Insurance Asset Management

Spring 2026

A green world
Sustainable investment updates from across the globe

Private infra debt
Reshaping private infra debt analytics

Mergers & acquisitions
The direction of travel in this area

AWARDS WINNERS BROCHURE
An overview of the winners and their prestigious talents

AROUND THE GLOBE
Insurance developments occurring across the world

IAM CONFERENCE 2025
Discussion points from key insurance industry figures

Editorial Comment

Spring reminds us that growth is rarely accidental. It is cultivated through discipline and innovation.

Three main themes will help the insurance industry to grow stronger across the rest of this year in my opinion. Firstly, precision in portfolio construction is absolutely crucial given persistent geopolitical uncertainty, evolving monetary policy paths, and a higher-for-longer rate environment. Secondly, capital-aware investing will drive allocation decisions, and thirdly, collaboration between insurers and specialist asset managers will deepen, particularly in private markets and sustainable finance.

The landscape is shifting - but for those prepared to adapt, it is rich with opportunity.

Our M&A feature (p.24) explores how this area is currently serving as a crucial, strategic tool for strengthening the insurance industry by driving consolidation, enabling digital transformation, and optimising capital in an uncertain economic environment. In our cover feature, we also look at the investment outlook through 2026, pinpointing where opportunities lie through these elements of discipline and innovation.

Growth is not just within the insurance industry, it is also heavily present at the *Insurance Asset Management* towers. Our Insurance Asset Management Conference/Awards at the end of last year was our best yet, with a record number of sponsors and delegates. This issue provides a review of the conference (p.72) and also includes the awards winners brochure (p.35).

It was absolutely fantastic to see the industry come together and discuss the most important topics within the insurance investment sphere, and then celebrate the success of individuals and firms later in the evening.

> Spring reminds us that growth is rarely accidental. It is cultivated through discipline and innovation

This issue also looks at the evolving asset class that is private infrastructure debt, and the benchmarking process around this.

With such a wide range of topics within the global insurance investment space covered within this issue, I hope you all enjoy the read. Growing our knowledge is a lifelong process and something which shapes us to handle the surrounding environment in a more efficient manner. The insurance industry is a key cog in the growth of the financial services arena.

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News focus

Almost two-thirds of European insurers are already using Gen AI

Written by **Adam Cadle**

Nearly two-thirds of European insurers are already using generative AI (Gen AI), according to a report published by EIOPA.

Most undertakings are, nevertheless, still at a proof-of-concept stage, indicating a considerate, controlled roll-out of the technology as well as significant potential for future growth.

Insurers said their main motivation for implementing Gen AI tools was to improve efficiency and cut costs, but more than half also cited efforts to enhance the customer experience and the desire to improve decision making processes as key drivers.

Although a large number of insurers are eager to tap the expected productivity gains of Gen AI tools, they are taking a cautious approach by focusing on internal processes first and maintaining strong human oversight. The majority of the reported use cases (64%) target back-end productivity tools such as data extraction from invoices, audio recordings or medical reports, content generation for emails, contracts or marketing materials, or coding and underwriting assistants.

In addition, 36% reported the development of customer-facing Gen AI applications such as voice- or chatbots. While most of such applications are at proof-of-concept stage, autonomous Agentic AI applications are expected to have a greater impact in this area over the medium term.

Insurers also provided input on the key challenges that hinder or slow down their adoption of AI systems. They identified data privacy and security concerns, potential issues with regulatory compliance and the lack of sufficiently skilled staff as the main hurdles to successfully implementing and managing Gen AI systems.

Hallucinations, or inaccurate outputs, was the top-cited risk connected to Gen AI systems, followed by cybersecurity risks and data protection issues. Responses also highlighted that insurers rely heavily on third-party providers, opting to purchase off-the-shelf solutions or build on top of pre-trained models. Respondents also pointed using sectoral rules, the Digital Operational Resilience Act (DORA) and the AI Act to address the reliance on third-party providers.

These risks and their potential implications underscore the need for insurers to adapt existing governance and risk management frameworks to address AI-specific challenges. To this effect, 49% of undertakings in the sample have already developed dedicated AI policies, up from only a quarter in 2023.

> We will be monitoring developments on the market with national supervisors

Petra Hielkema, chair of EIOPA, said: "The findings of our survey show that European insurers have been carefully considering how Gen AI could benefit their businesses and consumers. While several solutions are already being implemented, even more is in the pipeline. The fact that this scale-up is happening gradually, with strong human oversight, and alongside updates to risk management frameworks, is important in order to adopt AI responsibly. That is what we want to see going forward. We will be monitoring developments on the market with national supervisors."

The report was based on responses from 347 undertakings across 25 countries.

News in brief

- **US-based investment manager, Nuveen, has agreed to acquire Schroders for £9.9bn, subject to regulatory approvals. The cash acquisition is set to complete in the fourth quarter of 2026, with the offer being made through private equity firm Pantheon, a wholly owned subsidiary of Nuveen.**

- **Zurich has struck an £8bn deal in principle to buy Beazley. Zurich said it will pay £13.10 in cash per share for the London-listed specialist insurer, with shareholders also set to receive a 25p dividend alongside the deal.**

- **Chesnara has agreed to acquire Luxembourg-based closed life insurance firm, Scottish Widows Europe, for €110m. The acquisition will add €1.7bn of assets under administration to Chesnara, as well as approximately 46,000 in-force policies. Scottish Widows Europe's portfolio is expected to generate around €250m over the lifetime of its policies, with €100m occurring in the first five years.**

- **Legal & General (L&G) has joined the Association of British Insurers (ABI). L&G and the ABI have collaborated on several initiatives in recent years, including tracking the industry's £100bn commitment to invest in productive finance following Solvency II reforms. The move comes as the ABI looks to strengthen its focus on pension investment and the bulk purchase annuity market, alongside ongoing work on workplace pensions and adequacy.**

APAC insurers to increase private market/hedge fund holdings to one-third over next 5 years

Planned holdings to increase from 20% to 33% of portfolios; significant operational challenges remain

APAC insurers are planning to significantly increase private market and hedge fund holdings from 20% to 33% of portfolios within five years, but face significant operational challenges that could determine competitive winners and losers, new research from Clearwater Analytics has revealed.

Two of every five insurance executives (41%) said there are increased complications from a legal and compliance perspective from investing in private markets, while 29% said viewing private market assets alongside traditional assets is challenging. Nine in 10 (91%) said their technology systems are very or quite effective at processing new asset classes, while 92% said it is very easy or quite easy to determine fair value for private market assets.

A key driver for the switch to private markets is increased diversification, with 88% expecting diversification to increase over the next three years. Third-party managers have the strongest expectations for diversification, with 30% saying it would increase dramatically, compared to 10% of life/health insurers and just 4% of general insurers.

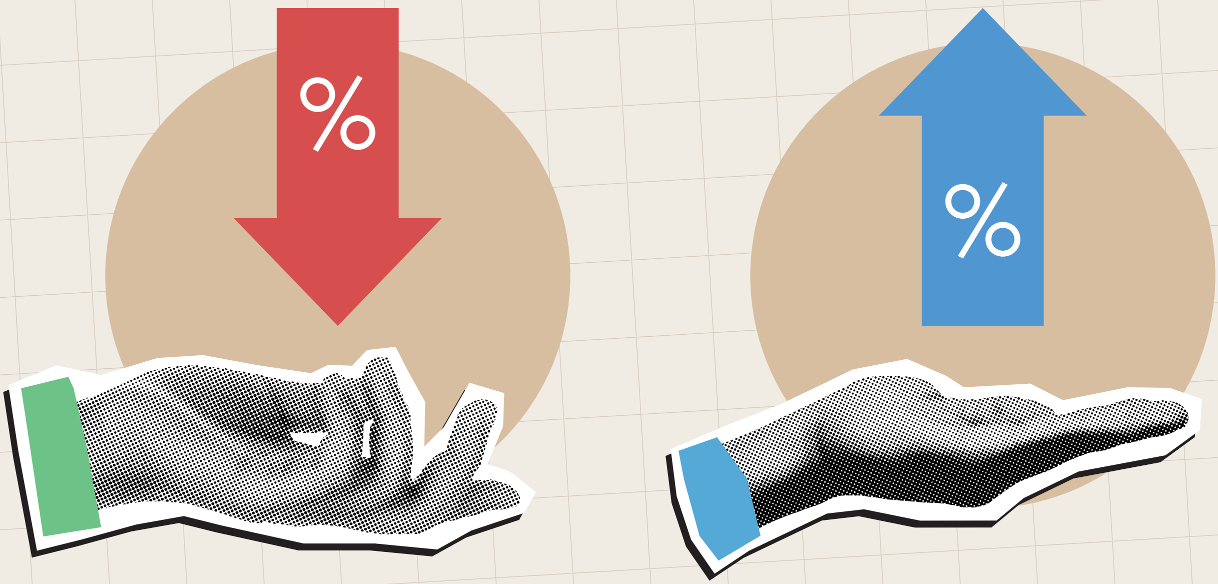
An overwhelming majority (93%) agree that the most attractive investment opportunities for investors currently are in the private markets and not the public markets, with 37% strongly agreeing with that view.

"APAC insurers are firmly convinced how attractive investing in private markets is, which have produced consistently attractive returns for their portfolios," said Shane Akeroyd, chief strategy officer and President of APAC at Clearwater Analytics.

"That is reflected in the forecasts about rising allocations to private markets and the recognition that many of the most attractive investments are in that sector. However, operational concerns have to be addressed by insurers.

"Legal and compliance concerns are seen as the biggest issue, but insurers also need to assess private markets alongside traditional assets and require technology and platforms to support them."

Clearwater Analytics commissioned independent research agency PureProfile to interview 150 senior executives working for the asset management arms of life/health insurers and general insurers based in APAC or third-party investment firms working for APAC life insurance carriers. The research was conducted in October 2025, in Australia, Hong Kong, and Singapore.



Admiral Group invests in HSBC AM's UK Direct Lending Fund

Fund classified as Article 8 under the Sustainable Finance Disclosure Regulation

Written by **Adam Cadle**

Admiral Group has invested into HSBC Asset Management's (HSBC AM) UK Direct Lending Fund, which invests in mid-market companies across the UK in partnership with HSBC UK Bank.

The fund is classified as Article 8 under the Sustainable Finance Disclosure Regulation, with Admiral Group upholding its commitment to making more sustainable long-term investments.

Furthermore, the fund has provided vital capital to many UK businesses, including the school meal provider, Impact Food Group, and telecommunications hardware recycling business, TXO. This has enabled these businesses to expand their operations and customer base, whilst delivering good financial outcomes for Admiral and social benefits to local communities.

Admiral Group, chief financial officer, Geraint Jones, said: "Our investment demonstrates our commitment to operating in a sustainable way."

> **Our investment demonstrates our commitment to operating in a sustainable way**

Deepak Seeburrun, head of global insurance & key partnerships at HSBC Asset Management, added: "We are incredibly proud of the success of our direct lending platform to date, and delighted to have the continued support of Admiral, alongside many other clients. Our partnership approach provides unique access to UK mid-market loans, combining the skill and experience of HSBC AM's direct lending investment team, and the unparalleled market position of HSBC UK Bank."

Sweden's Länsförsäkringar brings nuclear weapons into investable universe

Swedish insurer, Länsförsäkringar, is to allow investments in companies that contribute to Sweden's allies' nuclear weapons programs.

The update in its position and associated criteria for investments in the defence industry is aimed at contributing to the strengthening of Europe's and NATO's defence capabilities.

Based on the UN Charter regarding the right of every country to defend itself in the event of armed attack, Länsförsäkringar has previously allowed investments in companies that manufacture conventional weapons and defence equipment.

"We want to contribute to strengthening civil and military defence, safeguarding democracy and protecting our way of life," Länsförsäkringar chief sustainability officer, Kristofer Dreiman, said.

Insurer/pension investment in UK quoted shares radically falls

Written by **Adam Cadle**

UK insurers and pension companies held just 1.5% of UK quoted shares in 2024, the lowest proportion jointly held by them on record, ONS data has revealed.

The two sectors held a combined 45.7% of UK quoted shares in 1997, falling to 4.2% in 2022.

Insurance companies specifically held 0.9% of UK quoted shares in 2024, valued at £22.8bn, down from 1.7% in 2022 (£41.6bn).

David Brooks, head of policy at Broadstone, commented: "There has been a sustained and long-term structural shift of insurers and pension companies reducing their exposure to domestic equities. In part, this has been driven by pension schemes beginning to de-risk and shift their investment strategies from equities into bonds.

"Other factors such as the hunt for improved investment returns in other international markets and headwinds stemming from reforms to regulation, tax and accounting standards have also impacted appetite.

"Ultimately, the result is a growing disconnect between the UK's long-term savings system and its public equity market. If pension and insurance assets continue to be deployed overseas, domestic savings inevitably do less to support the UK economy. The Government's productive finance agenda and reforms to London's capital markets regime aim to make investment into UK equities more attractive but appear unlikely to reverse allocations to previous levels."

> **"UK insurers and pension companies held just 1.5% of UK quoted shares in 2024**

Value of liabilities insured through PRTs passes £500bn milestone

Record number of buy-ins and longevity swaps in 2025

More than £500bn of pension scheme liabilities have been insured through pension risk transfers (PRT) since 2007, analysis from Hymans Robertson has shown.

Its first *Annual Risk Transfer Report* noted that the milestone had been passed following a record number of buy-ins and longevity swaps in 2025, in an era of "unprecedented momentum".

A total of 380 risk transfer deals were completed in 2025, a 25% increase from 2024, which was the previous record year.

Buy-ins now total more than £370bn of liabilities insured, while longevity swaps total around £170bn.

Over half of this activity has been completed over the past five years, highlighting the accelerated growth in the PRT market since its inception 19 years ago.

Hymans Robertson forecast that £1trn of pension scheme liabilities will have been insured by 2035, with market strength set to continue as appetite from insurers grows across all scheme sizes.

The consultancy added that the UK buy-in market was entering a new era of growth supported by global asset managers, and as defined benefit (DB) schemes gain more endgame options.

PIC outlines policy recommendations to support infra investment

28 policies published in report to boost quality of UK infra projects

Pension Insurance Corporation (PIC) has published a report to set out 28 policy recommendations it believes will help boost the quality of UK infrastructure projects and support investment.

In the report, PIC argued that the UK had underinvested in housing and infrastructure, and it had now reached a "critical point", and that the UK was not providing enough investment-ready projects for major institutional investors.

It warned that the viability gap, whereby the cost of delivering a project exceeded the expected return, was a huge concern and had become a real challenge.

To help address these concerns, PIC said the UK should limit the ability of single-issue pressure groups and activists to block infrastructure projects by imposing a fee to object to planning consent.

