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## Slower Pace of Increase in U.S. Insurers' Exposure to Asset-Backed and Other Structured Securities at Year-End 2023

Analysts: Jennifer Johnson, Jean-Baptiste Carelus, and George Lee

[Executive Summary](#)

U.S. insurers' exposure to asset-backed securities (ABS) and other structured securities has steadily increased in recent years as they represent an attractive yield alternative to traditional bond investments, such as corporate bonds. ABS and other structured securities includes bonds collateralized by consumer-based receivables, such as auto loans, credit card receivables and student loans; bonds collateralized by commercial

While U.S. insurers' exposure to ABS and other structured securities has been a relatively small proportion of investments over the years, it increased at double-digit rates from at least 2018 through 2022. (Refer to Chart 1.) The large increases were partly due to what was a lower-for-longer interest rate environment. U.S. insurers' investments in ABS and other structured securities totaled about \$626 billion in book/adjusted carrying value (BACV) at year-end 2023

loans and leases, credit card receivables, and student loans, represented another 9% of total ABS and other structured securities on an aggregate basis, or \$53.4 billion, as reported by U.S. insurers. Commercial ABS (e.g., equipment, railcar, and aircraft leases) accounted for 2% of total ABS and other structured securities, or about \$15.6 billion. The remaining balance is an aggregate of various ABS asset types that were 1% of the total or less and asset types reported as unclassified by U.S. insurers.

Consumer ABS increased by almost 7% to \$53.4 billion at year-end 2023, from \$50.1 billion at year-end 2022. (Refer to Table 1.) However, consumer ABS remained at almost 9% of total ABS and other structured investments in both years. Within consumer ABS, those collateralized by auto loans/leases/receivables

Chart 2: U.S. Insurers' ABS and Other Structured Securities – NAIC Designations, Year-End 2023

