assumptions such as the discount rate, expected rate of return on plan assets, rate of future compensation increases; healthcare cost trend rates, as well as assumptions regarding participant demographics such as rate and age of retirements, withdrawal rates, and mortality. Management, in consultation with its external consulting actuarial firm, determines these assumptions based upon a variety of factors such as historical performance of the plan and its assets, currently available market and industry data, and expected benefit payout streams. The assumptions used may differ materially from actual results due to, among other factors, changing market and economic conditions and changes in participant demographics.

The Company also sponsors tax-qualified defined contribution plans for substantially all U.S. employees and agents. The defined contribution plan for employees matches a portion of employees' contributions. Accordingly, the Company recognizes compensation cost for current matching contributions. The defined contribution plan for agents provides for discretionary Company contributions for eligible agents. Accordingly, the Company recognizes compensation cost for current matching contributions. As all contributions are transferred currently to the trust for these plans, no liability for matching contributions is recognized in the accompanying Statutory Statements of Financial Position.

The Company also maintains for certain eligible participants a non-qualified unfunded arrangement that credits deferral amounts and matching contributions in respect of compensation in excess of the amount that may be taken into account under the tax-qualified defined contribution plan because of applicable IRS limits. Accordingly, the Company recognizes compensation cost for current matching contributions and holds a liability for these benefits, which is included in other liabilities in the accompanying Statutory Statements of Financial Position.

The Company provides certain benefits to eligible employees and agents during employment for paid absences. A liability for these benefits is accrued when the benefit is incurred.

Business Risks and Uncertainties

In periods of extreme volatility and disruption in the securities and credit markets, and under certain interest rate scenarios, the Company could be subject to disintermediation risk and/or reduction in net interest spread or profit margins.

The Company's investment portfolio consists principally of fixed income securities as well as mortgage loans, policy loans, limited partnerships, preferred and common stocks and equity real estate. The fair value of the Company's investments varies depending on economic and market conditions and the interest rate environment.

Furthermore, with respect to investments in mortgage loans, mortgage-backed securities and other securities subject to prepayment and/or call risk, significant changes in prevailing interest rates and/or geographic conditions may adversely affect the timing and amount of cash flows on these investments, as well as their related values. In addition, the amortization of market premium and accretion of market discount for mortgage-backed securities is based on historical experience and estimates of future payment experience underlying mortgage loans. Actual prepayment timing will differ from original estimates and may result in material adjustments to asset values and amortization or accretion recorded in future periods.

Certain of these investments lack liquidity, such as privately placed fixed income securities; leveraged leases; equity real estate; and other limited partnership interests. The Company also holds certain investments in asset classes that are liquid but have been experiencing significant market fluctuations, such as mortgage-backed and other asset-backed securities. If the Company were to require significant amounts of cash on short notice in excess of cash on hand and the Company's portfolio of liquid investments, the Company could have difficulty selling these investments in a timely manner, be forced to sell them for less than the Company otherwise would have been able to realize, or both.

In periods of high or increasing interest rates, life insurance policy loans and surrenders and withdrawals may increase as policyholders seek investments with higher perceived returns. This could result in cash outflows requiring the Company to sell invested assets at a time when the prices of those assets are adversely affected by the increase in market interest rates, which could cause the Company to suffer realized investment losses. In addition, when interest rates rise, the Company may face competitive pressure to increase crediting rates on certain insurance and annuity contracts, and such changes may occur more quickly than corresponding changes to the rates earned on the Company's general account investments.

During periods of low or declining interest rates, the Company is contractually obligated to credit a fixed minimum rate of interest on almost all of the Company's life insurance and annuity policies. Should yields on new investments decline to levels below these guaranteed minimum rates for a long enough period, the Company may be required to credit interest to policyholders at a higher rate than the rate of return the Company earns on the Company's portfolio of investments supporting those products, thus generating losses.

Although management of the Company employs a number of asset/liability management strategies to minimize the effects of interest rate volatility, no guarantee can be given that it will be successful in managing the effects of such volatility.

The Company establishes and carries reserves to pay future policyholder benefits and claims. The process of calculating reserve amounts for an insurance organization involves the use of a number of estimates and assumptions including those related to mortality (the relative incidence of death in a given time or place), morbidity (the incidence rate of a disease or medical condition) and interest rates (the rates expected to be paid or received on financial instruments, including insurance or investment contracts). Since the Company cannot precisely determine the amount or timing of actual future benefits and claims, actual results could differ significantly from those assumed. Deviations from one or more of these estimates and assumptions could have a material adverse effect on the Company's results of operations or financial condition.

The Company sets prices for many of its insurance and annuity products based upon expected claims and payment patterns, using assumptions for mortality, morbidity, persistency (how long a contract stays in force) and interest rates.

In addition to the potential effect of natural or man-made disasters, significant increases in mortality could emerge gradually over time, due to changes in the natural environment, the health habits of the insured population, effectiveness of treatment for disease or disability, or other factors. In addition, the Company could fail to accurately provide for changes in other pricing assumptions, including changes in interest and inflation rates.

Significant negative deviations in actual experience from the Company's pricing assumptions could have a material adverse effect on the profitability of its products. The Company's earnings are significantly influenced by the claims paid under its insurance contracts and will vary from period to period depending upon the amount of claims incurred. There is only limited predictability of claims experience within any given month or year. The Company's future experience may not match its pricing assumptions or its past results. As a result, its results of operations and financial condition could be materially adversely affected.

Issuers or borrowers whose securities or loans the Company holds, customers, trading counterparties, counterparties under swaps and other derivative contracts, reinsurers, clearing agents, exchanges, clearing houses and other financial intermediaries and guarantors may default on their obligations to the Company due to bankruptcy, insolvency, lack of liquidity, adverse economic conditions, operational failure, fraud or other reasons. In addition, the underlying collateral supporting the Company's structured securities, including mortgage-backed securities, may deteriorate or default causing these structured securities to incur losses.

Weak equity market performance may adversely affect the Company's subsidiaries' sales of variable products, mutual funds or investment management products, cause potential purchasers of the Company's products to refrain from new or additional investments, and may cause current customers to surrender or redeem their current products and investments.

Revenues of the Company's subsidiaries from variable products, mutual funds and other investment management businesses are to a large extent based on fees related to the value of assets under management (except for its Elite Annuity product, where future revenue is based on adjusted premium payments). Consequently, poor equity market performance reduces fee revenues. The level of assets under management could also be negatively affected by withdrawals or redemptions.

One of the insurance subsidiaries issues certain variable products with various types of guaranteed minimum benefit features. The subsidiary establishes reserves for the expected payments resulting from these features. The Company bears the risk that payments may be higher than expected as a result of significant, sustained downturns in the stock market. The Company also bears the risk that additional reserves may be required if partial surrender activity increases significantly for some annuity products during the period when account values are less than guaranteed amounts.

The Risk Based Capital ("RBC") ratio is the primary measure by which regulators evaluate the capital adequacy of the Company. RBC is determined by statutory rules that consider risks related to the type and quality of invested assets, insurance-related risks associated with the Company's products, interest-rate risk and general business risks. Disruptions in the capital markets could increase equity and credit losses and reduce the Company's statutory surplus and RBC ratio. To the extent that the Company's statutory capital resources are deemed to be insufficient to maintain a particular rating by one or more rating agencies, the Company may seek to improve its capital position, including through operational changes and potentially seeking outside capital.

The Company faces significant competition.

The Company faces strong competition in its Insurance and Investment Group businesses. The Company's ability to compete is based on a number of factors, including product features, investment performance, service, price, distribution capabilities, scale, commission structure, name recognition and financial strength ratings. Industry consolidation, including acquisition of insurance and other financial service companies in the U.S. by international companies, could result in larger competitors with strong financial resources, marketing and distribution capabilities and brand identities.

The Company's career agency force is the primary means by which it distributes life insurance products. In order to continue increasing life insurance sales, the Company must retain and attract additional productive career agents.

Rating agencies assign the Company financial strength/claims paying ability ratings, based on their evaluations of the Company's ability to meet its financial obligations. These ratings indicate a rating agency's view of an insurance company's ability to meet its obligations to its insureds. In certain of the Company's markets, ratings are important competitive factors of insurance companies. Rating organizations continue to review the financial performance and condition of insurers, including the Company. A significant downgrade in the Company's ratings could materially and adversely affect its competitive position in the life insurance market and increase its cost of funds. In addition, downgrades of the sovereign credit rating of the United States would likely result in a corresponding downgrade of the financial strength rating of the Company by certain rating agencies, which could have an adverse effect on the Company's results of operations.

Regulatory developments in the markets in which the Company operates could affect the Company's business.

Although the federal government does not directly regulate the business of insurance, federal legislation and administrative policies in several areas, including pension regulation, financial services regulation, derivatives, health care regulation and federal taxation, can significantly and adversely affect the insurance industry and the Company. There are a number of current or potential regulatory measures that may affect the insurance industry. The Company is unable to predict whether any changes will be made, whether any administrative or legislative proposals will be adopted in the future, or the effect, if any, such proposals would have on the Company.

The attractiveness to the Company's customers of many of its products is due, in part, to favorable tax treatment. Current federal income tax laws generally permit the tax-deferred accumulation of earnings on the premiums paid by the holders of annuities and life insurance products. Taxes, if any, are payable generally on income attributable to a distribution under the contract for the year in which the distribution is made. Death benefits under life insurance contracts are received free of federal income tax. Changes to the favorable tax treatment may reduce the attractiveness of the Company's products to its customers.

As substantially all of the net assets of NYLE are held in foreign countries, primarily Mexico, there is a potential for adverse impact on net assets from economic and political changes in these countries. In addition, NYLE is also subject to foreign currency translation risk whereby the assets and liabilities of the Company are held in currencies other than the U.S. dollar. In certain of the Company's markets, U.S. dollar denominated products are sold, which subjects the Company to foreign exchange risk. For example, when the foreign currency weakens, the cost of products generally increases and may result in reduced sales volume and higher policy surrenders. This risk can impact both the financial condition and results of operations of the Company.

NOTE 3 – INVESTMENTS

Bonds

The carrying value and estimated fair value of bonds as of December 31, 2012 and 2011, by contractual maturity are presented below (in millions). See Note 17 – Fair Value Measurements, for discussion of valuation methods for bonds. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	2012		2011	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Due in one year or less	$ 2,217	$ 2,266	$ 1,527	$ 1,552
Due after one year through five years	12,003	13,057	12,271	12,971
Due after five years through ten years	16,364	19,152	15,336	17,676
Due after ten years	17,826	22,162	17,325	21,263
Mortgage and asset-backed securities:				
U.S. agency mortgage and asset-backed securities	8,168	9,195	8,328	9,371
Non-Agency mortgage-backed securities	6,996	7,322	7,824	7,628
Non-Agency asset-backed securities	4,885	5,023	5,527	5,580
Total	$ 68,459	$ 78,177	$ 68,138	$ 76,041

The Company has exposure to subprime and midprime residential mortgage lending through its fixed maturity investments that are collateralized by mortgages that have characteristics of subprime or midprime lending. Subprime residential mortgage lending is the origination of residential mortgage loans to customers with weak credit profiles, including using relaxed mortgage-underwriting standards that provide for affordable mortgage products. These investments are primarily in the form of asset-backed securities ("ABS") supported by subprime or midprime residential mortgage loans or collateralized debt securities ("CDO") that contain a subprime or midprime loan component. At December 31, 2012, the collective carrying value of the subprime investments was $210 million with an unrealized loss of $1 million. Of this amount, 40.22% had "AAA" or "AA" credit quality ratings. At December 31, 2012, the collective carrying value of the midprime investments was $470 million with an unrealized loss of $20 million. Of this amount, 33.96% had "AAA" or "AA" credit quality ratings. The Company manages its subprime and midprime risk exposure by limiting the Company's holdings in these types of instruments, maintaining high credit quality investments, and performing ongoing analysis of cash flows, prepayment speeds, default rates and other stress variables.

At December 31, 2012 and 2011, the distribution of gross unrealized gains and losses on bonds was as follows (in millions):

2012	Carrying Amount	Unrealized Gains	Unrealized Losses	Estimated Fair Value
U.S. Treasury	$ 825	$ 268	$ 1	$ 1,092
U.S. government corporations & agencies	5,441	1,931	-	7,372
U.S. agency mortgage and asset-backed securities	8,168	1,035	8	9,195
Foreign governments	1,098	243	4	1,337
U.S. corporate	31,169	4,671	45	35,795
Foreign corporate	9,877	1,172	8	11,041
Non-Agency residential mortgage-backed securities	2,501	71	106	2,466
Non-Agency commercial mortgage-backed securities	4,495	400	39	4,856
Non-Agency asset-backed securities	4,885	297	159	5,023
Total	$ 68,459	$ 10,088	$ 370	$ 78,177

2011	Carrying Amount	Unrealized Gains	Unrealized Losses	Estimated Fair Value
U.S. Treasury	$ 1,465	$ 409	$ -	$ 1,874
U.S. government corporations & agencies	5,161	1,862	1	7,022
U.S. agency mortgage and asset-backed securities	8,328	1,043	-	9,371
Foreign governments	1,170	243	12	1,401
U.S. corporate	29,273	3,849	127	32,995
Foreign corporate	9,390	864	84	10,170
Non-Agency residential mortgage-backed securities	2,857	25	370	2,512
Non-Agency commercial mortgage-backed securities	4,967	279	130	5,116
Non-Agency asset-backed securities	5,527	271	218	5,580
Total	$ 68,138	$ 8,845	$ 942	$ 76,041

The Company did not have any fixed income investments that were restructured within the previous twelve months that subsequently defaulted on their restructured terms during the period.

As of December 31, 2012 and 2011, the Company did not have any commitments to lend additional funds to debtors owing receivables whose terms have been modified in troubled debt restructurings.

Common and Preferred Stocks

The carrying value of common and preferred stocks as of December 31, 2012 and 2011 consists of the following (in millions):

	2012	2011
Affiliated common stock	$ 8,658	$ 7,720
Unaffiliated common stock	1,993	1,295
Preferred stock	62	66
Total	$ 10,713	$ 9,081

The Company records its share of gains or losses from investments in subsidiaries and affiliates, including membership interests, as unrealized gains or losses. In 2012 and 2011, the Company recorded net unrealized gains of $1,130 million and $778 million, respectively.

In 2012 and 2011, the Company recorded net unrealized gains/(losses) on unaffiliated common stock of $144 million and $(11) million, respectively.

Mortgage Loans

The Company's mortgage loans are diversified by property type, location and borrower, and are collateralized. The maximum and minimum lending rates for commercial mortgage loans funded during 2012 were 6.25% and 2.75% (6.50% and 2.50% for 2011). There were no residential mortgage loans funded in 2012 or 2011. The maximum percentage of any one commercial loan to the value of the security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages was 92.4% (average percentage was 59.7%). The maximum percentage of any residential loan to the value of the security at the time of the loan was 80% (average percentage was 40%). The Company has no significant credit risk exposure to any one individual borrower.

At December 31, 2012 and 2011, the distribution of the mortgage loan portfolio by property type and geographic location was as follows (in millions):

	2012		2011	
	Carrying Amount	**% of Total**	**Carrying Amount**	**% of Total**
Property Type:				
Office Buildings	$ 3,873	36.26 %	$ 3,728	36.90 %
Retail Facilities	2,667	24.97	2,060	20.39
Apartment Buildings	2,195	20.55	2,216	21.94
Industrial	1,843	17.25	1,975	19.55
Hotels	69	0.65	72	0.71
Residential	32	0.30	47	0.47
Other	2	0.02	4	0.04
Total	$ 10,681	100.00 %	$ 10,102	100.00 %

	2012		2011	
	Carrying Amount	**% of Total**	**Carrying Amount**	**% of Total**
Geographic Location:				
South Atlantic	$ 2,970	27.81 %	$ 2,692	26.65 %
Central	2,472	23.14	2,447	24.22
Pacific	2,385	22.33	2,156	21.34
Middle Atlantic	2,342	21.93	2,279	22.56
New England	455	4.26	528	5.23
Other	57	0.53	-	-
Total	$ 10,681	100.00 %	$ 10,102	100.00 %

At December 31, 2012 and 2011 no mortgage loans were past due.

For commercial and residential mortgage loans, the Company accrues interest income on loans to the extent it is deemed collectible. The Company places loans on non-accrual status, and ceases to recognize interest income when management determines the collection of interest and principal repayment is not probable. Any accrued but uncollected interest is reversed out of interest income once a loan is put on non-accrual status. Interest payments received on loans where interest payments have been deemed uncollectible, are recognized on a cash basis and recorded as interest income. If a loan has any investment income due and accrued that is 90 days past due and collectible, the investment income shall continue to accrue, if deemed collectible, but all accrued interest related to the loan is reported as a nonadmitted asset, until such time that it has been paid or it is deemed uncollectible.

At December 31, 2012 and 2011, the Company had no interest on mortgage loans that was more than 90 days past due or any loans with interest reductions.

The Company maintains a watchlist of commercial loans that may potentially be impaired. The general guidelines analyzed to include commercial loans within the watchlist are Loan-to-Value ratio ("LTV"), asset performance such as Debt Service Coverage Ratio ("DSCR"), lease rollovers, income/expense hurdles, major tenant or borrower issues, the economic climate, and catastrophic events, among others. Loans placed on the watchlist generally take priority in being revalued in the Company's inspection/evaluation commercial loan program that revalues properties securing commercial loans. The guideline for analyzing residential loans occurs once a loan is 60 or more days delinquent. At that point, an appraisal or broker's price opinion of the underlying asset is obtained.

As mentioned above, the Company uses LTV as one of the key mortgage loan indicators to assess credit quality and to assist in identifying problem loans. As of December 31, 2012 and 2011, LTVs on the Company's mortgage loans were as follows (in millions):

	2012							
Loan to Value % (By Class)	**Office Bldgs**	**Retail**	**Apartment Bldgs**	**Industrial**	**Hotel**	**Residential**	**Other**	**Total**
Above 95%	$ -	$ -	$ 8	$ 6	$ -	$ -	$ -	$ 14
91% to 95%	29	-	7	32	-	-	-	68
81% to 90%	155	130	99	482	-	-	-	866
71% to 80%	463	391	489	393	11	2	-	1,749
below 70%	3,226	2,146	1,592	930	58	30	2	7,984
Total	**$ 3,873**	**$ 2,667**	**$ 2,195**	**$ 1,843**	**$ 69**	**$ 32**	**$ 2**	**$ 10,681**

	2011							
Loan to Value % (By Class)	**Office Bldgs**	**Retail**	**Apartment Bldgs**	**Industrial**	**Hotel**	**Residential**	**Other**	**Total**
Above 95%	$ 8	$ -	$ 24	$ 24	$ -	$ -	$ -	$ 56
91% to 95%	-	-	33	86	-	-	-	119
81% to 90%	244	143	87	458	12	-	-	944
71% to 80%	535	453	585	384	-	3	-	1,960
below 70%	2,941	1,464	1,487	1,023	60	44	4	7,023
Total	**$ 3,728**	**$ 2,060**	**$ 2,216**	**$ 1,975**	**$ 72**	**$ 47**	**$ 4**	**$ 10,102**

Impaired mortgage loans at December 31, 2012 and 2011 were as follows (in millions):

	2012					
	Impaired loan with allowance for credit losses	Related allowance	Impaired loan without allowance for credit losses	Average recorded investment	Interest income recognized	Interest income on a cash basis during the period
Industrial	$ 7	$ - *	$ -	$ 13	$ 1	$ -
Total	**$ 7**	**$ - ***	**$ -**	**$ 13**	**$ 1**	**$ -**
Commerical	$ 7	$ -	$ -	$ 13	$ 1	$ -
Residential	$ -	$ -	$ -	$ -	$ -	$ -

* Aggregate related allowance is less than $1 million.

	2011					
	Impaired loan with allowance for credit losses	Related allowance	Impaired loan without allowance for credit losses	Average recorded investment	Interest income recognized	Interest income on a cash basis during the period
Office bldgs	$ 10	$ 2	$ -	$ 10	$ 1	$ -
Apartment bldgs	8	1	-	9	-	-
Industrial	32	7	-	26	2	-
Total	**$ 50**	**$ 10**	**$ -**	**$ 45**	**$ 3**	**$ -**
Commerical	$ 50	$ 10	$ -	$ 45	$ 3	$ -
Residential	$ -	$ -	$ -	$ -	$ -	$ -

The related allowance for credit losses for the years ended December 31, 2012 and 2011 is summarized below (in millions):

	2012		2011	
	Residential	Commercial	Residential	Commercial
Beginning balance	$ -	$ 10	$ -	$ 5
Additions charged to operations	-	1	-	8
Direct write-downs charged against the allowance	-	(10)	-	(2)
Recoveries of amounts previously charge off	-	(1)	-	(1)
Ending Balance	$ -	$ - *	$ -	$ 10

* Aggregate balance is less than $1 million.

Changes in the valuation allowance for mortgage loans are recorded as unrealized gains and losses. If the loan is determined to be other-than-temporarily impaired, a realized loss is recorded.

At December 31, 2012 and 2011, the Company did not have any investments in restructured mortgage loans and no allowance for credit losses for restructured mortgage loans. During the years ended December 31, 2012 and 2011, no investments in restructured mortgage loans were foreclosed.

The Company did not have any mortgage loans that were restructured within the previous twelve months and subsequently defaulted on their restructured terms during the period. No additional funds were committed to debtors whose terms have been modified in the years ended December 31, 2012 and 2011.

Real Estate

At December 31, 2012 and 2011, the Company's real estate portfolio, at carrying amount, consisted of the following (in millions):

	2012	2011
Investment	$ 201	$ 90
Acquired through foreclosure	45	50
Properties for Company use	273	270
Total real estate	$ 519	$ 410

Accumulated depreciation on real estate at December 31, 2012 and 2011 was $353 million and $332 million, respectively. Depreciation expense totaled $21 million and $20 million at December 31, 2012 and 2011, respectively, and was recorded as an investment expense, a component of net investment income in the accompanying Statutory Statements of Operations.

The Company had no material holdings of residential real estate.

During both 2012 and 2011, the Company recognized less than $1 million of realized gains on the sale of properties held for sale. The Company recognized $3 million of impairment losses on its real estate investment portfolio for the year ended December 31, 2012. The Company did not recognize any impairment losses on its real estate investment portfolio for the year ended December 31, 2011.

The Company also owns real estate in certain LLC structures, which are included within "Limited partnerships and other invested assets" in the Statutory Statements of Financial Position, of $528 million and $287 million, respectively, for the years ended December 31, 2012 and 2011.

Limited Partnerships and Other Invested Assets

The carrying value of limited partnerships and other invested assets as of December 31, 2012 and 2011 is presented below (in millions):

	2012	2011
Limited partnerships and limited liability companies	$ 5,969	$ 5,318
New York Life Short Term Fund ("NYL STIF")	1,182	681
LIHTC investment	435	452
Loans to Madison Capital Funding LLC ("MCF")	1,865	1,870
Total Limited Partnerships and Other Invested Assets	$ 9,451	$ 8,321

Limited partnerships and limited liability companies primarily consist of limited partnership interests in leveraged buy-out funds, real estate and other equity investments.

Net unrealized gains of $171 million and net unrealized losses of $24 million were recorded on these investments for the years ended December 31, 2012 and 2011, respectively.

The Company recognized $151 million and $136 million in impairment write-downs on its investment in limited partnerships and limited liability companies during the years ended December 31, 2012 and 2011, respectively.

At December 31, 2012 and 2011, the Company had $122 million and $112 million, respectively, of investments in limited partnerships and limited liability companies that were nonadmitted. During the years ended December 31, 2012 and 2011, the change in nonadmitted assets resulted in a $10 million charge to surplus and a $59 million increase to surplus, respectively.

The NYL STIF primarily invests in short-term U.S. government and agency securities, certificates of deposits, floating rate notes, commercial paper, repurchase agreements and asset-backed securities, which maintain a weighted average maturity of 55 days. Net unrealized gains of less than $1 million were recorded on the NYL STIF for both years ended December 31, 2012 and 2011.

The Company receives tax credits related to its investments in low income housing partnerships. The Company's unexpired tax credits on its investments in LIHTC expire within a range of less than 1 year to 12 years. The minimum holding period required for the Company's LIHTC investments extends from less than 1 year to 16 years. The LIHTC investments are periodically subject to regulatory reviews by housing authorities where the properties are located. The Company is not aware of any adverse issues related to such regulatory reviews. During 2012, there were no write-downs due to the forfeiture or ineligibility of tax credits.

See Note 6 – Related Party Transactions, for a more detailed discussion of the Loans to Madison Capital Funding LLC ("MCF").

Assets on Deposit or Pledged as Collateral

Assets with a fair value of $201 million and $292 million at December 31, 2012 and 2011, respectively, were on deposit with government authorities or trustees as required by certain state insurance laws and are included within related invested assets in the accompanying Statutory Statements of Financial Position.

Assets with a fair value of $3,929 million and $4,567 million, including interest due and accrued, at December 31, 2012 and 2011, respectively, were posted as collateral to support the funding agreements issued to the Federal Home Loan Bank of New York (the "FHLB of NY"). See Note 8 – Insurance Liabilities for the details of the FHLB of NY transaction.

NOTE 4 – INVESTMENT INCOME AND CAPITAL GAINS AND LOSSES

The components of net investment income for the years ended December 31, 2012 and 2011 were as follows (in millions):

	2012	2011
Bonds	$ 3,604	$ 3,623
Mortgage loans	593	564
Affiliated common stocks	75	14
Unaffiliated common and preferred stocks	67	47
Real estate	91	85
Limited partnerships	458	364
Policy loans	455	456
Other invested assets	98	77
Short-term investments	4	3
Derivatives	(4)	18
Other investments	11	4
Gross investment income	5,452	5,255
Investment expenses	(392)	(390)
Net investment income	5,060	4,865
Amortization of IMR	83	68
Net investment income, including IMR	$ 5,143	$ 4,933

Due and accrued investment income is excluded from surplus when amounts are over 90 days past due or collection is uncertain. Amounts excluded from net investment income in 2012 and 2011 was less than $1 million each year.

Proceeds from investments in bonds sold were $4,937 million and $11,641 million for the years ended December 31, 2012 and 2011, respectively.

For the years ended December 31, 2012 and 2011, realized capital gains and losses on sales computed under the specific identification method and OTTI were as follows (in millions):

	2012		2011	
	Gains	Losses	Gains	Losses
Bonds	$ 411	$ 95	$ 331	$ 207
Mortgage loans	-	12	-	4
Unaffiliated common and preferred stock	97	69	45	45
Real estate	-	3	1	-
Other invested assets	96	184	11	137
Derivatives	194	226	351	342
Other investments	27	2	-	94
	$ 825	$ 591	$ 739	$ 829
Net realized capital gains/(losses) before tax and transfers to the IMR	$ 234		$ (90)	
Less:				
Capital gains tax (expense) benefit	(136)		16	
Net realized capital losses (gains) after-tax transferred to the IMR	(221)		(172)	
Net realized capital (losses) after-tax and transfers to the IMR	$ (123)		$ (246)	

The following table provides a summary of other-than-temporary impairment (losses) included as realized capital losses (in millions):

	2012	2011
Bonds	$ (63)	$ (174)
Limited partnerships and other investments	(151)	(136)
Unaffiliated common and preferred stocks	(11)	(5)
Other	(3)	(4)
Total	$ (228)	$ (319)

The Company had the following loan-backed and structured securities which were other-than-temporarily impaired where the Company intended to sell, or did not have the intent and ability to hold until recovery, at December 31, 2012 and 2011 (in millions):

	2012			
	Amortized Cost Basis Before OTTI	OTTI Recognized in Loss: Interest	OTTI Recognized in Loss: Non-interest	Fair Value
OTTI recognized 1st Quarter				
Intent to sell	$ - *	$ -	$ - *	$ - *
Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-	-
Total 1st Quarter	**- ***	**-**	**- ***	**- ***
OTTI recognized 2nd Quarter				
Intent to sell	13	-	2	11
Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-	-
Total 2nd Quarter	**13**	**-**	**2**	**11**
OTTI recognized 3rd Quarter				
Intent to sell	9	-	1	8
Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-	-
Total 3rd Quarter	**9**	**-**	**1**	**8**
OTTI recognized 4th Quarter				
Intent to sell	-	-	-	-
Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-	-
Total 4th Quarter	**-**	**-**	**-**	**-**
Annual Aggregate Total		**$ -**	**$ 3**	

* Aggregate unrealized losses are less than $1 million.

	2011			
	Amortized Cost Basis Before OTTI	OTTI Recognized in Loss		
		Interest	Non-interest	Fair Value
OTTI recognized 1st Quarter				
Intent to sell	$ -	$ -	$ -	$ -
Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-	-
Total 1st Quarter	**-**	**-**	**-**	**-**
OTTI recognized 2nd Quarter				
Intent to sell	- *	-	- *	- *
Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-	-
Total 2nd Quarter	**- ***	**-**	**- ***	**- ***
OTTI recognized 3rd Quarter				
Intent to sell	- *	-	- *	- *
Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-	-
Total 3rd Quarter	**- ***	**-**	**- ***	**- ***
OTTI recognized 4th Quarter				
Intent to sell	19	-	8	12
Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-	-
Total 4th Quarter	**19**	**-**	**8**	**12**
Annual Aggregate Total		**$ -**	**$ 8**	

* Aggregate unrealized losses are less than $1 million.

See **Appendix** for a list with each loan-backed and structured security at a CUSIP level where the present value of cash flows expected to be collected is less than the amortized cost basis at each of the financial statement reporting dates.

The following tables present the Company's gross unrealized losses and fair values for bonds and equities aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2012 and 2011 (in millions):

	2012					
	Less than 12 months		Greater than 12 months		Total	
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses**
Bonds						
U.S. Treasury	$ 194	$ 1	$ -	$ -	$ 194	$ 1
U.S. government corporations & agencies	84	-	-	-	84	- *
U.S. agency mortgage and asset-backed securities	343	8	3	-	346	8
Foreign governments	9	-	35	4	44	4
U.S. corporate	888	23	311	22	1,199	45
Foreign corporate	51	5	99	3	150	8
Non-Agency residential mortgage-backed securities	87	2	1,102	116	1,189	118
Non-Agency commercial mortgage-backed securities	39	2	426	47	465	49
Non-Agency asset-backed securities	319	4	1,080	163	1,399	167
Total Bonds	2,014	45	3,056	355	5,070	400
Equity Securities (Unaffiliated)						
Common Stock	397	24	-	-	397	24
Preferred Stock	22	3	5	1	27	4
Total Equity Securities	419	27	5	1	424	28
Total	$ 2,433	$ 72	$ 3,061	$ 356	$ 5,494	$ 428

* Aggregate unrealized losses are less than $1 million.

** Includes unrealized losses of $30 million related to NAIC 6 rated bonds included in the statutory carrying amount.

	2011					
	Less than 12 months		Greater than 12 months		Total	
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses**
Bonds						
U.S. Treasury	$ 33	$ -	$ -	$ -	$ 33	$ - *
U.S. government corporations & agencies	14	-	15	1	29	1
U.S. agency mortgage and asset-backed securities	73	-	1	-	74	-
Foreign governments	54	9	10	2	64	11
U.S. corporate	1,783	73	553	54	2,336	127
Foreign corporate	1,011	58	236	26	1,247	84
Non-Agency residential mortgage-backed securities	481	18	1,563	371	2,044	389
Non-Agency commercial mortgage-backed securities	484	33	544	100	1,028	133
Non-Agency asset-backed securities	1,327	27	1,279	197	2,606	224
Total Bonds	5,260	218	4,201	751	9,461	969
Equity Securities (Unaffiliated)						
Common Stock	278	32	-	-	278	32
Preferred Stock	29	10	-	-	29	10
Total Equity Securities	307	42	-	-	307	42
Total	$ 5,567	$ 260	$ 4,201	$ 751	$ 9,768	$ 1,011

* Aggregate unrealized losses are less than $1 million.

** Includes unrealized losses of $27 million related to NAIC 6 rated bonds included in the statutory carrying amount.

At December 31, 2012, the gross unrealized loss on bonds and equity securities was comprised of approximately 1,073 and 203 different securities, respectively. Of the total amount of bond unrealized losses, $196 million or 49% is related to unrealized losses on investment grade securities. Investment grade is defined as a security having a credit rating from the NAIC of 1 or 2; a rating of Aaa, Aa, A or Baa from Moody’s or a rating of AAA, AA, A or BBB from Standard & Poor’s (‘‘S&P’’); or a comparable internal rating if an externally provided rating is not available. Unrealized losses on bonds with a rating below investment grade represent $204 million or 51% of the total amount of bond unrealized losses.

The amount of gross unrealized losses for bonds where fair value had declined by 20% or more of the amortized cost, totaled $199 million. The period of time that each of these securities has continuously been below amortized cost by 20% or more consists of $8 million for 6 months or less, $2 million for greater than 6 months through 12 months, and $189 million for greater than 12 months. In accordance with the Company's impairment policy, the Company performed quantitative and qualitative analysis to determine if the decline was temporary. For those securities where the decline was considered temporary, the Company did not recognize an impairment when it had the ability and intent to hold until recovery.

Corporate Bonds. Unrealized losses on corporate bonds were $53 million or 13% of the total bond unrealized losses. The amount of unrealized losses on the Company's investment in corporate bonds was spread over 343 individual securities with varying interest rates and maturities. Corporate securities that were priced below 80% of the security's amortized cost represented $16 million or 4% of the total bond unrealized losses. The overall improvement in the Company's fixed maturity investment portfolio generally reflects higher market prices, mainly due to the narrowing of credit spreads. While the losses were spread across all industry sectors, the largest unrealized losses on securities that were priced below 80% of the security's amortized cost were Paper and Packaging ($8 million), Cable & Media ($5 million) and Finance ($2 million). These securities are evaluated in accordance with the Company's impairment policy. Because the securities continue to meet their contractual payments and the Company has the ability and intent to retain the investments for the period of time sufficient to allow for an anticipated recovery in value, the Company did not consider these investments to be other-than-temporarily impaired at December 31, 2012.

Non-Agency Residential Mortgage-Backed Securities. Unrealized losses on residential mortgage-backed securities were $118 million or 29% of the total bond unrealized losses. These losses were spread across 78 fixed and variable rate investment grade securities as well as 284 below investment grade securities. Residential mortgage-backed securities that were priced below 80% of the security's amortized cost represented $51 million or 43% of the total unrealized losses for residential mortgage-backed securities. The Company evaluates these securities for other-than-temporary impairments in accordance with the Company's impairment policy using quarterly cash flow projections. The projections are done for each security based upon the evaluation of prepayment, delinquency and default rates for the pool of mortgages collateralizing each security, and the projected impact on the course of future prepayments, defaults, and losses in the pool of mortgages, but do not include market prices. The Company has the ability and intent to retain the investments until recovery and therefore, the Company did not consider these investments to be other-than-temporarily impaired at December 31, 2012.

Non-Agency Commercial Mortgage-Backed Securities. Unrealized losses on commercial mortgage-backed securities were $49 million or 12% of the total bond unrealized losses. These losses were spread across 60 fixed and variable rate investment grade securities as well as 41 below investment grade securities. Commercial mortgage-backed securities that were priced below 80% of the security's amortized cost represented $26 million or 53% of the total unrealized losses for commercial mortgage-backed securities. The Company evaluates these securities for other-than-temporary impairments in accordance with its impairment policy using cash flow modeling techniques coupled with an evaluation of facts and circumstances. The Company has the ability and intent to retain the investments for the period of time sufficient to allow for an anticipated recovery in value and therefore, the Company did not consider these investments to be other-than-temporarily impaired at December 31, 2012.

Non-Agency Other Asset-Backed Securities. Unrealized losses on asset-backed securities were $167 million or 42% of the total bond unrealized losses. These losses were spread across 174 securities. Asset-backed securities that were priced below 80% of the security's amortized cost represented $106 million or 63% of the total unrealized losses for asset-backed securities. The Company evaluates these securities for impairments based on facts and circumstances. The Company did not consider these investments to be other-than-temporarily impaired at December 31, 2012 because the Company has the ability and intent to retain the investments for the period of time sufficient to allow for an anticipated recovery in value.

NOTE 5 – DERIVATIVE FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company uses derivative financial instruments to manage interest rate, currency, and credit risk. These derivative financial instruments include foreign exchange forward contracts, futures, interest rate and currency options, and interest rate, inflation, credit default and currency swaps. The Company does not engage in derivative financial instrument transactions for speculative purposes.

The Company enters into derivative financial instruments either over-the-counter ("OTC') or on an exchange. The Company deals with highly rated OTC counterparties and does not expect the counterparties to fail to meet their obligations under the contracts. The Company has controls in place to monitor credit exposures by limiting transactions with specific OTC counterparties within specified dollar limits and assessing the creditworthiness of counterparties. The Company uses master netting agreements and adjusts transaction levels, when appropriate, to minimize risk. The Company's policy is to not offset the fair value amounts recognized for derivatives executed with the same OTC counterparty under the same master netting agreements with the associated collateral.

To further minimize risk, credit support annexes ("CSAs") are negotiated as part of OTC swap documentation entered into by the Company with counterparties. The CSA defines the terms under which collateral is transferred in order to mitigate credit risk arising from "in the money" derivative positions. The CSA requires that a swap OTC counterparty post collateral to secure that portion of its anticipated swap obligation in excess of a specified threshold. Cash collateral received is invested in short-term investments. Those agreements also include credit contingent provisions whereby the threshold typically declines on a sliding scale with a decline in the counterparties' rating. In addition, certain of the Company's contracts contain provisions that require the Company to maintain a specific investment grade credit rating and if the Company's credit rating were to fall below that specified rating, the counterparty to the derivative instrument could request immediate payout or full collateralization. The aggregate fair value of all OTC derivative instruments with credit-risk-related contingent features that are in a net liability position as of December 31, 2012 was $31 million for which the Company has posted collateral with a fair value of $28 million. If the credit contingent features had been triggered as of December 31, 2012, the Company estimates that it would not have had to post additional collateral for a one notch downgrade in the Company's credit rating but would have had to post $3 million for a downgrade that would trigger full collateralization.

The Company may be exposed to credit-related losses in the event that an OTC counterparty fails to perform its obligations under contractual terms. For contracts with OTC counterparties where no netting provisions are specified in the master agreements, in the event of default, credit exposure is defined as the fair value of contracts in a gain position at the reporting date. Credit exposure to OTC counterparties where a netting arrangement is in place, in the event of default, is defined as the net fair value, if positive, of all outstanding contracts with each specific OTC counterparty. As of December 31, 2012, the Company held collateral for derivatives of $815 million. Credit risk exposure in a net gain position, net of offsets and collateral, was $9 million at December 31, 2012.

Certain regulatory measures will come into effect in 2013 governing derivative transactions which will, among other things, require some derivative transactions to be centrally cleared and change collateralization requirements of some derivative transactions.

Interest Rate Risk Management

The Company enters into various types of interest rate contracts primarily to minimize exposure of specific assets and liabilities held by the Company to fluctuations in interest rates.

Interest rate swaps are used by the Company to hedge interest rate risk for both individual and portfolio of assets and liabilities as well as forecasted purchases of fixed rate securities. Interest rate swaps are agreements with other parties to exchange, at specified intervals, the difference between interest amounts calculated by reference to an agreed upon notional value. Generally, no cash is exchanged at the onset of the contract and no principal payments are made by either party.

