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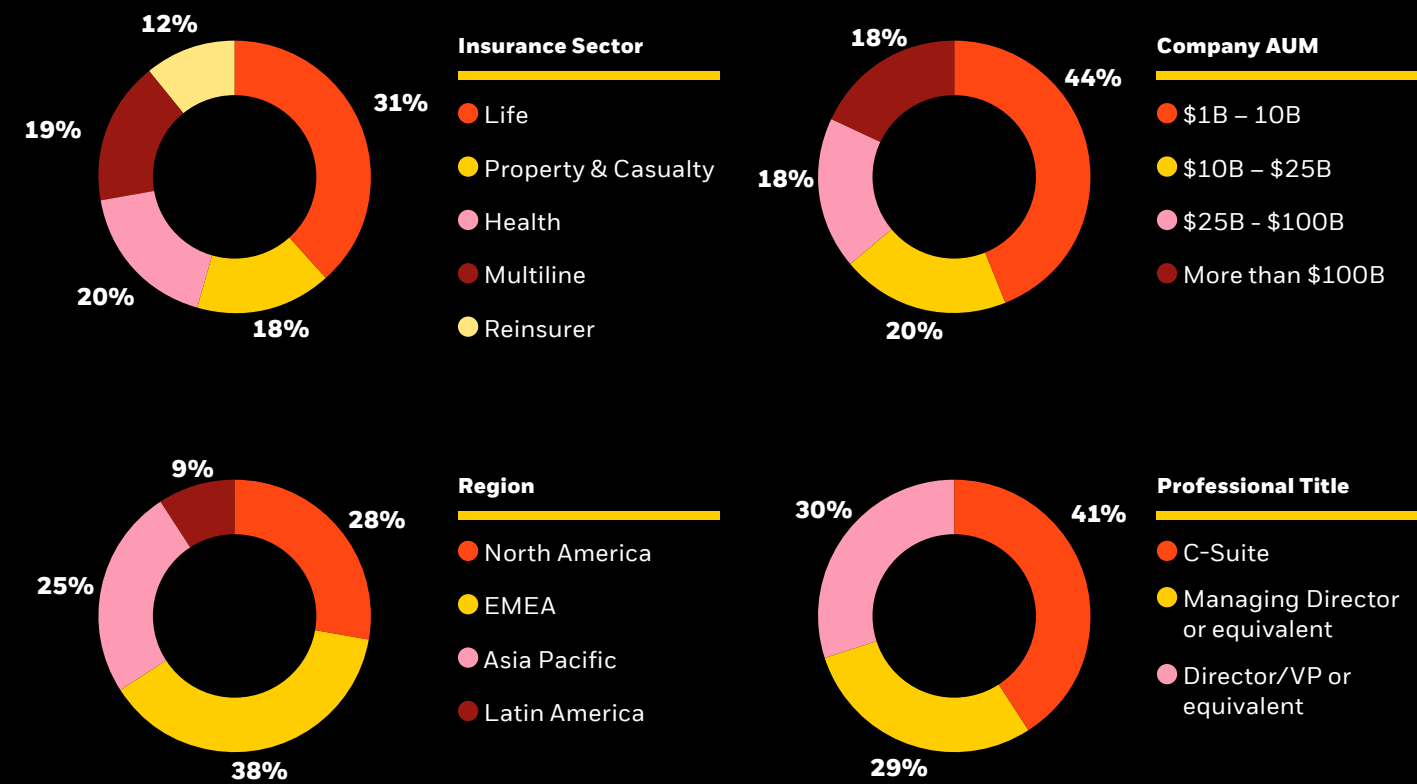
Different By Design

Rethinking The Insurance Model



15th
Annual report
31
Countries

463
Senior executives surveyed
\$24T+
Assets under management



Source: BlackRock Global Insurance Survey, July-August 2026.

Navigating this report

Foreword

01 Liabilities and market backdrop

02 Portfolio construction and private markets

03 Operating model, partnerships, and capital

04 Technology and AI

05 Sustainable and transition investing

Regional snapshot and important information

Navigating this report

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15th
Annual report

31
Countries

463
Senior executives surveyed

\$24T+
Assets under management

12%

31%

18%

20%

19%

Insurance Sector

Life

Property & Casualty

Health

Multiline

Reinsurer

18%

44%

20%

18%

Company AUM

\$1B - 10B

\$10B - \$25B

\$25B - \$100B

More than \$100B

9%

28%

38%

25%

Region

North America

EMEA

Asia Pacific

Latin America

30%

41%

29%

Professional Title

C-Suite

Managing Director or equivalent

Director/VP or equivalent

Source: BlackRock Global Insurance Survey, July-August 2026.

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01 Liabilities and market backdrop

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Foreword



Mark Erickson
Global Insurance Strategist, BlackRock

Welcome to the 15th edition of BlackRock’s Global Insurance Report.

We thank the 463 insurance professionals who participated in this year’s survey, representing more than \$24 trillion in insurance AUM across 31 countries and reflecting a diverse range of business lines and organizational sizes. As one of the insurance industry’s longest-running and most comprehensive surveys, the Global Insurance Report provides a unique perspective not only on insurers’ current priorities but also on how those priorities have evolved over time. Fifteen years of survey data allow us to distinguish between cyclical developments and the structural changes shaping the future of the industry.

Over the life of the survey, we have seen a sustained evolution in how insurers engage with external asset managers. As early as 2018, 98% of insurers reported outsourcing at least some private-market assets, primarily to access specialist expertise and manage costs. By 2025, 87% reported pursuing changes to their asset-management operating models.

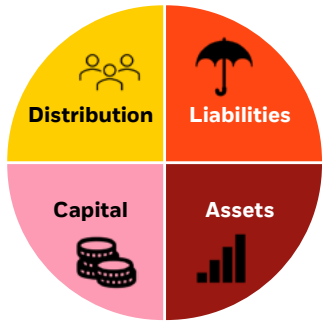
In light of the structural changes we are observing, we expanded the scope of the 2026 survey’s focus beyond asset allocation.

Some of the industry’s most important decisions increasingly sit at the intersection of assets, liabilities, capital, technology, and distribution. Liability

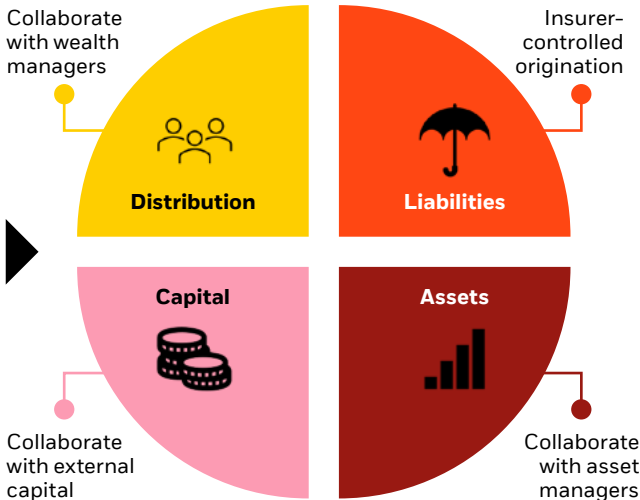
characteristics influence investment strategy. Capital considerations affect asset-allocation decisions. Technology is changing underwriting, operations, and customer engagement. Distribution partnerships increasingly shape growth and competitive positioning. As a result, insurers are transitioning from vertically integrated operating models toward more modular architectures, combining internal capabilities and external partnerships across investments, capital, technology, and distribution.

Insurers are assembling different combinations of internal capabilities and external partners based on their liabilities, strategic objectives, growth ambitions, and competitive positioning. This is why we have titled this year’s report “Different by Design.” The defining trend is greater flexibility; the insurance industry is becoming more modular but not more uniform.

The Integrated Model



The Modular Model

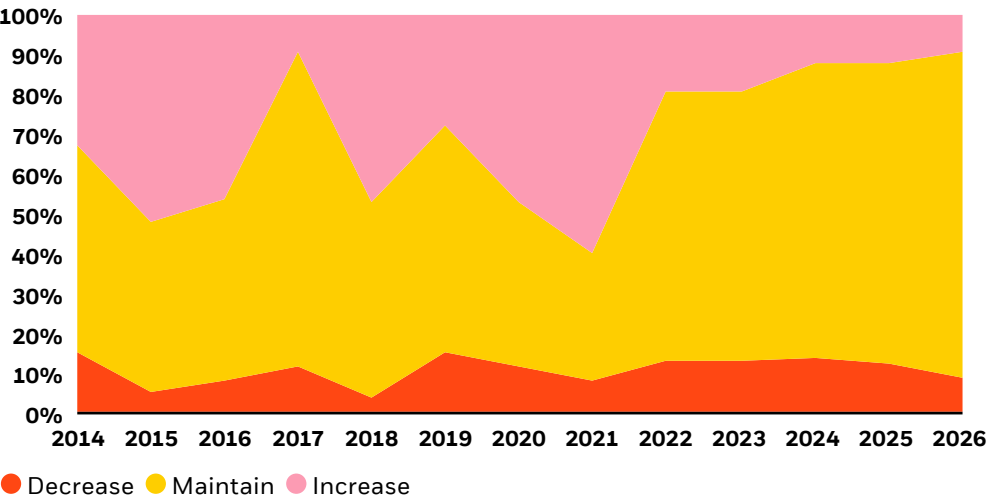


Several findings from this year’s survey illustrate this:

Stable global averages conceal increasingly different strategies

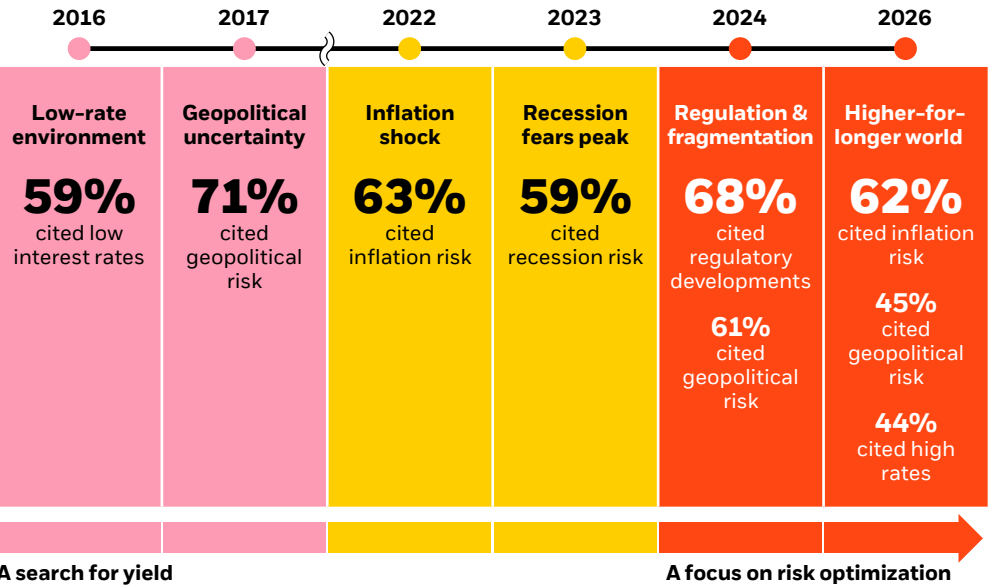
At the headline level, insurers appear to be taking a relatively consistent approach to investment risk. In 2026, 82% of respondents expect to maintain their current level of investment risk. The share choosing to maintain risk has increased each year since 2022.

Risk Appetite



Historically, insurers often needed to take more investment risk to meet investment objectives, with the share planning to increase risk rising to a peak of 60% in 2021. This period coincided with persistently low interest rates, which reached their peak as a market concern in 2016 when 59% of respondents identified low interest rates as a serious macro consideration.

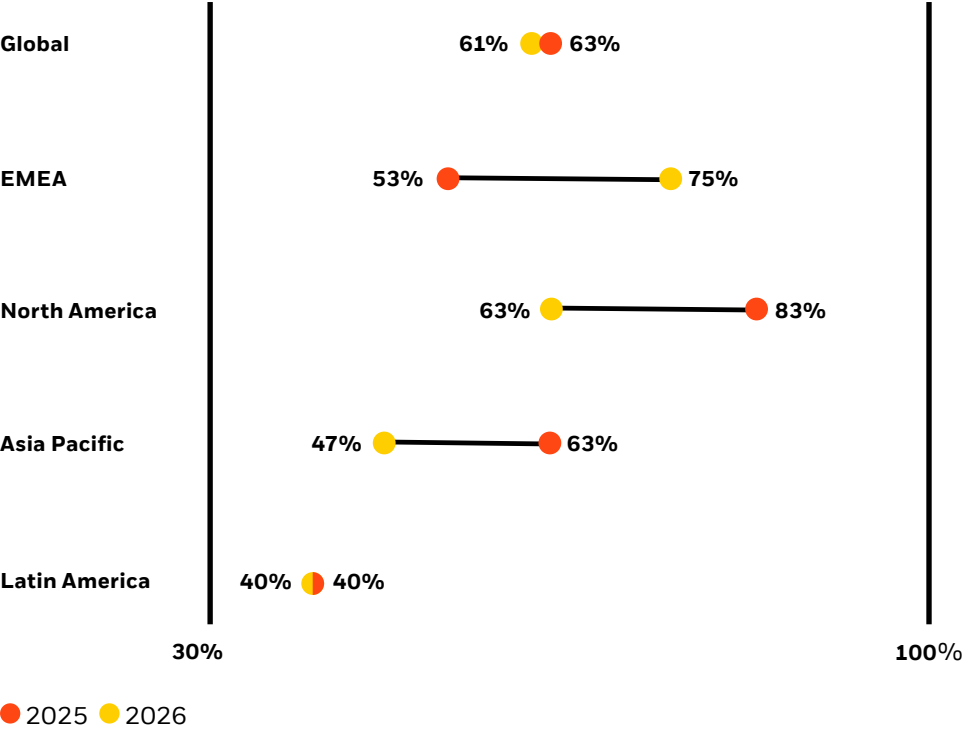
Most Serious Macro Considerations



As the macro environment shifted, so did risk considerations. Following the COVID-19 pandemic, inflation emerged as the dominant concern, rising from 24% in 2021 to 63% in 2022. Over the same period, the share of respondents planning to increase risk fell from 60% in 2021 to 19% in 2022 and continued to decline to 9% by 2026. Only once before has this figure been this low: in 2017, when geopolitical risk reached 71%. Today, by contrast, higher yields allow insurers to meet return objectives without materially increasing portfolio risk, even as inflation remains a significant concern for 62% of insurers.

Investment positioning is becoming more differentiated by size. Among insurers with more than \$25 billion in investable assets, 17% intend to increase investment risk and only 2% intend to reduce it. Among smaller insurers with less than \$25 billion in investable assets, the pattern reverses, with 5% planning to increase risk and 12% planning to reduce it.

Share Selecting Soft Landing



*Small base (n=24); interpret results with caution.

