# U.S. Life Insurers' Affiliated Investments at Year-End 2025

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## EXECUTIVE SUMMARY


- U.S insurers are permitted to hold affiliated investments, or investments acquired from an affiliated entity, provided they adhere to applicable state insurance laws and reporting requirements because affiliated investments can present unique risks and potential conflicts of interest.
- As of year-end 2025, life insurers reported $321 billion in affiliated investments, representing approximately 5% of their total cash and invested assets.
- Within this total, the largest portion was reported in other long-term investments (Schedule BA) at 58% of life insurers' total affiliated investments, followed by asset-backed securities (ABS) at 24%.


According to the U.S. regulatory framework, U.S. insurers are permitted to hold affiliated investments, or investments acquired from an affiliated entity,[1] provided they comply with applicable state insurance laws and regulatory guidance. Affiliated investments remain an area of regulatory focus because they can involve complex structures, valuation considerations, and concentrated exposures. They are subject to specialized accounting, disclosure, reporting, and supervisory review because they can present unique risks and potential conflicts of interest. In addition to oversight mandated by the *Insurance Holding Company System Regulatory Act (#440)* and state holding company laws, insurance regulators have expanded accounting and reporting requirements to enhance transparency regarding affiliated and other related-party investments. Details on oversight and disclosure of U.S. insurers' affiliated investments may be found in the Affiliated Investments section on the NAIC's Center for Insurance Policy and Research (CIPR) insurance topics web page.

[1] Per *Statement of Statutory Accounting Principles (SSAP) No. 25—Affiliated and Other Related Parties*, an affiliate is defined as an entity that is within the holding company system or a party that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the reporting entity. An affiliate includes a parent or subsidiary and may also include partnerships, joint ventures, and limited liability companies.

U.S. insurers' total cash and invested assets at year-end 2025 were about $9.6 trillion in book/adjusted carrying value (BACV), and as in prior years, life insurers' accounted about $6 trillion, or 64% of the total, as reported in the annual statement filings with the NAIC. A discussion about U.S. insurers' total investments at year-end 2025 may be found in the NAIC Capital Markets Bureau (CMB) special report titled *U.S. Insurance Industry's Cash and Invested Assets Grow to $9.6 Trillion as of Year-End 2025*, published in May 2026. Life companies reported $321 billion in affiliated investments, representing approximately 5% of their total cash and invested assets, based on the distinct reporting lines that identify the assets as affiliated in the applicable investment schedules. (Refer to Table 1.)

Affiliated investments reported by life insurers in the following investment schedules of the NAIC annual statement filings: Schedule D Part 1 Section 1 – Long-Term Bonds, Schedule D Part 1 Section 2 – Asset-Backed Securities (ABS), Schedule BA – Other Long-Term investments, and Schedule DA – Short-Term Investments accounted for approximately 7% of the total assets reported in these four schedules. The largest affiliated asset type held by life insurers at year-end 2025 was in other long-term investments, or Schedule BA, at 58% of the total.

**Table 1: U.S Life Insurers' Affiliated and Unaffiliated Investments at Year-End 2025** **(BACV $ billions)**

| Asset | Affiliated | Unaffiliated | Asset Total | Affiliated as % of Asset Total | Affiliated as % of Total Affiliated |
|---|---|---|---|---|---|
| Other Long-Term Investments | $ 188 | $ 226 | $ 414 | 45% | 58% |
| Asset-Backed Securities | 76 | 1,011 | 1,087 | 7% | 24% |
| Bonds - Issuer Credit Obligations | 46 | 2,867 | 2,913 | 2% | 14% |
| Short-Term Investments | 12 | 30 | 42 | 28% | 4% |
| **Total** | **$ 322** | **$ 4,135** | **$ 4,456** | **7%** | **100%** |

Source: NAIC Annual Statement Filings, Year-End 2025.

The affiliated investment reporting lines may not necessarily reflect only credit exposure to an affiliate directly or through an intermediary. They may also capture other types of relationships such as securitizations or similar investment vehicles, like mutual funds, limited partnerships, or limited liability companies, that involve a relationship with an affiliate. At year-end 2025, approximately 28% of life insurers' total affiliated investments across the four schedules were reported as credit exposure to an affiliate.

Until 2022, U.S. insurers' other long-term investments, as reported in Schedule BA, had historically been skewed toward affiliated investments. Since then, however, even though the BACV of affiliated other long-term investments had steadily increased each year, their share as a percentage of total Schedule BA assets has decreased, countered by an increase in the percentage of nonaffiliated investments.

Life insurers reported affiliated bond investments of $121 billion in Schedule D Part 1 and Part 2, which include issuer credit obligations and ABS, respectively. Issuer credit obligations include traditional bond investments, such as corporate bonds, and other structures for which payment depends on an operating entity's creditworthiness. ABS includes structures in which debt service to investors is derived from the cash flows on the underlying collateral. For example, with collateralized loan obligations (CLOs), principal and interest are paid to noteholders based on the cash flows derived from income generated by the transaction's underlying bank loan collateral. Coincidentally, many large life companies have CLO asset managers that are affiliates or subsidiaries. Therefore, a portion of their affiliated ABS exposure likely consists of CLOs issued by affiliated entities.

As discussed in previous NAIC CMB publications, over the last several years, there has been an uptick in the number of life insurers acquired by private equity (PE) firms. As such, life insurers may leverage their relationship with the PE firm to access capital markets or investments not otherwise available to them, while the PE firm benefits from additional income generated through the acquired life insurer's business. Life insurers with a PE relationship accounted for approximately half of all life insurers' affiliated investments. They also accounted for approximately 95% of life insurers' affiliated ABS, 50% of affiliated issuer credit obligations, and one-third of affiliated other long-term investments. Lastly, among life insurers with PE relationships, 10 accounted for almost 50% of all life insurers' total reported affiliated investments.

The NAIC CMB will continue to monitor U.S. insurers' affiliate investments and report as deemed appropriate.

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