

Appendix 7

History of Inherited Estates and Reattributions in With-Profits Life Insurance

A report for the policyholder advocate in connection
with the reattribution of the inherited estates
of the CGNU Life and CULAC with-profits funds

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1.00 Introduction

The purpose of this paper is to set out the trends in inherited estates in UK with-profits life insurers, including reference to the reattribution of the AXA Equity & Law inherited estate.¹

2.00 Definition

The inherited estate of a with-profits life insurer is defined under Financial Services Authority (FSA) rules as the excess of the fair market value of its with-profits assets over the value of its realistic liabilities.² For insurers subject to the “realistic reporting regime”, the inherited estate can be quantified from the data in the firm’s FSA returns. That regime involves insurers reporting their assets and liabilities on a broadly market-consistent basis; with liabilities based on how the business is operated, using asset shares.

This is a recent definition of the inherited estate; indeed, the realistic reporting regime has only been part of FSA rules since the end of 2004. In the past, insurers have measured their assets and liabilities without the actuarial techniques now available that enable the realistic valuation to be carried out. Over the period when the inherited estates were built up, the actuarial tools were not available to assess exactly the values of the inherited estates.

3.00 Quantification

We have data available for the inherited estates, based on the FSA definition, using data on the realistic balance sheets of large and medium-sized with-profits life insurers (having with-profits liabilities exceeding £500m) from 2004 onwards³. There were 37 such insurers at 2004, 36 at 2005, 34 at 2006 and 35 at 2007. These firms have the vast majority of with-

¹ We set out, in this note, some figures of life insurers’ surplus assets over liabilities over time. However, it is important to recognise a caveat that the calculations in the paper are only one approach; indeed, there are possible alternative approaches to determining a life insurer’s surplus assets and its inherited estate.

² The definition is in the glossary of the FSA handbook.

³ Smaller insurers are not subject to the realistic reporting regime.

profits business. In addition, one small firm (Teachers Assurance) chose to report on a realistic basis and its figures are included in the Tables below. The figures reported are taken from firms' regulatory returns to the Financial Services Authority and apply at firms' balance sheets dates (usually 31 December).

Our basic calculation of the inherited estates is the sum of the realistic assets over realistic liabilities. However, to quantify the "true" value of inherited estates we need to make an adjustment in respect of closed funds. From 2005 onwards, closed funds have shown an inherited estate of zero (or some other reduced amount) because, in line with guidance note GN45 from the UK actuarial profession (subsequently adopted by the Board for Actuarial Standards), they allocated any inherited estate as a planned enhancement to the with-profits benefits reserve (hence becoming a liability), on the basis that it would be distributed to policyholders (and, in proprietary firms, shareholders) over time. For such firms we have calculated the "adjusted liabilities", excluding this planned enhancement (using information in firms' FSA Returns; in some cases, estimates have been used). The "adjusted inherited estate" of a firm is then the excess of its value of assets over its adjusted liabilities, on the realistic basis.

In 2005 (2006, 2007), there were adjustments of this type for 17 (20, 19) firms, in some cases relating to only part of their fund. Each of CGNU Life and CULAC is open to new business, and there is no such adjustment in their case.

Table 1 shows the totals for assets and adjusted liabilities, and the overall excess of the former over the latter. That overall excess is what we call "adjusted inherited estates" in cases where assets exceed liabilities; minus the deficits that there are in certain firms. To obtain the total of "adjusted inherited estates" we therefore add back the total of the deficits to the overall excess.

The source of the figures in this report is the SynThesys Life database of Standard & Poor's.

The adjusted inherited estates total £25.0bn at 2004, £32.4bn at 2005, £34.2bn at 2006 and £30.4bn at 2007, as shown in Table 1.

Table 1 shows that most of the total of inherited estates is in proprietary firms. Standard Life is included as a mutual in 2004 and 2005 and as a proprietary firm in 2006 and 2007.

