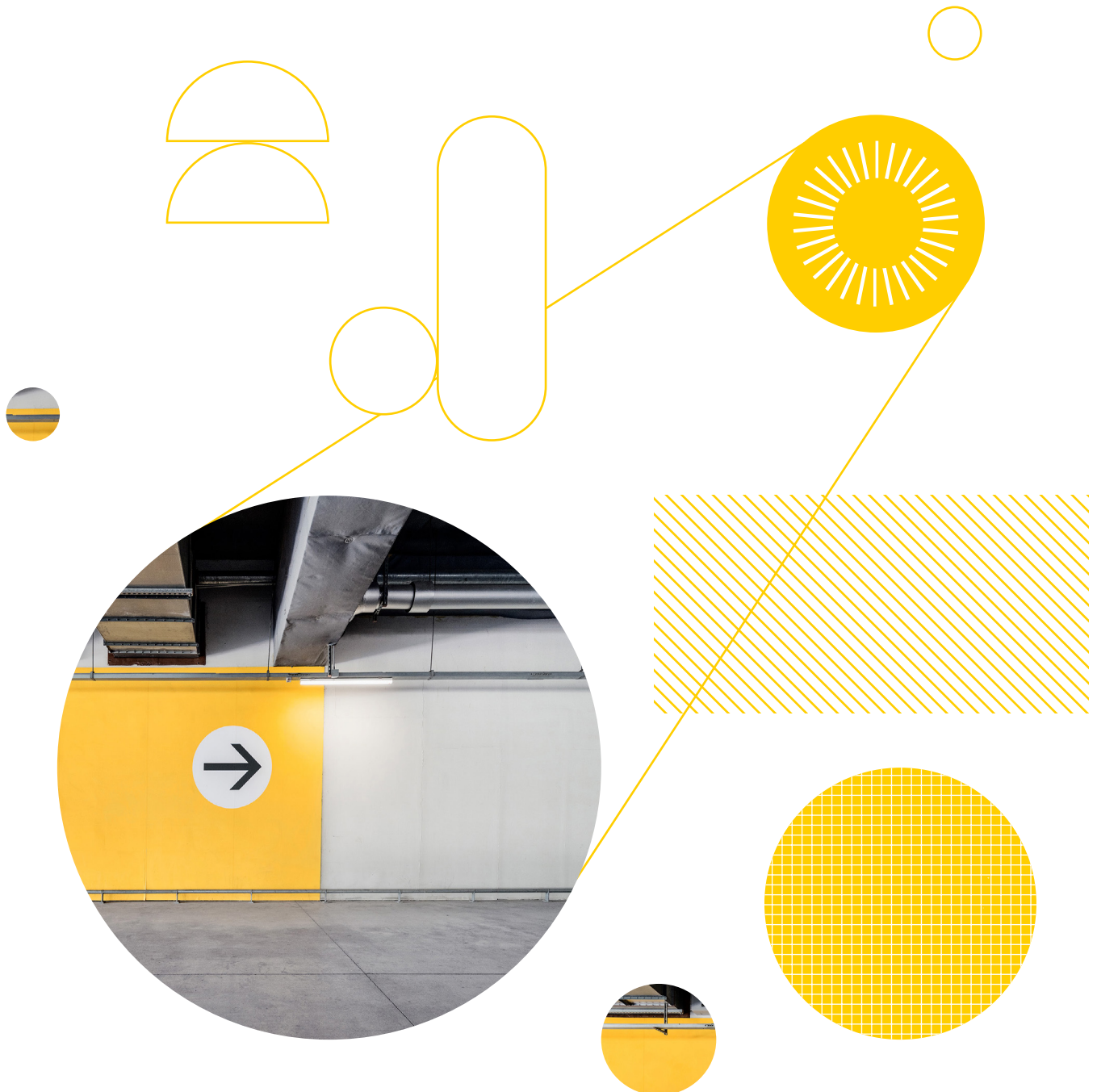


**SPOTLIGHT**

# FROM TRADITION TO TRANSFORMATION

HOW INSURANCE COMPANIES ARE BUILDING WHOLE  
PORTFOLIO RESILIENCE THROUGH MODERN ASSET ALLOCATION



# FOREWORD

Over the past several years, insurers have faced macroeconomic and policy headwinds and heightened market volatility. More recently, geopolitical uncertainty and isolated stresses within private markets have added to an already complex investment environment. While this uncertainty has not been without cost, it has created a more complex and selective opportunity set for insurers that are well positioned to navigate dislocations and adapt to structural shifts in markets.

