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FOR IMMEDIATE RELEASE

Press Release

## **Pensions Lose \$95 Billion in November**

**Over \$30 billion in investment losses compounded by \$65 billion liability increase**

Seattle – December 12, 2008 – Milliman, Inc., one of the premier global consulting and actuarial firms, today released the latest update to the Milliman 100 Pension Funding Index, which consists of 100 of the nation's largest defined benefit pension plans. In November, pensions continued to face asset losses and, after adjustment for liability increases, surrendered a total of \$95 billion, dropping pension funding to 84.7%, an almost 20-percentage-point decline from the funded ratio at the beginning of the year.

"In the last few months asset losses have been tempered by liability gains, but that was not the case in November," said John Ehrhardt, co-author of the Milliman 100 Pension Funding Index. "The losses suffered in November are the highest so far this year and will result in a \$60 billion hit to earnings in 2009."

Assuming no return and stable discount rates for the rest of the year, these pensions are on pace to reach a 84.1% funded ratio by December 31, a pension deficit of \$180 billion and an annual surplus loss of \$241 billion.

To view the complete monthly update, go to [www.milliman.com/expertise/employee-benefits/products-tools/pension-funding-study/index.php](http://www.milliman.com/expertise/employee-benefits/products-tools/pension-funding-study/index.php).

### **About Milliman**

Milliman is among the world's largest independent actuarial and consulting firms. Founded in Seattle in 1947 as Milliman & Robertson, the company currently has 49 offices in key locations worldwide. Milliman employs more than 2000 people, with a professional staff of more than 1000 qualified consultants and actuaries, including specialists ranging from clinicians to economists. The firm has consulting practices in healthcare, employee benefits, property and casualty insurance, life insurance, and financial services. Milliman serves the full spectrum of business, financial, government, union, education, and nonprofit organizations. For further information, visit [www.milliman.com](http://www.milliman.com).

### **About the Milliman 100 Pension Funding Index**

For the past eight years, Milliman has conducted an annual study of the 100 largest defined benefit pension plans sponsored by U.S. public companies. The Milliman 100 Pension Funding Index projects the funded status for pension plans included in our study, reflecting the impact of market returns and interest-rate changes on pension funded status, utilizing the actual reported asset values, liabilities, and asset allocations of the companies' pension plans.

The results of the 2008 Milliman 100 Pension Funding Index were based on the actual pension plan accounting information disclosed in the footnotes to the companies' annual reports for the 2007 fiscal year and for previous fiscal years. In addition to providing the financial information on the funded status of



U.S. qualified pension plans, the footnotes may also include figures for the companies' nonqualified and foreign plans, both of which are often unfunded or subject to funding standards different from those for U.S. qualified pension plans. They do not represent the funded status of the companies' U.S. qualified pension plans under ERISA.

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