Regional perspectives diverge as well. While 61% of respondents globally expect a soft landing, soft-landing expectations reach 75% in EMEA, compared with 63% in North America, 47% in Asia Pacific, and 40% in Latin America. These differences influence portfolio decisions, with respondents who expect a soft-landing macro scenario favouring duration extension, and those who expect a no-landing macro scenario placing greater emphasis on shorter-duration and floating-rate exposures.

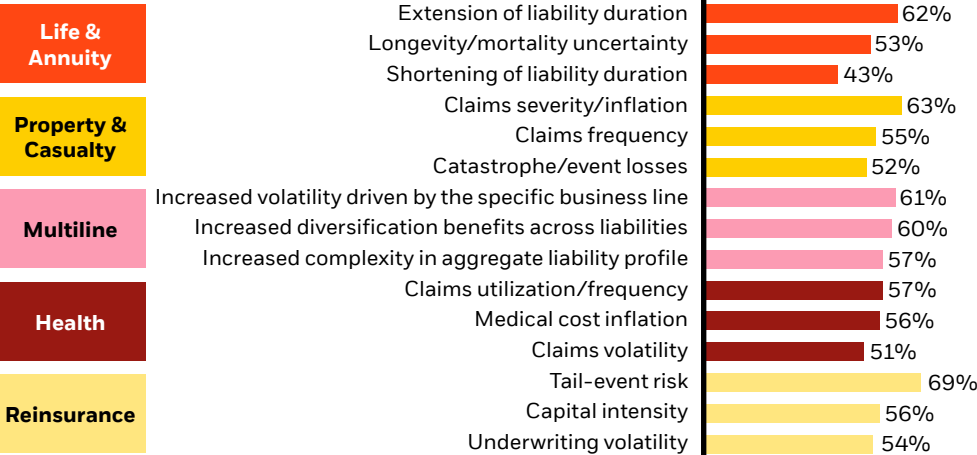
Portfolio Actions by Macro Scenario

Soft landing (n=284)	59%	41%	35%	38%	24%	23%	14%
No landing (n=113)	30%	30%	28%	26%	42%	19%	42%
Hard landing (n=24*)	29%	29%	46%	4%	25%	79%	17%
Stagflation (n=42)	14%	31%	50%	21%	40%	24%	43%
	Extend FI duration	Improve creditworthiness	Adjusting yield-curve positioning	Increase higher-yield/illiquid	Increase floating-rate	Increase cash/STI	Shorten FI duration

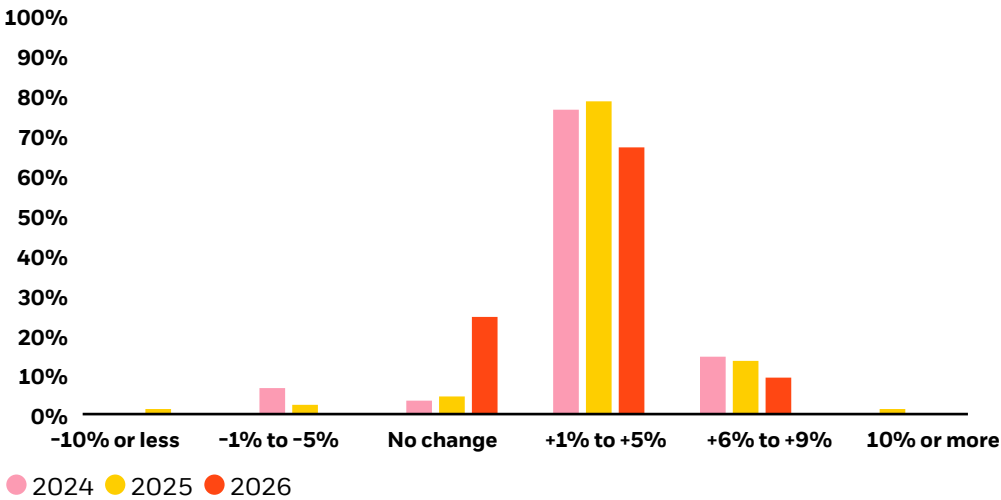
Different liabilities are creating different business challenges

Rather than facing a common industry challenge, insurers are increasingly confronting liability-specific challenges that vary by business model, creating different investment priorities, capital requirements, and operating needs.

Top Expected Liability Changes



Expected Allocation Change to Private Markets



Among life and annuity insurers, 62% cited extensions of liability duration. Property and casualty insurers were most focused on claims severity and inflation-related pressures (63%). Multiline insurers noted higher volatility within specific business lines (61%). Health insurers highlighted claims utilization (57%) and medical cost inflation (56%). Reinsurers were particularly concerned about tail-event risk (69%).

Private markets have evolved from an alternative source of yield into a strategic component of insurers' investment portfolios

In 2016, only 16% of insurers planned to increase their overall allocation to illiquid alternatives, rising to 39% in 2017. Remarkably, this momentum persisted despite the return of attractive public-market yields, with 89% of insurers planning to increase private-market allocations in 2023 and 91% in 2024.

While demand has moderated from a high of 94% in 2025, the reported 76% in 2026 remains one of the highest readings in our survey history. In our view, this reflects a shift from broad-based allocation growth toward more selective deployment as insurers focus on portfolio construction, relative value, and implementation within existing allocation targets. Private markets are becoming less of a new allocation decision and more of an established component of insurer portfolios.

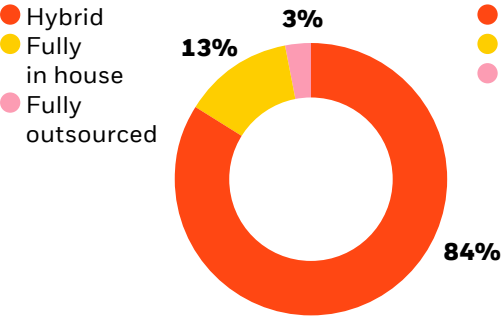
Demand remains strongest in private debt, which was identified by 41% of respondents as an area for increased allocation. Within private debt, direct lending (40%), investment-grade private placements (39%), and residential mortgage loans (38%) emerged as the most frequently cited opportunities.

The preference for bespoke external mandates, cited by 74% of respondents as a route into private debt, adds another dimension to this demand. Insurers are considering not only where to allocate but how those investments can be tailored to their portfolios, liabilities, and capital requirements.

The industry is becoming more modular

Perhaps the clearest evidence of this broader evolution can be seen in insurers’ growing use of external asset managers.

Current Asset-Management Model

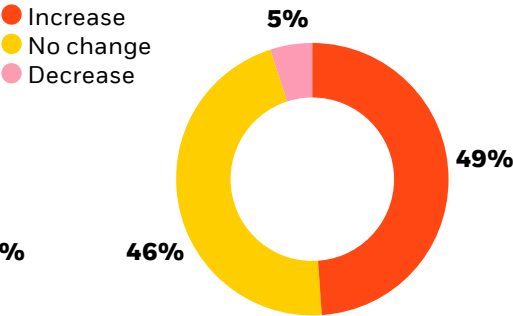


84% of respondents describe their current asset management model as hybrid, combining internal and external investment capabilities. Approximately half expect to increase their use of external investment management further over the next twelve months.

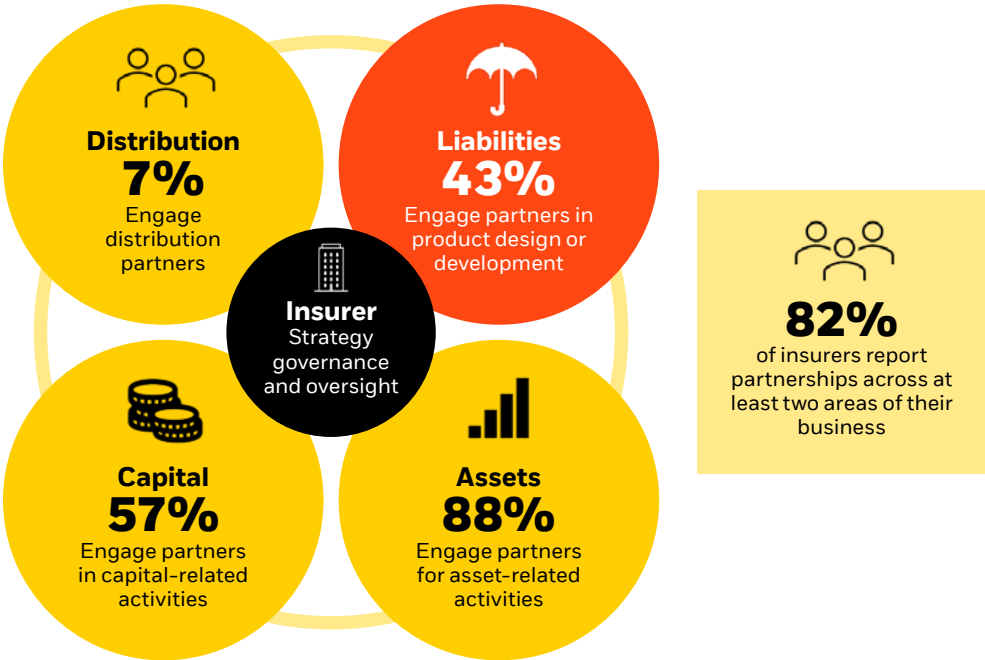
Partnerships are increasingly extending beyond investments. 88% of respondents engage partners for asset-related capabilities, 57% for capital-related activities and 43% for liability-related product design or

Intended Change in External Asset-Management Utilization

Next 12 months



development. More broadly, 82% report partnerships spanning at least two areas of their businesses.



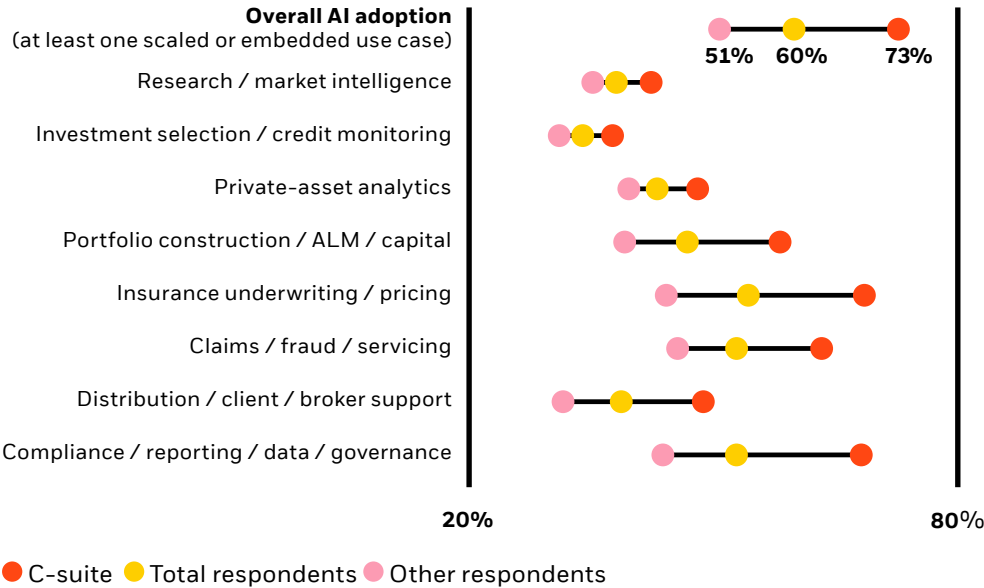
Distribution remains less externally oriented today, but it is evolving. Insurers are, therefore, not converging around a single operating model; instead, they are leveraging a wider range of options to optimize both internal and external capabilities.

Artificial intelligence is moving from experimentation to implementation

Technology has steadily moved to the center of insurance operating models. In 2019, 36% of insurers identified technological advances as one of the most important drivers of industry change. By 2022, 98% were using at least one emerging technology across insurance or investment operations. AI then

became the leading technology investment priority in 2025 (73%), with most insurers expecting its greatest value in security selection (70%). For a second consecutive year, AI remains the leading technology investment priority among respondents, and attention is shifting from experimentation to implementation.

Share of Respondents with AI Scaled or Embedded/Operational



Across the respondent base, operational or scaled adoption is most advanced in underwriting and pricing (54%); claims, fraud, and servicing (53%); and compliance, reporting, and data governance (52%). These core functions provide the practical context for the differing assessments of adoption.

The perception of AI adoption differs across organizational levels. 73% of C-suite respondents report at least one scaled or embedded AI use case, compared with 51% among other respondents.

The challenge for many insurers is no longer identifying potential applications for AI. It is embedding those capabilities into everyday workflows, decision-making processes, and operating models.

Looking ahead

Taken together, this year’s findings suggest that insurance is becoming a more connected and more modular industry. Decisions once considered separately across assets, liabilities, capital, technology, and distribution are increasingly being evaluated together as part of broader enterprise strategies.

We hope this report provides useful insights as industry leaders navigate this next phase of evolution in the global insurance market, and we thank all participants for contributing to this year’s survey.

01 | Liabilities and Market Backdrop

“

Insurers are operating in an increasingly complex and competitive industry, against a volatile and uncertain economic backdrop. Aging populations, evolving retirement needs and changing policyholder expectations are reshaping both the risks insurers assume and the solutions policyholders require. Meeting these challenges demands more than incremental adjustments to traditional models. Instead, insurers are turning to strategic partnerships across their entire business, including asset and liability management, product design, distribution, and technology. Properly structured and effective partnerships can help insurers access specialized expertise and expand capabilities beyond their core competencies to help them develop solutions that better reflect long-term policyholder needs. This creates an opportunity to build operating models that are more flexible, resilient, and responsive—while preserving the required risk discipline to deliver lasting value for policyholders.”

Nick Liolis
CIO, The Guardian Life Insurance Company of America

01 Liabilities and Market Backdrop

Different liabilities, different starting points

Insurers across all lines of business are navigating increasingly complex liability structures amid ageing populations, more frequent and extreme catastrophic events, evolving retirement needs, and changing policyholder demands.