Table 1. Inherited estates 2004-07

Figs in £billion	2004	2005	2006	2007
<i>Proprietary firms</i>				
Assets	295.970	315.706	354.069	344.267
Minus adjusted liabilities	-279.949	-294.067	-327.762	-321.090
	16.021	21.638	26.308	23.177
Deficits	0.315	0.115	0.005	0.012
Adjusted inherited estates	16.336	21.753	26.312	23.189
<i>Mutual firms</i>				
Assets	97.342	110.708	71.169	60.845
Minus adjusted liabilities	-88.693	-100.069	-63.286	-53.591
	8.650	10.640	7.882	7.254
Deficits	0	0	0	0
Adjusted inherited estates	8.650	10.640	7.882	7.254
Total				
Assets	393.312	426.414	425.238	405.112
Minus adjusted liabilities	-368.641	-394.136	-391.048	-374.681
	24.671	32.278	34.190	30.431
Deficits	0.315	0.115	0.005	0.012
Adjusted inherited estates	24.986	32.392	34.195	30.443

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The inherited estates of CGNU Life and CULAC are included in the figures in Table 1 and are shown separately in Table 2 (the adjustments are zero). The 2007 and 2008 figures are after the special distribution, which reduced the inherited estate by £2.363bn in 2007.

Table 2. Inherited estates of CGNU Life and CULAC 2004-08

Figs in £billion	2004	2005	2006	2007	2008
Assets	25.737	29.844	30.671	31.071	27.837
Minus adjusted liabilities	-22.409	-25.819	-25.641	-28.433	-26.309
Adjusted inherited estates	3.328	4.025	5.029	2.638	1.529

The ratio of adjusted inherited estate to adjusted liabilities is shown in Table 3. The CGNU Life + CULAC figure in 2007 would have been 19.18% if the liabilities had been higher by the amount of the special distribution.

Table 3. Ratio of adjusted inherited estate to liabilities 2004-07

	2004	2005	2006	2007
Proprietary firms	5.84%	7.40%	8.03%	7.22%
Mutuals	9.75%	10.63%	12.46%	13.54%
Total	6.78%	8.22%	8.74%	8.13%
CGNU Life +CULAC	14.85%	15.59%	19.61%	9.28%

The CGNU Life+CULAC ratio in 2008 was 5.81%.

For a more extensive series of data on surplus assets over liabilities we use the results of the traditional solvency valuation. The data are available for 1985-2007, and we use the 35 firms reporting on the realistic basis in 2007 together with the 48 with-profits firms they have merged with over this period, i.e. 83 firms overall (except that we only include Phoenix Life from 2006 as, in previous years, its business was largely not with-profits).

There have been changes over time in the regulations governing this valuation and also in the way that liabilities have been valued. These traditional solvency valuations tend to have been prudent in assessing surplus assets and do not pretend to be ‘realistic’ but are presented to demonstrate, in broad terms, changes in the surplus assets of the sector.

While we have referred above to the prudence in the traditional solvency valuation, some part of the valuation may not necessarily be regarded as prudent. For example, future bonuses were not usually included in the valuation of liabilities; instead, an implicit allowance for future bonuses was made by discounting at a rate of interest that was below risk-free levels. Furthermore, the liabilities included for guaranteed annuity options were, at least until recently, generally less than a realistic valuation would now require.

Nevertheless, we believe it is still useful to see the resulting surplus assets, from 1985-2007, on what we call the traditional basis. We also show the total surplus in real terms by deflating using the GDP deflator, expressing the outcome at 2008 prices. Note that the data refers to all business of the firms, not only with-profits business. In particular, some of the firms, in addition to having with-profits business, also write unit-linked policies: the latter requires relatively little capital backing, and may justify a lower ratio of surplus to liabilities than with-profits business. The data does not incorporate the minimum solvency margins required by legislation.

The data are set out in the Annexe and the results are summarised in Table 4.

