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# dakota insights

## PODCAST

POST-CALL NOTES

# EP 34

**TOPIC DISCUSSION:**

The U.S. Insurance Channel

# Dakota Insights Podcast

Post-Call Notes / Episode 34

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## TOPIC DISCUSSION: THE U.S. INSURANCE CHANNEL

### Introduction & Market Overview

#### The \$9.6 Trillion Insurance Channel

- U.S. insurers held \$9.6 trillion in cash and invested assets at year-end 2025, one of the largest pools of institutional capital any fund manager can pitch. A big balance sheet does not make an insurer a good prospect, though, and today's conversation is about which insurers actually are and how to reach them.
- Total cash and invested assets grew 6.7% in 2025. Schedule BA, the reporting category for many private equity, hedge fund, real estate, and other long-term investments, grew 10.3% to about \$638 billion, according to the NAIC.

#### Dakota Marketplace Insurance Dataset

- Everything in the report comes from Dakota Marketplace's insurance company dataset: 5,917 insurance companies, 35,225 contacts, and 188,875 investment holdings.

#### Four Things That Stood Out

- Different types of insurers have very different investment needs.
- Insurers' private-markets exposure is larger than the alternatives total suggests.
- Reaching insurance capital increasingly means knowing who manages it.
- This capital is reaching smaller and mid-market managers, not just the biggest brand names.

# THREE SUB-SEGMENTS, THREE BUSINESSES

## Segment Snapshot

| Segment             | Combined AUM   | Typical Liability Duration | What It Means for Managers                                                                                                                         |
|---------------------|----------------|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| Life & Annuity      | \$6.1T (63.6%) | 10–30+ years               | Longest duration in the channel; explicit demand for long-dated private credit, infrastructure debt, and real assets; most tolerant of illiquidity |
| Property & Casualty | \$3.1T (32.3%) | 2–4 years                  | Short-duration claims; portfolios need meaningful liquidity and can't extend far out the curve                                                     |
| Health              | \$377B (3.9%)  | Under 1–2 years            | Claims paid in 30–90 days; portfolios function more as liquidity management than an alpha engine, except at the largest carriers                   |

Source: AM Best BestLink, “Top 25 U.S. Life/Health Groups Ranked by Admitted Assets” and “U.S. Property/Casualty – 2025 Financial Results, Top 25 Writers,” both published March 2026, year-end 2025 statutory filings.

### Life and Annuity Dominates by Assets

- Life and annuity holds \$6.1 trillion, about 64% of the channel, even though it is only around 20% of insurance groups by count. It is also the most concentrated segment. These insurers collect money today and may not have to pay it out for 10 to 30 years or more, which gives them room to own longer-term private credit and real assets.

### P&C and Health Are the Opposite

- P&C is the largest segment by count: thousands of smaller, regional-heavy carriers alongside a handful of national giants. Only six groups sit above \$100 billion in admitted assets. Claims are short-duration (auto, property, most liability lines), so the portfolio needs real liquidity.
- Health is the smallest and most overlooked segment from a fundraising standpoint at \$377 billion, with claims paid in 30 to 90 days.

### The Practical Question Is Fit, Not Size

- The question for a manager is not “how big is this insurer?” but “how does my strategy fit this insurer’s payment obligations?” A 10-year private credit fund with quarterly distributions looks very different to an insurer than a 5-year fund that reinvests all of its cash. Every pitch should include an explicit discussion of how the strategy interacts with the liability profile.

### Key Takeaway for Fundraisers

Start with liabilities, not logos. Life and annuity insurers can underwrite long-dated, illiquid strategies. P&C and health insurers need ready access to cash, so address the liquidity constraint head-on. Walk into every insurance conversation ready to explain how your fund’s duration and cash flows fit the insurer’s payment obligations.

## HOW INSURERS INVEST

### Liability-Driven Investing

- An insurer collects premiums and policyholder deposits today in exchange for a promise: a death benefit, an annuity payment, a medical claim, compensation for property damage. The portfolio is built first to fund those obligations, maintain liquidity, and protect statutory capital, and only then to generate additional return. The liability profile determines the portfolio, not the other way around.