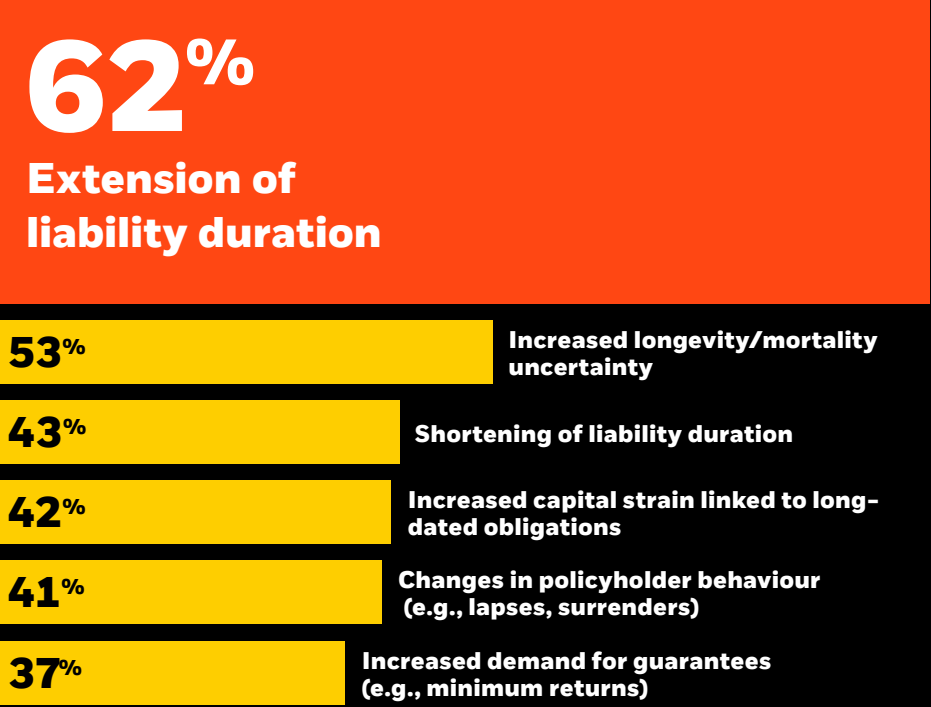
Life insurers report both extension and shortening across different parts of the liability book, reflecting the varied effects of new business, legacy portfolios, and policyholder behaviour. Property and casualty and health insurers are managing higher claims costs and utilization. Multiline insurers identify higher volatility driven by specific business lines while seeing increased diversification benefits across liabilities. Reinsurers remain focused on tail events, capital intensity, and volatile underwriting flows.

“Asset allocation is driven by the nature of liabilities, capital requirements, and regulation. As an auto insurer, Quálitas typically has shorter-duration portfolios than life insurers and lower equity exposure. Our short-dated liabilities require liquidity to meet claims without being forced to sell assets at a loss during volatility or sharp rate increases. Duration, equity exposure, and liquidity risk are managed according to liabilities and capitalization levels, limiting abrupt portfolio shifts in response to markets.”

Manuel Victoria
CIO, Quálitas

Life & Annuity P&C Reinsurer Multiline Health

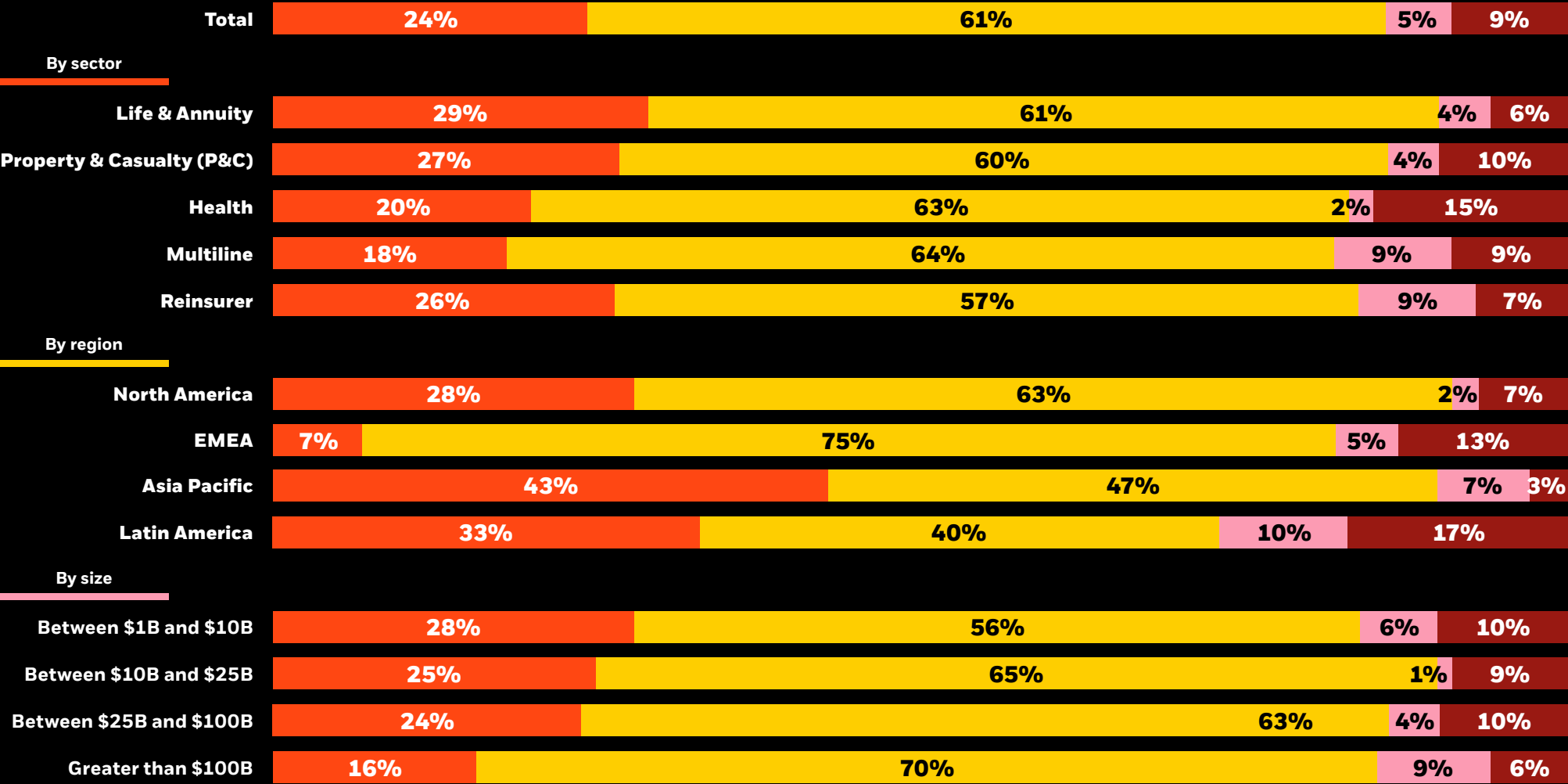
Q.1 | Which changes, if any, are you observing or expecting in your liability profile over the next 12 months?



Source: BlackRock Global Insurance Survey, July-August 2026.

01 Liabilities and Market Backdrop

Q.2 | Within developed market economies, which is the most likely scenario over the next 12 months?



● No Landing - The economy continues to grow along its current trajectory, inflation remains elevated, and interest rates either stay high or move higher

● Soft Landing - The economy slows down, inflation eases, and interest rates begin to decline

● Hard Landing - The economy enters a recession, inflation drops sharply, and the central bank responds with aggressive rate cuts

● Stagflation - The economy slows, inflation remains persistently high, and the central bank's rate decision is uncertain

Source: BlackRock Global Insurance Survey, July-August 2026.
Note: Percentages may not sum to 100% due to rounding.

01 Liabilities and Market Backdrop

A soft landing remains the base case

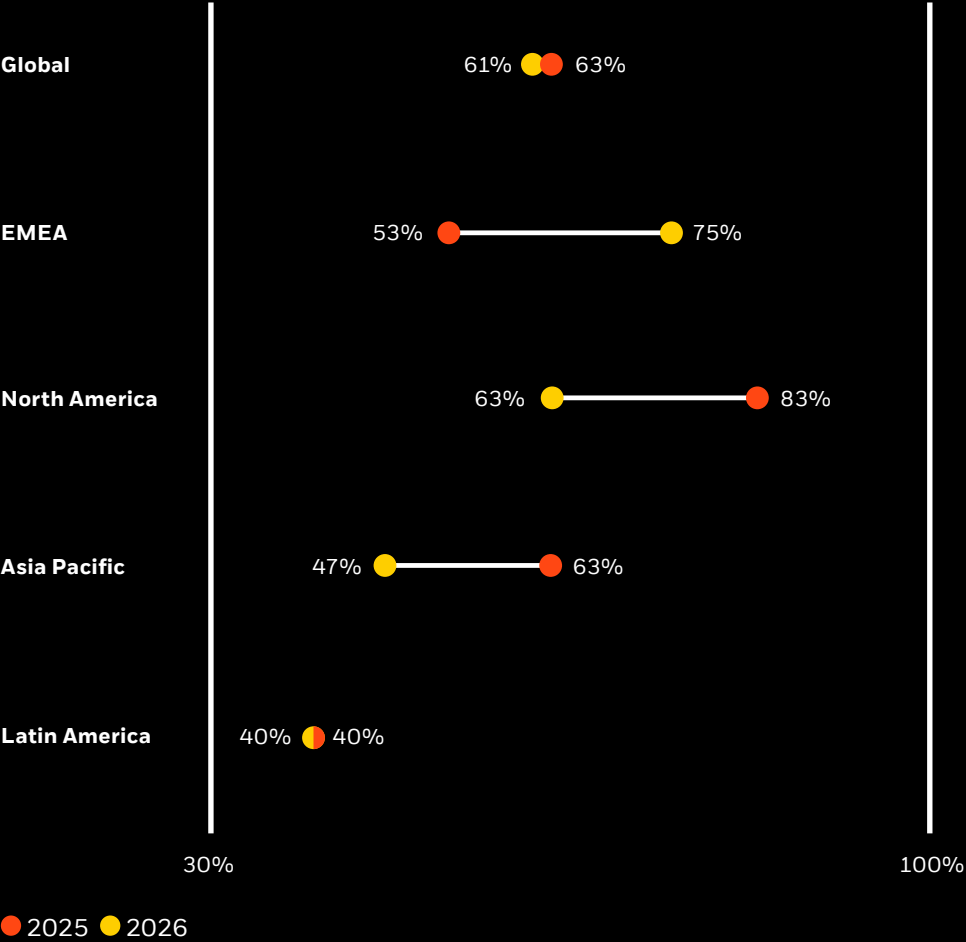
61% of respondents expect a soft-landing scenario, broadly unchanged from 2025. Beneath the global result, however, regional views are diverging. Confidence in a soft landing has strengthened year-over-year in EMEA while weakening in North America and Asia Pacific.

In Latin America, soft-landing expectations remain stable at 40%. Respondents are much less concerned about a hard landing (10%, -42pp year-over-year), with views shifting mostly toward a no-landing scenario (33%, +24pp).

“The soft-landing scenario remains a reasonable central case, but I would be careful not to confuse a benign base case with an absence of risk. Inflation is proving more persistent and volatile than in the previous decade, while fiscal dynamics and geopolitics are increasingly important drivers of interest rates. For insurers, this argues for being selective rather than making a simple directional call on duration.”

Luca Cetrano
CIO, Generali

Share of respondents selecting soft landing, 2025 vs 2026



Source: BlackRock Global Insurance Surveys, 2025 and 2026.

01 Liabilities and Market Backdrop

Inflation persists as recession concern recedes

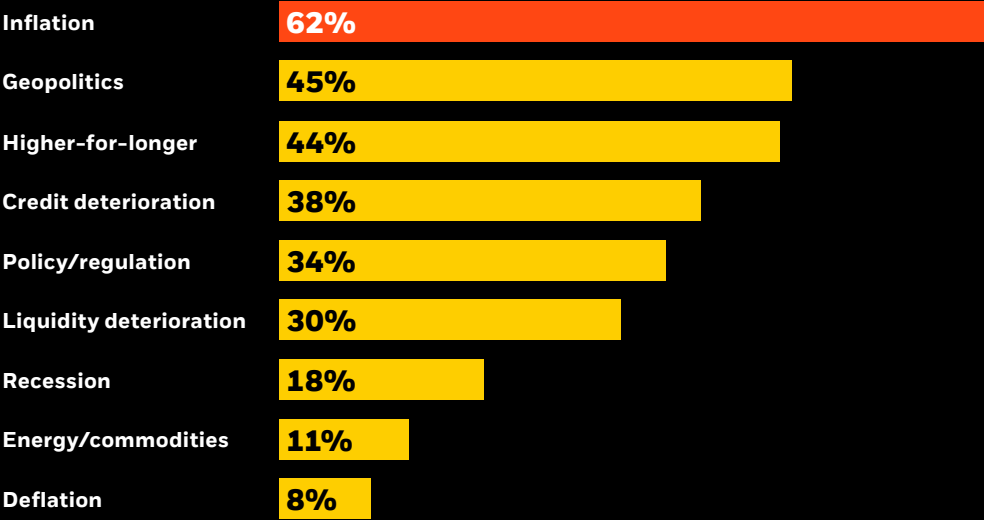
Inflation remains the most frequently cited macro consideration, selected by 62% of respondents. Recession concern has fallen to 18%, from 35% in 2025. Inflation is little changed, while credit and liquidity concerns are somewhat more prevalent.

A lower recession reading, therefore, does not equate to an absence of investment risk. Respondents can hold a constructive central growth view while remaining concerned about the level of rates, the resilience of credit, and the liquidity available under stress. These are selections of perceived risks, not forecasts of their probability or estimates of their financial impact.

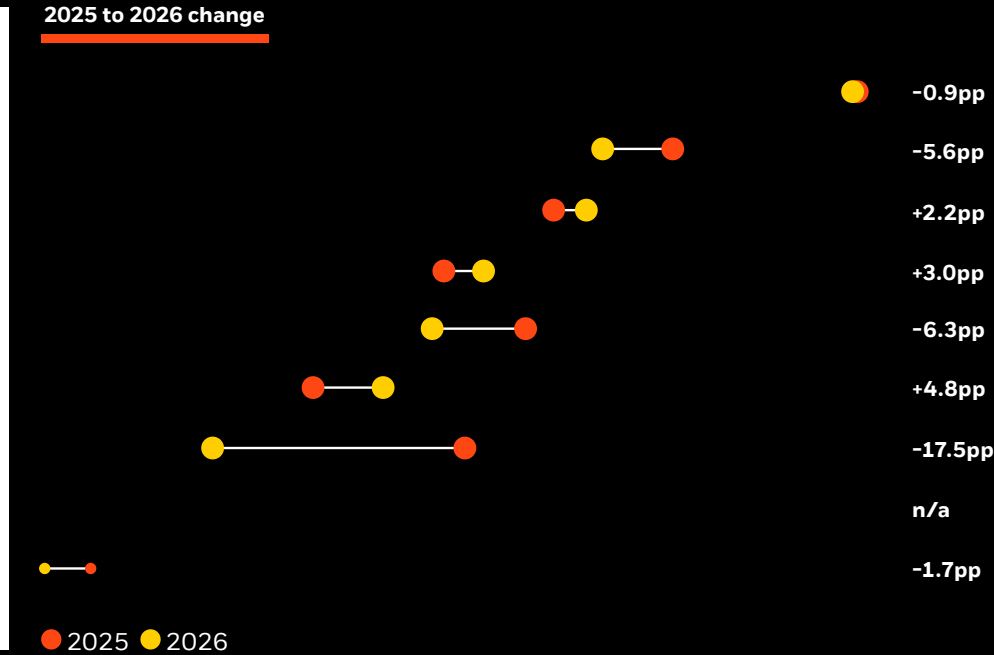
“‘Prepare, not predict.’ Our industry continues to operate in a complex macroeconomic environment marked by evolving central bank reaction functions, geopolitical friction and rapid technological change, driven by the expanding influence of artificial intelligence. These conditions create both challenges and compelling opportunities, reinforcing the importance of discipline. In an environment where uncertainty remains elevated, our focus remains consistent: Preserve and continuously enhance portfolio resilience and diversification, while prudently managing liquidity to act decisively as conditions unfold.”