Table 4. 'Traditional' surplus assets 1985-2007

	1985	1990	1995	2000	2005	2007
Admissible assets	101.880	179.952	348.033	589.280	690.298	689.745
Minus liabilities	74.510	147.357	285.309	503.448	610.734	597.456
'Traditional' surplus assets	27.369	32.595	62.724	85.832	79.564	92.289
GDP deflator	51.6	69.1	81.9	92.2	104.8	110.6
"Real" 'traditional' surplus assets	59.989	53.351	86.610	105.289	85.865	94.375
Surplus to liabilities ratio	36.73%	22.12%	21.98%	17.05%	13.03%	15.45%

Note on data: assets from form 13 of regulatory returns, liabilities from form 14. Assets, liabilities in £bn. GDP deflator 2003 = 100, 2008 = 113.1.

Chart 1 shows the development of the traditional total surplus at 2008 prices, and Chart 2 refers to CGNU Life and CULAC (including data for Commercial Union Assurance plc life business in 1985-86), using data up to 2008.

Chart 1.
Total surplus 1985-2007, £billion (2008 prices)

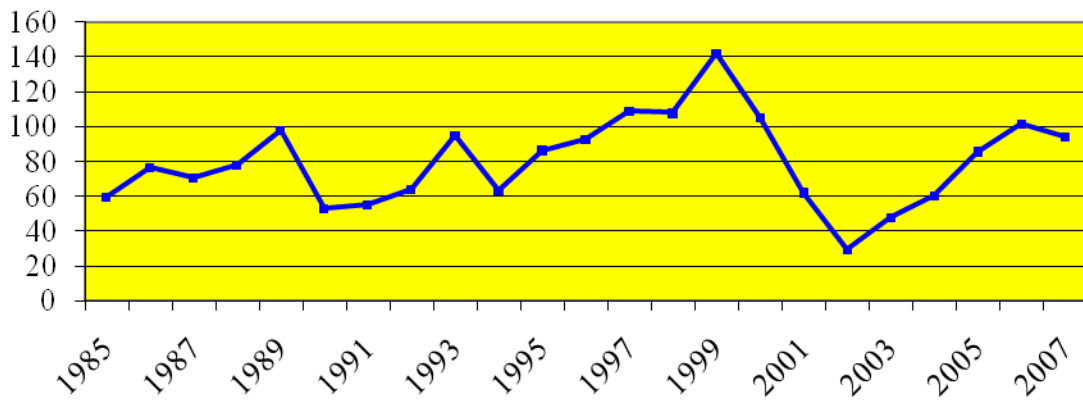


Chart 2.
CGNU Life & CULAC surplus 1985-2008, £billion (2008 prices)