### General Account Versus Separate Account

- On the general account side, the assets legally belong to the insurer, and the insurer bears the investment risk of meeting guaranteed obligations. Separate accounts, like those behind variable annuities, pass performance largely through to the contract holder. Pitching general account dollars means pitching the insurer's own balance sheet.

### Duration Matching

- Insurers align the interest-rate sensitivity of assets with liabilities so that both move together when rates change and surplus is preserved. That is why long-duration, fixed-income-like assets are the foundation of every life insurer's portfolio. It is a mechanical requirement of the business, not conservatism for its own sake.

### Aggregate Asset Mix, Year-End 2025 (\$9.6T Total)

| Asset Category                         | Amount | % of Invested Assets |
|----------------------------------------|--------|----------------------|
| Bonds                                  | \$5.7T | 59.8%                |
| Common Stocks                          | \$1.3T | 13.6%                |
| Mortgage Loans                         | \$868B | 9.1%                 |
| Schedule BA and Other Long-Term Assets | \$638B | 6.7%                 |

Source: NAIC, year-end 2025.

### Bonds Fall Below 60% for the First Time

- Bonds at 59.8% is the first time they have fallen below 60% of invested assets on record, the latest step in a long drift. Bonds have given up roughly 10 percentage points of share over 15 years, down from about 70% in 2010.
- Common stocks and Schedule BA assets were the fastest-growing pieces in 2025, each up roughly 11%. Cash and short-term investments have climbed to 6.2% of the book from 4.9% in 2020 as insurers build more liquidity into the balance sheet.

## The Segment Portfolios Barely Resemble Each Other

- Life insurers put nearly 80% of their book into bonds (65.6%) and mortgage loans (13.7%) combined, and hold just 4.0% in common stock.
- P&C runs the opposite playbook: common stock is 32.5% of the portfolio, over eight times the life allocation, because the shorter, more volatile claims profile leaves room for capital appreciation.
- Health holds 21.0% in cash and short-term investments, a direct reflection of paying claims in 30 to 90 days rather than years or decades.
- Where they agree is Schedule BA: all three segments hold between 6% and 8.5% of their book in alternatives, which shows private-markets appetite is not confined to the long-duration life insurers most fund managers default to pitching.

## More Private Underneath Than the Labels Suggest

- A meaningful and growing share of “bonds” are privately placed notes rather than publicly traded issues, and most of the \$868 billion mortgage loan line is directly originated commercial lending rather than agency-securitized paper.
- Some of Schedule BA's growth is a regulatory artifact. The NAIC's new bond-definition standard, in effect since January 2025, moved some structures that used to qualify as bonds onto Schedule BA, so not all of the 10.3% is fresh capital.

### Key Takeaway for Fundraisers

Don't size the insurance opportunity off the Schedule BA number alone. Private exposure runs through bonds, mortgages, and alternatives at the same time, and part of BA's recent growth is reclassification, not new money. And don't assume only life insurers are in the market for alternatives: every segment carries a meaningful alternatives allocation.

## THE ALTERNATIVES BOOK: WHAT SCHEDULE BA LOOKS LIKE

### What Is in Schedule BA

- Schedule BA is where limited partnership interests, joint ventures, and other long-term holdings that don't fit the bond or stock schedules get reported. It is the best publicly available view of insurer alternatives, but a partial one, because a large share of what the market calls “insurer private credit” is booked on other schedules, like Schedule D.

## Schedule BA Breakdown, Year-End 2025

| Asset Class          | Amount   | % of Schedule BA |
|----------------------|----------|------------------|
| Private Equity       | \$224.3B | 35%              |
| Hedge Funds          | \$132.2B | 21%              |
| Real Estate          | \$89.6B  | 14%              |
| All Other Categories | \$191.9B | 30%              |

Source: NAIC Capital Markets Bureau, "Double-Digit Increase in U.S. Insurers' Other Long-Term Invested Assets at Year-End 2025" (Vento and Wong, May 2026). "All Other Categories" combines mortgage loans, fixed income, collateral loans, surplus debentures, and other smaller Schedule BA categories not broken out individually in the source.

