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## **U.S. Insurers Report a 1% Increase in Commercial Mortgage-Backed Securities Holdings in 2024, Still 2% Below 2022 Peak**

Analyst: Michele Wong and Hankook Lee

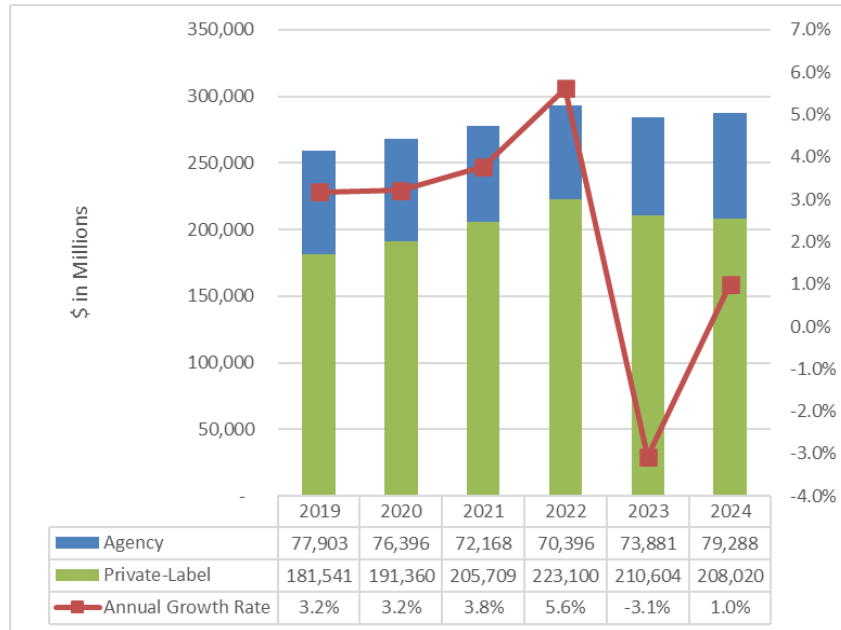
### **Executive Summary**

- The U.S. insurance industry's exposure to agency and private-label commercial mortgage-backed securities (CMBS) totaled \$287 billion at year-end 2024, a 1% year-over-year (YOY) increase.
- Property/casualty (P/C) insurance companies were the primary driver of growth, with their agency CMBS exposure rising 22% to \$36 billion.
- Agency CMBS accounted for 28% of U.S. insurers' total CMBS exposure at year-end 2024, reflecting a steady increase from 24% at year-end 2022.
- The credit quality of the CMBS portfolio remained stable overall, with investments carrying an NAIC 1 designation or NAIC 2 designation totaling 97.6% of total exposure at year-end 2024.
- Office property delinquency rates remain elevated at 9.6% as of July 2025, according to S&P Global Ratings (S&P Global) data.

At year-end 2024, U.S. insurance companies reported \$287 billion book/adjusted carrying value (BACV) of commercial mortgage-backed securities (CMBS), including agency CMBS and private-label CMBS, up slightly from \$284 billion at year-end 2023.<sup>1</sup> Year-over-year (YOY) exposure grew by 1%, following a decline of just over 3% in 2023. Nevertheless, U.S. insurance industry exposure remained below the 2022 peak of \$293 billion. (Refer to Chart 1.) The modest rebound may suggest that insurers remain somewhat cautious toward commercial real estate investments, even as valuations showed early signs of stabilization in 2024 and CMBS issuance was robust.<sup>2</sup>

<sup>1</sup> 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.

<sup>2</sup> NAIC Capital Markets Bureau Special Report, "[U.S. Insurance Industry's Commercial Mortgage Loan Exposure Rises at Year-end 2024 Amid Stabilizing Valuations](#)," September 2025, p. 6.

**Chart 1: U.S. Insurance Industry Private-Label CMBS and Agency CMBS, Year-End 2019–2024**

In 2024, agency CMBS remained the primary driver of growth for the second consecutive year, with exposure increasing 7.3% YOY to \$79 billion. The share of agency CMBS has been steadily increasing, rising to 28% of total CMBS exposure at year-end 2024, up from 26% and 24% in 2023 and 2022, respectively. (Refer to Table 1.) Agency CMBS generally provide greater stability and strong credit quality because they are backed by commercial mortgage loans supported by government-sponsored enterprises (GSEs), which generally reduces default risk and enhances liquidity.

