CLEARWATER ANALYTICS®

Insurance Asset Management Trends

Looking back over 10 years of the Insurance Investment Outsourcing Report

A Decade of Insights from the Insurance Investment Outsourcing Report

The Insurance Investment Outsourcing Report (IIOR) is the most widely used insurance company resource for insurers looking to identify and research asset managers specializing in their space. With a history of 10 years, a robust and detailed design by DCS Financial, and extensive publishing by Clearwater Analytics, **insurers regularly leverage the IIOR when optimizing their use of external asset managers.**

Reviewing trends from the IIOR helps gain insights into the insurance investment industry. It allows insurers to understand shifting dynamics, identify potential asset managers, and benchmark their own strategies against industry standards. A decade of consistent data provides a historical context, helping insurers make more informed, strategic decisions about future investments and investment manager partnerships.

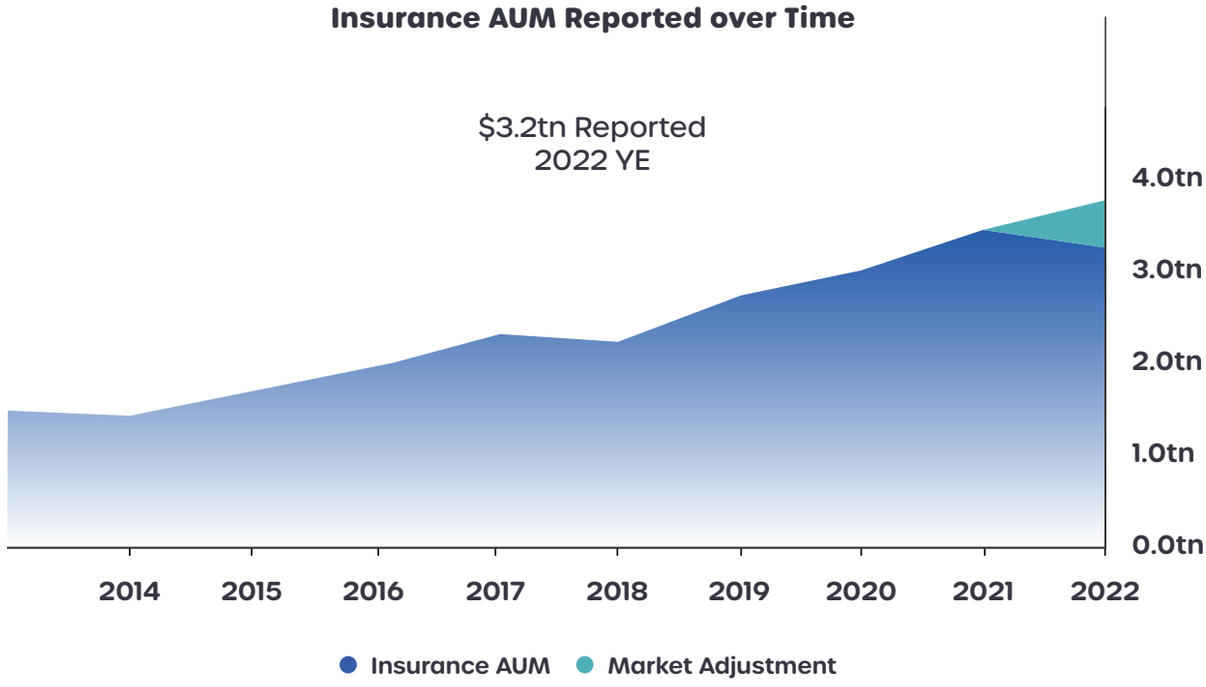
The insights from these trends can be applied to respond to market challenges and identify new opportunities. Schedule a call to talk to an expert to learn more about how you can use industry trends to meet your goals and grow your business.

