

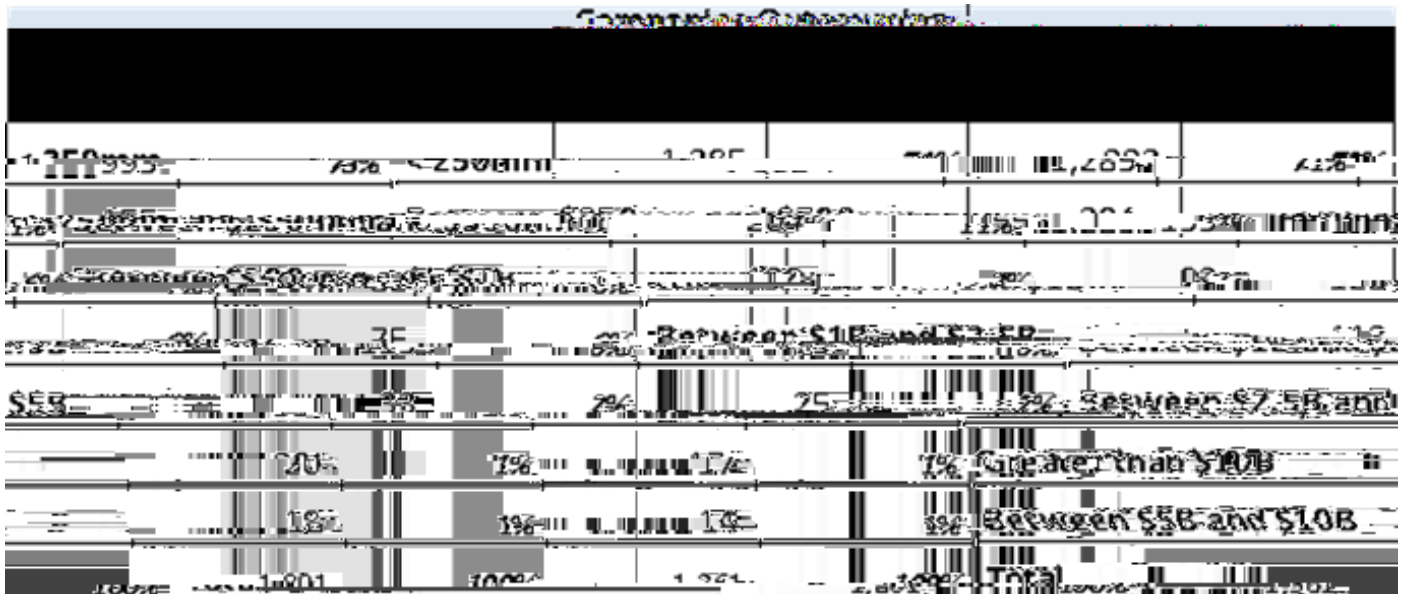


The NAIC's C

of insurers (1,308) reported having one firm manage more than 10% of their assets, while also having more than 50% of their total assets outsourced to an unaffiliated investment manager.