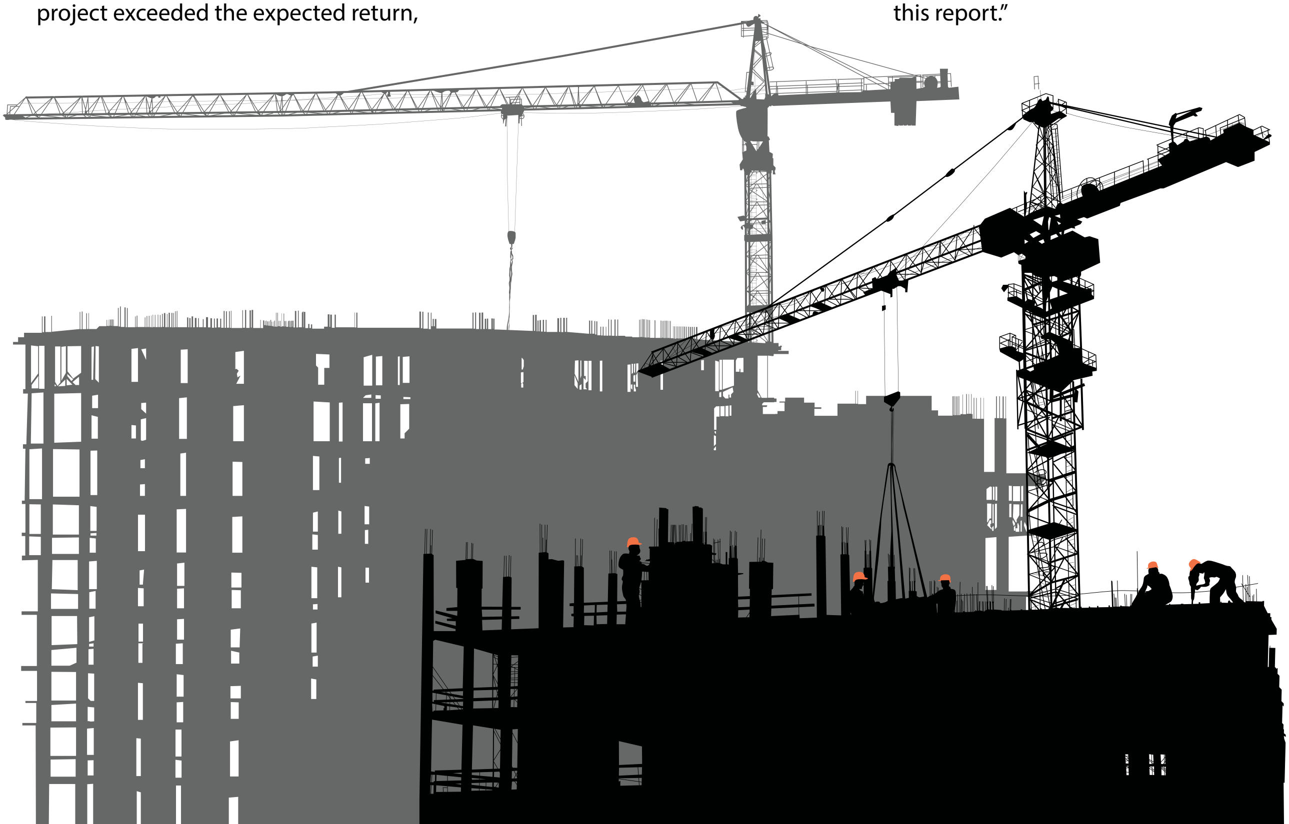
Other recommendations included giving developers the ability to offer financial and other incentives to encourage stronger community support for developments, and establishing a fast-track regulatory process that uses the judgement of global regulators to support UK counterparts for the faster approval of goods and services.

PIC also called for the creation of a pipeline fund to support project development; the increased use of Government guarantees; for regulatory processes, plans, and targets to be aligned; and a review of planning regulations to strip out rules that are delaying development.

"PIC has invested more than £14bn in UK housing and infrastructure, and this wealth of experience is the driving force behind these 28 recommendations," commented PIC chief investment officer, Rob Groves.

"Institutional investors, like PIC, want to invest more in UK infrastructure and have plenty of available funding to do so. The challenge is that we are not presented with enough viable, investable projects domestically.

"We believe this can be addressed through the policy reforms outlined in this report."



EIOPA's work 'far from over' in light of geopolitical and economic challenges

Written by **Adam Cadle**

The European Insurance and Occupational Pensions Authority's (EIOPA) work is "far from over", EIOPA chairperson, Petra Hielkema, has argued, noting that challenges ahead, including climate change and digital transformation, demographic decline and a new world order on its way, "demand continued commitment, innovation and unity".

Speaking at EIOPA's Annual Conference on 29 January, in Frankfurt, Hielkema underscored the uncertainty shaping today's global landscape, driven by geopolitical tensions and economic uncertainty.

"We are living through an era of profound uncertainty, shaped by intensifying geopolitical tensions, economic vulnerability, technological upheaval, and enormous environmental challenges. Yet, given the start of 2026, this seems to be an understatement," she said.

"Current geopolitical tensions are serious and concerning, and this has an impact on the daily lives of ordinary citizens, on member states and on the European Union (EU). An EU that needs to be more independent, that needs to be more resilient, and that needs to be more digital than it is today."

> **The insurance and pension sectors have proven their resilience**

In light of marking 15 years since EIOPA was founded and the current challenges being faced, Hielkema looked back at the challenges that the European pension and insurance sectors have faced in the past 15 years.

She highlighted the implementation of Solvency II and observed that when it came into effect, "it marked a seismic shift in the way we assess and manage risk" and "helped build a new culture of risk management, transparency and accountability across the entire sector".

"Since then, through successive crises – from the Covid-19 pandemic to recurring geopolitical tensions – the insurance and pension sectors have proven their resilience, thanks in no small part to the robust frameworks we have built together," she noted.

She said that this resilience and EIOPA's work "is very relevant today", underscoring "if we want a strong single market, if we want to support a strong EU in a fragmenting world – we need to play our part and work together to deliver on the mandate we have".

EIOPA launches consultation on private equity acquisitions

Series of risks and supervisory challenges associated with these

EIOPA has launched a public consultation on the supervisory statement on the authorisation and ongoing supervision of (re)insurance undertakings related to private equity firms aimed at promoting consistent, high-quality and risk-based supervision across the EU.

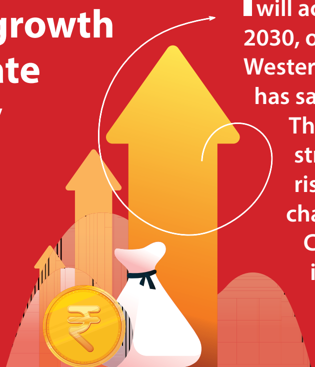
Over the past decade, private equity firms have shown a growing interest in acquiring European insurance and reinsurance undertakings, bringing along changes in the strategy, governance, risk management and asset allocation of the undertakings they acquire.

After analysing recent cases, EIOPA and national supervisory authorities have identified a series of risks and supervisory challenges associated with these acquisitions, including: short or misaligned investment horizons that may be conflicting with long-term policyholder commitments; significant changes in business models, such as use of private credit, illiquid assets and balance sheet optimisation; increased reliance on reinsurance, especially from reinsurers (in some case belonging to the same private equity group) located in third-countries; and complex ownership structures that may hinder effective supervision.

EIOPA's supervisory statement open for consultation is seeking to address the risks and ensure high-quality and convergent supervision of (re-) insurance undertakings related to private equity firms, considering their specific nature and risks.

It sets out supervisory expectations for acquisitions of qualifying holdings, portfolio transfers and mergers, as well as for ongoing supervision. The supervisory statement is meant to be applied by European supervisory authorities in line with the principles of risk-based and proportionate supervision.

India's insurance premium growth to accelerate to 6.9% by 2030 - Swiss Re



India's insurance premium growth will accelerate to 6.9% over 2026-2030, outpacing China, the US and Western European markets, Swiss Re has said.

The acceleration is due to strong economic fundamentals, rising demand and regulatory changes.

Changing policy measures include a higher foreign direct investment (FDI) limit in the insurance sector, modernisation of distribution and goods and services tax (GST) reforms. These changes can bring new capital, widen access to insurance and spur insurance demand. Swiss Re, market head for India, Amitabha Ray, said India is a bright spot for insurance growth in the mid-term as opportunities emerge, especially in health and motor insurance. "We are set to benefit from forward-looking regulatory reform, digital innovation and a disciplined but attractive product mix for consumers," Ray said.

IIGCC launches investor guidance and platform on deforestation risk

DIG platform formed in alignment with the Global Stocktake goal

Written by **Adam Cadle**

The Institutional Investors Group on Climate Change (IIGCC) has published guidance on integrating deforestation into net-zero strategies and launched a platform to support investors looking to mitigate exposure to deforestation risk.

Its platform, called the Deforestation Investor Group (DIG), has been formed in alignment with the Global Stocktake goal to halt and reverse deforestation and forest degradation by 2030.

Deforestation can pose material financial risks to their portfolios

The guidance underpins the DIG and outlines practical steps for institutional investors to consider as they manage the financial risks presented by deforestation and land conversion.

The IIGCC's, *Guidance on Integrating Deforestation into Net Zero Strategies,* is aligned with the Net Zero Investment Framework (NZIF) and provides potential actions across all six NZIF themes, including bespoke recommendations for each asset class.

Through the consolidation of existing principles, tools, and best practices, the guidance aims to help investors move from ambition to implementation.

The guidance recommended that investors start with five priority actions: assess portfolio exposure to deforestation risk; develop a deforestation policy; integrate deforestation considerations into investment decision making; address material exposure through portfolio stewardship; and advocate for regulation and policies that curb deforestation, and scale deforestation- and conversion-free supply chains.

Meanwhile, the DIG is a platform designed to broaden the reach of investor action on deforestation by providing a platform for institutional investors to address deforestation risks.

It builds on the work of Finance Sector Deforestation Action (FSDA), with investors seeking to implement the guidance eligible to participate in quarterly meetings and join the DIG.

"Investors increasingly understand that deforestation can pose material financial risks to their portfolios and that steps to address these cannot be thought about in isolation from their wider climate strategies," commented IIGCC CEO, Stephanie Pfeifer.

"The launch of the guidance and the DIG will help investors – no matter where they are on their journey – to take concrete steps, in their individual contexts, towards assessing and addressing the financial risks associated with deforestation into their processes and decision making.

"I'm delighted that the IIGCC continues to demonstrate leadership and support members on this vital yet often overlooked climate-related topic."

Allianz acquires 20.25% minority stake in French offshore wind farm

Follows investments in Netherlands and Germany

Written by **Adam Cadle**

Allianz Global Investors has acquired, on behalf of Allianz insurance companies, a 20.25% minority stake in the French îles d'Yeu et Noirmoutier offshore wind farm (EMYN) from Ocean Winds.

Ocean Winds is an international offshore wind energy company created by EDP Renewables and ENGIE.

The project is in the final phase of construction, and represents the first partnership between Allianz and Ocean Winds in the offshore wind sector. First power was generated in June 2025, and over two-thirds of the turbines are currently installed and supply renewable electricity to French households. The project is expected to reach full commissioning in Q1 2026.

Mario Skoric, CEO at Allianz Investment Management, commented: "This project marks our third direct investment in offshore wind following investments in the Netherlands and Germany, and is our first offshore wind investment in France, a market where Allianz has been actively investing in renewable energy projects since 2008. îles d'Yeu et Noirmoutier is a further testament to our commitment to the energy transition and the importance of expanding renewable infrastructure."

Finland's Varma publishes sustainability report

Outlines progress on science-based targets

Finnish pension insurance company, Varma, has published its second sustainability report, outlining its progress on science-based targets (SBT).

Its primary sustainability goals were emission reduction targets under the SBT Initiative, aiming to reduce its scope 1 and 2 greenhouse gas emissions by 60% by 2030 compared to 2021 levels.

Additionally, the pension insurance company is aiming to increase the share of companies committed to the SBT joint initiative in equities, listed fixed income investments, and real estate funds for indirect greenhouse gas emissions (scope 3) to 51% by 2027.

Varma was on target for its scope 1 and 2 emissions in 2024 and emissions continued to decrease in 2025, with total emissions being 81% lower than in 2021.

The pension insurance company was also on track to meet its scope 3 target, which was 56% in 2025.

Varma director of responsibility, Hanna Kaskela, commented: "The reporting year was marked by the polarisation of responsibility themes, deregulation, the need to adapt to climate change, and the growing demands for artificial intelligence and supply chain responsibility."

In January, Varma announced that it is shifting its responsible investment policy towards impact and away from exclusion.

People on the move

ANDREW EPSOM

Head of Insurance - International, Allspring Global Investments

Allspring Global Investments has announced the appointment of Andrew Epsom as head of insurance – international. In this newly created role, Epsom will lead Allspring's international (ex-US) insurance efforts, leading the strategy to expand the company's footprint across global insurance markets. Epsom has over 25 years of experience working with insurers.

BRAD ROSS-WILLIAMS

Investment Director, Securitised Products & Asset-based Finance (SP&ABF), Schroders Capital

Schroders Capital's private debt & credit alternatives (PDCA) team has announced the appointment of Brad Ross-Williams as investment director, securitised products & asset-based finance (SP&ABF). Prior to joining Schroders Capital, Ross-Williams was a senior ABS specialist at Manulife CQS Investment Management.

DASHA BINERT

Client Director for UK Insurance, Invesco

Invesco has announced the appointment of Dasha Binert as client director for UK insurance. As client director, Binert will join the UK insurance distribution team, focusing on delivering Invesco's capabilities to UK insurers, strengthening and expanding client relationships, and supporting this strategic priority across the business. Binert joins from Nuveen, where she held the role of AVP UK insurance.

STUART WHITE

Executive Director, Business Development, Impax Asset Management

Impax Asset Management has announced the appointment of Stuart White as executive director, business development. White will be responsible for co-ordinating the implementation of the company's strategy and business development, for initiating and managing client partnerships and for leading Impax's systematic equities commercial strategy.

DAVID GAFFNEY

Senior Consultant, Aon

Aon has announced the appointment of David Gaffney and Jaspal Phull to its European real assets research team, reflecting the continued expansion of the firm's private markets capabilities and growing investor demand for real asset solutions. Gaffney joins as a senior consultant, having previously served as a real asset strategy and research analyst at Aviva Investors. Phull joins as an associate partner, also joining from Aviva Investors.

ERIC ANDERSEN

President and CEO, AIG

AIG has appointed insurance industry veteran, Eric Andersen, as President and CEO. This follows the announcement from chairman and current CEO, Peter Zaffino, that he intends to transition to executive chair of AIG and retire as CEO by mid-year after successfully leading the company's transformation and strategic repositioning as a leading global property and casualty insurer. Andersen joins AIG from Aon.

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What's cooking?

David Adams **considers the interplay of factors likely to influence insurers' investment strategies during 2026, including geopolitics, regulation and the attraction of private markets**

Success in the insurance world has always been about using data and other information inputs to try to help manage and mitigate risks. But in this era of globally interconnected economies and organisations that task has become much more difficult – and all of this was already true before Donald Trump began his second term in the White House.

Today, insurers' investment strategies must be planned and delivered against that volatile backdrop, within a financial and economic landscape being continuously reshaped by technological, environmental and social changes, and while ensuring compliance with regulatory requirements that are also subject to change.

At the time of writing, the first few weeks of 2026 have seen continued volatility in geopolitics, including US actions or rhetoric related to Venezuela, Iran and Greenland; while instability in the financial markets has included capital sweeping into and then out of safe havens, while AI and tech stocks continue their journey into what may or may not be a very big bubble. Political events and fiscal policy decisions within individual countries and regional blocs across the world are also likely to have ramifications for insurers' fixed income investment decisions during 2026 and beyond.

S&P Global Ratings' latest *European Insurance Outlook*, published in November 2025, highlights external risks to insurers' business and investments linked to trade relationships between the US and Europe, and to growing support for populist political parties, which could undermine European economic security. The report also suggests that structural risks created by natural catastrophes, climate change and cyber threats to companies and society in general may also have significant influence over insurers' investment and operational strategies.

The World Economic Forum (WEF) *Global Risks Report 2026*, published at the start of the year in partnership with Marsh and Zurich Insurance, draws similar conclusions. It lists the top five immediate risks facing the business world as geoeconomic confrontation, state-based armed conflicts, extreme weather events, societal polarisation, and misinformation/disinformation.

Volker Kudszus, managing director and sector lead for insurance ratings EMEA at S&P Global Ratings, suggests the impact of geopolitical instability will be felt in insurers' investment portfolios before it impacts operations.

"If you think about geopolitical risks, the main risks for insurers would be through investments," he says. "Insurers are not directly affected by tariff announcements, for example."

Bob Tyley, head of insurance investment & ALM at Hymans Robertson, says he doesn't want to be drawn into a discussion about the likely course of geopolitical events during 2026. For him and his clients it is more important to consider the opportunities and risks these and other factors may create.

"We have insurers who are effectively underinvested, because they're waiting for spreads to widen," he says. "As and when one of those geopolitical events forces spreads to widen they will look to invest."

Strong, stable – and cautious

Many insurers will have a chance to plan and execute effective investment strategies because they are already in a relatively strong financial position; and the outlook for many UK and European insurers' business lines appears reasonably stable. Moody's *2026 Outlook* for global life and health insurers highlights stability and resilient earnings for these insurers despite sluggish growth in many economies and falling interest rates.

> “ Most insurers are on the prudent side

Moody's highlights some positive impacts of factors within individual countries, such as the positive impact of the booming bulk purchase annuity (BPA) market in the UK, and the impact of pension reforms in the Netherlands that are driving uptake of DC pension savings, helping to create further buy-out opportunities. But it also warns of increasing asset risks for insurers, particularly in relation to investment in private credit assets and the increased use of funded reinsurance.

The strength of the insurance sector will itself influence insurers' investment strategies.

"Insurers are the highest rated sector we have," says Kudszus. "These are companies that display robust performance. Most do not have stellar margins, but they have plenty of capital buffers."

However, this solid foundation is not necessarily encouraging insurers to take on more risk through investments, Kudszus continues.

"We're not really seeing a build-up of new investment risks," he says. "Most insurers are on the prudent side, … [although] some have invested a bit more in equities."