One of the most significant structural changes is the increasing demand for private assets. Some 30% of insurers surveyed for BlackRock's 2025 Global Insurance Report 2025 planned to increase allocations. BlackRock's surveys since 2018 show this is a secular shift, independent of the rate cycle.

In the following pages, we explore how and why insurers plan to access private markets, historical returns, and the role technology will play in the future.

Market conditions, combined with increased private markets exposure, will favor insurers who embrace a more flexible approach. Insurers understand this and are adapting. In our survey, 87% of respondents said they are changing their asset management operating model to combine the best of in-house and outsourced capabilities.

Investment in operational and technology capabilities reflects the growing emphasis on AI and tech platforms and tools, driven by the exponential increase in the availability of public, private, and non-traditional data.

We believe insurers will need to pick the right partners on this journey. The partners need to have the scale, capability, capital, and expertise to invest in tomorrow's technology, drive change, and enable investors to focus on the core competencies that will deliver their success.



**Georgette Anderson**  
Managing Director, Head of  
Aladdin Insurance Business  
Development, AMRS  
BlackRock



**Vineet Gupta**  
Managing Director,  
Head of Credit Risk &  
Analytics, Aladdin  
BlackRock

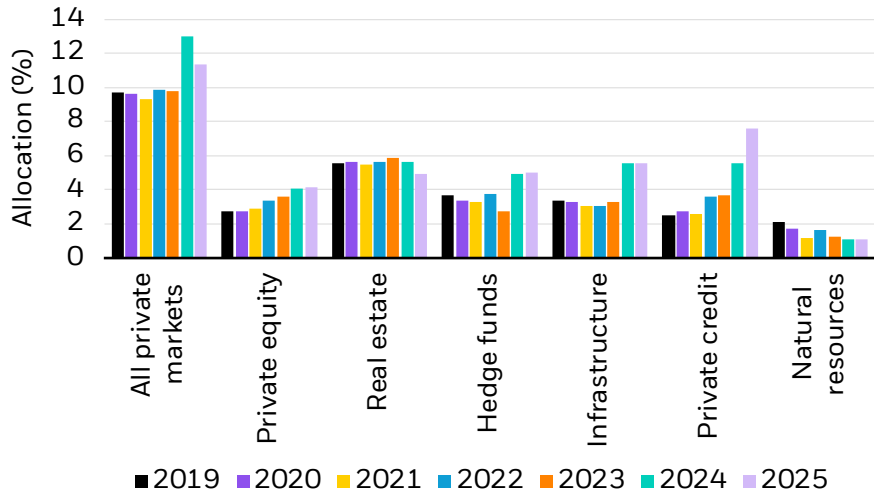
# GLOBAL INSURANCE FIRMS ARE INCREASINGLY ALLOCATING TO PRIVATE MARKETS AND HEDGE FUNDS

The growing allocation from insurers is driven by three key motivations: diversification needs, inflation protection, and opportunities to invest in new asset classes.

Insurers are responding to rapid economic changes by increasing allocations to private assets. This move – supported by data from BlackRock’s 2025 Global Insurance Report, Peer Risk Analysis, and Preqin – is accompanied by updated operational models and the increasing importance of technology, all of which is shaping the future of insurance asset management.

### Private markets fund exposure is spread across asset classes\*

Global insurers’ average allocation to private markets funds by asset class



Source: Preqin. Data as of March 2026

\*Preqin data reflects insurers’ allocations to private market funds and does not include direct private asset holdings such as private fixed income, mortgage loans, or real estate.