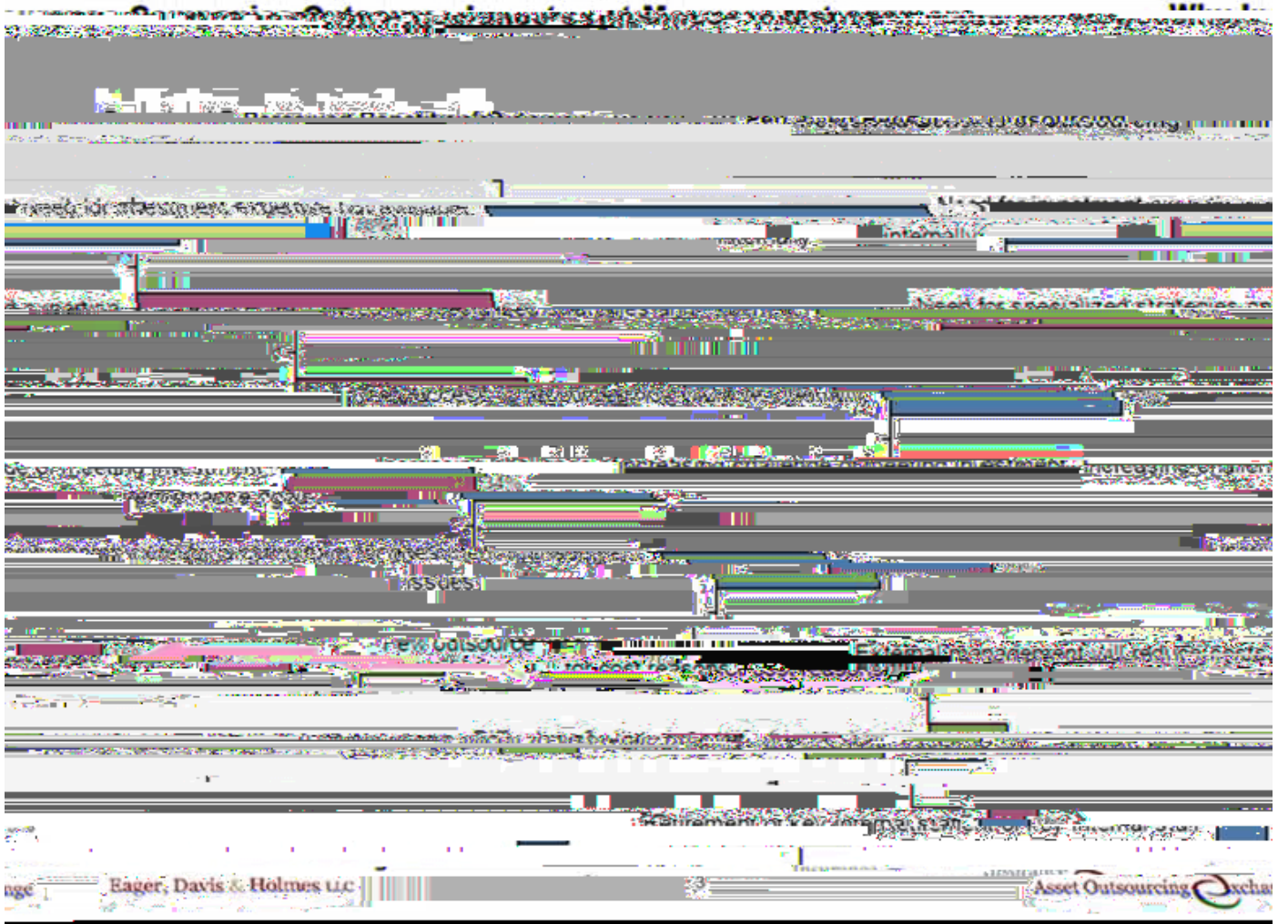
Property/casualty (P/C) companies represented the largest insurer type that outsourced investment management in 2016. P/C companies, as shown in Table 1, represented 67% of all insurers that outsourced more than 10% of their assets to one firm and also outsourced more than 50% of their total assets at year-end 2016. And the P/C companies that outsourced more than 10% of their assets to one firm and more than 50% of their total assets accounted for 33% of all P/C companies that reported financial statements at year-end 2016. Note that P/C insurers comprised nearly 60% of all U.S. insurers filing at year-end 2016.

Table 1: Numb



Named Investment Managers by U.S. Insurers

The 10 unaffiliated investment management firms most often reported by U.S. insurers at year-end 2016 are shown in Table 3. BlackRock topped the list for the year, with 228 different insurers (about 5%) citing them as at least one of their hired unaffiliated investment managers. The second and third largest were Conning and New England Asset Management (NEAM), respec



A survey from Patpatia & Associates, a consultant that tracks insurance outsourcing, indicated that the total amount of investments outsourced by the U.S. insurance industry was approximately \$1.3 trillion in 2014, which represented an 18.2% increase from 2013 and a 30% increase from 2011. We expect that the total amount of investments outsourced by the U.S. insurance industry at year-end 2016 (and into 2017) has increased further, based in part, on this trend, and also because the total amount of assets under management by U.S. insurers has continued to increase yässyd 2from 2013 æ

February 9, 2018

		Dow Jones Ind	
Change	Price	Change	Price
(2.1)	(2.1)	4,719.22	24,190.90
			(0.2)

Prior

10 Year	30 Year	Corp Credit Spreads
	7.74	Prior
		49.02

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Major Insurer Bond Yields		Weekly		YTD	
Spread	Change	Current	Change	Yield	YTD
3.50	(0.01)	100	(0.01)	4.24%	110
4.05	(0.05)	110	(0.05)	4.24%	110
4.4	(0.01)	123	(0.01)	6.05%	10/15/2036

Symbol	Spread	Change	Company	Coupon	Maturity	Current	Change	Yield	YTD
BRK	4.30	(0.05)	BRK	8.00%	10/15/2036	100	(0.05)	4.30%	110
TRV	4.60	(0.07)	TRV	8.00%	10/15/2036	100	(0.07)	4.60%	110
XL	6.25	(0.39)	XL	8.00%	10/15/2036	100	(0.39)	6.25%	110
160	(1)	(3)	AIG	6.82%	11/15/2037	100	(0.03)	4.63%	139
112	(4)	(3)	HIG	4.30%	11/15/2036	100	(0.03)	4.27%	145
137	(8)	(0)	NATMUT	5.30%	11/15/2037	100	(0.00)	4.83%	91
9	(1)	(1)	AET	6.75%	12/15/2037	100	(0.01)	4.43%	145
6	8	(1)	CIGNA	6.15%	11/15/2036	100	(0.01)	4.49%	145
4	(6)	(1)	TINH	4.75%	7/15/2045	100	(0.01)	4.64%	91

