

The NAIC Capital Markets Bureau monitors developments in the capital markets globally and analyzes their potential impact on the investment portfolios of U.S. insurance companies. Previously published [NAIC Capital Markets Bureau Special Reports](#) are available via its web page and the NAIC archives (for reports published prior to 2016).

## Percent of U.S. Insurers Outsourcing to Unaffiliated Investment Managers

actual book/adjusted carrying value (BACV) of outsourced assets. In addition, not all U.S. insurers include investment management firm names in their annual reporting.

At year-end 2022, the total *number* of U.S. insurers that outsourced investment management increased slightly from year-end 2021. (Refer to Table 1.) However, in percentage terms, 51% of the total number of U.S. insurers that filed annual statements with the NAIC at year-end 2022 reported outsourcing investment management, consistent with that of year-end 2021 and through at least 2019.

Table 1: U.S. Insurers Outsourcing to Unaffiliated Investment Managers: 2022 versus 2021

Note:

Chart 1: U.S. Insurers Outsourcing to Unaffiliated Investment Managers by AUM (%), Year-End 2022

the U.S. insurance industry is greater than the number of life companies; this is also true among small insurers, but the number of life companies is greater than the number of P/C companies as AUM increases.

### Outsourcing At Least 10% of Assets to a Single Investment Manager

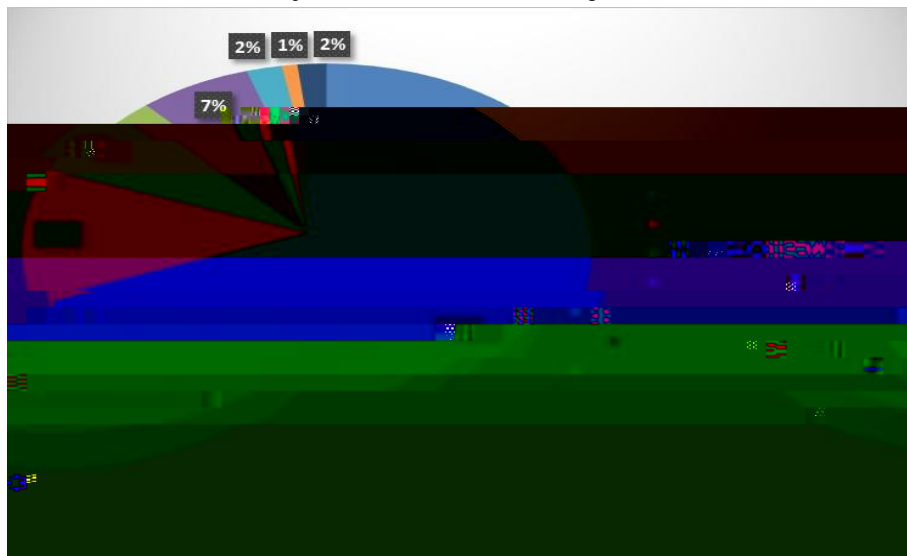
Consistent with at least the prior two years, as of year-end 2022, 87% of U.S. insurers that outsourced to an unaffiliated investment manager did so with a *single*

## Outsourcing More Than 50% of Assets to a Single Investment Manager

Unchanged with year-end 2021, about 37% of all U.S. insurers reported outsourcing more than 50% of their assets to unaffiliated investment managers at year-end 2022. Among only the insurers that outsource, the percentage that did so for more than 50% of their assets remained consistent at 72% of the total for year-end 2022 and year-end 2021. This trend may reflect insurers already having outsourced to unaffiliated investment managers once they shifted into more risky, higher-yielding investments prior to 2021, when interest rates were lower for longer.

Small insurers accounted for the largest number of insurers that outsourced investment management for more than 50% of their assets, at 69% of the total at year-end 2022. (Refer to Chart 4.) This was slightly lower than 64% at year-end 2021 and a decrease from the low 70% range in prior years. Moreover, like year-end 2021, insurers with less than \$500 million in AUM accounted for 81% of U.S. insurers that outsourced more than 50% of their assets to unaffiliated investment managers at year-end 2022.

Chart 4: U.S. Insurers by Total AUM Outsourcing at Least 50% of Their Total Assets, Year-End 2022



Within small insurers, and like year-end 2021, P/C companies accounted for 64% of those that outsourced more than 50% of their assets to unaffiliated investment managers at year-end 2022. Also consistent with year-end 2021, health companies accounted for 21% of total small insurers outsourcing more than 50% of assets to unaffiliated investment managers at year-end 2022.

## Most-Named U.S. Insurer Unaffiliated Investment Managers

The top three unaffiliated investment managers reported by U.S. insurers in 2022 were unchanged over the last four years. BlackRock maintains the top listing, followed by Conning Asset Management and New England Asset Management (NEAM). There were no changes among the top 10 names over the last

two years. (Refer to Table 2.) Additionally, the top eight managers have been among the most-named for at least the last five years. In total, U.S. insurers

Chart 5:

The NAIC Capital Markets Bureau will continue to monitor trends in unaffiliated investment management of U.S. insurer assets and report as deemed appropriate.

Questions and comments are always welcome. Please contact the Capital Markets Bureau at