Speak to an Expert

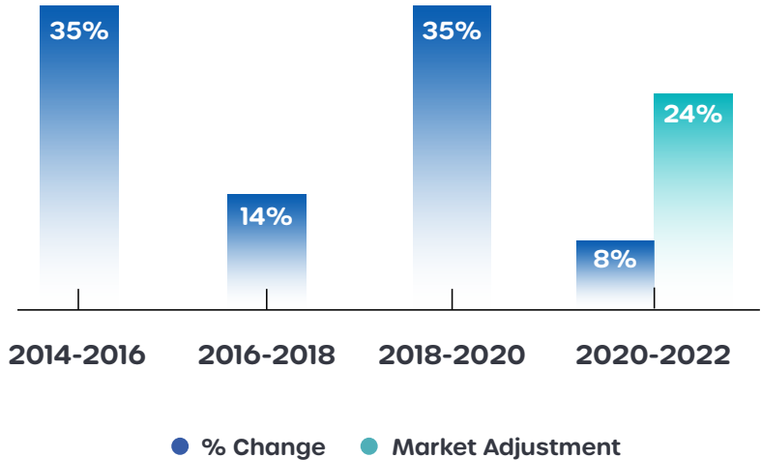
1. The use of external managers by insurers continues to grow

Looking at the past 10 years of total third-party general account assets reported by managers, we see a mega-trend of insurers tapping external managers for their capabilities and expertise. The unadjusted numbers for 2023 were slightly down, however the market-valued Insurance AUM was impacted by the down fixed income and equity markets of 2022.

Insurance AUM Reported over Time



AUM Growth Rates Recent 2 Year Period

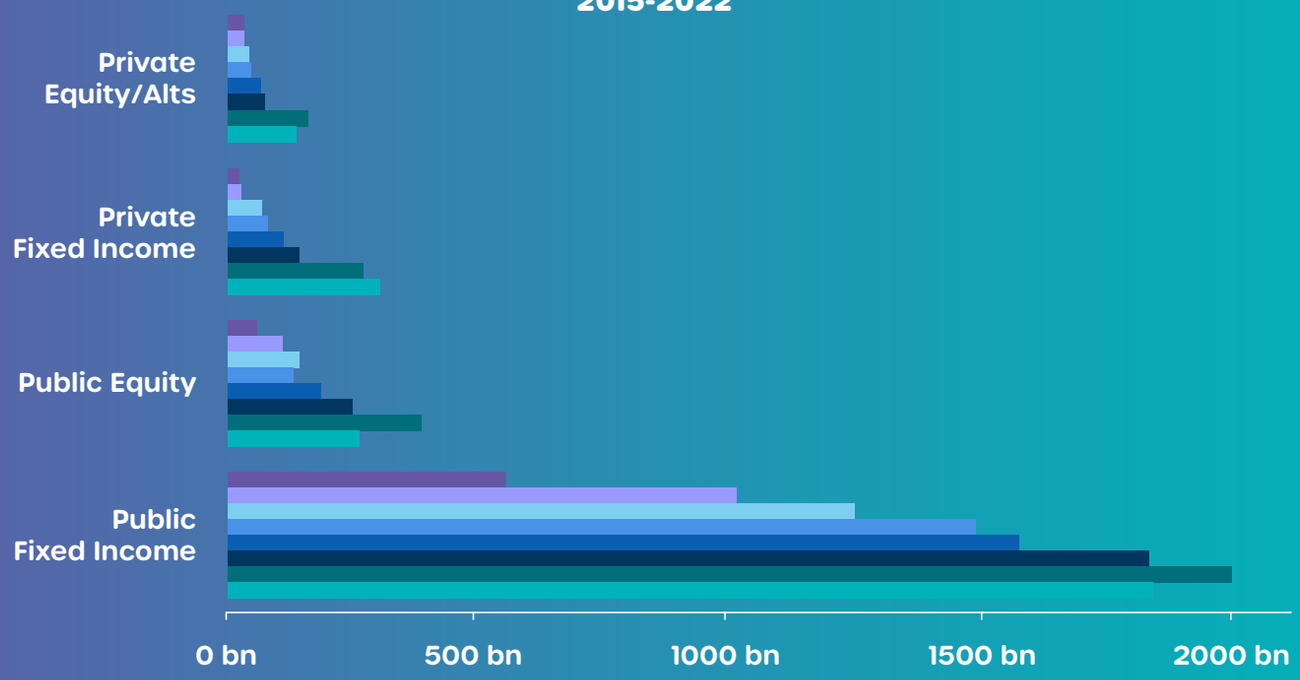


* Market adjustment adds 15% to AUM due to like declines in the bond and stock markets in 2022 as AUM is reported at market value