- The total is \$638 billion, up 10.3% from \$578.1 billion. Private equity is the biggest piece at \$224.3 billion, hedge funds are \$132.2 billion, and real estate is \$89.6 billion. Those three together make up 70% of the schedule.

### Middle-Market Managers Are Winning Insurance Commitments

- The assumption is that insurers follow the biggest brands into a handful of flagship funds. The data pushes back: among the investment strategies with more than 10 insurance company LPS, many are middle-market and lower-middle-market funds. This is several, not all, of the strategies that clear that bar.

## Funds With 10+ Insurance Company LPs

| Fund / Strategy                                    | Manager                        | Investment Focus                            | Fund AUM |
|----------------------------------------------------|--------------------------------|---------------------------------------------|----------|
| Vance Street Capital IV                            | Vance Street Capital           | Private Equity – Lower Middle Market Buyout | \$775M   |
| 26N Private Equity Partners I                      | 26North                        | Private Equity – Large Market Buyout        | \$5.9B   |
| BharCap Partners II                                | BharCap Partners               | Private Equity – Middle Market Buyout       | \$652M   |
| GHK Fund II                                        | GHK Capital Partners           | Private Equity – Middle Market Buyout       | \$870M   |
| Global Infrastructure Partners V                   | Global Infrastructure Partners | Real Assets – Infrastructure                | \$25.2B  |
| Insurance Private Credit IV                        | Goldman Sachs Asset Management | Private Credit – Diversified                | \$559M   |
| Lee Equity Partners Fund IV                        | Lee Equity Partners            | Private Equity – Middle Market Buyout       | \$1.3B   |
| Trinity Hunt Partners Fund VII                     | Trinity Hunt Partners          | Private Equity – Lower Middle Market Buyout | \$700M   |
| Wind Point Partners X                              | Wind Point Partners            | Private Equity – Middle Market Buyout       | \$2.3B   |
| Sixth Street Private Asset Based Investment Fund I | Sixth Street                   | Private Credit – Asset Backed               | \$1.46B  |
| Yukon Capital Partners V                           | Yukon Partners                 | Private Credit – Corporate Lending          | \$765.2M |

Source: Dakota analysis of Schedule BA data, year-end 2025.

- Vance Street at \$775 million, GHK at \$870 million, Trinity Hunt at \$700 million, and BharCap at \$652 million are not mega-funds.
- The list includes a \$25 billion infrastructure fund and a \$5.9 billion large-cap buyout fund, but also lower-middle-market buyout funds under a billion dollars with 10-plus insurance investors each. Insurance capital is not going only to the largest asset management firms.

### Key Takeaway for Fundraisers

If you're a lower-middle or middle-market manager, don't write off the insurance channel as a big-brand game. Schedule BA data shows funds well under \$1 billion with 10 or more insurance LPs. Use the data to find which insurers already invest in strategies like yours, and start there.

## PRIVATE CREDIT: THE PART YOU CAN'T SEE IN ONE PLACE

### Why Private Credit Is Such a Big Slice

- Private credit pays more than a comparable public bond, and insurers, who don't need to sell in a hurry to meet obligations that are decades out, are well positioned to collect that extra yield in exchange for

reduced liquidity. As insurers look for ways to support annuity products and boost investment income without taking on more traditional credit risk, private credit has become one of the more reliable levers available, particularly at the PE-owned insurers built around exactly that strategy.

### Why It Is Hard to Size

- Private credit doesn't sit in one place on an insurer's books. Some of it shows up in Schedule BA as a fund or LP interest. A lot more is booked as an ordinary-looking rated note on Schedule D, the same schedule public bonds sit on, and some runs through the mortgage loan schedule as directly originated commercial lending. There is no single published total that captures all of it.
- Estimates of the industry's true private credit exposure vary widely depending on which schedules and definitions an analysis uses. If someone hands you a single number, ask what is in it.

#### Key Takeaway for Fundraisers

Private credit is the biggest opportunity story in the channel, but it's also the hardest to size. Treat any single private credit figure with caution, and look at holdings across schedules, not just Schedule BA, when you're building a target list.

