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## Double-Digit Increase in U.S. Insurers' Other Long-Term Invested Assets at Year-End 2025

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### Executive Summary

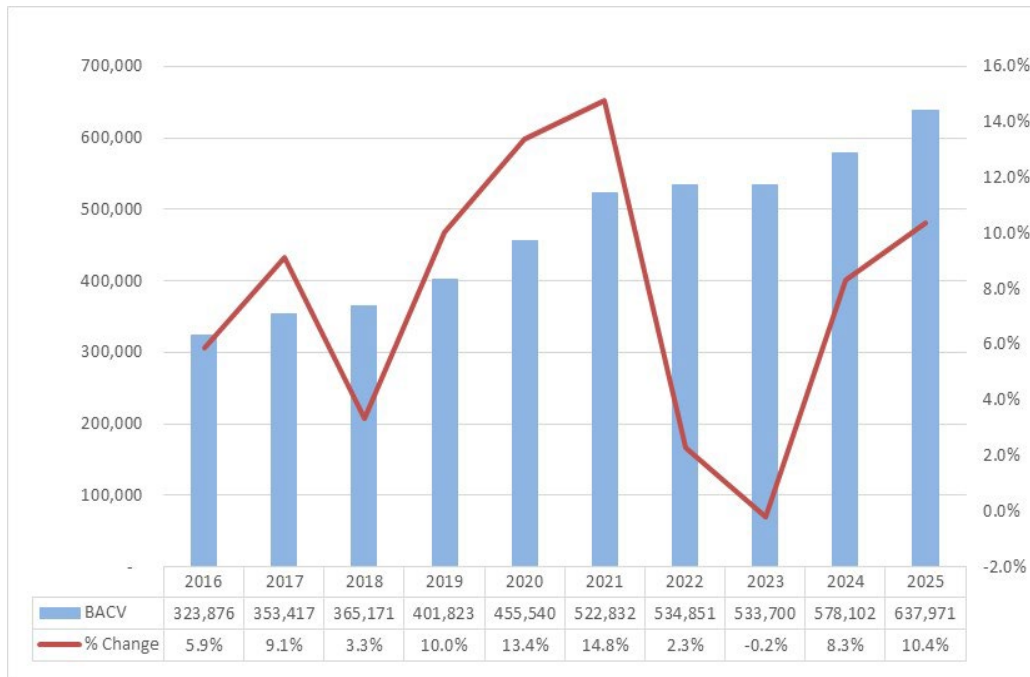
- U.S. insurers' investments in Schedule BA—Other Long-Term Investments increased by double-digits for the first time since 2021, reaching \$637 billion at year-end 2025 and representing almost 7% of the industry's total cash and invested assets.
- Growing 10.3% year-over-year, exposure to Schedule BA assets grew at a faster pace than the overall U.S. insurance industry's investment portfolio (i.e., 6.7%).
- Life insurers continue to account for the largest share of Schedule BA assets at 65% of the total, followed by property/casualty companies at 30%.
- Private equity, hedge fund, and real estate investments continued to represent the majority of U.S. insurers' Schedule BA assets at 70% of total exposure, with collateral loans, mortgage loans, and fixed income accounting for another 30%.
- For a second consecutive year, unaffiliated Schedule BA assets have exceeded the percentage of affiliated Schedule BA assets and were 53% of total Schedule BA assets as of year-end 2025.

U.S. insurers' exposure to other long-term investments reported in Schedule BA returned to double-digit growth for the first time since 2021, increasing 10.3% at year-end 2025 to \$637.9 billion in book/adjusted carrying value (BACV), from \$578.1 billion at year-end 2024. Some of this growth may be due to the NAIC's implementation of the principles-based bond definition on Jan. 1, 2025, which may have led to certain investments that no longer met the revised bond criteria to be reclassified for reporting in Schedule BA rather than Schedule D (Bonds). At year-end 2024, U.S. insurers' exposure to other long-term investments had increased 8% from the year prior. (Refer to Chart 1.) Based on data reported by U.S. insurers in the NAIC annual statement filings, the growth rate of U.S. insurers' Schedule BA assets at year-end 2025 exceeded the year-over-year (YOY) growth of the industry's overall investment portfolio (i.e.,