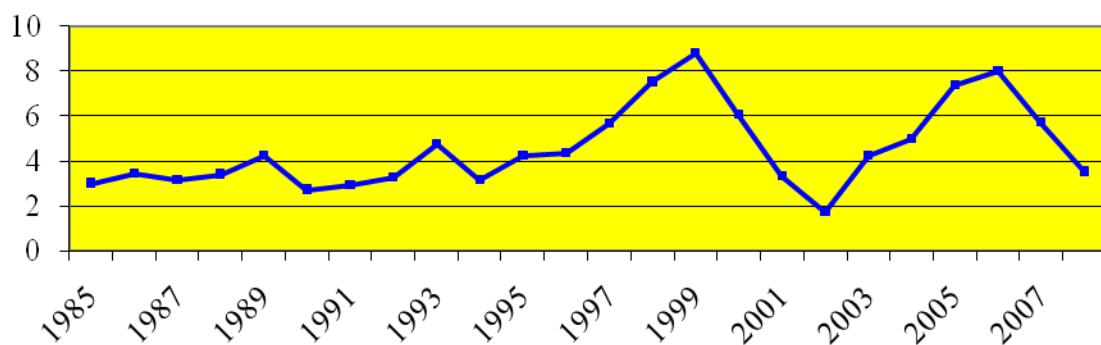
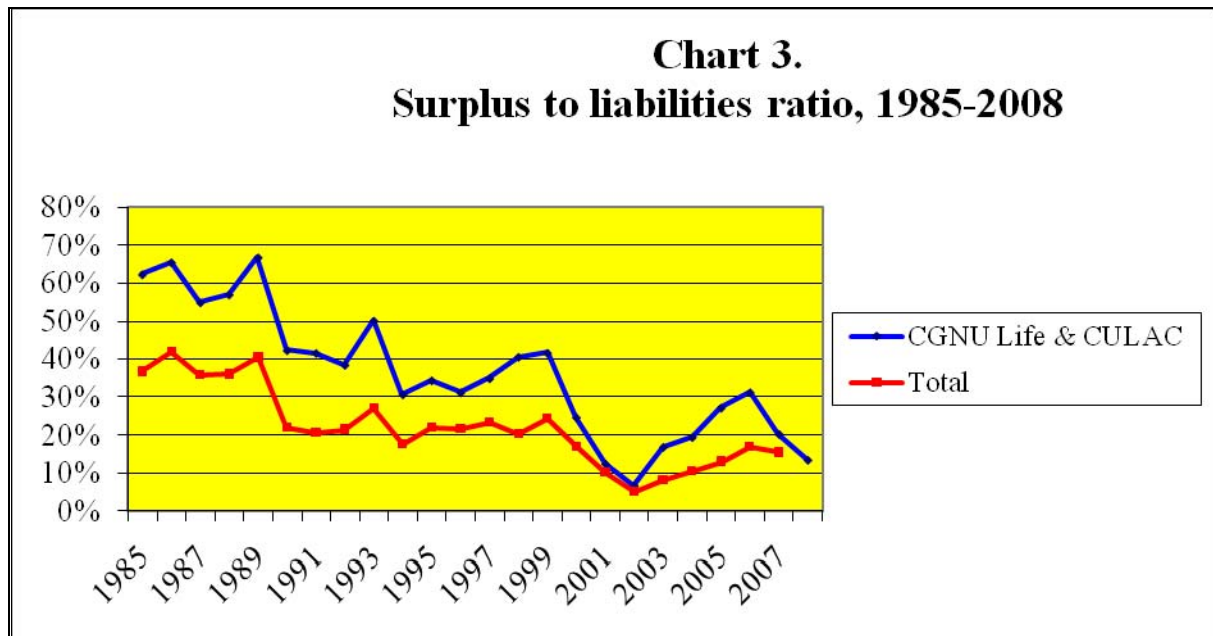


Chart 3.
Surplus to liabilities ratio, 1985-2008



4.00 Reasons for the growth of inherited estates

This section, and section 5.00, are written in general terms relating to with-profits insurers as a whole, and not specifically to the life companies in the Aviva group.

One possible reason for inherited estates is that monies were injected by the shareholders at the outset. The documentation to demonstrate this may not be readily available even if this is the case, however. In practice, there is therefore likely to be a strong presumption that the current inherited estates are largely or wholly a result of past with-profits policyholders receiving less than “asset share”, i.e. the returns to policyholders were not fully in line with the returns (less costs) earned by investing policyholders’ premiums. It should be recognized that the concept of asset shares was not well-established until the late 1970s/early 1980s.

One factor leading to the growth of inherited estates is that some firms have had a practice of policyholders making a contribution to the inherited estate, for example to pay for the assistance it provides in funding new business strain, enhancing investment freedom and providing guarantees and enabling firms to smooth payouts. That contribution may be in the form of some deduction from asset shares over the period of the policy or by the payout being targeted at a little less than 100% of asset share.

