



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).

U.S. Insurance Industry's Cash and Invested Assets Grow to \$9.6 Trillion as of Year-End 2025

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Executive Summary

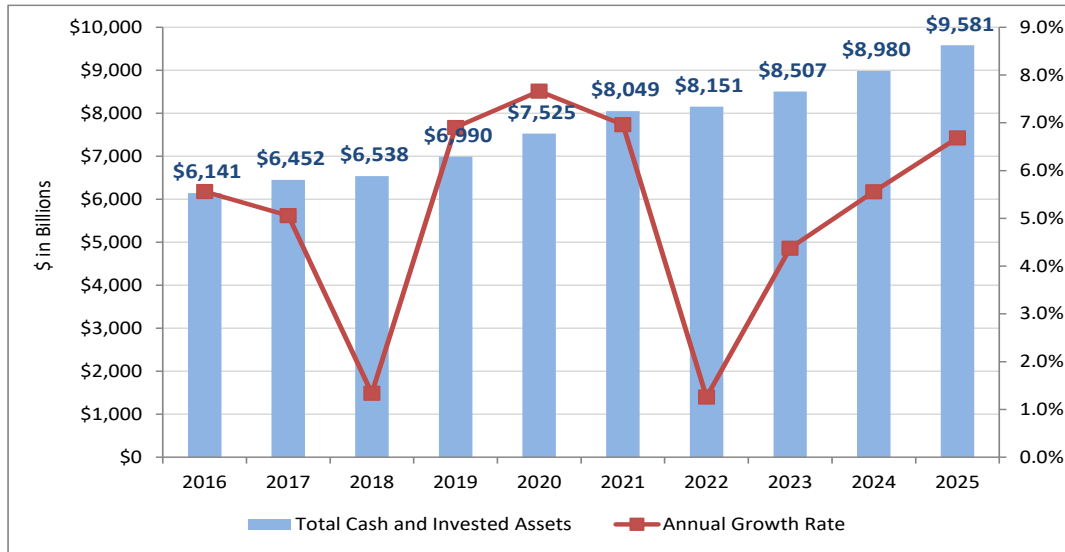
- The U.S. insurance industry reported total cash and invested assets of \$9.6 trillion as of year-end 2025, an increase of 6.7% year-over-year (YOY).
- The increase in 2025 represented the largest annual growth in cash and invested assets since 2021.
- Bonds, common stocks, mortgages, and other long-term invested assets reported in Schedule BA continued to represent the four largest asset classes.
- Common Stock and Schedule BA assets were the investment portfolio's drivers of growth, each increasing by approximately 11% compared to the prior year.
- The share of bonds in the U.S. insurance industry's investment portfolio fell slightly, to below 60% at year-end 2025, while the share of common stocks and Schedule BA assets rose modestly to 13.6% and 6.7%, respectively.

U.S. insurance companies' total cash and invested assets increased 6.7% to \$9.6 trillion¹ on a book/adjusted carrying value (BACV) basis, including both affiliated and unaffiliated investments, as of year-end 2025. This represented the largest annual increase in four years for the industry's investment portfolio. As illustrated in Chart 1, total cash and invested assets grew steadily, with year-over-year (YOY) growth rates accelerating recently and exceeding 5% in each of the last two years. Over the ten-year period, the BACV of the investment portfolio increased 65%.

¹ U.S. insurer investments data utilized in this special report is based on the annual statement filings submitted by insurers to the NAIC, unless otherwise noted.



Chart 1: U.S. Insurance Industry Total Cash and Invested Assets, Year-End 2016-2025