Tom Leone
CIO, Sampo International

Q.3 | Which of the following do you consider to be the most serious macro considerations for your firm’s investment strategy over the next 12 months?



Source: BlackRock Global Insurance Surveys, 2025 and 2026.



01 Liabilities and Market Backdrop

Portfolio actions reflect macroeconomic outlook, but macro is only one part of the picture

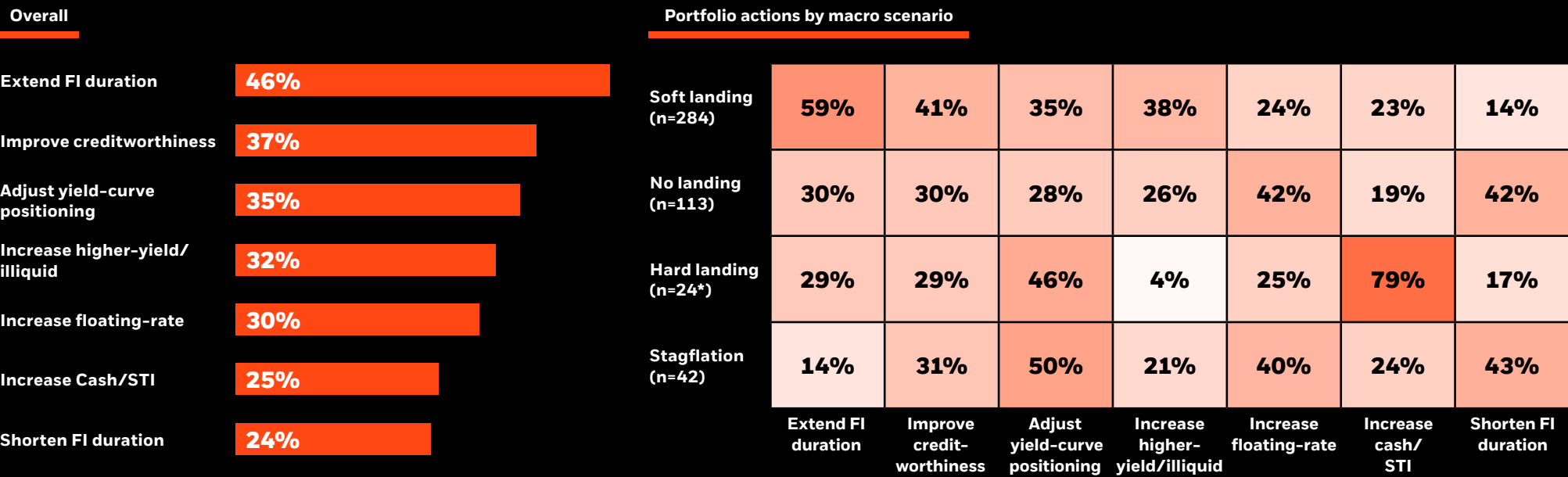
Respondents expecting a soft-landing scenario over the next 12 months are more likely to extend fixed-income duration. Those expecting a no-landing scenario place greater emphasis on increasing floating-rate exposure and shortening duration.

Beneath the macro headline, portfolio actions are diverging. Insurers with similar macroeconomic expectations often intend to take different portfolio actions, suggesting that macro views alone provide only a partial explanation of investment decisions.

For example: for insurers expecting a soft landing, the respondents seeking diversification within their current risk budgets are more likely to extend fixed-income duration (71%) than the rest of the group (44%).

Economic expectations provide only part of the picture. Portfolio actions are ultimately driven by the objectives insurers pursue and the constraints they must navigate.

Q.4 | In response to your expected macro environment, which portfolio actions are you taking?



Source: BlackRock Global Insurance Survey, July-August 2026. *Small base (n=24); interpret results with caution.

02 | Portfolio construction and private markets

“

Risk appetite across the insurance sector may be broadly stable, but that does not mean portfolios are standing still. In a more uncertain macro and market environment, the focus is increasingly on where investors are best compensated for taking risk and how efficiently that risk is deployed. Private and real assets, both debt and equity, are becoming a structural component of insurers' portfolios, but as the market matures, greater selectivity will be essential. Origination capabilities, underwriting discipline, and structural protections will increasingly differentiate outcomes. For insurers, private assets can provide access to long-term cash flows, add convexity and inflation protection in the portfolio, as well as complement public markets in a natural fit with long-dated liabilities. The real value and challenge come from integrating these allocations into the overall asset-liability framework, rather than treating private markets uniquely as a standalone source of additional return.”

Luca Cetrano
CIO, Generali

Portfolio Construction When Yield Is No Longer Scarce

Peter Gailliot
Global CIO and Head of Financial Institutions Group

Patrick Budden
Americas Head of Portfolio Management,
Financial Institutions Group

The 2026 Global Insurance Report highlights an important shift in how insurers approach portfolio risk. 82% of respondents plan to maintain their overall investment risk, the highest in recent years. Yet, maintaining risk does not mean maintaining exposures: nearly one-third expect to keep risk unchanged while actively reallocating across asset classes, liquidity profiles and risk factors. Insurers are not de-risking, but they are becoming more selective about where they take risk. We believe today’s yields give them unusually good tools to do so.

Higher yields reduce the need to reach for risk.

For much of the last decade, meeting income objectives required investors to extend duration, accept lower credit quality, increase concentration, or sacrifice liquidity. That is no longer the case.

Higher risk-free rates have restored income across fixed income, giving insurers scope to lock in attractive yields while improving quality, diversifying exposures, and retaining portfolio flexibility.

Flexibility matters more than macro conviction.

The macro backdrop is constructive but far from certain. Our base case anticipates resilient growth, supported by investment in technology and AI. Core inflation is easing but remains uncertain, while geopolitical risks, fiscal pressures, and substantial financing needs are adding to rate and market volatility. Survey responses reflect this, with insurers split on duration and rate positioning. Rather than positioning for a single outcome, insurers should prioritize portfolios that generate income, support liabilities, and remain resilient across a range of scenarios.

Tight spreads increase the value of security selection.

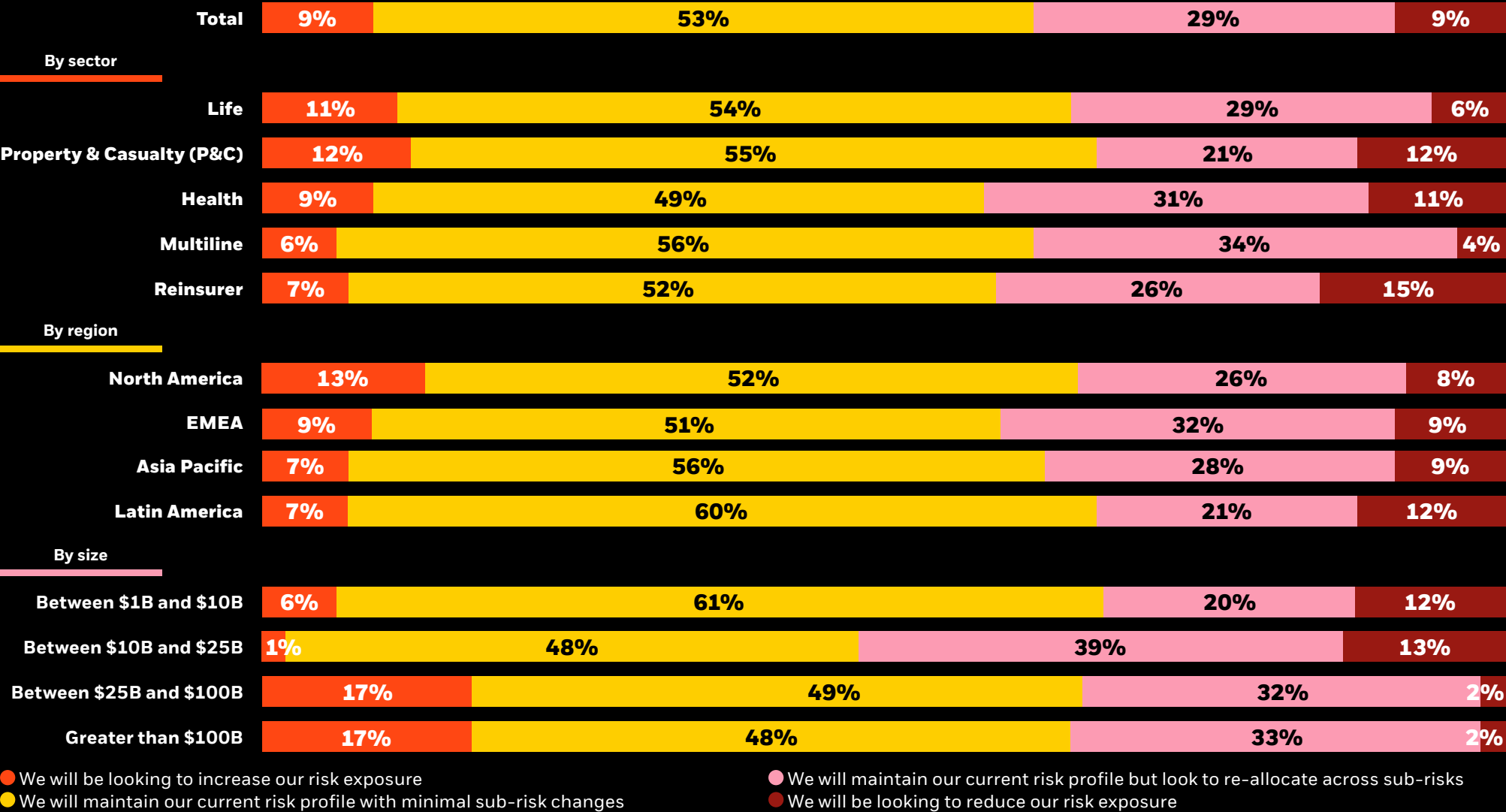
Public credit fundamentals remain sound, but many corporate spreads are near historically tight

levels, leaving little cushion for idiosyncratic events or broader repricing. We, therefore, favor higher-quality assets, less generic spread exposure and disciplined security selection. Highly rated securitized assets can offer attractive income and capital efficiency, while selected mortgage structures can provide duration, improved convexity, and dry powder for future opportunities. Spread lending strategies can also offer a flexible route to attractive spread income while retaining control over liquidity, deployment, and portfolio construction.

Ultimately, portfolio agility is not synonymous with defensiveness. It comes from portfolios with multiple income sources, adequate liquidity, and the ability to rotate as relative value changes. The opportunity is to use today’s flexibility deliberately to build portfolios that are better diversified, more resilient, and positioned for a range of outcomes. With uncertainty elevated but opportunities abundant, flexibility may be the most valuable asset of all.

02 Portfolio construction and private markets

Q.5 | Over the next 12 months, how do you expect your firm’s overall investment risk appetite to change?



Source: BlackRock Global Insurance Survey, July-August 2026.
Note: Percentages may not sum to 100% due to rounding.

02 Portfolio construction and private markets

Overall investment risk appetite remains stable

82% of insurers plan to maintain their current investment risk profile in 2026, while 9% plan to increase risk and 9% plan to reduce it.

Among insurers maintaining their current risk positioning, 67% believe existing risk levels remain appropriate given current market conditions. At the same time, 57% do not see sufficient opportunities to justify taking additional risk, while 50% are focused on achieving greater diversification within their existing risk budgets. The most notable year-over-year change is the increase in respondents who do not see sufficient opportunities to justify greater risk-taking, rising to 57% (+22 pp). This suggests that the decision to maintain risk is increasingly being driven by opportunity selectivity rather than a desire to avoid risk altogether.

While most insurers intend to maintain their current risk positioning, the minority planning to adjust risk exposure are not moving in the same direction. Among the 18% of respondents planning to change their risk profile over the next 12 months, larger insurers with more than \$25 billion in investable assets are more likely to increase risk, while smaller insurers with less than \$25 billion are more likely to reduce it.

The result is consistent with selectivity: respondents are not simply rejecting additional risk but evaluating whether the opportunities and their institutional constraints justify it.

Global North America EMEA Asia Pacific Latin America

Q.6 | If planning to maintain your risk exposure, this is because: (82%, n=379)



Source: BlackRock Global Insurance Survey, July-August 2026.

02 Portfolio construction and private markets

Public-market allocations reflect broader portfolio priorities

Insurers’ public-market allocation intentions suggest selective positioning rather than a uniform strategy. Public fixed income (44%) and cash and short-term instruments (41%) are more frequently cited for increases than public equities (27%). Within public fixed income, emerging-market debt stands out; 39% of insurers plan to increase exposure, compared to 12% that are planning reductions.

Demand for liquidity and higher-yielding opportunities appears to reflect different investment priorities rather than a common strategy. Appetite for emerging market debt is not primarily differentiated by macroeconomic expectations or risk appetite. Capital-management objectives reveal a sharper divide: only 25% of insurers prioritizing reductions in earnings volatility plan to increase emerging-market debt, compared with 53% of those not citing this objective.

This suggests that fixed-income allocation intentions are driven not solely by yield, but also by whether the additional credit, currency, and market risks are compatible with their capital efficiency and balance-sheet stability objectives.



All percentages below are shares of respondents, not percentage changes in allocations. Similarly, the number of categories marked Increase or Decrease measures the breadth of reported intentions, not the amount of capital involved, portfolio turnover or the extent of risk-taking.

Source: BlackRock Global Insurance Survey, July-August 2026.

Note: Percentages may not sum to 100% due to rounding.

02 Portfolio construction and private markets

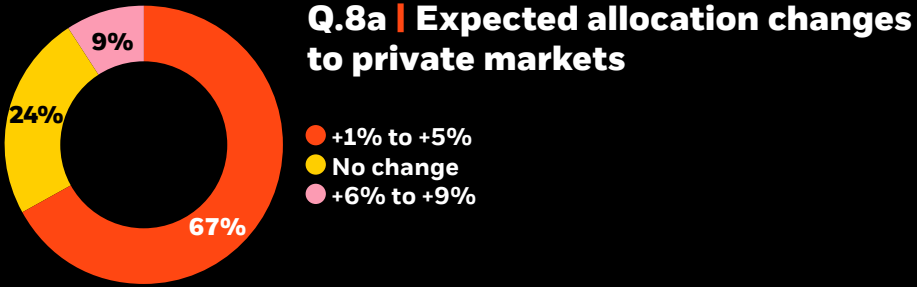
Private markets continue to hold a central role in insurers’ investment strategies

The share of insurers expecting to increase private-market allocations over the next 12 months has declined from 94% in 2025 to 76% in 2026, but remains one of the highest readings in our survey’s history. The remaining 24% of insurers expect to maintain current allocations and none anticipate reducing exposure. The results suggest a shift from broad-based allocation growth toward more selective deployment, with insurers increasingly focused on portfolio construction, relative value and implementation within existing allocation targets.

