



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).

## Increase in U.S. Insurers' Outsourcing Investment Management in 2024

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### Executive Summary

- The number of U.S. insurers that reported outsourcing investment management to an unaffiliated firm at year-end 2024 increased by 2.5%. It also increased as a percentage of all U.S. insurers that filed annual statements with the NAIC compared to year-end 2023.
- Property/casualty (P/C) companies accounted for almost 60% of U.S. insurers that outsourced to unaffiliated investment managers for both year-ends 2024 and 2023.
- Small insurers (i.e., those with less than \$250 million in assets under management [AUM]) accounted for two-thirds of the total number of U.S. insurers that outsourced investment management at year-end 2024.
- Similar to the prior year, nearly 90% of U.S. insurers that outsourced investment management had more than 10% of their assets managed by a single investment manager at year-end 2024.
- The 10 most-named unaffiliated investment managers by U.S. insurers (to the extent they reported this information) changed marginally over the last few years.

The number of U.S. insurers that outsourced investment management capabilities at year-end 2024 increased by 2.5% from year-end 2023. In addition, insurers outsourcing as a percentage of all U.S. insurers that filed annual statements with the NAIC increased to 53% from 51% at year-end 2023. Note that the percentage was also 51% in 2022 and 2021. The number of U.S. insurers that outsourced investment management capabilities has been on the rise, coinciding with U.S. insurers' increased exposure to nontraditional, higher-yielding alternative investments that require specific expertise and infrastructure. Outsourcing investment management becomes necessary when U.S. insurers lack the necessary in-house capabilities.

Per the NAIC *Annual Statement Instructions*, U.S. insurers must disclose certain data on unaffiliated investment managers, such as whether more than 10% or more than 50% of their investment portfolios are managed by a third party. U.S. insurers are not, however, required to report the actual book/adjusted



carrying value (BACV) of the outsourced assets. In addition, U.S. insurers are not required to identify the unaffiliated investment management firms in their reporting; therefore, not all insurers include firm names in their annual reporting with the NAIC.

The total number of U.S. insurers that outsourced investment management increased to 2,415 in 2024 from 2,356 in 2023. (Refer to Table 1.) Property/casualty (P/C) companies accounted for the largest company type that outsourced, at 58% of the total in 2024, which was the same at year-end 2023. P/C companies that outsourced investment management capabilities in 2024 represented 30% of the total number of all U.S. insurers in 2024, which was slightly down from 31% in 2023.

**Table 1: U.S. Insurers Outsourcing to Unaffiliated Investment Managers: 2024 and 2023**

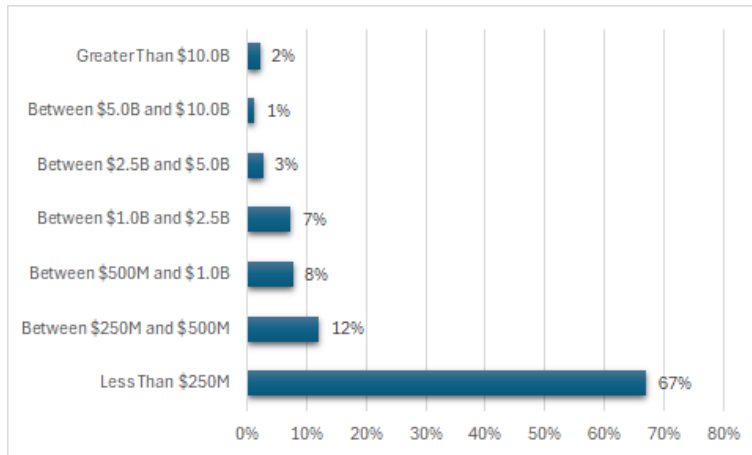
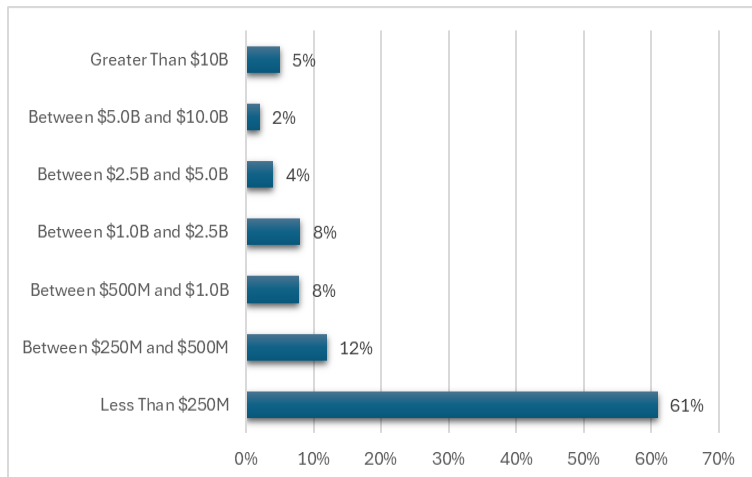
Statement Type	2024		2023		2024 as Percent of All U.S. Insurers
	Number of U.S. Insurers Outsourcing	Percent of Total U.S. Insurers Outsourcing	Number of U.S. Insurers Outsourcing	Percent of Total U.S. Insurers Outsourcing	
P/C	1,397	58%	1,366	58%	30%
Health	583	24%	565	24%	13%
Life	413	17%	402	17%	9%
Title	22	1%	23	1%	0%
<b>Total</b>	<b>2,415</b>	<b>100%</b>	<b>2,356</b>	<b>100%</b>	<b>53%</b>

