



Contact: John Ehrhardt
Milliman, Inc.
Tel: 646.473.3300
john.ehrhardt@milliman.com

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Press Release

Milliman analysis indicates third consecutive month of declining pension funded status

An \$83 billion decrease in June completes a brutal second quarter for pension funding

Seattle – July 13, 2010 – Milliman, Inc., a premier global consulting and actuarial firm, 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 June, defined benefit pension plans experienced asset decreases of \$19 billion and liability increases of \$64 billion, resulting in an \$83 billion deterioration in funding status.

"The second quarter of 2010 was the worst three-month period we've seen since the meltdown of 2008," said John Ehrhardt, co-author of the Milliman 100 Pension Funding Index. "The cumulative asset performance for these 100 pensions was a loss of 3.62%, resulting in a decline in funded status of \$171 billion. We started this quarter with an 84.4% funded status and ended it at 73.7%. The last time we saw a funded status this low was 2003."

Overall, the pension funding deficit increased to \$378 billion at the end of June. Given current interest rates (5.26%), investment gains of 25.6% for the remainder of 2010 would be needed to reach an 80% funded ratio, which would still leave the deficit at \$289 billion.

To view the complete monthly update, go to <http://www.milliman.com/expertise/employee-benefits/products-tools/pension-funding-index/>. To receive regular updates of Milliman's pension funding analysis, contact us at pensionfunding@milliman.com.

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 52 offices in key locations worldwide. Milliman employs over 2,400 people. The firm has consulting practices in healthcare, employee benefits, property & 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.

About the Milliman 100 Pension Funding Index

For the past ten 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 monthly 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 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 preceding 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. The results do not represent the funded status of the companies' U.S. qualified pension plans under ERISA.

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