If a firm's experience is good for an extended period, say reflecting strong performance of equity investments, the inherited estate can increase significantly. Indeed, firms may well have thought that a strong increase in share prices was unlikely to be sustained, and felt that prudence required payouts to be less than what they regarded as inflated asset shares.

There are other cases where policyholders have received less than asset share:

- non-profit policies (if the firm's experience was more favourable than assumed in its premium rates);
- with-profits policyholders surrendering their policies (where, traditionally, the surrender value was less than asset share); and
- industrial branch policies⁴ where, historically, proprietary firms wrote such business as non-profit policies but, in practice, allotted some profits, eventually such that profit participation was often the same as for ordinary branch policies (Britt, 1959).

In such cases the surplus is available for allocation, depending on whoever in the firm was entitled to receive such profit, which may have been the with-profits policyholders and/or shareholders. However, some profits may have been retained in the fund. This may have been because of uncertainty regarding who was entitled to receive the profit, or because such profit was not quantified accurately, bearing in mind the difficulties in life insurance accounting.

Three practical factors may also have been at work. First, many firms' systems for calculating asset shares have been unsophisticated (Shelley et al, 2002) and firms may have felt it appropriate to err on the side of paying less than asset share. Second, their bonus systems at the time may have been inadequate to achieve equating payouts to asset share (or smoothed asset share) in times of rapidly increasing share prices. Third, insurers have not, in the past, had robust risk measurement systems that could help ensure solvency, so it is understandable

⁴ typically policies where premiums are payable weekly or monthly and which are collected by an agent who makes house-to-house visits

for insurers to have accumulated an inherited estate for prudential reasons (Smaller et al, 1996).

In recent years, we have seen more extensive use by firms of asset shares as the target payouts to policyholders, together with regulation on payouts on with-profits policies that refers to asset shares (FSA Conduct of Business rule 20.2.3 et seq). Therefore, a number of historical reasons for the growth of inherited estates are no longer as relevant as they were.

5.00 Reasons for the decline in inherited estates

Surpluses have increased somewhat coincident with the post-2003 recovery in stock markets. Otherwise, there has been a general downward trend in inherited estates. A number of factors are thought to have led to this. In the absence of robust data, it is not possible to quantify each of these factors; however, we can outline the main points involved.

a. Demutualizations

Many mutual firms have converted to proprietary status over the period and this has involved cash payouts and/or increased benefits for policyholders.

b. Poor investment returns

A substantial part of inherited estates has been invested in shares. However, investments in equities have generally performed relatively poorly since 1999. In addition, firms have not traditionally adopted a strategy of choosing assets to provide a close match to their liabilities: they have had fewer bonds than a matching policy would imply they hold to meet guaranteed benefits, and have had more equities and property in the expectation that such an investment strategy would provide a higher return over the longer term. This strategy has been unsuccessful at a time of falling interest rates (which increase the value of guaranteed liabilities, including guaranteed annuity options) while returns on the equities on which life insurers have relied have been poor.

c. Mis-selling costs

The review of pension policies mis-sold in the period 1988-1994, initiated by the Securities and Investments Board⁵, cost life insurers around £13.5 billion. Much of that was attributable to with-profits life insurers and was paid from inherited estates. Life insurers have also incurred additional liabilities following the mis-selling of mortgage endowment policies.

d. Increased longevity of annuitants

Many with-profits funds have written annuities and have had to increase their provision for annuity payments (and guaranteed annuity options) as a result of increases in expectation of life at a rate greater than had been assumed.

e. Payments above asset share

In the 1990s many life insurers declared bonuses such that they paid more than asset share to policyholders. This was the result of what firms felt was competitive pressure to maintain high payouts. Payouts typically exceeded asset shares in 2000-03 as a result of smoothing when share prices fell sharply.

f. New business subsidies

A number of life insurers have written off some expenses to the inherited estate, for example expenses associated with re-structures, while some insurers have also felt it appropriate to write new business on subsidised terms, and charge the subsidy to the inherited estate.

g. Shareholders' tax

Some life insurers have also used inherited estates to pay shareholders' tax on distributions.

