

As of December 31, 2003, 82.4% of total invested assets were investment grade fixed maturity securities. The following table sets forth the credit quality, by NAIC designation and Standard & Poor's rating equivalents, of fixed maturity securities as of December 31, 2003:

### Fixed Maturity Securities By NAIC Designation

NAIC Designation	Standard & Poor's Equivalent Designation	Public		Private		Total	
		Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total
(\$ in millions)							
1	A- or higher	\$ 8,947.2	63.5%	\$ 975.6	50.3%	\$ 9,922.8	61.9%
2	BBB- to BBB+	4,015.4	28.5%	852.3	43.9%	\$ 4,867.7	30.3%
	Total investment grade	12,962.6	92.0%	1,827.9	94.2%	\$14,790.5	92.2%
3	BB to BB+	737.2	5.2%	64.0	3.3%	\$ 801.2	5.0%
4	B to B+	361.5	2.6%	21.7	1.1%	\$ 383.2	2.4%
5 & 6	CCC or lower	32.9	0.2%	26.7	1.4%	\$ 59.6	0.4%
	Total below investment grade	1,131.6	8.0%	112.4	5.8%	\$ 1,244.0	7.8%
	Total	\$14,094.2	100.0%	\$1,940.3	100.0%	\$16,034.5	100.0%

The following table summarizes fixed maturity securities by Standard & Poor's or equivalent rating, including unrealized losses, at December 31, 2003:

### Fixed Maturity Securities by Standard & Poor's or Equivalent Rating

Rating	Market Value	% of Total	Unrealized Loss	% of Total
(\$ in millions)				
AAA	\$ 4,454.5	27.8%	\$ 14.9	12.6%
AA	947.7	5.9%	42.0	35.4%
A	4,531.3	28.2%	29.9	25.2%
BBB	4,225.8	26.3%	16.2	13.6%
BB	684.5	4.3%	3.5	2.9%
B and below	345.7	2.2%	1.5	1.3%
Subtotal	15,189.5	94.7%	108.0	91.0%
Not-rated	845.0	5.3%	10.7	9.0%
Total	\$16,034.5	100.0%	\$118.7	100.0%

MBS investments are mortgage-related securities including collateralized mortgage obligations (or CMOs) and pass-through mortgage securities. Asset-backed securities are both residential and non-residential including exposure to home equity loans, home improvement loans, manufactured housing loans as well as securities backed by loans on automobiles, credit cards, and other collateral or collateral bond obligations. As of December 31, 2003, asset-backed residential mortgages totaled \$320.6 million or 1.8% of total invested assets. As of December 31, 2003, residential mortgage pass-through and CMOs totaled \$2,014.8 million or 11.2% of total invested assets. As of December 31, 2003, \$1,909.2 million or 94.8% of MBS were from government sponsored enterprises. Other MBS were \$105.6 million or 5.2% of MBS as of December 31, 2003. Management believes that the quality of assets in the MBS portfolio is generally high, with 99.9% of such assets representing agency backed or "AAA" rated securities. Collateralized mortgage backed securities (or CMBS) totaled \$973.0 million or 6.1% of total invested assets as of December 31, 2003.