## A CHANNEL IN MOTION: OWNERSHIP AND PARTNERSHIP MODELS

### Private Equity M&A in Insurance

- The insurance sector has been an active M&A market for private equity over the past eighteen months, in the U.S. and abroad. It splits into outright acquisitions of carriers or specialty platforms, and asset management partnerships, where an investment firm manages assets without full ownership. Both are accelerating, and the second is where the more durable change is happening.

#### Among the Largest Carrier Deals of the Past Eighteen Months

| Target                | Acquirer(s)                                    | Value              | Status / Date      |
|-----------------------|------------------------------------------------|--------------------|--------------------|
| Corebridge Financial  | Equitable Holdings (all-stock merger)          | \$22.0B (combined) | Announced Mar 2026 |
| Resolution Life       | Nippon Life Insurance (from Blackstone)        | \$8.2B             | Closed Oct 2025    |
| Convex Group          | AIG + Onex Partners                            | \$7.0B             | Closed Feb 2026    |
| Brighthouse Financial | Aquarian Capital (backed by Mubadala, RedBird) | \$4.1B             | Announced Nov 2025 |
| Just Group plc        | Brookfield Wealth Solutions                    | \$3.2B             | Closed Apr 2026    |

Source: Dakota Marketplace, Q2 2026 Global PE Asset Class Review

## Partnerships Are the Dominant Model in Life and Annuity

- Rather than buying insurers outright, investment firms are partnering with carriers to manage assets. The investment firm gets access to long-duration “permanent capital,” and the insurer gets higher-yielding private-market exposure.

### Partnership Models

| Investment Firm | Insurance Partner                                                 | Structure                                                                                                                                                                                  |
|-----------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bain Capital    | Lincoln Financial                                                 | \$825M for a 9.9% equity stake plus a 10-year strategic investment management relationship; Lincoln committed \$1.4B in AUM to an evergreen private credit fund launched with Bain in 2025 |
| TPG             | Jackson Financial                                                 | \$500M equity for roughly a 6.5% stake plus a 10-year mandate covering a minimum of \$12B of Jackson assets, with incentives to reach \$20B                                                |
| Apollo          | Athene, plus alliances with Citigroup, Mubadala, and State Street | Full ownership of Athene as a permanent-capital vehicle, layered with a private credit origination program with Citigroup and a retail access partnership with State Street                |
| Warburg Pincus  | Prudential Financial                                              | Prismic Life Reinsurance platform launched with \$1B of equity, with PGIM Multi-Asset Solutions managing the assets                                                                        |

Source: Dakota Marketplace, Q2 2026 Global PE Asset Class Review

### How the Playbook Developed

- The model took shape between 2020 and 2022, when Apollo merged with Athene, KKR acquired Global Atlantic, Blackstone bought Allstate’s life insurance business (rebranded Everlake), and Carlyle partnered with AIG to spin out Fortitude Re. The deals today show the model still spreading to new pairs of firms and insurers.
- The biggest three have taken different paths. Apollo built a bank-like lending operation funded by Athene’s long-term insurance capital. KKR built a Berkshire Hathaway-style permanent capital model around Global Atlantic. Blackstone has kept a traditional fee-based asset management model, advising insurance capital without owning the balance sheet. Asset-manager-affiliated insurers now set the benchmark for the rest of the channel.
- The count of private equity-owned U.S. insurers has plateaued at 137 to 139 since 2024, up roughly 50% since the NAIC began tracking in 2018, but deal activity has not plateaued. If anything, it has accelerated.

### Key Takeaway for Fundraisers

Ownership and partnership structures are changing who makes investment decisions for a growing slice of insurance assets. When an insurer is tied to an asset manager through a stake or a long-term mandate, understand that relationship before you pitch, because it may shape which strategies get a look.