Interest rate cap contracts and swaptions entered into by the Company hedge disintermediation risk of increasing interest rates on policyholder liability obligations. The Company will receive payments from counterparties should interest rates exceed an agreed upon strike price.

The Company enters into inflation swaps to hedge inflation risk of policyholder liabilities linked to the U.S. Consumer Price index.

The Company enters into Treasury locks and Treasury futures to manage duration of our fixed income portfolio. The Company did not have any outstanding Treasury locks or Treasury futures contracts as of December 31, 2012.

The Company enters into interest rate corridor option contracts to hedge the risk of increasing interest rates on policyholder liabilities. The Company will receive payments from counterparties should an agreed upon interest rate level be reached. Payments will continue to increase under the option contract until an agreed upon interest rate ceiling. The Company will make payments to counterparties after reaching the interest rate ceiling.

Currency Risk Management

The Company enters into foreign currency swaps and foreign exchange forward contracts primarily as a cashflow hedge against foreign currency fluctuations. The primary purpose of the Company's foreign currency hedging activities is to protect the value of foreign currency denominated assets and liabilities and net investments in foreign subsidiaries from the risk of changes in exchange rates.

The Company enters into foreign currency swaps which are agreements with other parties to exchange, at specified intervals, principal and interest in one currency for the same in another, at a fixed exchange rate generally set at inception, calculated by reference to an agreed upon notional value. Generally, only principal payments are exchanged at the onset and the end of the contract.

The Company enters into foreign exchange forward contracts which involve the exchange of foreign currencies at a specified future date and at a specified price. No cash is exchanged at the time the agreement is entered into.

Credit Risk Management

The Company purchases credit default swaps to hedge the credit exposure of fixed income products.

Hedge Effectiveness

To qualify as a hedge, the hedge relationship is designated and formally documented at inception detailing the particular risk management objective and strategy for the hedge, including the item and risk that is being hedged, the derivative that is being used, and how effectiveness is assessed.
A derivative must be highly effective in accomplishing the objective of offsetting either changes in fair value or cash flows for the risk being hedged. The Company formally assesses effectiveness of its hedging relationships both at the hedge inception and on an ongoing basis in accordance with its risk management policy. The hedging relationship is considered highly effective if the changes in fair value or discounted cash flows of the hedging instrument are within 80-125% of the inverse changes in the fair value or discounted cash flows of the hedged item.

The Company discontinues hedge accounting prospectively if: (1) it is determined that the derivative is no longer effective in offsetting changes in the fair value or cash flows of a hedged item, (2) the derivative expires or is sold, terminated, or exercised, (3) it is probable that the forecasted transaction will not occur, or (4) management determines that designation of the derivative as a hedge instrument is no longer appropriate.

The assessment of effectiveness for the year ended December 31, 2012 and 2011 did not exclude any unrealized gains or losses on designated hedges.

In 2012 and 2011, there were no instances in which the Company discontinued cash flow hedge accounting because the forecasted transactions did not occur on the anticipated date or in the additional time period permitted.

In 2012 there were $20 million of unrealized gains recognized during the reporting period resulting from derivatives that no longer qualify for hedge accounting. There were no unrealized gains recognized in 2011 from derivatives that no longer qualify for hedge accounting.

The maximum length of time over which the Company is hedging its exposure to interest rate variability related to cash flow hedges of forecasted future bond purchases, is 27 years.

The following tables present the notional amount, number of contracts, gross fair value and carrying value of derivative instruments that are qualifying and designated for hedge accounting, by type of hedge designation, and those that are not designated for hedge accounting at December 31, 2012 and 2011 (in millions, except for number of contracts). For a discussion of valuation methods for derivative instruments refer to Note 17 – Fair Value Measurements.

		December 31, 2012					
		Volume [a]		Fair Value		Carrying Value	
Derivative type	**Primary Risk Exposure**	**Notional**	**Number of Contracts**	**Asset**	**Liability**	**Asset**	**Liability**
Derivatives qualifying and designated							
Cash Flow Hedges:							
Interest rate swaps	Interest	$ 539	27	$ 180	$ -	$ -	$ -
Currency swaps	Currency	2,167	25	188	131	204	136
Net Investment Hedges:							
Currency forwards	Currency	96	1	1	-	-	1
Total derivatives qualifying and designated		**$ 2,802**	**53**	**$ 369**	**$ 131**	**$ 204**	**$ 137**
Derivatives not designated							
Interest rate swaps	Interest	5,564	102	530	185	530	185
Interest rate caps	Interest	2,268	11	4	-	4	-
Swaptions	Interest	14,610	55	11	-	11	-
Inflation swaps	Interest	95	10	1	1	1	1
Corridor options	Interest	16,500	11	28	-	28	-
Currency swaps	Currency	1,991	32	140	41	140	41
Credit default swaps:							
Buy protection	Credit	33	4	-	1	-	1
Total derivatives not designated		**$ 41,061**	**225**	**$ 714**	**$ 228**	**$ 714**	**$ 228**
Total Derivatives		**$ 43,863**	**278**	**$ 1,083**	**$ 359**	**$ 918**	**$ 365**

[a] Notional or contractual amounts of derivative financial instruments provide a measure of involvement in these types of transactions and do not represent the amounts exchanged between the parties engaged in the transaction. The amounts exchanged are determined by reference to the notional amounts and other terms of the derivative financial instruments, which relate to interest rates, exchange rates, or other financial indices.

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		December 31, 2011					
		Volume [a]		Fair Value		Carrying Value	
Derivative type	Primary Risk Exposure	Notional	Number of Contracts	Asset	Liability	Asset	Liability
Derivatives qualifying and designated							
Cash Flow Hedges:							
Interest rate swaps	Interest	$ 632	42	$ 216	$ -	$ -	$ -
Currency swaps	Currency	2,177	26	261	184	179	168
Net Investment Hedges:							
Currency forwards	Currency	136	2	3	5	-	5
Total derivatives qualifying and designated		**$ 2,945**	**70**	**$ 480**	**$ 189**	**$ 179**	**$ 173**
Derivatives not designated							
Interest rate swaps	Interest	4,549	79	529	145	529	145
Interest rate caps	Interest	2,268	11	8	-	8	-
Swaptions	Interest	14,610	55	45	-	45	-
Inflation swaps	Interest	95	10	-	10	-	10
Corridor options	Interest	16,500	11	56	-	56	-
Currency swaps	Currency	2,088	35	98	70	191	70
Currency forwards	Currency	241	17	-	21	3	21
Treasury locks	Interest	200	3	7	1	7	1
Treasury futures*	Interest	4	1	-	-	-	-
Credit default swaps:							
Buy protection*	Credit	33	4	-	-	-	-
Total derivatives not designated		**$ 40,588**	**226**	**$ 743**	**$ 247**	**$ 840**	**$ 247**
Total Derivatives		**$ 43,533**	**296**	**$1,223**	**$ 436**	**$ 1,019**	**$ 420**

* Fair value and carrying value amounts are less than $1 million.

[a] Notional or contractual amounts of derivative financial instruments provide a measure of involvement in these types of transactions and do not represent the amounts exchanged between the parties engaged in the transaction. The amounts exchanged are determined by reference to the notional amounts and other terms of the derivative financial instruments, which relate to interest rates, exchange rates, or other financial indices.

Cash Flow Hedges

The Company's cash flow hedges primarily include hedges of floating rate securities and foreign currency denominated assets and liabilities. Derivative instruments used in cash flow hedges that meet the criteria of a highly effective hedge are valued and reported in a manner that is consistent with the hedged asset or liability.

The Company designates and accounts for the following as cash flow hedges: (1) interest rate swaps to convert floating rate investments to fixed rate investments; (2) foreign currency swaps to hedge the foreign currency cash flow exposure of foreign currency denominated investments and liabilities; and (3) interest rate swaps to hedge the interest rate risk associated with forecasted transactions.

The following table presents the effects of derivatives in cash flow hedging relationships in the accompanying Statutory Statements of Operations and Statutory Statements of Changes in Surplus for the years ended December 31, 2012 and 2011 (in millions):

Derivative Type	Gain or (Loss) Recognized in Surplus [a]		Gain or (Loss) Recognized in Net Realized Capital gains (Losses) [b]		Gain or (Loss) Recognized in Net Investment Income [b]		Gain or (Loss) Recognized in Other Income [b]	
	2012	2011	2012	2011	2012	2011	2012	2011
Interest rate contracts	$ -	$ -	$ 18	$ 19	$ 2	$ 3	$ -	$ -
Currency contracts	62	(82)	(3)	86	(16)	(1)	1	(12)
Total	$ 62	$ (82)	$ 15	$ 105	$ (14)	$ 2	$ 1	$ (12)

[a] The amount of gain or (loss) recognized in surplus is reported as a change in net unrealized gains (losses) in the accompanying Statutory Statements of Changes in Surplus.

[b] The amount of gain or (loss) recognized in net income is reported in net realized capital (losses), net investment income or other income in the accompanying Statutory Statements of Operations. The amounts include periodic settlement payments received or paid on the derivatives.

Net Investment Hedges

For derivative instruments that hedge the foreign currency exposure of a net investment in a foreign operation that meets the criteria of an effective hedge, the change in the carrying value as measured by the change in the spot rate is reflected in unrealized gains and losses. Derivatives that do not meet the criteria of an effective hedge that are hedging the net investment in a foreign operation are carried at fair value with changes in fair value as measured by change in the forward rate reflected in unrealized gains and losses.

The following table presents the effects of derivatives in net investment hedging relationships in the accompanying Statutory Statements of Changes in Surplus for the years ended December 31, 2012 and 2011 (in millions):

Derivative Type	Gain or (Loss) Recognized in Surplus [a]		Gain or (Loss) Recognized in Net Realized Capital (Losses) [b]	
	2012	2011	2012	2011
Currency contracts	$ (6)	$ 3	$ -	$ -

[a] The amount of gain or (loss) is reflected in unrealized gains and losses as part of the foreign currency translation adjustment in the accompanying Statutory Statements of Changes in Surplus.

[b] The amount of gain or (loss) recognized in net income is reported in net realized capital gains (losses) in the accompanying Statutory Statements of Operations.

Derivatives Not Designated

The following table provides the classification and amount of gains and losses on derivative instruments not designated for hedge accounting for the years ended December 31, 2012 and 2011 (in millions):

Derivative Type	Gain or (Loss) Recognized in Surplus [a]		Gain or (Loss) Recognized in Net Realized Capital (Losses) [b]		Gain or (Loss) Recognized in Net Investment Income [b]		Gain or (Loss) Recognized in Other Income [b]	
	2012	2011	2012	2011	2012	2011	2012	2011
Interest rate swaps	$ (39)	$ 224	$ (28)	$ (60)	$ 48	$ 15	$ -	$ 18
Interest rate options	(36)	(68)	-	(38)	(31)	(21)	-	-
Currency swaps	(16)	126	(43)	(55)	(6)	27	25	(4)
Currency forwards	18	37	11	-	-	-	-	-
Treasury locks	(6)	31	13	59	-	-	-	-
Inflation swaps	10	(10)	-	-	(1)	-	-	-
Futures	-	-	-	-	-	-	-	-
Credit default swaps:								
CDS - buy protection	(1)	1	(1)	(1)	-	-	-	-
Bond call option	-	6	-	(2)	-	(7)	-	-
Total	**$ (70)**	**$ 347**	**$ (48)**	**$ (97)**	**$ 10**	**$ 14**	**$ 25**	**$ 14**

[a] The amount of gain or (loss) recognized in surplus is reported as a change in net unrealized gains (losses) in the accompanying Statutory Statements of Changes in Surplus.

[b] The amount of gain or (loss) recognized in net income is reported in net realized capital (losses), net investment income or other income in the accompanying Statutory Statements of Operations. The amounts include periodic settlement payments received or paid on the derivatives.

NOTE 6 – RELATED PARTY TRANSACTIONS

For the years ended December 31, 2012 and 2011, the Company made the following capital contributions to its insurance and holding company subsidiaries (in millions):

	2012	2011
NYLIAC	$ -	$ 300
NYLE	19	34
NYLIFE LLC	7	-
Total	$ 26	$ 334

During 2012 and 2011, the Company received a return of capital from the following insurance and holding company subsidiaries (in millions):

	2012	2011
NYLE	$ 218 *	$ 678 *
NYLIFE LLC	-	47
Total	$ 218	$ 725

* Due to the sale of certain international markets, see discussion of "Discontinued Operations" in Note 1 – Nature of Operations.

In 2012, the Company recorded an accrued dividend distribution from NYL Investments of $75 million which will be paid in the first quarter of 2013. In 2011, the Company received a non-cash dividend distribution from NYLIFE LLC of $14 million. Dividend distributions are included in net investment income on the Statutory Statements of Operations.

The Company has a loan agreement with NYLE associated with proceeds deposited with the Company from excess capital in a principal amount of $58 million. NYLE did not have an immediate need for the cash and as a result, loaned the proceeds to the Company to earn a return of 4.24% less an investment management fee of 5 basis points. The investment income earned on the loan balance is capitalized to the loan. The effective termination date of this arrangement is March 31, 2013, but either party may terminate this arrangement with a minimum three months' notice. The outstanding payable to NYLE totaled $60 million and $41 million at December 31, 2012 and 2011, respectively, and includes capitalized accrued interest of $2 million at both December 31, 2012 and 2011, respectively. In addition, during 2012 and 2011, the Company made coupon interest payments of $2 million and $3 million, respectively.

The Company has a revolving loan agreement with Madison Capital Funding LLC ("MCF"), a wholly owned subsidiary of NYL Investments, which is a wholly owned subsidiary of the Company that was initially entered into on April 16, 2001 (as amended from time to time, the "Prior MCF Loan Agreement"), under which the Company may provide funding to MCF for lending and equity investment commitments entered into by MCF (primarily) prior to January 1, 2010. The aggregate amount advanced by the Company to MCF under the Prior MCF Loan Agreement, when aggregated with all other funding provided to or on behalf of MCF by the Company, may not exceed 2.5% of the Company's cash and invested assets as stated on the Company's most recent quarterly statement. All outstanding advances made to MCF under the Prior MCF Loan Agreement together with unpaid interest or accrued return thereon will be due in full on July 1, 2015. During 2012 and 2011, the Company received interest payments from MCF under the Prior MCF Loan Agreement totaling $44 million and $55 million, respectively, which were included in net investment income in the accompanying Statutory Statements of Operations. At December 31, 2012 and 2011, the Company had outstanding loans receivable from MCF under the Prior MCF Loan Agreement of $836 million and $1,229 million, respectively. These amounts are included with "Other Invested Assets" in the accompanying Statutory Statements of Financial Position.

On April 30, 2010, the Company entered into a revolving loan agreement with MCF (as amended from time to time, the "New MCF Loan Agreement"), under which the Company may provide funding to MCF for lending and equity investment commitments entered into by MCF on or after January 1, 2010. The aggregate amount advanced by the Company to MCF under the New MCF Loan Agreement, when aggregated with all other funding provided to or on behalf of MCF by the Company, may not exceed 2.5% of the Company's cash and invested assets as stated on the Company's most recent quarterly statement. All outstanding advances made to MCF under the New MCF Loan Agreement, together with unpaid interest or accrued return thereon, will be due in full on July 1, 2015. During 2012 and 2011, the Company received interest payments from MCF under the New MCF Loan Agreement totaling $51 million and $19 million, respectively, which were included in net investment income in the accompanying Statutory Statements of Operations. At December 31, 2012 and 2011, the Company had outstanding loans receivable from MCF under the New MCF Loan Agreement of $1,029 million and $641 million, respectively. These amounts are included with "Other Invested Assets" in the accompanying Statutory Statements of Financial Position.

New York Life Capital Corporation (“NYLCC”), a wholly owned subsidiary of NYLIFE LLC, has a credit agreement with the Company dated October 1, 1997, as amended on July 21, 2010, whereby NYLCC has agreed to make loans to the Company in an amount up to, but not exceeding, $2 billion, from proceeds from the issuance of commercial paper.

In connection with borrowings under this agreement during 2012 and 2011, the Company recorded interest expense of $1 million each year. At December 31, 2012 and 2011, the Company had a loan payable to NYLCC of $493 million and $1,527 million, respectively, which was included with “Borrowed Money” in the accompanying Statutory Statements of Financial Position.

Effective June 30, 2011, the Company and NYLCC entered into a new 3-year $500 million revolving credit facility agreement with a consortium of banks expiring on June 30, 2014. This new revolving credit facility replaced the $500 million 364-day revolving credit facility that expired on June 30, 2011. The Company and NYLCC are also parties to a three-year $500 million revolving credit facility, which became effective on July 1, 2010 and is scheduled to expire on July 1, 2013. The Company and NYLCC are borrowers under each of the 3-year facilities. NYLCC’s commercial paper capacity is $2 billion.

Effective July 15, 2008, the Company, NYLE and their Indian affiliate Max New York Life Insurance Company Limited (“Max NYL”) entered into a brand licensing and technical services agreement. The Company and NYLE agreed to provide various technical, insurance, financial, administrative and support services to Max NYL, and grant a license to Max NYL to use the trade name and certain trademarks of the Company in the conduct of Max NYL’s operations in India. In consideration for the license and providing various services, Max NYL agreed to pay the Company the sum of $73 million, less any applicable withholding taxes, over a period of five years, of which $15 million less applicable taxes was paid on the effective date of this agreement, and $3 million less applicable taxes is due at the end of each calendar quarter. The Company’s indirect ownership percentage of 26% in Max NYL was sold in 2012, thus effectively terminating this agreement. The Company recognized $7 million and $15 million in “Other Income” in the Statutory Statements of Operations in 2012 and 2011, respectively.

On April 1, 2000, the Company entered into Investment Advisory and Administrative Services Agreements with New York Life Investment Management LLC (“NYLIM”), as amended from time to time, to receive investment advisory and administrative services from NYLIM. At December 31, 2012 and 2011, the total cost to the Company for these services amounted to $136 million and $127 million, respectively. The terms of the agreement require that these amounts be settled in cash within ninety days.

Under various written agreements, the Company has agreed to provide certain of its direct and indirect subsidiaries with certain services and facilities including but not limited to the following: accounting, tax and auditing services, legal services, actuarial services, electronic data processing operations, and communications operations. The Company is reimbursed for the identified costs associated with these services and facilities. Such costs amounting to $982 million and $904 million for the years ended December 31, 2012 and 2011, respectively, were incurred by the Company and billed to its subsidiaries. The terms of the agreements require that these amounts be settled in cash within ninety days.

At December 31, 2012 and 2011, the Company reported a net amount of $181 million and $175 million, respectively, due from subsidiaries and affiliates. The terms of the underlying agreements generally require that these amounts be settled in cash within ninety days.

The Company has purchased various Corporate Owned Life Insurance policies from NYLIAC for the purpose of informally funding certain benefits for the Company’s employees and agents. These policies were issued to the Company on the same basis as policies sold to unrelated customers.

For the years ended December 31, 2012 and 2011, the cash surrender value of these policies amounted to $3,071 million and $2,926 million, respectively, and was included with "Other Assets" in the accompanying Statutory Statements of Financial Position.

The Company has issued $6,573 million and $6,328 million at December 31, 2012 and 2011, respectively, of single premium annuities to NYLIAC in connection with NYLIAC's obligation under structured settlement agreements. The Company has guaranteed NYLIAC's obligation to unaffiliated third parties in the event of NYLIAC's insolvency.

The Company is the assumed obligor for certain structured settlement agreements with unaffiliated insurance companies, beneficiaries and other non-affiliated entities. To satisfy its obligations under these agreements, the Company owns single premium annuities issued by NYLIAC. The obligations are based upon the actuarially determined present value of expected future payments. Interest rates used in establishing such obligations range from 5.50% to 8.75%. The Company has directed NYLIAC to make the payments under the annuity contracts directly to the beneficiaries under the structured settlement agreements. At December 31, 2012 and 2011, the carrying value of the annuity contracts and the corresponding obligations amounted to $151 million and $150 million, respectively.

The Company has compensated NYLIAC for policy credits associated with converting the Company's term policies and term riders to universal life policies that are issued by NYLIAC without any additional underwriting. For the years ended December 31, 2012 and 2011, the Company paid $15 million and $17 million, respectively, to NYLIAC.

The Company has been compensated by NYLIAC for policy credits associated with converting certain NYLIAC individual life policies and riders to permanent cash value life insurance policies issued by the Company without any additional underwriting. For the years ended December 31, 2012 and 2011, the Company received $1 million from NYLIAC for each year.

The Company has been compensated by NYLAZ for policy credits associated with converting NYLAZ's term policies to permanent cash value life insurance policies issued by the Company without any additional underwriting. For the years ended December 31, 2012 and 2011, the Company received $2 million from NYLAZ for each year.

In the ordinary course of business the Company enters into reinsurance agreements with its subsidiaries and affiliates. Material reinsurance agreements have been disclosed in Note 11 – Reinsurance.

In the ordinary course of business the Company enters into numerous arrangements with its affiliates. In addition, in the ordinary course of business, the Company may enter into guarantees and/or keepwells between itself and its affiliates.

NOTE 7 – SIGNIFICANT SUBSIDIARY

NYLIAC is engaged in the life insurance and annuity businesses. A summary of NYLIAC's statutory basis statements of financial position at December 31, 2012 and 2011 and results of operations for the years then ended are as follows (in millions):

	December 31, 2012	December 31, 2011
Assets:		
Bonds	$ 62,163	$ 61,457
Mortgage loans	8,129	6,887
Separate account assets	26,246	23,065
Other assets	12,972	11,878
Total assets	$ 109,510	$ 103,287
Liabilities and Surplus:		
Policy reserves	$ 62,801	$ 60,188
Separate account liabilities	26,243	23,048
Other liabilities	14,067	14,257
Capital and surplus	6,399	5,794
Total liabilities and surplus	$ 109,510	$ 103,287
Results of Operations:		
Net gain from operations	$ 619	$ 355
Net realized capital gains/(losses)	20	(61)
Net income	$ 639	$ 294

NOTE 8 – INSURANCE LIABILITIES

Policy reserves, deposit funds and policy claims at December 31, 2012 and 2011 were as follows (in millions):

	December 31, 2012	December 31, 2011
Life insurance reserves	$ 60,341	$ 58,426
Annuity reserves and supplementary contracts with life contingencies	19,536	19,001
Accident and health reserves	2,650	2,496
Total policy reserves	82,527	79,923
Deposit funds	13,224	13,305
Policy claims	724	706
Total policy reserves, deposit funds and claim liabilities	$ 96,475	$ 93,934

Life Reserves

Reserves for life insurance policies are maintained principally using the 1941, 1958, 1980 and 2001 Commissioners' Standard Ordinary (“CSO”) Mortality Tables under the net level premium method or the Commissioners' Reserve Valuation Method (“CRVM”) with valuation interest rates ranging from 2.0% to 6.0%.

Tabular Interest for Group Annuity has been determined from the basic data for the calculation of policy reserves as described in the NAIC instructions. The Tabular interest for all other lines of business has been determined by formula as described in the NAIC instructions. The Tabular less Actual Reserve Released has been determined by formula as described in the NAIC instructions. The Tabular Cost for Individual Life Insurance for 7 Year Term, for certain Survivorship Whole Life policies, and for ancillary coverage has been determined by formula as described in the NAIC instructions. For all other coverages, including the bulk of Individual Life, the Tabular Cost has been determined from the basic data for the calculation of policy reserves.

The Company has established policy reserves (excluding the effects of reinsurance) on contracts issued January 1, 2001 and later that exceed the minimum amounts determined under Appendix A-820, “Minimum Life and Annuity Reserve Standards” of NAIC SAP by approximately $617 million and $641 million in 2012 and 2011, respectively. The change in direct reserves increased pre-tax net gain for the year ended December 31, 2012 and 2011 by approximately $24 million and $31 million, respectively.

The Company waives deductions of deferred fractional premiums upon death of the insured and returns a portion of the final premium beyond the date of death. No surrender values are promised in excess of the total reserves. Certain substandard policies are valued on tables that are multiples of the standard table. Other substandard policies were valued as equivalent to standard lives on the basis of insurance age. Additional reserves were held on account of anticipated extra mortality for policies subject to extra premiums.

At December 31, 2012 and 2011, the Company had $22,893 million and $19,321 million, respectively, of insurance in force for which the gross premiums were less than the net premiums according to the standard of valuation set by the State of New York.

Annuity Reserves and Supplementary Contracts Involving Life Contingencies

Reserves for supplementary contracts involving life contingencies and annuities involving current mortality risks are based principally on 1951 Group Annuity Mortality (“GAM”), 1960 Mod. a-49, 1971 Individual Annuity Mortality (“IAM”), 1983 Table A, A2000 and the Commissioners’ Annuity Reserve Valuation Method (“CARVM”) with assumed interest rates ranging from 2.0% to 9.5%. Generally, owners of annuities in payout status are not able to withdraw funds from their policies at their discretion.

Accident and Health Liabilities

Reserves for accident and health policies are valued consistent with interest rate and morbidity tables, where applicable.

Claim reserves and unpaid claim liabilities (included in accident and health reserves and policy claims above) were $1,327 million and $1,324 million at December 31, 2012 and 2011, respectively. During 2012, $155 million was paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years at December 31, 2012 were $1,068 million as a result of re-estimation of unpaid claims and claim adjustment expenses principally on group medical, disability income, Medicare supplement insurance, and long term care lines of insurance.

The $101 million favorable prior-year development during 2012 was generally the result of ongoing analysis of recent loss development trends. Original estimates were adjusted as additional information became known regarding individual claims. The Company had no unfavorable prior year loss development on retrospectively rated policies included in this decrease. However, the business to which it relates is subject to premium adjustments.

The balance in the liability for unpaid accident and health claim adjustment expenses as of December 31, 2012 and 2011 was $17 million for both years. The Company incurred $14 million and paid $13 million of claim adjustment expenses in the current year, of which $5 million of the paid amount was attributable to insured or covered events of prior years. The Company took into account estimated anticipated salvage and subrogation in its determination of the liability for unpaid claims/losses and did not reduce such liability in 2012 or 2011.

Deposit Funds

Deposit funds at December 31, 2012 and 2011 were as follows (in millions):

	December 31,	
	2012	**2011**
GICs	$ 11,398	$ 11,262
Dividend accumulations or refunds and other deposit funds	1,248	1,244
Supplemental contracts without life contingencies	393	559
Annuities certain	185	240
Total deposit funds	$ 13,224	$ 13,305

GICs without life contingencies issued by the Company include funding agreements issued to special purpose entities ("SPEs") and the Federal Home Loan Bank of New York (the "FHLB of NY").

The SPEs purchase the funding agreements with the proceeds from medium term notes issued by the SPE, which have payment terms substantially identical to the funding agreements issued by the Company. At December 31, 2012 and 2011, the balance under funding agreements sold by the Company to the SPEs was $9,799 million and $9,483 million, respectively.

On February 26, 2008, the Company became a member of the FHLB of NY and began issuing funding agreements to the FHLB of NY in exchange for cash. The proceeds from the sale of these funding agreements are invested to earn a spread. The funding agreements are issued through the general account and are included in the liability for deposit funds on the accompanying Statutory Statements of Financial Position. When a funding agreement is issued, the Company is required to post collateral in the form of eligible securities including mortgage-backed, government and agency debt instruments for each of the advances received. Upon any event of default by the Company, the FHLB of NY's recovery on the collateral is limited to the amount of the Company's liability to the FHLB of NY. The amount of the Company's liability for funding agreements with the FHLB of NY was $1,351 million and $1,502 million at December 31, 2012 and 2011, respectively. The fair value of collateral posted, including interest due and accrued, was $3,929 million and $4,567 million at December 31, 2012 and 2011, respectively. At December 31, 2012, the Company's borrowing capacity with FHLB of NY was $6,227 million of which $1,351 million has been used. At December 31, 2011, the Company's borrowing capacity with the FHLB of NY was $5,803 million of which $1,502 million had been used.

At December 31, 2012 and 2011, the statement value of the Company's ownership in the FHLB of NY stock was $112 million and $119 million, respectively.

The weighted average interest rate on all GICs without life contingencies was 2.65% and 3.03% at December 31, 2012 and 2011, respectively. The weighted average remaining maturity was 2 years, 3 months and 2 years, 4 months at December 31, 2012 and 2011, respectively. Withdrawal prior to maturity is generally not permitted.

Withdrawal Characteristics of Annuity Reserves and Deposit Funds

The following table reflects the withdrawal characteristics of annuity reserves and deposit fund liabilities as of December 31, 2012 and 2011 (in millions):

	December 31, 2012				
	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
Subject to discretionary withdrawal:					
With fair value adjustment	$ 7,340	$ 3,523	$ -	$ 10,863	25 %
At fair value	-	4,145	3,117	7,262	17
Total with adjustment or at fair value	7,340	7,668	3,117	18,125	42
At book value without adjustment	1,648	-	-	1,648	4
Not subject to discretionary withdrawal	23,762	-	-	23,762	54
Total annuity reserves and deposit fund liabilities	$ 32,750	$ 7,668	$ 3,117	$ 43,535	100 %

	December 31, 2011				
	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
Subject to discretionary withdrawal:					
With fair value adjustment	$ 7,105	$ 3,196	$ -	$ 10,301	25 %
At fair value	-	3,639	2,767	6,406	15
Total with adjustment or at fair value	7,105	6,835	2,767	16,707	40
At book value without adjustment	1,811	-	-	1,811	4
Not subject to discretionary withdrawal	23,382	-	-	23,382	56
Total annuity reserves and deposit fund liabilities	$ 32,298	$ 6,835	$ 2,767	$ 41,900	100 %

Policies and Deposits with Surrender Privileges

At December 31, 2012, of the total direct life, accident and health and annuity reserves of $77,944 million and deposit fund liabilities of $13,224 million, the total amounts related to policies and deposits that have surrender privileges were $60,918 million and $1,641 million, respectively. Of these reserves, the amounts redeemable for cash to policyholders and depositors at December 31, 2012 were $58,855 million and $1,641 million, respectively.

At December 31, 2011, of the total direct life, accident and health and annuity reserves of $75,212 million and deposit fund liabilities of $13,305 million, the total amounts related to policies and deposits that have surrender privileges were $58,847 million and $1,803 million, respectively. Of these reserves, the amounts redeemable for cash to policyholders and depositors at December 31, 2011 were $56,856 million and $1,803 million, respectively.

NOTE 9 – SEPARATE ACCOUNTS

Separate Account Activity

The Company utilizes separate accounts to record and account for assets and liabilities for particular lines of business and/or transactions. For 2012, the Company reported separate account assets and liabilities from the following product lines/transactions:

Employee Benefit Plans (Group Annuity)
Funding Agreements
Supplemental Account

In accordance with the domiciliary state procedures for approving items within the separate account, the classification of the Separate Accounts listed above is subject to Section 4240 of the New York State Insurance Law. In addition, the Separate Accounts listed above are supported through affirmative approval of the plans of operations by the Commissioner of Financial Services of the State of New York.

The assets legally and not legally insulated from the general account as of December 31, 2012 and 2011 are attributed to the following products/transactions (in millions):

	December 31, 2012		December 31, 2011	
Product/Transaction	**Legally Insulated Assets**	**Separate Account Assets (Not Legally Insulated)[1]**	**Legally Insulated Assets**	**Separate Account Assets (Not Legally Insulated)**
Employee Benefit Plans (Group Annuity)	$ 9,519	$ 197	$ 9,255	$ -
Funding Agreements	1,272	-	678	-
Supplemental Account	-	10	-	10
Total	$ 10,791	$ 207	$ 9,933	$ 10

[1] Separate account assets classified as not legally insulated assets support $146 million of borrowed funds, $77 million of payables for securities, $7 million of surplus and $(23) million of transfers to the general account and other liabilities.

The Company adopted the new definition of legally insulated assets effective 2012. The prior year was not restated. For 2011, the determination of legally insulated was made at the product level.

At December 31, 2012 and 2011, there were no separate account securities lending arrangements.

Guaranteed Separate Accounts

The Company currently maintains guaranteed separate accounts with assets of $7,875 million and $7,166 million at December 31, 2012 and 2011, respectively. Of these amounts, $10 million was maintained each year in supplemental separate accounts. The Company has market value guaranteed separate accounts, for which supplemental separate account assets are used to fund the excess of the actuarial liability for future guaranteed payments over the market value of the assets. The Company also has separate accounts maintained on a book value basis where assets are carried at amortized cost. These assets are invested primarily in investment grade mortgage-backed securities and short-term securities.

Certain market value separate accounts provide a guaranteed minimum interest rate (reset periodically), and for other market value separate accounts, the guarantee is tied to an index. For the accounts which provide a minimum guaranteed interest rate, at contract discontinuance, the contract holder is entitled to an immediate payout of market value, or an installment payout of the guaranteed amount, or for certain contracts, a lump sum payout of the guaranteed amount at the end of a specified number of years, as set forth in the contract. For accounts where the guarantee is tied to an index, at contract discontinuance, and given 10 days notice, if the market value is greater than the guaranteed amount the contract holder is entitled to the guaranteed amount plus one-half of the excess performance. If the market value of the assets is less than the guaranteed amount, the contract holder is entitled to an immediate payout of market value, or an installment payout of the guaranteed amount. The excess performance is retained in the Separate Accounts, until the contract is terminated, and the Company reflects its share of the amount in surplus. For the years ended December 31, 2012 and 2011, the Company reflected changes of $4 million and $(1) million, respectively, related to undistributed (losses) and gains on these contracts in “Other adjustments, net”, in the accompanying Statutory Statements of Changes in Surplus.

The book value separate account guarantees principal and interest during active status and, at contract discontinuance, the contract holder is entitled to a book value payout, so long as 12 months’ advance notice is provided. Alternatively, the contractholder may elect discontinuance with at least 10 days notice and receive an immediate lump sum payment subject to a market value adjustment factor.

As of December 31, 2012, the general account of the Company did not have a maximum guarantee for separate account liabilities. To compensate the general account for the risk taken for minimum guarantees in certain contracts, the separate account has paid risk charges of $12 million and $9 million for the years ended December 31, 2012 and 2011, respectively.

As of December 31, 2012 and 2011, the general account of the Company did not make any payments toward separate account guarantees.

Non-Guaranteed Separate Accounts

The Company currently maintains non-guaranteed separate accounts with assets of $3,123 million and $2,777 million at December 31, 2012 and 2011, respectively. These separate accounts primarily include the Company's retirement and pension plans assets and are invested in common stock, long-term bonds, limited partnerships and short-term securities.

Separate accounts funding non-guaranteed benefits provide no guarantee of principal or interest, and payout is at fair value at contract discontinuance.

Information regarding separate accounts of the Company for the years ended December 31, 2012 and 2011 is as follows (in millions):

	2012				
	Indexed	Non-indexed Guarantee Less than/Equal to 4%	Non-indexed Guarantee More than 4%	Non-guaranteed Separate Accounts	Total
Premiums and considerations	$ -	$ 3,187	$ -	$ 96	$ 3,283
Reserves:					
For accounts with assets at:					
Fair value	$ 254	$ 3,891	$ -	$ 3,117	$ 7,262
Amortized cost	-	3,523	-	-	3,523
Total reserves	$ 254	$ 7,414	$ -	$ 3,117	$ 10,785
By withdrawal characteristics:					
With fair value adjustment	$ -	$ 3,523	$ -	$ -	$ 3,523
At fair value	254	3,891	-	3,117	7,262
Total reserves	$ 254	$ 7,414	$ -	$ 3,117	$ 10,785

	2011				
	Indexed	Non-indexed Guarantee Less than/Equal to 4%	Non-indexed Guarantee More than 4%	Non-guaranteed Separate Accounts	Total
Premiums and considerations	$ -	$ 3,772	$ -	$ 116	$ 3,888
Reserves:					
For accounts with assets at:					
Fair value	$ 242	$ 3,398	$ -	$ 2,767	$ 6,407
Amortized cost	-	3,195	-	-	3,195
Total reserves	$ 242	$ 6,593	$ -	$ 2,767	$ 9,602
By withdrawal characteristics:					
With fair value adjustment	$ -	$ 3,195	$ -	$ -	$ 3,195
At fair value	242	3,398	-	2,767	6,407
Total reserves	$ 242	$ 6,593	$ -	$ 2,767	$ 9,602

The following is a reconciliation of net transfers from the general account to the separate accounts (in millions):

	2012	2011
Transfers as reported in the Separate Accounts Statement:		
Transfers to Separate Accounts	$ 2,668	$ 3,551
Transfers from Separate Accounts	(2,709)	(1,941)
Reinsurance Assumed	5	11
Net transfers to/(from) the Separate Accounts	$ (36)	$ 1,621

NOTE 10 – INCOME TAXES

The components of the net deferred tax assets ("DTAs) and deferred tax liabilities ("DTLs") are as follows (in millions):

	December 31,								
	2012			2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross DTAs	$ 2,997	$ 706	$ 3,703	$ 2,835	$ 768	$ 3,603	$ 162	$ (62)	$ 100
Statutory valuation allowance	-	-	-	-	-	-	-	-	-
Adjusted gross DTAs	2,997	706	3,703	2,835	768	3,603	162	(62)	100
Nonadmitted DTAs	281	-	281	268	-	268	13	-	13
Subtotal Net Admitted DTAs	2,716	706	3,422	2,567	768	3,335	149	(62)	87
Gross DTLs	918	1,137	2,055	893	996	1,889	25	141	166
Net admitted DTAs/(DTLs)	$ 1,798	$ (431)	$ 1,367	$ 1,674	$ (228)	$ 1,446	$ 124	$ (203)	$ (79)

Net deferred tax assets are non-admitted primarily because they are not expected to be realized within three years of the balance sheet date. The admitted portion of the net deferred tax asset is included in "Other Assets" in the accompanying Statutory Statements of Financial Position.

The admission calculation components are as follows (paragraph references throughout Note 10 are to paragraphs of SSAP 101) (in millions):

	December 31,								
	2012			2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Federal income taxes paid in prior years recoverable through loss carrybacks (Paragraph 11.a)	$ 344	$ 111	$ 455	$ 269	$ 89	$ 358	$ 75	$ 22	$ 97
Adjusted gross DTA expected to be realized (excluding the amount of DTA from paragraph 11.a above) after application of the threshold limitation (the lesser of paragraph 11.b.i and 11.b.ii below):	841	72	913	990	99	1,089	(149)	(27)	(176)
Adjusted gross DTA expected to be realized following the balance sheet date (Paragraph 11.b.i)	841	72	913	990	99	1,089	(149)	(27)	(176)
Adjusted gross DTA allowed per limitation threshold (Paragraph 11.b.ii)	N/A	N/A	2,218	N/A	N/A	1,999	N/A	N/A	219
Adjusted gross DTA (excluding the amount of DTA from paragraphs 11.a and 11.b above) offset by gross DTL (Paragraph 11.c)	1,532	523	2,055	1,309	580	1,889	223	(57)	166
DTA admitted as the result of application of SSAP 101 (Total of paragraphs 11.a, 11.b, 11.c)	$ 2,717	$ 706	$ 3,423	$ 2,568	$ 768	$ 3,336	$ 149	$ (62)	$ 87

The ratio used to determine the applicable period used in paragraph 11.b.i above and the amount of adjusted capital and surplus used to determine the percentage threshold limitation in paragraph 11.b.ii above are as follows (in millions):

	December 31,	
	2012	2011
Ratio percentage used to determine recovery period and threshold limitation amount	970%	972%
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in paragraph 11.b.ii above	$ 14,785	$ 13,324

The Company had no impact on adjusted gross and net admitted DTAs due to tax planning strategies for December 31, 2012 and 2011. The Company did not use reinsurance in its tax planning strategies.

