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Press Release

Milliman analysis: Investment gains fuel pension funded status improvement

Funded status rose \$42 billion in October following \$254 billion decline in the third quarter

Seattle – November 4, 2011 – Milliman, Inc., a premier global consulting and actuarial firm, today released the results of its latest Pension Funding Index, which consists of 100 of the nation's largest defined benefit pension plans. In October, these plans experienced a \$44 billion investment gain and a \$2 billion increase in pension liabilities. The \$42 billion improvement in funded status comes in the wake of a \$254 billion increase in the pension funding deficit in the third quarter of calendar year 2011, which was the second worst financial quarter on record. Only once in the history of this study has pension performance been worse; during the historic fourth quarter of calendar year 2008.

"These pensions needed some positive news, and the 3.87% investment gain in October has provided welcome relief from the dismal results of the third quarter," said John Ehrhardt, co-author of the Milliman Pension Funding Study. "But the interest rates that have driven these historic liabilities barely budged last month. The low-interest-rate-driven pension funding deficit continues to be the elephant in the room."

Year-to-date, the cumulative asset return on these 100 pensions has been 2.44% and the Milliman 100 PFI funded status has decreased by \$170 billion, dropping the funded ratio from 84.1% to 75.4%.

To view the complete study, go to <http://ow.ly/4xFIt>. 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 1947 as Milliman & Robertson, the company currently has 54 offices in key locations worldwide. Milliman employs over 2,500 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 11 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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