AFLAC INC
Form 10-Q
May 06, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2013
or
[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission File Number: 001-07434
Aflac Incorporated

(Exact name of registrant as specified in its charter)

Georgia	58-1167100
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1932 Wynnton Road, Columbus, Georgia	31999
(Address of principal executive offices)	(ZIP Code)

706.323.3431
(Registrant's telephone number, including area code)
(Former name, former address and former fiscal year, if changed since last report)
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. þ Yes ¨ No
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). þ Yes ¨ No
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer þ	Accelerated filer ¨
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
¨ Yes þ No
Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

Class	April 26, 2013
Common Stock, $.10 Par Value	466,225,983

Aflac Incorporated and Subsidiaries
Quarterly Report on Form 10-Q
For the Quarter Ended March 31, 2013
Table of Contents

Items other than those listed above are omitted because they are not required or are not applicable.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

Review by Independent Registered Public Accounting Firm

The March 31, 2013, and 2012, consolidated financial statements included in this filing have been reviewed by KPMG LLP, an independent registered public accounting firm, in accordance with established professional standards and procedures for such a review.

The report of KPMG LLP commenting upon its review is included on the following page.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Aflac Incorporated:

We have reviewed the consolidated balance sheet of Aflac Incorporated and subsidiaries (the Company) as of March 31, 2013, and the related consolidated statements of earnings, comprehensive income (loss), shareholders' equity and cash flows for the three-month periods ended March 31, 2013 and 2012. These consolidated financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Aflac Incorporated and subsidiaries as of December 31, 2012, and the related consolidated statements of earnings, comprehensive income (loss), shareholders' equity and cash flows for the year then ended (not presented herein); and in our report dated February 26, 2013, we expressed an unqualified opinion on those consolidated financial statements. Our report refers to a change in the method of accounting for costs associated with acquiring or renewing insurance contracts in 2012 and a change in the method of evaluating the consolidation of variable interest entities (VIEs) and qualified special purpose entities (QSPEs) in 2010. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2012, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Atlanta, Georgia
May 3, 2013

Aflac Incorporated and Subsidiaries
Consolidated Statements of Earnings

(In millions, except for share and per-share amounts - Unaudited)	Three Months Ended March 31, 2013	2012
Revenues:		
Premiums, principally supplemental health insurance	$5,184	$5,378
Net investment income	833	882
Realized investment gains (losses):		
Other-than-temporary impairment losses realized	(55)	(203)
Sales and redemptions	119	78
Derivative and other gains (losses)	92	80
Total realized investment gains (losses)	156	(45)
Other income	35	25
Total revenues	6,208	6,240
Benefits and expenses:		
Benefits and claims	3,521	3,646
Acquisition and operating expenses:		
Amortization of deferred policy acquisition costs	283	287
Insurance commissions	392	435
Insurance expenses	534	564
Interest expense	71	57
Other operating expenses	46	49
Total acquisition and operating expenses	1,326	1,392
Total benefits and expenses	4,847	5,038
Earnings before income taxes	1,361	1,202
Income taxes	469	417
Net earnings	$892	$785
Net earnings per share:		
Basic	$1.91	$1.68
Diluted	1.90	1.68
Weighted-average outstanding common shares used in computing earnings per share (In thousands):		
Basic	466,462	465,887
Diluted	469,124	468,533
Cash dividends per share	$.35	$.33

See the accompanying Notes to the Consolidated Financial Statements.

Aflac Incorporated and Subsidiaries
Consolidated Statements of Comprehensive Income (Loss)

(In millions - Unaudited)	Three Months Ended March 31, 2013	2012
Net earnings	$892	$785
Other comprehensive income (loss) before income taxes:		
Unrealized foreign currency translation gains (losses) during period	(188)	(100)
Unrealized gains (losses) on investment securities:		
Unrealized holding gains (losses) on investment securities during period	(874)	324
Reclassification adjustment for realized (gains) losses on investment securities included in net earnings	(58)	129
Unrealized gains (losses) on derivatives during period	(7)	(12)
Pension liability adjustment during period	5	5
Total other comprehensive income (loss) before income taxes	(1,122)	346
Income tax expense (benefit) related to items of other comprehensive income (loss)	(58)	311
Other comprehensive income (loss), net of income taxes	(1,064)	35
Total comprehensive income (loss)	$(172)	$820

See the accompanying Notes to the Consolidated Financial Statements.