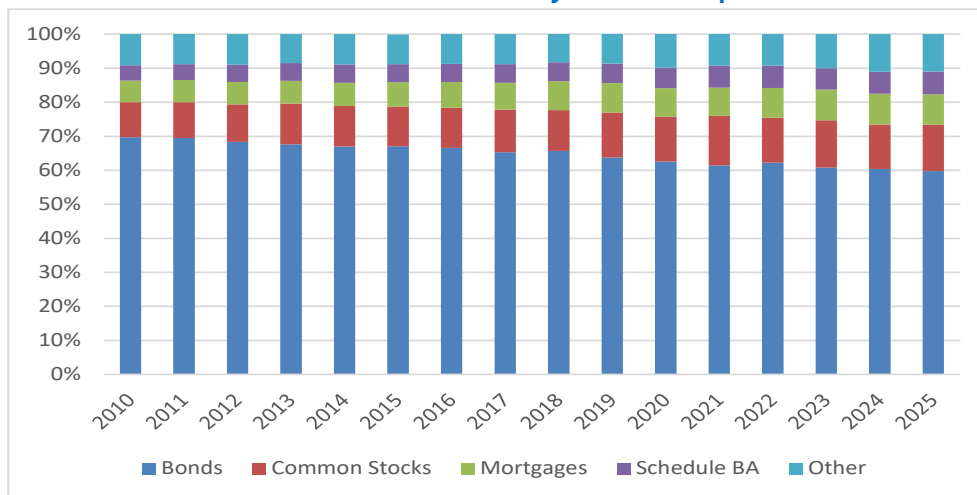


Note: Includes affiliated and unaffiliated investments.

Bonds Account for Less Than 60% of the Investment Portfolio

Given the size and scale of the U.S. insurance industry’s investment portfolio, its overall asset composition has remained relatively stable. The four largest asset classes—bonds, common stocks, mortgage loans, and Schedule BA assets—have represented approximately 90% of total cash and invested assets since at least 2010. However, long-term trends highlight a gradual shift in asset allocations, as U.S. insurers—alongside other market participants—have sought higher investment returns in response to what was a low-interest rate environment. This has contributed to a gradual reallocation toward higher-yielding asset classes, including common stocks, mortgage loans and Schedule BA assets, at the expense of traditional fixed-income securities. (Refer to Chart 1.)

Chart 1: Historical U.S. Insurance Industry Asset Composition, Year-End 2010-2025





As of year-end 2025, bonds totaled \$5.7 trillion, representing an increase of 5.6% from the prior year. Despite this growth, bonds accounted for 59.8% of the investment portfolio, a decline from 60.4% in 2024 and marking the first time their share has fallen below 60%. (Refer to Table 1 and Table 2.) While bonds remain the largest asset class, their share of U.S. insurers’ overall investments has declined by approximately ten percentage points from around 70% at year-end 2010. In comparison, the share of common stocks, mortgage loans and Schedule BA assets has increased three, three and two percentage points, respectively, over the same period.

Common stocks increased 11.2% to \$1.3 trillion at year-end 2025, representing the second-largest asset class in the U.S. insurance industry’s portfolio. Common stocks’ share of total cash and invested assets rose to 13.6% from 13.1% in 2024 supported by strong equity market performance throughout the year. Property/casualty (P/C) insurers accounted for 77% of the industry’s total common stock exposure, reflecting their traditionally higher allocation to equities as a means of enhancing investment returns. As of year-end 2025, common stocks represented roughly 32% of P/C insurers’ portfolios; however, approximately half of this exposure consisted of affiliated common stock holdings. Meanwhile, common stocks accounted for only 4% of life insurers’ portfolios as equities generally do not align well with life insurers’ long-term liability profiles.

Table 1: Total U.S. Insurance Industry Cash and Invested Assets by Asset Class and Insurer Type, Year-End 2025 (BACV\$ in Millions)

Asset Class	Life	P/C	Health	Title	Total	% of Total
Bonds	3,999,816	1,521,638	200,063	6,039	5,727,555	59.8%
Common Stocks	245,436	1,005,550	52,033	2,587	1,305,607	13.6%
Mortgage Loans	832,829	33,862	1,771	6	868,467	9.1%
Schedule BA/Other Long-Term Investments	414,537	191,789	32,028	463	638,817	6.7%
Cash and Short-Term Investments	216,082	299,981	79,072	1,998	597,132	6.2%
Contract Loans	151,324	4	0	-	151,328	1.6%
Derivatives	125,487	1,516	7	-	127,010	1.3%
Real Estate	21,804	13,355	6,625	174	41,959	0.4%
Securities Lending (Reinvested Collateral)	31,690	6,798	3,444	-	41,933	0.4%
Preferred Stocks	22,729	17,277	1,220	220	41,447	0.4%
Aggregate Write-Ins	21,842	1,906	245	8	24,001	0.3%
Receivables for Securities	13,198	1,779	342	12	15,331	0.2%
Total	6,096,774	3,095,454	376,851	11,506	9,580,585	100%
% of Total	63.6%	32.3%	3.9%	0.1%	100%	

Note: Numbers in the table have been rounded.