The Company had no unrecognized deferred tax liabilities for December 31, 2012 and 2011. At December 31, 2012, the Company had no adjustments of DTAs or DTLs for enacted changes in tax laws or rates, or a change in tax status. Additionally, the Company had no adjustments to gross DTAs because of a change in circumstances that causes a change in judgment about the realizability of the related DTAs.

Significant components of the current federal income tax (benefit) expense incurred for the years ended December 31, 2012 and 2011 were as follows (in millions):

	December 31,		
Current Income Tax	2012	2011	Change
Federal[1]	$ (22)	$ 168	$ (190)
Foreign	2	2	-
Subtotal	(20)	170	(190)
Federal income tax on net capital gains/(losses)	136	(16)	152
Utilization of capital loss carry-forward	-	-	-
Other (current taxes reported in prior period correction)	(135)	-	(135)
Total federal and foreign income tax (benefit) expense incurred	$ (19)	$ 154	$ (173)

[1] The Company had investment tax credits of $116 million and $104 million for the years ended December 31, 2012 and 2011, respectively.

The tax effects of temporary differences that give rise to DTAs and DTLs were as follows (in millions):

DTAs

	December 31, 2012	December 31, 2011	Change
Ordinary			
Pension accrual	$ 692	$ 667	$ 25
Policyholder reserves	664	653	11
Deferred acquisition costs	609	586	23
Compensation and benefits accrual	398	356	42
Policyholder dividends accrual	391	341	50
Fixed assets	93	87	6
Receivables - nonadmitted	56	51	5
Investments	12	10	2
Unearned premium reserve	3	3	-
Other	79	82	(3)
Subtotal	2,997	2,836	161
Nonadmitted	281	268	13
Admitted ordinary DTAs	2,716	2,568	148
Capital			
Investments	705	767	(62)
Real estate	2	1	1
Subtotal	707	768	(61)
Nonadmitted	-	-	-
Admitted capital DTAs	707	768	(61)
Total admitted DTAs	3,423	3,336	87
DTLs			
Ordinary			
Deferred and uncollected premium	496	463	33
Investments	318	332	(14)
Fixed assets	84	75	9
Policyholder reserves	5	6	(1)
Other	15	17	(2)
Subtotal	918	893	25
Capital			
Investments	978	853	125
Real estate	159	143	16
Subtotal	1,137	996	141
Total DTLs	2,055	1,889	166
Net admitted DTAs/(DTLs)	$ 1,368	$ 1,447	$ (79)

The Company's income tax (benefit) expense for the years ended December 31, 2012 and 2011 differs from the amount obtained by applying the statutory rate of 35% to net gain from operations after dividends to policyholders and before federal income taxes for the following reasons (in millions):

	December 31, 2012	December 31, 2011	Change
Net gain from operations after dividends to policyholders and before federal income taxes 35%	$ 278	$ 238	$ 40
Net realized capital (losses) gains at 35%	81	(32)	113
Prior year audit liability and settlement	8	5	3
Contiguous country branch income	(6)	(5)	(1)
Stock contribution to the NYL Foundation	(7)	-	(7)
Accruals in surplus	(12)	(261)	249
Dividends from subsidiaries	(26)	(5)	(21)
Amortization of IMR	(29)	(24)	(5)
Tax exempt income	(59)	(39)	(20)
Non-admitted assets	(112)	47	(159)
Tax credits (net of withholding)	(122)	(105)	(17)
Other	5	(2)	7
Income tax incurred and change in net deferred tax during period	(1)	(183)	182
Federal income taxes reported in the Summary of Operations	$ (20)	$ 170	$ (190)
Capital gains tax benefits incurred	136	(16)	152
Change in net deferred income taxes	18	(337)	355
Change in current and deferred taxes reported in prior period correction	(135)	-	(135)
Total statutory income tax (benefit) expense	$ (1)	$ (183)	$ 182

The Company's federal income tax returns are routinely audited by the Internal Revenue Service ("IRS") and provisions are made in the financial statements in anticipation of the results of these audits. The IRS has completed audits through 2007 and in 2012, the IRS began its examination of the tax years 2008 through 2010. There were no material effects on the Company's Statutory Statements of Operations as a result of these audits. The Company believes that its recorded income tax liabilities are adequate for all open years.

The Company did not have any operating loss and tax credit carry forwards available for tax purposes. The total income taxes incurred in prior years that will be available for recoupment in the event of future net losses total $333 million, $54 million and $68 million related to December 31, 2012, 2011 and 2010 respectively.

The Company does not anticipate any significant changes to its total unrecognized tax benefits within the next 12 months.

As discussed in Note 2 – Significant Accounting Policies - Federal Income Taxes, the Company's federal income tax return is consolidated with NYLIAC, NYLAZ, NYLIFE LLC, NYLE and New York Life Investments.

At December 31, 2012 and 2011, the Company recorded a current income tax receivable of $27 million and $76 million, respectively. The current income tax receivables were included in "Other Assets" in the accompanying Statutory Statements of Financial Position.

At December 31, 2012, the Company had no protective tax deposits on deposit with the Internal Revenue Service under Section 6603 of the IRS Code.

NOTE 11 – REINSURANCE

The Company enters into reinsurance agreements in the normal course of its insurance business to reduce overall risk and to be able to issue life insurance policies in excess of its retention limits. Currently the Company reinsures the mortality risk on new life insurance policies on a quota-share yearly renewable term ("YRT") basis for all products except on its participating whole life products. Up until late 2004, the Company typically retained 10% of each risk on its individual life insurance policies, and varying retention amounts ranging from 30% to 50% on select group life insurance cases and product lines. Starting in late 2004, the Company began to retain a higher share on certain individual life products. The quota share currently retained generally ranges from 20% up to 50%, with a minimum size policy ceded of $2 million for term and $1 million for other traditional products. Most of the reinsured business is on an automatic basis. Cases in excess of the Company's retention and certain substandard cases are reinsured facultatively. Generally, the Company does not have any individual life or group reinsurance agreements that do not transfer risk or contain risk limiting features.

Life insurance reinsured was 12% and 13% of total life insurance inforce at December 31, 2012 and 2011, respectively. The reserve reductions taken for life insurance reinsured were $336 million and $338 million for the years ended December 31, 2012 and 2011.

At December 31, 2008, the Company assumed 90% of a block of inforce life insurance business under a coinsurance with funds withheld treaty from its indirect subsidiary, New York Life Insurance Worldwide Limited ("Cedent"). A total reserve of $79 million consisting of whole life products was assumed under the treaty. Under the treaty, Cedent retained $71 million in assets for funds withheld in relation to the reserves and the Company established $8 million in deficiency reserves. At the inception of the treaty, the Company incurred a $14 million ceding commission to Cedent. At December 31, 2010, the Company assumed reserves under coinsurance with funds withheld of $100 million. On April 1, 2011, Cedent was sold to ACE INA International Holdings, Ltd. (see Note 1 – Discontinued Operations, for further detail) and the reinsurance agreement was terminated.

In December 2004, the Company assumed 90% of a block of inforce life insurance business from its wholly-owned subsidiary, NYLIAC. A total reserve of $5,656 million consisting of Universal Life, Variable Universal Life, Target Life and Asset Preserver products was assumed using a combination of coinsurance with funds withheld for the fixed portion maintained in the General Account and modified coinsurance ("MODCO") for policies in the Separate Accounts. Under both the MODCO and Funds Withheld treaties, NYLIAC retains the assets held in relation to the reserves. A $25 million ceding commission was paid by the Company at the inception of the treaty. An experience refund is paid to NYLIAC at the end of each accounting period for 100% of profits in excess of $5 million. Experience refunds paid in 2012 and 2011 were $118 million and $139 million, respectively. At December 31, 2012 and 2011, the Company assumed reserves under coinsurance with funds withheld and MODCO of $5,712 million and $5,756 million, respectively.

On January 19, 2000, the Company entered into a modified coinsurance reinsurance agreement with Paul Revere Life Insurance Company ("Paul Revere") whereby Paul Revere reinsures 100% of the Company's individual disability income business with an effective date of January 1, 2000. The Company received consideration of $88 million, resulting in a deferred gain of $54 million after tax that is amortized into net gain over a twenty-year period. During 2012 and 2011, $3 million was amortized each year into net gain leaving $16 million at December 31, 2012 to be amortized in future years.

The Company has reinsurance agreements with New York Life Agents Reinsurance Company ("NYLARC"). NYLARC is a life insurance company wholly owned by NYLARC Holding Company, Inc., whose shareholders consist of the Company's top agents who meet certain criteria and who may also be agents of NYLIAC or NYLAZ. NYLARC reinsures a portion of certain life insurance products sold by its shareholders. NYLARC's purpose is to retain high production agents, and increase the volume and quality of the business that they submit to the Company, NYLIAC and NYLAZ.

The Company had reinsured certain policies with unauthorized companies that prevent it from recognizing full reinsurance credit. Since these reinsurers are not recognized in the State of New York, and the receivable owed to the Company is not secured by cash, securities or other permissible collateral, the Company established a liability equal to the net credit received. At December 31, 2012 and 2011, less than $1 million for both years, was held as a liability to offset the net reinsurance credit. The change in the liability is reflected as a direct adjustment to surplus and totaled less than $1 million for both years ended December 31, 2012 and 2011.

NOTE 12 – SURPLUS

Surplus Notes

On October 8, 2009, the Company issued Surplus Notes ("2009 Notes") with a principal balance of $1 billion, bearing interest at 6.75%, and with a maturity date of November 15, 2039. Proceeds from the issuance of the 2009 Notes were $998 million, net of discount. The 2009 Notes were issued pursuant to Rule 144A under the Securities Act of 1933, as amended, and are administered by Citibank, as registrar/paying agent. Interest on the 2009 Notes is paid semi-annually on May 15th and November 15th of each year. Cumulative interest paid through December 31, 2012 totaled $209 million.

On May 5, 2003, the Company issued Surplus Notes ("2003 Notes") with a principal balance of $1 billion, bearing interest at 5.875%, and with a maturity date of May 15, 2033. Proceeds from the issuance of the 2003 Notes were $990 million, net of discount. The 2003 Notes were issued pursuant to Rule 144A under the Securities Act of 1933, as amended, and are administered by Citibank, as registrar/paying agent. Interest on the 2003 Notes is paid semi-annually on May 15th and November 15th of each year. Cumulative interest paid through December 31, 2012 totaled $559 million.

The 2009 Notes and the 2003 Notes (collectively the "Notes") are unsecured and subordinated to all present and future indebtedness, policy claims and other creditor claims against the Company. Under New York State Insurance Law, the Notes are not part of the legal liabilities of the Company. Each payment of interest or principal may be made only with the prior approval of the Superintendent of Financial Services of the State of New York ("Superintendent") and only out of surplus funds, which the Superintendent determines to be available for such payments under New York State Insurance Law. Provided that approval is granted by the Superintendent, the Notes may be redeemed at the option of the Company at any time at the "make-whole" redemption price equal to the greater of: (1) the principal amount of the Notes to be redeemed, or (2) the sum of the present values of the remaining scheduled interest and principal payments on the notes to be redeemed, excluding accrued interest as of the date on which the Notes are to be redeemed, discounted on a semi-annual basis at an adjusted treasury rate plus

20 and 40 basis points, respectively, plus in each case, the accrued interest on the Notes to be redeemed to the redemption date.

At December 31, 2012 and 2011, no affiliates owned any of the Notes. At December 31, 2012, State Street Bank & Trust Co, Bank of New York Mellon, JP Morgan Chase Bank and Citibank were each the holder of record at The Depository Trust Company of more than 10% of the outstanding amount of the Notes, with each holding Notes, at least in part, for the accounts of their respective clients.

Other Surplus Adjustments

Other increases or (decreases) in the Statutory Statements of Changes in Surplus at December 31, 2012 and 2011 include the effects of the following (in millions):

	2012	2011
Prior period correction – Note 1	$ 135	$ -
Separate account surplus – Note 9	4	-
Special reserves for group life - Note 8	3	(5)
Regulation 128 reserve – Note 8	(2)	-
Ceding commission – Note 11	(3)	(3)
Intangible asset – Note 13	(5)	8
Change in AML – Note 13	(33)	(818)
Change in accounting principles – Note 1	(46)	(4)
Total	$ 53	$ (822)

Cumulative unrealized gains, gross of deferred taxes, recognized in unassigned surplus were $3,067 million and $1,740 million as of December 31, 2012 and 2011, respectively.

Nonadmitted Assets

Under statutory accounting rules, a nonadmitted asset is defined as an asset having economic value other than that which can be used to fulfill policyholder obligations, or those assets that are unavailable due to encumbrances or other third party interests. These assets are not recognized in the Statutory Statements of Financial Position, and are, therefore, considered nonadmitted. The changes between years in nonadmitted assets are charged or credited directly to surplus.

The following table shows the major categories of assets that are nonadmitted at December 31, 2012 and 2011, respectively (in millions):

	2012	2011		Increase (Decrease)
Overfunded pension asset	$ 1,328	$ 1,031		$ 297
Net deferred tax asset	280	268	*	12
Furniture, equipment and EDP	260	245		15
Invested assets	122	112		10
Other	109	110		(1)
Total	$ 2,099	$ 1,766		$ 333

* $701 million of this change is due to the adoption of SSAP 10R, which is reported as a separate item in the Statutory Statements of Changes in Surplus.

NOTE 13 – BENEFIT PLANS

Defined Benefit Plans

The Company maintains the New York Life Insurance Company Pension Plan (the "Pension Plan"). The Pension Plan is a tax-qualified defined benefit pension plan covering substantially all eligible full-time and part-time employees of the Company and certain eligible employees of subsidiaries that adopt the Pension Plan. Agents are not eligible for benefits under the Pension Plan. For new Pension Plan participants hired on and after January 1, 2012 and all participants who did not meet the Pension Plan's grandfathering criteria on December 31, 2011 as described below (collectively, "Non-grandfathered Participants"), an annual pay credit is allocated to the accounts of Non-grandfathered Participants with less than 15 years of vesting service equal to 5% of salary, and to the accounts of Non-grandfathered Participants with 15 or more years of vesting service equal to 6.5% of salary. Non-grandfathered Participants with benefit accruals prior to 2012 have an opening account balance as of January 1, 2012 determined by converting their "frozen December 31, 2011 benefit" (i.e., their accrued benefit as of December 31, 2011 payable in the form of an annuity at age 65) to a lump sum. Accounts are credited with interest at the end of each year at an interest rate based on IRS guidelines. Pension Plan participants who met the grandfathering criteria described below ("Grandfathered Participants") are entitled to annual pension benefits beginning at normal retirement date (age 65) equal to a percentage of their final average salary (average monthly salary for the highest paid 60 consecutive months of the last 120 months the participant is employed by the Company), less a Social Security offset for each active participant in the Pension Plan as of December 31, 1988. Grandfathered Participants include (i) active Pension Plan participants on December 31, 2011 who, as of that date, were employed by the Company and its affiliates for at least 15 full years and had completed at least 15 years of vesting service; or (ii) active Plan participants on December 31, 2011 who, as of that date, were at least age 50 and had been employed by the Company and its affiliates for at least 10 full years but less than 15 full years and had completed at least 10 but less than 15 years of vesting service.

The Company also maintains the New York Life Excess Benefit Plan, which is a nonqualified, unfunded arrangement that provides benefits in excess of the maximum benefits that may be paid or accrued under the Pension Plan. The New York Life Excess Benefit Plan was amended and restated to comply with Internal Revenue Code ("IRC") Section 409A.

The Company also maintains the NYLIC Retirement Plan ("Retirement Plan"). The Retirement Plan is a qualified defined benefit pension plan covering substantially all eligible agents under contract with the Company or its domestic life insurance subsidiaries on or after January 1, 1982, the effective date of the Plan. Employees who are not life insurance agents are not eligible for benefits under the Retirement Plan.

Retirement Plan participants are entitled to annual pension benefits beginning at normal retirement date (generally, the first day of the month following the later of attainment of age 65 or the completion of 5 years of vesting service). In general, the benefit is based on the agent's Frozen Accrued Benefit, if applicable, and his/her Earnings-Related Benefit Accruals ("ERBA"). The Frozen Accrued Benefit is the amount accrued as of December 31, 1990 for service, if any, on or prior to that date under the production-related benefit formula. For periods of service after December 31, 1990, the agent's ERBA is calculated by multiplying the sum of his/her Pensionable Earnings credited after 1990 by 2.75%. In addition, the Retirement Plan also pays amounts to certain eligible agents whose retirement benefit under the Retirement Plan is less than their Senior NYLIC Income (i.e., compensation under certain agents' contracts for agents who have completed 20 NYLIC years) so that their total retirement benefit under the Retirement Plan is equivalent to their Senior NYLIC Income. The Company also maintains the NYLIC 415 and 401(a)(17) Excess Benefit Plan, which is a nonqualified, unfunded arrangement, that provides benefits in excess of the maximum benefits that may be paid or accrued under the Retirement Plan.
The NYLIC 415 and 401(a)(17) Excess Benefit Plan was amended and restated to comply with the IRC Section 409A.

The Pension Plan and the Retirement Plan are funded solely by Company contributions. The Company's funding policy for each of these Plans is to make annual contributions that are no less than the minimum amount needed to comply with the requirements of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and the IRC, and no greater than the maximum amount deductible for federal income tax purposes. In 2012, the Company made voluntary contributions to the Pension Plan and the Retirement Plan of $295 million and $155 million, respectively. In 2011, the Company did not make any contributions to either the Pension Plan or the Retirement Plan. No contributions were required in either year to satisfy the minimum funding requirements under ERISA.

Except as set forth below, the assets of the Pension Plan and Retirement Plan are maintained in separate trusts issued to each Plan. Each Plan currently invests in two group annuity contracts: one contract is an immediate participation guarantee contract relating to the Company's general account ("GA Contract"), and the other contract relates to pooled separate accounts ("SA Contract"). Each Plan's investments in the GA Contract and the SA Contract are held in the separate trust established under each Plan. Pension Plan and Retirement Plan assets of $2,924 million and $2,574 million were included in the Company's separate account assets and liabilities as of December 31, 2012 and 2011, respectively. Pension Plan and Retirement Plan assets of $1,390 million and $1,167 million were included in the Company's aggregate reserve liability as of December 31, 2012 and 2011, respectively. In 2012, certain Pension Plan and Retirement Plan assets were directly invested in a third-party real estate investment fund. The Pension and Retirement Plan's investment in third-party real estate investment funds totaled $49 million and $41 million, respectively, at December 31, 2012.

The Company is the issuer of the GA and SA Contracts and NYLIM is the investment manager of the pooled separate accounts under the SA Contract and NYLIM or affiliates of NYLIM act as sub-advisors for the pooled separate accounts under the SA Contract. The GA Contract provides for the payment of an annual administrative charge based on a percentage of the assets maintained in the fixed account under the contract. The SA Contract provides for the payment of separate annual fees for the management of each separate account.

Grantor Trusts

The Company has established separate irrevocable grantor trusts covering certain of the Company's separate nonqualified arrangements for employees and agents to help protect nonqualified payments there under in the event of a change in control of the Company. The grantor trusts are not subject to ERISA.

Other Postretirement Benefits

The Company's Group Plan for New York Life Employees ("Employees Group Plan") (covering eligible employees of the Company and certain eligible employees of subsidiaries that adopt the Group Plan) provides certain health and life insurance benefits for eligible retired employees and their eligible dependents. Employees who retired prior to January 1, 1993 do not make contributions toward retiree health and life coverage. Employees who retired on or after January 1, 1993 may be required to contribute towards medical coverage (other than certain prescription drug coverage in 2011) and dental coverage.

The Company's Group Plan for New York Life Agents provides certain health and life insurance benefits for eligible retired agents and their eligible dependents. The Company pays the entire non-contributory and contributory life insurance costs for retired agents. The Company also provides monthly installment life insurance benefits payable to the beneficiary of eligible retired or inactive agents who have completed 20 or more years of service.

Eligible Agents who retired prior to January 1, 1993 and agents who retired after December 31, 1992 but either had completed 30 or more years of service or attained at least age 70 as of that date, are not required to make contributions for health care coverage.

Eligible Agents who retire on or after January 1, 1993, but did not have 30 or more years of service with the Company as of December 31, 1992 may be required to contribute towards medical coverage (other than certain prescription drug coverage in 2011) and dental coverage.

The Company has established a Voluntary Employees Beneficiary Association Trust ("VEBA Trust") in connection with medical and life benefits for eligible retired employees ("Retired Employee VEBA Trust") and eligible retired agents ("Retired Agent VEBA Trust") collectively referred to as the "VEBA Trusts". A portion of the cost of the medical coverage (other than certain prescription drug coverage in 2011), dental coverage and life premiums for eligible retired individuals and their eligible dependents is paid by a combination of the VEBA Trusts' assets and contributions by the eligible retired individuals. The remaining balance of these costs is paid by the Company.

Prefunding contributions are made to the VEBA Trusts, which are used to partially fund postretirement health and life benefits other than pensions. Prefunding contributions to the Retired Employee VEBA Trust totaling $1 million and $7 million were made in 2012 and 2011, respectively. Prefunding contributions to the Retired Agent VEBA Trust totaling less than $1 million were made in both 2012 and 2011.

The tables below are for financial reporting purposes only and do not reflect the status of the assets of each of the Pension Plan and the Retirement Plan under applicable law (in millions):

	Pension Plan Benefits		Other Postretirement Plan Benefits	
	2012	2011	2012	2011
Change in projected benefit obligation:				
Projected benefit obligation at beginning of year	$ 5,594	$ 4,919	$ 1,347	$ 1,133
Service cost	138	118	45	43
Interest cost	273	276	66	63
Contributions by plan participants	-	-	6	6
Actuarial losses	607	567	88	192
Benefits paid	(255)	(232)	(70)	(64)
Plan amendments	-	(54)	(104)	(33)
ERRP Receipts	-	-	-	3
Medicare Part D Reimbursements	-	-	3	4
Projected benefit obligation at end of year[1]	**$ 6,357**	**$ 5,594**	**$ 1,381**	**$ 1,347**
Change in plan assets:				
Fair value of plan assets at beginning of year	$ 3,741	$ 3,886	$ 436	$ 443
Actual return on plan assets	437	59	43	5
Contributions by employer	481	28	56	46
Contributions by plan participants	-	-	6	6
Benefits paid	(255)	(232)	(70)	(64)
Fair value of plan assets at end of year	**$ 4,404**	**$ 3,741**	**$ 471**	**$ 436**
Funded Status:				
Funded status	$ (1,953)	$ (1,853)	$ (910)	$ (912)
Unamortized prior service cost	(35)	(33)	(134)	(32)
Unrecognized net loss	2,850	2,483	576	517
Remaining net obligation at transition	-	-	-	4
Contributions by employer	-	-	-	-
Intangible asset[2]	10	14	-	-
Accumulated charge to surplus	(1,076)	(1,043)	-	-
Amount recognized in balance sheet	**$ (204)**	**$ (432)**	**$ (468)**	**$ (423)**
Accumulated benefit obligation for vested and partially vested participants to the extent of their vested amounts[1]	$ 5,935	$ 5,204		
Benefit obligation for non-vested participants[3]				
Projected benefit obligation	$ 41	$ 30		
Accumulated benefit obligation	$ 34	$ 25	$ 267	$ 237

[1] A measurement date of December 31st was used.

[2] Prepaid asset and the intangible asset are nonadmitted and are, therefore, not included in total statutory admitted assets.

[3] In 2012 and 2011, the non-vested employees were excluded from the table above and the accompanying financial statements. The benefit obligation for non-vested participants shown above is not accrued in the accompanying financial statements for pension and other post retirement plan benefits of the Company consistent with statutory guidance and is presented for informational purposes only.

The components of net periodic benefit cost were as follows (in millions):

	Pension Plan Benefits		Other Postretirement Plan Benefits	
	2012	2011	2012	2011
Components of net periodic benefit cost:				
Service cost	$ 138	$ 118	$ 45	$ 44
Interest cost	273	276	66	63
Expected return on plan assets	(323)	(339)	(36)	(37)
Amortization of net asset at transition	-	-	4	7
Amortization of losses	126	79	21	9
Amortization of prior service cost	1	6	(2)	-
Net periodic benefit cost	**$ 215 ***	**$ 140 ***	**$ 98 ****	**$ 86 ****

* Includes pension plan costs billed to subsidiaries of $63 million for the year ended December 31, 2012. There were no pension plan costs billed to subsidiaries for the year ended December 31, 2011. The liabilities for these plans are included with the liabilities for the corresponding plan of the Company.

** Includes postretirement costs billed to subsidiaries of $41 million and $37 million for each of the years ended December 31, 2012 and 2011, respectively. The liabilities for these plans are included with the liabilities for the corresponding plan of the Company.

Statutory Accounting states that if the ABO, which represents the present value of an employee or agent's pension if pensions froze as of the measurement date, exceeds the fair value of the plan's assets, the Company must recognize an AML that essentially represents the shortfall between the ABO and the plan assets.

Increases or decreases in the AML are reported as direct adjustments to surplus. At December 31, 2012, the Company reflected an increase in the AML for the employees' and agents' plans of $33 million (an increase of $818 million in 2011). Associated deferred tax assets are also recorded and admitted to the extent that contributions will be made over the next three years.

Other

The Company's accumulated postretirement benefit obligation ("APBO") for 2011 and net periodic benefit costs for 2011 and 2012 include the effect of the federal subsidy provided by the Medicare Prescription Drug Improvement and Modernization Act of 2003 (the "Act"). The Act introduced a prescription drug benefit under Medicare beginning in 2006. Under the Act, employers who sponsor postretirement plans that provide prescription drug benefits that are actuarially equivalent to Medicare Part D qualify to receive subsidy payments. There was no reduction in the 2012 APBO for the Medicare subsidy. The reduction in the 2011 APBO related to the Medicare subsidy totaled $4 million. The effect of the Medicare subsidy on net postretirement benefit cost was less than $1 million for both 2012, and 2011.

In 2013, the Company will convert its prescription drug benefit for Medicare eligible retirees to an enhanced Part D plan delivered through and Employer Group Waiver Plan ("EGWP") as described in the Plan Amendments section in this note. Since this change was announced to current retirees in 2012, it is reflected in the APBO as of December 31, 2012.

The Company made gross benefit payments of $61 million related to health benefits and received $3 million in Medicare Part D subsidy payments during 2012. The Company made gross benefit payments of $55 million related to health benefits and received $4 million in Medicare Part D subsidy payments during 2011.

The impact of the Patient Protection and Affordable Care Act ("PPACA") and Health Care and Education Reconciliation Act ("HCERA") signed into law in March 2010 was immaterial and has been included in the disclosures for the Company's Retiree Medical obligations.

The Company participates in the Early Retirement Reinsurance Program ("ERRP") that was established under the PPACA. In 2012, the Company did not receive reimbursements under the ERRP for certain medical claims that the Company paid on behalf of non-Medicare eligible retirees who are over 55. These reimbursements must be used to reduce plan costs.

Assumptions

Actuarial present values of accumulated benefits are reported based on certain actuarial assumptions, which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions could occur in the near term and would be material to the financial statements.

Weighted-average assumptions used to determine benefit obligations at December 31, 2012 and 2011:

	Pension Plan Benefits		Other Postretirement Plan Benefits	
	2012	2011	2012	2011
Discount rate	4.25%	5.00%	4.25%	5.00%
Rate of compensation increase:				
Employees	4.50%	4.50%	4.50%	4.50%
Agents	3.80%	3.80%	N/A	N/A

Weighted-average assumptions used to determine net periodic benefit cost for the years ended December 31, 2012 and 2011:

	Pension Plan Benefits		Other Postretirement Plan Benefits	
	2012	2011	2012	2011
Discount rate	5.00%	5.75%	5.00%	5.75%
Expected long-term return on plan assets	8.00%	8.25%	7.25%	7.25%/7.75% *
Rate of compensation increase:				
Employees	4.50%	5.00%	4.50%	5.00%
Agents	3.80%	5.20%	N/A	N/A

* Expected long-term return on plan assets is 7.25% for health benefits and 7.75% for life benefits.

The discount rates used to determine the Company's pension and other postretirement plan obligations were based on hypothetical AA (or greater) yield curves represented by a series of spot discount rates from half a year to 99 years. The spot rate curves are derived from a direct calculation of the implied forward curve based on the included bond cash flows.

Each bond issue underlying the yield curve is required to be non-callable, with a rating of AA when averaging all available ratings by Moody's Investor Services, Standard & Poor's and Fitch. Additionally, each bond must have at least $250 million par outstanding to ensure it is sufficiently marketable. Finally, the outlier bonds (i.e., those whose yields to maturity significantly deviate from the average yield in each maturity grouping) are removed. The yields are used to discount future pension and postretirement benefit plan cash flows at an interest rate specifically applicable to the timing of each respective cash flow. The sum of these discounted cash flows are totaled into a single present value and an equivalent weighted-average discount rate is calculated by imputing the singular interest rate that equates the total present value of the stream of future cash flows. This resulting interest rate is used by the Company as its discount rate for the pension and postretirement benefit plans.

The expected long-term return on plan assets is based on (1) an evaluation of the historical behavior of the broad financial markets and, (2) the plan's investment portfolio modified by input from the plan's investment consultant of future returns based on the current economic and financial market conditions.

The assets that back the Company's Pension Plan and Retirement Plan consist of approximately 60% public and private equity securities and 40% fixed income securities. The long term rate of return is based on this allocation.

The determination of the annual rate of increase in the per capita cost of covered health care benefits is reviewed separately for medical and prescription drug plans as well as for participants under and over age 65. At December 31, 2012, these assumed future rates of increase are the same for both medical and prescription drug plans as well as for participants under and over age 65. For dental plans, the annual rate of increase in the per capita cost utilizes a single rate for all participants.

In measuring the year-end 2012 obligations, the annual rate of increase in the per capita cost of covered health care medical benefits and prescription drug benefits was assumed to be 8.25% for 2013 for all participants. For the year-end 2012 measurement, the rate was assumed to decline gradually to 5% by 2022 for both medical and prescription drug benefits and remain at that level thereafter. For dental plans, the annual rate of increase in the per capita cost of covered health care benefits is assumed to be 5% for all participants for 2013 and beyond.

In measuring the year-end 2011 obligations, the annual rate of increase in the per capita cost of covered health care medical benefits and prescription drug benefits was assumed to be 8.5% for 2012 for all participants. For the year-end 2011 measurement, the rate was assumed to decline gradually to 5% by 2022 for both medical and prescription drug benefits and remain at that level thereafter. For dental plans, the annual rate of increase in the per capita cost of covered health care benefits is assumed to be 5% for all participants for 2012 and beyond.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plan. A one percentage point increase or decrease in assumed health care cost trend rates at December 31, 2012 would have the following effects (in millions):

	2012	
	One Percent Increase	**One Percent Decrease**
Effect on total of service and interest cost components	$ 11	$ (9)
Effect on accumulated postretirement obligations	$ 110	$ (91)

Plan Assets

The investment objectives for the Pension Plan, Retirement Plan and the VEBA Trusts are, first, to maintain sufficient income and liquidity to fund benefit payments; second, to preserve the capital value of the plans and trusts; third, to increase the capital value of the plans and trusts; and fourth, to earn a long-term rate of return which meets or exceeds the plans' and trusts' assumed actuarial rates of return. Under the investment policies of the Pension Plan and the Retirement Plan, the plans' assets are to be invested primarily in a balanced and diversified mix of high quality equities, fixed income securities, group annuity contracts, private equity investments, real estate investments, hedge fund investments, and cash equivalents, and such other assets as may be appropriate. Under the investment policies for the VEBA Trusts, the assets of the trusts are to be invested primarily in insurance contracts (variable and/or fixed) and/or mutual funds which, in turn, invest in a balanced and diversified mix of high quality equities, fixed income securities and cash equivalents, and such other assets as may be appropriate. The Investment Committees of the Board of Trustees (the "Committees") monitor and review investment performance to ensure assets are meeting investment objectives.

The Committees have established a broad investment strategy targeting an asset allocation of 60% equity securities and 40% fixed income for both the Pension Plan and the Retirement Plan, and 70% equity securities and 30% fixed income for the VEBA Trusts. Diversifying each asset class by style and type further enhances this allocation. In developing this asset allocation strategy, the Committees took into account, among other factors, the information provided to it by the plans' actuary, information relating to the historical investment returns of each asset class, the correlations of those returns and input from the plans' investment consultant. The Committees regularly review the plans' asset allocations versus the targets and make adjustments as appropriate.

The weighted-average asset allocation for the employee and agent defined benefit pension plans at December 31, 2012 and 2011, and target allocations by asset category were as follows:

	Target Allocation Percentage	Percentage of Plan Assets	
	December 31,	December 31,	
Asset Category	2012 and 2011	2012	2011
Fixed Income Securities	40%	37%	35%
Equity Securities	60%	63%	65%
Total	100%	100%	100%

Equity securities include common stock in the amount of $2,778 million (63% of total assets of the Pension Plan and Retirement Plan) and $2,417 million (65% of total assets of the Pension Plan and Retirement Plan) at December 31, 2012 and 2011, respectively.

The weighted-average asset allocation for the other postretirement benefit plans at December 31, 2012 and 2011, and target allocations by asset category under the VEBA Trusts were as follows:

	Target Allocation Percentage	Percentage of VEBA Trust Assets	
	December 31,	December 31,	
Asset Category	2012 and 2011	2012	2011
Fixed Income Securities	30%	31%	32%
Equity Securities	70%	69%	68%
Total	100%	100%	100%

Equity securities include common stock in the amount of $311 million (69% of total VEBA Trust Life and Health assets) and $280 million (68% of total VEBA Trust Life and Health assets) at December 31, 2012 and 2011, respectively.

The pooled separate accounts under the SA Contract for each of the Pension Plan and Retirement Plan invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

The fair values (refer to Note 17 – Fair Value Measurements for description of levels) of the Pension Plan and Retirement Plan assets at December 31, 2012 and 2011 are as follows (in millions):

	2012			
	Quoted prices in Active Markets for Identical Assets (Level 1)	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Fixed income investments:				
Immediate Participation Guarantee	$ -	$ -	$ 1,390	$ 1,390
Absolute Return Hedge Fund Separate Accounts	-	-	235	235
High Yield Bond Separate Accounts	-	1	-	1
Equity type investments:				
Private equity separate accounts	-	-	414	414
Indexed Equity Separate Account	-	393	-	393
International Equity Separate Account	-	715	-	715
Small Cap Corp Separate Account	-	238	-	238
REIT Equity Separate Account	-	362	-	362
Long/Short Equity Hedge Fund Separate Accounts	-	-	238	238
Large Cap Enhanced Separate Account	-	328	-	328
Morgan Stanley Prime Property Fund	-	-	90	90
Total assets accounted for at fair value	$ -	$ 2,037	$ 2,367	$ 4,404

	2011			
	Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Fixed income investments:				
Immediate Participation Guarantee	$ -	$ -	$ 1,167	$ 1,167
Absolute Return Hedge Fund Separate Accounts	-	-	154	154
High Yield Bond Separate Accounts	-	2	-	2
Equity type investments:				
Private equity separate accounts	-	-	437	437
Indexed Equity Separate Account	-	484	-	484
International Equity Separate Account	-	516	-	516
Small Cap Corp Separate Account	-	182	-	182
REIT Equity Separate Account	-	377	-	377
Long/Short Equity Hedge Fund Separate Accounts	-	-	137	137
Large Cap Enhanced Separate Account	-	285	-	285
Total assets accounted for at fair value	$ -	$ 1,846	$ 1,895	$ 3,741

Determination of Fair Values

The following is a description of the valuation methodologies used to determine fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Immediate Participation Guarantee ("IPG")

The fair value of the IPG contract is its contract value, which represents contributions made, plus interest earned, less funds used to pay claims, premiums and fees. The IPG contract is categorized as Level 3 due to the fact that the contract value relies on internal reports issued by New York Life Investments that would be unobservable by third-party market participants.

Separate Accounts

With the exception of the Private Equity Separate Accounts, Absolute Return Hedge Fund Separate Accounts, and Long Short Equity Hedge Funds Separate Accounts, the separate accounts net asset value ("NAV") represents the fair value of each unit held by the Pension and Retirement Plans and is the level at which transactions occur. The NAV for these investments are not considered a readily determinable fair value since the prices are not publicly published. In addition, there are no restrictions on transfers or withdrawals, therefore the investments in these separate accounts will be reported as Level 2.

The Private Equity Separate Accounts, Absolute Return Hedge Fund Separate Accounts, and Long Short Equity Hedge Funds Separate Accounts invest in limited partnerships, and hedge funds and their investment is restricted with respect to transfer or withdrawal. Since the plans cannot transact at the current NAV, the investments fall within Level 3.

Morgan Stanley Prime Property Fund ("Prime Fund")

The Prime Fund, a third-party real estate investment fund, invests primarily in real estate and real estate related assets. The Pension Plan and Retirement Plan own shares in the Prime Fund and the NAV represents the fair value of each unit held by the plans. There are restrictions with respect to transfers or withdrawals greater than 90 days. Due to the potential inability to transact at the current NAV these assets are assigned a Level 3.

The tables below present a reconciliation of all Level 3 assets for the years ended December 31, 2012 and 2011 (in millions):

	2012					
	Immediate Participation Guarantee	Private Equity Separate Account	Absolute Return Hedge Fund Separate Accounts	Long/Short Equity Hedge Fund Separate Accounts	Morgan Stanley Prime Property Fund	Total
Fair value, beginning of year	$ 1,167	$ 437	$ 154	$ 137	$ -	$ 1,895
Return on plan assets:						
Relating to assets still held at the reporting date	66	45	13	18	1	143
Relating to assets sold during the period	-	5	-	-	-	5
Purchases, sales and settlements	157	(73)	68	83	89	324
Transfers into (out) of Level 3	-	-	-	-	-	-
Fair value, end of year	$ 1,390	$ 414	$ 235	$ 238	$ 90	$ 2,367

	2011				
	Immediate Participation Guarantee	Private Equity Separate Account	Absolute Return Hedge Fund Separate Accounts	Long/Short Equity Hedge Fund Separate Accounts	Total
Fair value, beginning of year	$ 1,147	$ 453	$ -	$ -	$ 1,600
Return of plan assets:					
Relating to assets still held at the reporting date	63	35	(1)	(1)	96
Relating to assets sold during the period	-	4	-	-	4
Purchases, sales and settlements	(43)	(55)	155	138	195
Transfers into (out) of Level 3	-	-	-	-	-
Fair value, end of year	$ 1,167	$ 437	$ 154	$ 137	$ 1,895

The fair value of other postretirement benefit plan assets at December 31, 2012 and 2011 were as follows (in millions):

	2012			
	Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Fixed income investments:				
CSUL Policies	$ -	$ -	$ 137	$ 137
Immediate Participation Guarantee	-	-	23	23
Equity type investment:				
MainStay S&P 500 Index Fund	129	-	-	129
MainStay International Equity Fund	21	-	-	21
CSVUL				
MainStay VP Indexed Equity	-	-	131	131
MainStay VP International Equity	-	-	30	30
Total assets accounted for at fair value	$ 150	$ -	$ 321	$ 471

	2011			
	Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Fixed income investments:				
CSUL Policies	$ -	$ -	$ 134	$ 134
Immediate Participation Guarantee	-	-	22	22
Equity type investment:				
MainStay S&P 500 Index Fund	116	-	-	116
MainStay International Equity Fund	17	-	-	17
CSVUL				
MainStay VP Indexed Equity	-	-	120	120
MainStay VP International Equity	-	-	27	27
Total assets accounted for at fair value	$ 133	$ -	$ 303	$ 436

Determination of Fair Values

The following is a description of the valuation methodologies used to determine fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Immediate Participation Guarantee ("IPG")

The fair value of the IPG contract is its contract value, which represents contributions made, plus interest earned, less funds used to pay claims, premiums and fees. The IPG contract is categorized as Level 3 due to the fact that the contract value relies on internal reports issued by New York Life Investments that would be unobservable by third-party market participants.

