





The distribution of investments between private-label and agency CMBS has been relatively consistent for several years. Private-label CMBS accounted for approximately three-quarters of U.S. insurers' CMBS exposure at year-end 2023, with agency CMBS accounting for one-quarter. (Refer to Table 1.)

**Table 1: Total U.S. Insurance Industry CMBS by Type, Year-End 2023 (BACV\$ in Millions)**

CMBS Type	Life	P/C	Health	Title	Total	% of Total
Private-Label	154,870	46,173	9,551	10	210,604	74.0%
Agency	41,957	29,632	2,173	118	73,881	26.0%
<b>Total</b>	<b>196,827</b>	<b>75,805</b>	<b>11,725</b>	<b>129</b>	<b>284,485</b>	<b>100.0%</b>
% of Total	69.2%	26.6%	4.1%	0.0%	100.0%	

Note: Numbers in the table have been rounded.

Similar to previous years, life and P/C companies accounted for the majority of the industry's CMBS investments. While life companies held the largest share of the industry's CMBS exposure in 2023, their share declined to 69.2% from 70.1% the prior year. On the other hand, P/C companies' share increased to 26.6% from 25.7%. Health and title companies together represented approximately 4% of the industry's CMBS exposure. Note that life, P/C, and health companies invested proportionately more in private-label CMBS, while title companies invested more in agency CMBS.

After annual growth between 2018 and 2022, total U.S. insurer investments in CMBS decreased by 3.1% at year-end 2023. Private-label CMBS contributed to the overall decline, with a 5.6% year-over-year (YOY) drop, offset by 4.9% growth in agency CMBS. All four insurer types reported lower investments in private-label CMBS, but only life and health insurance companies recorded declines in total CMBS investments. (Refer to Chart 1.) The exposure decline was partly due to lower available inventory of CMBS with new issuance in 2023 down because of higher interest rates and general concerns in the CRE market.

**Chart 1: U.S. Insurance Industry Private-Label CMBS and Agency CMBS, Year-End 2018–2023**



## Credit Quality Deteriorates Marginally, But AAA Still Dominates

The U.S. insurance industry's CMBS investments are primarily high credit quality, specifically in the most senior triple-A rated tranches, which are typically structured with considerable credit enhancement. At year-end 2023, 93.8% of U.S. insurers' CMBS investments carried an NAIC 1 designation, a half percentage point decline compared to the previous year. Furthermore, investments carrying an NAIC 1 designation and an NAIC 2 designation, which are considered investment-grade credit quality, totaled 97.5% of CMBS exposure at year-end 2023, a marginal decline from 98.1% at year-end 2022. Total

\$15.1T (93.8%)  
\$1.6T (9.9%)  
\$1.0T (6.3%)  
\$0.1T (0.9%)



related to CRE market trends, please refer to the NAIC Capital Markets Bureau Special Report,



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Questions and comments are always welcome. Please contact the NAIC Capital Markets Bureau at [capitalmarkets@naic.org](mailto:capitalmarkets@naic.org).

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