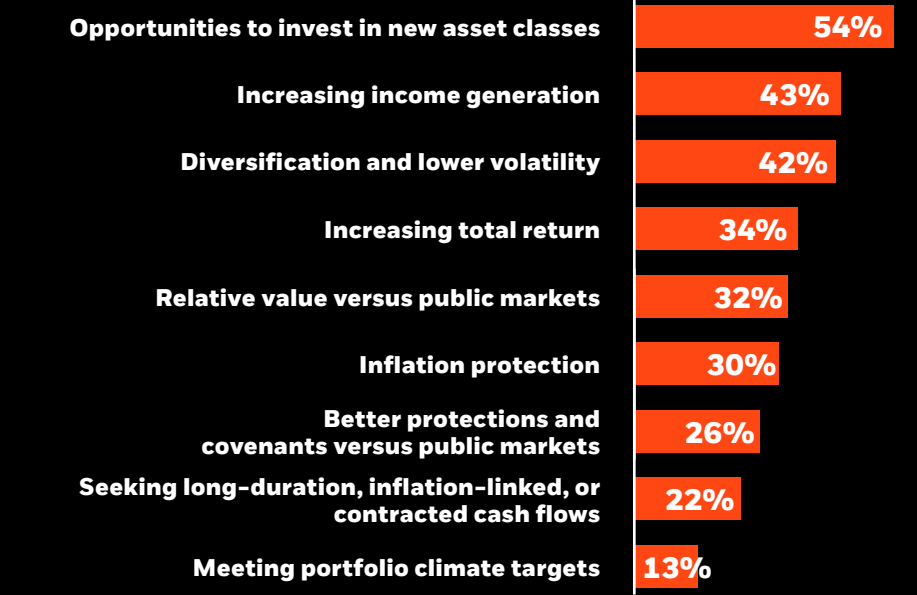
Among insurers planning increases, access to new asset classes remains the leading motivation, cited by 54%, compared with 43% in 2025.

These findings suggest that while appetite for private markets remains widespread, the rationale for additional allocations is becoming more differentiated, reflecting insurers’ distinct portfolio and business objectives.

- Global
- North America
- EMEA
- Asia Pacific
- Latin America



Q.8b | What are the primary drivers for changes to private markets exposure in your portfolio over the next 12 months? (76%, n=352)



Q.8a percentages shown on the chart are shares of respondents. The allocation-change bands in its legend describe the survey response categories. Q.8b percentages are shares of the stated respondent base. Similarly, the number of categories marked Increase or Decrease measures the breadth of reported intentions, not the amount of capital involved, portfolio turnover or the extent of risk-taking. Source: BlackRock Global Insurance Survey, July-August 2026.

02 Portfolio construction and private markets

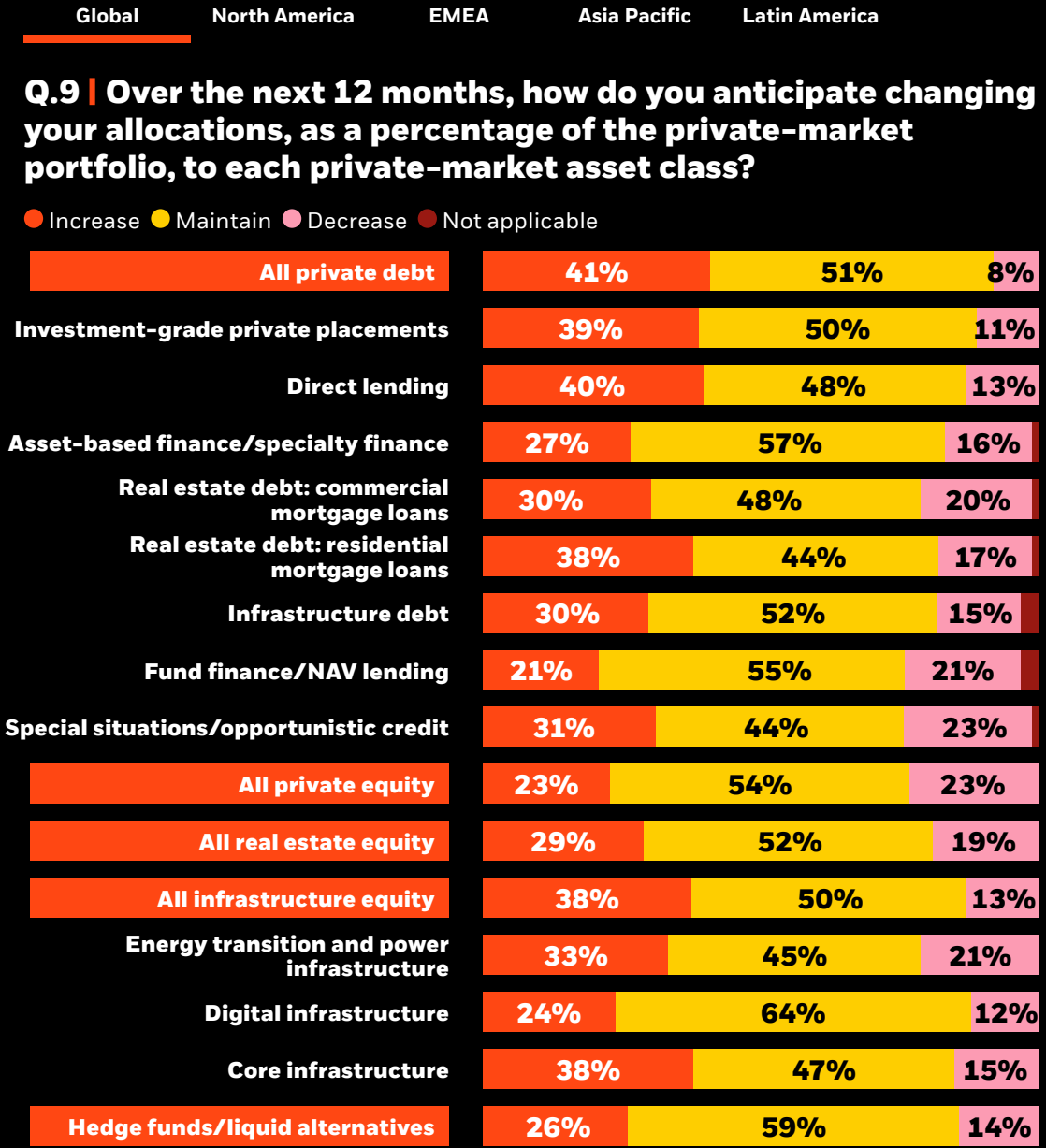
Private-market demand is about composition, not just expansion.

Maintaining current portfolio allocations is the most common response across every private-market category. Nevertheless, private debt and infrastructure equity lead planned increases among the broad asset classes, at 41% and 38%, respectively.

Within private debt, preferences are selective. Direct lending (40%), investment-grade private placements (39%), and residential mortgage loans (38%) attract the most planned increases. The aggregate appetite for private debt, therefore, masks meaningful differences across its underlying strategies. A sharper distinction emerges when these intentions are considered alongside plans for total private-market exposure. Among insurers planning to increase private markets as a share of their overall portfolio, 47% intend to increase direct lending's share within private markets, versus 16% of those keeping their overall private-market share unchanged.

For energy-transition and power-infrastructure assets, the relationship reverses: insurers maintaining their overall private-market allocation are more than twice as likely to increase exposure (59% versus 25%) as those expanding private markets overall.

This suggests that changes in private-market allocations are driven not only by growth in the asset class but also by shifts within it. An unchanged private-market allocation can mask meaningful portfolio repositioning, while a growing allocation does not imply increased investment across every private-market segment.



All percentages are shares of respondents, not percentage changes in allocations. Similarly, the number of categories marked Increase or Decrease measures the breadth of reported intentions, not the amount of capital involved, portfolio turnover or the extent of risk-taking.

Source: BlackRock Global Insurance Survey, July-August 2026.

Note: Percentages may not sum to 100% due to rounding.

Financing AI at Scale: BlackRock’s Perspective on the Next Infrastructure Cycle

Jim Amine
GIP Partner, Head of GIP Credit

Jeetu Balchandani
GIP Partner, Head of GIP Credit IG

Dana Baldwin
Managing Director, Head of GIP Credit Product Strategy

AI has become a macroeconomic force, reshaping economic growth, capital allocation, and both public and private markets. It has transitioned from a frontier technology to a quickly expanding architectural foundation that underpins business processes, consumer behavior, and government systems. As adoption accelerates, access to compute capacity and the power required to support it has emerged as a critical constraint on the growth of the AI ecosystem, with more than \$10 trillion of capital expenditure expected through 2032.¹

We estimate that approximately 70–80% of AI-related capital expenditure will be financed through debt. This investment requirement is

already having a meaningful impact on capital markets and investor exposure, with AI-related financings comprising approximately 30% of investment-grade public bond issuance year-to-date in 2026. We believe meeting the financing needs of the AI buildout will require capital from a broad range of channels, including public markets, bank lending, securitization markets, and private markets.

Private markets have an increasingly important role

The size and complexity of the AI buildout are creating an increasingly important role for private markets, and infrastructure credit is emerging as one of the largest and fastest-growing opportunity sets across global capital markets. The growing number and variety of AI-related financings are creating a broader range of structures and risk profiles, including meaningful differences in areas such as access to power.

At the same time, we believe the market is evolving favorably for lenders, with improving economics

and stronger structural protections. We believe this combination of opportunity and complexity makes selectivity and diversification increasingly important, particularly as investors may encounter seemingly similar underlying exposures across different financing formats.

The opportunity lies in the infrastructure enabling AI

We believe investing in the infrastructure required to support AI may offer stronger risk-adjusted return potential. AI infrastructure sits at a critical point in the ecosystem, with access to GPUs, data center capacity, power, and connectivity serving as key enablers of continued growth in compute. This is distinct from broader hyperscaler capital expenditure, which can encompass a much wider range of corporate spending. The assets supporting the AI buildout are often large, complex, and highly interconnected, requiring both significant capital and deep infrastructure expertise to evaluate and structure effectively.

¹ Source: Brookings, “Financing the AI Buildout,” September 2026.

02 BlackRock perspective

Insurers are well positioned to provide long-term capital

Insurers’ long-dated liabilities can align well with long-duration infrastructure assets. Investment-grade infrastructure debt typically offers contractual cash flows, structural protections, and attractive risk-adjusted spreads, making it a potentially compelling fit for insurance portfolios. We believe insurers are best positioned to commit at the scale and tenor required by the AI buildout.

Diversification requires a whole-portfolio view

As insurers increase allocations to AI infrastructure, we believe maintaining diversification will become increasingly important. Insurers may already have hyperscaler exposure across public and private markets, which may add exposure to the same counterparties. The interconnected, and in many cases circular, nature of the AI ecosystem can create further overlap, where seemingly distinct investments depend on common counterparties or sources of demand.

As a result, we believe investors should consider AI infrastructure allocations in the context of their broader portfolios and underlying sources of repayment.

Manager selection is particularly important

We believe manager selection is, therefore, particularly important. Experience across the digital and energy value chains, together with broad visibility into how structures, pricing, and risk profiles are evolving, can help investors reduce correlation and maintain diversification across the AI infrastructure opportunity set. Combined with disciplined infrastructure underwriting, deep sector expertise, and structuring capabilities, that breadth of perspective supports thoughtful investment selection and helps identify opportunities with attractive risk-adjusted return potential.

Private Credit



“

“Diverse private credit strategies are increasingly core to most US life general accounts. The asset class has a lot of positives: opportunities for long-dated cash flows for long-term liabilities, covenant and collateral protections, and illiquidity premium that supports competitive crediting rates.

Recent market concerns and closer regulatory attention, from private letter ratings to structured-asset modeling, do not change that logic; however, they do raise the bar on execution. That means sourcing the best assets from the best managers through disciplined selection and oversight; knowing precisely what we own, with look-through to underlying cash flows and collateral.

It also comes with additional needs like developing look-through strategies to optimize relative returns selection across assets (public, private, or structured) having similar underlying risks. New tools are being developed to accompany this journey, like monitoring loan-level data at scale, but the discipline must come from us, especially on the operational and data-quality side. Get this right, and volatility becomes an opportunity.”

Dr. Jean-Roch Sibille
CIO, Allianz Life Insurance Company of North America

02 Portfolio construction and private markets

Private-debt growth and internal repositioning.

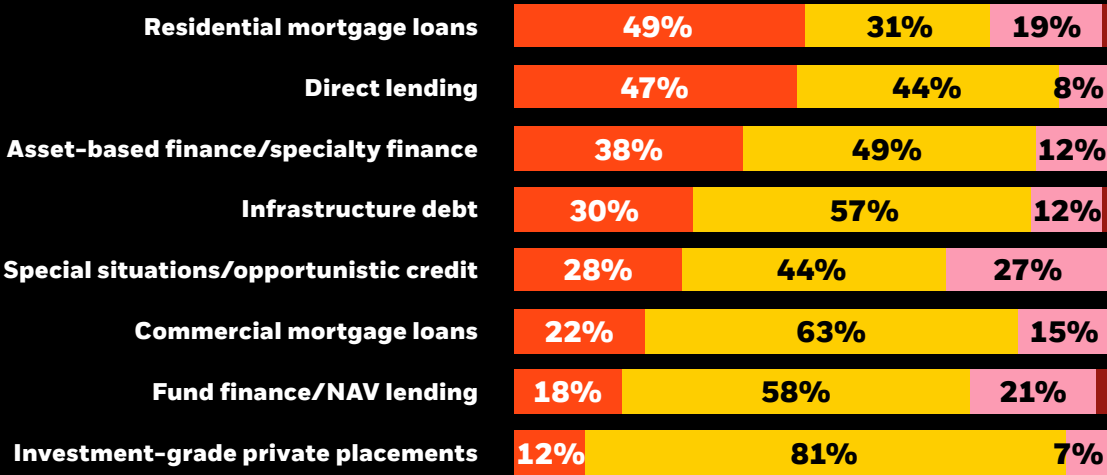
Plans to increase private debt do not imply expansion across every underlying strategy. Among insurers intending to increase private debt’s share of their private-market portfolio, 80% also plan to reduce at least one of the eight subsectors shown. Residential mortgage loans (49%), direct lending (47%), and asset-based finance/specialty finance (38%) attract the most planned increases.