6.7%). U.S. insurers' exposure to other long-term investments increased to 6.7% of the industry's total cash and invested assets at year-end 2025, from 6.4% in 2024 and 6.3% in 2023. For the decade ending 2025, Schedule BA assets almost doubled in terms of BACV, increasing 97% over the period. In part due to their relative complexity compared to bond investments reported in Schedule D, Part 1, Section 1, Schedule BA assets have historically offered higher yields than traditional assets.

**Chart 1: Historical U.S. Insurance Industry Schedule BA Exposure, 2016-2025 (BACV \$ in millions)**



As in the previous year, life insurers accounted for 65% of Schedule BA exposure. (Refer to Tables 1 and 2.) Life insurers' investment in Schedule BA increased 10.6% to \$414.3 billion in BACV at year-end 2025, from \$374.4 billion in 2024. Property/casualty (P/C) insurers' exposure increased 7% to \$191.3 billion from \$178.9 billion at year-end 2024, representing 30% of the industry's total, also similar to the year prior. While accounting for a small proportion of overall U.S. insurers' exposure to Schedule BA assets, or 5% of the total, health insurers reported a 31% YOY increase in Schedule BA assets to \$31.9 billion at year-end 2025, from \$24.3 billion at year-end 2024. Title insurers' exposure remained minimal, at less than 1% of total Schedule BA assets.

The three largest asset types within Schedule BA continue to be private equity, hedge funds, and real estate. On an aggregate BACV basis, the three asset types totaled about \$446 billion, or 70% of total Schedule BA assets at year-end 2025, compared to \$422 billion, or 74% of the total at year-end 2024. Among the remaining 30% of Schedule BA assets, half of that exposure included mortgage loans, collateral loans, and fixed income/bonds combined, each



accounting for 5% of total Schedule BA assets. Exposure to residual tranches, which were required to be reported effective the year-end 2022 annual statement filings, increased to about \$19 billion at year-end 2025 from about \$17 billion at year-end 2024; however, they remained 3% of total Schedule BA assets.

**Table 1: U.S. Insurance Industry Schedule BA Exposure, Year-End 2025 (BACV \$ in Millions)**

Asset Type	Life	P/C	Health	Title	Total	% of Total
Private Equity	170,500	43,464	10,325	-	224,289	35%
Hedge Funds	44,751	77,189	9,939	293	132,172	21%
Real Estate	58,331	27,781	3,502	2	89,616	14%
Mortgage Loans	31,264	1,113	334	-	32,710	5%
Fixed Income/Bonds	22,405	8,863	445	-	31,713	5%
Collateral Loans	28,534	1,725	0	12	30,271	5%
Surplus Debentures	21,697	3,146	819	7	25,669	4%
Any Other Class of Assets	6,010	14,841	2,987	-	23,837	4%
Residual Tranches	16,590	2,069	607	2	19,268	3%
Federal and State Housing Tax Credits	6,853	5,171	260	-	12,284	2%
Other*	6,386	1,480	2,265	7	10,137	2%
Non-Collateral Loans	986	4,451	429	140	6,005	1%
<b>Total</b>	<b>414,307</b>	<b>191,291</b>	<b>31,911</b>	<b>463</b>	<b>637,971</b>	<b>100%</b>
	65%	30%	5%	0%		

\*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 (WCFls).