The MainStay Funds

The MainStay retail funds are all open end registered mutual funds which are priced using a daily NAV. These prices are publicly published, and there are no restrictions on contributions and withdrawals. As such, they are categorized as Level 1.

CSUL and CSVUL

The CSUL and the CSVUL policies are reported at cash surrender value. These policies have surpassed their surrender charge period; therefore, their cash value and their contract value are equal. These policies are categorized in the hierarchy as a Level 3 since the valuation relies on data supplied by an insurance carrier that is unique to these policies and the inputs are unobservable. There is also no secondary market for these assets.

The tables below present a reconciliation of all Level 3 assets and liabilities for the years ended December 31, 2012 and 2011 (in millions):

	2012				
	CSUL Policies	CSVUL MainStay VP Indexed Equity	CSVUL MainStay VP International Equity	Immediate Participation Guarantee	Total
Fair value, beginning of year	$ 134	$ 120	$ 27	$ 22	$ 303
Return of plan assets:					
Relating to assets still held at the reporting date	5	16	4	1	26
Relating to assets sold during the period	-	-	-	-	-
Purchases, sales and settlements	(2)	(5)	(1)	-	(8)
Transfers into (out) of Level 3	-	-	-	-	-
Fair value, end of year	$ 137	$ 131	$ 30	$ 23	$ 321

	2011				
	CSUL Policies	CSVUL MainStay VP Indexed Equity	CSVUL MainStay VP International Equity	Immediate Participation Guarantee	Total
Fair value, beginning of year	$ 130	$ 122	$ 33	$ 20	$ 305
Return on plan assets:					
Relating to assets still held at the reporting date	6	4	(4)	2	8
Relating to assets sold during the period	-	-	-	-	-
Purchases, sales and settlements	(2)	(6)	(2)	-	(10)
Transfers into (out) of Level 3	-	-	-	-	-
Fair value, end of year	$ 134	$ 120	$ 27	$ 22	$ 303

Plan Amendments

Effective as of January 1, 2013, the Company will convert its prescription drug benefit for Medicare-eligible retirees in the Employee Group and Agent Group Plans from its current arrangement to an enhanced Part D plan delivered through an EGWP. Under the current arrangement, the Company is reimbursed for a portion of its prescription drug costs through the federal Retiree Drug Subsidy program ("RDS"). The Company moved to an EGWP since it provides an enhanced subsidy over that which was provided under RDS. The EGWP implementation had no financial impact on the Company's results.

Cash Flows

The estimated future benefit payments are based on the same assumptions as used to measure the benefit obligations at December 31, 2012. The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid (in millions):

	Pension Plan Benefits	Other Postretirement Plan Benefits	Postemployment Plan Benefits
2013	$ 300	$ 65	$ 11
2014	312	68	12
2015	325	71	12
2016	338	74	13
2017	352	76	13
Thereafter (2018-2022)	1,967	428	77
Total	$ 3,594	$ 782	$ 138

The Company does not expect to make contributions to its tax-qualified Pension Plan or Retirement Plan during 2013. The Company expects to pay approximately $34 million of non-qualified Pension Plan and Retirement Plan benefits during 2013. In addition, the Company expects to contribute approximately $1 million to its postretirement benefit plans during 2013.

Postemployment Benefits and Compensated Absences

The Company provides certain benefits to eligible employees and agents during employment for paid absences. These benefits include, but are not limited to, salary continuation during medical and maternity leaves, disability-related benefits, and continuation of benefits such as health care and life insurance coverage.

Effective as of January 1, 2013, the Company implemented a new short-term disability program for employees, which provides income replacement for up to 26 weeks based on need regardless of the employee's length of service. Under the new program, employees approved for short-term disability payments receive payments following a five day elimination period of 100% of base salary for the first six weeks of absence, and 75% of base salary for up to 19 additional weeks. Prior to 2013, salary continuation payments of 100% of base salary for approved absences were limited (ranging from three to 26 weeks) based on an employee's period of service with the Company.

The Company has accrued a $4 million and $29 million obligation related to these benefits at December 31, 2012 and 2011, respectively. For 2012, the net periodic benefit cost associated with these programs was $(15) million, with $5 million of income reimbursed to subsidiaries. For 2011, the net periodic benefit costs associated with these programs was $12 million, with $5 million billed to subsidiaries. Since the new short term disability program was announced to employees during 2012, a $47 million reduction to the postemployment benefit obligation was reflected at December 31, 2012. In addition a reduction to the net periodic cost of $28 million was reflected for the year.

Defined Contribution Plans

The Company maintains the Employee Progress-Sharing Investment Plan ("EPSI") which is a tax-qualified defined contribution plan covering substantially all salaried United States full-time and part-time employees of the Company (individuals eligible under the Company's Agents' Progress-Sharing Investment Plan ("APSI") are not eligible under EPSI).

Under EPSI, participants may contribute (i) on a pre-tax basis to a 401(k) account, a percentage of base salary and eligible incentive compensation (up to 10% for employees whose total annual compensation exceeds the prior year's highly compensated threshold for qualified plans based on previous years' total pay ($110,000 in both 2011 and 2010 for 2012 and 2011 contributions) and up to 25% for 2012 and 15% for 2011 for employees whose total annual compensation is below the highly compensated threshold), and (ii) to a non-tax deductible account up to 10% of base salary and eligible incentive pay. Highly compensated employees are limited to a combined 401(k) and non-tax deductible rate of 10%. Participants may also roll over qualified distributions from eligible retirement plans into the EPSI. EPSI also permits participants age 50 and over to make additional pre-tax 401(k) "catch-up" contributions ($5,500 for 2012 and 2011).

The Company annually determines the level of the Company's matching contributions to EPSI. In 2011, the Company made matching contributions of up to 3% of base salary and eligible incentive pay for all participants. In 2012, New York Life made matching contributions of up to 4% of base salary and eligible incentive pay for participants who are Non-grandfathered Participants under the Pension Plan, and 3% of base salary and eligible incentive pay for participants who are Grandfathered Participants under the Pension Plan. For each of the years ended December 31, 2012 and 2011, the Company's matching contributions to EPSI totaled $31 million and $24 million, respectively.

The Company also maintains the Excess EPSI Plan for certain eligible participants, which is a non-qualified unfunded arrangement that credits participant contributions and matching contributions in respect of compensation in excess of the amount that may be taken into account under EPSI because of applicable IRS limits. The Excess EPSI Plan was amended and restated to comply with IRC Section 409A.

The Company also maintains APSI, which is a qualified defined contribution plan covering substantially all contracted United States full-time agents (individuals eligible under EPSI are not eligible under APSI).

Under APSI, participants make contributions by entering into commission reduction agreements with the Company whereby a percentage of their compensation (up to 7% for agents whose total annual compensation for the prior year exceeds the prior years' highly compensated dollar threshold for qualified plans based on previous years' total pay ($110,000 in both 2011 and 2010 for 2012 and 2011 contributions) and up to 15% for agents whose total compensation is below the highly compensated threshold) may be contributed to a 401(k) account. Participants may also roll over qualified distributions from eligible retirement plans into APSI. APSI also permits participants age 50 and over to make additional pre-tax 401(k) "catch-up" contributions ($5,500 for 2012 and 2011).

The Company annually determines the level of the Company's contributions to APSI. Contributions are based on each participant's net renewal commissions, net renewal premiums and cash values for the plan year on policies for which the participant is the original writing agent. In both 2012 and 2011, the Company's contributions to APSI totaled $2 million.

The Company also maintains the Excess APSI Plan, which is a non-qualified, unfunded arrangement that credits Company contributions in excess of the maximum Company contributions that may be made under APSI because of certain applicable IRS limits. The Excess APSI Plan was amended and restated to comply with IRC Section 409A.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Support and Credit Agreements

On August 11, 2004, the Company entered into a Credit Agreement with NYLAZ, whereby NYLAZ is able to borrow up to $10 million from the Company for short-term liquidity needs. During 2012, the credit facility was not used, no interest was paid and there was no outstanding balance due.

The Company has a Credit Agreement with NYLIAC, dated September 30, 1993, as amended, whereby NYLIAC may borrow from the Company up to $490 million. During 2012, the credit facility was not used, no interest was paid and there was no outstanding balance due.

The Company has a Credit Agreement with NYLIAC, dated April 1, 1999, as amended, under which the Company may borrow from NYLIAC up to $490 million. During 2012, the credit facility was not used, no interest was paid and there was no outstanding balance due.

At December 31, 2012 and 2011, contractual commitments to extend credit under commercial mortgage loan agreements totaled $229 million and $141 million, respectively, at both fixed and variable rates of interest. These commitments are diversified by property type and geographic location. There were no contractual commitments to extend credit under residential loan agreements as of December 31, 2012 and 2011.

At December 31, 2012 and 2011, the Company had outstanding contractual obligations to acquire additional private placement securities amounting to $169 million and $152 million, respectively.

Unfunded commitments on limited partnerships, limited liability corporations and other invested assets amounted to $2,993 million and $2,155 million at December 31, 2012 and 2011, respectively. Unfunded commitments on LIHTC amounted to $32 million and $40 million at December 31, 2012 and 2011, respectively.

Guarantees

At December 31, 2012 the Company had the following outstanding guarantees (in millions):

	Nature and circumstances of guarantee and key attributes	Liability recognition of guarantee	Ultimate financial statement impact if action under the guarantee is required	Maximum potential amount of future payments (undiscounted) the Company could be required to make under the guarantee	Current status of payment or performance risk of guarantee
1.	The Mainstay High Yield Opportunities Fund ("Fund") has pledged collateral in connection with transactions it executed with Lehman Brothers prior to Lehman's Bankruptcy. On August 27, 2010, the Company guaranteed that if the Fund receives less than 100% of the then current value of the collateral, the Company will contribute the difference to the Fund.	$4	Expenses would increase	$48	The Company cannot assess the risk of this guarantee as the Lehman bankruptcy proceedings are still ongoing and the outcome is uncertain.
2.	On July 11, 2008, the Company executed an agreement to indemnify GoldPoint Partners LLC (formerly known as NYLCAP Manager LLC) for capital contributions that may be required in connection with GoldPoint Partner's indemnification obligations to NYLCAP Select Manager Fund, LP.	Exempt. Guarantee is on behalf of a wholly owned subsidiary.	Expenses would increase	$25	The Company oversees the operations of GoldPoint Partners LLC and assesses the risk to be minimal.
3.	On January 17, 2012, the Company executed an agreement to indemnify GoldPoint Partners LLC for capital contributions that may be required in connection with GoldPoint Partners LLC's indemnification obligations to NYLCAP Select Manager Fund II, L.P.	Exempt Guarantee is on behalf of a wholly owned subsidiary.	Expense would increase	$25	The Company oversees the operations of GoldPoint Partners and assesses the risk to be minimal.
4.	On September 28, 1995, the Company entered into a support agreement with NYLCC to maintain a positive net worth of NYLCC of at least $1. Since NYLCC only makes loans to the Company or its participating wholly owned subsidiaries, the Company would only be obligated under the guarantee in the event that one of the participating subsidiaries defaulted under its loan.	Exempt. Guarantee is on behalf of a wholly owned subsidiary.	None. The financial statement impact of performance under the guarantee would be offset by an increase in SCA associated with the defaulting subsidiary's debt release.	$920	Based on NYLCC's financial position and operations, the Company considers the risk of performance to be minimal.

	Nature and circumstances of guarantee and key attributes	Liability recognition of guarantee	Ultimate financial statement impact if action under the guarantee is required	Maximum potential amount of future payments (undiscounted) the Company could be required to make under the guarantee	Current status of payment or performance risk of guarantee
5.	On November 7, 2007, the Company issued a guarantee to the Bank of New York ("BoNY") unconditionally guaranteeing the debts of MCF in connection with a standby letter of credit entered between MCF and BoNY. MCF provides revolving loans to third parties. The borrower sometimes requires a line of credit to be issued by a bank to back the revolving loan. In order for BoNY to enter into this line of credit, they required the Company to provide a guarantee on behalf of MCF.	Exempt. Guarantee is on behalf of a wholly owned subsidiary.	Expenses would increase	$100	The Company, in the ordinary course of business, provides MCF with capital and financing to meet their obligations. The Company views the risk of performance under this guarantee as remote.
6.	On October 26, 2010, the Company issued a guarantee for the full and punctual payment of all amounts that are or may become due and payable by NYLE to Ace INA International Holdings Ltd. ("INA") in connection with the sale of NYLE's holdings in Korea and Hong Kong to INA.	Exempt. Guarantee is on behalf of a wholly owned subsidiary.	Expenses would increase	Unlimited	The unlimited nature of this guarantee relates to tax issues that may arise in connection with the entities sold or in connection with the sale itself. The maximum exposure with respect to all other representations and warranties associated with the sale was limited in the aggregate to 25% of the purchase price and all such representations and warranties expired in 2012.
7.	The European Medium Term Note and the Global Medium Term Note programs involve the issuance of funding agreements by the Company to two entities that issue, or have issued notes to investors. If any taxing authority imposes withholding taxes on the payments due under the funding agreements or such notes (for example, as a result of a law change), the Company is required, in certain instances, to increase the payments on the funding agreements to make up for the amounts required to be withheld.	Exempt. Related party guarantee that is unlimited.	Expenses would increase	The Company cannot estimate the maximum liability. The Company cannot anticipate the risk or amount that taxing authorities may withhold taxes.	The Company does not view its risk of performance under the guarantee to be significant. Additionally, if withholding becomes required, the Company is permitted to terminate the funding agreements.
8.	The Company has entered into certain arrangements with various regulators whereby the Company agreed to maintain NYLAZ's capital and surplus at certain levels.	Exempt. Related party guarantee that is unlimited.	None	Unlimited	Capital contributions to wholly owned subsidiaries would not affect the Company's financial position.

	Nature and circumstances of guarantee and key attributes	Liability recognition of guarantee	Ultimate financial statement impact if action under the guarantee is required	Maximum potential amount of future payments (undiscounted) the Company could be required to make under the guarantee	Current status of payment or performance risk of guarantee
9.	On November 27, 2002, the Company entered into an agreement to guarantee the obligations of Biris Holdings LLC (“Biris”) in connection with its investment in Iris Energy LLC (“Iris”). Under the agreement, the Company agreed to make advances to Biris to allow it to meet its obligations in connection with the purchase price, operating costs and tax credit payments relating to its investment in Iris. Iris was in a dispute with a vendor over claimed operating costs incurred prior to 2007 and is claiming that Biris is obligated to share in such costs and may claim that the Company guarantee covers such costs.	Exempt. Guarantee is on behalf of a wholly owned subsidiary.	Expenses would increase	$2	The Company oversees the operations of Biris and assesses the risk to be minimal.
10.	On April 1, 1994, Canada Life acquired the Company’s individual life business in Canada, as well as acquiring New York Life Canada. The Company is required to hold Canada Life harmless for liabilities arising from pre-closing sales malpractice.	$0	Expenses would increase	Unlimited	The Company has not had any material claims under this agreement. Given this and the length of time that has passed since the agreement was executed, the Company does not expect to pay a material amount under the contract.
11.	The Company along with several other insurance companies entered into a supplemental benefits reinsurance and participation agreement with Guaranty Association Benefits Company (GABC), a captive insurance company created to assume and reinsure certain restructured annuity obligations of Executive Life Insurance Company of New York (ELNY). The participating life insurance companies agreed to assure that each individual payee under ELNY contracts will receive from GABC total annuity benefits due to the payee.	$3	Expenses would increase	Unlimited	Based on an analysis performed by an independent risk management firm, the Company does not anticipate that any further funding beyond the established liability will be required.
12.	On April 2, 2012 the Company issued a guarantee for the full and punctual payment of all amounts that are or may become due and payable by NYLE and New York Life International Holdings Limited (NYL Mauritius) to the Mitsui Sumitomo Insurance Company in connection with the sale by NYLE and NYL Mauritius of Max New York Life Insurance Company Limited (MNYL).	Exempt. Guarantee is on behalf of wholly owned subsidiaries.	Expenses would increase	Unlimited	The Company views the risk of performance under this guarantee as remote.

	Nature and circumstances of guarantee and key attributes	Liability recognition of guarantee	Ultimate financial statement impact if action under the guarantee is required	Maximum potential amount of future payments (undiscounted) the Company could be required to make under the guarantee	Current status of payment or performance risk of guarantee
13.	On April 12, 2012 the Company issued a guarantee to MNYL on behalf of NYL Mauritius pertaining to payments under certain of MNYL's employees' stock option plans in connection with the sale of NYL's interest in MNYL.	Exempt. Guarantee is on behalf of wholly owned subsidiaries.	Expenses would increase	$4	The Company views the risk of performance under this guarantee as remote.
14.	On September 12, 2012 the Company issued a guarantee for the full and punctual payment of all amounts that are or may become due and payable by NYL Cayman Holdings Ltd., NYLE, and Seguros Monterrey New York Life S.A. to Ace INA International Holdings Ltd. in connection with the sale by NYL Cayman Holdings Ltd., NYLE and Seguros Monterrey New York Life S.A. of New York Life Worldwide Capital, LLC, the holding company of Fianzas Monterrey, S.A. and its subsidiary, Operadora FMA, S.A. de C.V.	Exempt. Guarantee is on behalf of wholly owned subsidiaries.	Expenses would increase	Unlimited	The Company views the risk of performance under this guarantee as remote.

Guarantee Obligations (in millions):

a.	Aggregate Maximum Potential of Future Payments of All Guarantees (undiscounted) the guarantor could be required to make under guarantees*	$	1,124
b.	Current Contingent Liability Recognized in F/S		
	1. Noncontingent liabilities	$	–
	2. Contingent liabilities	$	7
c.	Ultimate Financial Statement Impact if action under the guarantee is required.		
	1. Investments in SCA	$	–
	2. Joint Venture	$	–
	3. Dividends to Stockholders	$	–
	4. Expense	$	205
	5. Other	$	–

* Excludes guarantees where maximum potential is unlimited or not quantified.

Litigation

The Company and/or its subsidiaries are defendants in individual and/or alleged class action suits arising from their agency sales force, insurance (including variable contracts registered under the federal securities law), investment, retail securities, employment and/or other operations, including actions involving retail sales practices. Most of the actions seek substantial or unspecified compensatory and punitive damages. The Company and/or its subsidiaries are also from time to time involved in various governmental, administrative and investigative proceedings and inquiries.

Notwithstanding the uncertain nature of litigation and regulatory inquiries, the outcome of which cannot be predicted, the Company believes that, after provisions made in the financial statements, the ultimate liability that could result from litigation and proceedings would not have a material adverse effect on the Company's financial position; however, it is possible that settlements or adverse determinations in one or more actions or other proceedings in the future could have a material adverse effect on the Company's operating results for a given year.

Lease Commitments

A summary of the approximate future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms for the next five years and thereafter is as follows (in millions):

Year	Real Property	Equipment	Total
2013	$ 95	$ 17	$ 112
2014	90	12	102
2015	84	12	96
2016	70	2	72
2017	59	-	59
Thereafter	241	-	241
Total	$ 639	$ 43	$ 682

The Company is a party to an affiliated group air transportation services agreement entered into with NYLIFE LLC in November 2004.

Under the terms of the agreement, the Company, in conjunction with certain specified affiliates, leases an aircraft from NYLIFE LLC. Costs associated with the lease are determined on a fully allocated basis and allotted to the parties based on usage. The Company's share of expenses associated with the lease of the aircraft was $1 million and less than $1 million in 2012 and 2011, respectively. The agreement expired in November 2009 and was subsequently renewed for an additional five years, expiring in 2014. The aircraft is to be used by members of senior management and directors for business travel under certain circumstances. Personal use of the aircraft by employees and directors is not permitted.

Rent expense of all other leases amounted to $126 million and $120 million for the years ended December 31, 2012 and 2011, respectively, of which $59 million was billed to subsidiaries in accordance with an intercompany cost sharing arrangement for the years ended December 31, 2012 and 2011.

The Company does not have any leases with contingent rental payments.

The Company, as lessee, has various lease agreements for real property (including leases of office space) and lease agreements for data processing and other equipment. Real property leases have typical renewal periods of five years. Under the real property leases, the Company does not have the option to purchase the lease property except in the case of the Company's lease of the building at 169 Lackawanna Avenue, Parsippany, NJ and 63 Madison Avenue, New York, NY. Under the equipment agreements, the Company has the option to purchase only the equipment. The leases on equipment do not contain any escalation clauses, but the majority of real property leases have escalation clauses that require the Company to pay expense increases over a specified amount. Real property leases typically have a variety of restrictions imposed on the lessee, which are generally customary in the marketplace and are not of a financial nature. Equipment leases do not have any restrictions.

The total amount of minimum rentals to be received in the future under non-cancelable subleases, at both December 31, 2012 and 2011, was less than $1 million.

In connection with the sale of one of its Home Office properties in 1995, the Company had entered into an agreement to lease back a portion of the building through 2010. Effective December 7, 2009, the Company renewed such lease through 2024, with total future lease obligations of $141 million as of December 31, 2012 that are included in the above table.

At December 31, 2012, the lease agreements that have been terminated early or for which the lessee is no longer using the leased property benefits are shown below. All termination payments have been made in full.

Lease	Termination Date	Expiration
Westchester General Office, Rye, NY	02/01/2012	01/31/2015
Waco Satellite Office, Waco, TX	07/31/2012	04/30/2013

Borrowed Money

At December 31, 2012 and 2011, the carrying value of borrowed money reported in the Statutory Statements of Financial Position was $557 million and $1,795 million, respectively. Borrowed money, generally carried at the unpaid principal balance and any interest payable, consisted of the following at December 31, 2012 and 2011 (in millions):

	2012	2011
Loan payable to NYLCC, various maturities, latest being March 20, 2013 (weighted average interest rate of 0.21% and 0.28% for 2012 and 2011, respectively) See Note 6 - Related Party Transactions	$ 493	$ 1,527
Loan payable to NYL Enterprises, expires March 31, 2013 (coupon rate of 4.24% less management fee of 5.0 basis points) - See Note 6 - Related Party Transactions	60	41
Note payable to Aeolus Wind Power II LLC, due July 31, 2016 (fixed interest rate of 5.5%) - See description below	4	6
Real Estate Mortgage Investment Conduit ("REMIC") - See description below	-	211
Dollar repurchase agreements (average coupon rate of 4.78% for 2011), See Repurchase Agreements	-	10
Total borrowed money	$ 557	$ 1,795

During December 2009, the Company entered into a REMIC with a trust known as Madison ResCom Securities Funding Trust 2009 ("the Trust") that meets the criteria for a qualified SPE. The Company transferred REMIC eligible mortgage-backed assets with a fair value and book value of $1,194 million and $1,722 million, respectively. The Trust, in turn, issued a $500 million senior debt tranche ("regular interest") and a residual equity tranche ("residual interest"). The regular interest was sold to an outside third party and the Company retained the residual interest.

The transfer of the assets to the Trust was accounted for as a secured borrowing and the securities remain in the Company's admitted assets with the $500 million proceeds received from the sale of the regular interest recognized as a liability. The cashflows from the transferred assets are used to pay down the regular interest. The REMIC was dissolved in March 2012 (at which time the trustee of the Trust commenced an auction procedure to sell for cash all of the property owned by the Trust for its fair market value). The excess proceeds, after payments of amounts due to the regular interest holder, was paid to the holder of the residual interest.

On November 1, 2006, the Company issued a promissory note in the amount of $10 million at a fixed interest rate of 5.5% per annum in connection with the purchase of a membership interest in Aeolus Wind Power II LLC. The note calls for the Company to make quarterly payments of principal and interest with the first installment being due on January 31, 2007 and the final installment being due on July 31, 2016. The note may not be prepaid in whole or in part and there are no collateral requirements. The carrying value of the note was $4 million and $6 million, respectively, at December 31, 2012 and 2011, including interest accrued.

Loaned Securities and Repurchase Agreements

The aggregate fair value of loaned general account securities was $501 million and $503 million at December 31, 2012 and 2011. At December 31, 2012 and 2011, the Company recorded cash collateral received under these agreements of $510 million for each year, and established a corresponding liability for the same amount, which is included in "Amounts payable under security lending agreements" in the accompanying Statutory Statements of Financial Position.

The reinvested collateral is reported in bonds, cash equivalents and short-term investments in the Statutory Statements of Financial Position at December 31, 2012 and 2011. These collateral assets all had open terms. The total fair value of all reinvested collateral positions was $517 million and $513 million at December 31, 2012 and 2011, respectively.

At December 31, 2012, the Company had agreements to purchase and resell securities totaling $116 million at an average coupon rate of 0.20%. At December 31, 2011, the Company had agreements to purchase and resell securities totaling $100 million at an average coupon rate of 0.06%.

At December 31, 2012, the general account did not have agreements to sell and repurchase securities. The separate account had agreements to sell and repurchase securities totaling $146 million at an average coupon rate of 2.76%. At December 31, 2011, the general account had agreements to sell and repurchase securities totaling $10 million at an average coupon rate of 4.04%. The separate account had agreements to sell and repurchase securities totaling $273 million at an average coupon rate of 3.49%. These agreements are used for the purpose of enhancing income on the securities portfolio.

The following tables present the term and amounts of cash collateral received under dollar repurchase and securities lending agreements at December 31, 2012 and 2011 (in millions):

	December 31, 2012		
	General Account Dollar Repurchase Agreements	Separate Account Dollar Repurchase Agreements	Securities Lending
Open	$ -	$ -	$ 512
30 Days or Less	-	50	-
31 to 60 Days	-	93	-
61 to 90 Days	-	3	-
Greater Than 90 Days	-	-	-
Total Collateral Received	**$ -**	**$ 146**	**$ 512**

	December 31, 2011		
	General Account Dollar Repurchase Agreements	Separate Account Dollar Repurchase Agreements	Securities Lending
Open	$ -	$ -	$ 513
30 Days or Less	6	154	-
31 to 60 Days	-	117	-
61 to 90 Days	4	3	-
Greater Than 90 Days	-	-	-
Total Collateral Received	**$ 10**	**$ 274**	**$ 513**

The following table presents the term and aggregate fair value of all securities acquired from the use of all collateral received at December 31, 2012 (in millions):

	General Account Dollar Repurchase Agreements	Separate Account Dollar Repurchase Agreements		Securities Lending	
	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Open	$ -	$ -	$ -	$ -	$ -
30 Days or Less	-	50	50	290	290
31 to 60 Days	-	94	94	63	63
61 to 90 Days	-	3	3	23	23
91 to 120 Days	-	-	-	-	-
121 to 180 Days	-	-	-	9	9
181 to 365 Days	-	-	-	21	21
1 to 2 Years	-	-	-	26	26
2 to 3 Years	-	-	-	21	21
Greather Than 3 Years	-	-	-	65	64
Total Collateral Reinvested	**$ -**	**$ 147**	**$ 147**	**$ 518**	**$ 517**

The following table presents the term and aggregate fair value of all securities acquired from the use of all collateral received at December 31, 2011 (in millions):

	General Account Dollar Repurchase Agreements		Separate Account Dollar Repurchase Agreements		Securities Lending	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Open	$ -	$ -	$ -	$ -	$ -	$ -
30 Days or Less	6	6	158	158	296	296
31 to 60 Days	-	-	117	117	31	31
61 to 90 Days	4	4	3	3	9	9
91 to 120 Days	-	-	-	-	13	13
121 to 180 Days	-	-	-	-	11	11
181 to 365 Days	-	-	-	-	28	28
1 to 2 Years	-	-	-	-	53	53
2 to 3 Years	-	-	-	-	23	23
Greather Than 3 Years	-	-	-	-	52	49
Total Collateral Reinvested	**$ 10**	**$ 10**	**$ 278**	**$ 278**	**$ 516**	**$ 513**

Assessments

Most of the jurisdictions in which the Company is licensed to transact business require life insurers to participate in guaranty associations which are organized to pay contractual benefits pursuant to insurance policies issued by impaired, insolvent or failed life insurers. These associations levy assessments, up to prescribed limits, on all member insurers in a particular state on the basis of the proportionate share of the premiums written by member insurers in the line of business in which the impaired, insolvent or failed life insurer is engaged. Some states permit member insurers to recover assessments through full or partial premium tax offsets.

The Company has received notification of the insolvency of various life insurers. It is expected that these insolvencies will result in non-recoverable guaranty fund assessments against the Company of approximately $37 million, which have been accrued in “Other Liabilities” in the accompanying Statutory Statements of Financial Position.

In 2011, the Company committed to contribute $20 million, of which $10 million was allocated to NYLIAC, to a voluntary fund that was established to provide benefits to certain Executive Life Insurance Company of New York (“ELNY”) payees who otherwise would have had their contractual benefits reduced as a result of ELNY’s liquidation. In 2012 there was no contribution to the ELNY voluntary fund.

The following table presents the change in the assets recognized from paid and accrued premium tax offsets and policy surcharges at December 31, 2012 and 2011 (in millions):

	2012	2011
Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	$ 26	$ 26
Decreases current year:		
Premium tax offset applied	(1)	(1)
Increases current year:		
Increase in guaranty funds receivable	1	1
Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	**$ 26**	**$ 26**

Liens

Several commercial banks have customary security interests in certain assets of the Company to secure potential overdrafts and other liabilities of the Company that may arise under custody, securities lending and other banking agreements with such banks.

Regulatory Inquiries

By letter dated May 20, 2011, the California Department of Insurance notified the Company that it is conducting a special examination of the Company’s practices regarding payment of benefits under life insurance policies and annuities, termination of annuity payments, payments to holders of retained asset accounts, use of Social Security Administration “Death Master Index” and other matters. This examination relates to matters also being examined by state departments of revenue (or equivalent state agencies) in a number of states under their respective unclaimed property laws. Subsequent similar notices were received from the NYSDFS and the New York and Massachusetts State Attorney General's Offices. In connection with these audits and examinations, the Company has made a number of payments to beneficiaries and identified additional policies that are in the process of settlement or are being investigated for potential settlement. As a result of these ongoing inquiries, the Company recorded a charge to net income of $66 million, net of reserves, reinsurance recoverables and taxes, for the year ended December 31, 2011. The charge to net income at December 31, 2012 was immaterial.

NOTE 15 – PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated depreciation. Under statutory accounting practices, the Company nonadmits all fixed assets and nonoperating software. Depreciation is determined using the straight-line method over the estimated useful lives of the assets, generally no more than five years.

Below is a chart highlighting the major classes of property and equipment at December 31, 2012 and 2011 (in millions):

	December 31, 2012		
	Carrying Amount	Accumulated Depreciation	Depreciation
Software	$ 571	$ (384)	$ 39
PC equipment	79	(66)	5
Website development	118	(88)	8
Subtotal EDP	768	(538)	52
Office furniture	75	(49)	4
Telecommunications	57	(44)	3
Leasehold improvements	96	(53)	5
Other	18	(15)	2
Subtotal Furniture	246	(161)	14
Total	$ 1,014	$ (699)	$ 66

	December 31, 2011		
	Carrying Amount	Accumulated Depreciation	Depreciation
Software	$ 498	$ 319	$ 32
PC equipment	74	58	5
Website development	108	75	7
Subtotal EDP	680	452	44
Office furniture	65	43	5
Telecommunications	53	39	3
Leasehold improvements	78	46	5
Other	18	11	2
Subtotal Furniture	214	139	15
Total	$ 894	$ 591	$ 59

NOTE 16 – WRITTEN PREMIUMS

Deferred and uncollected life insurance premiums at December 31, 2012 and 2011 were as follows (in millions):

	2012		2011	
	Gross	Net of Loading	Gross	Net of Loading
Ordinary new business	$ 143	$ 54	$ 135	$ 54
Ordinary renewal	1,103	1,078	1,049	1,023
Group Life	610	508	576	476
Total	$ 1,856	$ 1,640	$ 1,760	$ 1,553

The amounts above reflect a prescribed practice that departs from the NAIC Accounting Practices and Procedures Manual, See Note 2, Significant Accounting Policies for additional information.

Based upon Company experience, the amount of premiums that may become uncollectible and result in a potential loss is not material to the Company's financial position. For the years ended December 31, 2012 and 2011, the Company nonadmitted $6 million and $5 million, respectively, of premiums that were over 90 days past due.

The Company did not have any direct premium written/produced by managing general agents/third party administrators for the years ended December 31, 2012 and 2011, respectively.

NOTE 17 – FAIR VALUE MEASUREMENTS

The Company's financial assets and liabilities reported at fair value have been classified, for disclosure purposes, based on a hierarchy defined by SSAP 100. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This guidance establishes a framework for measuring fair value that includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are based on the inputs to the valuation as follows:

Level 1 Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market. Active markets are defined as a market in which many transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices in active markets for similar assets or liabilities; quoted prices in markets that are not active for identical or similar assets or liabilities, or other model driven inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Valuations are generally obtained from third-party pricing services for identical or comparable assets or liabilities or through the use of valuation methodologies using observable market inputs.

Level 3 Instruments whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management’s own assumptions in pricing the asset or liability. Pricing may also be based upon broker quotes that do not represent an offer to transact.

The following table represents the balances of assets and liabilities measured at fair value as of December 31, 2012 (in millions):

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets at fair value				
Preferred stocks				
Redeemable preferred stock	$ -	$ 5	$ -	$ 5
Non-redeemable preferred stock	-	-	- *	- *
Total Preferred Stocks	-	5	-	5
Bonds				
U.S. Corporates	-	1	-	1
Non-Agency residential mortgage-backed securities	-	16	-	16
Non-Agency commercial mortgage-backed securities	-	15	2	17
Non-Agency asset-backed securities	-	2	27	29
Total Bonds	-	34	29	63
Common Stock	1,870	-	123	1,993
Derivative assets				
Interest rate swaps	-	530	-	530
Interest rate caps	-	4	-	4
Swaptions	-	11	-	11
Inflation swaps	-	1	-	1
Currency swaps	-	140	-	140
Corridor options	-	28	-	28
Total Derivative assets	-	714	-	714
Separate account assets	2,186	4,465	811	7,462
Total assets at fair value	$ 4,056	$ 5,218	$ 963	$ 10,237
Liabilities at fair value				
Derivative liabilities				
Interest rate swaps	$ -	$ 185	$ -	$ 185
Inflation swaps	-	1	-	1
Currency swaps	-	41	-	41
Credit Default Swaps	-	1	-	1
Total Derivative liabilities	-	228	-	228
Separate account liabilities - derivatives[1]	- *	-	-	- *
Total liabilities at fair value	$ -	$ 228	$ -	$ 228

[1] Separate account contract holder liabilities are not included in the table as they are reported at contract value and not fair value in the Company's statutory financial statements.

* Amount is less than $1 million.

The following table represents the balances of assets and liabilities measured at fair value as of December 31, 2011 (in millions):

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets at fair value				
Preferred stocks				
Non-redeemable preferred stock	$ -	$ 9	$ -	$ 9
Total Preferred Stocks	-	9	-	9
Bonds				
U.S. Corporates	-	1	-	1
Non-Agency residential mortgage-backed securities	-	27	-	27
Non-Agency commercial mortgage-backed securities	-	1	-	1
Non-Agency asset-backed securities	-	2	7	9
Total Bonds	-	31	7	38
Common Stock	1,167	-	127	1,294
Derivative assets				
Interest rate swaps	-	529	-	529
Interest rate caps	-	8	-	8
Swaptions	-	45	-	45
Futures	- *	-	-	- *
Treasury locks	-	7	-	7
Currency swaps	-	192	-	192
Foreign exchange forwards	-	3	-	3
Corridor options	-	56	-	56
Total Derivative assets	-	840	-	840
Separate account assets	2,059	3,947	730	6,736
Total assets at fair value	$ 3,226	$ 4,827	$ 864	$ 8,917
Liabilities at fair value				
Derivative liabilities				
Interest rate swaps	$ -	$ 145	$ -	$ 145
Inflation swaps	-	10	-	10
Treasury locks	-	1	-	1
Currency swaps	-	70	-	70
Foreign exchange forwards	-	21	-	21
Total Derivative liabilities	-	247	-	247
Separate account liabilities - derivatives[1]	-	-	-	-
Total liabilities at fair value	$ -	$ 247	$ -	$ 247

[1] Separate account contract holder liabilities are not included in the table as they are reported at contract value and not fair value in the Company's statutory financial statements.

* Amount is less than $1 million.

The table below presents a reconciliation of Level 3 assets and liabilities for the year ended December 31, 2012 (in millions):

	Balance at 1/01/2012	Transfers into Level 3	Transfers out of Level 3	Total gains or (losses) included in Net Income	Total gains or (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Balance at 12/31/2012
Bonds:										
Non-agency CMBS	$ -	$ 1	$ -	$ -	$ 1	$ -	$ -	$ -	$ -	$ 2
Non-agency ABS	7	32	-	(5)	(2)	-	-	(4)	(1)	27
Total Bonds	7	33	-	(5)	(1)	-	-	(4)	(1)	29
Common Stock	127	-	-	-	3	9	-	(16)	-	123
Separate Account Assets	730	-	(33)	76	-	150	-	(112)	-	811
Total	$ 864	$ 33	$ (33)	$ 71	$ 2	$ 159	$ -	$ (132)	$ (1)	$ 963

The table below presents a reconciliation of Level 3 assets and liabilities for the year ended December 31, 2011 (in millions):

	Balance at 01/01/2011	Transfers into Level 3	Transfers out of Level 3	Total gains or (losses) included in Net Income	Total gains or (losses) included in Surplus	Purchases, issuances, sales and settlements	Balance at 12/31/2011
Bonds:							
Non-Agency ABS	$ 3	$ 11	$ -	$ (1)	$ (6)	$ -	$ 7
Total Bonds	3	11	-	(1)	(6)	-	7
Common Stock	132	-	-	2	-	(7)	127
Separate Account Assets	477	-	-	54	-	199	730
Derivatives (Net)	(9)	-	-	-	9	-	-
Total	$ 603	$ 11	$ -	$ 55	$ 3	$ 192	$ 864

Transfers between levels

Transfers between levels may occur due to changes in valuation sources, or changes in the availability of market observable inputs, which generally are caused by changes in market conditions such as liquidity, trading volume or bid‒ask spreads, or as a result of a security measured at amortized cost at the beginning of the period, but measured at estimated fair value at the end of the period, or vice versa due to a ratings downgrade or upgrade. For the separate accounts, transfers are mostly related to changes in the redemption restrictions of LPs and hedge fund investments. The Company's policy is to assume the transfer occurs at the beginning of the period.

Transfers between Levels 1 and 2

During the twelve months ended December 31, 2012, there were no transfers between Levels 1 and 2.