# ALLOCATIONS TO PRIVATE MARKETS

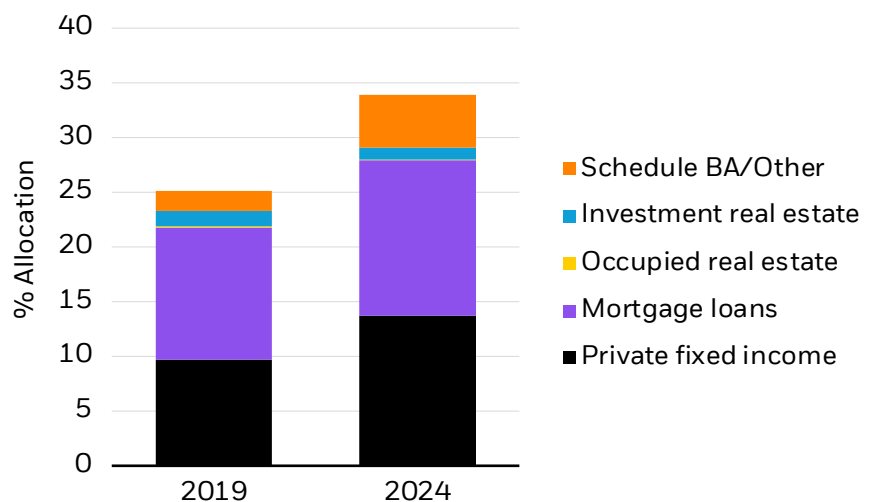
US insurance companies’ exposure to private assets has increased significantly over the past five years, according to BlackRock’s Peer Risk Analysis.

Allocations are diverse – insurers invest in a broad range of assets, including private fixed income, mortgage loans, real estate, and alternatives. Globally, insurers have been increasing their allocations to private credit funds, reflecting a worldwide shift and underscoring the structural nature of the move into private markets.

On average, US insurers’ allocation to private assets was 34.0% in 2024, up from 25.3% in 2019 (BlackRock’s Peer Risk Analysis).