Aflac Incorporated and Subsidiaries
Consolidated Balance Sheets

(In millions - Unaudited)	March 31, 2013		December 31, 2012	
Assets:				
Investments and cash:				
Securities available for sale, at fair value:				
Fixed maturities (amortized cost $48,058 in 2013 and $48,355 in 2012)	$50,899		$51,466	
Fixed maturities - consolidated variable interest entities (amortized cost $4,721 in 2013 and $5,058 in 2012)	5,377		5,787	
Perpetual securities (amortized cost $3,113 in 2013 and $3,654 in 2012)	2,678		3,728	
Perpetual securities - consolidated variable interest entities (amortized cost $520 in 2013 and $559 in 2012)	455		574	
Equity securities (cost $18 in 2013 and $20 in 2012)	24		23	
Securities held to maturity, at amortized cost:				
Fixed maturities (fair value $46,788 in 2013 and $54,554 in 2012)	44,938		54,137	
Fixed maturities - consolidated variable interest entities (fair value $259 in 2013 and $287 in 2012)	266		289	
Other investments	167		174	
Cash and cash equivalents	2,596		2,041	
Total investments and cash	107,400		118,219	
Receivables	1,710		976	
Accrued investment income	765		842	
Deferred policy acquisition costs	9,210		9,658	
Property and equipment, at cost less accumulated depreciation	527		564	
Other	926	(1)	835	(1)
Total assets	$120,538		$131,094	

(1) Includes $158 in 2013 and $191 in 2012 of derivatives from consolidated variable interest entities
See the accompanying Notes to the Consolidated Financial Statements.

(continued)

5

Aflac Incorporated and Subsidiaries
Consolidated Balance Sheets (continued)

(In millions, except for share and per-share amounts - Unaudited)	March 31, 2013	December 31, 2012
Liabilities and shareholders' equity:		
Liabilities:		
Policy liabilities:		
Future policy benefits	$72,077	$76,463
Unpaid policy claims	3,877	4,034
Unearned premiums	11,963	11,904
Other policyholders' funds	5,034	5,319
Total policy liabilities	92,951	97,720
Income taxes	3,799	3,858
Payables for return of cash collateral on loaned securities	207	6,277
Notes payable	4,283	4,352
Other	3,763 [2]	2,909 [2]
Commitments and contingent liabilities (Note 10)		
Total liabilities	105,003	115,116
Shareholders' equity:		
Common stock of $.10 par value. In thousands: authorized 1,900,000 shares in 2013 and 2012; issued 665,778 shares in 2013 and 665,239 shares in 2012	67	67
Additional paid-in capital	1,532	1,505
Retained earnings	18,114	17,387
Accumulated other comprehensive income (loss):		
Unrealized foreign currency translation gains (losses)	(141)	333
Unrealized gains (losses) on investment securities	1,981	2,570
Unrealized gains (losses) on derivatives	(9)	(5)
Pension liability adjustment	(180)	(183)
Treasury stock, at average cost	(5,829)	(5,696)
Total shareholders' equity	15,535	15,978
Total liabilities and shareholders' equity	$120,538	$131,094

[2] Includes $371 in 2013 and $399 in 2012 of derivatives from consolidated variable interest entities
See the accompanying Notes to the Consolidated Financial Statements.

Aflac Incorporated and Subsidiaries
Consolidated Statements of Shareholders' Equity

	Three Months Ended March 31,	
(In millions - Unaudited)	2013	2012
Common stock:		
Balance, beginning of period	$67	$66
Balance, end of period	67	66
Additional paid-in capital:		
Balance, beginning of period	1,505	1,408
Exercise of stock options	10	13
Share-based compensation	3	5
Gain (loss) on treasury stock reissued	14	7
Balance, end of period	1,532	1,433
Retained earnings:		
Balance, beginning of period	17,387	15,148
Net earnings	892	785
Dividends to shareholders	(165)	(154)
Balance, end of period	18,114	15,779
Accumulated other comprehensive income (loss):		
Balance, beginning of period	2,715	1,965
Unrealized foreign currency translation gains (losses) during period, net of income taxes	(474)	(266)
Unrealized gains (losses) on investment securities during period, net of income taxes and reclassification adjustments	(589)	305
Unrealized gains (losses) on derivatives during period, net of income taxes	(4)	(8)
Pension liability adjustment during period, net of income taxes	3	4
Balance, end of period	1,651	2,000
Treasury stock:		
Balance, beginning of period	(5,696)	(5,641)
Purchases of treasury stock	(156)	(10)
Cost of shares issued	23	16
Balance, end of period	(5,829)	(5,635)
Total shareholders' equity	$15,535	$13,643

See the accompanying Notes to the Consolidated Financial Statements.