Transfers into and out of Level 3

The Company's basis for transferring assets and liabilities into and or out of Level 3 is based on changes in the observability of data, a change in the security's measurement, or changes in redemption restrictions of certain separate account investments.

Transfers into Level 3 were primarily the result of securities measured at amortized cost at the beginning of the period but measured at fair value at the end of the period. Transfers out of level 3 are mostly due to a decrease in the redemption period of some of the LPs and hedge funds in which the separate accounts invest.

Transfers into Level 3 were $33 million for the year ended December 31, 2012, which includes $32 million of securities which are measured at fair value at the end of the period. Transfers out of Level 3 totaled $33 million for the year ended December 31, 2012, which includes less than $1 million of securities which are measured at amortized cost at the end of the period. Transfers into Level 3 were $11 million for the year ended December 31, 2011, which includes $11 million of securities which are measured at fair value at the end of the period. Transfers out of Level 3 were less than $1 million for the year ended December 31, 2011.

Determination of Fair Value

The Company has an established and well-documented process for determining fair value. Security pricing is applied using a hierarchy approach whereby publicly available prices are first sought from nationally recognized third party pricing services. The remaining un-priced securities are submitted to independent brokers for prices, and lastly securities are priced using an internal pricing model. The Company performs various analyses to ascertain that the prices represent fair value. Examples of procedures performed include, but are not limited to, back testing recent trades, monitoring of trading volumes, and performing variance analysis of monthly price changes using different thresholds based on asset type. The Company also performs an annual review of all third-party pricing services. During this review, the Company obtains an understanding of the process and sources used by the pricing service to ensure that they maximize the use of observable inputs, the pricing service's frequency of updating prices, and the controls that the pricing service uses to ensure that their prices reflect market assumptions. The Company also selects a sample of securities and obtains a more detailed understanding from each pricing service regarding how they derived the price assigned to each security. Where inputs or prices do not reflect market participant assumptions, the Company will challenge these prices and apply different methodologies that will enhance the use of observable inputs and data. The number of price challenges at December 31, 2012 and December 31, 2011, was insignificant.

In addition, the Company has a pricing committee that provides oversight over the Company's prices and fair value process for securities. The committee is comprised of representatives from the Company's Investment Management group, Controller's, Compliance and Security Operations. The committee meets quarterly and is responsible for the review and approval of the Company's valuation procedures. The committee is also responsible for the review of pricing exception reports as well as the review of significant inputs used in the valuation of assets that are valued internally.

For Level 1 investments, valuations are generally based on observable inputs that reflect quoted prices for identical assets in active markets.

The fair value for Level 2 and Level 3 valuations are generally based on a combination of the market and income approach. The market approach generally utilizes market transaction data for the same or similar instruments, while the income approach involves determining fair values from discounted cash flow methodologies.

The following represents a summary of significant valuation techniques for assets and liabilities used to determine fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Level 1 Measurements

Common stock

These securities are comprised of exchange traded U.S. and foreign common stock and mutual funds. Valuation of these securities is based on unadjusted quoted prices in active markets that are readily and regularly available.

Separate account assets

These assets are comprised of exchange traded funds, common stocks and actively traded open-end mutual funds with a daily NAV. The NAV can be observed by redemption and subscription transactions between third parties, or may be obtained from fund managers. Therefore the fair value of these investments have been reflected within Level 1 in the fair value hierarchy. Common stocks are generally traded on an exchange.

Separate account liabilities – derivatives

These derivatives are comprised of exchange traded future contracts. Valuation of these securities is based on unadjusted quoted prices in active markets that are readily and regularly available.

Level 2 Measurements

Preferred stocks

The fair value of preferred stock was obtained from third party pricing services. Vendors generally use a discounted cash flow model or a market approach to arrive at the security's fair value.

Bonds

The fair value of bonds is obtained from third party pricing services, and internal pricing models. Vendors generally use a discounted cash-flow model or a market approach. Typical inputs used by these pricing sources include, but are not limited to: benchmark yields, reported trades, issuer spreads, bids, offers, benchmark securities, estimated cash flows and prepayment speeds, which the Company has determined are observable inputs.

Private placement securities are primarily priced by an internally developed discounted cash flow model. This model uses observable inputs with a discount rate based off spreads of comparable public bond issues, adjusted for liquidity, rating and maturity. The Company assigns a credit rating for private placement securities based upon internal analysis. The liquidity premium is based upon observable market transactions, while the maturity and rating adjustments are based upon data obtained from Bloomberg.

While the Company generally considers the public bond spreads, which are based on vendor prices, to be observable inputs, an evaluation is made of the similarities of private placement securities with the public bonds to determine whether the spreads utilized would be considered observable inputs for the private placement security being valued. Examples of procedures performed include, but are not limited to, initial and on-going review of third-party pricing services' methodologies, review of pricing statistics and trends, back testing recent trades and monitoring of trading volumes, new issuance activity and other market activities. These securities are classified as Level 2.

For some of the private placement securities priced through the model, the liquidity adjustments may not be based on market data, but rather, calculated internally. If the impact of the liquidity adjustment, which usually requires the most judgment, is not significant to the overall value of the security, the security is still classified as Level 2.

Derivatives

The fair value of derivative instruments is generally derived through valuation models which utilize observable market data. The market factors which have the most significant impact on the fair value of these instruments are U.S. swap rates and the exchange value of the U.S. dollar.

OTC derivatives are privately negotiated financial contracts. OTC derivatives classified within Level 2 in the fair value hierarchy are valued using models based on actively quoted or observable market input values obtained from external market data providers, third-party pricing vendors and/or recent trading activity. The selection of a particular model depends upon the contractual terms of, and specific risks inherent in the instrument, as well as the availability of pricing information in the market. The Company generally uses similar models to value similar instruments. Valuation model inputs include contractual terms, market prices, yield curves, credit curves, and, for options such as caps, floors, and swaptions, measures of volatility. For OTC derivatives that trade in liquid markets, such as currency forwards, swaps and options, model inputs are observable in the market for substantially the full term and can be verified.

Separate account assets

These are assets primarily related to investments in U.S. Government and Treasury securities, corporate bonds and mortgage-backed securities. These separate account assets are valued and assigned within the fair value hierarchy, consistent with the methodologies described herein for similar financial instruments held within the general account of the Company. This also relates to investments in limited partnerships and hedge funds that use NAV where the investment can be redeemed at NAV at the measurement date or in the near-term (generally 90 days).

The following table provides further information about the limited partnerships and hedge funds in which the separate accounts invest in (in millions):

Category of Investment	Investment Strategy	Fair Value at 12/31/12	Fair Value at 12/31/11	Unfunded Commitments	Redemption Frequency	Redemption Notice
Hedge Fund	Long/short equity	$ 48	$ 7	$ -	Quarterly, Monthly	90 days or less
Hedge Fund	Global macro and multi-strategy	44	13	-	Quarterly, Monthly	90 days or less
	Total	$ 92	$ 20	$ -		

Level 3 Measurements

Preferred Stocks

These securities are priced through an internal valuation where significant inputs are deemed to be unobservable.

Bonds

The valuation techniques for most Level 3 bonds are generally the same as those described in Level 2. However, if the investments are less liquid or are lightly traded, there is generally less observable market data, and therefore these investments will be classified as Level 3. Circumstances where observable market data are not available may include events such as market illiquidity and credit events related to the security. In addition, certain securities are priced based upon internal valuations using significant unobservable inputs.

If the price received from third party pricing services does not appear to reflect market activity, the Company may challenge the price. For securities which go through this formal price challenge process, a non-binding broker quote or internal valuation is used to support the fair value instead. The Company also uses non-binding broker quotes to fair value certain bonds, when the Company is unable to obtain prices from third party vendors.

Private placement securities where adjustments for liquidity are considered significant to the overall price are classified as Level 3.

Common stock

These securities include equity investments with privately held entities, including a government organization, where the prices are derived from internal valuations.

Separate account assets

These are assets primarily related to limited partnership and hedge fund investments that are restricted with respect to transfer or withdrawal, which classifies them as level 3. These investments are valued based on the latest NAV received.

The following tables provide further information about these investments (in millions):

Category of Investment	Investment Strategy	Fair Value at 12/31/2012	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge Fund	Long/short equity	$ 190	$ -	Annual, Semi-annual, Quarterly, Monthly	30 - 90 days (Assets subject to lock-up periods)
Hedge Fund	Distressed securities, multi-strategy and convertible arbitrage	191	-	Annual, Semi-annual, Quarterly, Monthly	45 - 150 days (Assets subject to lock-up periods)
Private Equity	Leverage buyout and mezzanine financing	410	163	N/A	N/A
	Total	$ 791	$ 163		

Category of Investment	Investment Strategy	Fair Value at 12/31/2011	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge Fund	Long/short equity	$ 129	$ -	Annual, Semi-annual, Quarterly, Monthly	30 - 90 days (Assets subject to lock-up periods)
Hedge Fund	Distressed securities, multi-strategy and convertible arbitrage	142	-	Annual, Semi-annual, Quarterly, Monthly	45 - 150 days (Assets subject to lock-up periods)
Private Equity	Leverage buyout and mezzanine financing	436	95	N/A	N/A
	Total	$ 707	$ 95		

The table below presents the balances of Level 3 assets and liabilities measured at fair value with their corresponding pricing sources (in millions):

	As of December 31, 2012		
	Internal (1)	External (2)	Total
Assets at fair value			
Bonds			
Non-Agency commercial mortgage-backed securities	$ -	$ 2	$ 2
Non-Agency asset-backed securities	-	27	27
Total Bonds	-	29	29
Common Stock	118	5	123
Separate account assets	-	811	811
Total assets at fair value	$ 118	$ 845	$ 963
Liabilities at fair value			
Total liabilities at fair value	$ -	$ -	$ -

(1) Represents valuations reflecting both internally-derived and market inputs, as well as third−party pricing inputs that are deemed to be unobservable. See below for additional information related to internally-developed valuation for significant items in the above table.

(2) Primarely represents independent non−binding broker quotes where pricing inputs are not readily available.

The table below presents quantitative information on significant internally−priced Level 3 assets and liabilities:

	As of December 31, 2012			
	Fair Value	Valuation Techniques	Unobservable Input	Range (Weighted Average)
Assets:				
Common Stock	$ 118	FHLB of NY stock		
		Market Comparable	EBITDA Multiple	9.4 X
		Market Comparable	Price to Book Multiple	1.7X
		Market Comparable	Revenue Multiple	0.4X

The following is a description of the sensitivity to changes in unobservable inputs of the estimated fair value of the Company's level 3 assets included above, for which we have access to the valuation inputs, as well as the sensitivity to changes in unobservable inputs of the level 3 assets that are valued based on external pricing information:

Common Stock

The Company's level 3 common stock investments mostly relate to the Company's holdings in the FHLB of NY's stock as described in Footnote 8 – Insurance Liabilities. As prescribed in the FHLB of NY's Capital Plan, the par value of the capital stock is $100 and all capital stock is issued, redeemed, repurchased or transferred at par value. Since there is not a visible market for the FHLB of NY stock, these securities have been classified as Level 3. For the other common stock investments included in level 3, the valuation is performed using market comparables such as earnings before interest, taxes, depreciation and amortization (EBITDA) multiples or price to book multiples. An increase in the value of these inputs would result in an increase in fair value with the reverse being true for decreases in the value of these inputs.

Non-agency commercial mortgage-backed and asset-backed securities

These securities are mainly valued using discounted cash flow models. Significant spread widening would decrease the value of these securities. The opposite effect would occur if spreads tightened significantly. Default rates are also a component of the valuation. If expected default rates on these securities significantly increase, the fair value will decrease, with the opposite being true for significant decreases in default rates. Significant increases in loss severity assumptions will decrease the estimated fair value of these securities with the opposite being true for decreases in expected loss severities.

The following table presents the carrying amounts and estimated fair value of the Company's financial instruments at December 31, 2012 (in millions). Since the SSAP 100 hierarchy only applies to items that are carried at fair value at the reporting date, the items in the previous tables are subsets of the amounts reported in the following table.

	Fair Value	Carrying Amount	Level 1	Level 2	Level 3	Not Practicable
Assets:						
Bonds	$ 78,177	$ 68,459	$ -	$ 77,239	$ 938	$ -
Mortgage loans	11,546	10,681	-	-	11,546	-
Common and preferred stocks (unaffiliated)	2,073	2,055	1,870	69	134	-
Other invested assets[1]	2,709	2,713	-	59	2,650	-
Cash, cash equivalents and short-term investments	1,622	1,622	74	1,548	-	-
Derivatives	1,083	918	-	1,083	-	-
Derivatives Collateral	12	12	-	12	-	-
Separate account assets	11,068	10,998	2,186	8,050	832	-
Total assets	**$ 108,290**	**$ 97,458**	**$ 4,130**	**$ 88,060**	**$ 16,100**	**$ -**
Liabilities:						
Deposit Fund Contracts:						
Funding Agreements	$ 11,751	$ 11,398	$ -	$ -	$ 11,751	$ -
Annuities Certain	209	186	-	-	209	-
Dividends accumulations and other deposit funds	1,248	1,248	-	-	1,248	-
Continued Interest Accounts	314	314	-	314	-	-
Supplementary Contracts	78	78	-	-	78	-
Derivatives	359	365	-	359	-	-
Derivatives Collateral	780	780	-	780	-	-
Borrowed money	557	557	-	557	-	-
Amounts payable under securities lending	510	510	-	510	-	-
Separate account liabilities - derivatives	- *	- *	- *	-	-	-
Separate account liabilities - deposit fund contracts	1,272	1,272 *	-	1,272	-	-
Total liabilities	**$ 17,078**	**$ 16,708**	**$ -**	**$ 3,792**	**$ 13,286**	**$ -**

[1] Excludes investments accounted for under the equity method.

* Amount is less than a $1 million.

The following table presents the carrying amounts and estimated fair value of the Company's financial instruments at December 31, 2011 (in millions).

	Carrying Amount	Fair Value
Assets:		
Bonds	$ 68,138	$ 76,041
Mortgage loans	10,102	10,830
Common and preferred stocks (unaffiliated)	1,361	1,376
Other invested assets[1]	2,729	2,282
Cash, cash equivalents and short-term investments	2,595	2,595
Derivatives	1,019	1,224
Separate account assets	9,943	9,941
Total assets	**$ 95,887**	**$ 104,289**
Liabilities:		
Deposit Fund Contracts:		
Funding Agreements	$ 11,262	$ 11,589
Annuities Certain	240	265
Dividends accumulations and other deposit funds	1,244	1,244
Continued interest accounts	498	498
Supplementary contracts	61	61
Derivatives	420	436
Borrowed money	1,795	1,795
Amounts payable under securities lending	510	510
Separate account liabilities - derivatives	- *	- *
Separate account liabilities - deposit fund contracts	642	642
Total liabilities	**$ 16,672**	**$ 17,040**

[1] Excludes investments accounted for under the equity method.

* Amount is less than a $1 million.

Bonds

The fair value of bonds is determined by considering one of three primary sources: (1) Security pricing is applied using a hierarchy approach whereby publicly available prices are first sought from nationally recognized third party pricing services, (2) the remaining un-priced securities are submitted to independent brokers for prices, and (3) securities are priced using an internal pricing model or methodology.

The pricing service generally uses a discounted cash-flow model or market approach to determine fair value. Typical inputs used by these pricing services include, but are not limited to; benchmark yields, reported trades, issuer spreads, bids, offers, benchmark securities, estimated cash flows and prepayment speeds.

Independent pricing vendors do not supply private placement corporate bond securities. These securities are priced by an internally developed model based upon assigned comparable public issues adjusted for liquidity, maturity and rating. The Company assigns a credit rating based upon internal analysis.

Prices from pricing services and broker quotes are validated on an ongoing basis to ensure the adequacy and reliability of the fair value measurement. The Company performs both quantitative and qualitative analysis of the prices including initial and ongoing review of third party pricing methodologies, back testing of recent trades, and a thorough review of pricing trends and statistics.

Mortgage loans

The estimated fair value of mortgage loans is determined based upon the present value of the expected cash flows discounted at an interpolated treasury yield plus a spread. The spread is based on management's judgment and assumptions and it takes into account property type, LTV and remaining term of each loan. The spread is a significant component of the pricing inputs.

Common and preferred stocks

The fair value of unaffiliated equity securities is determined by considering one of three primary sources: (1) security pricing is applied using a hierarchy approach whereby publicly available prices are first sought from third party pricing services, (2) the remaining un-priced securities are submitted to independent brokers for prices, and (3) securities are priced using an internal pricing model or methodology.

Prices from pricing services and broker quotes are validated on an ongoing basis to ensure the adequacy and reliability of the fair value measurement. The Company performs both quantitative and qualitative analysis of the prices including, initial and ongoing review of third party pricing methodologies, back testing of recent trades, and a thorough review of pricing trends and statistics.

Other invested assets

Other invested assets are principally comprised of loans receivable from MCF, LIHTC investments and investments in mortgage loan funds. The fair value of the MCF loans and the LIHTC investments is based on a discounted cash flow calculation using a discount rate that is determined internally (see Note 6 - Related Party Transactions, for details on the MCF loans and Note 3- Investments, for details on LIHTC investments). The fair value of the mortgage loan funds is determined based on the same methodology described above under mortgage loans. For certain other investments included in this line, carrying value is deemed to approximate fair value.

Cash, cash equivalents and short-term investments

Due to the short-term maturities, the carrying value of short-term investments, cash and cash equivalents is presumed to approximate fair value.

Derivatives

The fair value of derivative instruments is generally calculated using pricing valuation models, which utilize observable market data. The remaining derivatives are either exchange-traded or were priced using broker quotations. OTC derivatives are privately negotiated financial contracts and are fair valued using market-based inputs to models. Where models are used, the selection of a particular model depends upon the contractual terms of, and specific risks inherent in the instrument, as well as the availability of pricing information in the market. The Company generally uses similar models to value similar instruments. Valuation models require a variety of inputs, including contractual terms, market prices, yield curves, credit curves, and measures of volatility.

Derivatives - Collateral

The carrying value of these instruments approximates fair value since these assets and liabilities are generally short-term in nature.

Separate account assets

Assets within the separate account are primarily invested in common stocks, preferred stocks and bonds. The fair value of investments in the separate accounts is calculated using the same procedures as are used for common stocks, preferred stocks and bonds in the general account.

The separate account also invests in limited partnerships. The fair value of such partnerships is determined by reference to the limited partnership's NAV.

Deposit fund contracts

For funding agreements backing medium term notes, fair values are based on available market prices for the notes. For other funding agreements and annuities certain liabilities, fair values are estimated using discounted cash flow calculations based on interest rates currently being offered for similar contracts with maturities consistent with those remaining for the contracts being valued.

For all other deposit funds, dividend accumulations and supplemental contracts, estimated fair value is equal to account value.

Borrowed money

Borrowed money consists of intercompany borrowings, repurchase agreements and other financing arrangements. Due to the short-term nature of the transactions, the carrying value approximates estimated fair value.

Amounts payable under securities lending

Amounts due under securities lending consists of cash collateral received under securities lending agreements. Due to the short-term nature of the transactions, the carrying value approximates estimated fair value.

Separate account liabilities – derivatives and deposit fund contracts

For deposit fund contracts, which are funding agreements, the carrying value of the liability approximates fair value.

NOTE 18 – SUBSEQUENT EVENTS

As of March 14, 2013, the date the financial statements were available to be issued, there have been no events occurring subsequent to the close of the Company's books or accounts for the accompanying financial statements that would have a material effect on the financial condition of the Company.

APPENDIX

The following table lists each loan-backed and structured security at a CUSIP level where the present value of cash flows expected to be collected is less than the amortized cost basis at each of the financial statement reporting dates listed below (in thousands):

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)
CUSIP [1]	**Amortized cost before current period OTTI**	**Projected Cash Flows**	**Current Period Recognized Other-than-Temporary Impairment**	**Amortized Cost After Other-than-Temporary Impairment**	**Fair Value**	**Financial Statement Reporting Period**
General Account						
02147GAC8	9,588	4,948	4,640	4,948	5,039	12/31/2012
02147QAF9	486	241	245	241	245	12/31/2012
02147XAS6	1,377	1,320	57	1,320	671	12/31/2012
059469AF3	250	226	24	226	79	12/31/2012
05949CPD2	500	437	63	437	138	12/31/2012
059515AE6	499	442	57	442	291	12/31/2012
05951FAK0	12,116	10,487	1,629	10,487	5,090	12/31/2012
05951KAZ6	943	282	661	282	234	12/31/2012
05951KBA0	290	193	97	193	66	12/31/2012
05953YAA9	2,500	2,242	258	2,242	842	12/31/2012
12328MAU5	250	226	24	226	118	12/31/2012
1248MBAJ4	1,900	1,743	157	1,743	940	12/31/2012
12544TAH7	2,314	872	1,442	872	459	12/31/2012
12627HAK6	7,677	3,082	4,595	3,082	1,368	12/31/2012
12628LAJ9	472	467	5	467	303	12/31/2012
12629EAD7	2,208	1,947	260	1,947	1,118	12/31/2012
12638PAE9	1,000	925	75	925	599	12/31/2012
126670LF3	6,000	5,438	562	5,438	2,932	12/31/2012
12668AG25	4,043	1,767	2,277	1,767	684	12/31/2012
12668AMN2	1,000	825	175	825	406	12/31/2012
12668AQ65	4,000	3,786	214	3,786	2,156	12/31/2012
12668AYL3	1,472	1,366	106	1,366	192	12/31/2012
12668AYU3	17	1	16	1	1	12/31/2012
12668BFB4	1,094	620	474	620	433	12/31/2012
12668BFL2	6,907	5,299	1,608	5,299	3,331	12/31/2012
12668BKG7	2,396	2,279	118	2,279	1,854	12/31/2012
12668BKH5	4,871	4,707	164	4,707	2,453	12/31/2012
17309BAB3	750	657	93	657	413	12/31/2012
18976GAV8	4,000	3,516	484	3,516	1,830	12/31/2012
225470A86	3,000	2,749	251	2,749	1,420	12/31/2012
2254W0MD4	27,000	25,185	1,815	25,185	17,511	12/31/2012
251510GQ0	2,000	1,854	146	1,854	795	12/31/2012
251511AC5	4,876	1,558	3,318	1,558	1,054	12/31/2012
251511AF8	1,548	1,118	430	1,118	408	12/31/2012
251513AV9	6,209	4,522	1,687	4,522	4,221	12/31/2012
251513BC0	500	125	375	125	125	12/31/2012
3622E8AC9	312	294	18	294	86	12/31/2012
3622ELAG1	149	140	9	140	8	12/31/2012
3622EUAF3	134	132	3	132	103	12/31/2012
362375AF4	135	128	7	128	55	12/31/2012
36244SAF5	4,641	2,591	2,050	2,591	621	12/31/2012

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
45254NQG5	956	880	75	880	615	12/31/2012
45660LGQ6	3,110	2,430	680	2,430	502	12/31/2012
45660LSY6	1,250	1,125	125	1,125	493	12/31/2012
46630MAG7	500	452	48	452	170	12/31/2012
57643MGJ7	14,930	6,113	8,816	6,113	3,803	12/31/2012
61748HLF6	6,409	5,933	476	5,933	3,187	12/31/2012
61749EAH0	300	243	57	243	115	12/31/2012
61752RAH5	6,744	2,949	3,795	2,949	1,052	12/31/2012
61752RAJ1	2,365	603	1,762	603	635	12/31/2012
69336RAK6	3,218	1,348	1,870	1,348	588	12/31/2012
76110WMW3	3,345	2,663	682	2,663	546	12/31/2012
76114CAD8	1,138	1,081	57	1,081	843	12/31/2012
78476YAA4	226	224	2	224	83	12/31/2012
78477AAA5	437	433	4	433	142	12/31/2012
863579B49	442	430	12	430	292	12/31/2012
93934FLW0	10,487	10,234	254	10,234	5,887	12/31/2012
007036LG9	4,490	4,266	224	4,266	2,915	12/31/2012
02151HAA3	40	39	1	39	35	12/31/2012
12328MAJ0	2,121	1,234	887	1,234	1,234	12/31/2012
12489WNN0	2,242	2,198	45	2,198	1,031	12/31/2012
12566VAN2	226	221	5	221	125	12/31/2012
12628KAD4	1,743	1,716	26	1,716	1,087	12/31/2012
12667G7X5	869	856	13	856	602	12/31/2012
12668WAF4	4,640	4,602	39	4,602	2,522	12/31/2012
126694FW3	2,377	2,376	1	2,376	1,380	12/31/2012
12669GA50	9,790	7,434	2,356	7,434	4,183	12/31/2012
12669RAC1	12,174	11,630	544	11,630	6,303	12/31/2012
17307GPS1	4,152	3,701	452	3,701	2,689	12/31/2012
36186KAC9	2,672	2,590	82	2,590	1,995	12/31/2012
36186KAE5	1,887	1,775	112	1,775	1,098	12/31/2012
38011AAC8	890	862	28	862	581	12/31/2012
38012UAA7	5,438	5,340	98	5,340	3,004	12/31/2012
38012UAB5	11,937	10,563	1,374	10,563	5,756	12/31/2012
43708DAA4	10,998	10,353	646	10,353	7,244	12/31/2012
43710RAG6	1,751	1,633	118	1,633	932	12/31/2012
45660JAD6	6,011	5,849	161	5,849	2,824	12/31/2012
46629BAF6	825	802	23	802	431	12/31/2012
46629BAG4	3,786	3,710	75	3,710	2,209	12/31/2012
576433XW1	6,631	6,613	18	6,613	3,916	12/31/2012
61750YAB5	4,707	4,590	117	4,590	2,531	12/31/2012
655374AA4	657	643	14	643	462	12/31/2012
69336QAL6	3,516	3,440	76	3,440	2,027	12/31/2012
69336RCY4	2,749	2,696	53	2,696	1,493	12/31/2012
76110WB21	716	710	5	710	595	12/31/2012
863579G85	24,950	24,074	878	24,084	17,235	12/31/2012
86359DQR1	1,850	1,805	46	1,805	1,117	12/31/2012
86362TAF4	714	699	14	699	686	12/31/2012
939344AM9	199	196	4	196	188	12/31/2012

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
93934FLB6	3,511	3,469	43	3,469	1,872	12/31/2012
94983JAJ1	18,196	16,921	1,275	16,921	9,246	12/31/2012
000112AA0	4,766	4,703	62	4,703	3,612	9/30/2012
004421VE0	14,037	13,737	300	13,737	8,340	9/30/2012
01448QAC4	4,440	3,852	589	3,852	1,496	9/30/2012
02147GAC8	4,997	4,701	297	4,701	2,976	9/30/2012
02147QAF9	188	126	62	126	126	9/30/2012
02147XAS6	2,092	2,000	92	2,000	1,281	9/30/2012
02149DAE9	2,581	2,086	495	2,086	576	9/30/2012
02660TGA5	2,518	2,470	48	2,470	1,581	9/30/2012
02660YAA0	1,125	1,099	26	1,099	686	9/30/2012
059469AF3	452	442	10	442	263	9/30/2012
05946XHV8	3,750	3,465	285	3,465	2,086	9/30/2012
05949CPD2	3,750	3,545	205	3,545	1,570	9/30/2012
059515AE6	4,250	4,034	216	4,034	2,095	9/30/2012
05951FAK0	5,933	5,849	83	5,849	3,666	9/30/2012
05951KAZ6	1,504	1,407	97	1,407	1,098	9/30/2012
05951KBA0	243	238	5	238	120	9/30/2012
05953YAA9	4,998	4,530	468	4,530	2,028	9/30/2012
07386HXZ9	519	514	5	514	405	9/30/2012
07387ADY8	7,457	6,785	672	6,785	4,653	9/30/2012
12328MAU5	1,431	1,262	168	1,262	937	9/30/2012
1248MBAJ4	593	517	76	517	506	9/30/2012
12544TAH7	2,013	1,864	149	1,864	925	9/30/2012
12627HAK6	2,497	2,047	450	2,047	1,778	9/30/2012
12628KAF9	5,011	4,934	77	4,934	3,251	9/30/2012
12628LAJ9	6,089	5,470	619	5,470	2,058	9/30/2012
12629EAD7	17,662	16,971	692	16,971	9,232	9/30/2012
12638PAE9	11,541	10,692	849	10,692	4,517	9/30/2012
126670LF3	11,838	11,098	740	11,098	6,065	9/30/2012
12668AG25	1,237	1,067	170	1,067	926	9/30/2012
12668AMN2	2,419	2,418	1	2,418	774	9/30/2012
12668AQ65	1,039	950	89	950	860	9/30/2012
12668AY25	430	423	8	423	284	9/30/2012
12668AYL3	10,234	10,192	42	10,192	6,257	9/30/2012
12668AYU3	108	107	1	107	46	9/30/2012
12668BFB4	173	147	26	147	58	9/30/2012
12668BFL2	4,164	3,665	499	3,665	2,675	9/30/2012
12668BKG7	1,025	127	898	127	74	9/30/2012
12668BKH5	221	216	5	216	124	9/30/2012
16163HAG6	1,716	1,643	73	1,643	1,087	9/30/2012
170356AA7	4,602	4,586	15	4,586	2,466	9/30/2012
170356AB5	2,376	2,343	33	2,343	1,521	9/30/2012
17309BAB3	2,889	2,521	368	2,521	1,826	9/30/2012
17309YAF4	7,434	5,861	1,572	5,861	4,183	9/30/2012
17311FAH7	11,630	11,378	252	11,378	6,448	9/30/2012
17311LAH4	3,578	3,310	268	3,310	2,323	9/30/2012
18976GAV8	2,580	2,165	416	2,165	1,484	9/30/2012

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
225470A86	452	451	1	451	256	9/30/2012
2254W0MD4	470	470	0	470	194	9/30/2012
251510GQ0	1,763	1,582	181	1,582	1,038	9/30/2012
251511AC5	814	792	22	792	521	9/30/2012
251511AF8	5,197	5,101	96	5,101	2,694	9/30/2012
251513AV9	10,318	9,176	1,142	9,176	5,724	9/30/2012
251513BC0	10,040	9,375	665	9,375	6,730	9/30/2012
25157FAL8	1,619	1,308	311	1,308	802	9/30/2012
32051GZR9	3,409	3,052	357	3,052	2,173	9/30/2012
3622E8AC9	4,750	4,379	371	4,379	2,306	9/30/2012
3622ELAG1	5,769	5,595	174	5,595	3,256	9/30/2012
3622EUAC0	802	778	25	778	428	9/30/2012
3622EUAF3	3,667	3,571	97	3,571	2,171	9/30/2012
362375AF4	594	565	29	565	372	9/30/2012
36244SAF5	4,851	4,357	494	4,357	3,694	9/30/2012
40430FAC6	5,507	5,505	2	5,505	2,380	9/30/2012
45254NQG5	6,613	6,537	76	6,537	4,003	9/30/2012
45660LGQ6	2,164	1,962	202	1,962	1,755	9/30/2012
45660LS75	7,913	7,339	574	7,339	3,924	9/30/2012
45660LSY6	4,560	4,376	184	4,376	2,532	9/30/2012
456673AB8	643	638	5	638	393	9/30/2012
46412RAA3	3,440	3,405	35	3,405	2,002	9/30/2012
46630MAG7	2,696	2,678	17	2,678	1,619	9/30/2012
52521GAD7	23,759	22,985	774	22,985	16,323	9/30/2012
57643MGJ7	1,781	1,742	39	1,742	1,076	9/30/2012
57644DAR4	2,587	2,395	193	2,395	1,165	9/30/2012
61748HLF6	1,048	969	78	969	175	9/30/2012
61748HPB1	178	177	1	177	163	9/30/2012
61749EAH0	3,328	2,920	408	2,920	1,765	9/30/2012
61750YAE9	16,921	14,066	2,856	14,066	9,198	9/30/2012
61752RAH5	4,703	4,678	25	4,678	3,525	9/30/2012
61752RAJ1	13,737	9,818	3,919	9,818	7,958	9/30/2012
61752RAM4	3,720	2,765	955	2,765	1,306	9/30/2012
69336RAK6	4,692	4,511	181	4,511	3,601	9/30/2012
69336RDR8	1,881	1,691	190	1,691	1,135	9/30/2012
69337NAJ7	2,404	2,136	269	2,136	1,509	9/30/2012
73316PDT4	827	814	13	814	622	9/30/2012
76110WMW3	2,331	2,319	13	2,319	390	9/30/2012
76111XVE0	1,099	1,066	33	1,066	659	9/30/2012
76114CAD8	442	427	14	427	279	9/30/2012
76114QAC9	3,418	3,324	94	3,324	2,000	9/30/2012
78476YAA4	3,545	3,435	110	3,435	1,434	9/30/2012
78477AAA5	4,001	3,878	123	3,878	2,042	9/30/2012
81378KAB5	1,000	967	33	967	553	9/30/2012
863579B49	1,500	1,444	56	1,444	820	9/30/2012
933637AJ9	1,399	1,265	134	1,265	1,158	9/30/2012
93363PAA8	238	234	4	234	154	9/30/2012
93934FEM0	6,441	6,322	119	6,322	35	9/30/2012

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
93934FLW0	507	505	3	505	434	9/30/2012
93935HAD9	6,410	5,453	957	5,453	4,068	9/30/2012
93935WAC8	1,066	937	129	937	738	9/30/2012
93935YAA8	505	462	43	462	353	9/30/2012
9497EBAD1	1,864	1,567	297	1,567	871	9/30/2012
000112AA0	2,047	1,989	58	1,989	1,715	6/30/2012
00442KAB7	4,934	4,155	779	4,155	3,655	6/30/2012
02147GAC8	5,565	5,024	541	5,024	2,038	6/30/2012
02147QAF9	9,713	9,055	659	9,055	4,627	6/30/2012
02147XAS6	3,970	3,636	334	3,636	1,917	6/30/2012
02149DAE9	16,971	16,767	204	16,767	8,950	6/30/2012
02151HAA3	4,000	3,440	560	3,440	679	6/30/2012
02660TGR8	11,098	10,818	280	10,818	6,283	6/30/2012
059469AF3	6,375	5,759	616	5,759	2,357	6/30/2012
05951FAK0	1,048	981	67	981	944	6/30/2012
05951KAZ6	2,370	1,948	422	1,948	819	6/30/2012
05951KBA0	809	802	7	802	277	6/30/2012
05953YAA9	943	935	8	935	828	6/30/2012
07386HXZ9	429	424	4	424	261	6/30/2012
12328MAU5	423	410	13	410	313	6/30/2012
12489WNN0	10,192	9,772	420	9,772	7,021	6/30/2012
12566VAN2	1,257	1,220	38	1,220	544	6/30/2012
12627HAK6	250	213	34	216	216	6/30/2012
12628KAD4	143	131	11	131	55	6/30/2012
12628LAJ9	3,596	3,507	89	3,507	2,722	6/30/2012
12638PAE9	127	121	5	121	78	6/30/2012
126670LF3	216	215	1	215	130	6/30/2012
12667G7X5	1,643	1,618	25	1,618	1,083	6/30/2012
12668AY25	803	625	178	625	503	6/30/2012
12668AYL3	306	214	92	214	151	6/30/2012
12668AYU3	4,586	4,522	65	4,522	2,950	6/30/2012
12668BFB4	2,343	2,331	12	2,331	1,567	6/30/2012
12668BFL2	2,478	2,228	250	2,228	1,933	6/30/2012
12668BKG7	4,662	4,361	301	4,361	2,689	6/30/2012
12668BKH5	18,157	16,948	1,208	16,948	10,176	6/30/2012
126694FW3	9,145	8,563	581	8,563	4,980	6/30/2012
12669GA50	5,861	5,064	797	5,064	4,288	6/30/2012
17309BAB3	11,378	11,235	144	11,235	6,634	6/30/2012
17309YAF4	250	229	21	229	176	6/30/2012
17311FAH7	3,198	3,168	30	3,168	2,350	6/30/2012
18976GAV8	2,084	2,050	35	2,050	1,472	6/30/2012
225470A86	3,995	3,438	557	3,438	2,409	6/30/2012
225470VG5	704	677	27	677	487	6/30/2012
2254W0MD4	5,036	5,018	18	5,018	2,659	6/30/2012
251510GQ0	10,928	9,930	998	9,930	5,806	6/30/2012
251510LM3	8,834	8,639	195	8,639	5,497	6/30/2012
251511AC5	9,165	8,841	324	8,841	6,547	6/30/2012
251511AE1	2,889	2,871	18	2,871	2,079	6/30/2012

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
251511AF8	4,379	4,256	123	4,256	2,777	6/30/2012
251513AV9	1,742	1,467	275	1,467	873	6/30/2012
251513BC0	5,544	5,400	144	5,400	3,231	6/30/2012
294751DY5	755	748	6	748	514	6/30/2012
32051GZR9	3,523	3,437	86	3,437	2,178	6/30/2012
3622E8AC9	6,249	3,292	2,956	3,292	2,294	6/30/2012
3622ELAG1	545	426	118	426	423	6/30/2012
3622EUAF3	4,347	4,088	259	4,088	3,406	6/30/2012
362375AF4	6,537	6,371	167	6,371	4,252	6/30/2012
36244SAF5	7,231	6,942	289	6,942	3,890	6/30/2012
43709KAA7	4,325	4,149	177	4,149	2,391	6/30/2012
45660LGQ6	638	615	23	615	397	6/30/2012
45660LLQ0	3,405	3,290	116	3,290	2,023	6/30/2012
46412RAA3	2,672	2,588	84	2,588	1,634	6/30/2012
466247ZQ9	22,782	22,081	701	22,081	15,995	6/30/2012
46630MAG7	1,718	1,659	59	1,659	1,070	6/30/2012
576434V84	2,349	2,188	161	2,188	1,072	6/30/2012
61748HLF6	2,780	2,740	40	2,740	1,724	6/30/2012
61748HYC9	14,066	13,645	421	13,645	9,638	6/30/2012
61749EAH0	4,678	4,637	41	4,637	3,610	6/30/2012
61751JAH4	9,818	9,219	598	9,219	8,123	6/30/2012
61751JAJ0	12,289	11,285	1,004	11,285	3,907	6/30/2012
61751PAA5	4,489	4,316	173	4,316	3,636	6/30/2012
61752RAH5	133	109	24	109	9	6/30/2012
61752RAJ1	121	120	2	120	90	6/30/2012
65106AAP8	120	106	14	106	83	6/30/2012
69121PCK7	2,058	2,019	39	2,019	1,566	6/30/2012
69336RAK6	810	740	70	740	642	6/30/2012
69337NAJ7	2,253	2,232	21	2,232	622	6/30/2012
76110WB21	1,066	1,040	26	1,040	685	6/30/2012
76110WMW3	427	418	9	418	322	6/30/2012
76111XVE0	3,285	3,208	78	3,208	2,004	6/30/2012
76114CAD8	3,435	3,348	87	3,348	2,443	6/30/2012
76114QAC9	3,832	3,733	99	3,733	2,880	6/30/2012
78476YAA4	967	936	31	936	519	6/30/2012
78477AAA5	1,444	1,399	46	1,399	786	6/30/2012
81378KAB5	5,833	5,737	96	5,737	3,774	6/30/2012
863579G85	1,133	1,089	43	1,089	1,068	6/30/2012
863579VS4	234	228	5	228	155	6/30/2012
881561P24	2,352	2,242	110	2,242	614	6/30/2012
933634AF4	6,322	4,777	1,545	4,777	38	6/30/2012
933637AJ9	495	441	54	441	181	6/30/2012
93363NAM7	2,772	2,765	7	2,765	2,176	6/30/2012
93363PAA8	370	361	9	361	181	6/30/2012
93934FCS9	15,607	14,393	1,214	14,393	6,250	6/30/2012
93935WAC8	1,248	588	660	588	202	6/30/2012
93935YAA8	453	388	65	388	338	6/30/2012
9497EBAD1	1,272	1,090	182	1,090	757	6/30/2012