6.00 Previous reattributions

A number of with-profits life insurers carried out a reattribution of their inherited estate in the 1990s. In each case there was extensive discussion with the Department of Trade and Industry

⁵ The Securities and Investments Board regulated the insurance industry under the Financial Services Act 1986; its name changed to the Financial Services Authority in 1997.

(DTI), as the then regulator of the insurance industry. Smaller et al (1996) discuss the cases of United Friendly and London and Manchester in some detail. The individual circumstances of the cases were taken into account by the DTI in what was agreed.

In 1995 the DTI issued a statement on its policy dealing with inherited estates (described therein as Orphan Estates). In the statement the minister said that the basis of distribution of an inherited estate between policyholders and shareholders should be in the proportion 90:10, unless there was clear evidence that a different proportion was appropriate (reproduced in Smaller et al, 1996).

Other insurers who reached agreement with DTI were Legal & General, Pearl, Refuge and Britannic. The circumstances varied case-by-case: for example, Refuge's agreement related only to industrial branch business. Where agreement was reached, there would be some documentation of how the fund was to be managed in the future.

The AXA Equity & Law case was rather different, as it was a 90:10 fund without some of the special characteristics of other cases, and where the company offered a "policyholders' incentive payment" (PIP) which with-profits policyholders could choose whether to accept or not, in return for which they gave up rights to share in future distributions of the inherited estate.

AXA Equity & Law estimated its inherited estate as at 31 December 1999 as £1680m. This was calculated as "the excess of assets over liabilities in the long term fund on a realistic basis that has regard to PRE". Policyholders' reasonable expectation (PRE) is not a clearly defined term. However, the calculation excluded liabilities relating to guaranteed annuity options, which would be included when calculating the inherited estate in accordance with current FSA rules; in the AXA case these were accepted as £122m (court judgment, paragraph 40). The inherited estate after this adjustment is therefore £1558m.

AXA made a proposal under which, policyholders were to be allocated £225m as a reorganisation bonus (with a corresponding £25m to shareholders, consistent with the 90:10 principle). Policyholders were also offered £300m from the firm's shareholder funds, making

a total reattribution offer of £525m (assuming 100% policyholder acceptance). On the size of the inherited estate estimated by AXA (i.e. £1680m), the shareholders therefore appeared to benefit by $£1680-525=£1155\text{m}$.

AXA argued that, in assessing the value to its shareholders of the offer, it was appropriate to deduct £400m in respect of current and future taxation, and £437m for ‘lock-in and risk’, i.e. £837m of deductions.

The tax deduction comprised:

- £50m being tax on current operations plus £150m for taxation that will accrue in the future;
- £200m for tax on future distributions from the estate.

The lock-in and risk deduction was for various items. In particular, AXA proposed to use the inherited estate attributed to it to fund further with-profits business, which it expected to rise in the future at the rate of 2% p.a. above the increase in the Retail Prices Index. It also listed a number of risks to which the business was exposed, such as guaranteed annuity options and mis-selling, and referred to competitive pressures requiring capital to back with-profits business.

On this basis, the shareholders’ benefit was not £1155m but rather $£1155-837=£318\text{m}$.

There were a number of objections to the scheme. These included some individual policyholders, and also the Consumers Association. They highlighted that this £318m was £150m higher than £168m which was a 10% share of the inherited estate of £1680m, and complained that shareholders were benefiting unfairly. Furthermore, they also raised objections to the calculations of the deductions at £837m.

The reorganisation took place without there being excess capital in the fund. AXA stated, “The investigations undertaken as at 31st December 1998 into the financial position of AXA Equity & Law [which was transferring its business to AXA Sun Life as part of the scheme] concluded that the company did not have more working capital than it needed to support its

business plans” (policyholder circular, chapter 6, paragraph 11). Indeed, it was accepted that the special bonus could reduce the capacity of the fund to write new business.

