

Report of SVO Classification Determinations  
Report Number 2, Dated June 14, 2006

The SVO classifies securities in accordance with the SVO Purposes and Procedures Manual. The classification analysis covers securities filed by regulated entities, and requests submitted through the Advanced Rating Service/Emerging Investment Vehicle submission.

This report follows up on Report Number 1 dated May 16, 2006. The purpose of this report is to relay information on various classification decisions made by the SVO concerning securities typically referred to as capital securities. Capital securities are issued by a variety of regulated and non-regulated institutions to raise capital. The category encompasses trust-preferred securities; a new type of security referred to as a hybrid and could also encompass securities known by other names than trust preferred or hybrids.

**Section 1. Transactions Reviewed Since Last Report (dated May 16, 2006):**

Security	CUSIP	Classification
RBS Capital Trust III	74927QAA5	Common
ING Capital Funding Trust III	44978NAA3	Preferred
ING Groep NV	456837AC7	Preferred
Washington Mutual Pref. Funding Trust I	93934WAA3	Preferred
Washington Mutual Pref. Funding (Cayman) I Ltd.	93934VAA5	Preferred
ZFS Finance Trust I	98876XAA0	Common
ZFS Finance Trust II	98876YAA8	Common
Safeco Capital Trust I	786427AC8	Redeemable Preferred

Securities Submitted Under ARS/EIV Process

Since May 16, the SVO has completed the analysis of 3 more ARS/EIV hybrid securities, and classified them as common. The securities are not identified in this report because they are not owned by insurance companies. The applicants (insurance companies contemplating purchase) and their agents have been informed of the classification decisions.

**Section 2. Cumulative Report of Transactions Reviewed in 2006**

As of June 14, the SVO has completed review and classification of the following securities owned by insurance companies.

Security	CUSIP	Classification
RBS Capital Trust III	74927QAA5	Common
ING Capital Funding Trust III	44978NAA3	Preferred
ING Groep NV	456837AC7	Preferred
Washington Mutual Pref. Funding Trust I	93934WAA3	Preferred
Washington Mutual Pref. Funding (Cayman) I Ltd.	93934VAA5	Preferred
Lehman ECAP	52520YAA5	Common
BNSF Funding	05567SAAA	Common
Wachovia Cap Trust III (WITS)	92978AAA0	Common
Stanley Works Caps Trust I	854624AA1	Common
ZFS Finance Trust I	98876XAA0	Common

ZFS Finance Trust II  
Safeco Capital Trust I

98876YAA8  
786427AC8

Common  
Redeemable  
Preferred

Securities Under Review Via ARS/EIV Process

To date, the SVO has completed eight of the 10 securities submitted (2 securities submitted recently) pursuant to the Advance Rating Service / Emerging Investment Vehicle ("ARS/EIV") Process, all classified as common.