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
00442KAB7	2,531	2,449	83	2,449	455	3/31/2012
004448AA4	9,211	8,974	237	8,974	4,821	3/31/2012
02147GAC8	9,741	7,298	1,199	8,542	8,542	3/31/2012
02147QAF9	3,229	3,164	65	3,164	1,589	3/31/2012
02147XAS6	10,818	10,808	10	10,808	6,429	3/31/2012
02149DAE9	5,759	5,714	45	5,714	3,590	3/31/2012
02151HAA3	1,898	1,829	69	1,829	766	3/31/2012
02660YAA0	1,220	1,195	25	1,195	716	3/31/2012
059469AF3	214	199	15	199	212	3/31/2012
059515AE6	2,136	2,118	18	2,118	1,142	3/31/2012
05951FAK0	215	211	4	211	133	3/31/2012
05953YAA9	1,597	1,582	15	1,582	1,043	3/31/2012
07386HXZ9	609	484	125	484	345	3/31/2012
12328MAJ0	209	187	22	187	149	3/31/2012
12489WNN0	4,522	4,484	37	4,484	3,080	3/31/2012
12544ABN4	2,194	2,158	36	2,158	1,608	3/31/2012
12544TAH7	16,948	16,791	157	16,791	10,509	3/31/2012
12566VAN2	8,563	8,541	22	8,541	5,250	3/31/2012
12627HAK6	5,064	4,895	169	4,895	4,152	3/31/2012
12628LAJ9	11,235	11,183	52	11,183	8,689	3/31/2012
12629EAD7	3,384	2,380	1,004	2,380	1,795	3/31/2012
12638PAE9	253	249	4	249	97	3/31/2012
126670LF3	1,411	1,363	48	1,363	1,020	3/31/2012
12667G7X5	4,276	3,247	1,029	3,247	2,060	3/31/2012
12667GPU1	9,818	9,806	12	9,806	5,800	3/31/2012
12668AG25	364	300	64	300	350	3/31/2012
12668AMN2	1,248	1,099	149	1,099	643	3/31/2012
12668AY25	2,803	2,792	11	2,792	1,983	3/31/2012
12668AYL3	4,256	4,197	59	4,197	2,855	3/31/2012
12668BFB4	1,446	1,420	26	1,420	870	3/31/2012
12668BFL2	5,325	5,244	81	5,244	3,123	3/31/2012
12668BKG7	3,342	3,294	48	3,294	2,154	3/31/2012
12668BKH5	6,371	6,332	39	6,332	4,343	3/31/2012
126694FW3	6,847	6,766	81	6,766	3,877	3/31/2012
12669GZP9	615	604	10	604	402	3/31/2012
15132ELG1	3,290	3,234	55	3,234	2,047	3/31/2012
15132ELH9	2,548	2,503	46	2,503	1,638	3/31/2012
16163HAG6	291	257	34	257	251	3/31/2012
17309BAB3	21,897	21,870	28	21,870	16,265	3/31/2012
17309YAF4	1,634	1,621	13	1,621	1,087	3/31/2012
17311LAH4	163	163	0	163	155	3/31/2012
18976GAV8	2,537	1,738	799	1,738	1,067	3/31/2012
225470A86	4,296	4,236	60	4,236	3,818	3/31/2012
251510GQ0	104	97	8	97	9	3/31/2012
251510LM3	103	101	1	101	84	3/31/2012
251511AC5	1,040	1,017	23	1,017	779	3/31/2012
251511AE1	418	409	9	409	322	3/31/2012
251511AF8	3,178	3,105	72	3,105	2,122	3/31/2012

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
251513AV9	3,348	3,333	15	3,333	2,528	3/31/2012
251513BC0	3,677	3,651	26	3,651	2,913	3/31/2012
3622E8AC9	5,584	4,850	734	4,850	3,341	3/31/2012
3622ELAG1	5,665	5,665	0	5,665	3,925	3/31/2012
3622EUAF3	226	225	1	225	147	3/31/2012
362375AF4	913	904	9	904	207	3/31/2012
36244SAF5	14,393	14,223	170	14,223	6,644	3/31/2012
38011AAC8	379	336	43	336	294	3/31/2012
45254NQG5	128	126	2	126	106	3/31/2012
45660LGQ6	1,567	1,514	53	1,514	912	3/31/2012
45660LSY6	1,989	1,985	4	1,985	1,804	3/31/2012
46412RAA3	9,133	9,081	51	9,081	7,177	3/31/2012
46629BAF6	16,767	16,631	136	16,631	10,190	3/31/2012
46630MAG7	9,091	8,846	245	8,846	3,533	3/31/2012
576433XW1	10,808	10,702	106	10,702	7,109	3/31/2012
61748HLF6	5,714	5,676	38	5,676	3,969	3/31/2012
61748HPB1	18,653	14,438	4,215	14,438	12,299	3/31/2012
61749EAH0	11,129	10,423	707	10,423	8,499	3/31/2012
61751JAH4	1,773	1,701	71	1,701	708	3/31/2012
61751JAJ0	765	764	1	764	282	3/31/2012
61752RAH5	876	870	6	870	706	3/31/2012
61752RAJ1	3,405	3,375	29	3,375	2,727	3/31/2012
69121PCK7	1,697	1,695	1	1,695	1,570	3/31/2012
69335VAL6	17,808	16,645	1,163	16,645	12,790	3/31/2012
69336RCY4	121	111	10	111	71	3/31/2012
76110WB21	2,068	2,042	26	2,042	1,199	3/31/2012
78477AAA5	208	206	2	206	141	3/31/2012
863579B49	1,549	1,538	10	1,538	1,228	3/31/2012
863579G85	475	415	59	415	313	3/31/2012
86361JAY6	180	160	20	160	146	3/31/2012
933634AF4	10,229	9,817	412	9,817	7,321	3/31/2012
93363NAB1	12,250	11,977	273	11,977	10,644	3/31/2012
93363NAF2	4,361	4,310	50	4,310	3,098	3/31/2012
93363NAM7	16,791	16,652	139	16,652	11,304	3/31/2012
93363PAA8	8,541	8,463	79	8,463	5,744	3/31/2012
93934FEM0	4,895	4,507	388	4,507	4,421	3/31/2012
93934FLW0	6,081	5,574	507	5,574	4,683	3/31/2012
00011#AA1	250	230	20	230	135	12/31/2011
004421VE0	226	225	1	225	179	12/31/2011
00442KAB7	3,032	3,010	21	3,010	2,703	12/31/2011
01448QAC4	6,153	5,310	844	5,310	5,093	12/31/2011
02147GAC8	426	425	0	425	262	12/31/2011
02147QAF9	12,111	11,888	223	11,888	11,718	12/31/2011
02147XAS6	1,326	1,292	34	1,292	1,004	12/31/2011
02149DAE9	546	532	14	532	369	12/31/2011
02151HAA3	8,090	7,956	134	7,956	5,656	12/31/2011
02660TGR8	1,086	994	92	994	587	12/31/2011
040104TF8	2,493	2,452	41	2,452	1,784	12/31/2011

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
059469AF3	4,197	4,134	63	4,134	3,175	12/31/2011
05949CPD2	1,392	1,380	12	1,380	914	12/31/2011
059515AE6	7,431	7,092	339	7,092	4,351	12/31/2011
05951FAK0	3,229	3,199	30	3,199	2,257	12/31/2011
05951KAZ6	3,950	3,789	161	3,789	3,804	12/31/2011
05951KBA0	24,165	22,984	1,181	22,984	17,402	12/31/2011
05953YAA9	984	889	95	889	647	12/31/2011
07384M2A9	6,645	6,513	132	6,513	4,009	12/31/2011
07386HXZ9	4,054	3,982	72	3,982	2,927	12/31/2011
07387ADY8	588	586	2	586	415	12/31/2011
12489WNN0	3,145	3,133	11	3,133	2,132	12/31/2011
12544ABN4	2,425	2,417	9	2,417	1,699	12/31/2011
12544TAH7	252	199	53	199	173	12/31/2011
12566VAN2	3,872	3,741	131	3,741	1,370	12/31/2011
12627HAK6	21,576	21,300	276	21,300	16,837	12/31/2011
12628KAF9	1,578	1,560	18	1,560	1,135	12/31/2011
12628LAJ9	258	255	3	255	240	12/31/2011
12629EAD7	3,824	3,653	171	3,653	2,721	12/31/2011
12638PAE9	13,356	13,235	121	13,235	10,152	12/31/2011
126670LF3	13,368	13,109	260	13,109	11,005	12/31/2011
12667G7X5	9,219	8,651	568	8,651	7,511	12/31/2011
12667GPU1	9,937	9,762	176	9,762	3,400	12/31/2011
126686AB0	93	87	6	87	83	12/31/2011
12668AQ65	1,495	1,368	127	1,368	1,122	12/31/2011
12668AY25	6,488	5,858	630	5,858	4,617	12/31/2011
12668AYL3	4,880	997	3,883	997	761	12/31/2011
12668BFB4	734	725	8	725	672	12/31/2011
12668BFL2	1,011	1,001	9	1,001	704	12/31/2011
12668BKG7	406	402	4	402	286	12/31/2011
12668BKH5	3,054	3,023	32	3,023	2,045	12/31/2011
12668WAC1	176	137	39	137	144	12/31/2011
126694FW3	3,333	3,239	93	3,239	2,672	12/31/2011
126694UJ5	3,618	3,512	106	3,512	3,047	12/31/2011
12669FN74	441	437	4	437	210	12/31/2011
15132ELG1	899	325	574	325	213	12/31/2011
17311FAH7	701	662	39	662	222	12/31/2011
225470A86	203	201	2	201	50	12/31/2011
251510GQ0	4,921	4,910	11	4,910	3,923	12/31/2011
251510LM3	14,223	14,047	176	14,047	7,223	12/31/2011
251511AC5	1,980	1,760	220	1,760	646	12/31/2011
251511AE1	1,409	1,013	397	1,013	343	12/31/2011
251511AF8	1,041	1,023	18	1,023	729	12/31/2011
251513AV9	115	115	0	115	98	12/31/2011
251513BC0	8,669	7,011	1,659	7,011	2,948	12/31/2011
25157FAL8	1,514	1,477	37	1,477	959	12/31/2011
32029HAB8	1,985	1,957	28	1,957	1,911	12/31/2011
32051GX91	4,155	3,897	258	3,897	3,887	12/31/2011
32051GZR9	14,483	10,557	3,925	10,557	5,799	12/31/2011

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
32113JAB1	2,644	2,619	25	2,619	1,589	12/31/2011
3622E8AC9	15,849	13,537	2,312	13,537	10,117	12/31/2011
3622E8AF2	1,106	954	151	954	61	12/31/2011
3622ELAG1	10,950	10,442	508	10,442	6,840	12/31/2011
3622EUAB2	8,681	8,426	255	8,426	3,644	12/31/2011
3622EUAC0	10,702	10,558	144	10,558	7,393	12/31/2011
3622EUAF3	1,888	1,809	79	1,809	1,144	12/31/2011
362334MD3	14,438	14,419	19	14,419	11,929	12/31/2011
362341N39	1,648	1,498	150	1,498	691	12/31/2011
362341RU5	751	723	28	723	270	12/31/2011
362375AF4	7,345	6,749	596	6,749	5,344	12/31/2011
36244SAF5	3,325	3,288	37	3,288	2,495	12/31/2011
38011AAC8	25	24	0	24	24	12/31/2011
43709KAA7	4,643	4,423	220	4,423	3,326	12/31/2011
456606MZ2	111	111	0	111	90	12/31/2011
45660LDD8	1,984	1,963	20	1,963	1,155	12/31/2011
45660LGQ6	3,366	3,214	152	3,214	2,183	12/31/2011
45660LQY8	1,506	1,484	22	1,484	1,148	12/31/2011
45660LS75	411	404	7	404	286	12/31/2011
45660LSY6	156	154	2	154	147	12/31/2011
456673AB8	2,315	2,278	36	2,278	1,983	12/31/2011
46412RAA3	4,310	4,300	10	4,300	3,155	12/31/2011
46627MEA1	8,463	8,416	46	8,416	5,998	12/31/2011
46630MAD4	4,507	4,421	86	4,421	4,351	12/31/2011
46630MAG7	230	227	2	227	133	12/31/2011
576434V84	224	222	2	222	179	12/31/2011
57643MGJ7	404	403	1	403	246	12/31/2011
61748HLF6	954	945	9	945	947	12/31/2011
61748HPB1	469	463	5	463	348	12/31/2011
61749EAD9	4,828	4,821	7	4,821	3,307	12/31/2011
61749EAE7	4,134	4,076	58	4,076	3,025	12/31/2011
61749EAH0	7,031	6,916	115	6,916	5,046	12/31/2011
61750YAD1	3,126	3,083	43	3,083	2,261	12/31/2011
61750YAE9	1,449	1,447	2	1,447	1,287	12/31/2011
61750YAJ8	3,014	2,787	226	2,787	2,550	12/31/2011
61752RAH5	3,751	3,670	82	3,670	3,603	12/31/2011
61752RAJ1	865	852	13	852	628	12/31/2011
61752RAM4	6,354	6,250	104	6,250	3,912	12/31/2011
65106AAP8	3,938	3,905	33	3,905	2,852	12/31/2011
655374AA4	571	567	4	567	401	12/31/2011
68389FGK4	3,055	3,033	22	3,033	2,063	12/31/2011
68402VAE2	2,349	2,334	15	2,334	1,638	12/31/2011
69121PCK7	197	192	5	192	178	12/31/2011
69336RCX6	3,640	3,428	212	3,428	1,693	12/31/2011
69336RDR8	20,915	20,785	130	20,785	16,215	12/31/2011
69337AAM8	879	850	29	850	282	12/31/2011
69337NAH1	148	147	0	147	139	12/31/2011
73316PDT4	3,578	3,552	26	3,552	2,577	12/31/2011

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
76110HS34	13,034	12,973	60	12,973	11,193	12/31/2011
76110WB21	8,651	8,348	303	8,348	7,677	12/31/2011
76114CAD8	1,663	1,366	297	1,366	699	12/31/2011
76114QAC9	10,841	9,878	963	9,878	3,821	12/31/2011
78477AAA5	2,473	2,317	156	2,317	1,937	12/31/2011
863579B49	4,176	4,094	81	4,094	3,731	12/31/2011
863579G85	1,331	1,330	2	1,330	990	12/31/2011
86359DQR1	20,566	20,093	473	20,093	16,521	12/31/2011
86361JAY6	1,929	1,745	184	1,745	548	12/31/2011
86362TAF4	5,725	5,695	30	5,695	4,511	12/31/2011
881561P24	990	837	153	837	778	12/31/2011
933634AF4	2,049	1,936	113	1,936	615	12/31/2011
933637AJ9	981	974	7	974	681	12/31/2011
93363NAB1	394	391	3	391	277	12/31/2011
93363NAF2	2,955	2,936	19	2,936	1,981	12/31/2011
93363PAA8	2,976	2,622	353	2,622	2,116	12/31/2011
93934FKQ4	936	925	12	925	662	12/31/2011
93934FLB6	1,399	1,382	17	1,382	1,009	12/31/2011
93934FLW0	5,563	5,471	92	5,471	3,934	12/31/2011
93935WAC8	221	217	4	217	151	12/31/2011
93935YAA8	437	436	1	436	226	12/31/2011
9497EBAD1	4,091	3,680	411	3,680	3,140	12/31/2011
94983WAJ2	323	313	10	313	217	12/31/2011
004421VE0	658	653	4	653	226	9/30/2011
00442KAB7	733	623	110	623	49	9/30/2011
01448QAC4	201	195	6	195	48	9/30/2011
02147GAC8	361	360	1	360	210	9/30/2011
02147QAF9	9,102	8,378	724	8,378	7,182	9/30/2011
02147XAS6	13,685	13,618	67	13,618	11,639	9/30/2011
02151HAA3	1,689	1,658	31	1,658	619	9/30/2011
02660THT3	980	871	108	871	343	9/30/2011
040104TF8	5,761	4,843	918	4,843	3,948	9/30/2011
059469AF3	321	308	13	308	309	9/30/2011
059515AE6	1,477	1,447	30	1,447	928	9/30/2011
05951FAK0	1,957	1,923	34	1,923	1,883	9/30/2011
05951KAZ6	11,749	9,185	2,564	9,185	7,713	9/30/2011
05951KBA0	3,009	2,447	562	2,447	2,197	9/30/2011
05953YAA9	186	162	24	162	181	9/30/2011
07387ADY8	9,351	9,243	108	9,243	8,444	9/30/2011
12328MAU5	2,558	2,507	51	2,507	1,671	9/30/2011
12489WNN0	953	700	254	700	137	9/30/2011
12544TAH7	8,334	8,270	64	8,270	3,487	9/30/2011
12544VAB5	3,440	3,172	268	3,172	1,200	9/30/2011
12566VAN2	10,558	10,477	81	10,477	8,981	9/30/2011
12627HAK6	5,676	5,555	122	5,555	4,912	9/30/2011
12628KAF9	1,809	1,794	14	1,794	1,540	9/30/2011
12628LAJ9	10,423	10,337	86	10,337	8,606	9/30/2011
12629EAD7	1,447	1,096	351	1,096	590	9/30/2011

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
12638PAE9	709	643	66	643	260	9/30/2011
126670LF3	6,688	6,623	65	6,623	4,959	9/30/2011
12667G7X5	3,212	3,158	54	3,158	2,562	9/30/2011
12667GRG0	24	23	0	23	23	9/30/2011
12668AG25	4,268	4,253	15	4,253	3,186	9/30/2011
12668AMN2	1,921	1,890	30	1,890	1,250	9/30/2011
12668AQ65	3,118	3,078	40	3,078	2,057	9/30/2011
12668AY25	197	196	1	196	142	9/30/2011
12668AYL3	1,460	1,444	16	1,444	1,144	9/30/2011
12668AYU3	398	372	27	372	290	9/30/2011
12668BFB4	14,302	14,146	155	14,146	11,819	9/30/2011
12668BFL2	11,940	11,927	14	11,927	10,945	9/30/2011
12668BKG7	16,652	16,191	461	16,191	13,212	9/30/2011
12668BKH5	8,416	8,241	175	8,241	7,540	9/30/2011
12668WAC1	4,398	4,018	379	4,018	3,857	9/30/2011
12668WAF4	3,427	3,167	261	3,167	2,697	9/30/2011
126694UJ5	11,183	11,158	24	11,158	9,900	9/30/2011
15132EKT4	227	222	5	222	132	9/30/2011
15132ELG1	221	217	4	217	177	9/30/2011
15132ELH9	569	456	113	456	439	9/30/2011
172973S75	15,121	13,984	1,137	13,984	12,983	9/30/2011
17309YAF4	1,260	1,241	19	1,241	1,111	9/30/2011
17311FAH7	4,768	4,683	84	4,683	3,221	9/30/2011
2254W0MD4	7,671	7,580	90	7,580	6,336	9/30/2011
251510GQ0	6,988	6,619	369	6,619	5,422	9/30/2011
251511AC5	979	934	46	934	489	9/30/2011
251511AE1	2,241	2,190	51	2,190	2,020	9/30/2011
251511AF8	4,076	4,009	67	4,009	3,234	9/30/2011
251513AV9	1,317	1,304	12	1,304	1,015	9/30/2011
251513BC0	6,861	6,735	127	6,735	5,321	9/30/2011
25157FAL8	3,028	3,002	27	3,002	2,242	9/30/2011
32051GD28	2,585	1,981	604	1,981	1,233	9/30/2011
32051GZR9	3,598	3,597	0	3,597	3,523	9/30/2011
32113JAB1	4,564	4,504	60	4,504	2,421	9/30/2011
3622E8AC9	6,280	6,206	74	6,206	5,501	9/30/2011
3622E8AF2	832	823	8	823	629	9/30/2011
3622ELAG1	6,119	6,046	73	6,046	4,551	9/30/2011
3622EUAB2	3,836	3,773	63	3,773	2,602	9/30/2011
3622EUAC0	549	534	15	534	412	9/30/2011
3622EUAF3	2,936	2,857	79	2,857	2,220	9/30/2011
362334MD3	2,250	2,202	48	2,202	1,625	9/30/2011
362341N39	189	185	4	185	173	9/30/2011
362375AF4	3,322	2,942	380	2,942	1,596	9/30/2011
36244SAF5	20,420	20,009	411	20,009	14,995	9/30/2011
45660LDD8	1,471	1,428	43	1,428	1,313	9/30/2011
45660LQY8	832	796	36	796	314	9/30/2011
45660LS75	145	145	0	145	138	9/30/2011
45660LSY6	12,309	12,240	69	12,240	9,682	9/30/2011

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
45661HAR8	12,907	12,700	207	12,700	11,236	9/30/2011
46412RAA3	1,311	1,164	147	1,164	543	9/30/2011
46627MEA1	2,315	2,287	28	2,287	1,895	9/30/2011
46629BAG4	2,497	2,153	343	2,153	1,919	9/30/2011
52521GAD7	86	81	5	81	73	9/30/2011
576434V84	4,562	4,489	73	4,489	4,187	9/30/2011
57643MGJ7	1,883	1,573	310	1,573	559	9/30/2011
61748HPB1	960	942	17	942	653	9/30/2011
61749EAD9	385	378	7	378	266	9/30/2011
61749EAE7	2,887	2,841	47	2,841	2,016	9/30/2011
61749EAH0	2,556	2,440	116	2,440	1,857	9/30/2011
61750YAD1	3,132	3,022	109	3,022	2,355	9/30/2011
61750YAE9	3,373	3,251	121	3,251	2,486	9/30/2011
61750YAJ8	920	913	7	913	644	9/30/2011
61752RAH5	1,375	1,365	10	1,365	974	9/30/2011
61752RAJ1	5,394	5,335	59	5,335	3,399	9/30/2011
61752RAM4	215	207	8	207	133	9/30/2011
65106AAP8	1,735	1,735	1	1,735	535	9/30/2011
65536VAC1	4,777	1,079	3,698	1,079	89	9/30/2011
655374AA4	436	434	3	434	267	9/30/2011
68389BAD5	4,795	4,637	159	4,637	3,972	9/30/2011
68402VAE2	4,809	4,808	1	4,808	3,502	9/30/2011
69121PCK7	8,069	7,944	125	7,944	6,914	9/30/2011
69337AAM8	13,296	13,158	139	13,158	11,679	9/30/2011
76110H7A1	6,892	6,816	77	6,816	5,767	9/30/2011
76110HS34	4,728	4,708	20	4,708	3,769	9/30/2011
76110WB21	293	266	27	266	248	9/30/2011
76110WMW3	1,447	1,441	6	1,441	1,097	9/30/2011
76114CAD8	1,883	1,840	43	1,840	1,685	9/30/2011
78476YAA4	9,185	8,865	319	8,865	7,951	9/30/2011
78477AAA5	2,142	1,787	355	1,787	1,847	9/30/2011
863579B49	20,291	17,294	2,997	17,294	16,260	9/30/2011
863579G85	159	128	31	128	86	9/30/2011
86359DQR1	9,464	9,379	84	9,379	8,542	9/30/2011
87222PAD5	4,025	3,687	338	3,687	3,428	9/30/2011
933634AF4	10,030	9,731	298	9,731	7,036	9/30/2011
933637AJ9	3,474	3,274	200	3,274	3,165	9/30/2011
93363BAG6	2,410	2,359	51	2,359	1,610	9/30/2011
93934FEM0	699	616	82	616	114	9/30/2011
93934FKQ4	1,786	1,785	1	1,785	369	9/30/2011
93934FLB6	8,156	4,781	3,375	4,781	3,307	9/30/2011
93934FLW0	982	76	906	76	104	9/30/2011
93935HAD9	10,477	10,455	22	10,455	8,782	9/30/2011
93935YAA8	5,523	5,490	33	5,490	4,667	9/30/2011
9497EBAD1	1,794	1,775	20	1,775	1,491	9/30/2011
94983JAJ1	14,419	13,751	669	13,751	11,356	9/30/2011
94983WAJ2	8,855	5,378	3,478	5,378	3,631	9/30/2011
94983XAM3	634	250	384	250	229	9/30/2011

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
004421VE0	6,564	6,542	22	6,542	4,996	6/30/2011
00442KAB7	7,706	7,267	439	7,267	6,680	6/30/2011
007036TJ5	369	368	1	368	268	6/30/2011
02147GAC8	333	328	4	328	233	6/30/2011
02147QAF9	7,938	7,820	118	7,820	5,812	6/30/2011
02147XAS6	1,167	1,161	6	1,161	801	6/30/2011
02149DAE9	1,072	958	114	958	984	6/30/2011
02660TGA5	3,115	3,080	35	3,080	2,377	6/30/2011
040104TF8	1,910	1,359	551	1,359	991	6/30/2011
059469AF3	22	22	0	22	21	6/30/2011
05948KP52	13,783	12,648	1,136	12,648	11,991	6/30/2011
05951FAK0	9,078	8,535	544	8,535	7,878	6/30/2011
05951KAZ6	15,481	15,428	53	15,428	12,536	6/30/2011
05951KBA0	4,134	4,115	19	4,115	3,044	6/30/2011
05953YAA9	1,846	1,811	35	1,811	1,244	6/30/2011
07384M2A9	2,953	2,912	40	2,912	1,878	6/30/2011
07386HXZ9	1,422	1,398	24	1,398	934	6/30/2011
07387ADY8	362	323	39	323	228	6/30/2011
12489WNN0	14,146	14,102	44	14,102	11,426	6/30/2011
12544ABN4	8,200	7,589	611	7,589	6,982	6/30/2011
12544VAB5	14,918	14,087	831	14,087	11,537	6/30/2011
12566VAN2	4,300	4,205	95	4,205	3,800	6/30/2011
12627HAK6	16,191	16,070	121	16,070	12,884	6/30/2011
12628KAF9	8,241	8,175	66	8,175	7,378	6/30/2011
12628LAJ9	3,983	3,592	390	3,592	3,237	6/30/2011
12638PAE9	3,153	3,106	47	3,106	2,547	6/30/2011
126670LF3	11,158	11,050	108	11,050	9,628	6/30/2011
12667G7X5	222	221	1	221	118	6/30/2011
12667GRG0	2,805	2,771	34	2,771	2,278	6/30/2011
12668AG25	633	330	302	330	202	6/30/2011
12668AQ65	362	362	0	362	306	6/30/2011
12668AYL3	13,984	13,732	252	13,732	12,855	6/30/2011
12668AYU3	1,216	1,213	4	1,213	1,089	6/30/2011
12668BFB4	344	338	6	338	264	6/30/2011
12668BFL2	4,619	4,582	38	4,582	3,027	6/30/2011
12668BKG7	2,980	2,551	429	2,551	2,140	6/30/2011
12668WAC1	9,083	8,849	234	8,849	7,310	6/30/2011
126694FW3	7,303	7,233	70	7,233	5,432	6/30/2011
12669FN74	6,397	6,306	91	6,306	4,854	6/30/2011
15132EKT4	924	795	129	795	405	6/30/2011
16163HAG6	2,127	2,103	24	2,103	1,881	6/30/2011
17307GPS1	4,009	3,966	43	3,966	3,106	6/30/2011
17309BAB3	1,287	1,269	18	1,269	957	6/30/2011
17309YAF4	6,644	6,541	104	6,541	5,023	6/30/2011
17311LAH4	618	614	3	614	429	6/30/2011
18976GAV8	2,940	2,908	32	2,908	2,072	6/30/2011
225470A86	1,366	1,363	3	1,363	299	6/30/2011
2254W0MD4	1,981	1,394	586	1,394	1,226	6/30/2011

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
251510GQ0	22,775	22,709	66	22,709	19,948	6/30/2011
251510LM3	808	792	16	792	570	6/30/2011
251511AC5	5,949	5,814	136	5,814	4,149	6/30/2011
251511AE1	3,702	3,623	79	3,623	2,508	6/30/2011
251511AF8	522	512	10	512	386	6/30/2011
251513AV9	2,794	2,741	54	2,741	2,082	6/30/2011
251513BC0	2,148	2,108	40	2,108	1,631	6/30/2011
294751DY5	182	180	2	180	161	6/30/2011
32051GD28	2,836	1,514	1,322	1,514	1,453	6/30/2011
32051GZR9	19,782	19,374	407	19,374	14,066	6/30/2011
3622E8AC9	1,387	1,378	9	1,378	1,239	6/30/2011
3622E8AF2	607	344	262	344	262	6/30/2011
3622ELAG1	728	305	422	305	283	6/30/2011
3622EUAB2	778	777	1	777	291	6/30/2011
3622EUAC0	130	130	0	130	118	6/30/2011
3622EUAF3	3,377	3,366	11	3,366	2,236	6/30/2011
362334MD3	1,867	1,726	141	1,726	972	6/30/2011
362341N39	11,966	11,932	34	11,932	8,663	6/30/2011
362375AF4	9,446	8,962	484	8,962	6,176	6/30/2011
36244SAF5	68	56	12	56	58	6/30/2011
45254NMC8	1,220	1,209	11	1,209	874	6/30/2011
45254NMD6	1,684	522	1,162	522	480	6/30/2011
456606MZ2	4,489	4,346	143	4,346	3,736	6/30/2011
45660LDD8	1,532	649	883	649	527	6/30/2011
45660LGQ6	933	926	7	926	596	6/30/2011
45660LQY8	374	372	3	372	243	6/30/2011
45660LS75	2,808	2,791	18	2,791	1,865	6/30/2011
46412RAA3	2,404	2,367	36	2,367	1,759	6/30/2011
55265K4Z9	2,977	2,932	45	2,932	2,226	6/30/2011
576433XW1	3,203	3,155	48	3,155	2,357	6/30/2011
57644DAR4	4,496	2,767	1,728	2,767	2,221	6/30/2011
61748HPB1	904	895	9	895	599	6/30/2011
61748HYC9	1,352	1,338	14	1,338	910	6/30/2011
61749EAD9	5,288	5,228	60	5,228	3,120	6/30/2011
61749EAE7	10,000	6,363	3,637	6,363	3,406	6/30/2011
61749EAH0	204	155	49	155	122	6/30/2011
61750YAD1	1,695	618	1,077	618	500	6/30/2011
61750YAE9	3,513	3,511	2	3,511	2,766	6/30/2011
61750YAJ8	543	543	0	543	443	6/30/2011
61751PAA5	1,881	1,873	8	1,873	1,109	6/30/2011
61752RAH5	3,590	2,963	627	2,963	2,106	6/30/2011
61752RAJ1	195	164	32	164	78	6/30/2011
61752RAM4	750	627	123	627	506	6/30/2011
65106AAP8	4,637	4,487	149	4,487	2,968	6/30/2011
65536VAC1	218	132	86	132	74	6/30/2011
655374AA4	2,461	2,054	407	2,054	1,643	6/30/2011
69121PCK7	12,843	12,706	137	12,706	10,900	6/30/2011
69336RAK6	1,526	580	946	580	568	6/30/2011

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
69337AAM8	787	775	12	775	420	6/30/2011
69337GAL7	262	232	30	232	237	6/30/2011
73316PDT4	6,807	6,241	566	6,241	3,667	6/30/2011
76110H7A1	1,805	1,763	42	1,763	1,573	6/30/2011
76110HS34	2,186	1,993	194	1,993	770	6/30/2011
76110WTU0	8,865	8,752	114	8,752	7,377	6/30/2011
76111XVE0	3,897	3,886	11	3,886	3,691	6/30/2011
76114QAC9	1,729	1,660	69	1,660	1,725	6/30/2011
785778MK4	2,447	2,406	41	2,406	2,152	6/30/2011
83743SAA4	126	83	43	83	78	6/30/2011
863579G85	9,446	9,415	31	9,415	7,772	6/30/2011
86359DQR1	3,407	3,362	46	3,362	2,863	6/30/2011
87222PAD5	9,499	6,712	2,787	6,712	6,270	6/30/2011
881561P24	3,112	1,832	1,279	1,832	1,758	6/30/2011
93362FAB9	2,288	2,272	16	2,272	1,436	6/30/2011
93363NAB1	10,000	5,171	4,829	5,171	1,812	6/30/2011
93363NAF2	616	91	525	91	85	6/30/2011
93363PAK6	1,547	1,394	153	1,394	1,204	6/30/2011
939344AM9	10,442	10,394	48	10,394	9,716	6/30/2011
93934FLB6	1,748	610	1,139	610	320	6/30/2011
93934FLW0	4,715	4,507	208	4,507	2,520	6/30/2011
93935HAD9	3,172	2,823	349	2,823	1,567	6/30/2011
93935WAC8	10,386	10,306	80	10,306	8,485	6/30/2011
93935YAA8	5,357	5,283	74	5,283	4,404	6/30/2011
9497EBAD1	1,774	1,769	5	1,769	1,452	6/30/2011
94983JAJ1	10,235	10,137	98	10,137	9,072	6/30/2011
94983XAM3	1,302	942	360	942	919	6/30/2011
94984AAR1	246	236	11	236	182	6/30/2011
00442KAB7	6,473	6,410	63	6,410	4,633	3/31/2011
01448QAC4	206	203	3	203	151	3/31/2011
02147GAC8	361	355	6	355	258	3/31/2011
02147QAF9	318	310	8	310	227	3/31/2011
02147XAS6	7,570	7,387	182	7,387	5,644	3/31/2011
02151HAA3	1,130	1,124	6	1,124	797	3/31/2011
02660TGR8	1,306	1,276	30	1,276	871	3/31/2011
040104TF8	3,972	3,503	469	3,503	2,614	3/31/2011
059469AF3	20	20	0	20	19	3/31/2011
07386HXZ9	7,626	7,240	386	7,240	6,451	3/31/2011
12489WNN0	8,529	8,382	147	8,382	7,898	3/31/2011
12627HAK6	15,110	15,084	26	15,084	11,703	3/31/2011
12628KAF9	3,981	3,922	59	3,922	2,929	3/31/2011
12628LAJ9	1,761	1,716	45	1,716	1,128	3/31/2011
12629EAD7	2,833	2,780	53	2,780	1,774	3/31/2011
12638PAE9	186	179	6	179	120	3/31/2011
126670LF3	1,381	1,370	11	1,370	891	3/31/2011
12667G7X5	309	233	77	233	152	3/31/2011
12667GPU1	14,093	14,040	54	14,040	11,207	3/31/2011
12668AYL3	7,481	7,456	25	7,456	6,787	3/31/2011

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
12668AYU3	14,080	13,970	110	13,970	11,305	3/31/2011
12668BFB4	2,462	2,322	140	2,322	1,832	3/31/2011
12668BFL2	4,202	4,173	28	4,173	3,566	3/31/2011
12668BKG7	5,951	5,379	572	5,379	4,349	3/31/2011
12668WAC1	15,877	15,711	166	15,711	12,531	3/31/2011
12668WAF4	8,082	8,015	67	8,015	6,913	3/31/2011
12669F3F8	3,490	3,158	332	3,158	2,021	3/31/2011
16163HAG6	3,039	3,027	12	3,027	2,408	3/31/2011
17307GPS1	16,611	16,368	243	16,368	13,716	3/31/2011
17309YAF4	6,682	6,154	527	6,154	5,129	3/31/2011
225470A86	220	169	51	169	105	3/31/2011
2254W0MD4	215	214	1	214	152	3/31/2011
251510GQ0	4,510	4,453	57	4,453	3,563	3/31/2011
251510LM3	355	330	25	330	303	3/31/2011
251511AC5	373	372	1	372	314	3/31/2011
251511AE1	206	200	6	200	167	3/31/2011
251511AF8	11,877	11,685	192	11,685	11,605	3/31/2011
251513BC0	4,552	4,500	53	4,500	3,026	3/31/2011
32051GD28	4,655	4,648	7	4,648	2,845	3/31/2011
32051GXC4	6,084	6,040	44	6,040	4,386	3/31/2011
32051GZ73	776	640	135	640	300	3/31/2011
32051GZR9	3,962	3,919	43	3,919	2,784	3/31/2011
3622E8AC9	1,246	1,223	23	1,223	853	3/31/2011
3622E8AF2	6,421	6,343	78	6,343	4,414	3/31/2011
3622ELAG1	602	585	16	585	397	3/31/2011
3622EUAB2	2,848	2,774	74	2,774	1,920	3/31/2011
3622EUAC0	3,796	3,661	135	3,661	1,489	3/31/2011
3622EUAF3	1,389	1,371	18	1,371	1,176	3/31/2011
362334MD3	22,248	22,137	111	22,137	18,758	3/31/2011
362341N39	1,068	848	220	848	484	3/31/2011
362375AF4	778	770	8	770	547	3/31/2011
36244SAF5	5,714	5,646	68	5,646	3,827	3/31/2011
456606MZ2	3,523	3,424	99	3,424	2,393	3/31/2011
45660LDD8	503	488	14	488	345	3/31/2011
45660LS75	2,688	2,612	77	2,612	1,859	3/31/2011
45660LSY6	2,064	2,011	54	2,011	1,478	3/31/2011
456673AB8	178	175	3	175	133	3/31/2011
46627MEA1	1,455	1,308	147	1,308	1,150	3/31/2011
52521GAD7	18,990	18,554	436	18,554	13,236	3/31/2011
57643MGK4	1,343	1,310	33	1,310	924	3/31/2011
61748HPB1	123	122	0	122	106	3/31/2011
61748HYC9	1,676	1,634	41	1,634	901	3/31/2011
61749EAD9	8,416	8,416	0	8,416	5,563	3/31/2011
61749EAE7	12,554	12,440	114	12,440	10,627	3/31/2011
61749EAH0	8,324	6,352	1,973	6,352	4,801	3/31/2011
61750YAD1	8,866	8,755	111	8,755	5,970	3/31/2011
61750YAE9	2,251	2,195	56	2,195	1,767	3/31/2011
61750YAJ8	60	33	27	33	36	3/31/2011