2. Managers have reported growth in all major asset categories

Many longtime insurance asset managers built their businesses directly in core fixed income, and they are considered by many to be the backbone of insurance asset management. Despite the recent focus on private and alternative assets, core fixed income continues to be the largest allocation for insurers.

Insurance AUM by Major Asset Categories 2015-2022



3. Participating managers show commitment to the space

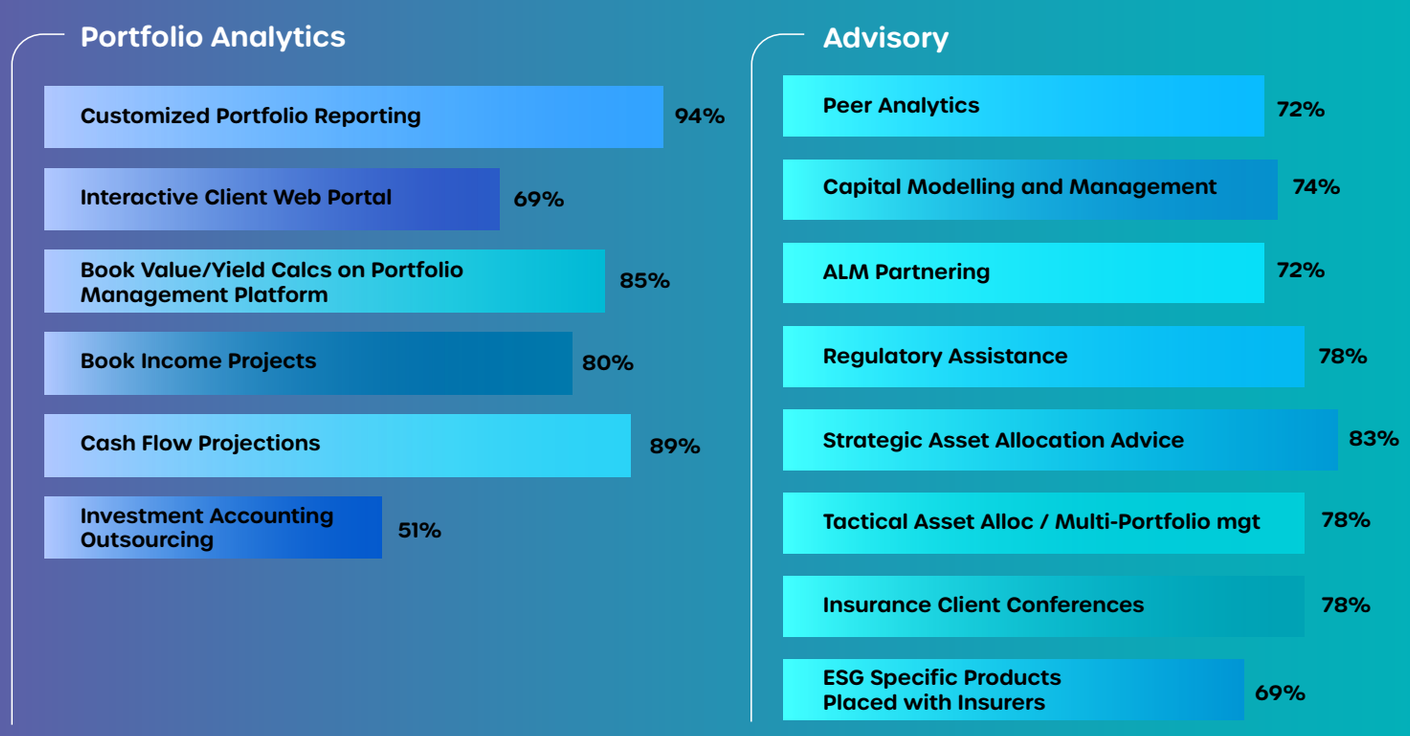
On average, managers reported one-third of their Insurance AUM is represented by insurers. Managers average $50bn in insurance assets – a number that has declined in recent years as specialty private managers that generally have smaller mandates have been penetrating the space. The number of insurance clients reported by managers is up 7% over the period. More and more insurers are tapping external managers.