**Table 2: Total U.S. Insurance Industry Cash and Invested Assets by Asset Class and Insurer Type, Year-End 2024 (BACV\$ in Millions)**

Asset Class	Life	P/C	Health	Title	Total	% of Total
Bonds	3,802,282	1,411,810	203,260	6,163	5,423,514	60.4%
Common Stocks	223,851	899,456	47,684	2,654	1,173,646	13.1%
Mortgage Loans	786,921	33,397	919	6	821,243	9.1%
Schedule BA/Other Long-Term Investments	374,460	178,967	24,454	464	578,346	6.4%
Cash and Short-Term Investments	198,199	294,187	71,463	2,000	565,849	6.3%
Contract Loans	147,675	1	0	-	147,677	1.6%
Derivatives	121,656	1,929	6	-	123,591	1.4%
Real Estate	21,999	12,918	6,434	182	41,533	0.5%
Preferred Stocks	18,541	15,365	1,107	200	35,212	0.4%
Securities Lending (Reinvested Collateral)	24,480	6,429	3,168	-	34,077	0.4%
Aggregate Write-Ins	21,369	2,013	311	1	23,695	0.3%
Receivables for Securities	9,786	1,915	279	3	11,983	0.1%
Total	5,751,220	2,858,387	359,086	11,673	8,980,366	100%
% of Total	64.0%	31.8%	4.0%	0.1%	100%	

Note: Numbers in the table have been rounded.

As in previous years, mortgage loans represented the third largest asset class, accounting for 9.1% of the industry's total cash and invested assets. Mortgage holdings increased by 5.8% to \$868 billion at year-end 2025, compared to the prior year. They remain a core allocation for life insurers, which accounted for 96% of the industry's total mortgage exposure, reflecting the matching of these assets with their long-term liability profiles.

Schedule BA assets, or other long-term investments, accounted for the fourth largest asset category within the U.S. insurance industry's investment portfolio, comprising 6.7% of total cash and invested assets as of year-end 2025. Insurers held \$639 billion in Schedule BA assets, an increase of 10.5% from the prior year. The NAIC's implementation of the principles-based bond definition on Jan. 1, 2025 possibly contributed to some of this growth as certain investments that no longer met the revised bond criteria may have been reclassified to be reported in Schedule BA instead of Schedule D. Life insurers were the largest holders of Schedule BA assets at year-end 2025, accounting for 65% of the industry's exposure.

Over the past five years, U.S. insurers' investment portfolios have exhibited an improving liquidity profile, with cash and short-term investments increasing to 6.2% of total invested assets from 4.9% in 2020. P/C insurers held approximately half of the total, reflecting their greater need for liquidity to meet shorter-duration liabilities and potential claims obligations.

The contribution of each insurance sector to the industry's overall investment portfolio has remained consistent over time. As of year-end 2025, life insurers accounted for the largest share at 64% of total cash and invested assets, followed by P/C insurers at 32%. Health and title insurers together represented the remaining 4%, reflecting their comparatively smaller balance sheets.

P/C insurers were again the primary drivers of overall growth in the industry's cash and invested assets, reporting a YOY increase of 8%, slightly higher than the 7% growth recorded



in 2024. Life and health insurers also experienced growth, though at more moderate rates of 6% and 5%, respectively. This follows growth of approximately 5% for life insurers in 2024, while health insurers experienced a small contraction of about 0.5% in the prior year. In contrast, title insurers reported a modest decline of 1% in cash and invested assets in 2025, following growth of 3% in 2024.

The NAIC Capital Markets Bureau will continue to monitor exposure and trends in the U.S. insurance industry's invested asset types and report as deemed appropriate.

Questions and comments are always welcome. Please contact the Capital Markets Bureau at CapitalMarkets@naic.org.

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