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
61752RAH5	2,152	2,111	41	2,111	1,975	3/31/2011
61752RAJ1	21,148	20,958	189	20,958	17,282	3/31/2011
61752RAM4	89	89	0	89	82	3/31/2011
65536VAC1	4,343	4,322	21	4,322	3,558	3/31/2011
655374AA4	907	723	183	723	453	3/31/2011
68389BAD5	364	291	73	291	185	3/31/2011
68402VAE2	2,727	2,649	78	2,649	1,806	3/31/2011
76110HS34	2,322	2,250	72	2,250	1,383	3/31/2011
76110WB21	2,875	2,787	88	2,787	1,757	3/31/2011
76114CAD8	3,094	2,999	95	2,999	1,851	3/31/2011
76114QAC9	874	860	14	860	527	3/31/2011
78476YAA4	1,305	1,285	21	1,285	801	3/31/2011
863579B49	5,113	4,271	843	4,271	2,914	3/31/2011
863579G85	6,361	6,167	194	6,167	2,361	3/31/2011
86362TAF4	152	149	3	149	113	3/31/2011
87222PAD5	601	594	7	594	439	3/31/2011
93362FAB9	1,077	25	1,052	25	33	3/31/2011
93363NAF2	433	431	2	431	230	3/31/2011
93363NAM7	3,453	3,349	104	3,349	2,176	3/31/2011
939344AM9	1,867	1,848	19	1,848	1,128	3/31/2011
93934FLB6	619	614	6	614	473	3/31/2011
93934FLW0	4,449	4,087	362	4,087	2,696	3/31/2011
93935HAD9	4,446	4,411	35	4,411	3,078	3/31/2011
93935WAC8	360	359	1	359	194	3/31/2011
93935YAA8	7,508	7,400	109	7,400	6,050	3/31/2011
94983JAJ1	6,638	6,122	515	6,122	5,299	3/31/2011
00442KAB7	4,533	4,368	166	4,368	3,349	12/31/2010
02147GAC8	4,590	4,521	70	4,521	3,467	12/31/2010
02147XAS6	218	167	52	167	165	12/31/2010
02149DAE9	6,176	6,052	124	6,052	3,607	12/31/2010
02660TGR8	1,710	1,667	42	1,667	1,446	12/31/2010
040104TF8	4,940	4,509	431	4,509	3,633	12/31/2010
059469AF3	5,988	5,327	660	5,327	4,761	12/31/2010
07386HXZ9	3,979	3,403	576	3,403	3,193	12/31/2010
12489WNN0	9,480	8,755	725	8,755	8,369	12/31/2010
12627HAK6	5,246	5,143	102	5,143	4,796	12/31/2010
12628KAD4	9,170	9,129	41	9,129	7,383	12/31/2010
12628KAF9	3,030	3,001	29	3,001	2,679	12/31/2010
12628LAJ9	6,560	6,532	28	6,532	5,388	12/31/2010
12638PAE9	2,203	2,190	13	2,190	1,268	12/31/2010
126670LF3	5,169	4,817	353	4,817	820	12/31/2010
126673HC9	86	63	23	63	67	12/31/2010
12667GPU1	17,691	16,036	1,655	16,036	13,366	12/31/2010
12668AQ65	1,380	1,253	127	1,253	1,016	12/31/2010
12668AYU3	5,464	4,259	1,205	4,259	1,366	12/31/2010
12668BFB4	593	576	17	576	304	12/31/2010
12668WAC1	4,449	4,256	193	4,256	2,257	12/31/2010
12668WAF4	2,807	2,030	777	2,030	670	12/31/2010

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
15132EKT4	10,146	10,045	102	10,045	8,039	12/31/2010
172973S75	5,163	5,111	51	5,111	3,878	12/31/2010
17309BAB3	1,750	1,744	6	1,744	1,396	12/31/2010
17309YAF4	13,661	11,468	2,194	11,468	9,042	12/31/2010
251511AC5	9,886	9,820	66	9,820	8,576	12/31/2010
251511AF8	988	642	346	642	404	12/31/2010
251513BC0	234	226	8	226	175	12/31/2010
251563EP3	6,267	6,253	14	6,253	4,324	12/31/2010
32029HAB8	5,074	4,256	818	4,256	3,728	12/31/2010
32051GXC4	198	194	3	194	140	12/31/2010
3622E8AC9	349	344	5	344	233	12/31/2010
3622E8AF2	304	298	6	298	203	12/31/2010
3622ELAG1	7,246	7,102	144	7,102	5,050	12/31/2010
3622EUAB2	1,103	1,092	12	1,092	808	12/31/2010
3622EUAC0	888	885	3	885	869	12/31/2010
3622EUAF3	2,996	2,989	7	2,989	2,139	12/31/2010
362334MD3	1,224	1,133	90	1,133	772	12/31/2010
362341N39	20	20	0	20	19	12/31/2010
362375AF4	12,615	12,592	23	12,592	11,088	12/31/2010
456606MZ2	7,230	7,215	15	7,215	6,369	12/31/2010
45660LDD8	14,862	14,324	538	14,324	10,805	12/31/2010
45660LGQ6	3,831	3,789	42	3,789	2,607	12/31/2010
45660LSY6	1,667	1,575	91	1,575	1,021	12/31/2010
45661HAR8	2,698	2,653	45	2,653	1,662	12/31/2010
456673AB8	175	169	5	169	111	12/31/2010
46412RAA3	1,348	1,317	31	1,317	862	12/31/2010
46627MEA1	222	191	31	191	135	12/31/2010
46629BAF6	14,013	13,901	111	13,901	10,861	12/31/2010
576433XW1	11,897	11,876	21	11,876	9,555	12/31/2010
576434V84	1,916	1,804	112	1,804	1,528	12/31/2010
57644DAR4	4,163	4,153	10	4,153	3,309	12/31/2010
59020UXH3	5,371	5,311	60	5,311	4,265	12/31/2010
59020UYW9	15,231	14,955	276	14,955	11,181	12/31/2010
61748HYC9	2,994	2,597	397	2,597	1,595	12/31/2010
61749EAD9	2,937	2,903	35	2,903	2,251	12/31/2010
61749EAE7	16,025	16,019	6	16,019	12,073	12/31/2010
61749EAH0	6,025	6,017	8	6,017	4,439	12/31/2010
61750YAD1	168	168	0	168	98	12/31/2010
61752RAH5	2,702	2,647	55	2,647	1,969	12/31/2010
61752RAJ1	4,212	4,058	153	4,058	3,010	12/31/2010
61752RAM4	300	291	8	291	169	12/31/2010
65536VAC1	365	365	0	365	308	12/31/2010
68402VAE2	4,552	3,841	711	3,841	2,544	12/31/2010
69121PCK7	6,964	6,683	281	6,683	4,531	12/31/2010
69336RCY4	613	546	67	546	245	12/31/2010
69336RDR8	1,971	1,888	83	1,888	1,629	12/31/2010
69337NAJ7	3,884	3,862	23	3,862	2,893	12/31/2010
73316PDT4	1,209	1,203	6	1,203	880	12/31/2010

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
76110WMW3	6,269	6,203	66	6,203	4,557	12/31/2010
76114CAD8	574	569	6	569	372	12/31/2010
76114QAC9	2,722	2,671	51	2,671	1,670	12/31/2010
785778MK4	3,657	3,226	431	3,226	1,519	12/31/2010
83743SAA4	2,451	1,914	537	1,914	2,155	12/31/2010
863579B49	24	20	4	20	10	12/31/2010
863579G85	21,648	21,478	170	21,478	17,079	12/31/2010
86362TAF4	835	817	17	817	459	12/31/2010
87222PAD5	751	739	13	739	516	12/31/2010
93362FAB9	5,520	4,438	1,082	4,438	3,388	12/31/2010
93363PAK6	3,367	3,296	70	3,296	2,223	12/31/2010
939344AM9	476	412	64	412	306	12/31/2010
93934FLB6	2,546	2,211	336	2,211	1,650	12/31/2010
93935YAA8	1,957	1,907	51	1,907	1,425	12/31/2010
94983JAJ1	173	132	41	132	121	12/31/2010
00442KAB7	1,256	1,242	14	1,242	1,112	9/30/2010
02147GAC8	1,878	1,767	111	1,767	1,282	9/30/2010
02147QAF9	18,191	17,956	235	17,956	12,348	9/30/2010
02149DAE9	1,281	1,263	18	1,263	902	9/30/2010
02151HAA3	1,685	1,678	7	1,678	1,190	9/30/2010
02660TGR8	1,097	1,092	6	1,092	475	9/30/2010
040104TF8	739	366	373	366	234	9/30/2010
05946XHV8	121	121	0	121	103	9/30/2010
07386HXZ9	3,272	3,260	12	3,260	1,919	9/30/2010
12489WNN0	1,621	1,111	510	1,111	858	9/30/2010
12566VAN2	11,150	9,924	1,225	9,924	6,955	9/30/2010
12628KAD4	12,359	12,332	27	12,332	10,372	9/30/2010
12628KAF9	958	530	429	530	653	9/30/2010
12629EAD7	8,692	8,685	6	8,685	5,929	9/30/2010
12638PAE9	2,180	2,146	34	2,146	1,618	9/30/2010
126670LF3	2,500	2,014	486	2,014	1,239	9/30/2010
126673HC9	708	666	42	666	413	9/30/2010
12667G7X5	21,249	21,076	174	21,076	17,443	9/30/2010
12667GPU1	84	83	1	83	78	9/30/2010
12668AQ65	4,975	4,303	672	4,303	3,229	9/30/2010
12668AYL3	4,313	4,304	9	4,304	3,510	9/30/2010
12668AYU3	708	700	9	700	540	9/30/2010
12668BFB4	285	282	3	282	220	9/30/2010
12668BKG7	2,604	2,541	62	2,541	1,683	9/30/2010
12668WAC1	2,208	1,748	460	1,748	1,346	9/30/2010
12668WAF4	2,733	2,169	565	2,169	1,707	9/30/2010
126694FW3	2,942	2,325	617	2,325	1,801	9/30/2010
126694UJ5	838	818	21	818	495	9/30/2010
15132EKT4	1,252	1,221	31	1,221	750	9/30/2010
172973S75	4,156	4,114	43	4,114	2,669	9/30/2010
17307GPS1	6,161	5,791	370	5,791	3,108	9/30/2010
17309BAB3	574	558	16	558	414	9/30/2010
225470A86	2,513	1,951	562	1,951	1,248	9/30/2010

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
251510GQ0	430	422	9	422	228	9/30/2010
251510LM3	3,312	3,294	19	3,294	2,152	9/30/2010
251511AC5	7,541	6,415	1,127	6,415	5,274	9/30/2010
251511AE1	604	316	288	316	305	9/30/2010
251511AF8	1,841	1,774	66	1,774	912	9/30/2010
251513BC0	4,711	4,341	370	4,341	3,180	9/30/2010
32051GXC4	163	162	1	162	65	9/30/2010
32051GZR9	3,994	3,798	196	3,798	2,550	9/30/2010
3622E8AC9	3,989	3,950	39	3,950	2,784	9/30/2010
3622E8AF2	7,206	7,146	59	7,146	5,626	9/30/2010
3622ELAG1	11,862	11,532	330	11,532	10,127	9/30/2010
3622EUAB2	4,368	4,233	134	4,233	2,583	9/30/2010
3622EUAC0	4,385	4,173	211	4,173	3,196	9/30/2010
3622EUAF3	143	82	61	82	64	9/30/2010
362334MD3	5,910	5,752	158	5,752	4,210	9/30/2010
362341N39	12,316	9,861	2,455	9,861	8,357	9/30/2010
362375AF4	1,430	1,337	93	1,337	900	9/30/2010
36244SAF5	1,891	1,258	633	1,258	816	9/30/2010
45660LDD8	4,322	4,256	66	4,256	3,336	9/30/2010
45660LGQ6	5,319	5,100	218	5,100	4,237	9/30/2010
45660LS75	3,864	3,804	61	3,804	3,236	9/30/2010
45660LSY6	1,572	1,563	9	1,563	1,459	9/30/2010
45661HAR8	1,332	1,064	268	1,064	948	9/30/2010
46412RAA3	5,040	5,036	4	5,036	4,613	9/30/2010
55265K4Z9	8,937	8,832	105	8,832	7,274	9/30/2010
576433XW1	2,846	2,787	59	2,787	2,434	9/30/2010
59020UXH3	1,764	1,738	26	1,738	1,463	9/30/2010
59020UYW9	2,141	1,834	307	1,834	1,081	9/30/2010
61748HFC0	4,810	3,928	883	3,928	797	9/30/2010
61749EAD9	15,485	13,983	1,503	13,983	11,574	9/30/2010
61749EAE7	4,204	4,205	0	4,204	2,206	9/30/2010
61749EAH0	5,490	5,490	0	5,490	4,227	9/30/2010
61750YAB5	9,832	9,684	106	9,725	7,940	9/30/2010
61750YAE9	4,950	4,892	27	4,923	4,003	9/30/2010
61750YAJ8	1,699	1,683	17	1,682	1,311	9/30/2010
68402VAE2	6,400	6,379	0	6,400	5,835	9/30/2010
69336RCY4	9,466	9,373	101	9,365	8,572	9/30/2010
69336RDR8	1,319	841	478	841	192	9/30/2010
73316PDT4	6,102	5,986	120	5,982	4,569	9/30/2010
76110HS34	189	186	3	186	147	9/30/2010
76114QAC9	338	333	5	333	237	9/30/2010
785778MK4	1,065	1,048	14	1,051	809	9/30/2010
83743SAA4	2,911	2,895	17	2,893	2,319	9/30/2010
863579KZ0	631	569	62	569	410	9/30/2010
86359AF57	20	19	0	19	19	9/30/2010
86359DQR1	12,429	12,212	227	12,202	11,937	9/30/2010
86362TAF4	7,204	7,187	21	7,183	6,767	9/30/2010
87222PAD5	13,993	13,769	189	13,804	10,891	9/30/2010

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
93363NAB1	3,684	3,648	37	3,646	2,841	9/30/2010
93935HAD9	2,568	2,533	37	2,531	1,667	9/30/2010
93935YAA8	166	166	0	166	114	9/30/2010
93936HAP1	1,287	1,259	30	1,257	875	9/30/2010
94983JAJ1	181	173	5	176	116	9/30/2010
94984AAR1	13,872	13,839	43	13,829	12,094	9/30/2010
02147GAC8	11,854	11,831	31	11,823	10,827	6/30/2010
02147QAF9	13,923	13,853	79	13,844	12,586	6/30/2010
02660TGR8	2,315	2,300	16	2,299	1,943	6/30/2010
05953YAA9	5,301	5,301	4	5,297	4,439	6/30/2010
07384MZ54	14,507	14,267	185	14,322	12,334	6/30/2010
12628KAF9	2,454	2,147	243	2,211	1,170	6/30/2010
12629EAD7	2,820	2,796	26	2,794	2,307	6/30/2010
12638PAE9	15,615	15,349	152	15,463	12,877	6/30/2010
126670LF3	5,871	5,808	67	5,804	4,778	6/30/2010
126673HC9	2,629	2,630	1	2,628	2,229	6/30/2010
12667G7X5	1,693	1,476	217	1,475	1,204	6/30/2010
126686AB0	349	196	154	195	257	6/30/2010
12668AYL3	187	42	146	41	133	6/30/2010
12668AYU3	13,668	13,350	329	13,339	12,895	6/30/2010
12668BFB4	169	167	2	167	129	6/30/2010
12668BKG7	4,352	4,302	52	4,300	3,064	6/30/2010
149837AA4	2,319	2,231	90	2,229	1,934	6/30/2010
15132ELH9	8,221	8,196	1	8,219	6,710	6/30/2010
17307GPS1	6,355	6,099	121	6,234	4,698	6/30/2010
17307GW61	516	349	159	357	159	6/30/2010
18976GAV8	1,741	1,704	39	1,702	1,583	6/30/2010
22541NSQ3	3,804	3,752	41	3,763	2,721	6/30/2010
251510GQ0	1,185	1,168	14	1,171	826	6/30/2010
251510LM3	6,112	6,026	68	6,044	4,273	6/30/2010
251511AC5	557	545	8	549	384	6/30/2010
251511AE1	2,616	2,556	38	2,577	1,802	6/30/2010
251511AF8	728	718	11	717	520	6/30/2010
251513BC0	3,241	3,202	44	3,197	2,232	6/30/2010
32051GZR9	1,857	1,847	13	1,844	1,435	6/30/2010
3622E8AF2	17,717	17,487	255	17,462	13,102	6/30/2010
3622EUAB2	1,225	1,206	21	1,204	919	6/30/2010
3622EUAC0	1,582	1,544	33	1,549	1,150	6/30/2010
3622EUAF3	2,934	2,925	9	2,925	1,865	6/30/2010
362334MD3	3,221	3,109	114	3,108	2,173	6/30/2010
362375AF4	12,242	12,094	154	12,088	10,317	6/30/2010
36244SAF5	8,517	8,281	237	8,280	5,781	6/30/2010
45660LDD8	3,869	3,782	91	3,778	3,019	6/30/2010
456673AB8	659	653	6	653	430	6/30/2010
46629BAF6	1,133	1,126	8	1,125	875	6/30/2010
55265K4Z9	4,255	4,243	15	4,240	3,600	6/30/2010
57643MGK4	4,294	4,278	19	4,274	4,012	6/30/2010
61749EAD9	2,495	2,470	27	2,467	1,736	6/30/2010

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
61749EAE7	1,959	1,762	198	1,761	1,120	6/30/2010
61749EAH0	1,959	1,750	209	1,749	1,120	6/30/2010
61750YAE9	803	802	2	801	504	6/30/2010
61750YAJ8	1,200	1,198	3	1,197	764	6/30/2010
61751PAA5	3,238	2,856	387	2,851	2,117	6/30/2010
61752RAM4	2,155	1,750	407	1,748	1,838	6/30/2010
65536VAC1	306	214	91	214	158	6/30/2010
69336RCY4	3,796	3,758	39	3,757	2,705	6/30/2010
76114QAC9	4,222	3,927	294	3,927	2,621	6/30/2010
863579G85	4,048	3,971	78	3,970	3,445	6/30/2010
86359AF57	53	27	23	30	26	6/30/2010
86362TAF4	9,825	9,523	315	9,510	8,383	6/30/2010
87222PAD5	4,139	3,899	243	3,896	3,816	6/30/2010
93934FLB6	3,681	3,652	32	3,649	3,428	6/30/2010
94984AAR1	1,528	1,503	27	1,501	1,519	6/30/2010
01448QAC4	17,195	16,829	382	16,813	15,945	3/31/2010
02147GAC8	1,041	1,000	42	999	921	3/31/2010
02147QAF9	8,237	8,220	22	8,215	7,328	3/31/2010
02660TAX1	2,704	2,672	17	2,686	2,390	3/31/2010
02660TGR8	1,764	1,775	0	1,764	719	3/31/2010
040104TF8	4,153	4,155	0	4,153	2,137	3/31/2010
05946XHV8	9,499	9,426	26	9,472	7,630	3/31/2010
05951FAK0	4,788	4,714	41	4,747	3,785	3/31/2010
05951KAZ6	1,639	1,631	9	1,630	1,286	3/31/2010
05951KBA0	6,346	6,304	0	6,346	5,758	3/31/2010
05953YAA9	8,995	8,944	27	8,968	8,018	3/31/2010
07384MZ54	603	604	0	603	353	3/31/2010
07386HRW3	5,831	5,818	17	5,814	4,338	3/31/2010
07386HXZ9	324	322	2	322	231	3/31/2010
12628KAD4	288	280	6	281	207	3/31/2010
12629EAD7	6,853	6,673	146	6,708	5,179	3/31/2010
12638PAE9	1,014	1,003	7	1,007	787	3/31/2010
126670LF3	2,870	2,852	21	2,850	2,327	3/31/2010
126673HC9	3,089	3,089	0	3,089	2,286	3/31/2010
12667G7X5	19	18	1	18	18	3/31/2010
12667GPU1	13,527	13,347	132	13,395	11,072	3/31/2010
126686AB0	3,541	3,494	49	3,492	2,671	3/31/2010
12668AQ65	105	81	24	81	99	3/31/2010
12668AYL3	2,430	2,415	17	2,413	1,731	3/31/2010
12668AYU3	1,234	1,224	12	1,222	895	3/31/2010
12668BFB4	167	140	18	149	87	3/31/2010
12668BKG7	13,450	13,391	44	13,406	11,693	3/31/2010
12668WAF4	5,133	5,107	12	5,121	4,409	3/31/2010
126694FW3	14,005	13,848	87	13,918	12,035	3/31/2010
126694UJ5	7,561	7,456	59	7,501	6,368	3/31/2010
149837AA4	2,083	1,670	316	1,767	792	3/31/2010
17309BAB3	2,709	2,681	31	2,678	2,169	3/31/2010
17309YAF4	15,019	14,777	164	14,854	12,298	3/31/2010

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
18976GAV8	5,641	5,592	53	5,588	4,564	3/31/2010
225470A86	2,575	2,553	24	2,551	2,167	3/31/2010
2254W0MD4	1,463	1,283	180	1,282	1,053	3/31/2010
251510LM3	143	138	6	138	103	3/31/2010
251511AC5	4,200	4,096	106	4,094	3,309	3/31/2010
251511AE1	3,069	3,073	0	3,069	2,662	3/31/2010
251511AF8	8,064	7,801	237	7,827	6,474	3/31/2010
251513AV9	5,924	5,845	55	5,869	4,382	3/31/2010
251513BC0	4,294	4,095	200	4,093	3,908	3/31/2010
32029HAB8	4,951	4,753	202	4,749	3,962	3/31/2010
32051GMV4	339	263	82	257	127	3/31/2010
32051GXC4	1,695	1,654	42	1,652	1,569	3/31/2010
32051GZR9	3,675	3,628	42	3,633	2,914	3/31/2010
3622E8AF2	1,144	1,129	14	1,130	909	3/31/2010
3622ELAG1	5,905	5,827	69	5,836	4,589	3/31/2010
3622EUAB2	539	531	6	533	380	3/31/2010
3622EUAC0	2,531	2,490	29	2,501	1,786	3/31/2010
3622EUAF3	1,359	719	643	716	181	3/31/2010
362375AF4	20,347	20,141	137	20,210	17,528	3/31/2010
36244SAF5	699	688	12	687	489	3/31/2010
38011AAC8	3,149	3,120	34	3,115	2,115	3/31/2010
45660LGQ6	1,797	1,753	47	1,750	1,355	3/31/2010
45660LS75	17,025	16,671	379	16,646	12,184	3/31/2010
45660LSY6	1,175	1,164	14	1,162	887	3/31/2010
45661HAR8	1,052	1,052	0	1,052	453	3/31/2010
46412RAA3	3,094	3,074	22	3,072	2,179	3/31/2010
46629BAF6	496	421	76	420	375	3/31/2010
55265K4Z9	8,161	7,894	268	7,893	5,501	3/31/2010
57643MGJ7	7,825	7,494	334	7,491	6,859	3/31/2010
57643MGK4	645	642	3	642	412	3/31/2010
59020UXH3	21,678	21,387	307	21,371	18,548	3/31/2010
61748HFC0	4,140	4,099	44	4,095	3,377	3/31/2010
61748HYC9	581	582	0	581	425	3/31/2010
61749EAD9	2,420	2,382	41	2,378	1,683	3/31/2010
61749EAE7	1,720	1,691	30	1,690	1,119	3/31/2010
61749EAH0	1,708	1,680	29	1,679	1,119	3/31/2010
61750YAE9	2,559	2,562	0	2,559	2,288	3/31/2010
61750YAJ8	787	764	24	763	533	3/31/2010
61752RAH5	1,176	1,141	36	1,140	808	3/31/2010
61752RAJ1	5,778	5,780	0	5,778	3,491	3/31/2010
61752RAM4	2,802	2,773	34	2,768	1,921	3/31/2010
65535VDM7	463	462	0	462	379	3/31/2010
65536VAC1	617	160	326	291	19	3/31/2010
655374AA4	3,464	3,459	6	3,458	2,679	3/31/2010
68389BAD5	358	357	1	357	200	3/31/2010
68402VAE2	1,955	1,937	19	1,936	1,589	3/31/2010
76110HS34	6,737	6,568	151	6,586	5,366	3/31/2010
76110WMW3	10,933	10,635	312	10,621	9,658	3/31/2010

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
76114QAC9	5,961	5,811	150	5,811	4,266	3/31/2010
785813AA4	4,177	3,966	211	3,966	2,862	3/31/2010
863579G85	3,922	1,618	2,305	1,617	1,357	3/31/2010
863579KZ0	22	19	5	17	21	3/31/2010
881561P24	7,494	6,116	1,384	6,110	4,913	3/31/2010
93934FLB6	1,198	1,200	0	1,198	971	3/31/2010
93935WAC8	3,770	3,713	60	3,709	3,702	3/31/2010
93935YAA8	4,789	4,651	142	4,647	4,008	3/31/2010
00442KAB7	16,763	16,614	167	16,596	15,830	12/31/2009
02147GAC8	979	979	1	978	910	12/31/2009
02660TAX1	8,391	7,915	480	7,911	6,719	12/31/2009
02660TGR8	1,679	1,679	0	1,679	1,367	12/31/2009
05946XHV8	1,739	1,739	0	1,739	1,303	12/31/2009
05951KAZ6	3,913	3,915	0	3,913	793	12/31/2009
05951KBA0	3,028	3,048	0	3,028	1,264	12/31/2009
05953YAA9	528	528	0	528	384	12/31/2009
07386HRW3	2,030	1,487	543	1,487	670	12/31/2009
07386HXZ9	9,216	8,927	191	9,025	8,438	12/31/2009
12628KAD4	4,595	4,507	61	4,534	3,927	12/31/2009
12629EAD7	1,585	1,583	3	1,582	1,449	12/31/2009
12638PAE9	6,294	6,311	0	6,294	6,770	12/31/2009
12667G7X5	5,285	5,293	0	5,285	4,666	12/31/2009
12667GPU1	750	540	210	539	170	12/31/2009
126686AB0	5,633	5,541	97	5,536	4,929	12/31/2009
12668BFB4	728	703	25	703	706	12/31/2009
12668BKG7	3,985	3,960	27	3,959	3,504	12/31/2009
126694FW3	174	170	3	171	148	12/31/2009
126694UJ5	315	308	6	309	269	12/31/2009
15132EKT4	275	270	4	270	227	12/31/2009
15132ELG1	6,549	6,436	100	6,449	5,670	12/31/2009
17307GPS1	975	962	10	965	828	12/31/2009
17309BAB3	2,770	2,761	9	2,761	2,633	12/31/2009
17309YAF4	1,014	805	211	803	792	12/31/2009
225470A86	2,961	2,961	0	2,961	2,192	12/31/2009
2254W0MD4	3,749	3,677	73	3,676	2,658	12/31/2009
251510GQ0	6,843	6,774	61	6,782	6,807	12/31/2009
251510LM3	3,409	3,365	46	3,363	2,939	12/31/2009
251511AC5	1,460	1,463	0	1,460	1,211	12/31/2009
251511AF8	2,351	2,309	44	2,307	1,860	12/31/2009
251513AV9	154	149	5	149	129	12/31/2009
251513BC0	1,206	1,203	5	1,201	969	12/31/2009
32051GMV4	141	108	19	122	112	12/31/2009
32051GXC4	13,048	12,851	125	12,923	12,437	12/31/2009
32051GZ73	2,163	2,148	5	2,158	1,952	12/31/2009
32051GZR9	3,956	3,898	33	3,924	3,896	12/31/2009
36185N6M7	4,982	4,893	71	4,911	4,567	12/31/2009
3622E8AF2	13,643	13,420	143	13,500	12,723	12/31/2009
3622ELAG1	7,296	7,181	94	7,201	6,784	12/31/2009

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
3622EUAB2	1,663	1,222	366	1,297	594	12/31/2009
3622EUAC0	2,604	2,543	43	2,562	2,237	12/31/2009
3622EUAF3	14,410	14,158	159	14,251	12,782	12/31/2009
362375AF4	5,423	5,327	60	5,363	4,739	12/31/2009
36244SAF5	12,482	12,384	59	12,422	12,461	12/31/2009
38011AAC8	4,120	3,605	515	3,605	3,176	12/31/2009
456606MZ2	27,820	22,450	5,369	22,450	20,893	12/31/2009
45660LDD8	135	133	2	133	108	12/31/2009
45660LGQ6	4,027	3,974	55	3,972	3,569	12/31/2009
45660LS75	2,981	2,985	0	2,981	2,734	12/31/2009
45660LSY6	2,166	2,097	56	2,110	2,094	12/31/2009
45661HAR8	7,648	7,539	96	7,553	7,038	12/31/2009
456673AB8	5,678	5,533	77	5,601	4,745	12/31/2009
46629BAF6	4,717	4,707	15	4,703	4,300	12/31/2009
576433XW1	239	152	59	180	68	12/31/2009
59020UXH3	3,561	3,476	63	3,498	3,189	12/31/2009
61748HFC0	5,721	5,583	104	5,618	5,024	12/31/2009
61748HYC9	522	515	6	517	422	12/31/2009
61749EAD9	2,452	2,413	28	2,424	1,982	12/31/2009
61749EAE7	1,626	1,627	0	1,626	885	12/31/2009
61749EAH0	19,579	19,401	96	19,483	18,189	12/31/2009
61750YAE9	672	662	11	661	523	12/31/2009
61750YAJ8	3,069	3,021	52	3,016	2,418	12/31/2009
61752RAH5	2,058	2,063	0	2,058	1,809	12/31/2009
61752RAJ1	1,722	1,691	34	1,688	1,424	12/31/2009
65535VDM7	16,306	16,078	252	16,054	14,020	12/31/2009
65536VAC1	1,135	1,129	8	1,127	1,054	12/31/2009
68389BAD5	18,999	15,408	3,592	15,407	10,211	12/31/2009
73316PJR2	2,785	2,782	4	2,782	1,992	12/31/2009
76110HS34	3,019	2,988	33	2,986	2,492	12/31/2009
76110HT82	2,545	2,537	0	2,545	2,455	12/31/2009
863579G85	7,578	7,577	5	7,573	7,030	12/31/2009
86362TAF4	409	249	166	244	324	12/31/2009
87222PAD5	7,088	6,867	222	6,866	4,935	12/31/2009
93363NAB1	631	620	10	620	414	12/31/2009
93934FKQ4	1,044	1,045	0	1,044	1,041	12/31/2009
93934FLB6	64	63	2	63	60	12/31/2009
93935YAA8	465	467	0	465	392	12/31/2009
94984AAR1	3,961	3,820	146	3,816	3,328	12/31/2009
05946XHV8	4,254	4,238	20	4,234	4,132	9/30/2009
059515AE6	2,334	2,301	37	2,297	1,836	9/30/2009
05951FAK0	1,188	1,191	0	1,188	1,234	9/30/2009
05951KAZ6	749	732	17	732	652	9/30/2009
05951KBA0	1,118	1,094	25	1,093	988	9/30/2009
07386HXZ9	2,967	2,973	0	2,967	2,839	9/30/2009
12489WNN0	431	428	3	428	357	9/30/2009
12628KAD4	284	30	255	28	19	9/30/2009
12628KAF9	291	130	160	131	21	9/30/2009

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
12629EAD7	160	117	43	117	59	9/30/2009
12638PAE9	357	351	5	351	229	9/30/2009
126670LF3	1,817	1,810	9	1,809	1,708	9/30/2009
12667G7X5	6,357	6,273	81	6,276	6,231	9/30/2009
12667GPU1	10,301	10,190	126	10,175	10,392	9/30/2009
12668BFB4	5,272	4,681	592	4,681	3,654	9/30/2009
12668BKG7	3,864	3,335	529	3,335	2,606	9/30/2009
126694FW3	1,578	1,579	0	1,578	1,974	9/30/2009
126694UJ5	3,793	3,635	133	3,660	3,651	9/30/2009
17307GPS1	4,521	4,508	18	4,503	4,753	9/30/2009
17309BAB3	935	923	7	928	966	9/30/2009
17311FAH7	7,728	7,701	31	7,696	7,766	9/30/2009
225470A86	2,571	2,507	55	2,516	2,371	9/30/2009
2254W0MD4	6,188	6,190	0	6,188	5,034	9/30/2009
251510GQ0	1,623	1,624	0	1,623	1,496	9/30/2009
251511AF8	1,707	1,707	0	1,707	1,486	9/30/2009
251513AV9	3,905	3,908	0	3,905	780	9/30/2009
251513BC0	8,844	8,643	200	8,643	8,174	9/30/2009
32051GZR9	4,390	4,302	88	4,302	4,110	9/30/2009
3622ELAG1	1,548	1,492	56	1,492	1,382	9/30/2009
3622EUAB2	5,387	5,274	113	5,274	4,785	9/30/2009
3622EUAC0	3,924	3,899	25	3,899	3,592	9/30/2009
3622EUAF3	166	161	5	161	146	9/30/2009
362334MD3	302	299	3	299	256	9/30/2009
362375AF4	262	258	5	258	219	9/30/2009
36244SAF5	6,257	6,157	101	6,157	5,455	9/30/2009
393505XH0	935	923	13	923	801	9/30/2009
45660LDD8	2,877	2,685	192	2,685	2,156	9/30/2009
45660LGQ6	3,675	3,605	70	3,605	2,898	9/30/2009
45660LS75	6,484	6,476	7	6,476	6,432	9/30/2009
45660LSY6	3,267	3,257	10	3,257	3,039	9/30/2009
45661HAR8	2,255	2,224	31	2,224	1,801	9/30/2009
456673AB8	145	144	1	144	125	9/30/2009
46629BAF6	1,173	1,141	32	1,141	938	9/30/2009
46629BAG4	116	62	54	62	73	9/30/2009
576433XW1	12,247	12,188	59	12,188	11,780	9/30/2009
57644DAR4	2,088	2,040	49	2,040	1,884	9/30/2009
59020UXH3	3,787	3,721	66	3,721	3,655	9/30/2009
61749EAD9	13,081	12,784	297	12,784	12,124	9/30/2009
61749EAE7	6,959	6,804	155	6,804	6,545	9/30/2009
61749EAH0	1,209	803	406	803	639	9/30/2009
61750YAE9	2,478	2,414	64	2,414	2,250	9/30/2009
61750YAJ8	13,907	13,616	291	13,616	13,083	9/30/2009
61752RAM4	5,236	5,116	119	5,116	4,797	9/30/2009
65535VDM7	130	128	2	128	110	9/30/2009
65536VAC1	7,357	7,214	143	7,214	7,105	9/30/2009
69121PCK7	5,506	5,353	154	5,353	4,706	9/30/2009
73316PJR2	4,503	4,121	382	4,121	3,875	9/30/2009

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
76110HS34	169	70	100	70	31	9/30/2009
76110HT82	3,431	3,351	79	3,351	3,112	9/30/2009
863579G85	5,511	5,382	129	5,382	4,902	9/30/2009
86362TAF4	507	501	6	501	423	9/30/2009
87222PAD5	2,376	2,348	29	2,348	1,984	9/30/2009
93363NAB1	645	634	11	634	583	9/30/2009
93934FKQ4	2,969	2,909	61	2,909	2,359	9/30/2009
94984AAR1	1,638	1,594	44	1,594	1,379	9/30/2009
000112AA0	15,747	15,312	436	15,312	14,099	7/31/2009
000112AB8	1,107	1,090	17	1,090	1,053	7/31/2009
02660TAX1	2,729	2,727	2	2,727	2,034	7/31/2009
059515AE6	2,958	2,938	20	2,938	2,518	7/31/2009
05951FAK0	7,354	7,353	2	7,353	6,870	7/31/2009
05951KAZ6	611	601	10	601	420	7/31/2009
05951KBA0	59	43	16	43	56	7/31/2009
07384MZ54	3,733	3,668	65	3,668	3,308	7/31/2009
07386HRW3	2,229	2,194	35	2,194	1,775	7/31/2009
12628KAF9	715	714	2	714	635	7/31/2009
12629EAD7	1,068	1,066	2	1,066	962	7/31/2009
12638PAE9	415	341	74	341	373	7/31/2009
126670LF3	351	348	2	348	310	7/31/2009
126686AB0	6,000	5,946	54	5,946	5,953	7/31/2009
15132EKT4	4,681	4,668	13	4,668	3,155	7/31/2009
17307GPS1	3,335	3,307	29	3,307	2,429	7/31/2009
17309BAB3	3,540	3,413	128	3,413	3,141	7/31/2009
17311FAH7	2,418	2,340	78	2,340	2,317	7/31/2009
251510GQ0	2,889	2,498	391	2,498	2,156	7/31/2009
251513AV9	8,340	8,148	193	8,148	8,324	7/31/2009
251513BC0	490	381	109	381	366	7/31/2009
294751DY5	1,292	1,285	7	1,285	1,102	7/31/2009
31364HED5	12,878	12,375	504	12,375	12,204	7/31/2009
32051GMV4	77	69	8	69	78	7/31/2009
32051GXC4	12,769	12,611	158	12,611	12,013	7/31/2009
36185N6M7	203	201	2	201	164	7/31/2009
3622ELAG1	2,448	2,405	43	2,405	2,206	7/31/2009
3622EUAB2	1,224	1,211	13	1,211	1,022	7/31/2009
3622EUAC0	1,430	1,153	278	1,153	1,050	7/31/2009
3622EUAF3	1,048	1,045	3	1,045	957	7/31/2009
362375AF4	85	76	9	76	83	7/31/2009
36244SAF5	206	161	45	161	187	7/31/2009
43709KAA7	1,269	1,245	24	1,245	1,003	7/31/2009
456606MZ2	5,814	5,124	690	5,124	4,211	7/31/2009
456673AB8	4,220	3,829	391	3,829	3,057	7/31/2009
46629BAG4	720	424	297	424	451	7/31/2009
55265K4Y2	225	186	39	186	163	7/31/2009
55265K4Z9	1,312	954	358	954	867	7/31/2009
57643MGJ7	3,570	3,274	295	3,274	3,043	7/31/2009
57643MGK4	9	0	9	0	0	7/31/2009

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
57644DAR4	1,000	995	6	995	851	7/31/2009
61748HFC0	112	110	2	110	107	7/31/2009
61748HYC9	476	473	3	473	331	7/31/2009
61749EAD9	5,246	5,190	56	5,190	3,799	7/31/2009
61749EAE7	214	197	17	197	195	7/31/2009
61751PAA5	2,824	2,820	4	2,820	2,413	7/31/2009
61752RAM4	5	4	1	4	2	7/31/2009
65536VAC1	5,237	5,123	115	5,123	3,761	7/31/2009
655374AA4	1,305	1,293	11	1,293	1,189	7/31/2009
863579G85	76	76	0	76	59	7/31/2009
863579KZ0	7,823	7,657	166	7,657	7,080	7/31/2009
881561P24	13	10	3	10	3	7/31/2009
Subtotal-General Account	**XXX**	**XXX**	**314,472**	**XXX**	**XXX**	
Guaranteed Separate Account						
059469AF3	4,863	4,761	102	4,761	4,322	12/31/2012
05950PAH6	481	449	33	449	432	12/31/2012
059515AE6	3,315	3,225	91	3,225	2,915	12/31/2012
05951EAE7	2,951	2,864	87	2,864	2,938	12/31/2012
05951KAZ6	1,312	1,289	23	1,289	1,093	12/31/2012
05953YAA9	3,721	3,670	51	3,670	3,182	12/31/2012
073875AN6	2,174	2,112	61	2,112	1,828	12/31/2012
12627HAK6	3,256	3,246	10	3,246	3,039	12/31/2012
12628LAJ9	3,007	2,966	41	2,966	2,402	12/31/2012
12668WAF4	2,025	2,005	20	2,005	1,638	12/31/2012
12668XAC9	249	196	53	196	212	12/31/2012
126694VR6	4,474	4,305	169	4,305	4,435	12/31/2012
12669RAC1	2,081	1,677	404	1,677	1,527	12/31/2012
170256AK7	3,587	3,208	379	3,208	3,358	12/31/2012
17309BAB3	635	627	8	627	536	12/31/2012
251511AC5	2,167	2,117	50	2,117	1,965	12/31/2012
36186KAE5	4,117	3,213	904	3,213	3,734	12/31/2012
3622E8AC9	1,290	1,269	21	1,269	1,166	12/31/2012
3622ELAG1	3,048	2,986	62	2,986	2,418	12/31/2012
36244SAC2	2,923	2,877	46	2,877	2,780	12/31/2012
38011AAC8	2,434	2,386	48	2,386	1,918	12/31/2012
38012TAE2	1,001	988	14	988	892	12/31/2012
45669EAM8	1,952	1,948	4	1,948	1,940	12/31/2012
46628BBB5	27	3	24	3	2	12/31/2012
46629BAG4	18	0	18	0	0	12/31/2012
46630MAG7	2,443	2,404	40	2,404	1,680	12/31/2012
59025GAB7	24	1	23	1	1	12/31/2012
61749EAH0	1,189	1,170	19	1,170	947	12/31/2012
61751DAE4	315	302	13	302	282	12/31/2012
64352VGK1	1,054	1,051	2	1,051	619	12/31/2012
748ESCAZ3	2	0	2	0	0	12/31/2012
74958XAF1	1,764	1,723	41	1,723	1,749	12/31/2012