Insurance AUM in Billions

4. Insurance AUM is Not the Whole Story

Insurer investment capabilities are also an important consideration. Insurers often hire managers due to their abundant robust resources, including expertise in insurance-specific investment issues. These managers assist insurers in crafting a strategic asset allocation plan, and take into consideration peer comparisons, capital, asset-liability management, regulations, and more. They also offer portfolio analytics and transparency, along with specific insurance accounting analytics such as book values and yields.

Manager Insurance Specific Services
% Providing

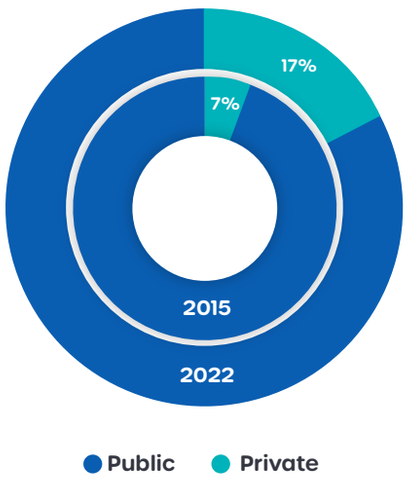


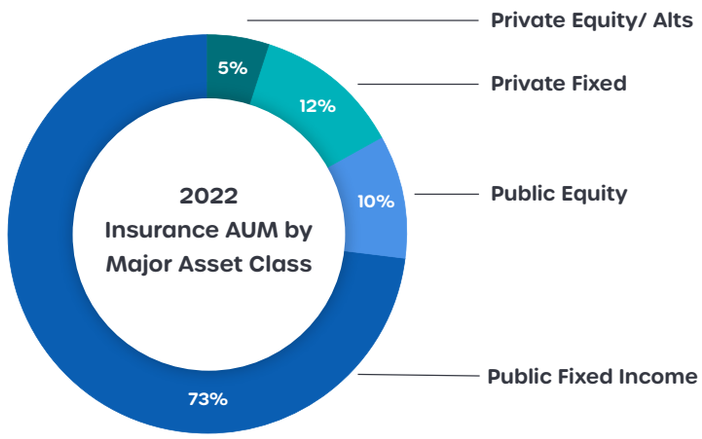
Many insurance asset managers leverage the Clearwater platform to deliver industry leading, insurance specific, portfolio analytics. If you are a manager in this space and don't yet use Clearwater let us help. Click here to speak to an expert.

5. Insurers continue to allocate more assets to private investments

And, two-thirds of those private assets are fixed income. Insurers extended their asset allocation over the last decade into privates as low yields nudged, if not pushed, them to do so. While some wonder whether the trend towards private allocations will slow or reverse given the recent material rise in interest rates, we expect the numbers to continue to grow in coming years.

Public vs Private





Download the Clearwater LPx eBook to see how insurers are responding to the operational challenges associated with accounting and reporting on private funds.

6. More managers are running insurance assets and many run private asset classes

Seventeen new managers joined the IIOR in 2023, reflecting the growing trend of managers focusing on the insurance space. These new managers reported a slight majority of their allocations in private assets. Despite privates typically being a modest allocation, the new managers reported Insurance AUM surpassed public fixed assets among these new managers.