Note: The total number of U.S. insurers filing annual statements was reported to be 4,592 in 2024 and 4,576 in 2023. The numbers in the table have been rounded.

Similar to the prior year, at year-end 2024, the second-largest type of insurer to outsource investment management was health companies, accounting for 24% of U.S. insurers that reported outsourcing investment management. Also, the number of health companies that reported outsourcing investment management accounted for 13% of *all* U.S. insurers in 2024, which was slightly up from 12% in 2023. While the number of U.S. insurers outsourcing investment management increased for P/C, health, and life companies year-over-year (YOY), the percentage of U.S. insurers outsourcing for each company type remained unchanged.

### Small Insurers Continue to Dominate Outsourcing Investment Management

Small insurers continued to account for the largest number of U.S. insurers that outsourced investment management to unaffiliated investment managers and were 67% of the total at year-end 2024. (Refer to Chart 1.) This was an increase from 61% at year-end 2023. (Refer to Chart 2.) The YOY percentage increase in small insurers was countered by a decrease in the percentage of large insurers (i.e., those with more than \$10 billion in assets under management [AUM]) that outsourced investment management to 2% in 2024 from 5% in 2023. This trend may be due in part to an increase in large insurers' acquisitions or joint ventures with private equity (PE)-owned firms, particularly among large life companies, which have expertise in managing non-traditional assets such as alternative investments and private credit. As a result, fewer life companies may need to outsource investment management.

**Chart 1: U.S. Insurers Outsourcing to Unaffiliated Investment Managers by AUM, Year-End 2024****Chart 2: U.S. Insurers Outsourcing to Unaffiliated Investment Managers by AUM, Year-End 2023**

Outsourcing investment management may be a more cost-effective way for small insurers to manage some or all of their assets rather than developing the infrastructure in-house. Among small insurers, about 68% that outsourced investment management at year-end 2024 were P/C companies, increasing from 66% at year-end 2023. Note that the number of P/C companies in the U.S. insurance industry is greater than that of life companies; P/C companies represented almost 60% of all U.S. insurers at year-end 2024.

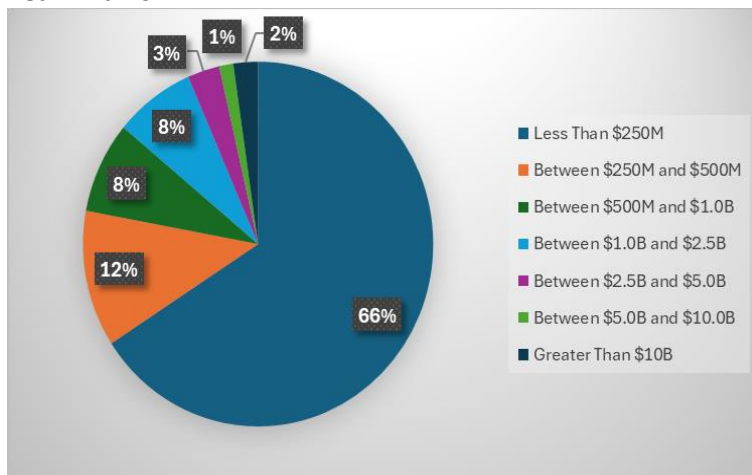
### No Change in Percentage of Insurers Outsourcing At Least 10% of Assets to a Single Investment Manager

Consistent with the prior year, about 90% of U.S. insurers, or a total of 2,157, that outsourced to an unaffiliated investment manager did so with a single investment manager for more than 10% of their assets at year-end 2024. While the percentage YOY remained the same, the *number* of U.S. insurers that outsourced more than 10% of their assets to a single investment manager increased by almost 3% (from 2,095).