The share of the inherited estate allocated to policyholders, based on AXA’s estimated inherited estate of £1680m at 31 December 1999 was the value of the special reorganization bonus (£225m) plus cash (£300m) = £525m divided by £1680m, i.e. 31%. However, as noted above, the December 1999 inherited estate calculated in accordance with current FSA rules would have been £1558m. The share of the “FSA” 1999 inherited estate allocated to policyholders was therefore the value of the special bonus (£225m) plus cash (£300m) = £525m, divided by the inherited estate of £1558m, i.e. 34%.

The proportion allocated to policyholders, on a basis consistent with current FSA methodology, may have been even higher. This is because the inherited estate, as calculated, ignored liabilities for guaranteed maturity benefits (although these may have been quite low),

The AXA reattribution scheme included a commitment to review the potential for a distribution of surplus assets in the future. This was a protection to non-electing policyholders, to assure them that the company would continue to check whether there were surplus assets that it was appropriate to distribute. Any such distribution would benefit those who were with-profits policyholders at the time. There was, however, a condition that any such distribution in the future would only be possible if the financial strength of the company met specified tests.

Elections to accept the offer were made in respect of about 74% of eligible with-profits policies. A second offer was subsequently made, in which elections were made in respect of about 52% of eligible with-profits policies, so the total election rate was about 88%.

As discussed in previous appendices (for example Appendix 4, “Regulatory Background”) the FSA subsequently amended its rules following concerns about the reattribution process.

7.00 Incentives for the insurer in a reattribution

The AXA reattribution raised concerns as the shareholders gained more than the 10% of the inherited estate that they would have received without a reattribution. In this section we consider the incentives for the insurer if it is able to gain more than 10% of the inherited estate in a reattribution.

Three important incentive effects would arise. This is because shareholders receive 10% of profits in “ordinary” distributions of surplus, if the fund is closed and if the fund has excess surplus. If, in a reattribution, shareholders could receive more than 10%, insurers have an incentive to:

- reduce ‘ordinary’ distributions of surplus;
- stay open to new business when they would not otherwise have done so; and/or
- reduce the amount they regard as excess surplus.

Some possible outcomes of this follow.

First, an insurer could reduce ‘ordinary’ distributions. It could pay policyholders a lower proportion of asset share than otherwise and/or impose high charges for guarantees, etc. This was a concern of Clay et al (2001): they referred to the criticism made that policyholders may be receiving less than “fair share” so that insurers may build up their inherited estate in order to benefit their shareholders. Sandler (2002) was also concerned by the incentive to defer distribution if the shareholders could gain more than 10% in a reattribution.

However, since Sandler wrote, the FSA has tightened its rules on payouts and charges, and has introduced new provisions about smoothing being neutral over time. The significance of the issue has therefore reduced.

Secondly, an insurer could take a number of actions to avoid closure, meaning that policyholders do not receive 90% of the inherited estate in a closed fund. It could:

- write small amounts of new business even if at high cost; or

- use the inherited estate to subsidise new business (the three funds with a reattribution project in 2007-08⁶ all wrote new business at a loss to the inherited estate in each of 2006, 2007 and 2008); however, FSA's (2008) statement about not allowing unreasonable subsidisation will constrain insurers in the future;
- merge it with an open fund when it would not otherwise have done so.

Thirdly, an insurer could reduce what it regards as excess surplus by:

- increasing its new business plans to increase the capital it requires;
- subsidising new business, if permitted by the regulator, which would also add to the capital it claims to require;
- being prepared to take more risks, for example by adopting a more risky investment strategy;
- claiming it needs large amounts of capital to offset those risks; and
- carrying out its calculations on a more prudent basis than otherwise.

We would, however, expect the FSA to monitor insurers' actions so as to ensure that they were reasonable.