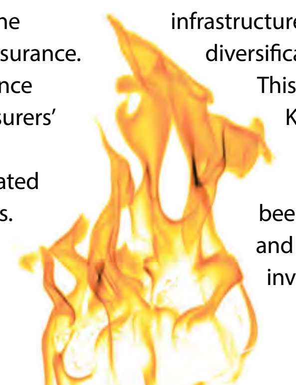
In recent years many insurers have sought to develop investment strategies that could incorporate the ability to act quickly when necessary, but in practice such ambitions have been tempered by the need to ensure regulatory compliance, particularly around matching assets and liabilities and managing liquidity within the portfolio.

Kudszus believes regulatory requirements often suppress many insurers' risk appetites.

"Solvency [regulation] is encouraging a matching of asset/liability duration, so we're not seeing any big juggling around with risk-taking," says Kudszus. "Solvency is asking them to not have any big currency risks. We don't hear of anyone being keen on investing in crypto."

In recent years, of course, higher gilt yields have rewarded some conservative strategies. But many observers expect 2026 will see a continuation and perhaps an acceleration of the trend to make more use of alternative asset classes including private credit and infrastructure, in part to increase diversification.

This is not a new trend – Kudszus points out that global primary insurers and reinsurers have been using private credit and infrastructure within investment strategies for



several years, particularly in the US – but it does appear to be a growing trend on the east side of the Atlantic. Kudszus reports growing numbers of mid-size insurers starting to follow this trend.

"It's not happening at a scale that concerns us," he says. "You can have pretty prudent investments in this area with decent returns. But you do need to build up expertise in this area first – you need to know what you're doing."

Private passions

The increased use of funded reinsurance and increased competition in the asset management sector, both of which have been visible during the past two years, are also both associated with an increase in the use of private markets. US insurers are a few years ahead of their peers in the UK and Europe in the use of private markets, but many of the latter appear to be following in their footsteps.

"That's not just an insurance-specific trend," says Hymans Robertson's Tyley. "And it will continue to be a trend. With private assets, you choose who you want to work with, what you want to do, and you get the illiquidity premium and complexity premium, which is the value-add insurers are looking for."

But Tyley agrees with Kudszus that investors need to know what they are doing when using these assets. Despite the financial markets' repeated bouts of amnesia about the dangers of opaque products based on lending to businesses and/ or consumers, no sensible investor can ignore the role that dubious securitisation played in the 2008 crash. This is not to suggest these products are necessarily overly risky or dangerous, but insurers do need to know what is incorporated within them.

For example, while there are sound arguments for insurers to use mortgage debt as a good match for long-term liabilities, this type of product could also create "stealth concentration" risk, where multiple investments in private credit could result in duplicated exposures in a portfolio. Liquidity is also an obvious concern, for practical and regulatory reasons.

But some of the actions of regulators are also helping to encourage use of private markets. The new Solvency II framework and fees regime, active since October 2025, has introduced lower capital charges for the use of highly rated but non-STS [simple, transparent and standardised) securitised products. This change incentivises insurers and other institutional investors to consider use of private markets and some other alternative assets. In some cases regulatory treatment of STS products and of alternative investment asset classes with similar characteristics has been effectively equalised – despite the fact that different assets are addressed by different parts of the regulation. For example, an unstructured asset based on mortgage loans would be addressed by the counterparty default risk module, while a prime residential mortgage-backed security would be addressed by the spread risk sub-module.

William Keen-Tomlinson, vice-president and senior analyst at Moody's says it will be interesting to see how reforms to Solvency II influence insurance firms' investments in private markets over the next year and into 2027. He notes that while BPA writers have rarely use sub-investment grade assets in the past, this is now permitted within the matching adjustment.

He also expects to see more activity in relation to assets with less predictable cashflows, whether this occurs through hedging or other adjustments, including exposure to mid-market lending and securitisation.

"I think the entry of some of the larger asset managers into this space will lead to some innovation," he says, suggesting this could come in the form of bespoke fund structures that would allow exposure to these assets.

"There is a possibility they could be used to access private credit assets in a matching adjustment-compliant way," he explains.

Mercer insurance proposition leader - EMEA, David Morrow, points out that increased private equity activity has also helped to render private ownership of businesses more sustainable, giving those companies more freedom to raise funds outside traditional markets. By contrast, IPO activity continues to be relatively subdued. While Morrow also recognises the risks attached to use of private markets and alternative assets, he says growing numbers of insurers can now see the attraction of using assets like royalties, trade receivables or leasing.

Some insurers may also be attracted to using private assets and infrastructure to help improve the environmental, social and governance (ESG) profile of their portfolio, through investment in renewable energy or social infrastructure. Although some insurers and asset managers may currently regard ESG considerations as a less important aspect of investment

> "US insurers are a few years ahead of their peers in the UK and Europe in the use of private markets

strategy and portfolio construction than might have been the case in the recent past, in part because of the actions of US policymakers, ESG will surely continue to be a theme during the next few years, not least because of the ever-growing range of climate risks impacting different asset classes.

In any case, advocates of the use of infrastructure assets within insurers' portfolios tend to point to its attractions as a source of long-term, predictable and inflation-linked cashflows, and the fact that so many governments are seeking support to build or renew infrastructure in many different forms, from transport infrastructure to utility projects linked to the energy transition, AI and data centre construction, and critical national infrastructure assets. The WEF/Marsh/Zurich *Global Risks Report* highlights the urgent need for Governments across the world to invest in infrastructure in all its forms during the next few years, to ensure it can withstand the risks and threats it could face, from climate change, extreme weather events and the actions of hostile states. Mercer's research on private markets suggests that insurers and other investors may be able to exploit opportunities linked to these assets through working with mid-market infrastructure managers, who may be able to offer sector-specific expertise, particularly in relation to digital infrastructure or renewable energy.

As ever, equities tend to be less prominent in most insurers' portfolios and there is little indication this will change dramatically during 2026. There are always opportunities in equities, of course, but ongoing volatility, including around AI and other tech stocks, is likely to stifle any huge spikes in enthusiasm for the asset class insurers.

Regulatory revelations

The extent to which insurers will be able to use equities will also continue to be restricted by regulators. In the UK, the most significant change in recent years has been the Solvency UK regime extending the range of assets insurers can use within Matching Adjustment Portfolios (MAPs), matching long-term liabilities with cashflows from long term assets. This has enabled and helped to encourage increased investment in longer term private assets.

In Europe, as noted above, the drive towards a Savings and Investment Union and changes in the Solvency II regime have also helped to encourage investment in private markets. Further changes anticipated in the near future may continue to encourage greater investment in structured credit products, says Hymans Robertson's Tyley.

> "Things get hairy when you have an environment where defaults pick up, or where rates make dramatic moves

"The reality is that structured credit is a phenomenally useful component of any diversified portfolio," says Tyley. "The Solvency II regulation was put together in such a strict manner that it made it difficult for insurers to take advantage of that. I'm hearing that the proposed improvement in the regulation is significant, in terms of being able to invest in those assets."

Mercer's Morrow has identified one more factor that may impact insurers' investment strategies in 2026 and beyond: the consequences of mergers, acquisitions and consolidation activity among asset managers and related businesses. He points to BlackRock's acquisition of HPS, and Brookfield Wealth Solutions buying Just Group as recent examples.

"We've had insurance-focused asset managers buying others, and mainstream asset managers like BlackRock buying HPS on the private debt side," says Morrow. "We've seen insurance companies forming partnerships with private asset companies. We think those types of M&A activities and partnerships will continue during 2026. As you have increased consolidation between insurance companies and managers it will make some insurance companies reevaluate their asset management relationships."

Morrow says he has already come across one example of an insurer and two of the asset managers it worked with merging. If these trends reduce competition, of course, this may attract attention from regulators and other policymakers.

But for the time being, for all the talk of insurers embracing private markets, 2026 is likely to be another year when many insurers' strategies are more likely to be governed by caution than daring.

Although there has been some effective loosening of regulations in relation to some private market exposures, one primary effect of regulation is still that it "punishes insurance companies for equity risk and liquidity risk," says Morrow. The drive to match assets and liabilities will surely remain the central theme of most insurers' investment strategies throughout 2026.

It is possible, of course, that the rest of 2026 could see even more disruption and volatility. "Things get hairy when you have an environment where defaults pick up, or where rates make dramatic moves," says Morrow.

AON

The expert view

Following Aon's *Insurance Investment Consultancy of the Year* award win at the latest Insurance Asset Management Awards, Editor, Adam Cadle, gathers the latest thoughts from partners, **Geoff Bauer** and **Lin Qu**, about the insurance investment space

Adam Cadle

Geoff Bauer

Lin Qu

Adam: What are the emerging issues in the insurance investment space in 2026 and how is Aon adapting to these?

Geoff: There is consensus that the global insurance industry is entering a soft market, which insurers must navigate in the face of ongoing economic volatility, regulatory recalibration, geopolitical uncertainty, and transformative advances in technology. Unsurprisingly, the search for attractive risk-adjusted returns remains the key investment issue.

Additionally, with public investment grade credit spreads remaining compressed, we expect the shift from public to private investments to continue, reflecting the pursuit of the higher yields and growing confidence in managing the associated liquidity risk. Recent industry surveys suggest more than 60% of insurers are considering further increases to their private market allocations.

Given this structural shift, and so that we can support our clients, we are expanding our specialist research in private markets and continually engaging with insurance investors through targeted knowledge-sharing initiatives and roundtable discussions.

Lin: Another issue stems from the current global political climate, which is seeing investors grapple with the potential risks and volatility associated with traditional "safe haven" markets. As a result, asset classes such as emerging market debt (EMD) are worth considering. EMD typically offers a return premium for the same rating in part due to the geopolitical and country-specific credit risk associated. With increasing geopolitical risk in developed markets, it is worth questioning whether emerging market and developed market assets should be assessed within the same credit landscape. Some EMD may provide a better return on capital charge than developed market debt, making it an asset class worth considering in global investment strategies.

With rising macro uncertainty, hard-to-model risks, and the potential for correlated shocks, building portfolio resilience and diversification becomes especially important. For insurers, achieving this resilience is complicated by the fact that some asset classes typically viewed as "diversifiers" may attract higher capital charges – such as gold and some hedge fund strategies – or may be unattractive considering the risks they underwrite – such as insurance linked securities.

Geoff: As ever, the evolution of the legislative and regulatory environment is a key issue. Following Solvency UK reforms of the Matching Adjustment (MA), including allowance for assets with "highly predictable" cashflows within the MA portfolio, we now have the Solvency II securitisation reform expected to come into effect by January 2027.

For non-STS securitisations, this reform will more closely align capital treatment across insurers and banks. For STS securitisations, it will align the spread risk SCR of senior tranches with covered bonds and will also remove the requirement for a double rating. Whilst all securitised assets will benefit from lower SCR charges, the biggest change is for senior non-STS assets.

Adam: Are there any new investment ideas coming through that you are witnessing or expect to see?

Lin: Fund financing strategies, including subscription line finance and net asset value (NAV) lending, are strategies we are discussing with our clients.

Depending on the detailed structure and terms, these can offer diversified exposure to new private-market borrowers and attractive risk adjusted returns.

Fund financing can also be structured with different term lengths to fit various types of insurers' balance sheets. We are also seeing an increasing number of asset managers come to market with semi-liquid, pooled fund variants, which make these strategies more accessible to smaller insurers.

Geoff: Securitisation reform will more closely align the economic view and the Solvency II view of securitised assets, and we expect a meaningful rise in insurer demand for commercial mortgage-backed securities (CMBS) and collateralised loan obligations (CLOs) in particular. Similarly, we expect greater interest in asset backed finance strategies – including consumer loans, SME loans, trade finance, and equipment leasing.

Lin: I'm also expecting further innovation in the structuring of rated feeder notes and similar vehicles that package private loans into capital-efficient formats designed to achieve matching adjustment (MA) eligibility, provide credit enhancement, or deliver other insurer-friendly features.

Geoff: It will be interesting to monitor developments relating to combined public–private credit mandates. These should, in theory, allow insurers to better manage yield, liquidity, and capital efficiency within a unified risk framework. With many asset managers now active in both the public and private credit space, I'd expect continued innovation in mandate design to support insurer objectives.

> **Aon has deep roots and extensive experience in the insurance sector**

Adam: Has there been an uptick in the outsourcing of insurance investment portfolios, part or fully?

Geoff: Yes, this is an area where we are seeing rapid growth. We have just recently completed onboarding a mid-sized insurer's whole portfolio onto Aon's platform.

We have certainly been having more conversations with non-life insurers, in particular, who are considering outsourced models and have also seen an increase in demand for similar services.

Lin: Part of this uptick is linked to growth in insurers' private market allocations but also as a response to the increasingly complex investment environment. I think there is general acceptance of the need for specialist expertise and that outsourced arrangements can provide the benefits of scale, improved fees and commercial terms, nimble execution and other operational capabilities that may be difficult to replicate internally.

We're also seeing appetite from larger insurers looking to outsource specific niche, complex or resource-intensive components of their portfolio, such as private assets, to sit alongside their "core" allocations which they continue to manage themselves.

Geoff: In response to this trend and our rapid growth – which has been driven by both insurers and our wider client base – Aon has invested heavily in our purpose-built platform, ensuring we can provide our clients with access to cutting edge technology that delivers the flexible investment governance solutions they require.

Adam: What are your aims and ambitions at Aon through 2026?

Geoff: In 2026, we will continue to build and solidify our position as the insurance industry's investment adviser of choice – as recognised by our recent *Insurance Investment Consultancy of the Year* award from *Insurance Asset Management*.

In the current economic and political climate, the need for innovative investment solutions and high-quality, independent, analytically grounded advice has never been greater. With insurers balancing their search for yield against increasingly complex investment, risk, regulatory and governance considerations, our primary aim remains unchanged: to continue to support and empower insurers to make better investment decisions for the benefit of their stakeholders, shareholders and policyholders.

We aim, too, to respond to the growing demand for outsourced insurance investment portfolios by leveraging Aon's purpose-built technology platform. The goal is to deliver flexible investment governance solutions, operational efficiency, and access to specialist expertise for both full and partial portfolio outsourcing.

Lin: Aon has deep roots and extensive experience in the insurance sector, with capabilities spanning the entire insurance value chain. Aon's investment team advises on over $4.8trn (30/06/25) in institutional assets and has a unique position as a market leader with an in-depth view of the entire investment manager universe. I hope we can bring this combined experience and expertise from across our business, and from the range of different stakeholders we engage across the market, to deliver innovative insurance investment solutions and create meaningful impact for the industry and its policyholders.

The direction of travel

As M&A activity across UK financial services doubles, why is deal value booming in this space and what are we likely to see next?

WRITTEN BY **PETE CARVILL**, A FREELANCE JOURNALIST

If there was one trend that stood out in 2025, it was the ongoing shift in M&A activity in the financial services sector, particularly within the orbit of insurance.

As *Insurance Asset Management* wrote recently, the total value of M&A activity within UK financial services doubled between 2024 and 2025, going from £19.7bn to £38bn. But despite the rise in value, it was a market buoyed and shifted by the presence of a few large transfers, the presence of which distorted the landscape for everyone else.

The numbers came from EY in a recent analysis. Digging deeper, the financial services giant found that UK banks, insurers, and asset managers publicly disclosed 337 deals in 2025, down from the record high of 378 in 2024. Over the same period, the total value of announced or completed transactions rose by 93%, with 12 transactions exceeding £1bn, and high-value activity across all sectors.

The law firm, Debevoise & Plimpton, reported similar findings at the end of January, in its *M&A in European Financial Services: Trends and Developments for 2026*.

It wrote: "In 2025, financial services M&A deal value in Europe rose from $142.5bn in 2024 to $211.5bn, buoyed by deals towards the end of the year in the insurance and banking sectors."

The year, Debevoise & Plimpton concluded, was a "bumper" one in terms of deal value because of a handful of large "marquee" transactions, but was, "[...] flatter in terms of overall number of deals."

As to how we got here, this seems to be a continuing trend.

EY wrote last April in *Balancing Act: Growth and Uncertainty in Europe's Financial Services M&A*: "Following a weaker 2023, M&A transactions in the European financial services sector surged in 2024, with a 20% year-on-year rise in the quantity of deals. European banks, insurers and asset managers publicly declared 717 transactions across the region in 2024 — the highest annual volume since 2015 — compared with 597 transactions in 2023. The total disclosed transaction value also increased from €36.3bn in 2023 to €50bn in 2024, with 10 transactions exceeding €1bn in value last year."