U.S. insurers with up to \$5 billion in AUM accounted for approximately 96% of those that reported more than 10% of their assets being managed by a single unaffiliated investment manager at year-end 2024. (Refer to Chart 3.) Within this total, small insurers accounted for two-thirds, which was consistent with the two years prior. Among small insurers, P/C companies comprised the majority, or 67%, of the total. On the contrary, large life companies accounted for only 1% of insurers, reporting more than 10% of assets being managed by a single investment manager, due in part to an increasing affiliation with, and/or acquisitions by, private equity firms that they leverage for asset management capabilities.

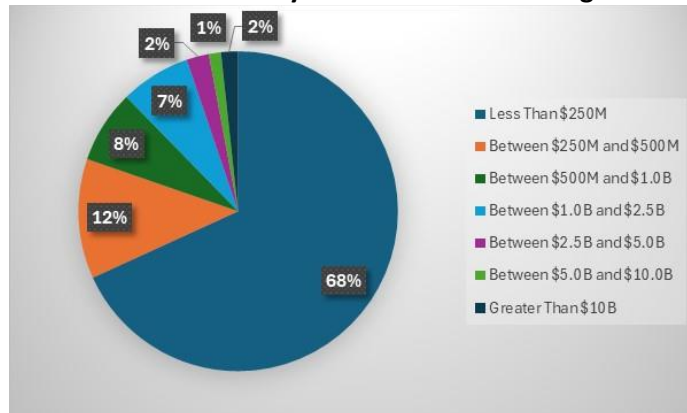
**Chart 3: U.S. Insurers Outsourcing At Least 10% of Their Assets to a Single Investment Manager (%), Year-End 2024**



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

The total number of U.S. insurers that outsourced more than 50% of assets to a single asset manager increased to 1,801 at year-end 2024, from 1,727 at year-end 2023. To put this in perspective in percentage terms, 75% of U.S. insurers that outsourced investment management in 2024 did so, with more than 50% of their assets to be managed by a single investment manager, compared to 73% in 2023. P/C companies accounted for the majority, or 64% of the total, while health companies and life companies accounted for 20% and 15%, respectively.

At year-end 2024, insurers with up to \$5 billion in AUM accounted for 97% of those that outsourced investment management for more than 50% of their assets to a single investment manager (Refer to Chart 4.) Small insurers comprised 68% of that total, similar to the prior year. Also, not unlike the year prior, among small insurers, P/C companies accounted for 64% of the total, and health companies followed with 20% of the total.

**Chart 4: U.S. Insurers by Total AUM Outsourcing At Least 50% of Their Total Assets, Year-End 2024**

### Slight Change to Most-Named U.S. Insurer Unaffiliated Investment Managers

As previously indicated, U.S. insurers are not required to identify the unaffiliated investment management firms in their annual statement filings with the NAIC. However, among the population of insurers that do identify such firms, for the most part, the 10 most frequently named unaffiliated investment managers reported by U.S. insurers have shifted marginally over the last several years (refer to Table 2). The numbers in Table 2 represent the order of investment managers most-named, with one being the most frequently named investment manager. BlackRock maintains its position as the most-named investment manager, as it has throughout at least the past five years leading up to 2024. However, the second most-named manager in 2024 was New England Asset Management (NEAM), followed by Conning Asset Management.

**Table 2: Investment Managers Most Often Listed by U.S. Insurers, 2020–2024\***

Most Listed Investment Firms	2024	2023	2022	2021	2020
BlackRock Financial Management, Inc.	1	1	1	1	1
New England Asset Management, Inc. (NEAM)	2	3	3	3	2
Conning Asset Management	3	2	2	2	3
Wellington Management Co.	4	4	4	4	6
J.P. Morgan Asset Management, Inc.	5	5	5	5	5
Goldman Sachs Asset Management	6	6	6	6	8
Asset Allocation and Management Company (AAM)	7	7	7	7	4
DWS Investment Management Americas, Inc.	8	8	8	8	7
Pacific Investment Management Company (PIMCO)	9	9	9	9	N/A
Liberty Mutual Group Asset Management Inc.	10	N/A	N/A	N/A	N/A

\*Note: As indicated above, not all U.S. insurers identify [nor are they required to identify] investment management firm names in their reporting. The table above only reflects data from those who do include such information in their filings and should not be interpreted as necessarily representative of the investment outsourcing practices of the entire US insurance industry.