⁶ The three funds are CGNU Life, CULAC and Prudential Assurance; the last of these discontinued its reattribution project in 2008.

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Annexe

Traditional solvency valuations 1985-2008

Figures in £million

Total results

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Admissible assets	101,880	122,141	133,497	155,495	193,311	179,952	209,981	244,263	309,894	299,105	348,033	390,187
Minus liabilities	-74,510	-86,033	-98,265	-114,269	-137,595	-147,357	-174,092	-201,087	-244,012	-254,277	-285,309	-320,496
'Traditional' surplus assets	27,369	36,108	35,231	41,226	55,716	32,595	35,889	43,176	65,882	44,829	62,724	69,691
GDP deflator "Real"	51.6	53.4	56.2	59.8	64.2	69.1	73.6	76.3	78.5	79.8	81.9	84.9
'traditional' surplus assets	59,989	76,475	70,902	77,971	98,154	53,351	55,150	64,000	94,920	63,536	86,619	92,839
Surplus to liabilities ratio	36.73%	41.97%	35.85%	36.08%	40.49%	22.12%	20.61%	21.47%	27.00%	17.63%	21.98%	21.74%

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Admissible assets	445,247	505,866	584,409	589,280	567,214	525,488	558,867	579,974	690,298	665,765	689,745
Minus liabilities	-361,183	-420,751	-470,041	-503,448	-515,303	-499,941	-516,348	-525,140	-610,734	-569,245	-597,456
'Traditional' surplus assets	84,063	85,115	114,367	85,832	51,912	25,547	42,519	54,834	79,564	96,521	92,289
GDP deflator "Real"	87.3	89.2	91.1	92.2	94.1	97	100	102.5	104.8	107.5	110.6
'traditional' surplus assets	108,907	107,921	141,986	105,289	62,393	29,787	48,089	60,505	85,865	101,549	94,375
Surplus to liabilities ratio	23.27%	20.23%	24.33%	17.05%	10.07%	5.11%	8.23%	10.44%	13.03%	16.96%	15.45%

CGNU Life and CULAC

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Admissible assets	3,571	4,109	4,416	4,963	6,004	5,603	6,451	7,993	9,869	9,503	11,958	13,728
Minus liabilities	-2,200	-2,483	-2,851	-3,161	-3,600	-3,937	-4,556	-5,774	-6,576	-7,274	-8,901	-10,467
'Traditional' surplus assets	1,371	1,626	1,565	1,801	2,404	1,665	1,894	2,218	3,293	2,229	3,057	3,260
GDP deflator "Real"	51.6	53.4	56.2	59.8	64.2	69.1	73.6	76.3	78.5	79.8	81.9	84.9
'traditional' surplus assets	3,004	3,445	3,150	3,407	4,235	2,725	2,911	3,288	4,745	3,159	4,222	4,343
Surplus to liabilities ratio	62.30%	65.50%	54.91%	56.99%	66.78%	42.29%	41.57%	38.42%	50.08%	30.64%	34.35%	31.15%

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Admissible assets	16,866	20,541	24,109	25,077	25,036	24,148	26,131	27,856	32,106	31,950	33,157	29,973
Minus liabilities	-12,507	-14,614	-17,028	-20,131	-22,283	-22,660	-22,374	-23,342	-25,259	-24,352	-27,576	-26,442
'Traditional' surplus assets	4,359	5,927	7,081	4,947	2,753	1,488	3,757	4,513	6,847	7,598	5,581	3,531
GDP deflator "Real"	87.3	89.2	91.1	92.2	94.1	97.0	100.0	102.5	104.8	107.5	110.6	113.1
'traditional' surplus assets	5,648	7,515	8,791	6,068	3,309	1,735	4,249	4,980	7,390	7,994	5,707	3,531
Surplus to liabilities ratio	34.86%	40.55%	41.59%	24.57%	12.35%	6.57%	16.79%	19.33%	27.11%	31.20%	20.24%	13.35%