An unchanged headline allocation can also accommodate a different investment mix. Among insurers maintaining private debt’s overall share, 83% plan to increase at least one subsector while reducing another. Their priorities differ markedly from those planning growth. Investment-grade private placements attract planned increases from 58% of maintainers, compared with 12% of growers. The pattern reverses for residential mortgage loans (28% versus 49%) and asset-based finance/specialty finance (16% versus 38%).

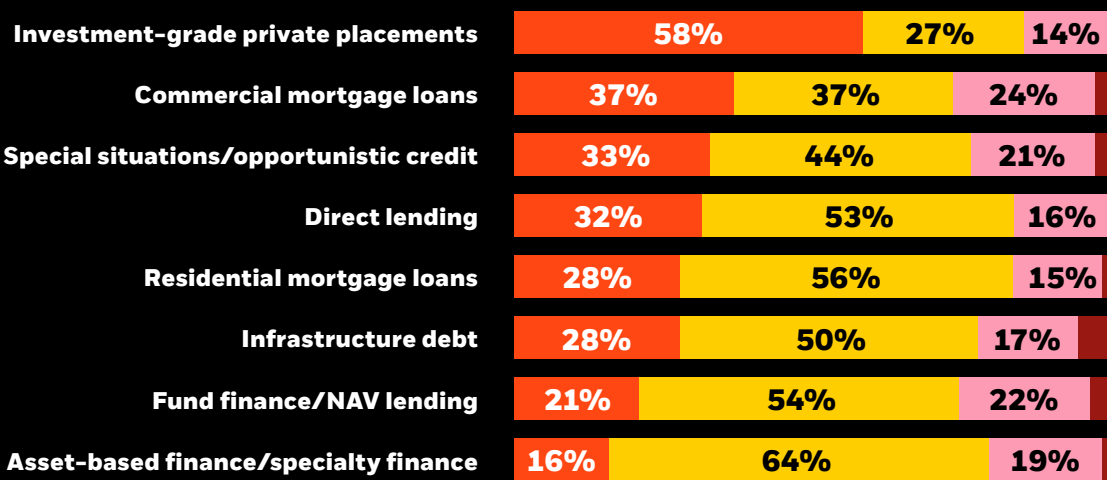
Insurers maintaining their private-credit exposure are continuing to reassess the composition of their private-market portfolios, while those increasing allocations remain selective about the exposures they add. The more revealing insight is, therefore, not the direction of allocations but the strategies attracting capital.

All percentages below are shares of respondents, not percentage changes in allocations. Similarly, the number of categories marked Increase or Decrease measures the breadth of reported intentions, not the amount of capital involved, portfolio turnover or the extent of risktaking.

Q.10a | Respondents planning to Increase All Private Debt (41%, n=190)



Q.10b | Respondents planning to Maintain All Private Debt (51%, n=238)



● Increase ● Maintain ● Decrease ● Not applicable

Source: BlackRock Global Insurance Survey, July-August 2026.
Note: Percentages may not sum to 100% due to rounding.

Direct Lending: Attractive Economics in a Shifting Environment

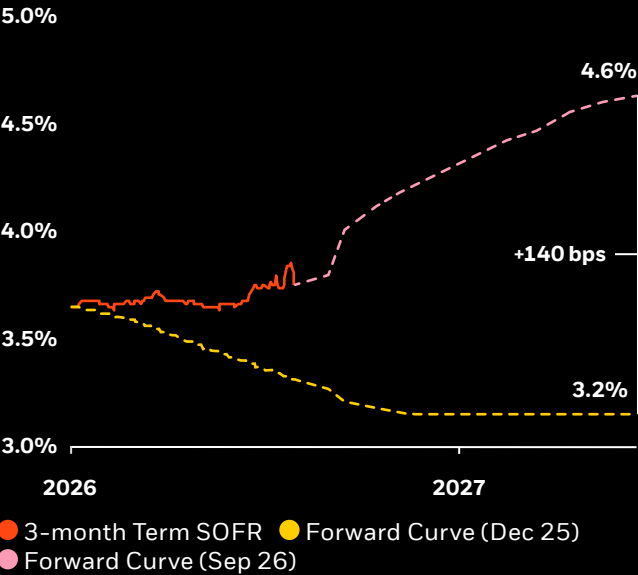
Michael Patterson
Founding Partner and Co-President,
HPS Investment Partners

A reset in interest rate expectations and widening of credit spreads have shifted the direct-lending dynamics for investors. In turn, we believe direct lending remains an attractive destination for insurance capital globally, offering income-producing assets with a meaningful spread premium to public credit and potentially strong downside protection.

Higher income potential has more than one driver

At the start of 2026, the forward curve suggested a SOFR level of approximately 3.2% in the second quarter of 2027.¹ However, persistent inflation and a more resilient economic backdrop have materially altered the outlook, with forward markets now implying that rates could rise north of 4.6% by mid-2027.¹ As a result, private-credit strategies, which typically feature floating-rate structures, are well positioned to benefit from a prolonged higher-for-longer environment.

SOFR base rates and forward curve ¹

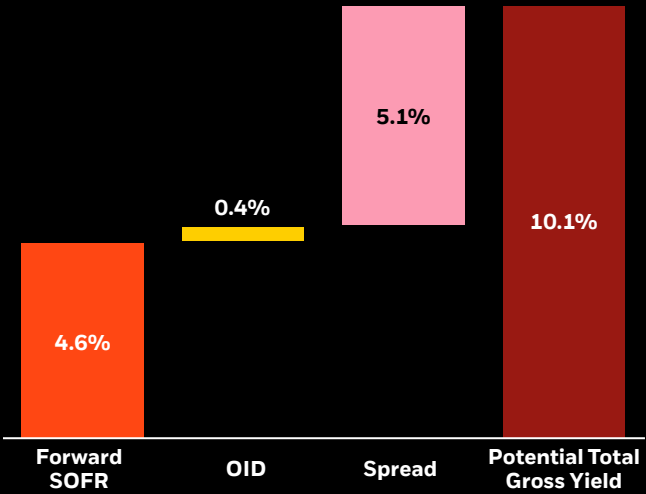


Importantly, the improvement is not solely a function of higher rates. Direct-lending spreads have also widened as lenders have become more selective amid elevated uncertainty.² We believe underwriting standards have tightened and lenders are demanding greater compensation for risk, resulting in more attractive economics on newly originated transactions.

New investments in focus

Gross asset-yield expectations have risen from approximately 8.5% at the beginning of the year to around 10% today, one of the most meaningful improvements in direct-lending economics in recent years.^{1,3} For income-oriented investors, including many insurers, we believe this is an attractive opportunity to deploy capital at substantially higher yields while maintaining exposure to senior, floating-rate assets.

Potential all-in gross yield ^{1,3,4}



02 BlackRock perspective

Better economics need not mean weaker underwriting

The current backdrop is especially compelling, in our view, because enhanced yield can still be achieved alongside disciplined underwriting. Many new transactions are offering higher yields together with improved documentation, tighter covenant packages, and greater downside protection than during the more competitive lending environment of recent years.³ We believe this improvement is being driven by stronger market fundamentals rather than increased risk-taking, as borrowers continue to value the speed, certainty, and flexibility of private capital that is often unavailable in public markets.

Larger companies remain attractive

Borrower fundamentals, particularly for larger, well-established companies, remain resilient.⁶ Diversified business models, strong free-cash-flow generation, and greater financial flexibility can help these businesses navigate higher rates and macroeconomic uncertainty better than smaller issuers, creating favorable conditions in the upper middle market.⁶

From opportunistic allocation to core holding

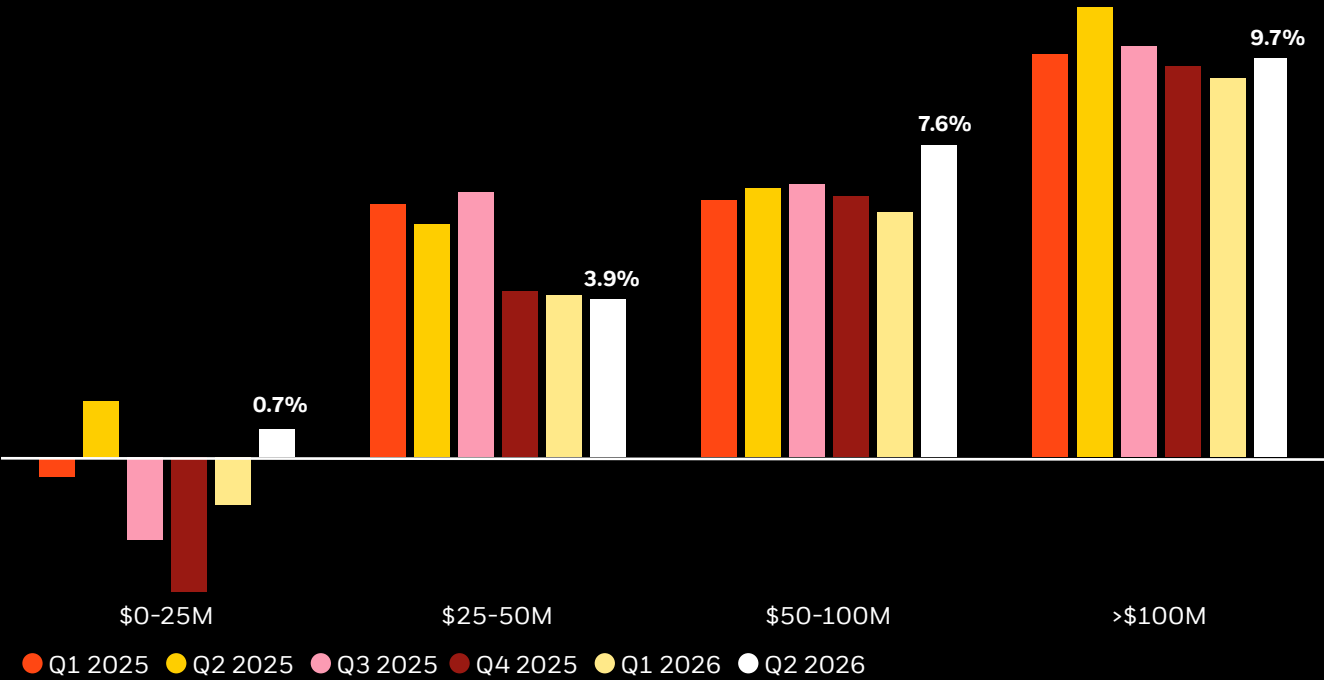
Institutional investors, including insurers, increasingly recognize the attractiveness of the

opportunity set. Direct lending drawdown funds raised a record \$72 billion in the second quarter of 2026, underscoring what we believe is continued institutional conviction in the asset class.⁵ Among insurers in particular, we believe direct lending has evolved from an opportunistic allocation into a core holding within multi-year strategic asset allocation.

That appeal is global, with insurers in Europe, Asia, and Bermuda investing meaningfully in recent years. As regulatory regimes evolve, accessing direct lending in a format that meets regulatory and asset-liability management needs is a critical component of delivering attractive outcomes for insurers.

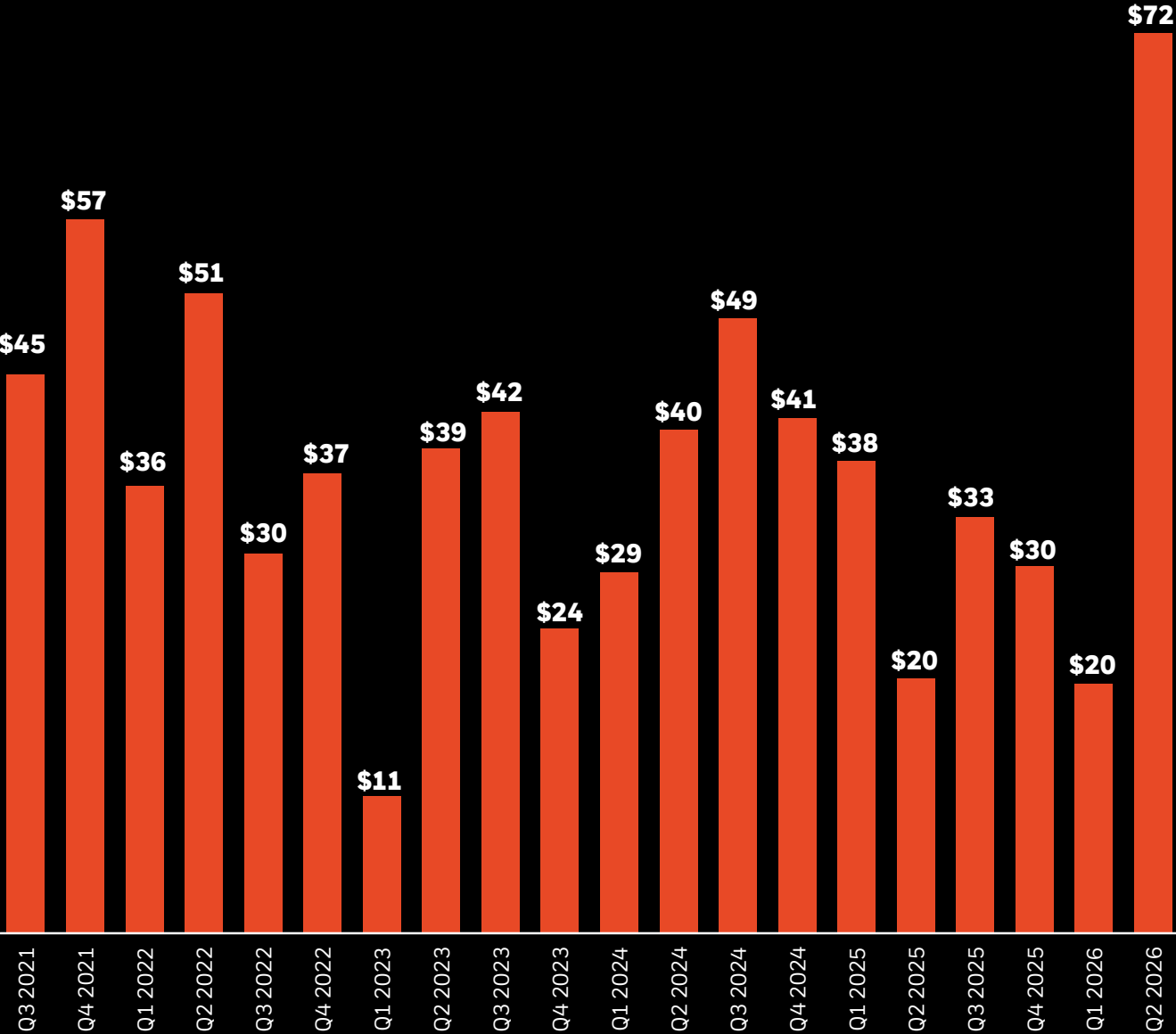
For insurers, the combination of enhanced income potential, a meaningful spread premium to public credit, and resilient borrower fundamentals

Year-over-year last twelve months' EBITDA growth by company size (based on EBITDA)⁶



02 BlackRock perspective

Aggregate fundraising for direct lending funds (\$ billions) ⁵



reinforces direct lending’s role as a core strategic allocation. In sum, we believe this represents one of the most attractive vintage opportunities for insurance capital in recent years.