### Outsourcing Investment Management Triples Over the Last Decade

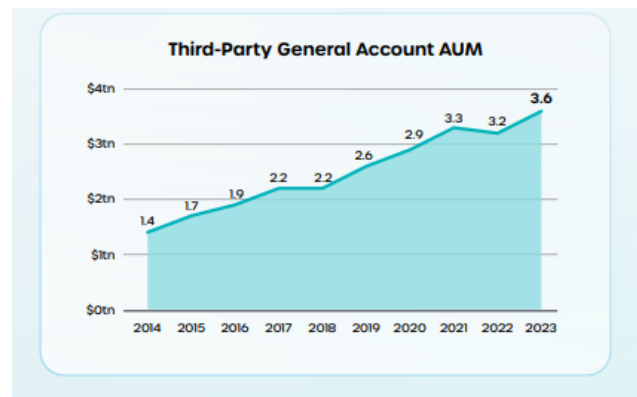
Since the 2008 global financial crisis, U.S. insurers have sought additional yield by investing in complex investments (especially when interest rates were lower for longer) while still maintaining a core of



traditional investments. As a result, there has been an increase in alternative investments among U.S. insurers, which the NAIC Capital Markets Bureau has discussed through various special report publications on U.S. insurer investments. Consequently, there has also been an increase in outsourcing investment management and new investment managers, particularly ones with private credit and alternative investment management capabilities.

At year-end 2023, global insurers outsourced \$3.6 trillion in AUM according to Insurance Asset Outsourcing Exchange's (IAOE)<sup>1</sup> annual survey—a 7% increase from \$3.2 trillion in 2022 and almost three times the \$1.4 trillion in AUM in 2014. (Refer to Chart 5.) In addition, insurers have been increasing their engagements with investment consultants in the form of long-term contracts as well as on an ad-hoc basis. The role of investment consultants differs from investment managers in that they represent a specialty practice that insurers leverage for advice on their general account investment strategy. Insurers' increased engagement with investment consultants over the years has been driven mostly by their entering new asset classes as they seek support extending investment strategies, particularly to private asset classes. Investment consultants were included for the first time in the IAOE 2024 survey, identifying approximately \$913 million in assets under advisement being managed for insurers at year-end 2023.

**Chart 5:**



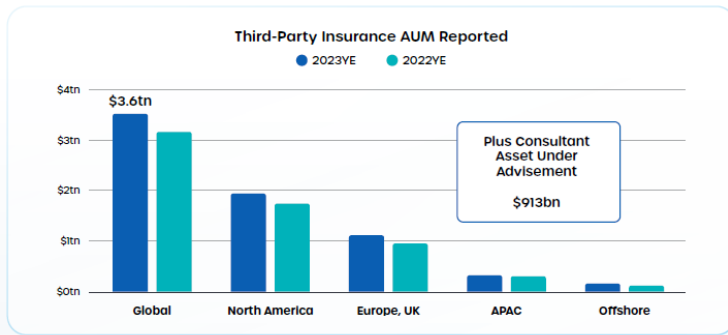
Source: Clearwater Analytics

North American insurers continue to account for the largest cohort that outsources investment management, representing 53% of total global AUM outsourced (or \$1.9 trillion), according to the IAOE survey. (Refer to Chart 6.) The United Kingdom (UK)/Europe is the second largest at approximately \$1 trillion.

<sup>1</sup> Clearwater Analytics, *Insurance Investment Outsourcing Report – 2024 Edition*.



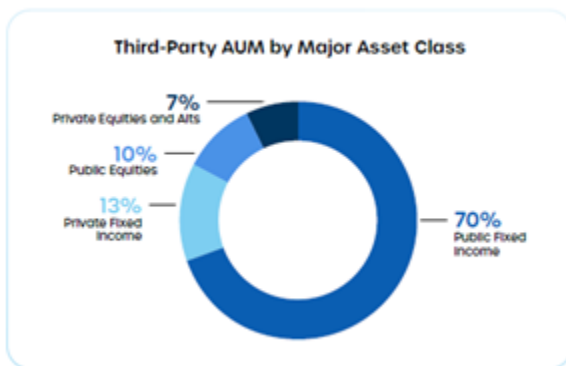
Chart 6:



Source: Clearwater Analytics

While the increasing outsourced AUM trend coincides with insurers' increased exposure to alternative investments and private credit, U.S. insurers' core investments continue to be in fixed income. About 20% of outsourced AUM include private equity, alternative investments, and private fixed income, according to the IAOE survey, with the remaining 80% in public fixed income and equities. (Refer to Chart 7.)

Chart 7:



Source: Clearwater Analytics

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

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

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