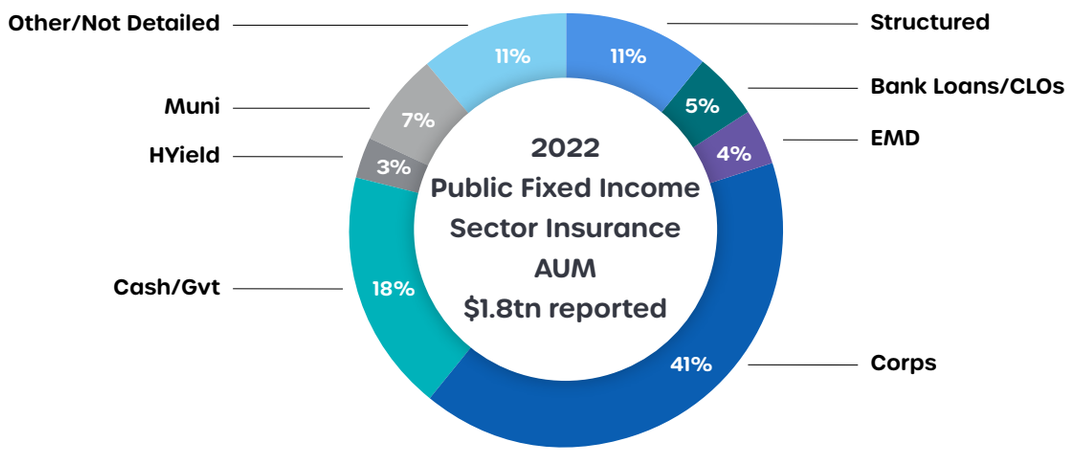
New IIOR Participants

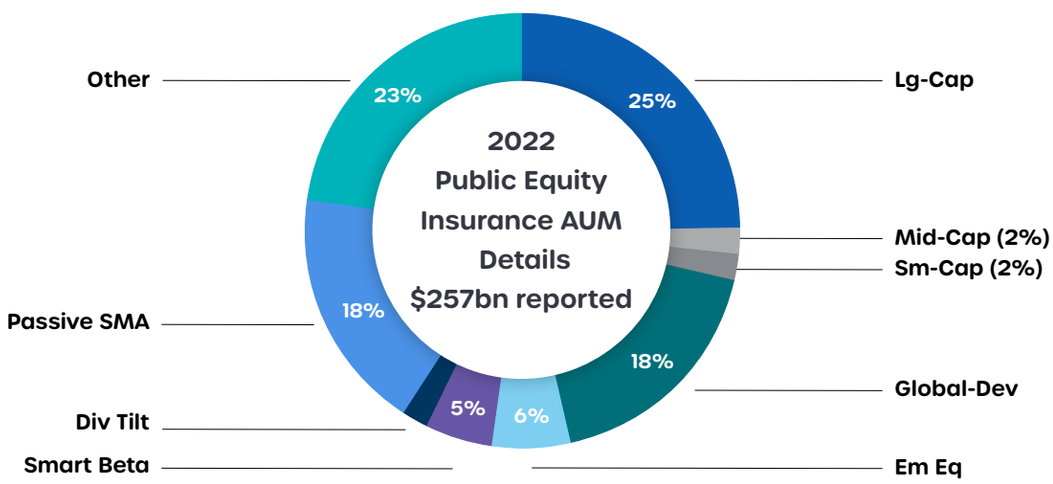
Private Fixed Income - $10bn
Private Equity, Equity Alts - $43bn
Privates - Both Categories - $12bn

7. Public assets are broadly invested across sectors

Fixed income is the core strategy for insurers

Many public fixed income managers offer multi-sector solutions that deliver strong diversification as well as yields that drive income. The same holds true for public equities. Most insurers prefer portfolios over funds for better accounting and capital treatment, as well as the ability to manage gain/loss realization.