Represents HPS’s subjective views and opinions as of the date hereof and is subject to change depending on the market environment.

¹ Source: Bloomberg. SOFR = CME Term SOFR 3 Month. Forward curve forecasts as of December 31, 2025 and September 15, 2026, as applicable. ² Based on HPS market observations.

³ Source: KBRA DLD as of June 30, 2026. Spread does not reflect the return of direct lending funds, which will be reduced by, among other things, fees and expenses, or the return that may ultimately be realized on an investment. Higher spreads may represent higher cost of capital for borrowers, and such costs may increase the risk of default or the risk that the loan may otherwise become impaired. OID of 1.15% is amortized over a three-year horizon.

⁴ Potential total gross yield reflects the sum of (i) forward SOFR expectations for mid-2027 (determined as of September 15, 2026), (ii) direct lending OID information as of June 30, 2026 and (iii) direct lending spread information as of June 2026. The information provided herein is included to show the general trend in the applicable markets in the periods indicated and is not intended to imply that the yields herein are achievable or guaranteed. Actual yields earned over the life of an investment could differ materially from the potential yields presented above. Higher yields represent higher cost of capital for borrowers and such costs may increase the risk of default or the risk that the loan may otherwise become impaired. Potential yield does not reflect the return of any fund, which will be reduced by, among other things, fees and expenses, or the return that may ultimately be realized on this investment.

⁵ Source: Preqin as of June 30, 2026. Fundraising figures include closed-end direct lending funds.

⁶ Source: Lincoln VOG Proprietary Private Market Database © 2026 Lincoln Partners Advisors LLC. All rights reserved. Use of these materials without Lincoln’s consent is prohibited. Includes data from the database through the second quarter of 2026.

02 Portfolio construction and private markets

Private-debt access is not an either/or decision

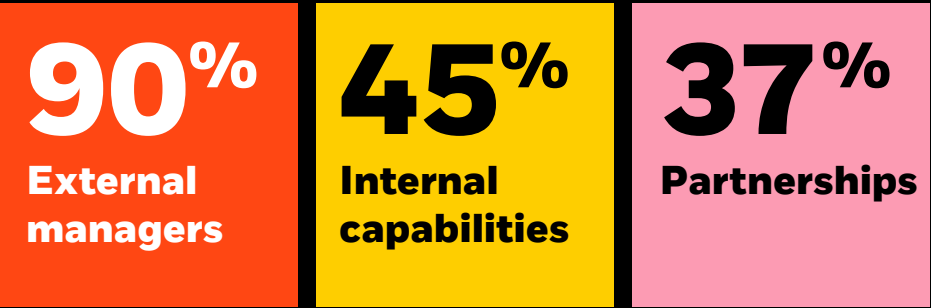
Insurers’ private-debt access plans point to a combination of capabilities rather than a choice between internal and external management. 88% plan to use more than one access route, with bespoke mandates the most widely selected option (74%).

The overlap between internal and external access models is particularly revealing: 86% of insurers planning an internal access route also plan to use external managers.

The strategic question is not simply whether to outsource but how to combine internal capabilities, external expertise, and partnerships around each insurer’s portfolio requirements.

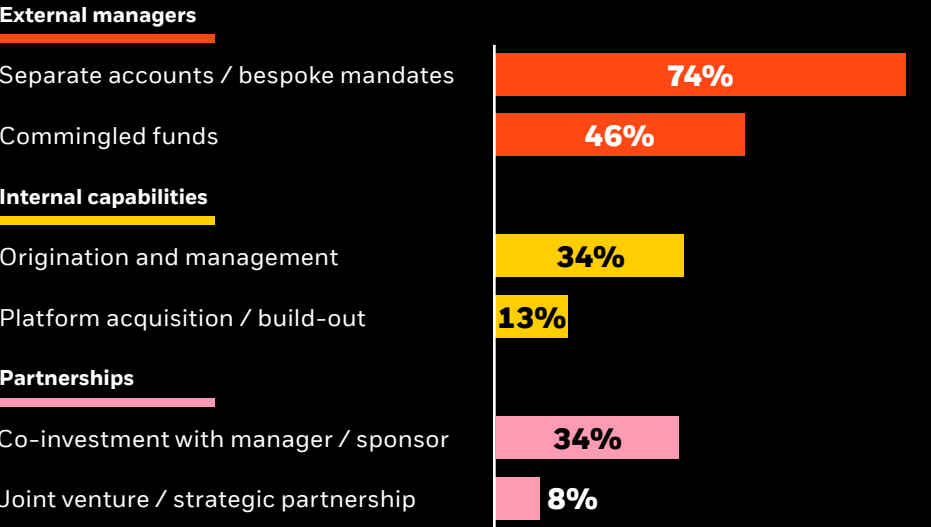
Global North America EMEA Asia Pacific Latin America

Q.11 | How do you plan to access private debt over the next 12 months?



Share selecting at least one route in each group. Groups overlap.

Individual access routes (% of all respondents)



Source: BlackRock Global Insurance Survey, July-August 2026, Q.11. Global base: N=463. Multiple responses permitted. Group totals count each respondent once per group.

02 Portfolio construction and private markets

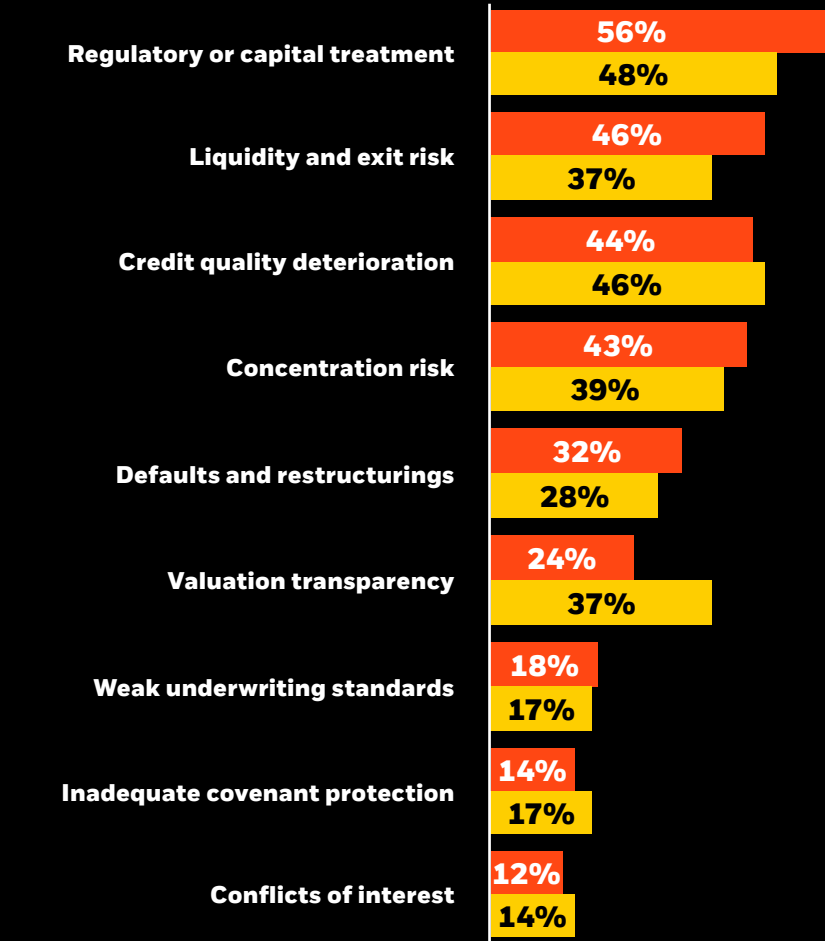
Credit quality is only part of the private-debt decision.

Nearly nine in ten insurers cite concerns beyond the underlying credit, with attention focused on both credit selection and balance-sheet fit. Regulatory or capital treatment is the leading concern for both private debt overall (56%) and investment-grade private debt (48%), placing capital considerations at the center of the allocation decision.

The investment-grade comparison reveals a different emphasis rather than an absence of challenges. Valuation transparency is cited by 37%, compared with 24% for private debt overall, while credit deterioration remains prominent in both (46% and 44%, respectively).

Global North America EMEA Asia Pacific Latin America

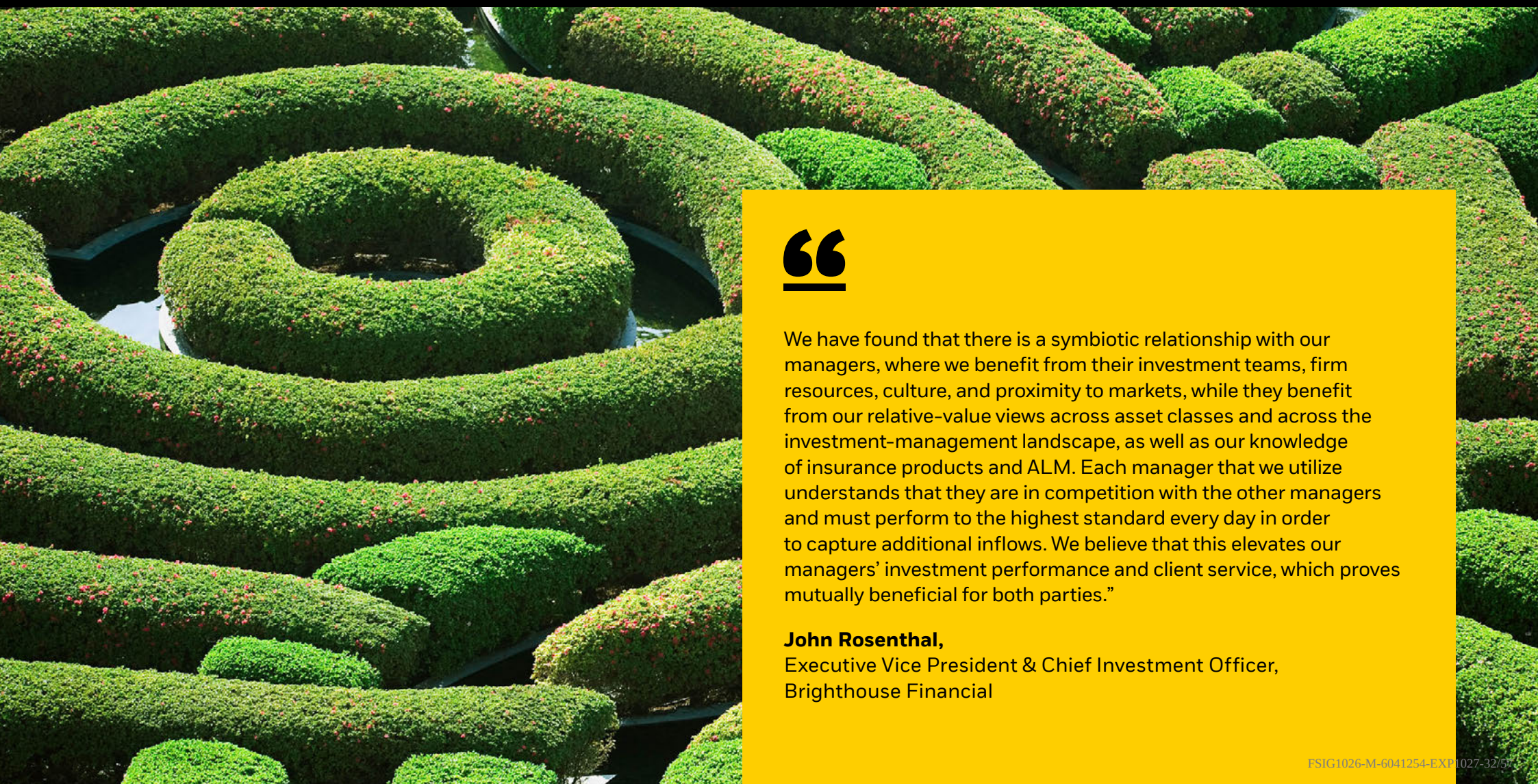
Q.12 | What, if any, are your top concerns regarding private debt exposure over the next 12 months?



● Private-debt exposure ● Investment-grade-rated private debt

Source: BlackRock Global Insurance Survey, July-August 2026.

03 | Operating model, partnerships, and capital



“

We have found that there is a symbiotic relationship with our managers, where we benefit from their investment teams, firm resources, culture, and proximity to markets, while they benefit from our relative-value views across asset classes and across the investment-management landscape, as well as our knowledge of insurance products and ALM. Each manager that we utilize understands that they are in competition with the other managers and must perform to the highest standard every day in order to capture additional inflows. We believe that this elevates our managers’ investment performance and client service, which proves mutually beneficial for both parties.”

John Rosenthal,
Executive Vice President & Chief Investment Officer,
Brighthouse Financial

03 Operating model, partnerships, and capital

Strategic partnerships are evolving beyond investment management, but their purpose and complexity differ.

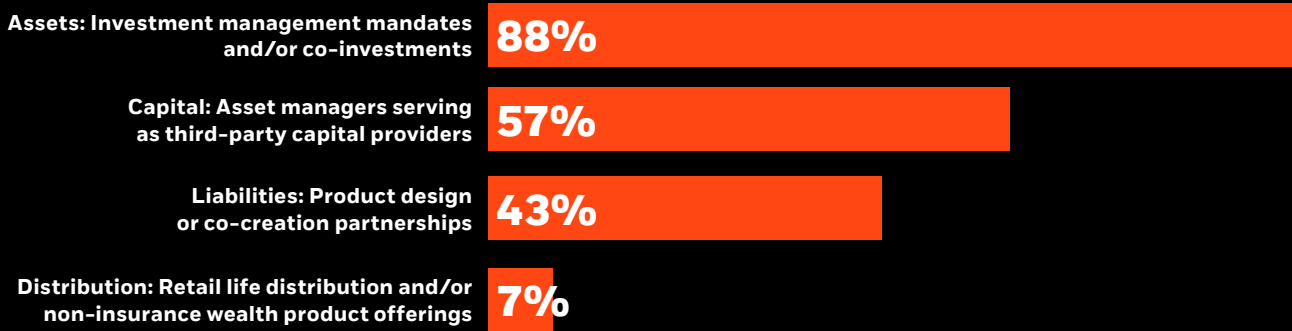
Third-party relationships are increasingly being used across multiple parts of the insurance balance sheet rather than concentrated in a single function. While asset management remains the dominant use case, insurers are also engaging external partners in liability management, distribution support, and capital solutions.

Moreover, 82% of insurers engage external partners across at least two functions, spanning investment management, capital provision, liability and product design and distribution.

These findings suggest that the value of strategic partnerships increasingly depends not only on access to external capabilities but also on insurers’ ability to integrate them into their broader capital and operating models.