Aflac Incorporated and Subsidiaries
Consolidated Statements of Cash Flows

(In millions - Unaudited)	Three Months Ended March 31, 2013	2012
Cash flows from operating activities:		
Net earnings	$892	$785
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Change in receivables and advance premiums	203	(17)
Increase in deferred policy acquisition costs	(100)	(141)
Increase in policy liabilities	2,400	2,928
Change in income tax liabilities	193	(20)
Realized investment (gains) losses	(156)	45
Other, net	400	(24)
Net cash provided (used) by operating activities	3,832	3,556
Cash flows from investing activities:		
Proceeds from investments sold or matured:		
Securities available for sale:		
Fixed maturities sold	541	226
Fixed maturities matured or called	1,342	705
Perpetual securities sold	0	552
Perpetual securities matured or called	271	378
Securities held to maturity:		
Fixed maturities matured or called	5,011	536
Costs of investments acquired:		
Available for sale fixed maturities acquired	(3,160)	(1,025)
Held to maturity fixed maturities acquired	(160)	(5,133)
Settlement of derivatives	(851)	0
Cash received as collateral on loaned securities, net	(6,070)	(645)
Other, net	(9)	(30)
Net cash provided (used) by investing activities	(3,085)	(4,436)
Cash flows from financing activities:		
Purchases of treasury stock	(156)	(10)
Proceeds from borrowings	0	749
Principal payments under debt obligations	0	(1)
Dividends paid to shareholders	(159)	(148)
Change in investment-type contracts, net	134	297
Treasury stock reissued	19	5
Other, net	6	9
Net cash provided (used) by financing activities	(156)	901
Effect of exchange rate changes on cash and cash equivalents	(36)	(60)
Net change in cash and cash equivalents	555	(39)
Cash and cash equivalents, beginning of period	2,041	2,249
Cash and cash equivalents, end of period	$2,596	$2,210
Supplemental disclosures of cash flow information:		
Income taxes paid	$295	$356
Interest paid	43	44
Noncash interest	28 [1]	13 [1]
Impairment losses included in realized investment losses	55	203

Noncash financing activities:		
Capitalized lease obligations	(1)	1
Treasury stock issued for:		
Associate stock bonus	8	8
Shareholder dividend reinvestment	6	6
Share-based compensation grants	4	4

[1] Consists primarily of accreted interest on discounted advance premiums

See the accompanying Notes to the Consolidated Financial Statements.

Aflac Incorporated and Subsidiaries
Notes to the Consolidated Financial Statements
(Interim period data – Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Aflac Incorporated (the Parent Company) and its subsidiaries (collectively, the Company) primarily sell supplemental health and life insurance in the United States and Japan. The Company's insurance business is marketed and administered through American Family Life Assurance Company of Columbus (Aflac), which operates in the United States (Aflac U.S.) and as a branch in Japan (Aflac Japan). Most of Aflac's policies are individually underwritten and marketed through independent agents. Additionally, Aflac U.S. markets and administers group products through Continental American Insurance Company (CAIC), branded as Aflac Group Insurance. Our insurance operations in the United States and our branch in Japan service the two markets for our insurance business. Aflac Japan's revenues, including realized gains and losses on its investment portfolio, accounted for 75% and 77% of the Company's total revenues in the three-month periods ended March 31, 2013, and 2012, respectively. The percentage of the Company's total assets attributable to Aflac Japan was 86% at March 31, 2013, and 87% at December 31, 2012.

Basis of Presentation

We prepare our financial statements in accordance with U.S. generally accepted accounting principles (GAAP). These principles are established primarily by the Financial Accounting Standards Board (FASB). In these Notes to the Consolidated Financial Statements, references to GAAP issued by the FASB are derived from the FASB Accounting Standards Codification™ (ASC). The preparation of financial statements in conformity with GAAP requires us to make estimates when recording transactions resulting from business operations based on currently available information. The most significant items on our balance sheet that involve a greater degree of accounting estimates and actuarial determinations subject to changes in the future are the valuation of investments, deferred policy acquisition costs, liabilities for future policy benefits and unpaid policy claims, and income taxes. These accounting estimates and actuarial determinations are sensitive to market conditions, investment yields, mortality, morbidity, commission and other acquisition expenses, and terminations by policyholders. As additional information becomes available, or actual amounts are determinable, the recorded estimates will be revised and reflected in operating results. Although some variability is inherent in these estimates, we believe the amounts provided are adequate.

The unaudited consolidated financial statements include the accounts of the Parent Company, its subsidiaries and those entities required to be consolidated under applicable accounting standards. All material intercompany accounts and transactions have been eliminated.