The movement appears poised to run throughout this year. The Berlin-based law firm, Addleshaw Goddard, wrote in its *M&A Outlook 2026: Sector Outlooks That Will Define Your Markets*, that a "wave of consolidation" was sweeping through banks, wealth managers, and insurers seeking scale as they looked to compete with larger incumbents while increasing their footprint.

Addleshaw Goddard demonstrated the trend with examples. "This theme," it wrote, "is illustrated by transactions such as Spanish heavyweight Santander's acquisition of TSB, Belgian insurer Ageas' £1.3bn acquisition of UK insurer Esure from Bain Capital, Coventry Building Society's acquisition of Cooperative Bank, Emirates NBD's investment of $3bn to acquire a controlling stake in India's RBL Bank, and London-headquartered wealth manager Titan Wealth's string of recent acquisitions including AHR, IWP, and Blacktower. These all highlight how M&A is being used to bolster and grow financial institutions."

Those spoken to by *Insurance Asset Management* echo the ethos of the time: there is not an increased number of M&A deals going on, but the deals are becoming larger, with the market distorted by a handful of giant transactions.

> Momentum is being driven disproportionately by larger transactions

"We have seen a slight uptick in deal volumes," says Debevoise & Plimpton's partner, Hugo Laing, "i.e. the number of deals, at least in the financial services sector in Europe but it is modest – going from 1,350 announced deals in 2024 to 1466 in 2025. However, we saw a material uptick in deal value going from $142.5bn in 2024 to $211.5bn in 2025. So, yes, we are seeing that M&A is on the up, but that momentum is being driven disproportionately by larger transactions."

Or, as RSM UK's deal services partner, Angela Toner, put it to *Insurance Asset Management:* "The overall M&A market is increasingly being shaped by a small number of very large, high value deals. While deal volumes are lower than recent highs, headline values appear strong because transformative megadeals dominate the market. In fact, M&A deal volumes in the insurance industry fell from 118 in 2024 to 68 in 2025, according to Pitchbook data."

Insurance, specifically

It is tricky to know where the insurance industry sits within this. In April 2025, EY predicted in *Balancing Act* that there would be a "continuation of the upward trend" for deal activity levels in the insurance sector over year. This, it said, would be driven by appetite from established brokers and private-equity investors. Others factors it outlined included private capital's "dry powder" and appetite for the insurance sector, the continuation of broker consolidation, a dynamic large commercial and specialty insurance market, and portfolio and closed-book deals in life insurance.

The firm wrote: "Insurance M&A activity continued to rise strongly in 2024, with 309 deals compared with 97 in 2020. While the value of deals increased significantly in 2024 vs. 2023, the overall deal value remained significantly below the level seen earlier in the decade. We have seen a declining average deal value in the last five years, and only two large deals, with an announced value above $1bn, were registered."

This tallies with Addleshaw Goddard, which wrote in *M&A Outlook 2026* that even though financial services had seen a busy year, it was technology—particularly AI excellence, cybersecurity capability, and high-growth digital assets—that remained the 'engine room' of premium valuations.

More specifically, said Toner, M&A activity in the insurance space has levelled off because of higher interest rates, greater competition for high-quality businesses, and valuation gaps.

Even so, Toner adds that it remains highly competitive for consolidation. "It offers resilient recurring revenues," she says, "fragmented markets – ideal for build-and-buy opportunities – and efficiency gains driven by scale, which allows businesses to combat rising fixed costs. Buyers are also using M&A to acquire digital capabilities and optimise capital under evolving regulatory and market pressures."

Others are even more buoyant, pointing to a number of factors that might play into the insurance and financial services sectors having a continuing role to fulfil within M&A activity. Deloitte Germany's partner and expert on transaction services in the insurance sector, Martin Laumayer, says that there are a number of factors behind why these developments are taking place.

"Rising claims and labour costs put a financial strain on insurers," he says. "Additionally, increasing administration and staff costs weaken the profitability especially of smaller companies, and their ability to compete. Also, insurers need to modernise ageing, fragmented IT systems to keep up with operational and regulatory expectations such as DORA, FIDA, enhanced BaFin oversight, and the EU AI Act – the costs associated to these measures are becoming increasingly burdensome, in particular for smaller, standalone insurers."

He adds: "Additional momentum stems from the life insurance run-off market, where specialised platforms depend on continuous portfolio acquisitions to maintain operational efficiency. With nearly 80 life insurers still operating and many facing significant structural challenges, further sales or mergers remain a likely path to ensuring long-term stability."

The role of private capital

One of the big trends in recent years has been the role of private equity in these transactions. Devevoise & Plimpton ran the numbers earlier this year and found that private equity investments in the European financial services sector had gone from $59.9bn in 2024 to $80.9bn in 2025, an increase of 35.2%. The deals that private equity were involving itself in were also getting larger, said the firm, pointing to the $2.5bn investment by Stone Point into Ardonagh and Athora's acquisition (supported by Apollo) of Pension Insurance Corporation for $6.6bn.

The influence of private equity in this sphere "remains substantial but increasingly nuanced", wrote RSM in its report from June last year called *2025 M&A Trends in the Financial Services Sector*.

Or, as Debevoise & Plimpton summarised it in *M&A in European Financial Services*: "The role of PE is evolving, as private capital providers look at acquisitions that support their growth in the private credit markets, such as buying distribution platforms, and continue to buy or participate in insurance businesses where there are asset management opportunities. Early in 2026 we saw CVC and AIG enter into a $3.5bn credit and secondaries partnership. We expect to see more of these strategic partnerships going into 2026."

"Additional momentum stems from the life insurance run-off market

The notion that private equity is finding its role shifting within the M&A space is not confined to the calculations of RSM and Debevoise & Plimpton.

"Private equity firms have long been interested in the insurance sector," says Laing, "due to stable cash flows and potential to capitalise on long term capital growth. The role of private equity is evolving, as private capital providers look at acquisitions that support their growth in the private credit markets, such as buying distribution platforms, and continue to buy or participate in insurance businesses where there are asset management opportunities. Early in 2026, we saw CVC and AIG enter into a $3.5bn credit and secondaries partnership. We expect to see more of these strategic partnerships going into 2026."

If private equity did impact the market, it seems to have only happened in the final quarter of 2025. It is Toner who says that this is when private-equity activity in this area began to pick up. The result of this, she adds, is that private-equity-backed insurance buyouts actually fell between 2024 and 2025, from 79 to 54. Despite the fall, she maintains that it remains a major driver of activity, particularly in distribution businesses that offer capital light models and predictable cashflows.

On a more-granular level, says Laumayer, the interest from private equity in investing in risk carriers has been focused on closed life insurance books and to a minor extent long-tail run-off legacy non-life portfolios. Even so, the PE-driven M&A activity in recent years has narrowed down to market incumbents as run-off platforms seek to onboard further insurance books to leverage economies of scale.

He adds: "Private equity interest and M&A activity in the insurance distribution field remain unbroken. Private equity investors are keen to claim their stake in the increasing broker consolidation which has gained enormous momentum lately."

He goes on: "However, private equity investors driving a roll-up strategy of insurance broker businesses increasingly face the challenge to unlock the value creation potential ascribed to the acquired brokers post-acquisition. Success in the broker consolidation space nowadays is measured not only in the speed and sheer number of acquiring new targets but also to create value on a platform level."

The regulatory landscape

Another key component around the shaping of M&A strategies has been shifts in the regulatory landscape. A host of new regulations, including DORA, FIDA, and the EU AI Act have shifted the market. Within Germany, all these measures—aligned with increased oversight from regulator BaFin—have put weight on insurers to continuously modernise their IT systems.

This, says Laumayer, has pushed some firms towards cooperation and assimilation, although he maintains that his view applies only within Germany and the broader European market.

He adds: "Smaller firms especially often struggle with this due to lack of resources, be it financially or when it comes to expert knowledge and people and thus may seek to benefit from forming partnerships and larger groups. As such, the shifting regulatory impact has had a substantial impact in the amount of M&A activity in Germany."

> “International investors are drawn to insurance for its stability

Trade wars

Much has been made in recent months about the Second Trump Administration's threats of tariffs and use of the US's economic power to gain the upper hand in negotiations, such as its proposed takeover of Greenland.

As to how these may have impacted on M&A, or their potential impact, the erratic nature of the Administration makes it hard to predict. However, Laing says that their repercussions are yet to be felt.

He says: "Generally, there may be deals that make financial sense this year if interest rates come down but generally geopolitics does not seem to be stopping the big deals emerging. All signs point to it being a time for growth in the insurance and asset management M&A world."

Even so, Toner says that the situation is more nuanced, adding: "Geopolitical uncertainty and regulatory divergence across regions are influencing investment decisions and capital flows. International investors are drawn to insurance for its stability, making the sector attractive during periods of global volatility."

Lloyd's

One prevalent theme across 2025 was the acquisition of businesses holding a Lloyd's license. Debevoise & Plimpton made reference to this in its *M&A in European Financial Services* report, saying that it was a trend that it expected to continue.

"The Lloyd's market has experienced a strong uptick in deal activity," says EY's lead for insurance, Richard Battersby, "that was bolstered by healthy premium rates and financial performance in recent years and some well-timed private equity-owned exits. In particular, US trade players looked to the Lloyd's market platforms as a diversification opportunity to broaden the risks they can write, access new geographies, and expand into additional lines of business."

The reason for this, says Toner, is that Lloyd's businesses offer strong profitability, global market access, and specialist underwriting expertise, all qualities that make them highly attractive to buyers. She says that due to this, plus favourable returns and ongoing investor demands, elevated acquisition interest in these businesses should continue.

There are other reasons, says Laing, why so many mergers are centred around Lloyd's-linked firms.

"Specifically," he explains, "it's the ability to underwrite businesses globally (Lloyd's is licensed to write business in more than 80 territories), diversification opportunities (investors can access diversified specialty insurance risks that may be less correlated with traditional equity and fixed income portfolios), and capital efficiency form a unique and attractive value proposition to institutional investors."

The future

Looking ahead to the rest of the year, Addleshaw Goddard predicts in *M&A Outlook 2026* that activity would continue to track a handful of key themes, including a reshaping and readjustment of financial services institutions, further consolidation to fuel scale and long-term strategy, the acquisition and growth of fintech capabilities, and the driving of change by private equity and financial investors.

Battersby believes that activity will remain "buoyant" throughout the rest of the year.

He says: "The UK insurance sector continues to provide relatively counter cyclical and stable investment opportunities, as firms look to drive growth, innovation and long-term transformation."

Beyond US exceptionalism

The case for diversifying globally and across strategies with alternative credit

Authors:
Laura Parrott, Senior Managing Director, Head of Private Fixed Income

Jason Hernandez, Global Head of Real Estate Debt

Concerns are growing over economic activity, political tension and policy uncertainty in the US, making for a challenging investment environment. Headlines throughout 2025 underlined this uneasiness; foreign investors were reportedly leaving US markets in droves amid currency volatility and tariff-driven fears, possibly spelling the end of US exceptionalism as we know it. Adding to these doubts is the spectre of an increasingly deglobalised world.

In this climate, separating rhetoric from reality is crucial. The world may be changing, but global private credit — whether corporate or asset-backed — remains an attractive opportunity set for those seeking diversified sources of stable income in an unstable time.

UK insurance investors can build resilience with alternative credit by diversifying exposure across a range of asset classes and across the US and Europe.

US remains a rich source of opportunity despite new risks

Despite prolonged uncertainty running through the country, the US economy has demonstrated its ability to withstand shocks and beat pessimistic forecasts. Recent recession fears have given way to tangible optimism. US GDP growth for 2026 is projected to outpace its G7 peers, according to the International Monetary Fund's World Economic Outlook. Corporate earnings remain robust, and default rates for US credit, especially among higher-rated borrowers, remain overwhelmingly stable.[1] The US dollar, although volatile, continues to anchor international portfolios, providing depth and liquidity that few global markets can match.

In this environment, US-based credit continues to play an important source of portfolio diversification. Investors are drawn by its strong fundamentals, attractive risk-adjusted yields and proven resilience.

While issues such as the First Brands' bankruptcy cast a cloud over private credit, industry experts and allocators stress that these incidents remain isolated, driven by lax due diligence and underwriting, rather than broader economic malaise. Disciplined managers continue to demonstrate the importance of robust due diligence in an environment rich with opportunity but not without risk.

nuveen
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Europe offers unique risk diversification exposure

While the US remains undeniably attractive, the universe for alternative credit is broader than one market.

Europe, while also grappling with geopolitical fragmentation and slower economic growth, offers pockets of long-term value, especially in non-cyclical sectors and upper middle market lending. Impact-driven strategies and sectoral innovation are rapidly becoming the new frontier. According to a recent survey of asset managers globally, 37% of those surveyed identified European direct lending as having the most growth potential over the next five years.[2]

Opportunities in Europe reflect the continent's geopolitics. A continued focus on energy infrastructure for both renewable energy and energy security, for example, demonstrates how structural changes are driving compelling investments. These same factors are acting as catalysts for investment grade private credit, while real estate debt is tapping into this protectionist dynamic, one that will continue to create entry points across logistics.

Diversifying globally, derisk locally

The story of alternative credit is fast growing beyond US exceptionalism. It is about building portfolios that blend US scale and resilience with global diversification, reaching across borders and asset classes to capture income, risk mitigation and long-term value creation. The US remains at the core of global alternative credit strategies, but just as importantly, looking beyond the US has never been more timely.

Nuveen's *Alternative credit insights: Diversify globally, derisk locally* explores the range of opportunities across credit segments and potential risks. In this article, we focus on investment grade private credit and real estate debt.

Investment grade private credit

Investment grade private credit (IGPC) continues to attract capital from a broadening base of investors, including insurers, pensions, endowments and other long-term focused institutions. Investors looking to build diversified private fixed income portfolios are able to find both shorter-dated and longer-dated opportunities across private investment grade asset-classes. This is partly due to the growing proportion of shorter-dated deals in recent years.[3]

As IGPC grows globally, scaled asset managers can enable access to nuanced markets such as the UK and Europe. To be successful, understanding local regulatory environments is critical and can create distinct opportunities for long-duration deals with prepayment protections, such as infrastructure assets structured to address energy security and social needs.

Recent trends also show investors have a heightened interest in more structured investments backed by stable cash flows and/or hard collateral such as credit tenant loans, project finance and private asset-backed securities. Market issuance across sectors and geographies has been robust driven by both macro-trends and investor appetite, which should persist and continue to provide attractive investment opportunities.

Real estate debt

Investors concerned with market volatility are likely more wary of the US market given the recent uncertainty. Those investors are likely to find more market stability in Europe, offering an important source of portfolio diversification.

Opportunities in real estate remain largely concentrated in the credit space, because direct acquisition opportunities remain limited. Credit returns should benefit from values adjusting higher over the cycle. Furthermore, the compression of the maturity wall and the broader distress cycle provide ample room for real estate credit investment.

While consensus forecasts acknowledge the rising risk in the US, they expect solid economic growth. Given this backdrop, investment allocations are increasingly focused on hedging and diversifying to provide protection. Investors are shifting toward inflation-hedged sectors, shorter-duration leases and markets with strong fundamentals. Sectors, such as medial offices, multifamily and data centres, that benefit from broad megatrends are also poised to endure through short-term volatility.

Read the latest alternative credit insights at nuveen.com

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[1] Source: S&P Global "Default, Transition, and Recovery: Regional Divergences Should Keep The Global Default Rate Steady Through September" dated 26 Nov 2025

[2] Source: Mercer "Private Markets in Motion: Private debt Taking the pulse of global asset managers" as of July 2025

[3] Proportion of five-year and shorter deals grew from 4% in 2019 to 21% in 2024. Source: BofA Private Placement Market Snapshot as of 31 Dec 2024

Around the globe

Insurance Asset Management looks at the latest insurance developments happening around the world

Dutch financial institutions, including insurers, now hold more than €200bn in technology firm stocks, twice the amount recorded in 2020, according to **De Nederlandsche Bank (DNB)**. A significant portion has been invested in major US tech giants. Although Dutch insurers' exposure to tech firms is lower than that of pension funds, it remains substantial. Tech stocks account for 33% of their total equity portfolio, which is nearly 2% of their total assets. The weight of tech firms in insurers' equity portfolios has also increased in recent years. They too have a significant concentration in stocks of the seven major US tech firms: 13% of their total equity portfolio, up from just 6% in 2020.

