

ABS. Our ABS are diversified both by collateral type and by issuer. The following table presents information about our ABS holdings at:

	December 31,					
	2012			2011		
	Estimated Fair Value (In millions)	% of Total	Net Unrealized Gains (Losses) (In millions)	Estimated Fair Value (In millions)	% of Total	Net Unrealized Gains (Losses) (In millions)
By collateral type:						
Foreign residential loans	\$ 3,811	23.8%	\$ 88	\$ 1,771	13.7%	\$ (31)
Credit card loans	2,640	16.5	106	4,038	31.1	141
Student loans	2,480	15.5	14	2,434	18.8	(30)
Automobile loans	2,454	15.4	28	977	7.5	5
Collateralized debt obligations	2,453	15.3	(68)	2,575	19.8	(163)
Equipment loans	597	3.7	22	330	2.5	31
Other loans	1,562	9.8	45	854	6.6	8
Total	<u>\$15,997</u>	<u>100.0%</u>	<u>\$235</u>	<u>\$12,979</u>	<u>100.0%</u>	<u>\$ (39)</u>

Ratings profile:

Rated Aaa/AAA	\$10,405	65.0%	\$ 8,223	63.4%
Rated NAIC 1	\$15,247	95.3%	\$12,507	96.4%

Evaluation of AFS Securities for OTTI and Evaluating Temporarily Impaired AFS Securities. See Notes 1 and 8 of the Notes to the Consolidated Financial Statements for information about the evaluation of fixed maturity securities and equity securities AFS for OTTI and evaluation of temporarily impaired AFS securities.

OTTI Losses on Fixed Maturity and Equity Securities AFS Recognized in Earnings

See Note 8 of the Notes to the Consolidated Financial Statements for information about OTTI losses and gross gains and gross losses on AFS securities sold.

Overview of Fixed Maturity and Equity Security OTTI Losses Recognized in Earnings. Impairments of fixed maturity and equity securities were \$351 million, \$1.0 billion and \$484 million for the years ended December 31, 2012, 2011 and 2010, respectively. Impairments of fixed maturity securities were \$317 million, \$955 million and \$470 million for the years ended December 31, 2012, 2011 and 2010, respectively. Impairments of equity securities were \$34 million, \$60 million and \$14 million for the years ended December 31, 2012, 2011 and 2010, respectively.

Credit-related impairments of fixed maturity securities were \$223 million, \$645 million and \$423 million for the years ended December 31, 2012, 2011 and 2010, respectively.

Explanations of changes in fixed maturity and equity securities impairments are as follows:

- *Year Ended December 31, 2012 compared to the Year Ended December 31, 2011* — Overall OTTI losses recognized in earnings on fixed maturity and equity securities were \$351 million for the current year as compared to \$1.0 billion in the prior year. The most significant decrease in the current period, as compared to the prior period, was in foreign government securities primarily attributable to prior year impairments on Greece sovereign debt securities of \$405 million as a result of the reduction in the expected recoverable amount (see "— Investments — Current Environment") and intent-to-sell fixed maturity security OTTI on other sovereign debt securities due to the repositioning of the acquired ALICO portfolio into longer duration and higher yielding investments, resulting in total sovereign debt securities impairments of \$486 million recognized in 2011. In addition, intent-to-sell OTTI related to the Divested Businesses of \$154 million were recognized in 2011 primarily concentrated in the RMBS sector, while utility industry impairments within U.S. and foreign corporate securities increased \$51 million in the current year.
- *Year Ended December 31, 2011 compared to the Year Ended December 31, 2010* — Overall OTTI losses recognized in earnings on fixed maturity and equity securities were \$1.0 billion for the current year as compared to \$484 million in the prior year. The increase in OTTI losses on fixed maturity and equity securities primarily reflects impairments on Greece sovereign debt securities, repositioning of the acquired ALICO portfolio, and impairments related to Divested Businesses, as discussed above. These increased impairments were partially offset by decreased impairments in the CMBS, ABS and corporate sectors, reflecting improving economic fundamentals.

Future Impairments. Future OTTIs will depend primarily on economic fundamentals, issuer performance (including changes in the present value of future cash flows expected to be collected), changes in credit ratings, changes in collateral valuation, changes in interest rates and changes in credit spreads. If economic fundamentals or certain of the above factors deteriorate, additional OTTIs may be incurred in upcoming periods.

FVO and Trading Securities

FVO and trading securities are primarily comprised of securities for which the FVO has been elected ("FVO Securities"). FVO Securities include certain fixed maturity and equity securities held for investment by the general account to support asset and liability matching strategies for certain insurance products. FVO Securities are primarily comprised of contractholder-directed investments supporting unit-linked variable annuity type liabilities which do not qualify for presentation as separate account summary total assets and liabilities. These investments are primarily mutual funds and, to a lesser extent, fixed maturity and equity securities, short-term investments and cash and cash equivalents. The investment returns on these investments inure to contractholders and are offset by a corresponding change in PABs through interest credited to policyholder account balances. FVO Securities also include securities held by CSEs (former qualifying special purpose entities). We have a trading securities portfolio, principally invested in fixed maturity securities, to support investment strategies that involve the active and frequent purchase and sale of actively traded securities and the execution of short sale agreements. FVO and trading securities were \$16.3 billion and \$18.3 billion at estimated fair value, or 3.1% and 3.5% of total cash and invested assets, at December 31, 2012 and 2011, respectively. See Note 10 of the Notes to the Consolidated Financial Statements for the FVO and trading securities fair value hierarchy and a rollforward of the fair value measurements for FVO and trading securities measured at estimated fair value on a recurring basis using significant unobservable (Level 3) inputs.