In contrast, exposure to private-label CMBS continued its downward trend, declining 1.2% to \$208 billion. Notwithstanding, private-label CMBS represented the majority of insurer CMBS holdings at 72% of the portfolio. These securities remain attractive to insurers as they typically offer higher yields compared to agency CMBS, albeit with greater exposure to credit and structural risks.

**Table 1: Total U.S. Insurance Industry CMBS by Type, Year-End 2024 (BACV\$ in Millions)**

CMBS Type	Life	P/C	Health	Title	Total	% of Total
Private-Label	153,590	45,032	9,387	11	208,020	72.4%
Agency	40,659	36,168	2,386	75	79,288	27.6%
<b>Total</b>	<b>194,248</b>	<b>81,200</b>	<b>11,773</b>	<b>86</b>	<b>287,307</b>	<b>100.0%</b>
% of Total	67.6%	28.3%	4.1%	0.0%	100.0%	

Note: Numbers in the table have been rounded.

Property/casualty (P/C) insurance companies increased their CMBS exposure by about 7% in 2024 to \$81 billion, raising their share of the industry's total CMBS holdings to 28.3% from 26.6% in 2023. This growth was primarily concentrated in agency CMBS. In contrast, life and title companies' CMBS exposure



declined, while that of health companies was relatively unchanged. Life, P/C, and health companies invested proportionately more in private-label CMBS, while title companies invested more in agency CMBS.

CMBS represented life insurance companies' second-largest commercial real estate (CRE) exposure at 22% of their total CRE investments, while for P/C insurers, CMBS was the largest category at 65% of their total CRE investments. U.S. insurance companies are also exposed to CRE through other investments, including direct commercial mortgage loans (CMLs), owned real estate, and unsecured bonds issued by real estate investment trusts (REITs).

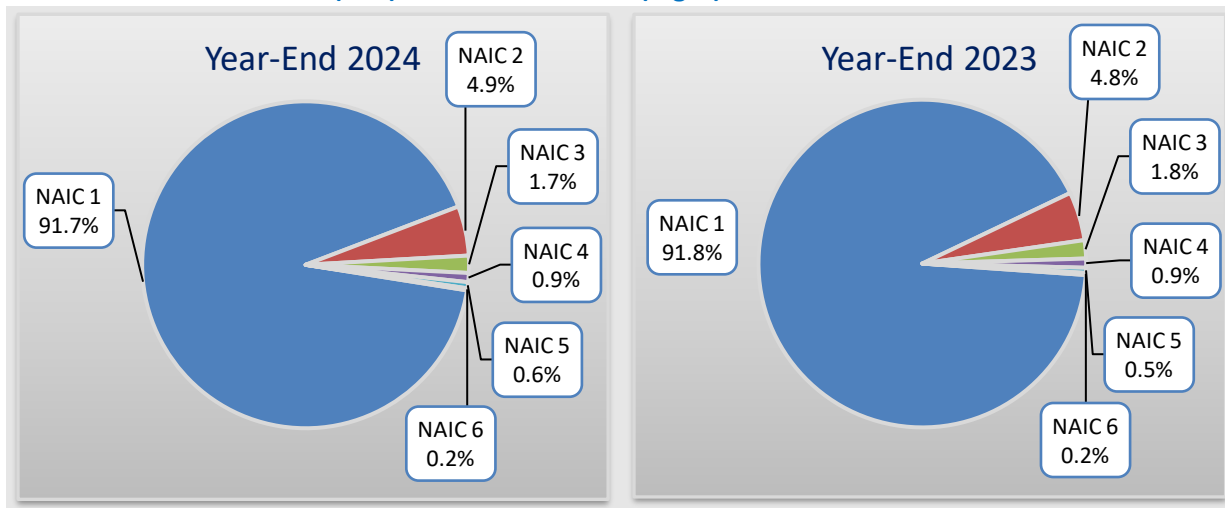
### Credit Quality Remains Stable Overall

The U.S. insurance industry's CMBS investments are predominantly concentrated in the most senior, NAIC 1.A designated tranches. U.S. insurers reported that over 98% of the \$79.3 billion agency CMBS holdings carried an NAIC 1.A designation as of year-end 2024 as they benefit from a guarantee of the timely principal and interest payments provided by government-sponsored enterprises (GSEs) such as Fannie Mae and Freddie Mac, or by an explicit U.S. government guarantee from Ginnie Mae. 99.6% of U.S. insurers' agency CMBS holdings at year-end 2024 were designated NAIC 1.