US life insurer investment portfolios are expected to remain broadly stable in 2026, **Fitch Ratings** has said, with solid credit quality and core fixed income dominant amid a continued tilt towards private credit and alternative investments, driven by opportunistic repositioning and regulatory reclassifications. Fitch stated that the persistent search for yield will continue to drive expansion in private credit across multiple asset classes in 2026, often leveraging the origination platforms of affiliated alternative investment managers. Focus will continue on direct lending, CLOs, private ABS, and private label RMBS, positioning insurers to capture incremental spread while managing duration and liquidity considerations.

ASR **Nederland N.V. (a.s.r.)** has reached an agreement with BOVAG on the full acquisition of all insurance activities of Bovemij N.V. (Bovemij) for €185m. Customers will continue to receive advice and distribution of insurance products through the Bovemij and ENRA brands. To facilitate this, BOVAG and a.s.r. will each hold a 50% stake in a new to be established joint venture. Bovemij specialises in insurance and additional services for the mobility sector and has been active since 1963. The gross written premiums of the insurance activities in 2024 amounted to circa €400m.

A**G Insurance** has been named among the lead investors in the second Belgian Growth Fund, targeting a total of €350m. The Belgian Growth Fund is a private equity fund of funds, focusing on supporting Belgian scale-ups. It aims to bridge the financing gap that Belgian scale-ups encounter between the start-up stage and the growth phase, commonly referred to as the 'growth gap'. AG Insurance was one of the founding investors in the inaugural Belgian Growth Fund I in 2019, established by PMV with the support of SFPIM. The initial fund successfully raised over €300m, financed 48 Belgian scale-ups, and delivered a healthy financial return for investors.

China's **State Financial Regulatory Commission** has publicly solicited opinions on the draft for public comment 'Measures for Asset and Liability Management of Insurance Companies'. The measures are an important step to enhance the resilience of the insurance industry and improve the prudent regulatory system.

In addition, the measures set forth asset-liability management objectives and principles, standardise the asset-liability management governance system, policies, and procedures, clarify model systems and data management requirements, establish regulatory and monitoring indicators, and improve relevant regulatory measures to strengthen supervision and management.

> Focus will continue on direct lending, CLOs, private ABS, and private label RMBS

Varma is to invest €400m in an ETF fund focused on European companies, tailored for the insurer, whose operating principles include moderate risk-taking through active portfolio management. The goal of the new exchange-traded ETF fund is to generate a better return compared to the index with a well-limited risk. The objective is achieved by actively managing part of the portfolio based on the investment outlook. Typically, ETFs are passive funds that seek to track a selected index without deviating from it.

US President, Donald Trump, has signed an executive order meant to limit institutional investors from buying single-family homes. "To preserve the supply of single-family homes for American families and increase the paths to homeownership, it is the policy of my administration that large institutional investors should not buy single-family homes that could otherwise be purchased by families," the order states. The action goes on to outline several ways the administration intends to curb institutional investing in the single-family home market. These include directing relevant agencies to issue guidance preventing institutional investors from leveraging federal programs for single-family acquisitions, while encouraging these programs to prioritise individuals and families.

South Africa's general insurance industry is estimated to be worth $13.2bn by 2030, according to figures published by GlobalData. The data and analytics company said the **South African insurance market** will grow at a compound annual growth rate (CAGR) of 7.4%, increasing from $10.8bn in 2026, in terms of gross written premiums (GWP). GlobalData's insurance database indicated that the general insurance market in South Africa is estimated to register an annual growth of 7.7% in 2025. The firm said this has been driven by the growth in motor and property insurance, which together are expected to contribute 83.7% of the country's general insurance GWPs.

Munich Re has revealed it will pursue an IFRS net profit of €6.3bn in 2026, as the German reinsurer outlined a new multi-year strategy. The group said its insurance revenue is expected to total €64bn in 2026 with return on investment to improve to above 3.5%. In its reinsurance field of business, Munich Re has anticipated that net profit will amount to €5.4bn in 2026. In an ongoing favourable market environment, the German company said it would continue to leverage its strong market position.

The **International Finance Corporation (IFC)**, a member of the World Bank Group, is to acquire a stake in the Ukrainian non-life insurance companies of Vienna Insurance Group (VIG) through a capital increase. With the support of the IFC, the product portfolios of two VIG companies, USG and Kniazha, are to be expanded and their digitalisation strategies accelerated.

Japanese insurer, **Tokio Marine Holdings,** has agreed to acquire a majority stake in Acore Capital, a US investment manager specialising in commercial real estate (CRE) debt. Tokio Marine is investing in Acore through its wholly owned subsidiary Delphi Financial Group.

> “It is the policy of my administration that large institutional investors should not buy single-family homes that could otherwise be purchased by families

Insurance Asset Management Awards 2025

Celebrating excellence in the UK and global insurance space

The Award Winners 2025

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www.insuranceassetmanagement.net/awards

Insurance Asset
Management **Awards 2025**







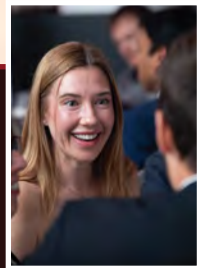






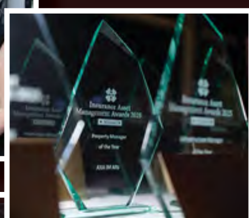

Insurance Asset Management Awards 2025



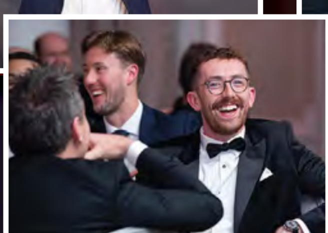









Insurance Asset Management **Awards 2025**

Contents

Highlighted Winners

Overview

The ninth annual Insurance Asset Management Awards saw hundreds of industry professionals gather at the Waldorf Hilton, London, after the Insurance Asset Management Conference 2025 earlier in the day, to celebrate excellence, professionalism and innovation in the insurance space. Insurance companies, asset managers, technology providers and consultants were all in attendance, as trophies were handed out by comedian Marcus Brigstocke.

Many thanks to all those who helped make the event such a success, particularly our sponsors. Your ongoing support allows a fantastic night like this to happen. We look forward to welcoming you all with open arms again this year and rewarding all those who continue to excel in the insurance investment arena.

For more information on our events please visit ***www.insuranceassetmanagement.net,*** where you can also read all the latest news and commentary from the global insurance industry.

Adam Cadle,
Editor,
Insurance Asset Management

Judging panel

Chair of the judges:
Adam Cadle, Editor
Insurance Asset Management

David Devlin
Director, Strategic Partnerships
Standard Life UK

Rebecca Lea
Manager
Investment & Climate
The ABI

Sumit Mehta
Head of Strategy
L&G

Deepak Seeburrun
Head of Global Insurance & Key Partnerships
HSBC Asset Management

Winners Gallery

Insurance Company of the Year
LV=

Investment Strategy of the Year
Columbia Threadneedle Investments

ESG Investment Strategy of the Year
HSBC Asset Management

Insurance Investment Consultancy of the Year
Aon

Passive Manager of the Year
Invesco

Active Manager of the Year
HSBC Asset Management

Fixed Income Manager of the Year (*up to $200bn AUM*)
Janus Henderson Investors

Fixed Income Manager of the Year (*over $200bn AUM*)
Nuveen

Alternatives Manager of the Year
Aberdeen Investments

Private Debt Manager of the Year
Franklin Templeton - BSP/Alcentra

Infrastructure Manager of the Year
Ares Management

Property Manager of the Year
BNP Paribas Asset Management Alts

Multi-Asset Manager of the Year
Royal London Asset Management

Emerging Markets Manager of the Year
Aviva Investors

Bulk Purchase Annuities Solution of the Year
Rothesay

Technology Firm of the Year
Clearwater Analytics (CWAN)

Innovation Provider of the Year
Schroders

Stewardship Initiative of the Year
Robeco

Diversity Award
HSBC Asset Management

Highly commended:

Insurance Company of the Year
Rothesay

ESG Investment Strategy of the Year
Royal London Asset Management

Fixed Income Manager of the Year (over $200bn AUM)
Insight Investment

Private Debt Manager of the Year
L&G

Property Manager of the Year
Barings

Technology Firm of the Year
Ortec Finance

Insurance Asset Management **Awards 2025**

Alternatives Manager of the Year
Aberdeen Investments

aberdeen Investments

For professional investors only – not for use by retail investors or advisers.

Aberdeen Investments' capabilities in the alternative investment space are second to none, and have allowed the firm to build a robust £80bn[1] platform across private credit, real asset, and alternative solutions.

Aberdeen also offers multi-manager, listed alternatives, and alternatives index solutions, enabling it to build customised portfolios to help investors achieve their financial goals.

A pioneer in the democratisation of private markets, Aberdeen launched its first evergreen private market funds in 2018 and continues to expand with new strategies like sustainable concession infrastructure and emerging markets private debt. Aberdeen places a focus on ESG and offers tailored solutions to meet its clients' sustainability and net-zero ambitions.

Outstanding performance and innovation don't stop there. The firm's Global Private Markets programme enables investors to access diversified portfolios of private market assets – spanning private equity, private credit, infrastructure, real estate, and natural resources – within structures with flexible dealing. The abrdn Global Private Markets Fund demonstrates the company's expertise in this area. Aberdeen has built a private market portfolio that's fully diversified across asset classes, geographies, sectors, and vintages, using both in-house and third-party content through a mix of primary fund commitments, secondaries, and direct/co-investments. On a look-though basis, the fund offers investors exposure to over 3,000 private assets and projects and has delivered a steady performance of 9.3% per annum over the past five years.[2]

With over 200 dedicated private markets professionals, Aberdeen provides exceptional service and insights to clients through integrated research platforms and innovative risk and analytical tools like its proprietary Private Investment Sensitivity Model (PRISM). PRISM enhances portfolio management by optimising asset allocation, decomposing risks, evaluating opportunities, and constructing portfolios to meet client outcomes from growth and inflation protection to net-zero alignment.

Aberdeen has also displayed an outstanding commitment to DC schemes. In 2025, Aberdeen was appointed to manage the Growth LTAF for Scottish Widows, which will form a core part of their overall DC proposition. The Growth LTAF is a bespoke portfolio solution, leveraging Aberdeen's Global Private Markets capabilities and its approach to engineering tailored portfolios to specific client requirements.

Long-term partnerships are essential to Aberdeen and its client training programmes, regular investment expert updates, webinars, research reports, white papers, and investment conferences strengthen these tie-ups.

Insurance Asset Management **Awards 2025**

Winner

Alternatives Manager of the Year

[1] Source: Aberdeen as at end of December 2025

[2] Source: Aberdeen, 30 September 2025, gross, GBP

Building resilience: why private markets have become essential for insurance portfolios

For professional investors only – not for use by retail investors or advisers.

In a world where listed markets are increasingly synchronised, volatile, and sensitive to macro shocks, insurers are re-evaluating how to build durable long term portfolios.

Authors:

Nalaka De Silva, Head of Private Markets Solutions

Baldric Todeschini, Investment Specialist

aberdeen Investments

With liabilities stretching over decades, they need return sources that are structurally robust, diversified, and capable of delivering predictable cashflows. Private markets - once niche and operationally demanding - have matured into a strategic allocation that can meet these needs. Supported by stronger liquidity frameworks and enhanced governance, they now play a central role in improving balance sheet resilience.

Their increasing relevance is reinforced by long term secular trends reshaping the global economy. Digitalisation, demographic change and the transition to a low carbon world are generating structural investment opportunities across private equity, private credit, infrastructure, real estate and natural resources. These areas remain under represented in public markets, giving insurers access to segments aligned with real economy developments. For investors requiring long duration assets that match long dated liabilities, private markets have become an essential complement to traditional allocations.

Long term benefits for insurers

One of the strongest arguments for private markets in insurance portfolios is diversification. Returns across private segments tend to show low correlation to listed markets and to each other, helping reduce volatility while supporting long term return potential. With government bond yields still low in real terms, private markets provide access to contractual income, asset backed cashflows and illiquidity premia rarely found in public markets.

Private infrastructure is a clear example. It offers inflation linked revenues through essential services such as renewable energy assets, digital networks, regulated utilities and social infrastructure. These assets often operate under long dated agreements that align naturally with insurers' liability profiles. Private credit has also expanded as banks withdraw from parts of corporate and project finance, giving insurers access to stable, often floating rate income with strong covenant protection and senior secured positioning.

Private equity continues to capture a large share of global value creation as companies remain private for longer. High growth opportunities in automation, data infrastructure and advanced technologies increasingly lie outside public markets. For insurers balancing income oriented allocations with long term growth, private equity and venture capital play a meaningful role. Beyond return generation, private markets also offer resilience: their lower sensitivity to short term market fluctuations supports smoother outcomes through geopolitical uncertainty, shifting rate regimes and regulatory change.

Portfolio construction: where outcomes are determined

Capturing the full value of private markets requires disciplined portfolio construction grounded in research driven underwriting. Performance dispersion between top quartile and bottom quartile managers is far wider than in listed markets, making manager selection critical. Access route decisions – whether primaries, secondaries or co investments - also materially influence return profiles. Sequencing, pacing and strong risk management frameworks therefore shape long term outcomes.

A resilient private markets programme typically rests on four pillars:

1. **Diversification across asset classes, strategies, sectors and geographies**
   Blending growth oriented exposures with income focused strategies reduces reliance on any single driver and enhances resilience.
2. **Vintage year pacing and deployment discipline**
   Spreading commitments across vintages limits concentration risk and supports steadier deployment during market dislocations.
3. **Liquidity and cashflow management**
   Liquidity is a central constraint for insurers. Semi liquid and evergreen structures require careful oversight of buffers, drawdowns and distributions. Without this, cash drag or gating pressures may arise at unfavourable moments. Analytical tools - such as Aberdeen's PRISM system – support modelling, scenario testing and monitoring to maintain appropriate exposure while meeting liquidity requirements.
4. **J-curve mitigation**
   Allocating to secondaries, co investments and a mix of early stage and mature strategies helps reduce the early life performance dip typical of private markets.

Together, these pillars ensure portfolio construction remains systematic, data driven and grounded in disciplined bottom up analysis.

Risk management: a multi layered discipline

Insurers' fiduciary duties demand comprehensive risk management frameworks. Idiosyncratic risks – including governance quality, operational performance and ESG factors – require rigorous due diligence and continual monitoring. Market and structural risks, such as valuation sensitivity, regulation, credit spreads and sector cycles, call for forward looking modelling and scenario analysis. Liquidity and cashflow risks are especially relevant due to the unpredictability of drawdowns and distributions. ESG related risks also matter as private markets increasingly channel capital into climate aligned and transition focused assets.

Conclusion: the right partner matters

Private markets have become a core component of institutional investment strategy. For insurers navigating a complex macroeconomic landscape, they offer long duration growth, stable income, inflation protection and meaningful diversification. But these benefits rely on disciplined construction, rigorous research and robust risk manag ement. Choosing a partner with deep experience, strong analytical capabilities and broad sourcing networks is essential to delivering the operational discipline required in semi liquid structures.

Risk warning

The value of investments, and the income from them, can go down as well as up and an investor may get back less than the amount invested. Past performance is not a guide to future results.

abrdn Investment Management Limited registered in Scotland (SC123321) at 1 George Street, Edinburgh EH2 2LL. Authorised and regulated by the Financial Conduct Authority in the UK.

Insurance Asset Management Awards 2025

ESG Investment Strategy of the Year
HSBC Asset Management

HSBC
Asset Management

HSBC Asset Management strongly believes investors should require their managers to incorporate robust sustainability metrics when investing in emerging market (EM) companies as a means to capture opportunities and mitigate risk. To achieve such outcomes, the firm's approach is based on direct and consistent engagement with issuers to assess their ESG plans and progress and their challenges and gaps, with the ultimate goal of driving positive change.

The HSBC Global Emerging Markets Corporate Sustainable Bond strategy is designed to address a critical gap in the financing of sustainability transitions across EMs. The SFDR Article 9 fund seeks to channel capital into companies actively implementing ambitious, measurable sustainability plans. Furthermore, it aims to deliver positive environmental impact through integrated sustainability analysis and continuous engagement with issuers. To credibly manage a Sustainable EMD Corporate fund, HSBC Asset Management designed a specific process to ensure the fund would meet the very stringent internal and regulatory standards to ensure compliance with SFDR Article 9 requirements. The bottom-up investment process selects corporate issuers based on rigorous fundamental analysis and a forward-looking, integrated sustainability assessment which aims to evaluate an issuer's current sustainability plans and challenges; track the issuer's ongoing sustainability progress based on ESG data and engagement; and measure the issuer's positive change and impact achievements.

