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Press Release

Milliman analysis indicates improved funded status in July after three months of decline

Corporate pensions buoyed by \$25 billion improvement following \$171 billion decrease in second quarter of 2010

Seattle – August 12, 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 July, defined benefit pension plans experienced asset increases of \$32 billion and liability increases of \$7 billion, resulting in a \$25 billion increase in funded status.

"The July improvement in pension funded status is welcome news after a three-month period that witnessed a \$171 billion decline," said John Ehrhardt, co-author of the Milliman 100 Pension Funding Index. "Unfortunately we still have a long ways to go just to get back to 80% funded status. In order to reverse the deficit, it will require more than just positive asset performance. If you look at the last year, we've actually experienced a 10.2% cumulative asset return—but have still seen a \$61 billion decrease in funded status thanks to lower trending discount rates."

Overall, the pension funding deficit decreased to \$352 billion at the end of July, with funded status reaching 75.6%. If current interest rates (5.23%) were to hold for the rest of the year, and if these pensions achieved the expected 8.1% median asset return, these pensions would end the year in a slightly improved position—a 76% funded ratio and a \$348 billion total deficit.

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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