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## U.S. Insurance Industry's Exposure to Schedule BA Assets Continues to Rise in 2020

Analysts: Michele Wong and Jean-Baptiste Carelus

### Executive Summary

### Private Equity, Hedge Fund, and Real Estate Investments Represent a Smaller, But Still a Majority, Share

U.S. insurance companies reported book/adjusted carrying value (BACV) of \$455.5 billion in other long-term invested assets on Schedule BA as of year-end 2020, an increase of 13.4% compared to year-end 2019 (see Table 1 and Table 2). 2020 marked the second year of consecutive double-digit growth in exposure, following year-over-year (YOY) growth of 10% in 2019. Total Schedule BA exposure as of year-end 2020 represented 9



\*The "Other" asset type includes capital notes, mineral rights, oil and gas production, other fixed income instruments (non-registered private funds), transportation equipment, and working capital finance investments



Schedule BA exposure has doubled in the last decade (as measured in BACV terms), with BACV increasing to over \$450 billion as of year-end 2020 from \$228 billion as of year-end 2010. Exposure as a percentage of total cash and invested assets also increased over the same period to 6.1% from 4.5%.



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The industry's unaffiliated Schedule BA exposure has followed a similar trend to total Schedule BA exposure, increasing to \$195.8 billion at year-end 2020 from \$104 billion at year-end 2010. While unaffiliated TJ.he same period