Performance has been exemplary. Since inception the fund has consistently outperformed the reference benchmark (JPM JESG CEMBI Broad Diversified) driven by security selection in sustainable investments. The fund is also top quartile in the Morningstar peer universe, which consists of both Article 8 and Article 9 EM Corporate Bond funds.

The exemplary work doesn't stop there. The International Financial Corporation (IFC) has collaborated with HSBC Asset Management to develop an innovative sustainable emerging markets (EM) corporate bond strategy, closely modelled on HSBC's existing Global Emerging Markets Corporate Sustainable Bond fund. IFC selected HSBC Asset Management as it wanted to build on the successful Real Economy Green Investment Opportunity (REGIO) collaboration while broadening its sustainability impact.

The judges praised the firm's global outlook in its work as well as its ambitious sustainability objectives. Congratulations on a fantastic win.

Insurance Asset Management Awards 2025
Winner
ESG Investment Strategy of the Year

Sustainable Emerging Market Debt

Mobilising finance for sustainable transition

An exciting investment opportunity

The outlook for Emerging Markets corporate bonds is promising, based on the macroeconomic cycle, country fundamentals and bottom-up company strength. Additionally, their yield advantage may be compounded by the capital gain effect of cyclically declining interest rates.

Sustainable investing

While sustainable investing in emerging markets (EM) has grown rapidly, a critical gap remains in the lack of financing for sustainability transitions across EM companies. HSBC Asset Management created a strategy to help fill this funding gap. Unlike traditional emerging markets ESG funds that tend to focus only on labelled bonds, we have created a strategy that takes a broader and more flexible approach, targeting EM companies with transformative sustainability goals and demonstrated business plans and ambitions. By supporting businesses on their journey toward sustainable practices, the strategy aims to catalyse positive environmental and social change while generating long-term financial returns for investors.

Our strategy

The HSBC Global Emerging Markets Corporate Sustainable Bond strategy aims to deliver positive environmental impact through integrated sustainability analysis and continuous engagement with EM issuers. This credit-intensive strategy focuses on strict issuer selection which results in a high-conviction, low turnover portfolio that seeks to reduce the risk of green-washing with strong fundamentals and high sustainability standards within Emerging Market corporate debt. The offering under this strategy is classified as SFDR Article 9 with a specific sustainability objective: it aims to help make a positive change and measurable impact in EM markets—comprised of countries that represent some of the largest carbon emitters in the world.

Conclusion

We believe that our investment approach can help redefine sustainable investing in emerging markets by channeling capital into promising issuers that are the future winners of global transition and change. A testament to the strength of our process, the International Financial Corporation (IFC) recently endorsed this strategy based on the considerable and well-demonstrated expertise of our EMD investment, Credit Research, and RI teams.

HSBC Asset Management

For Professional Clients only. The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested.

Any views expressed are subject to change at any time. Approved for issue in the UK by HSBC Global Asset Management (UK) Limited, who are authorised and regulated by the Financial Conduct Authority.

Fixed Income Manager of the Year *up to $200bn AUM*

Janus Henderson Investors

Janus Henderson
INVESTORS

Insurance Asset Management Awards 2025
Winner
Fixed Income Manager of the Year
(up to $200bn AuM)

Janus Henderson Investors is a leading global active asset manager dedicated to helping clients define and achieve superior financial outcomes through differentiated insights, disciplined investments, and world-class service.

With over £115.8bn (as of 31/12/25) in fixed income AuM globally and a dominant presence in the actively managed securitised ETF space Janus Henderson is a force. Add to this market-leading proprietary quantitative tools that offer deep insights for asset allocation-, bottom-up- and liquidity analysis, an enhancement of its ESG capability through sales team education and the launch of its strategy-level Net Zero Investment Framework, Janus Henderson is at the forefront of providing innovative fixed income strategies.

Experience in managing insurance mandates, together with tailored solutions and strategic partnerships, make it a firm uniquely positioned to meet the sophisticated needs of institutional insurance clients.

The foundation of the fixed income investment process is the firm's highly collaborative, non-segmented team approach. This involves portfolio management, research, risk management and trading work as a cohesive unit, with each group playing an integral role in all investment decisions. This team-based culture provides a collegial framework in which best ideas are shared and challenged.

The firm's suite of actively managed fixed income ETFs has helped drive its growth, and the firm now ranks as the third largest manager of actively managed fixed income ETFs globally.

Arguably, its greatest strength is in the securitised space which we helped pioneer and where innovation and responsiveness to client demands has helped assets grow by 800% over the past five years. Its industry-leading global strategies include the largest CLO ETF with over $25bn (as of 28/10/25) under managed; the largest mortgage-focused actively managed ETF; the largest actively managed ETF focused on BBB CLOs; and the most successful ETF launch in Janus Henderson's history with JSI, its securitised income offering.

In July 2025, Janus Henderson entered into a multifaceted, strategic partnership with Guardian Life to manage a $45bn investment grade public fixed income portfolio for Guardian's general account. The portfolio will include both investment grade corporates and securitised products.

Janus Henderson has also been a longstanding leader in ESG. As part of its investment process, portfolio management leverages proprietary tools to assess financially material ESG risks and opportunities alongside other fundamental investment factors.

A richly deserved win.

Fixed Income Manager of the Year *over $200bn AUM*

Nuveen

nuveen
A TIAA Company

Insurance Asset
Management Awards 2025
Winner
Fixed Income Manager of the Year
(over $200 billion AUM)

Nuveen manages over $600bn in fixed income assets globally[1] across a comprehensive range of public and private strategies, including $204bn in alternative credit[2]. As the third[3] largest global private debt investor, backed by TIAA's Fortune 100 scale[4] and top-tier insurance ratings[5], Nuveen's platform offers investors a comprehensive range of fixed income solutions.

Leveraging the strength of Nuveen's $1.4trn platform[1] creates origination channels that provide deal flow few managers see. Nuveen's origination performance highlights their ability to source, structure and execute high-quality transactions that deliver superior risk-adjusted returns for clients.

With 90+ years of institutional credit investing experience[6], specialised teams have underwritten through the highs and lows of market cycles.

Comprehensive scaled platform: Nuveen's $70.6bn[7] investment-grade private fixed income capability spans corporate private placements ($29bn[7]), credit tenant loans ($13.8bn[7]), private ABS ($17.4bn[7]), infrastructure debt ($10.4bn[7]) and C-PACE lending—channeling capital toward essential infrastructure, energy solutions and climate resilience while delivering the cashflow-driven returns UK insurers require today.

In Q3 2025, Nuveen's diversified investment grade private credit platform invested $11.5bn with 63% of originations from sole investor and club-style transactions, maintaining A- average credit quality and 6% book yields[8].

Overall, Nuveen's ability to navigate complex markets and deliver outperformance through multiple market cycles reflects its commitment to excellence and innovation in fixed income investing — positioning it uniquely to meet insurance clients' evolving needs for yield, diversification and sustainability outcomes.

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1 AUM as of 30 September 2025. Nuveen AUM is inclusive of underlying investment specialists. Totals may not equal 100% due to rounding

2 AUM as of 30 September 2025. Nuveen AUM is inclusive of underlying investment specialists and does not include investments within multi-sector accounts or capital commitments.

3 Rankings published in the Private Debt Investor Magazine's Global Investor 50, December 2023/January 2024 issue. Private Debt Investor Magazine's research and analytics team carried out primary and secondary research on more than 100 institutions to produce rankings on the world's largest institutional private debt investors based on the market value of private debt portfolios. Nuveen submitted data to the research and analytics team. There were no fees paid in connection with this recognition.

4 Fortune, 2024. TIAA is ranked #96 based on reported revenue for fiscal year 2023.

5 For its stability, claims-paying ability and overall financial strength, Teachers Insurance and Annuity Association of America (TIAA) is a member of one of only three insurance groups in the US to currently hold the highest rating available to US insurers from all four leading insurance company rating agencies: A.M. Best (A++ rating affirmed as of July 23, 2025), Fitch (AAA rating affirmed as of August 5, 2025), Standard & Poor's (AA+ rating affirmed as of August 27, 2025), and Moody's Investors Service (Aa1 rating affirmed as of May 21, 2025). There is no guarantee that current ratings will be maintained. The financial strength ratings represent a company's ability to meet policyholders' obligations and do not apply to variable annuities or any other product or service not fully backed by TIAA's claims-paying ability. The ratings also do not apply to the safety or the performance of the variable accounts, which will fluctuate in value.

6 First real estate debt investment in 1934

7 As at 30 September 2025

8 Performance data shown represents past performance and does not predict or guarantee future results. Origination data as of 31 December 2025.

Insurance Asset Management Awards 2025

Property Manager of the Year
BNP Paribas Asset Management Alts

BNP PARIBAS ASSET MANAGEMENT

BNP Paribas Asset Management Alts' (BNPP AM Alts) real estate business represents a significant proportion of its overall operations, with €135bn in AuM, making the firm the #1 real estate asset manager in Europe and in the top 10 globally.

A key part of BNPP AM Alts' real estate business is its c.€25bn global commercial real estate debt (CRE) debt platform which raised more than €4bn in 2024 through the launch of new strategies and dedicated mandates. Over the same period, BNPP AM Alts invested c.€3bn into loans secured against high-quality assets across multiple real estate asset classes, with the majority in the logistics, residential and data centre sectors, supported by megatrends such as digitalisation and decarbonisation.

The firm has recorded a number of recent key highlights. In March 2025, BNPP AM Alts announced that it had secured c.€660m of additional capital commitments from a mix of new international institutional and sovereign wealth fund investors, for its European Student Accommodation Strategy (ESAS). ESAS will seek to acquire a mix of standing assets, ground up developments and former-office conversion opportunities, through both asset and platform investments. It will target further growth in its existing markets, and France in particular, while continuing to look at opportunities in core European cities, characterised by a critical shortage of high-quality accommodation relative to rising demand from students and young professionals. This plan will support BNPP AM Alts' ambitions of building ESAS into a c.€3bn PBSA and co-living portfolio by 2031.

Furthermore, in January 2025, BNPP AM Alts announced that it had started extension and improvement works at a major film and series studio in Bry-sur-Marne, Paris, acquired in June 2023 on behalf of clients. The project aims to address the shortage of modern filming spaces due to growing global demand for original content.

BNPP AM Alts also aims to achieve sustained ESG excellence and innovation throughout its real estate portfolio, something which the judges applauded. The built environment is a major contributor to carbon emissions, which is why the firm prioritises decarbonisation across its portfolio of over 2,500 buildings, supported by 130+ asset managers and 12 ESG experts. The firm enhances how people interact with its buildings by promoting health, well-being, and digital connectivity. Through these efforts, it redefines real estate as a driver of societal progress, investing in what matters and creating value beyond financial returns.

Congratulations.

Insurance Asset Management Awards 2025
Winner
Property Manager of the Year

Multi-Asset Manager of the Year
Royal London Asset Management

Royal London Asset Management's philosophy is to build robust multi-asset portfolios that it believes should perform well in a variety of market conditions while seeking to add value through active management, starting with strategic asset allocation and including both tactical asset allocation and security selection.

Backing this up is a fundamental decision-making approach informed by in-house quantitative models including an Investment Clock linking market performance to the economic cycle.

The Royal London Global Multi Asset Portfolios fund range (GMAPs) is designed to span the risk return spectrum with each fund aiming to maximise the long run real return for a given level of risk through a broadly diversified portfolio of investments.

An example of Royal London Asset Management's broad and diversified asset universe is the inclusion of an allocation to commodities in multi asset portfolios as a hedge against unexpected inflation, which has proved beneficial in the post-Covid recovery.

The investment process itself is exemplary. The Royal London Asset Management multi asset team adopt a clearly defined approach to both portfolio construction and investment decision making. Only asset classes with a long-term track record in producing return and/or reducing risk over several market cycles are included. This ensures that each asset class is thoroughly understood and its behaviour, both alone and in combination with other assets is considered, especially at times of market turbulence.

Royal London Asset Management achieves cost effective asset class exposure and full visibility of holdings by populating the strategic mix predominantly with internally managed Royal London Asset Management building blocks and supplemented by exposure to commodities through commodity futures and ETFs. As new Royal London Asset Management funds and asset class capabilities become accessible, for example the Royal London Emerging Market Corporate Bond fund, the multi asset team will consider their suitability for inclusion. The team make use of liquid equity and bond index futures and currency forwards to effectively implement tactical asset allocation.

On a performance level, the portfolios were overweight equities throughout most of the year, adding value. Tactical periods of exposure to government bonds and commodities as well as regional equities also added value throughout the year.

Congratulations on an outstanding award win.

Insurance Asset Management Awards 2025
Winner
Multi-Asset Manager of the Year


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Insurance Asset Management Awards 2025

Bulk Purchase Annuities Solution of the Year
Rothesay

Rothesay

Innovation, performance and outstanding service are at the heart of Rothesay's bulk purchase annuities solution. The insurer provides pension stability to nearly one million people, with £15.7bn of pension scheme liabilities transferred in 2024, securing the pensions of over 120,000 people in this year alone.

Rothesay completed the three largest annuity transactions during 2024, each greater than £3.5bn in size. To provide the best possible solutions, innovation across the business was key. This was prevalent in particular when working with the NatWest Group Pension Fund to insure c.£10bn worth of liabilities across two transactions. The size and nature of these transactions required close co-ordination and innovative solutions to ensure suitable asset and liability matching and liquidity management.

The acquisition of Scottish Widows' bulk annuity portfolio from Lloyds Banking Group, Rothesay's sixth acquisition of in-force annuities, also reinforces its position as a trusted home for annuity back-books from insurance counterparties.

Regular stress testing and live monitoring of the financial, solvency and liquidity position of the business also allowed Rothesay to respond dynamically as the market evolved over the year. From a sustainability perspective, having their MSCI ESG rating upgraded to 'AAA' is exemplary; this was driven by Rothesay leading their peers in responsible investment practices, and ranking best-in-class for business ethics practices. Rothesay also partnered with a number of charitable causes, notably the Rothesay Foundation's work with Age UK to expand its benefits check service for older people in need.

Service is at the heart of Rothesay's offering, both to clients and to the industry. Doubling the size of its team of transition managers in 2024 enabled this key service element. Rothesay's business model lends itself to executing a fewer number of transactions per year, as such each scheme they transact with is allocated a named transition manager who provides dedicated care and attention through transition to buy-out.

Throughout 2024, Rothesay's policyholder satisfaction remained exceptionally high with 96% of policyholders rating their service as excellent or good. In addition, Rothesay further enhanced their policyholder experience by establishing a partnership with an AVC master trust, giving policyholders more choice in how their money is invested, and greater flexibility with what they can do with any excess funds.

Rothesay continued to provide support to the bulk annuities marketplace in 2024, publishing its fourth 'Journey to buy-out' guide, including 21 articles from experts across the industry.

The judges described Rothesay as a market leader. Congratulations.

Insurance Asset Management Awards 2025
Winner
Bulk Purchase Annuities Solution of the Year

Technology Firm of the Year
Clearwater Analytics (CWAN)

CWAN

CWAN's cloud-native single instance, multi-tenant investment management platform is at the forefront of technology within the insurance industry, bringing together powerful execution, portfolio management, data, accounting, analytics, automated workflows, and real-time multi-asset risk and transparency across the full investment lifecycle.

CWAN's platform ingests data from ~3,000 sources and four million securities, reconciles it, and provides insurers with a comprehensive view of their global portfolios. This ensures they can achieve their goals, in key areas such as M&A, regulatory change, and expansion into alternative and private market assets. The platform is optimised to integrate public and private assets, with full look-through capabilities in line with multiple reporting frameworks including NAIC, Solvency II, IFRS 17, and US GAAP. By embedding compliance into daily operations Clearwater enables clients to generate complete audit trails, automate reporting, and avoid the operational bottlenecks that legacy systems can't address. Clients also benefit from seamless reporting, reducing errors and resource requirements when fulfilling regulatory obligations.

The platform leverages AI to power analytics and customisable reporting, significantly reducing data collection time. The combination of best-in-class technology, managed data services and a deep commitment to R&D and innovation drives operational efficiency and compliance for clients. This results in an extraordinary 98% client retention rate, and market leading NPS of 60+, reflecting high client satisfaction and loyalty.

With the strategic acquisition of Enfusion and Beacon in 2025, CWAN is building the future of investment management with a fully integrated, Front-to-Back Platform that unifies data, analytics and execution across public and private assets, something which the judges highly praised.