## Insurers’ private asset allocations increased significantly between 2019 and 2024

Average private asset allocation for US insurers - 2019 and 2024

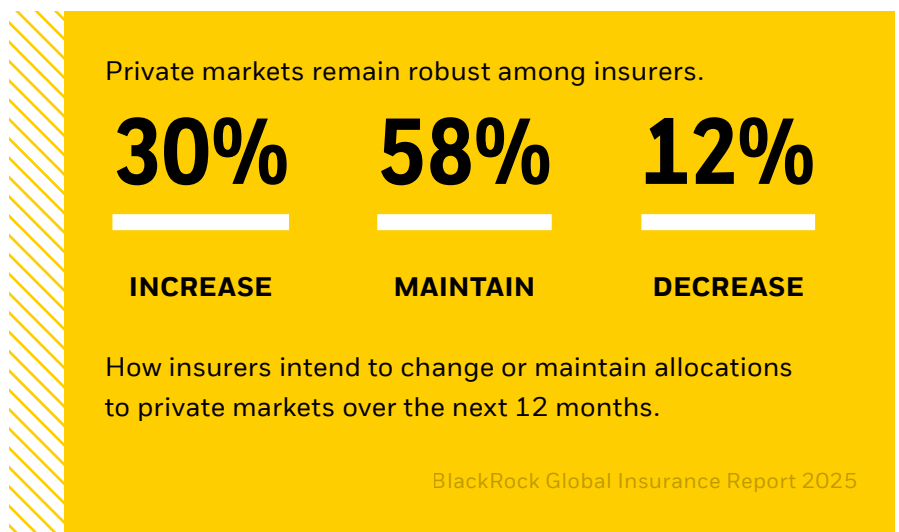


Source: BlackRock, 2024 Peer Risk Analysis

# EXPECTED SHIFTS IN PRIVATE MARKET ALLOCATIONS

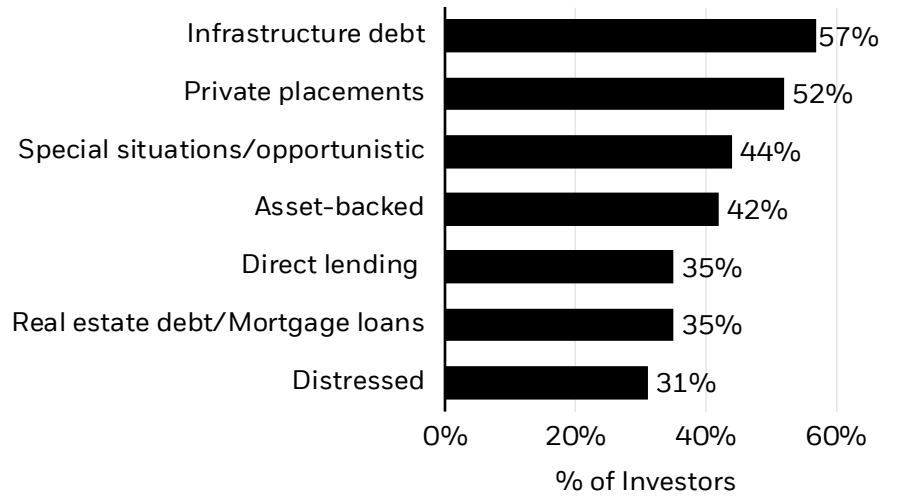
Insurers' strategies for private market allocations reveal a clear, lasting shift: investors are prioritizing diversification, lower volatility, inflation protection, and access to new asset classes.

This trend has held steady for five years, with a strong majority maintaining or increasing exposure—underscoring the insurance sector's commitment to evolving portfolios and capitalizing on private market opportunities.



### Insurers look across private assets to boost allocations

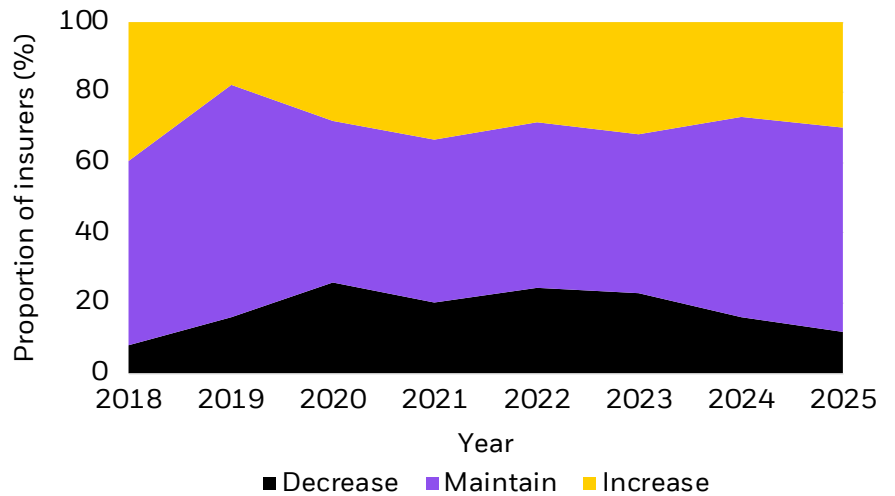
Asset classes with the highest percentage of investors looking to increase exposure



Source: BlackRock Global Insurance Report 2025

### Insurers remain steadfast in increasing private market allocations

Insurer intentions for private asset allocations, 2018-2025



Source: BlackRock Global Insurance Report 2025

### BY THE NUMBERS

**2.47% => 7.63%**

Globally, average allocations by insurers to private credit funds have more than tripled over the past six years, from 2.47% in 2019 to 7.63% in 2025\*