In the opinion of management, the accompanying unaudited consolidated financial statements of the Company contain all adjustments, consisting of normal recurring accruals, which are necessary to fairly present the consolidated balance sheets as of March 31, 2013, and December 31, 2012, and the consolidated statements of earnings and comprehensive income (loss), shareholders' equity and cash flows for the three-month periods ended March 31, 2013, and 2012. Results of operations for interim periods are not necessarily indicative of results for the entire year. As a result, these financial statements should be read in conjunction with the financial statements and notes thereto included in our annual report to shareholders for the year ended December 31, 2012.

Significant Accounting Policies

We have updated the disclosure in the accounting policy for income taxes. All other categories of significant accounting policies remain unchanged from our annual report to shareholders for the year ended December 31, 2012.

Income Taxes: Income tax provisions are generally based on pretax earnings reported for financial statement purposes, which differ from those amounts used in preparing our income tax returns. Deferred income taxes are recognized for temporary differences between the financial reporting basis and income tax basis of assets and liabilities, based on enacted tax laws and statutory tax rates applicable to the periods in which we expect the temporary differences to reverse. We record deferred tax assets for tax positions taken based on our assessment of whether the tax position is more likely than not to be sustained upon examination by taxing authorities. A valuation allowance is established for deferred tax assets when it is more likely than not that an amount will not be realized.

As discussed in the Translation of Foreign Currencies section in Note 1 of the Notes to the Consolidated Financial Statements in our annual report to shareholders for the year ended December 31, 2012, Aflac Japan maintains a dollar-denominated investment portfolio on behalf of Aflac U.S. While there are no translation effects to record in other comprehensive income (loss), the deferred tax expense or benefit associated with foreign exchange gains or losses on the portfolio is recognized in other comprehensive income (loss) until the securities mature or are sold. Total income tax expense (benefit) related to items of other comprehensive income (loss) included tax expense of $424 million during the three-month period ended March 31, 2013, and tax expense of $157 million during the three-month period ended March 31, 2012, for this dollar-denominated portfolio. Excluding these amounts from total taxes on other comprehensive income (loss) would result in an effective income tax rate on pretax other comprehensive income (loss) of 43.0% and 44.5% in the three-month periods ended March 31, 2013 and 2012, respectively.

Reclassifications: Certain reclassifications have been made to prior-year amounts to conform to current-year reporting classifications. These reclassifications had no impact on net earnings or total shareholders' equity.

New Accounting Pronouncements
Recently Adopted Accounting Pronouncements

Reporting of amounts reclassified out of accumulated other comprehensive income: In February 2013, the FASB issued guidance that requires reclassification adjustments for items that are reclassified out of accumulated other comprehensive income to net income to be presented in statements where the components of net income and the components of other comprehensive income are presented or in the footnotes to the financial statements. Additionally, the amendment requires cross-referencing to other disclosures currently required for other reclassification items. We adopted this guidance as of January 1, 2013. The adoption of this guidance impacted our financial statement disclosures, but it did not have an impact on our financial position or results of operations.

Disclosures about offsetting assets and liabilities: In November 2011, the FASB issued guidance to amend the disclosure requirements about offsetting assets and liabilities. The new guidance essentially clarifies the FASB's intent concerning the application of existing offsetting disclosure requirements. Entities are required to disclose gross and net information about both instruments and transactions eligible for offset in the statement of financial position and instruments and transactions when those activities are subject to an agreement similar to a master netting arrangement. The scope of this guidance was clarified and revised in January 2013 to apply to derivatives, repurchase agreements, reverse repurchase agreements, securities borrowing and securities lending arrangements. The objective of this disclosure is to move toward consistency between U.S. GAAP and International Financial Reporting Standards (IFRS). We adopted this guidance as of January 1, 2013. The adoption of this guidance impacted our financial statement disclosures, but it did not have an impact on our financial position or results of operations.

Presentation of comprehensive income: In June 2011, the FASB issued guidance to amend the presentation of comprehensive income. The amendment requires that all non-owner changes in shareholders' equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. We adopted this guidance as of January 1, 2012 and elected the option to report comprehensive income in two separate but consecutive statements. The adoption of this guidance did not have an impact on our financial position or results of operations.

Fair value measurements and disclosures: In May 2011, the FASB issued guidance to amend the fair value measurement and disclosure requirements. Most of the amendments are clarifications of the FASB's intent about the application of existing fair value measurement and disclosure requirements. Other amendments change a particular principle or requirement for measuring fair value or disclosing information about fair value measurements. The new fair value measurement disclosures include additional quantitative and qualitative disclosures for Level 3 measurements, including a qualitative sensitivity analysis of fair value to changes in unobservable inputs, and categorization by fair value hierarchy level for items for which the fair value is only disclosed. We adopted this guidance as of January 1, 2012. The adoption of this guidance impacted our financial statement disclosures, but it did not affect our financial position or results of operations.

