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FOR IMMEDIATE RELEASE

Press Release

Milliman analysis: Pension plans begin 2012 by narrowing a record deficit

Pension deficit declines by \$30 billion based on 2.49% investment gain during January

Seattle – February 6, 2012 – 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 January, these pensions experienced a \$30 billion improvement in pension funding based entirely on asset performance, leaving the pension funding deficit at \$434 billion. The strong month follows a lost year in which interest rates drove the pension funding deficit to historic levels.

"Interest rates actually cooperated this month—or at least they didn't go down," said John Ehrhardt, co-author of the Milliman Pension Funding Study. "The lack of interest rate movement allowed these pensions to take advantage of a 2.49% investment gain for the month and recoup some of the funding loss that characterized 2011. With the Fed committing to low rates through the end of 2014, we're going to need more months like this if we are going to fill the pension funding gap."

In January, the projected benefit obligation (PBO) for these pensions remained static at \$1.685 trillion as interest rates moved from 4.25% to 4.26%. The strong month for assets left the year-to-date asset value at \$1.251 trillion.

Looking forward, if these 100 pensions were to achieve an 8.0% median asset return and if the current discount rate of 4.26% were to be maintained throughout 2012 and 2013, these pensions would narrow the pension funding gap from 74.2% to 79.0% by the end of 2012 and to 84.4% by the end of 2013.

To view the complete study, go to <http://ow.ly/4xFlt>. To receive regular updates of Milliman's pension funding analysis, contact us at pensionfunding@milliman.com. And for more on pension funding, be sure to check in on March 28 when Milliman releases its 2012 Pension Funding Study.

About Milliman

Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in healthcare, property & casualty insurance, life insurance and financial services, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe. For further information, visit milliman.com.

**About the Milliman 100 Pension Funding Index**

For the past 12 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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