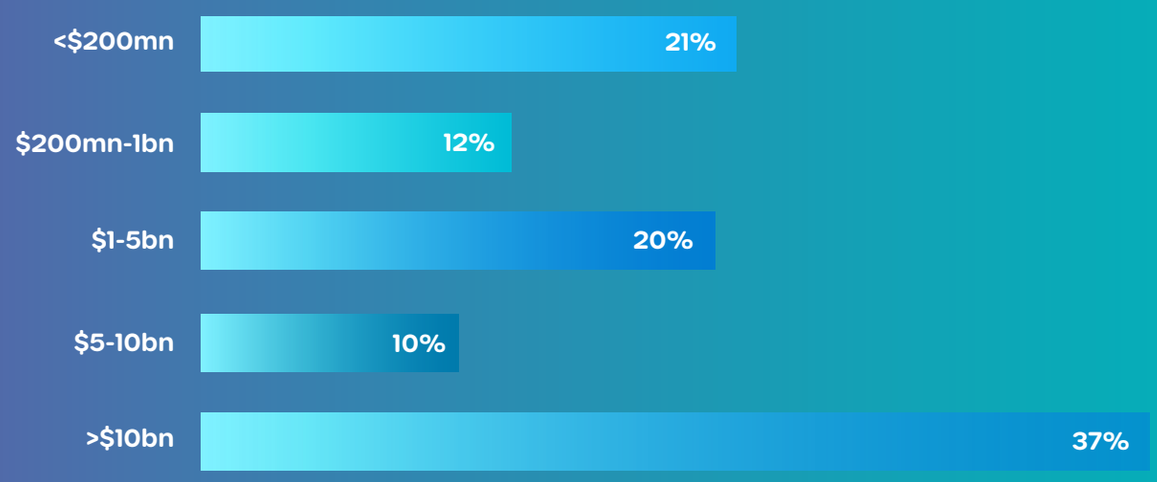


8. 6,400 clients -and growing- reported by managers

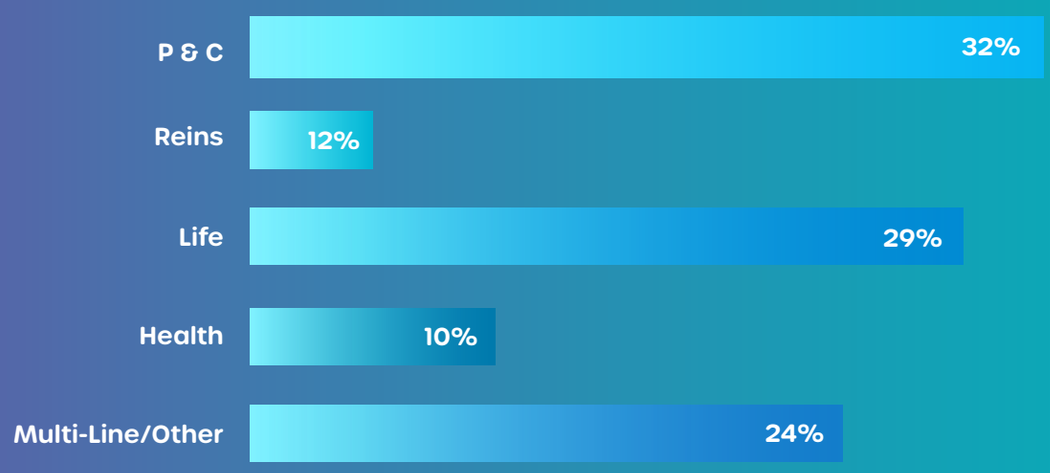
On average, managers reported 100 clients and insurance AUM that averaged 29% of total firm AUM. The managers that work with insurers show dedication and focus to the space.

In recent years we have seen managers report working with larger clients. The trend is that larger insurers are outsourcing specialty asset classes and in some cases all/most of their portfolios.