Accounting for costs associated with acquiring or renewing insurance contracts: In October 2010, the FASB issued amended accounting guidance on accounting for costs associated with acquiring or renewing insurance contracts. Under the previous guidance, costs that varied with and were primarily related to the acquisition of a policy were deferrable. Under the amended guidance, only incremental direct costs associated with the successful acquisition of a new or renewal contract may be capitalized, and direct-response advertising costs may be capitalized only if they meet certain criteria. This guidance is effective on a prospective or retrospective basis for interim and annual periods beginning after December 15, 2011. We retrospectively adopted this guidance as of January 1, 2012. The retrospective adoption of this accounting standard resulted in an after-tax cumulative reduction to retained earnings of $391 million and an after-tax cumulative reduction to unrealized foreign currency translation gains in accumulated other comprehensive income of $67 million, resulting in a total reduction to shareholders' equity of $458 million as of December 31, 2009 (the opening balance sheet date in our annual report on Form 10-K for the year ended December 31, 2012). The adoption of this accounting standard had an immaterial impact on net income in 2011 and for all preceding years.

Recent accounting guidance not discussed above is not applicable, did not have, or is not expected to have a material impact to our business.

For additional information on new accounting pronouncements and recent accounting guidance and their impact, if any, on our financial position or results of operations, see Note 1 of the Notes to the Consolidated Financial Statements in our annual report to shareholders for the year ended December 31, 2012.

2. BUSINESS SEGMENT INFORMATION

The Company consists of two reportable insurance business segments: Aflac Japan and Aflac U.S., both of which sell supplemental health and life insurance. Operating business segments that are not individually reportable and business activities not included in Aflac Japan or Aflac U.S. are included in the "Other business segments" category.

We do not allocate corporate overhead expenses to business segments. We evaluate and manage our business segments using a financial performance measure called pretax operating earnings. Our definition of operating earnings excludes the following items from net earnings on an after-tax basis: realized investment gains/losses (securities transactions, impairments, and the impact of derivative and hedging activities) and nonrecurring items. We then exclude income taxes related to operations to arrive at pretax operating earnings. Information regarding operations by segment follows:

	Three Months Ended March 31,	
(In millions)	2013	2012
Revenues:		
Aflac Japan:		
Earned premiums	$3,905	$4,148
Net investment income	674	730
Other income	26	16
Total Aflac Japan	4,605	4,894
Aflac U.S.:		
Earned premiums	1,280	1,231
Net investment income	157	152
Other income	1	2
Total Aflac U.S.	1,438	1,385
Other business segments	12	14
Total business segment revenues	6,055	6,293
Realized investment gains (losses)	156	(45)
Corporate	92	68
Intercompany eliminations	(95)	(76)
Total revenues	$6,208	$6,240

(In millions)	Three Months Ended March 31, 2013	2012
Pretax earnings:		
Aflac Japan	$989	$1,040
Aflac U.S.	281	271
Total business segment pretax operating earnings	1,270	1,311
Interest expense, noninsurance operations	(48)	(44)
Corporate and eliminations	(17)	(20)
Pretax operating earnings	1,205	1,247
Realized investment gains (losses)	156	(45)
Total earnings before income taxes	$1,361	$1,202
Income taxes applicable to pretax operating earnings	$415	$433
Effect of foreign currency translation on operating earnings	(71)	20

Assets were as follows:

(In millions)	March 31, 2013	December 31, 2012
Assets:		
Aflac Japan	$103,098	$113,678
Aflac U.S.	16,130	16,122
Other business segments	152	154
Total business segment assets	119,380	129,954
Corporate	19,861	20,318
Intercompany eliminations	(18,703)	(19,178)
Total assets	$120,538	$131,094

3. INVESTMENTS
Investment Holdings
The amortized cost for our investments in debt and perpetual securities, the cost for equity securities and the fair values of these investments are shown in the following tables.

	March 31, 2013			
(In millions)	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities available for sale, carried at fair value:				
Fixed maturities:				
Yen-denominated:				
Japan government and agencies	$12,035	$748	$0	$12,783
Mortgage- and asset-backed securities	671	44	1	714
Public utilities	2,928	116	53	2,991
Sovereign and supranational	1,120	61	7	1,174
Banks/financial institutions	2,952	183	236	2,899
Other corporate	4,892	189	256	4,825
Total yen-denominated	24,598	1,341	553	25,386
Dollar-denominated:				
U.S. government and agencies	95	16	0	111
Municipalities	1,018	149	6	1,161
Mortgage- and asset-backed securities	182			