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
863579B49	1,770	1,706	64	1,706	1,570	12/31/2012
86361PAF3	1,685	1,613	73	1,613	1,488	12/31/2012
933636AH5	273	178	95	178	220	12/31/2012
059469AF3	5,085	5,002	87	4,998	4,452	9/30/2012
05950PAH6	520	509	12	508	909	9/30/2012
059515AE6	3,480	3,409	62	3,419	2,959	9/30/2012
05951EAE7	3,136	3,045	53	3,083	2,005	9/30/2012
05951KAZ6	1,373	1,349	21	1,352	1,951	9/30/2012
05953YAA9	3,877	3,826	39	3,838	3,290	9/30/2012
073875AN6	2,246	2,212	36	2,210	2,480	9/30/2012
07387ADY8	2,207	1,752	459	1,748	1,557	9/30/2012
073880AG1	4,174	4,038	63	4,111	2,040	9/30/2012
12627HAK6	3,398	3,354	46	3,352	2,939	9/30/2012
12628KAF9	3,505	3,511	0	3,505	2,906	9/30/2012
12628LAJ9	3,135	3,078	59	3,076	2,094	9/30/2012
14983CAA3	2,149	1,752	391	1,758	4,117	9/30/2012
17309BAB3	658	651	8	650	530	9/30/2012
17309YAF4	2,301	2,271	31	2,270	1,047	9/30/2012
17311LAH4	2,166	2,097	56	2,110	2,783	9/30/2012
17313FAE2	4,483	4,259	184	4,299	29	9/30/2012
251511AC5	2,249	2,196	40	2,209	2,014	9/30/2012
3622E8AC9	1,345	1,324	23	1,322	1,655	9/30/2012
3622ELAG1	3,150	3,101	54	3,096	2,478	9/30/2012
36244SAC2	2,996	2,979	22	2,974	979	9/30/2012
45660LMZ9	1,066	1,063	3	1,063	1,051	9/30/2012
456673AB8	513	312	207	305	26	9/30/2012
46628BBB5	74	31	40	34	792	9/30/2012
46630MAG7	2,522	2,481	42	2,480	1,551	9/30/2012
59025GAB7	48	16	21	26	406	9/30/2012
61749EAH0	1,245	1,227	20	1,225	1,878	9/30/2012
61750YAJ8	1,499	1,503	0	1,499	10	9/30/2012
61751DAE4	322	322	0	322	288	9/30/2012
64352VGK1	1,098	1,094	5	1,093	635	9/30/2012
73316PDT4	1,051	766	286	766	380	9/30/2012
863579B49	1,897	1,818	67	1,830	1,174	9/30/2012
92925GAA1	2,902	2,883	5	2,897	3,505	9/30/2012
933636AH5	629	315	305	324	1,825	9/30/2012
933637AJ9	753	751	3	751	508	9/30/2012
94984UAE6	1,581	1,571	9	1,572	4,259	9/30/2012
02149DAJ8	2,893	2,529	333	2,561	2,634	6/30/2012
059469AF3	5,263	5,252	15	5,248	3,918	6/30/2012
05951EAE7	3,319	3,294	17	3,302	2,828	6/30/2012
05951KAZ6	1,438	1,398	32	1,406	1,036	6/30/2012
05953YAA9	4,031	3,988	26	4,005	3,127	6/30/2012
073875AN6	2,282	2,280	4	2,278	1,801	6/30/2012
073880AG1	4,580	4,400	182	4,398	4,099	6/30/2012
12627HAK6	3,529	3,483	49	3,481	2,671	6/30/2012
12628LAJ9	3,240	3,220	23	3,217	2,307	6/30/2012

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
12668WAC1	1,659	1,663	0	1,659	1,054	6/30/2012
14983CAA3	2,182	2,182	0	2,182	1,538	6/30/2012
170256AK7	3,997	3,900	36	3,961	3,401	6/30/2012
17309BAB3	702	676	27	675	504	6/30/2012
17309YAF4	2,400	2,340	60	2,339	1,891	6/30/2012
251510LM3	2,240	2,186	56	2,184	2,075	6/30/2012
251511AC5	2,321	2,291	27	2,295	1,840	6/30/2012
3622E8AC9	1,398	1,375	24	1,374	979	6/30/2012
3622ELAG1	3,233	3,203	35	3,197	2,167	6/30/2012
362341RU5	2,290	2,290	0	2,290	1,880	6/30/2012
36244SAC2	3,103	3,072	36	3,067	2,343	6/30/2012
45660LLQ0	1,391	1,180	213	1,179	1,053	6/30/2012
45660LMZ9	1,089	1,081	8	1,081	952	6/30/2012
46628BBB5	165	72	77	88	68	6/30/2012
46630MAG7	2,581	2,568	13	2,567	1,647	6/30/2012
59025GAB7	67	44	15	52	33	6/30/2012
61749EAD9	1,072	1,075	0	1,072	842	6/30/2012
61749EAH0	1,291	1,270	22	1,268	898	6/30/2012
61751DAE4	336	331	6	330	267	6/30/2012
61751JAH4	2,150	2,114	37	2,112	1,399	6/30/2012
61751JAJ0	2,135	2,100	37	2,098	1,399	6/30/2012
64352VGK1	1,147	1,133	14	1,132	660	6/30/2012
68402VAE2	4,202	4,205	0	4,202	2,354	6/30/2012
74958XAF1	1,999	1,954	46	1,953	1,888	6/30/2012
759950GW2	4,314	4,317	0	4,314	2,820	6/30/2012
86361PAF3	1,773	1,743	15	1,758	1,304	6/30/2012
92925VAM2	437	436	1	436	414	6/30/2012
933634AF4	3,773	3,716	60	3,713	3,702	6/30/2012
933636AC6	1,913	1,887	26	1,887	1,853	6/30/2012
933637AJ9	798	775	24	774	668	6/30/2012
94984UAE6	1,628	1,620	5	1,623	1,442	6/30/2012
059469AF3	5,509	5,404	109	5,400	4,127	3/31/2012
05950PAH6	574	567	8	566	495	3/31/2012
059515AE6	3,776	3,722	54	3,722	2,940	3/31/2012
05951EAE7	3,503	3,407	98	3,404	2,935	3/31/2012
05953YAA9	4,235	4,168	56	4,179	3,212	3/31/2012
073875AN6	2,334	2,326	10	2,324	1,839	3/31/2012
12627HAK6	3,671	3,636	37	3,634	2,841	3/31/2012
12628LAJ9	3,425	3,378	49	3,375	2,222	3/31/2012
170256AK7	4,224	4,087	100	4,124	3,538	3/31/2012
17309BAB3	829	818	12	817	631	3/31/2012
17309YAF4	2,487	2,458	29	2,457	1,751	3/31/2012
17311LAH4	2,319	2,231	90	2,229	1,934	3/31/2012
17313FAE2	5,006	4,936	76	4,930	4,426	3/31/2012
251510LM3	2,301	2,252	51	2,250	2,094	3/31/2012
251511AC5	2,402	2,370	26	2,376	1,719	3/31/2012
32051GEP6	952	951	1	950	933	3/31/2012
32056JAG9	1,912	1,899	15	1,897	1,762	3/31/2012

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
3622E8AC9	1,457	1,436	22	1,434	1,039	3/31/2012
3622ELAG1	3,327	3,287	45	3,281	2,288	3/31/2012
36244SAC2	3,234	3,183	56	3,178	2,427	3/31/2012
38011AAC8	3,035	2,961	64	2,971	2,200	3/31/2012
45660LMZ9	1,152	1,112	41	1,112	978	3/31/2012
46628BBB5	224	178	37	186	142	3/31/2012
46630MAG7	2,637	2,613	25	2,612	1,720	3/31/2012
59025GAB7	102	71	29	74	63	3/31/2012
61749EAH0	1,330	1,317	15	1,316	926	3/31/2012
61751DAE4	350	345	5	345	277	3/31/2012
61751JAH4	2,448	2,202	247	2,201	1,400	3/31/2012
61751JAJ0	2,448	2,188	262	2,187	1,400	3/31/2012
64352VGK1	1,184	1,183	1	1,183	672	3/31/2012
74958XAF1	2,087	2,048	39	2,047	1,931	3/31/2012
863579B49	2,024	1,985	39	1,985	1,723	3/31/2012
86361PAF3	1,850	1,834	18	1,832	1,382	3/31/2012
92925GAA1	3,085	3,044	43	3,042	2,835	3/31/2012
92925VAM2	448	448	0	448	413	3/31/2012
933634AF4	4,142	3,903	242	3,900	3,816	3/31/2012
933636AC6	2,077	2,046	34	2,043	2,034	3/31/2012
93363NAB1	873	866	7	865	810	3/31/2012
93363NAF2	4,011	3,946	70	3,941	3,949	3/31/2012
059469AF3	5,657	5,645	12	5,645	3,906	12/31/2011
05950PAH6	719	600	119	600	516	12/31/2011
059515AE6	3,954	3,887	66	3,887	2,806	12/31/2011
05951KAZ6	1,520	1,488	32	1,488	1,014	12/31/2011
05953YAA9	4,388	4,342	46	4,342	3,207	12/31/2011
073875AN6	2,439	2,419	20	2,419	1,746	12/31/2011
07387ADY8	2,664	2,468	197	2,468	1,680	12/31/2011
073880AG1	5,087	5,034	53	5,034	4,207	12/31/2011
07389NAC9	2,070	2,067	3	2,067	1,433	12/31/2011
12627HAK6	3,818	3,776	42	3,776	2,607	12/31/2011
12628KAF9	4,000	3,781	219	3,781	2,451	12/31/2011
12628LAJ9	3,597	3,537	60	3,537	2,216	12/31/2011
12668WAC1	1,683	1,683	1	1,683	984	12/31/2011
126694VR6	5,425	5,243	183	5,243	4,109	12/31/2011
170256AK7	4,449	4,394	55	4,394	3,355	12/31/2011
17313FAE2	5,537	5,399	137	5,399	4,636	12/31/2011
251510LM3	2,604	2,495	109	2,495	2,155	12/31/2011
251511AC5	2,453	2,439	14	2,439	1,827	12/31/2011
32051GEP6	1,102	962	140	962	858	12/31/2011
32052MAH4	3,486	2,518	968	2,518	1,710	12/31/2011
3622E8AC9	1,503	1,478	25	1,478	1,032	12/31/2011
3622E8AF2	1,380	1,110	270	1,110	847	12/31/2011
3622ELAG1	3,456	3,384	72	3,384	2,278	12/31/2011
362341RU5	2,682	2,523	159	2,523	1,832	12/31/2011
36244SAC2	3,382	3,334	47	3,334	2,383	12/31/2011
38011AAC8	3,235	3,219	17	3,219	2,275	12/31/2011

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
45660LMZ9	1,277	1,223	53	1,223	988	12/31/2011
45660LS75	3,061	2,726	335	2,726	1,907	12/31/2011
456673AB8	1,201	664	537	664	818	12/31/2011
45669EAE6	2,008	1,792	216	1,792	1,321	12/31/2011
45669EAM8	2,209	2,052	157	2,052	1,200	12/31/2011
46412RAC9	3,191	2,310	882	2,310	2,110	12/31/2011
46628BBB5	333	249	84	249	212	12/31/2011
46630KAC0	1,220	1,020	201	1,020	738	12/31/2011
46630MAG7	2,832	2,664	168	2,664	1,653	12/31/2011
59025GAB7	184	124	60	124	113	12/31/2011
61749EAD9	1,134	1,120	14	1,120	864	12/31/2011
61749EAH0	1,389	1,355	33	1,355	898	12/31/2011
61750YAD1	2,187	1,730	457	1,730	1,346	12/31/2011
61750YAJ8	2,077	1,641	436	1,641	1,271	12/31/2011
61751DAE4	364	359	5	359	239	12/31/2011
64352VGK1	1,235	1,232	3	1,232	690	12/31/2011
68402VAE2	4,304	4,219	85	4,219	2,280	12/31/2011
73316PDT4	1,066	1,061	5	1,061	418	12/31/2011
759950GW2	4,517	4,334	183	4,334	1,958	12/31/2011
863579B49	2,192	2,087	106	2,087	1,598	12/31/2011
863579Y36	2,109	1,895	214	1,895	1,416	12/31/2011
92925GAA1	3,180	3,180	0	3,180	2,698	12/31/2011
933634AF4	4,329	4,260	70	4,260	3,336	12/31/2011
933636AC6	2,159	2,138	20	2,138	1,915	12/31/2011
933636AH5	1,453	901	552	901	1,327	12/31/2011
933637AJ9	886	850	36	850	706	12/31/2011
93363NAB1	916	902	14	902	765	12/31/2011
93363NAF2	4,127	4,104	22	4,104	3,793	12/31/2011
94983WAJ2	3,689	3,331	358	3,331	2,756	12/31/2011
94984UAE6	1,818	1,744	74	1,744	1,330	12/31/2011
059469AF3	5,843	5,786	57	5,786	4,185	9/30/2011
059515AE6	4,125	4,061	64	4,061	3,026	9/30/2011
05951KAZ6	1,589	1,549	40	1,549	1,133	9/30/2011
05953YAA9	4,495	4,472	23	4,472	3,166	9/30/2011
07387ADY8	2,843	2,778	66	2,778	1,896	9/30/2011
12627HAK6	3,968	3,909	59	3,909	2,929	9/30/2011
12628KAF9	4,225	4,118	108	4,118	2,707	9/30/2011
12628LAJ9	3,778	3,707	71	3,707	2,366	9/30/2011
12668WAC1	2,205	1,695	510	1,695	1,045	9/30/2011
12668WAF4	2,147	2,138	9	2,138	1,517	9/30/2011
17309YAF4	2,601	2,571	30	2,571	1,729	9/30/2011
251511AC5	2,502	2,475	27	2,475	1,758	9/30/2011
3622E8AC9	1,555	1,540	16	1,540	1,094	9/30/2011
3622E8AF2	1,429	1,411	17	1,411	957	9/30/2011
3622ELAG1	3,616	3,515	101	3,515	2,453	9/30/2011
36244SAC2	3,544	3,457	87	3,457	2,441	9/30/2011
45669EAE6	2,108	2,022	85	2,022	1,420	9/30/2011
46412RAC9	5,000	3,218	1,782	3,218	2,214	9/30/2011

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
46628BBB5	371	363	9	363	336	9/30/2011
46629BAG4	121	66	55	66	72	9/30/2011
46630KAC0	1,237	1,224	13	1,224	768	9/30/2011
59025GAB7	275	210	65	210	159	9/30/2011
61749EAD9	1,451	1,157	293	1,157	724	9/30/2011
61749EAH0	1,455	1,413	42	1,413	963	9/30/2011
61750YAD1	2,300	2,229	71	2,229	1,383	9/30/2011
61750YAJ8	2,184	2,117	67	2,117	1,306	9/30/2011
61751DAE4	381	374	7	374	273	9/30/2011
68402VAE2	4,333	4,311	22	4,311	2,297	9/30/2011
74958XAF1	2,184	2,154	30	2,154	1,874	9/30/2011
759950GW2	4,942	4,524	418	4,524	2,252	9/30/2011
863579B49	2,295	2,260	35	2,260	1,733	9/30/2011
863579Y36	2,655	2,138	518	2,138	1,523	9/30/2011
87222PAC7	378	280	97	280	222	9/30/2011
933634AF4	4,949	4,515	434	4,515	3,633	9/30/2011
933637AJ9	998	888	110	888	793	9/30/2011
94983JAG7	4,994	4,514	480	4,514	4,473	9/30/2011
94983WAJ2	4,215	3,820	395	3,820	3,182	9/30/2011
007036TJ5	832	64	768	64	88	6/30/2011
059469AF3	5,926	5,906	21	5,906	4,512	6/30/2011
05951EAA5	940	937	3	937	713	6/30/2011
05951KAZ6	1,663	1,641	22	1,641	1,163	6/30/2011
05953YAA9	4,684	4,619	65	4,619	3,180	6/30/2011
073875AN6	2,989	2,608	381	2,608	1,941	6/30/2011
07387ADY8	4,158	2,958	1,200	2,958	2,159	6/30/2011
073880AG1	5,516	5,434	82	5,434	4,875	6/30/2011
07389NAC9	2,234	2,203	31	2,203	1,711	6/30/2011
12627HAK6	4,114	4,101	13	4,101	3,044	6/30/2011
12628KAF9	4,430	4,346	84	4,346	2,985	6/30/2011
12628LAJ9	3,937	3,883	54	3,883	2,504	6/30/2011
12668WAC1	2,219	2,206	13	2,206	1,177	6/30/2011
126694VR6	5,880	5,867	13	5,867	4,835	6/30/2011
170256AK7	4,726	4,679	47	4,679	4,093	6/30/2011
17309BAB3	1,682	1,653	28	1,653	1,290	6/30/2011
17309YAF4	2,639	2,618	21	2,618	1,730	6/30/2011
17311LAH4	2,980	2,551	429	2,551	2,140	6/30/2011
17313FAE2	6,889	5,760	1,128	5,760	5,037	6/30/2011
251510LM3	2,811	2,779	32	2,779	2,488	6/30/2011
251511AC5	2,532	2,505	27	2,505	1,962	6/30/2011
32051GY66	462	319	143	319	133	6/30/2011
32052MAA9	175	89	86	89	95	6/30/2011
32056JAG9	2,149	1,984	165	1,984	1,812	6/30/2011
3622E8AC9	1,617	1,585	32	1,585	1,140	6/30/2011
3622E8AF2	1,487	1,453	34	1,453	1,037	6/30/2011
3622ELAG1	3,800	3,719	81	3,719	2,570	6/30/2011
36244SAC2	3,659	3,637	23	3,637	3,271	6/30/2011
45660LS75	3,286	3,276	10	3,276	2,375	6/30/2011

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
45669EAE6	2,241	2,214	26	2,214	1,637	6/30/2011
45669EAM8	3,268	2,240	1,029	2,240	1,399	6/30/2011
46628BBB5	460	400	60	400	443	6/30/2011
46628LAA6	371	368	4	368	350	6/30/2011
59025GAB7	313	289	24	289	194	6/30/2011
61749EAD9	1,492	1,481	11	1,481	954	6/30/2011
61749EAH0	1,498	1,488	9	1,488	995	6/30/2011
61750YAD1	2,382	2,345	37	2,345	1,759	6/30/2011
61750YAJ8	2,261	2,227	34	2,227	1,664	6/30/2011
61751DAE4	390	387	2	387	292	6/30/2011
73316PDT4	1,275	1,071	204	1,071	499	6/30/2011
86361PAF3	1,954	1,951	4	1,951	1,691	6/30/2011
87222PAC7	394	388	6	388	241	6/30/2011
92925GAA1	3,510	3,418	92	3,418	3,289	6/30/2011
92925VAM2	494	490	4	490	482	6/30/2011
933636AC6	2,370	2,333	37	2,333	2,300	6/30/2011
93363NAB1	940	921	19	921	873	6/30/2011
93363NAF2	4,559	4,357	201	4,357	4,484	6/30/2011
93363PAK6	1,348	1,325	22	1,325	1,185	6/30/2011
94984UAE6	2,117	1,950	167	1,950	1,828	6/30/2011
059469AF3	6,038	5,979	59	5,979	4,479	3/31/2011
05951EAA5	947	946	1	946	752	3/31/2011
05951EAE7	3,846	3,802	44	3,802	3,446	3/31/2011
05953YAA9	4,822	4,796	26	4,796	3,331	3/31/2011
073880AG1	6,602	5,520	1,082	5,520	5,109	3/31/2011
07389NAC9	2,330	2,329	1	2,329	1,640	3/31/2011
12628KAF9	4,610	4,536	73	4,536	2,999	3/31/2011
12628LAJ9	4,158	4,104	53	4,104	2,743	3/31/2011
12668WAC1	2,272	2,219	52	2,219	1,324	3/31/2011
12668WAF4	2,207	2,166	41	2,166	1,765	3/31/2011
126694VR6	6,856	5,970	886	5,970	5,260	3/31/2011
170256AK7	4,942	4,815	127	4,815	4,250	3/31/2011
17309YAF4	2,724	2,676	48	2,676	1,841	3/31/2011
251510LM3	2,961	2,894	67	2,894	2,672	3/31/2011
251511AC5	2,575	2,532	43	2,532	2,042	3/31/2011
3622E8AC9	1,663	1,646	17	1,646	1,259	3/31/2011
3622E8AF2	1,530	1,512	18	1,512	1,138	3/31/2011
3622ELAG1	3,938	3,872	65	3,872	2,666	3/31/2011
36244SAC2	3,877	3,767	111	3,767	3,519	3/31/2011
45660LS75	3,380	3,361	19	3,361	2,654	3/31/2011
456673AB8	1,642	1,458	184	1,458	681	3/31/2011
45669EAE6	2,421	2,301	120	2,301	1,826	3/31/2011
45669EAM8	3,296	3,268	28	3,268	1,320	3/31/2011
59025GAB7	511	328	184	328	255	3/31/2011
61749EAD9	1,535	1,508	28	1,508	1,045	3/31/2011
61749EAH0	1,540	1,515	25	1,515	1,075	3/31/2011
61750YAD1	2,504	2,418	86	2,418	1,857	3/31/2011
61750YAJ8	2,381	2,295	86	2,295	1,755	3/31/2011

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
61751DAE4	409	397	12	397	314	3/31/2011
68402VAE2	4,373	4,335	38	4,335	2,668	3/31/2011
74958XAF1	2,400	2,372	28	2,372	2,312	3/31/2011
76112BKN9	1,564	1,543	21	1,543	1,544	3/31/2011
863579B49	2,364	2,354	10	2,354	1,885	3/31/2011
86361PAF3	2,142	2,027	116	2,027	1,889	3/31/2011
87222PAC7	411	401	10	401	275	3/31/2011
92925GAA1	3,682	3,644	39	3,644	3,660	3/31/2011
92925VAM2	518	508	10	508	516	3/31/2011
933636AC6	2,625	2,478	148	2,478	2,475	3/31/2011
93363NAB1	950	940	10	940	885	3/31/2011
93363NAF2	5,608	4,712	896	4,712	4,802	3/31/2011
059469AF3	6,183	6,093	90	6,093	4,827	12/31/2010
05951EAE7	3,898	3,846	52	3,846	3,524	12/31/2010
05953YAA9	5,000	4,822	178	4,822	3,239	12/31/2010
07389NAC9	2,500	2,488	11	2,488	1,771	12/31/2010
12628KAF9	4,761	4,712	49	4,712	2,773	12/31/2010
12628LAJ9	4,488	4,285	202	4,285	2,911	12/31/2010
12668WAC1	2,295	2,272	24	2,272	1,326	12/31/2010
12668WAF4	2,241	2,220	21	2,220	1,786	12/31/2010
170256AK7	5,101	5,062	39	5,062	3,895	12/31/2010
17309BAB3	2,292	2,266	26	2,266	1,703	12/31/2010
17309YAF4	2,759	2,755	4	2,755	1,890	12/31/2010
251511AC5	2,611	2,575	36	2,575	1,910	12/31/2010
32056JAG9	2,667	2,557	110	2,557	2,418	12/31/2010
3622E8AC9	1,729	1,703	26	1,703	1,255	12/31/2010
3622E8AF2	1,589	1,563	26	1,563	978	12/31/2010
3622ELAG1	4,042	4,009	34	4,009	2,923	12/31/2010
456673AB8	2,084	1,711	373	1,711	876	12/31/2010
45669EAE6	2,542	2,532	10	2,532	1,930	12/31/2010
45669EAM8	3,344	3,296	48	3,296	1,301	12/31/2010
46628BBB5	980	516	464	516	683	12/31/2010
46628LAA6	414	398	15	398	379	12/31/2010
61749EAD9	1,570	1,559	11	1,559	1,090	12/31/2010
61749EAH0	1,576	1,566	10	1,566	1,057	12/31/2010
61751DAE4	420	416	5	416	310	12/31/2010
73316PDT4	1,306	1,275	31	1,275	309	12/31/2010
74958XAF1	2,438	2,408	30	2,408	2,178	12/31/2010
76112BKN9	1,576	1,573	2	1,573	1,503	12/31/2010
863579B49	2,880	2,421	459	2,421	1,974	12/31/2010
87222PAC7	500	420	80	420	314	12/31/2010
92925GAA1	3,784	3,781	3	3,781	3,662	12/31/2010
933636AC6	2,723	2,706	17	2,706	2,309	12/31/2010
93363NAB1	1,182	950	232	950	906	12/31/2010
93363PAK6	1,657	1,348	309	1,348	1,210	12/31/2010
94984UAE6	2,373	2,277	96	2,277	1,769	12/31/2010
059469AF3	6,304	6,257	47	6,257	4,782	9/30/2010
05951EAA5	970	959	11	959	768	9/30/2010

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
05951EAE7	4,006	3,898	109	3,898	3,560	9/30/2010
07389NAC9	2,842	2,526	316	2,526	1,801	9/30/2010
12628KAF9	4,963	4,901	63	4,901	2,877	9/30/2010
12668WAC1	2,500	2,295	205	2,295	1,349	9/30/2010
12668WAF4	2,262	2,255	7	2,255	1,794	9/30/2010
14983CAA3	2,938	2,633	305	2,633	1,942	9/30/2010
170256AK7	5,500	5,297	203	5,297	4,049	9/30/2010
17309BAB3	2,671	2,601	70	2,601	1,806	9/30/2010
251510LM3	3,294	3,240	54	3,240	2,360	9/30/2010
251511AC5	2,651	2,611	40	2,611	2,006	9/30/2010
3622E8AC9	1,967	1,777	190	1,777	1,293	9/30/2010
3622E8AF2	1,661	1,628	33	1,628	1,002	9/30/2010
3622ELAG1	4,161	4,088	74	4,088	3,000	9/30/2010
36244SAC2	4,146	4,112	34	4,112	3,163	9/30/2010
45660LS75	3,667	3,634	33	3,634	2,783	9/30/2010
45669EAE6	2,620	2,582	37	2,582	1,964	9/30/2010
45669EAM8	3,391	3,344	47	3,344	1,312	9/30/2010
46628BBB5	2,143	1,029	1,114	1,029	625	9/30/2010
59025GAB7	818	607	211	607	432	9/30/2010
61749EAD9	1,617	1,602	15	1,602	1,126	9/30/2010
61749EAH0	1,629	1,612	17	1,612	1,091	9/30/2010
61750YAD1	2,665	2,590	75	2,590	2,144	9/30/2010
61750YAJ8	2,554	2,479	75	2,479	2,151	9/30/2010
61751DAE4	437	431	6	431	321	9/30/2010
68402VAE2	4,414	4,373	41	4,373	2,097	9/30/2010
74958XAF1	2,569	2,553	16	2,553	2,155	9/30/2010
76112BKN9	1,672	1,653	19	1,653	1,634	9/30/2010
863579Y36	2,939	2,717	221	2,717	1,999	9/30/2010
86361PAF3	2,382	2,378	4	2,378	1,905	9/30/2010
92925GAA1	4,576	3,894	683	3,894	3,699	9/30/2010
92925VAM2	562	548	15	548	515	9/30/2010
933636AH5	2,348	1,824	524	1,824	1,881	9/30/2010
059469AF3	6,418	6,372	46	6,372	4,625	6/30/2010
05951EAE7	4,021	4,006	15	4,006	3,053	6/30/2010
12628KAF9	5,127	5,084	43	5,084	2,740	6/30/2010
170256AK7	5,991	5,862	130	5,862	4,249	6/30/2010
251510LM3	3,704	3,690	14	3,690	2,622	6/30/2010
251511AC5	2,688	2,651	37	2,651	1,803	6/30/2010
32056JAG9	3,534	3,071	463	3,071	2,882	6/30/2010
3622E8AF2	1,712	1,691	20	1,691	969	6/30/2010
36244SAC2	4,248	4,223	25	4,223	3,045	6/30/2010
456673AB8	3,178	2,178	1,000	2,178	1,337	6/30/2010
45669EAE6	2,807	2,702	105	2,702	1,736	6/30/2010
59025GAB7	858	856	2	856	566	6/30/2010
61749EAD9	1,665	1,627	37	1,627	1,246	6/30/2010
61749EAH0	1,695	1,656	39	1,656	1,132	6/30/2010
61750YAD1	2,676	2,665	11	2,665	1,960	6/30/2010
61750YAJ8	2,596	2,577	19	2,577	2,056	6/30/2010

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
61751DAE4	447	441	6	441	302	6/30/2010
64352VGK1	1,459	1,451	8	1,451	884	6/30/2010
760985RP8	2,247	2,246	1	2,246	1,899	6/30/2010
76112BKN9	1,717	1,707	10	1,707	1,529	6/30/2010
863579Y36	3,006	2,939	67	2,939	1,767	6/30/2010
933636AC6	2,986	2,946	40	2,946	2,446	6/30/2010
933636AH5	2,406	2,376	31	2,376	1,883	6/30/2010
059469AF3	6,592	6,479	114	6,479	4,285	3/31/2010
05951EAA5	994	980	15	980	737	3/31/2010
05951EAE7	5,043	4,021	1,022	4,021	3,026	3/31/2010
05951KAZ6	2,113	2,048	65	2,048	1,563	3/31/2010
12668WAF4	2,500	2,289	211	2,289	1,757	3/31/2010
14983CAA3	3,777	3,021	756	3,021	2,041	3/31/2010
170256AK7	6,420	6,237	183	6,237	4,913	3/31/2010
17309BAB3	3,443	3,309	133	3,309	2,382	3/31/2010
17309YAF4	2,878	2,867	10	2,867	1,519	3/31/2010
251510LM3	3,817	3,793	24	3,793	2,750	3/31/2010
251511AC5	2,766	2,688	78	2,688	1,754	3/31/2010
32052MAA9	227	191	36	191	191	3/31/2010
3622E8AF2	1,805	1,735	70	1,735	972	3/31/2010
3622ELAG1	4,441	4,259	182	4,259	2,450	3/31/2010
36244SAC2	4,404	4,248	157	4,248	3,057	3/31/2010
38011AAC8	4,506	4,200	306	4,200	2,050	3/31/2010
38012TAE2	1,652	1,619	33	1,619	947	3/31/2010
45660LS75	3,871	3,747	124	3,747	2,642	3/31/2010
45669EAE6	2,991	2,855	136	2,855	1,800	3/31/2010
45669EAM8	4,009	3,391	618	3,391	1,416	3/31/2010
46628LAA6	488	465	23	465	424	3/31/2010
46630KAC0	1,282	1,238	43	1,238	789	3/31/2010
59025GAB7	1,560	908	652	908	707	3/31/2010
61749EAD9	1,706	1,665	41	1,665	1,096	3/31/2010
61749EAH0	1,752	1,711	41	1,711	1,069	3/31/2010
61750YAD1	2,746	2,676	70	2,676	1,884	3/31/2010
61750YAJ8	2,705	2,635	70	2,635	2,033	3/31/2010
61751DAE4	458	447	11	447	275	3/31/2010
64352VGK1	1,501	1,479	22	1,479	827	3/31/2010
68402VAE2	4,953	4,414	539	4,414	1,812	3/31/2010
76112BKN9	1,859	1,809	51	1,809	1,529	3/31/2010
863579Y36	3,085	3,006	79	3,006	1,967	3/31/2010
86361PAF3	2,519	2,473	46	2,473	1,704	3/31/2010
92925GAA1	1,787	1,687	100	1,687	1,479	3/31/2010
92925VAM2	725	595	130	595	510	3/31/2010
933636AH5	4,101	2,487	1,615	2,487	1,979	3/31/2010
94984UAE6	2,652	2,615	37	2,615	2,001	3/31/2010
05606QAB5	3,466	3,466	0	3,466	2,950	12/31/2009
059469AF3	6,785	6,643	143	6,643	4,140	12/31/2009
05951EAA5	1,132	999	133	999	757	12/31/2009
05951KAZ6	2,151	2,113	38	2,113	1,419	12/31/2009

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)

(1) CUSIP [1]	(2) Amortized cost before current period OTTI	(3) Projected Cash Flows	(4) Current Period Recognized Other-than-Temporary Impairment	(5) Amortized Cost After Other-than-Temporary Impairment	(6) Fair Value	(7) Financial Statement Reporting Period
170256AK7	7,191	6,564	627	6,564	5,003	12/31/2009
17309BAB3	3,981	3,876	106	3,876	2,550	12/31/2009
17309YAF4	2,970	2,915	55	2,915	1,539	12/31/2009
251510LM3	4,480	4,032	447	4,032	2,875	12/31/2009
251511AC5	3,000	2,766	234	2,766	1,456	12/31/2009
32052MAA9	242	227	15	227	182	12/31/2009
3622E8AF2	1,895	1,832	63	1,832	981	12/31/2009
3622ELAG1	4,683	4,492	190	4,492	2,594	12/31/2009
36244SAC2	4,492	4,404	88	4,404	2,666	12/31/2009
38011AAC8	4,958	4,595	364	4,595	2,228	12/31/2009
38012TAE2	1,925	1,796	129	1,796	778	12/31/2009
45660LS75	4,650	3,871	780	3,871	2,521	12/31/2009
456673AB8	4,661	3,464	1,197	3,464	1,636	12/31/2009
45669EAE6	3,336	3,168	168	3,168	1,880	12/31/2009
46628LAA6	568	502	66	502	408	12/31/2009
46630KAC0	1,387	1,282	105	1,282	773	12/31/2009
59025GAB7	2,309	1,621	689	1,621	1,044	12/31/2009
61749EAD9	1,759	1,706	53	1,706	1,054	12/31/2009
61749EAH0	1,823	1,773	50	1,773	1,067	12/31/2009
61750YAD1	2,837	2,746	91	2,746	1,489	12/31/2009
61750YAJ8	2,824	2,737	87	2,737	1,442	12/31/2009
61751DAE4	466	458	8	458	268	12/31/2009
64352VGK1	1,535	1,530	5	1,530	825	12/31/2009
74958XAF1	3,490	3,010	480	3,010	2,281	12/31/2009
76112BKN9	2,009	1,953	56	1,953	1,594	12/31/2009
863579Y36	4,277	3,085	1,192	3,085	1,692	12/31/2009
86361PAF3	2,751	2,643	108	2,643	1,815	12/31/2009
92925GAA1	2,113	1,875	238	1,875	1,530	12/31/2009
933636AC6	3,608	3,179	430	3,179	2,421	12/31/2009
933636AH5	4,812	4,170	642	4,170	1,990	12/31/2009
94984UAE6	3,131	2,699	432	2,699	2,049	12/31/2009
059469AF3	6,684	6,566	118	6,867	4,159	9/30/2009
059515AE6	4,523	4,473	50	4,473	1,665	9/30/2009
05951EAA5	1,330	1,135	195	1,135	827	9/30/2009
05951KAZ6	2,209	2,151	58	2,151	1,460	9/30/2009
12627HAK6	4,998	4,722	276	4,722	2,888	9/30/2009
12628KAF9	5,381	5,275	107	5,275	2,473	9/30/2009
170256AK7	7,893	7,389	503	7,389	4,407	9/30/2009
17309BAB3	4,353	4,214	139	4,214	2,843	9/30/2009
251510LM3	4,536	4,512	25	4,512	692	9/30/2009
32052MAA9	284	250	35	250	135	9/30/2009
3622E8AF2	2,000	1,916	84	1,916	1,006	9/30/2009
3622ELAG1	4,833	4,713	120	4,713	2,594	9/30/2009
36244SAC2	4,599	4,492	107	4,492	2,716	9/30/2009
45660LS75	5,003	4,650	352	4,650	2,535	9/30/2009
456673AB8	5,563	4,825	738	4,825	1,874	9/30/2009
45669EAE6	3,692	3,549	142	3,549	2,089	9/30/2009
46628LAA6	610	589	21	589	423	9/30/2009

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS AS OF DECEMBER 31, 2012 (continued)						
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**
CUSIP [1]	**Amortized cost before current period OTTI**	**Projected Cash Flows**	**Current Period Recognized Other-than-Temporary Impairment**	**Amortized Cost After Other-than-Temporary Impairment**	**Fair Value**	**Financial Statement Reporting Period**
46629BAG4	377	252	124	125	252	9/30/2009
46630KAC0	1,500	1,387	113	1,387	644	9/30/2009
59025GAB7	3,495	2,432	1,063	2,432	1,106	9/30/2009
61749EAD9	1,801	1,759	42	1,759	1,097	9/30/2009
61749EAH0	2,000	1,848	152	1,848	1,113	9/30/2009
61750YAD1	3,000	2,837	163	2,837	1,522	9/30/2009
61750YAJ8	3,000	2,848	152	2,848	1,479	9/30/2009
61751DAE4	500	466	34	466	263	9/30/2009
74958XAF1	3,830	3,692	138	3,692	2,266	9/30/2009
76112BKN9	2,133	2,131	2	2,131	1,418	9/30/2009
863579Y36	4,803	4,277	527	4,277	1,475	9/30/2009
86361PAF3	3,032	2,787	245	2,787	1,928	9/30/2009
92925GAA1	5,790	5,750	40	5,750	1,568	9/30/2009
933636AC6	3,745	3,719	26	3,719	2,512	9/30/2009
933636AH5	7,978	4,945	3,024	4,951	1,933	9/30/2009
94984UAE6	3,373	3,312	61	3,312	1,811	9/30/2009
059515AE6	5,000	4,523	477	4,523	1,578	7/1/2009
05951KAZ6	2,496	2,209	287	2,209	1,456	7/1/2009
12628KAF9	6,000	5,381	618	5,381	2,022	7/1/2009
17309BAB3	4,891	4,525	366	4,525	2,928	7/1/2009
32052MAA9	379	284	94	284	132	7/1/2009
3622ELAG1	5,000	4,833	167	4,833	2,514	7/1/2009
36244SAC2	5,000	4,599	401	4,599	2,617	7/1/2009
456673AB8	7,779	5,665	2,113	5,665	5,288	7/1/2009
45669EAE6	4,143	3,705	438	3,705	1,753	7/1/2009
46629BAG4	1,000	249	751	249	249	7/1/2009
61749EAD9	2,000	1,801	199	1,801	788	7/1/2009
863579Y36	4,931	4,803	128	4,803	1,394	7/1/2009
94984UAE6	3,840	3,433	407	3,433	1,757	7/1/2009
Subtotal – Separate Account	**XXX**	**XXX**	**79,296**	**XXX**	**XXX**	
Grand Total	**XXX**	**XXX**	**$ 393,768**	**XXX**	**XXX**	

[1] Only the impaired lots within each CUSIP are included within this table.