Size of insurers IAMs are working with by total balance sheet size



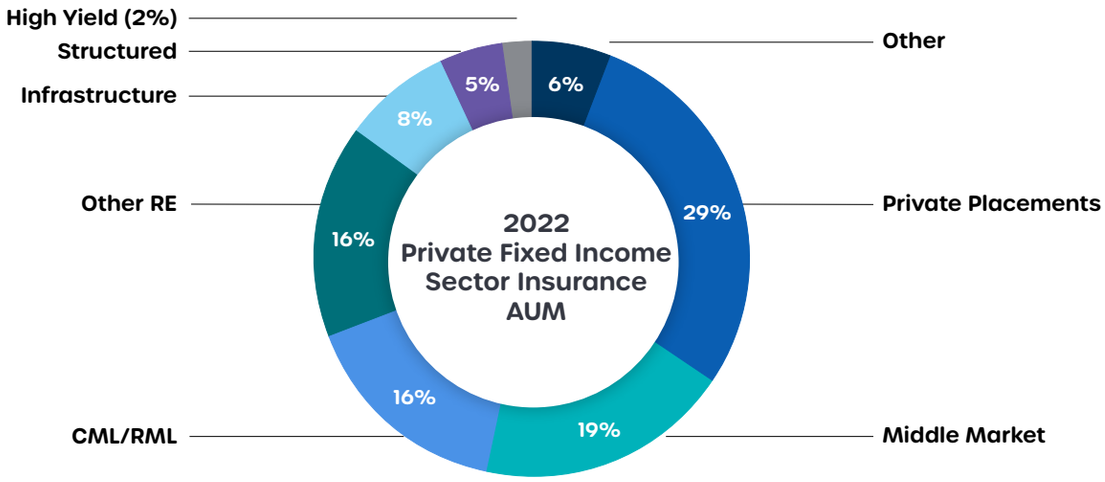
Types of insurers IAMs are working with by client count



See how asset managers are gaining complete functional coverage for front, middle, and back-office investment operations, all in a single platform.

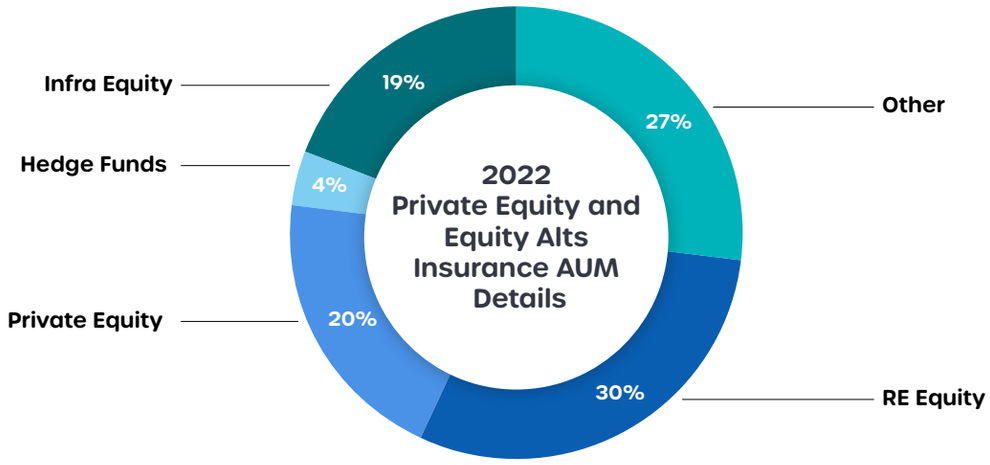
9. There is more to private fixed income than traditional corporate private debt

Large life insurers have historically invested in traditional corporates in the private space. Recently, due to a shortage of bank credit after the Great Recession, middle market corporates have also found their way onto insurer balance sheets, together representing half of private credit reported by managers. Structured private debt has also gained a foothold and has grown, however insurers and managers are considering potential increased regulation for that sector.



10. Insurers are using their risk budgets to venture into the private side of equity type investments

When it comes to private equity / alternatives, real estate and infrastructure make up around half of the allocation reported. However private equity and other types are also significant. We see many insurers using their risk budgets to venture into the private side of equity type investments.



The Insurance Investment Outsourcing Report is a well-known industry resource widely used by insurers researching external managers.

In 2023, Clearwater enhanced the report and ran the entire data collection and compilation process leveraging our investment analytics and data skills.

Read more about the different investment manager profiles and where your managers rate amongst the rest.

Download the full 2023 Insurance Investment Outsourcing Report

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