

**Errata For**  
**1986-98 Credit Risk Loss**  
**Experience Study:**  
**Private Placement Bonds**

by the  
Private Placement Committee

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**Society of Actuaries**  
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## Erratum #1, posted November, 2002.

As originally published, the “S&P” columns in Panel A of Table 5 in the Analysis and Commentary Section of the 1986-98 Final Report (page 29) contained some values published in the 1986-94 Final Report, not the appropriate updated values. The correction has now been made in the 1986-98 Final Report file posted on the Society’s web site. The correction is summarized here for the convenience of those who may have printed or otherwise used the earlier, uncorrected version of the Table.

The following table summarizes the changes, with changes highlighted in bold face. The numbers in the last row (All years, all ratings) were correct as originally reported.

Public Bond Statistics, Panel A, All Years				
Most Recent Rating	S&P Default Rate		S&P Average Loss Rate	
	Original	Corrected	Original	Corrected
AAA	0.00%	0.00%	0.00%	0.00%
AA	0.00	0.00	0.00	0.00
A	0.06	<b>0.02</b>	0.04	<b>0.01</b>
BBB	0.23	<b>0.25</b>	0.14	<b>0.15</b>
BB	1.08	<b>0.96</b>	0.65	<b>0.57</b>
B	5.74	<b>5.56</b>	3.44	<b>3.34</b>
<B	21.83	<b>25.00</b>	13.10	<b>15.00</b>
Unknown	n.a.	n.a.	n.a.	n.a.
All	1.25	1.25	0.75	0.75

None of the changes are material to the findings of the study. The only associated correction made to the text of the study is that the last sentence of the first paragraph on page 30 now reads “The private default rate is **1.48** to 2.44 percentage points lower for B, and 15 to **21** percentage points less for bonds rated less than B.” Formerly “1.48” was “1.66” and “21” was “18.”