



The NAIC's Capital Markets Bureau monitors developments in the capital markets globally and analyzes their potential impact on the investment portfolios of US insurance companies. A list of archived Capital Markets Bureau Special Reports is available via the [index](#)

Capital Markets Update: First Quarter 2016

From "Ris

Country	Main Policy Rate	10-year Government Bond Yield
Austria*	-0.40%	0.37%

Sources: Trading Economics, European Central Bank, Riksbank, Danske Nationalbank,

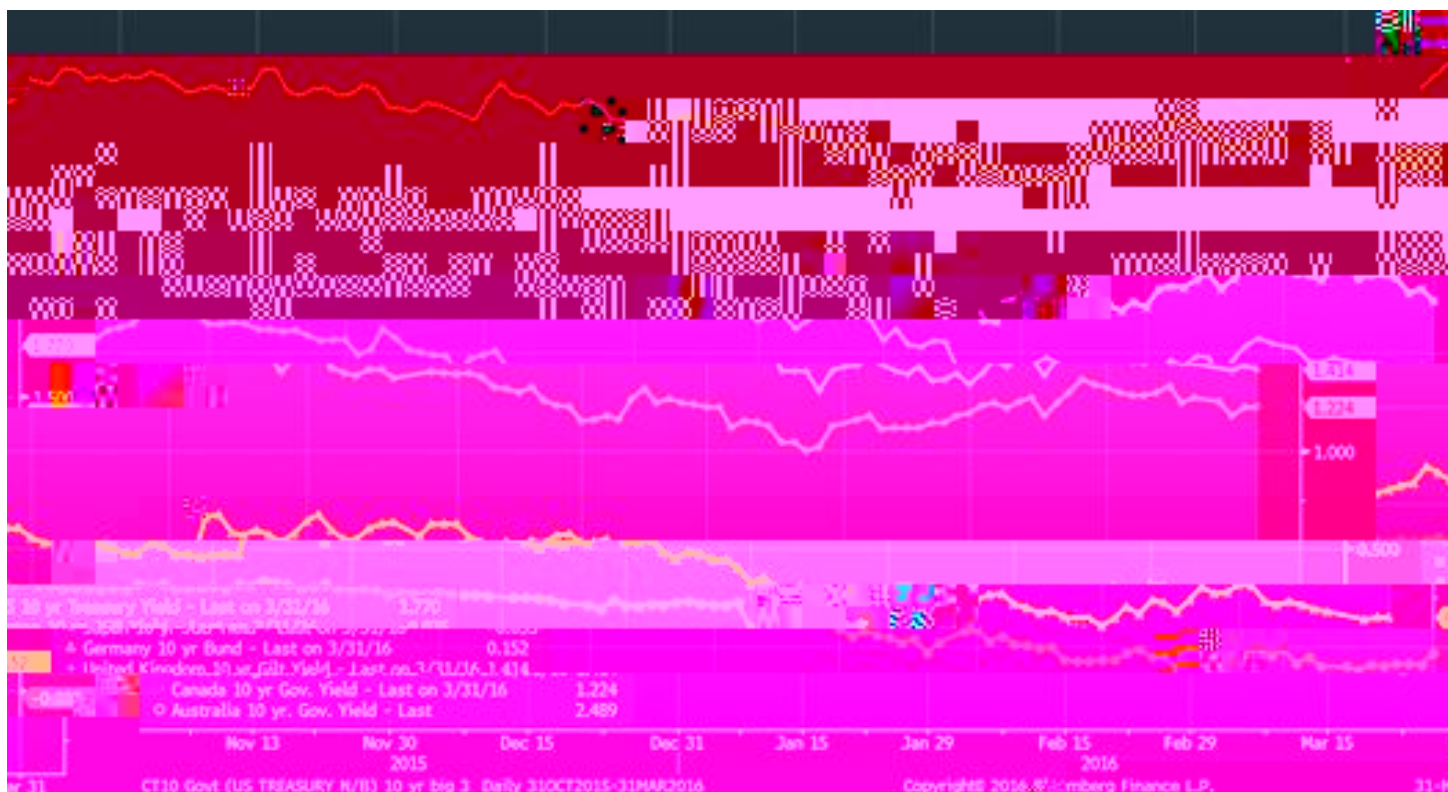
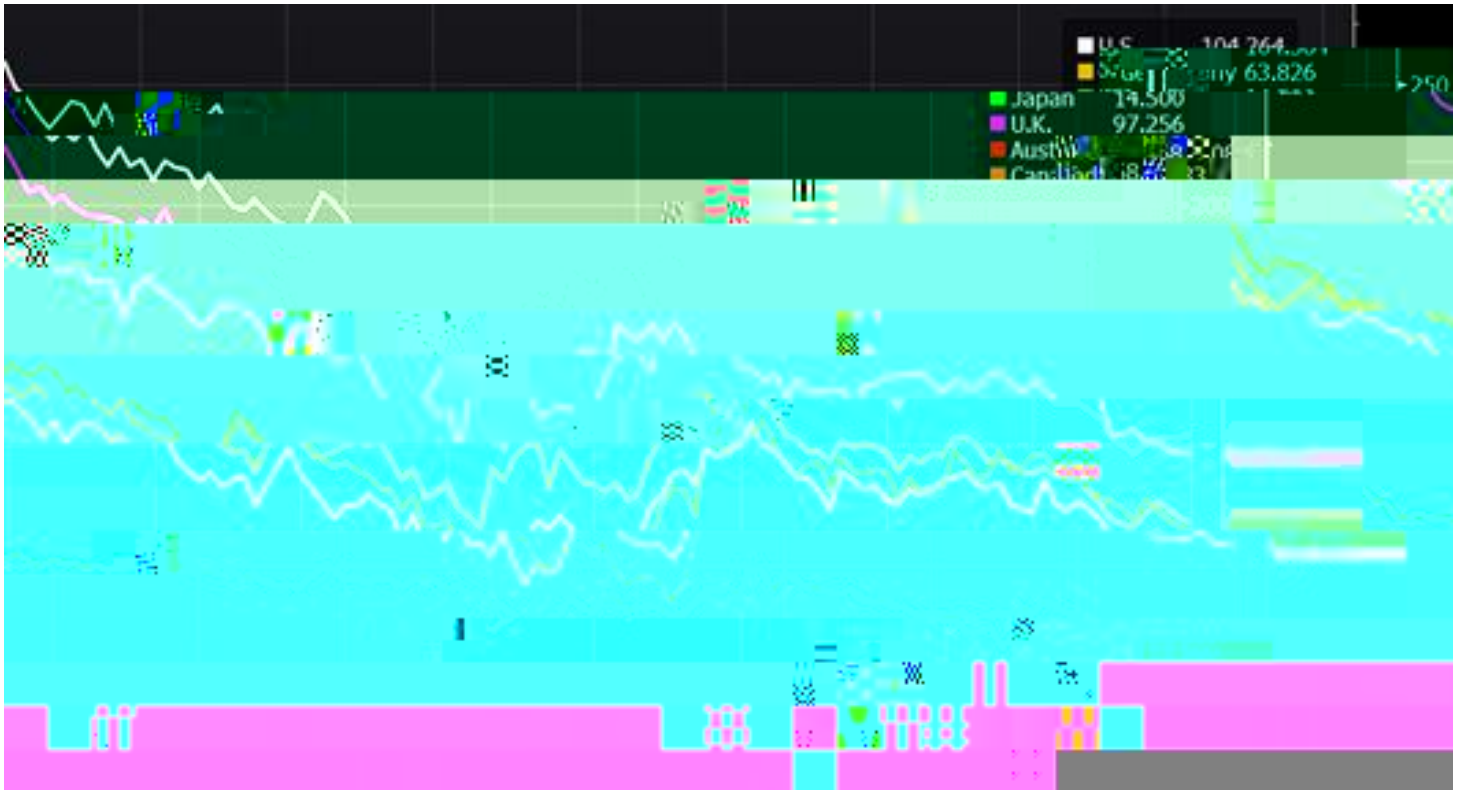
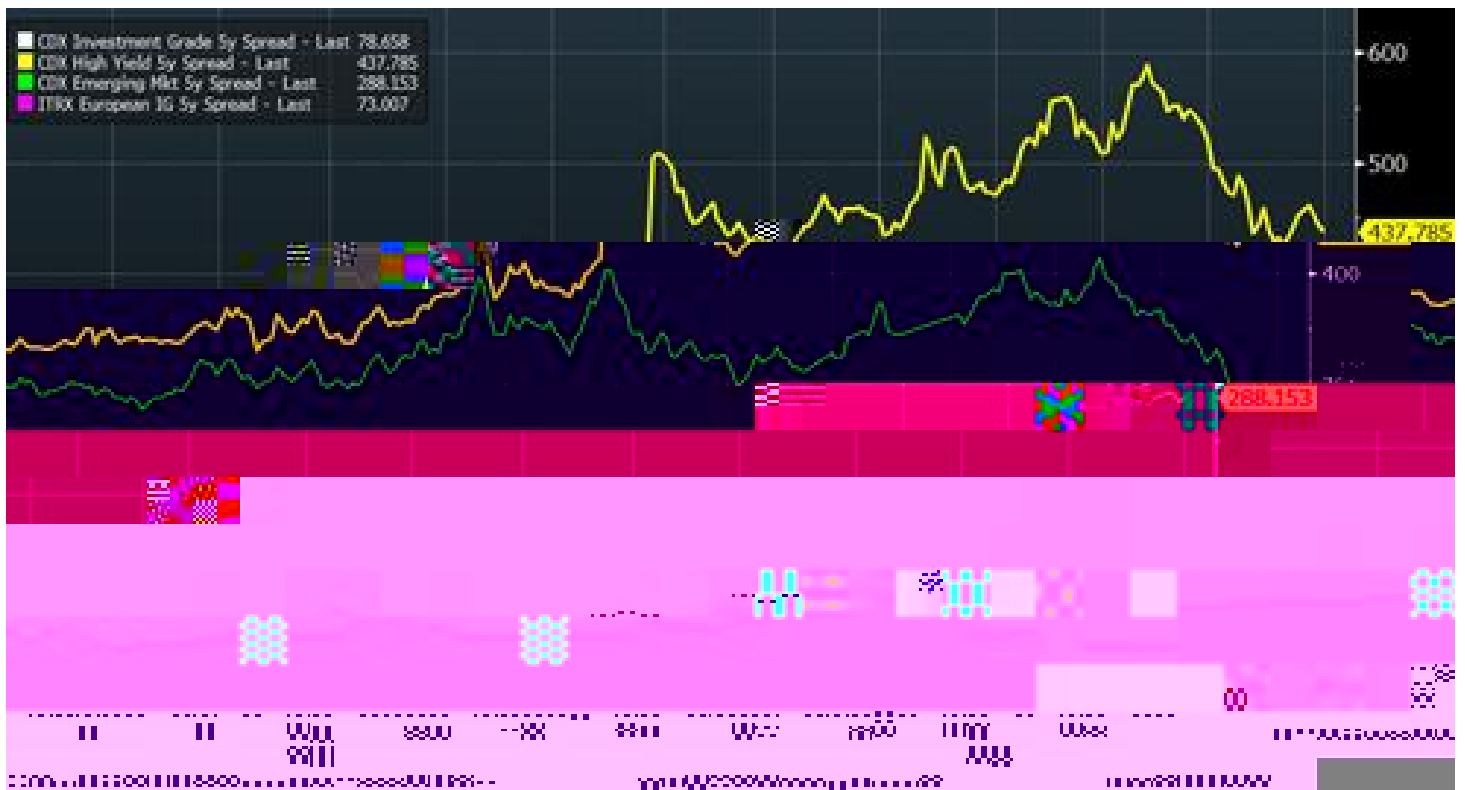


Chart 2 shows the trend in 10-year government yields for select euro area countries (excluding Greece and a few other small members). Bond yields are trending lower for most of these countries



Heigh



The majority of U.S. insurance industry investments are in bonds, with a book/adjusted carrying value (BACV) of \$3.90 trillion based on preliminary year-end 2015 data. U.S. government debt accounted for only 6.4% of total bond investments, but movements in government yield curves directly affect the market value of nearly all fixed-coupon instruments (including IG

COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY OPINION OR INFORMATION GIVEN OR MADE IN THIS PUBLICATION.

© 1990 - 2018 National Association of Insurance Commissioners