# INVESTMENT MANAGEMENT OUTSOURCING

## A Steady Shift to Third-Party Managers

- Insurers have been moving from internal teams to third-party asset managers for about a decade. Unaffiliated general account AUM under outsourced management reached \$5.5 trillion globally at year-end 2025, across 96 specialist managers and 12 consultants, with private fixed income up 141% since 2021 within outsourced portfolios.
- Per AM Best's analysis of year-end 2024 NAIC data, over 43% of life and health insurers engaged a single third-party manager for at least 10% of invested assets, up from 32% in 2016.

## Insurance Asset Managers

| Insurance Asset Manager                    | Role in the Channel                                                                                                                                                  |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>BlackRock</b>                           | Most-cited unaffiliated manager by U.S. insurers in every recent AM Best ranking                                                                                     |
| <b>PIMCO</b>                               | One of the longest-established insurance-dedicated fixed income platforms, known for asset-based and specialty finance strategies built for insurance balance sheets |
| <b>Goldman Sachs Asset Management</b>      | Deep, long-standing insurance client base spanning general account fixed income to alternatives                                                                      |
| <b>Barings</b>                             | MassMutual-owned; \$317B in insurance-specific AUM across 204 global insurance clients as of mid-2026, the largest insurer-owned platform on this list               |
| <b>New England Asset Management (NEAM)</b> | Berkshire Hathaway-owned, pure-play insurance asset manager                                                                                                          |
| <b>Conning Asset Management</b>            | Generali-owned, deep mid-market and regional insurance client base                                                                                                   |
| <b>Wellington Management</b>               | Broad multi-asset platform with an expanding insurance book                                                                                                          |
| <b>Ares Insurance Solutions</b>            | Alternatives-led platform, roughly \$86.5B across roughly 270 insurance clients as of year-end 2025                                                                  |

Sources: Barings disclosures, June 2026; Ares Management disclosures. Roles as described in the Dakota report.

## The “Who Decides” Question

- These firms play different roles. Some, like BlackRock and Goldman Sachs Asset Management, have OCIO or multi-manager capabilities that may bring outside funds into a client's portfolio. Others simply run a sleeve directly, as NEAM typically does with fixed income.
- The insurer's name on the door doesn't always answer who decides. This matters most among smaller carriers, which make up most of the insurers that outsource. An insurer that has outsourced its credit portfolio may not be open to outside managers on that sleeve, while one that runs alternatives in-house or with a consultant may be open to a direct approach.
- As the Schedule BA data shows, middle-market managers are winning insurance commitments too, not just the household names.

### Key Takeaway for Fundraisers

Before you pitch an insurer, find out who controls its investment decisions and how outside funds enter the selection process. That one step tells you whether to approach the insurer directly, work through an advisor, or look at the manager running its assets.

## CLOSING THOUGHTS AND HOW TO USE THIS INTELLIGENCE

### What to Do on Monday

- Identify insurers whose needs fit your strategy, then work out whether the opportunity is accessible directly or through an outside investment manager. The strongest conversations connect the investment case to the insurer's cash-flow needs, liquidity requirements, and regulatory capital treatment.
- The scale numbers are real: \$9.6 trillion in cash and invested assets, roughly \$638 billion in Schedule BA, and a growing private footprint underneath the other categories. The addressable opportunity for any one manager depends on the insurer's liabilities, available capital, mandate, and use of external managers. Managers who can make that connection clearly will be better positioned to turn a broad market opportunity into lasting allocator relationships.

### Where Dakota Marketplace Fits

- The report is built entirely on the Marketplace insurance company dataset: 5,917 insurance companies, 35,225 contacts, and 188,875 investment holdings. You can see which insurers hold which funds, which strategies already have insurance LPs, and who the contacts are at each carrier, so you can build a target list by fit, not just by size.
- A manager pitching long-dated private credit starts with the life and annuity side and looks at who already holds similar strategies. A middle-market buyout manager can use the Schedule BA fund-level data to see which insurers are already in funds like theirs. The ownership and outsourcing context shows who you are actually talking to at each one.

[Book a demo](#) to see the insurance dataset in Dakota Marketplace and build a target list that fits your strategy. The full report, *How to Win Assets in the \$9.6T U.S. Insurance Market*, is powered by Dakota Marketplace and available in the platform.