An analysis of CWAN's clients by a third-party research firm found, on average, a 60% reduction in time on data collection aggregation, data quality, and data management; a 23% increase in operational capacity; 77% time saved during quarter-end; 160-hour reduction in internal IT support and three plus hours saved on report creation.

CWAN's global client base spans 62 countries and includes some of the most sophisticated institutional investors in the world, servicing over 2,400 clients using the platform.

Congratulations to Clearwater for all its innovatory work in an era marked by shifting market dynamics, and for its support to insurers at a pivotal crossroads in their regulatory and investment decision making.

Insurance Asset
Management Awards 2025
Winner
Technology Firm of the Year

Insurance Asset Management Awards 2025

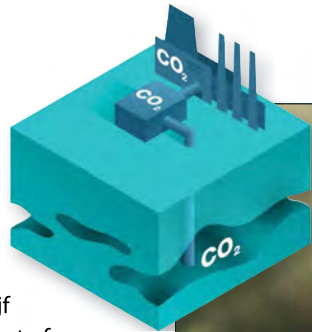
A green world

Insurance Asset Management **looks at the key sustainable impact investment developments over recent months**

1 Insurers committed to credible sustainability frameworks demonstrate greater consistency in risk management and more stable financial outcomes, latest research published by the MSCI Institute has shown. According to the MSCI Institute, insurers who are further along in their management of financially relevant sustainability risks appear to have better withstood shocks and periods of stress, based on a comparison of UN Principles for Sustainable Insurance (PSI) signatories and non-signatories within MSCI's ESG Ratings coverage over five years that ended 31 December 2024. PSI signatories tend to be at a more mature stage in adopting practices to manage sustainability risks in underwriting and investments.

2 The UK Investment Consultants Sustainability Working Group (ICSWG) has launched a framework aimed at supporting investors looking to evolve their climate strategies from portfolio decarbonisation towards real-world outcomes. It noted that current approaches to sustainable investing often focused on decarbonisation, including approaches such as investing in low-carbon assets. While this approach typically decarbonises a portfolio, the ICSWG warned it would not necessarily protect against wider financially material systemic risks. To protect portfolios from these risks, the group called for an investment approach that focused on achieving real-world outcomes.

3 **The European Supervisory Authorities (EBA, EIOPA and ESMA – the ESAs)** have published their joint guidelines on ESG stress testing. The guidelines provide national insurance and banking supervisors with clear guidance on how to integrate ESG risks into supervisory stress tests, both when using established frameworks and when conducting complementary assessments of ESG risk impacts. Furthermore, the guidelines are designed to support a consistent, long-term approach to ESG stress testing while allowing flexibility to accommodate future methodological advances and improvements in data availability.



4 **Dai-ichi Life** has invested around JPY 4.7bn in the Carbon Capture and Storage bond issued by Havenbedrijf Rotterdam N.V. (the Port of Rotterdam Authority). This is the world's first corporate bond with its issue of proceeds exclusively allocated to carbon capture and storage (CCS). CCS is an innovative technology that directly reduces CO_2 emissions by capturing and storing CO_2 underground instead of releasing it into the atmosphere. It is considered an effective solution for industries where significant emission reductions are difficult and is expected to play a vital role in achieving net-zero by 2050. The EU has set a target of storing 50 million tonnes of CO_2 annually by 2030, and projects like Porthos will make a measurable contribution toward this goal.

5 **The European Commission (EC) has proposed significant amendments to the Sustainable Finance Disclosure Regulation (SFDR), aiming to simplify the EU's sustainable finance transparency framework. The proposals follow a comprehensive review, which found that the current SFDR framework has led to disclosures that are too long, overly technical, and difficult to navigate. The EC concluded that SFDR has, in practice, been used as a "de facto labelling regime", creating confusion and increasing the risk of greenwashing and mis-selling. Under the proposed reforms, the EC will scrap entity-level disclosure requirements on principal adverse impacts for most financial market participants, citing overlaps with the Corporate Sustainability Reporting Directive (CSRD) and high implementation costs. Product-level disclosures would also be streamlined, with a sharper focus on comparable, meaningful sustainability information aligned with the Commission's proposed new product categories.**

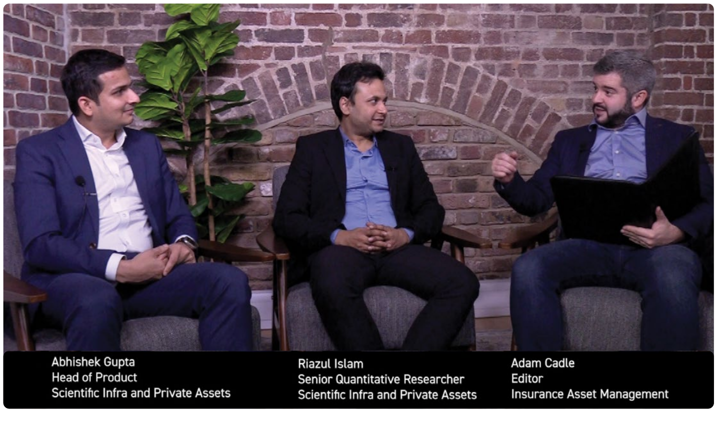
" Insurers committed to credible sustainability frameworks demonstrate greater consistency in risk management and more stable financial outcomes

6 **The Financial Conduct Authority (FCA)** has unveiled proposals to ensure that environmental, social and governance (ESG) ratings are transparent, reliable and comparable, following the UK Government's decision to bring ESG ratings within the regulator's remit for the first time. The reforms, which are expected to generate around £500m in net benefits over the next decade, form part of a new consultation launched by the FCA, which is open until 31 March 2026. Under the new proposals, all ESG ratings providers operating in the UK would be required to meet strengthened standards covering transparency, governance, systems and controls, conflicts of interest, and stakeholder engagement. This would include clearer public disclosures of methodologies and data sources; enhanced governance and oversight requirements; and new rules allowing rated entities and users to correct factual errors, both before and after publication.

Setting a new standard for benchmarking private infrastructure debt

Scientific Infra & Private Assets (SIPA) head of product, **Abhishek Gupta**, and senior quantitative researcher, **Riazul Islam**, share their insights on how SIPA is reshaping private infrastructure debt analytics with *Insurance Asset Management,* Editor, **Adam Cadle**

Scientific Infra & Private Assets
An EDHEC Venture



Adam: Abhishek, could you introduce SIPA and what your organisation exactly focuses on?

Abhishek: SIPA is essentially a data provider in private markets. We provide products and tools on benchmarking, and on valuation analytics, that allow institutional investors to understand these private asset classes in a more comprehensive manner. Our products and tools also allow investors to understand their investments and how they're performing in much more depth than what they have been able to do in the past. We are a venture of the EDHEC Business School and have been quite successful in the past few years in growing the business. A couple of years ago, we also expanded to cover private equity. So right now, we look at three asset classes in total – private infrastructure equity, private infrastructure debt, and private equity.

Adam: Riazul, you've recently expanded infraMetrics® into private infrastructure debt, introducing new credit risk and spread estimation models. Can you explain what these models exactly do and why they're so valuable for insurers operating with limited market and ratings data?

Riazul: As you are aware, we conduct analysis on private credit infrastructure markets. The market itself is opaque, so very limited data is available in terms of spreads, and the credit ratings are also not available in the market in general. SIPA has a strong universe representative of different infrastructure sectors. We have a data team which collects the financials and the market information, and in terms of the credit risk model, we deployed Cox Proportional Hazards (PH) model which determines the probability of default for each firm for the next 12 months based on their financial ratios and macro-economic factors. We also have a recovery rate model, which is again based on the simulations. It evaluates different scenarios to which a firm might default, and once it defaults, it looks at the restructuring process and how it can be recovered. Evaluating the probability of default and the recovery rate can be very useful for insurance companies. In addition, we also have a credit spread model, which is based on the factor model. This model takes the market transactions' spread data which is occurring every month, and we take these signals and calibrate it in our net universe, through which we determine the fair value of the spread gain. So, insurers will have the option to get the spread level which is prevalent at that point of time in the market which will help them with their reporting and stress tests, any kind of scenario analysis, and their capital charges.

Adam: Abhishek, you work with a wide range of users from insurers, pension funds, fund managers and indeed banks. In practical terms, how are these different groups using your data today to understand their private market investments?

Abhishek: Each type of institutional investor faces a different challenge in private markets. If you talk about pension funds and insurance companies, for example, they have an obligation to serve their liabilities. But in order to do that, they have to diversify their investment portfolio, which increasingly is made up of alternatives and private investments.

That's where we are trying to provide them information that brings transparency to their investments. Pension funds quite often find use in benchmarking their investments, knowing how their private infrastructure debt, private infrastructure equity or private equity portfolios have performed over time with respect to the market. They must find the right manager or fund to invest with, and that's a very big issue because there are so many funds out there. Picking the right one to invest in is like finding a needle in a haystack. That's where we add a lot of value. Finally, there is this issue about valuations because of that opacity in this market. There is no clear information about what the right valuations for a particular private company should be. We talk about Heathrow Airport or Thames Water and so on. If we talk about their debt, that's even worse because that's where higher risk and more conservative investors play in that market. For them to not have their transparency is really a big issue. So, we work with these different types of investors because they are finding investment opportunities in this market. Banks must constantly keep their books updated with respect to the market. We provide these valuation analytics that can help them understand their books even better.

> **SIPA has a strong universe representative of different infrastructure sectors**

Adam: Riazul, private infrastructure credit is often hard to compare or indeed value because so little information is publicly available. How does infraMetrics® make this part of the market clearer and indeed easier for insurers to work with?

Riazul: One of our prime goals is to make this market more transparent. We have 20 years of rich data through various modelling aspects, which determines the right level of spreads, and also determines the credit risk from each segment and each instrument. We also have broad credit risk grading systems through which it can be compared with investment grade and non-investment grade comparables. So, the insurers have options to see and understand which sectors and which regions have different types of credit risk and what the level of spread is and how it varies over time. It provides much more granular level data and transparency. We also have different indices like investment grade market and broad market indices to which they can understand pricings and the total returns.

Abhishek: It's already a big step up from what investors are used to in private credit markets, including infrastructure debt, because typically they have to rely on public proxies and make some kind of ad hoc adjustments for the proxies to get to an estimate. But with this data set they don't have to do that. They get the full picture right there - a complete data set that allows a comprehensive analysis.

Adam: What key trends are you seeing across private infrastructure credit markets, sectors, geographies or risk behaviour that insurers should be aware of as rates and macro conditions evolve and change?

Riazul: Recently, compared to 2024 into 2025, we have seen spreads narrowing. Specifically, we have seen much higher compression in the US - roughly around 50 to 70 basis points - compared to the UK or Germany. And we have also seen yield compression in different sectors such as network utilities and energy as well. Other sectors were much more mild in terms of yield compression through this period. On the credit risk side within EMEA, the data has recovered pretty well. The overall probability of default of this particular sector has improved as compared to the last year.

The need for data is increasing and insurers want to rely on the data that informs them about risk scenarios

Video

You can watch the video on *https://insuranceasset management.net* by clicking on the video tab

Abhishek: There is a regulatory environment that's constantly evolving in this space, especially for insurers. There's a need to have better risk management in place internally within an insurance group, be it from a regulatory angle or from probably just the fiduciary duty that these insurers have to manage their investments in a more strict and more comprehensive manner. We are seeing their processes evolving. The need for data is increasing, and insurers want to rely on the data that informs them about risk scenarios. With the time series of about 25 years that we have, they can run these different scenarios through different times. So, knowing how this market performed during the financial crisis and during the COVID crisis is crucial. These are the scenarios that you are looking for to inform about what sort of risk you have in your portfolio. Even the regulators are stepping up their game. We have Solvency II in Europe, which most insurance firms have to adhere to but also globally, there is the insurance capital standard that has been adopted by insurance firms across the world. That insurance capital standard uses one of our benchmarks, infra300®, to calibrate the capital charges for infrastructure. So, it has been an evolving process. The industry is realising that the benchmarks that you offer in infrastructure, they are essentially mark-to-market and best representation of risk in this asset class.

A secure environment

Insurance Asset Management rounds up some of the major pension scheme de-risking deals that have taken place over the past couple of months

The **RIDSDALE PENSION AND DEATH BENEFIT TRUST** has completed a £7m full scheme buy-in with **JUST GROUP**, securing the benefits of 30 members, comprising 22 pensioners and eight deferred members. The transaction included an insurer-led data cleanse and guaranteed minimum pension (GMP) equalisation process, with Just assuming responsibility for key elements of the work to support a timely and certain path to buyout. The structure is designed to align with a wider corporate restructuring, with a contractual commitment to complete the buyout by summer 2026, giving both the trustee and sponsor clarity and certainty as the scheme moves towards wind-up.

Under the arrangement, Just is taking a more active role than is typical in managing the data-cleansing journey, using an agreed-upon GMP equalisation methodology.

SKANSKA PENSION FUND has completed a £525m full buy-in with **STANDARD LIFE**, securing the benefits of around 5,500 members. The trustee of the Skanska Pension Fund worked alongside its corporate sponsor, Skanska UK plc, and parent company, Skanska AB, to complete the transaction, which also included the novation of the scheme's existing longevity swap with Zurich Assurance Ltd. The longevity swap has been in place since 2017, with reinsurance provided by SCOR. Both the buy-in and the longevity swap novation were completed in October 2025. LCP acted as lead transaction adviser and investment adviser to the trustee, while Reed Smith provided legal advice to the fund.

*Dutch life insurers have taken over €7bn in pension liabilities through so-called buyouts in the past two years, according to new figures from De Nederlandsche Bank (DNB), with the total value now hitting €230bn. In recent years, Dutch life insurers **ACHMEA, ASR, ATHORA, and NATIONALE NEDERLANDEN** have acquired 15 different pension funds through buyouts. As a result, the aggregate value of insurers' pension schemes has increased by €7bn, reaching €230bn over the past two years. This brings the insurers' share to 15% of the total pension provisions of €1,573bn (combining both insurers and pension funds).*

The **BLAKE LAPTHORN PENSION FUND** has agreed a £5.7m full scheme buy-in with **AVIVA**, securing the benefits of all 52 members, including 30 deferred members and 22 pensioner members. The deal made use of Aviva's Clarity service, a streamlined de-risking process, which ensured that all data cleansing work was completed ahead of the transaction, while guaranteed minimum pension (GMP) equalisation data was provided at the pricing stage. This, alongside Broadstone's SM&RT Insure process, helped to enable swift execution, with individual policies issued within six months of transaction.

Broadstone provided annuity broking advice, while legal advice was provided to the trustees by Blake Morgan LLP and to Aviva by its in-house team.

*The **LINCOLNSHIRE CO-OPERATIVE PENSION SCHEME** has completed a £107m buy-in with Rothesay Life, securing the benefits of approximately 2,300 scheme members. Hymans Robertson acted as risk transfer adviser to the trustees, while legal advice was provided by Womble Bond Dickinson. The transaction was carried out with the support of the scheme's sponsor, Lincolnshire Co-operative Limited, with good collaboration, strong governance and project management throughout the transaction resulting in a smooth implementation of the buy-in.*

BROADSTONE advised on more than £500m of bulk purchase annuity (BPA) business through SM&RT Insure last year, bringing the total value of BPA deals completed through the proposition past £1bn. SM&RT Insure, or Set Up, Monitor & Risk Transfer, was launched by Broadstone in 2021 with the aim of supporting small and medium-sized pension schemes through bulk annuity transactions and to wind up. Last year was a record year for Broadstone, advising on 36 BPA deals that were completed through SM&RT Insure worth a total of £508m in de-risking premiums across over 5,000 members. These included 21 transactions worth below £10m and working on the first buyout deal using the Aviva Clarity fast track option. Since its launch, SM&RT has supported 61 schemes de-risking total premiums exceeding £1bn, insuring the benefits of more than 9,000 members.

The **NG BAILEY PENSION AND LIFE ASSURANCE PLAN** has completed a £155m buy-in with **PENSIONS INSURANCE CORPORATION (PIC)**. The transaction covers the benefits of 1,581 scheme members and means all members of the pension scheme now have their benefits secured following a series of buy-ins. XPS acted as transaction adviser to the trustee, while EY provided transaction advice services to scheme sponsor NG Bailey. The pension scheme received legal advice from Walker Morris and Stephenson Harwood acted as legal adviser for NG Bailey. Slaughter and May provided legal advice services to PIC on the transaction. NG Bailey is a UK-based engineering and infrastructure services provider founded in 1921, working across a range of sectors within the building and infrastructure industry.