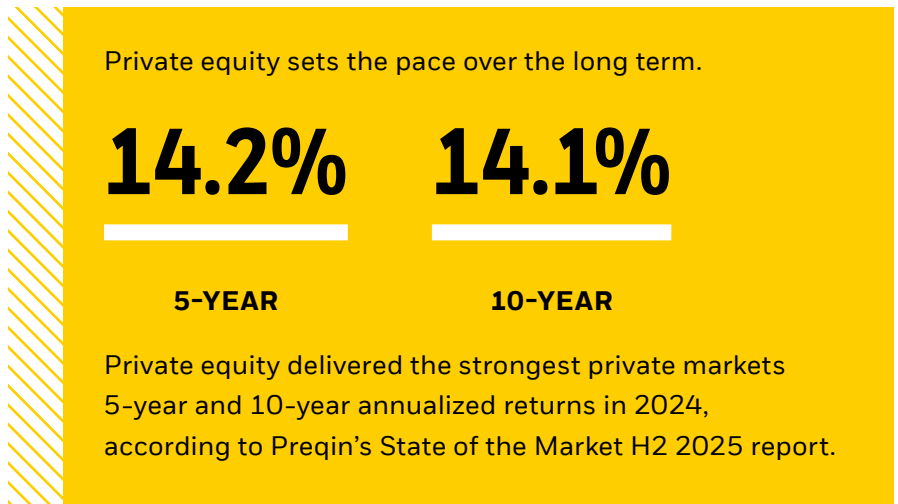
Fueled by Preqin

\*Preqin data reflects insurers' allocations to private market funds and does not include direct private asset holdings such as private fixed income, mortgage loans, or real estate.

# RETURNS

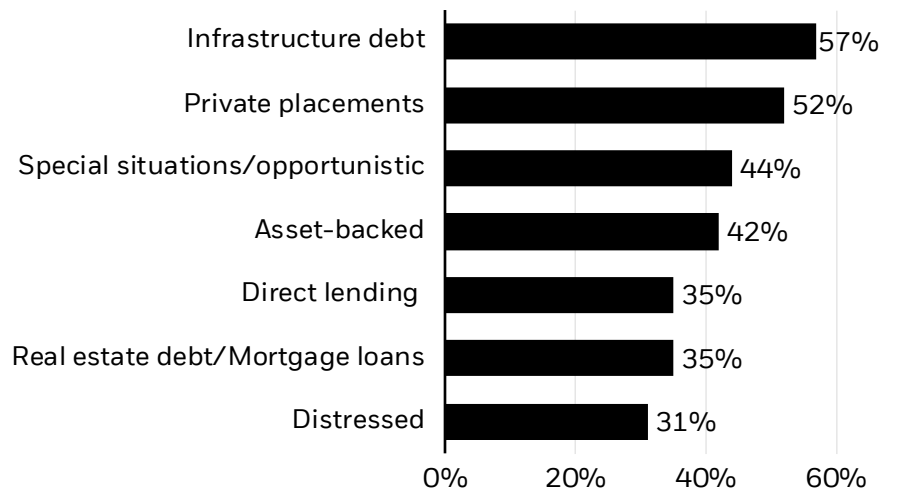
Insurers are prioritizing private market allocations to seek better returns and diversification.

Infrastructure and natural resources have delivered strong performances in recent years, while over the long term, private equity has delivered high annualized returns. Private credit is the mainstay for US insurers, accounting for over 80% of the peer average allocation of 34.0% to private markets.



## Infrastructure debt tops insurers’ opportunity set in private debt

Insurers were asked ‘Which parts of the private debt market will provide the most attractive opportunities over the next 12 months?’