The insurance industry's private-label CMBS investments are also primarily held in securities with high credit ratings. While private-label CMBS do not benefit from a GSE or Ginnie Mae guarantee, they employ structural techniques and protections, like overcollateralization, which provides a protective buffer of excess collateral to all issued securities, and subordination, which improves credit quality for more senior classes. Nearly 92% of U.S. insurers' \$208 billion private-label CMBS investments carried an NAIC 1 designation as of year-end 2024. Notably, approximately 86% of these NAIC 1 holdings corresponded to an NAIC 1.A designation. In total, investments carrying NAIC 1 and NAIC 2 designations accounted for 96.6% of insurers' private-label CMBS exposure at year-end 2024, unchanged from year-end 2023. Meanwhile, investments carrying NAIC 3 designations or lower, which are considered speculative credit quality or at the lower end of the credit quality spectrum, represented 3.4% of private-label CMBS exposure. (Refer to Chart 2 and Chart 3.)



Chart 2 and Chart 3: Reported Credit Quality of the U.S. Insurance Industry's Private-Label CMBS Portfolio at Year-End 2024 (Left) and Year-End 2023 (Right)



### Elevated Office Delinquency Rates Continue

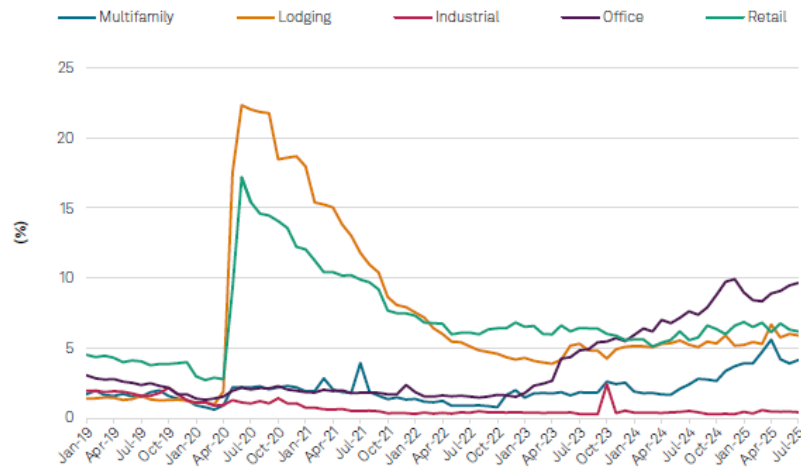
In 2024, signs of stabilization in property values began to emerge, supported by a resilient economy and renewed investor confidence. Through the first quarter of 2025, returns and valuations continued to strengthen in most property sectors, particularly industrial and multifamily, which have benefited from resilient demand. However, the office sector remains challenged amid hybrid work schedules, elevated vacancy rates, and reduced demand. For additional details related to commercial real estate market trends, please refer to the NAIC Capital Markets Bureau Special Report, [\*U.S. Insurance Industry's Commercial Mortgage Loan Exposure Rises at Year-End 2024 Amid Stabilizing Valuations\*](#), published in September 2025.

S&P Global Ratings (S&P Global) data shows that the overall delinquency rate for U.S. private-label CMBS transactions was 6.0% as of July 2025. Given the challenges described above, the office delinquency rate remains elevated compared to other property types. It gradually climbed from 1.8% in January 2023 and reached a peak of almost 10% at the end of 2024. Office property delinquencies recovered to below 9% in the first few months of 2025, but they began to rise once again in April and reached 9.6% in July.<sup>3</sup> Retail and lodging recorded the second-highest and third-highest delinquency rates, respectively, in July, but they both have remained relatively stable in the 5% to 6% range for more than two years. While the delinquency rate for multifamily properties has increased over the last 12 months, it ticked down to 4.1% as of July 2025. Industrial properties continued to perform well, with delinquency rates below 1%. (Refer to Chart 4.)

<sup>3</sup> S&P Global Ratings, U.S. CMBS Delinquency Rate Rose 16 Basis Points To 6% in July 2025; Office Rate Edges Closer to 10%, Aug. 5, 2025.



Chart 4: CMBS Delinquency Rate by Property Type, January 2019 to July 2025



Source: Standard & Poor's Financial Services LLC

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

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

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