The trustee of the **PEEL PORTS FINAL SALARY PENSION SCHEME** has completed a £230m buy-in with Pension Insurance Corporation (PIC), securing the pensions of around 2,000 members. CMS advised PIC on the transaction, while legal advice was provided to the trustee by Gowlings. The members covered by the buy-in are split across several Peel Ports Group companies, including the Mersey Docks and Harbour Company Limited, Port of Sheerness Limited, The Manchester Ship Canal Company Limited, Clydeport Limited, and Clydeport Operations Limited. This marks the second time PIC and Peel Ports Group have partnered on a pension de-risking deal, building on a previous £725m buy-in PIC completed with the trustee of the Former Registered Dock Workers Pension Fund.

*The **Comet Pension Scheme** has completed a £330m full-scheme buy-in with **Canada Life UK**, covering the retirement benefits of 4,500 pension scheme members. The scheme was first formed in 2004 following the demerger of Comet from Kingfisher, and subsequently became part of the multinational retail company Fnac Darty in 2016. LCP was appointed by the sponsoring company, Fnac Darty, as lead risk transfer adviser and broker on the deal, also working closely with XPS as risk transfer adviser to the trustee.*

XPS also acted as the scheme's actuary and administrator, while Eversheds Sutherland provided legal advice to the trustee, Macfarlanes provided legal advice to Fnac Darty, and Canada Life received legal advice from CMS.

Insurance Asset Management Conference 2025

Delegates heard from some of the leading spokespeople in the insurance sector on the latest developments in the industry

The Insurance Asset Management Conference 2025 brought a wide variety of investment professionals together as the industry gathered at the Waldorf Hilton, London, in November.

Proceedings began with a welcome from conference chairman, Punil Chaubal, insurance investment advisory leader at WTW. Chaubal invited delegates to "share ideas, discuss priorities and collaborate" before introducing the day's first speaker, managing director and head of infrastructure debt at Franklin Templeton, Will Devenney.

Devenney then took to the podium to deliver his keynote speech on unlocking yield and capital efficiency through infrastructure debt.

He began by saying that demand for infrastructure debt has "never been needed more", as projects including decarbonisation, digitisation, supply chain deglobalisation and legacy infrastructure continue to develop.

Devenney added that €500bn is currently needed per annum in Europe to plug the funding gap, a figure set to rise to €1.4trn by 2040. He concluded that infrastructure debt offers a "compelling combination" of yield, capital efficiency and long-term stability, as well as resilience through cycles and strong alignment with sustainability objects.

Next up was a fixed income panel sponsored by Insight Investment. Chaired by the firm's head of investment specialists, April La Russe, this panel examined where the best value is and how investors can approach diversification across jurisdictions.

Chief investment officer at AG & Ageas, Wim Vermeir, said the word of 2025 was "resilience", and that while the global economy is slowing down, it is not collapsing and there are positives to be taken from recent performances.

Capital and investments director at NHBC, Mark Moroney, told the conference that although there have been some discussions about making a "very modest increase" in illiquid assets, caution is needed around what constitutes true illiquidity and how best to capture the associated premium.

Chief investment officer at Hiscox, Todd Isaac, stated that while his firm is not dialling up risk or stretching for yield in the current climate, it is structuring its investment portfolio to meet the needs of its liability portfolio. Despite this, he remained "cautiously optimistic" when looking

Insurance Asset Management Conference

to the future of the fixed income market.

Managing director and head of investment solutions at Reinsurance Group of America, Moiz Khan, explained that one of the most important factors is the pricing of the transaction to where the market is, rather than basing it on risk.

He then said it is best to be open to new ideas and exploring where to find more value, adding that it is worth looking at the underlying risk of an asset while investing selectively.

The fixed income panel was followed by a talk from client portfolio manager at Janus Henderson, Kareena Moledina, which covered securitised investments.

She stated that "change is on the horizon", following the European Commission's recent draft proposal to reform the securitisation sector.

Moledina told delegates that the introduction of the Solvency Capital Requirement is a "gamechanger" for insurers when it comes to securitised assets, to provide diversification across fixed income portfolios. She went on to call it a "very exciting time" for reform in the sector and said there are opportunities for investors to explore.

To round off the first run of morning sessions, head of investment solutions at Robeco, Remmert Koekkoek, discussed how climate can be incorporated into insurance portfolios.

He stated that over the past two years, there has been a steady decline in the importance of climate in investment policies but added that it is expected to pick up again globally.

Koekkoek went on to outline three strategies for incorporating climate into an investment portfolio. These included investment in low-carbon companies, allocating more into climate solutions, and investing in high-carbon companies with credible transition plans.

Following a coffee break, delegates returned to the conference room to hear from global head of alternative credit at AXA IM Alts, Christophe Fritsch, who spoke about how asset-backed

finance is becoming a strategic lever for insurers.

He stated that compared with direct lending, asset-backed lending enables a more granular, asset-level portfolio construction, allowing risk to be tailored more precisely and resulting in greater diversification.

Fritsch said that asset-backed finance is the "new kid on the block" globally and, while it is a huge market, warned investors to be selective. He finished by reassuring delegates, adding that if assets are selected wisely, they can diversify their portfolios within this space.

The next two presentations focused on real estate investment. Executive director and fund manager at Columbia Threadneedle Investments, James Coke, outlined that with UK real estate delivering an 8.6% return in the previous 12 months, it is an opportune moment to consider fresh allocations to the asset class.

He stated that for real estate to attract investment, investors must acknowledge legacy limitations before promoting future opportunities. Although the market was affected by the mini-Budget and the war in Ukraine, Coke concluded that the market's evolution in recent years has led to "exciting"

> "Change is on the horizon

upsized returns, if the right asset and manager are chosen to drive return.

Global head of strategic insights at Nuveen Real Assets, Abigail Dean, continued with this topic to outline her top global opportunities in the real estate space.

She stated that now is a good time to invest in real estate and investors have "certainly not missed the opportunity" as the next market cycle has started.

Dean said opportunities for this sector include investment in real estate debt, the global ageing population and investment in senior living, particularly in the US, and student living investments in Europe and APAC. Other opportunities highlighted were affordable housing for different demographic areas, neighbourhood retail investment, and light industrial real estate in the US.

Concluding the morning sessions, Schroders led a panel on how blended finance structures are enabling insurers to access emerging market private debt opportunities. The discussion was chaired by Schroders business development director, Daniel Henton.

Senior fund manager at BlueOrchard Finance, Valerie Harrington, said that blended finance deploys capital into emerging markets by combining public and private funding. She added that, in an era of shrinking Government budgets alongside rising sustainability and climate investment targets, there is a growing need to mobilise private capital.

Harrington also highlighted the importance of understanding what the private sector is seeking in these structures, meaning it is necessary to target a very specific type of investor.

Head of real assets at Phoenix Group (now Standard Life), Manuel Dusina, said that this requires finding the right partners and understanding their underwriting capabilities. He added that in the UK, another key consideration in blended finance structures is aligning the adjustment framework with the fixity of cash flows.

Dusina concluded that bringing multiple parties together to share risk can help improve adjustment transparency, as "everyone around the table has a different position within the structure" and can take on different features to meet the required supply.

Following a break for lunch and a key opportunity for delegates to network, the action returned to the conference room as Chaubal introduced speakers from HSBC Asset Management to kick off the afternoon proceedings.

Head of global insurance and key partnerships, Deepak Seeburrun, and head of

Insurance Asset Management Conference

capital solutions, Borja Azpilicueta, discussed diversification opportunities in credit markets, and how insurers should be positioning their portfolios amid a shifting credit cycle and macroeconomic uncertainty.

Seeburrun put forward that private credit continues to offer "compelling opportunities", as Azpilicueta discussed a shift away from concentration in traditional direct lending towards a broader mix of strategies.

"Many investors are looking at other ways to capture yield and credit quality, and to avoid doubling down on the same asset class, on the same duration, and on the same underlying credit," Azpilicueta said.

"You need to be able to access a large asset pool, be selective, and ensure that the asset class has got a sustainable pricing and term structure," he added.

The next session featured a panel discussion from Ortec Finance focused on the challenges and opportunities of AI in insurance. Chaubal continued his chairing duties to host this discussion, with insights provided from Ortec's investment solutions director, Amrit Summan, and vice president, portfolio manager from AllianceBernstein, Gerry Anderson.

Summan explained to delegates how scenario-based machine learning (SBML) can find more efficient portfolios than traditional optimisation techniques and addressed how insurers can better balance increasingly

> "An SBML approach gives you the richness of using stochastic scenarios

complex constraints.

"An SBML approach gives you the richness of using stochastic scenarios," she said. "It gives you a rocket boost to get to solutions."

Summan also described the SBML approach as "constraint-agnostic", meaning additional dimensions such as sustainability, book yield, asset risk, or net-zero objectives can be layered in as required –removing layers of complexity for decision makers.

This panel highlighted various efficiency gains created by AI and suggested that by embedding these metrics upfront, SBML can significantly streamline the process.

"SBML has the potential to put insurance metrics first," Anderson added.

Following this discussion, attention turned back to infrastructure as Ares Management delivered a presentation around the tailwinds driving the asset class.

Partner, infrastructure debt, Lorenzo Ceretti, spoke about how infrastructure debt complements corporate credit, and how allocations can benefit a private credit or infrastructure equity portfolio.

"If you want consistent sales returns, the secret has always been asset selection," Ceretti told the room. "You need to pick the right business."

He added that infrastructure debt offers compelling portfolio benefits, citing low correlation to other credit assets, lower volatility, and returns comparable to direct lending.

"The addition of infrastructure debt would lower your volatility and improve your share price, from an adjusted perspective," Ceretti added.

A final coffee break of the day and one more networking opportunity for delegates followed, before the last run of afternoon sessions began with a presentation by Advent Capital Management's managing director and portfolio manager, David Hulme.

He provided insights into how insurers can integrate convertible bonds to improve capital-

adjusted returns and portfolio efficiency. Hulme stated that with their unique blend of defensive and growth characteristics, convertible bonds offer insurers a "differentiated way to meet performance goals", without significantly increasing risk or capital strain.

"Convertibles capture a lot of the upside but limit the downside as you approach the bond value," he said. "There's plenty of diversification relative to other parts of your fixed income portfolio, so that plays into lower capital requirements."

Another asset class offering diversification benefits was explored in the following session, with fund finance the next topic for discussion. This, the conference's penultimate session, was delivered by Aberdeen Investments.

Following on from Aberdeen's 'Strongest Link' investment special at the 2024 conference, the company's session this year opened with an interactive 'Heads and Tails' game for the audience. Head of fund finance, Shelley Morrison, and director, strategic insurance group, James Budenberg, took to the stage to test common assumptions about fund finance in insurance portfolios.

A key takeaway from the game was that the global fund finance market is much larger than many realised, with current estimates valuing it at around $1.2trn, reinforcing its relevance as a major but often underappreciated asset class.

Morrison later added: "This is an excellent asset class for enhancing credit risk diversification in your portfolios.

"One of the most exciting things about fund finance is the potential for strong risk adjusted returns and it's great that in this asset class, investors no longer have to make that painful trade-off between risk and return."

The final session of the conference explored a theme that had featured throughout the day's discussions, as a panel centred around ESG took the spotlight. Chaired by Zurich's chief investment officer: UK, David Thompson, this discussion explored the most recent geopolitical headwinds affecting sustainability targets, featuring insights from Phoenix Group (now Standard Life), PIC and the Association of British Insurers (ABI).

Thompson's first question to the panel was about the rise of populism in politics, as he asked whether this could result in responsible invest-

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> The political turn right now doesn't mean this is the end of ESG

ments taking a "back seat" moving into 2026.

Head of sustainability at PIC, Cleo Fitzsimons, was quick to praise the progress made in the last five years in the ESG space, suggesting governance had been a big driver.

"It's not unexpected that some Governments have now started using this as a tactical tool to push short-term agendas forward," Fitzsimons said. "The political turn right now doesn't mean this is the end of ESG. There's been a lot of solid foundations built, and that's something on which to work by."

Nimisha Sodha, an established head of responsible investment, suggested there is a "mixed bag" in different regions across the world.

"The US is obviously a difficult place for sustainability, but in the UK and Europe, things are continuing to progress, albeit at a more measured pace," Sodha added.

"The momentum over the last five years was fast-paced and has led to more expectations. Perhaps too much speed has created more confusion for those that weren't necessarily working day to day in the field of sustainability.

"This is a welcome point for sustainability professionals to pause, reflect, and think about how they can continue to add value without creating additional complexity."

Thompson then reflected on 20 years of ESG focus and asked the panellists whether they thought the industry had delivered enough on climate, sustainability, and inequality.

Head of sustainable investment research at Phoenix Group (now Standard Life), Hetal Patel, said the industry had "come to the table".

He added: "There's an element of whether we're creating an outward impact as well. By still talking about it, keeping our stakeholders, policyholders, and beneficiaries engaged, and then engaging with the companies we invest in, I think we've done a reasonably good job."

Thompson also posed a question about how the insurance sector can collaborate on climate and biodiversity, to which manager, investment and climate at the ABI, Rebecca Lea, added the industry should "learn from where we've seen success in the past".

"We need to be careful and realistic about where our role kicks in and not let other sectors or voices push the whole issue onto insurance," she said. "Healthcare is one area we can really learn from. We're seeing various health insurers learning from customer behaviours, nudging them in the right direction in return for sort of some financial benefit. That in turn has had a real impact on wider health policy."

Thompson closed with a parting thought about the insurance industry's need to come together on ESG.

"There has been some good collaboration. Something positive always comes out of it when there is collaboration within the industry."

Current ponderings on industry themes

On Franklin Templeton aligning its alternative credit firms under the BSP brand

This alignment under a unified brand is a natural next step for our combined global platform, which has become increasingly integrated in recent years and already shares world-class research, distribution, as well as operational teams and infrastructure. Critically, this move ensures we are optimally positioned to meet our clients' evolving alternative credit needs, including exposure to new asset classes and geographies around the world, leveraging our global platform and institutional capabilities to support the full scope of our investors' ambitions.

DAVID MANLOWE
BSP CEO

RACHEL REEVES
Chancellor of the Exchequer

On Katharine Braddick leading the PRA

Katharine is an accomplished pro-business leader with the experience to keep our financial system safe while backing the investment and lending that drives growth. She understands the City and regulation, and will help ensure the UK remains one of the best places in the world to do business.

PETER ZAFFINO
AIG chairman and CEO

On AIG completing minority stake acquisitions in Convex and Onex

We could not be more pleased to announce the completion of our minority ownership stakes in Convex and Onex and are confident that these long-term investments will continue to strategically position AIG for growth in the future and will be accretive to AIG's earnings and return on equity in 2026 and in future years.

JIM ISLAM
OneFamily CEO

On OneFamily and Scottish Friendly announcing proposal to merge

Bringing together these two successful mutuals is an exciting prospect. I am inspired by the potential to pool our strengths and capabilities. Together we will offer a comprehensive investment and protection platform that will support today's families as they build their financial futures. This is an important moment to build a stronger and more sustainable mutual. There is a great deal of commitment from the UK and Scottish Governments in encouraging the growth of the mutual sector, and we see many consumers choosing purpose-led organisations that focus on creating value for members. That's what sets mutuals apart. Our proposal will mean we will be better placed to maximise this opportunity.

On L&G completing the sale of its US insurance entity to Meiji Yasuda

This exciting long-term partnership with Meiji Yasuda delivers significant financial and strategic benefits for L&G today and opportunities for the future. It strengthens our balance sheet, releases capital and enables us to accelerate growth in US PRT through a partnership with a highly regarded, long term investor. Crucially, it supports enhanced returns for shareholders, with a share buyback in 2026 of £1.2bn, while allowing us to reinvest in priority growth areas to drive sustainable long-term value, and I am delighted that Meiji Yasuda will now acquire a 5% economic interest in L&G, further deepening our partnership.

ANTÓNIO SIMÕES
L&G group CEO

STEVE MURRAY
Chesnara CEO

On Chesnara acquiring Scottish Widows Europe for €110m

We are delighted to announce Chesnara's second significant acquisition in the past twelve months. Scottish Widows Europe is another material and value-accretive transaction with a product set that we know well. It marks our entry into Luxembourg, providing a new platform for in-market and wider European consolidation and expansion. We are pleased that another major financial institution, Lloyds Banking Group, has chosen us to look after their policyholders. We look forward to welcoming Scottish Widows Europe policyholders and new colleagues to Chesnara.