**Table 2: U.S. Insurance Industry Schedule BA Exposure, Year-End 2024 (BACV \$ in Millions)**

Asset Type	Life	P/C	Health	Title	Total	% of Total
Private Equity	162,755	39,370	9,650	-	211,775	37%
Hedge Funds	43,681	67,840	7,801	255	119,576	21%
Real Estate	62,198	26,527	1,939	2	90,665	16%
Collateral Loans	27,676	1,238	12	11	28,938	5%
Surplus Debentures	20,574	2,529	762	7	23,872	4%
Fixed Income/Bonds	11,756	10,328	419	-	22,503	4%
Any Other Class of Assets	6,597	14,528	2,513	7	23,645	4%
Mortgage Loans	17,767	918	136	-	18,820	3%
Residual Tranches	14,881	2,015	383	2	17,282	3%
Federal and State Housing Tax Credits	5,161	4,300	206	-	9,667	2%
Non-Collateral Loans	460	8,938	409	182	9,989	2%
Other*	926	356	87	-	1,370	0%
<b>Total</b>	<b>374,431</b>	<b>178,888</b>	<b>24,317</b>	<b>466</b>	<b>578,102</b>	<b>100%</b>
	65%	31%	4%	0%	100%	

\*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 (WCFls).



Despite an increase in BACV to \$224.3 billion at year-end 2025 from \$211.8 billion at year-end 2024 (refer to Graph 2), the percentage of insurers' exposure to private equity (common stock, joint venture [JV]) decreased by two points YOY, to 35% of total Schedule BA assets from 37%. However, private equity remains the largest asset type among insurers' Schedule BA investments, as it has for at least the last several years. It has grown about 27% for the five years ending 2025. Within private equity exposure, the largest reported strategy was in leveraged buyouts (LBOs), similar to the year prior. Hedge funds, the second largest Schedule BA asset type, also increased in BACV YOY to \$132.1 billion at year-end 2025 from \$119.6 billion at year-end 2024, but it remained at 21% of the total. The largest reported type of hedge fund investment was multi-strategy. Real estate assets decreased slightly to just under \$90 billion at year-end 2025, from almost \$91 billion at year-end 2024, and accounted for 14% of total assets, down from 16%.

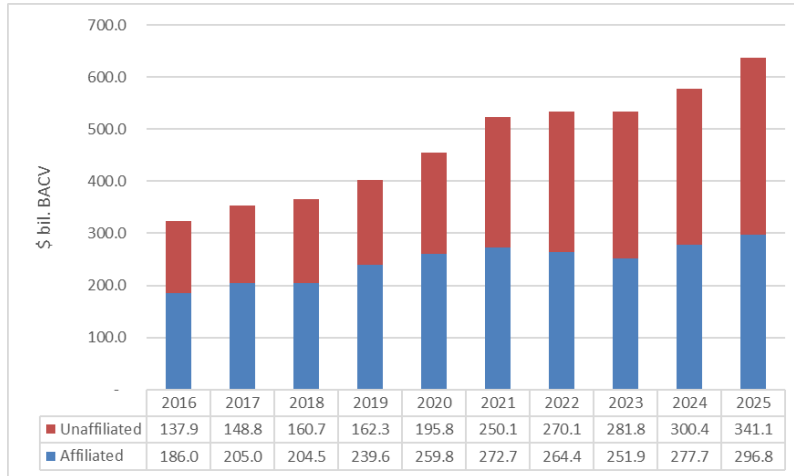
**Graph 2: Composition of Private Equity, Hedge Funds, and Real Estate Assets in Schedule BA, 2021-2025 (\$ BACV in Billions)**



Historically, U.S. insurers' Schedule BA assets had been skewed toward affiliated investments; however, beginning year-end 2022, the BACV of unaffiliated investments finally exceeded affiliated investments for the first time. Since then, as the BACV of affiliated investments has steadily increased, their share as a percentage of total Schedule BA assets has decreased. (Refer to Graph 3.) At year-end 2025, unaffiliated investments totaled \$341.1 billion, or 55% of total Schedule BA assets, compared to \$300.4 billion at year-end 2024, or 52% the total. Affiliated assets were \$296.8 billion, or 45% of total Schedule BA assets at year-end 2025, down from 48% of the total (or \$277.7 billion) at year-end 2024.



Graph 3: Affiliated vs. Unaffiliated Schedule BA Assets, 2016-2025, (\$ BACV in Billions)



The NAIC Capital Markets Bureau will continue to monitor trends in the U.S. insurance industry’s Schedule BA investments 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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