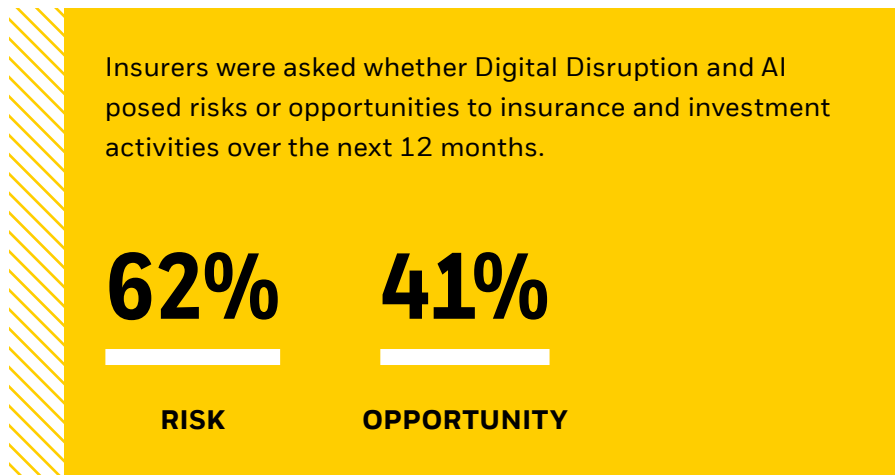


Source: BlackRock Global Insurance Report 2025

# TECHNOLOGY

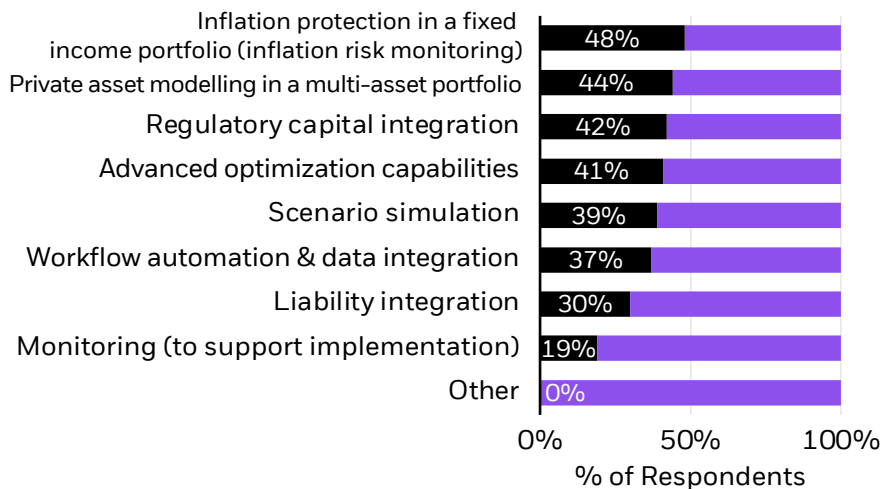
Insurers’ increasing allocation to private markets creates growing complexity when it comes to managing assets across their whole portfolio.

As they do this, new trends like digital disruption and AI are top of mind. In fact, many insurers think these technologies are more of a risk than an opportunity – the only “mega force” where worries are bigger than hopes (BlackRock Global Insurance Report 2025).



## Asset owners look to shape their tech future

Insurers were asked ‘Looking at the evolution of asset allocation, where can technology add the most value?’ (Rank 1/2/3)

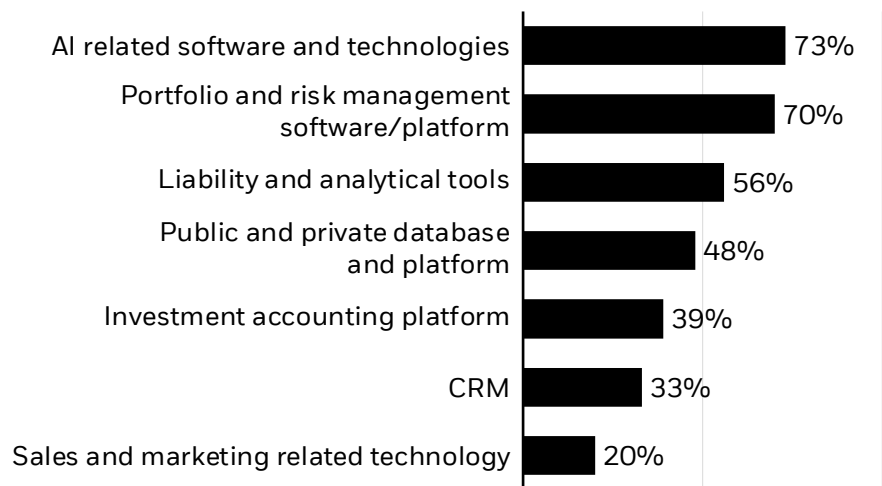


Source: BlackRock Global Insurance Report 2025

Still, most insurers plan to invest in new technology this year. Many will focus on AI tools, better software for managing portfolios and risks, and analytics to help with decision-making.

### AI tops tech investment plans

Insurers were asked which technologies they planned to invest in over the next 12 months



Source: BlackRock Global Insurance Report 2025

