## Hot Spot





Analysts: Jennifer Johnson, Michele Wong, and Jean-Baptiste Carelus

About 80% of the China real estate bond exposure was with large insurers, or those with more than \$10 billion assets under management, and life companies accounted for 71% of the total bond exposure.

The largest stock exposure was Nam Tai Property Inc., representing 77 Chinese real estate-related stock exposure, at \$19.5 million. Stock exposure was predominantly with property/ casualty (P/C) companies, and half was with small companies, or those with less than \$500 million assets under management.



Due in part to the small overall exposure, Chinese real estate bonds and stocks do not raise concern regarding credit risk among U.S. insurer portfolios. Notwithstanding, on an individual portfolio basis, exposure should be monitored as a percentage of total capital and surplus.