Q.13 | In what capacities are you engaging with third-party partners, and how is the asset-management model structured and expected to evolve?

Overall



82% engage external partners across at least two functions

Assets + liabilities / products



Assets + capital provision



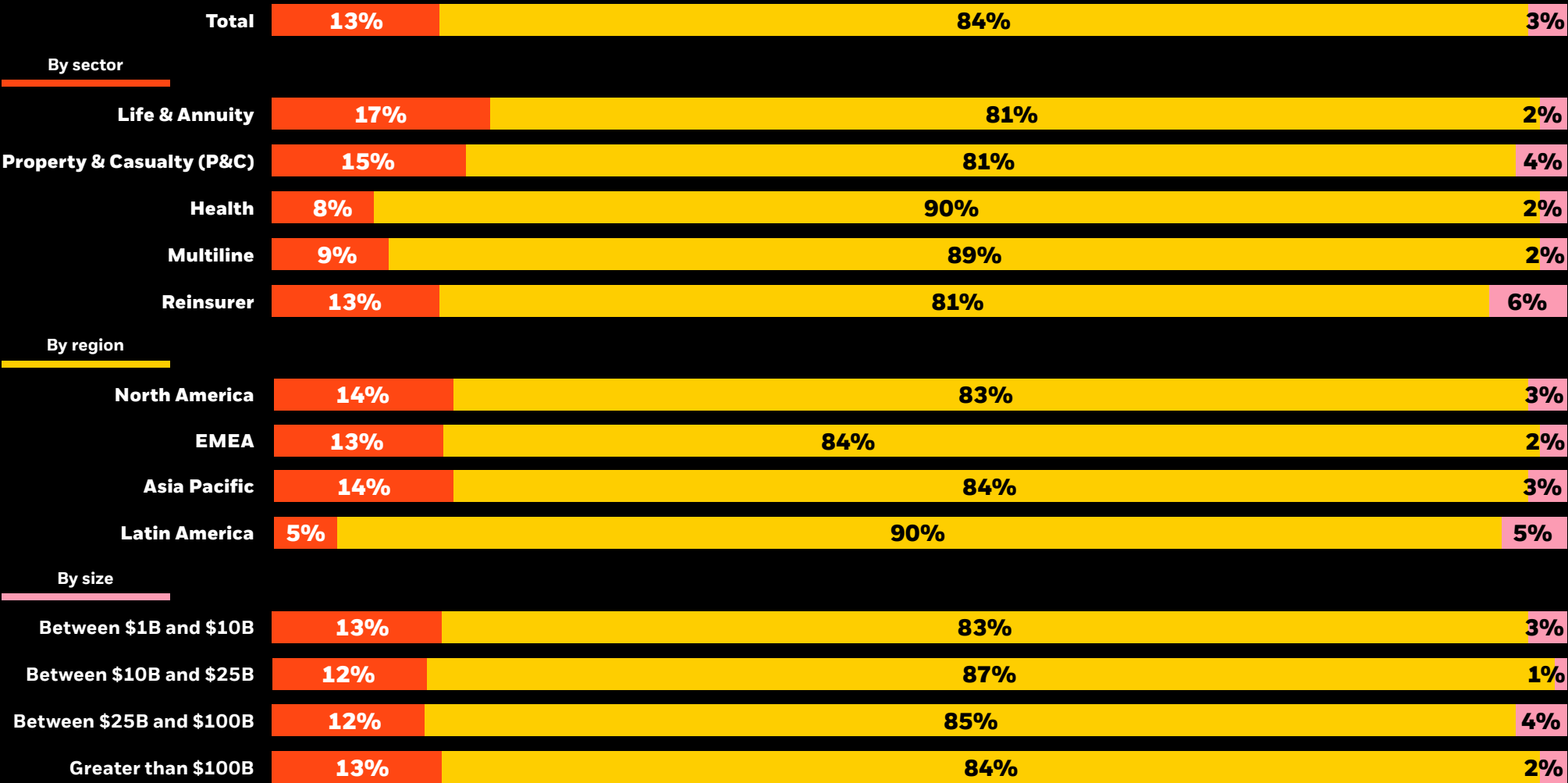
The number of functions alone does not explain the agenda.

Source: BlackRock Global Insurance Survey 2026.

03 Operating model, partnerships, and capital

Q.14 | How would you describe your current asset-management model, and how do you envision it evolving over the next 12 months?

84% self-describe as hybrid **49%** plan more external management



● Fully in-house model (Net) ● Hybrid model (Net) ● Fully outsourced model (Net)

Source: BlackRock Global Insurance Survey, July-August 2026.
Note: Percentages may not sum to 100% due to rounding.

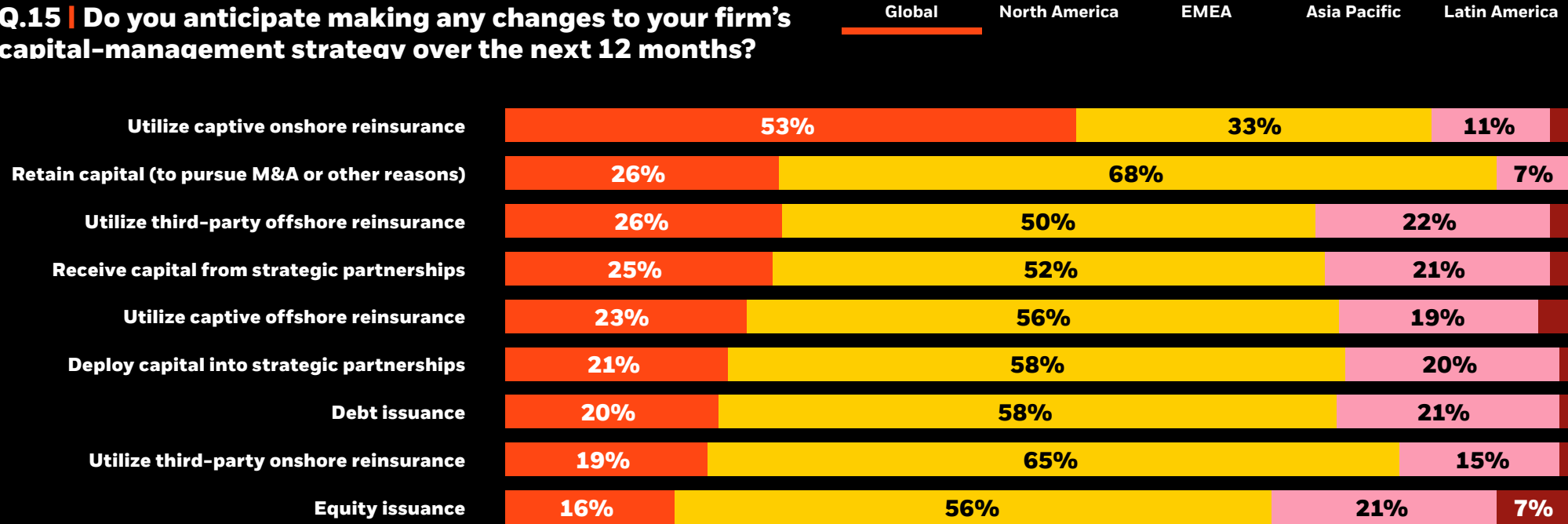
03 Operating model, partnerships, and capital

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Insurers have more ways than ever to create and release capital, including reinsurance, sidecars, and alternative capital structures. The value of these tools, however, depends on how they are used. Effective capital management requires deliberate choices about which risks to retain, where capital is most productive, and how much capacity to preserve through the cycle. As these options expand, deploying capital well is becoming as important as generating it.”

Robin M. Raju
CFO, Equitable

Q.15 | Do you anticipate making any changes to your firm’s capital-management strategy over the next 12 months?



● Increase ● Maintain ● Decrease ● Not applicable

Source: BlackRock Global Insurance Survey, July-August 2026.
Note: Percentages may not sum to 100% due to rounding.

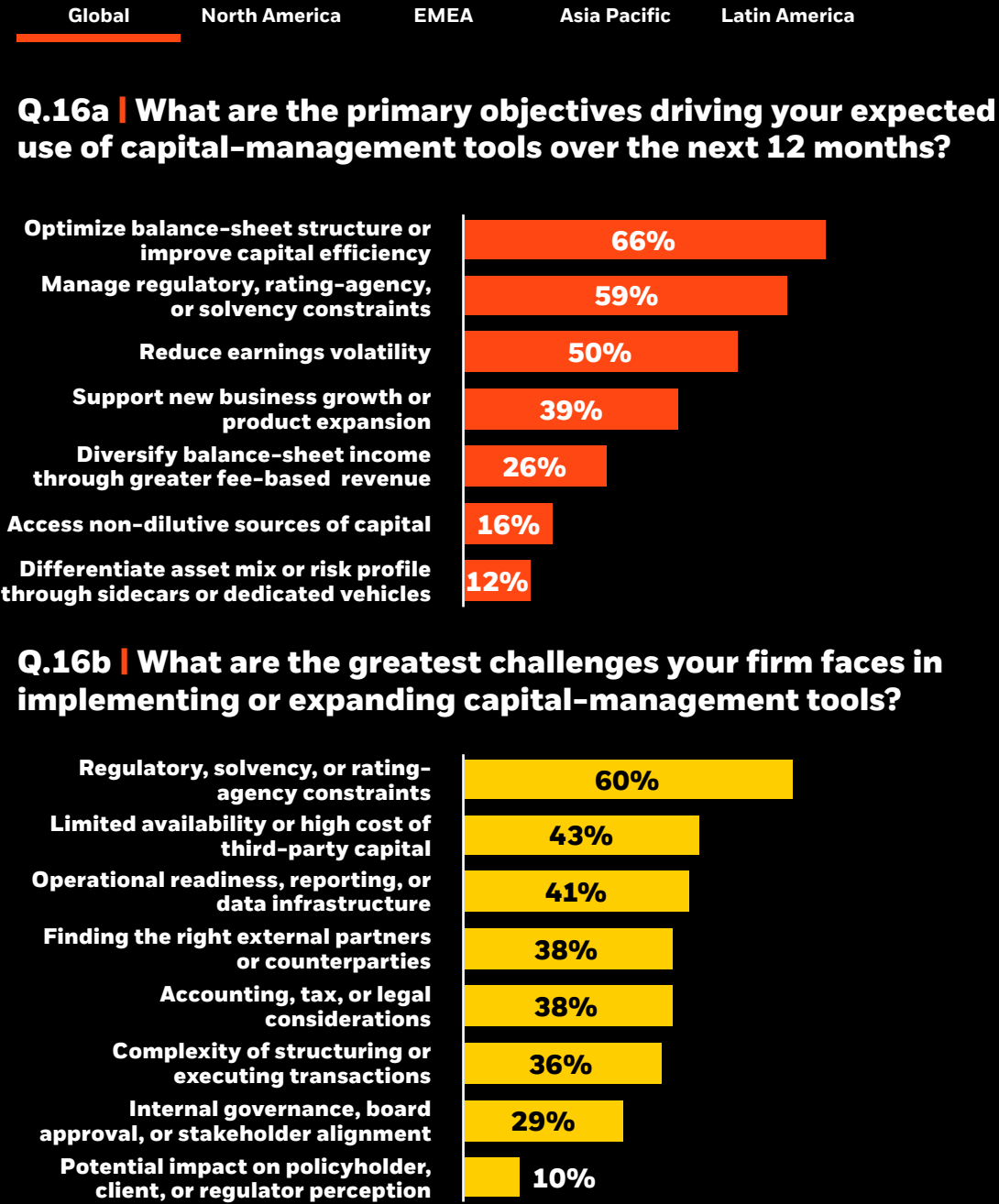
03 Operating model, partnerships, and capital

Capital management is becoming more deliberate and integrated across the balance sheet.

Insurers’ capital-management intentions point to selective expansion in the use of tools. Captive onshore reinsurance stands out, with 53% planning to increase its use, while most expect to maintain their use of debt issuance (58%) and equity issuance (56%). Insurers’ use of capital-management tools is primarily motivated by three objectives: enhancing capital efficiency (66%); addressing regulatory, rating-agency, and solvency constraints (59%); and reducing earnings volatility (50%). Achieving these outcomes, however, is often constrained by a range of challenges. Regulatory, solvency, and rating-agency constraints are the most frequently cited barrier (60%), followed by limited availability or high cost of third-party capital (43%), and operational readiness (41%).

“Insurance has always been about underwriting and pooling risk, while matching it with capital. Our industry is constantly developing more efficient and effective ways to do all of this, but institutional investors and asset allocators are having a profound influence on how we accelerate these changes. In doing so, we are changing the structure of the P&C specialty and reinsurance markets and how we think about sourcing and investing capital. Insurers are increasingly thinking of the whole balance sheet to ensure capital is being deployed efficiently, while maintaining resilience and delivering sustainable returns. Lloyd’s has an increasingly important role to play in this shift, driving innovation across the market by bringing together the smartest capital and expertise to address new risks.”

Jim Bichard
CFO, Lloyd’s



03 Operating model, partnerships, and capital

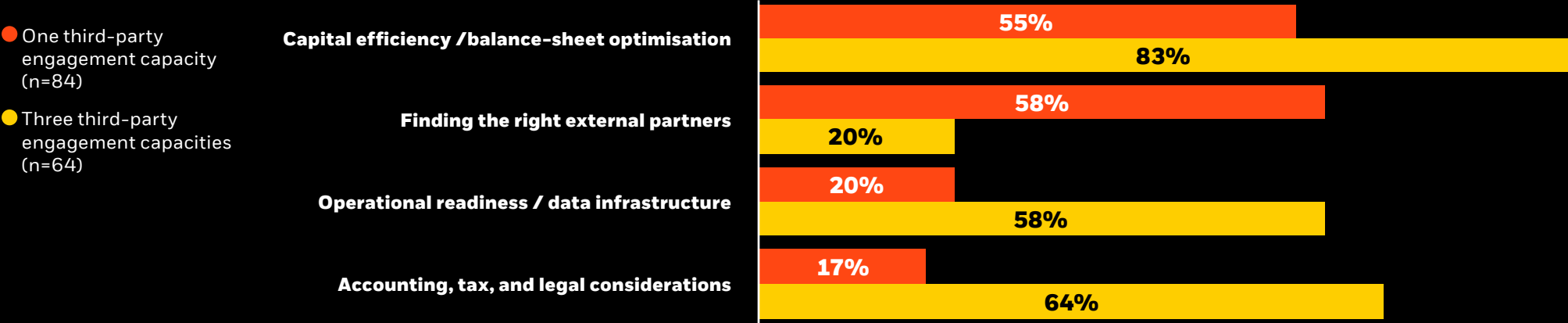
Breadth and structure of engagement shape capital priorities

Insurers with broader partnership models are more focused on capital efficiency and balance-sheet optimization. More than four-fifths (83%) of insurers engaging across three functions cite this as a key objective, compared with 55% of those engaging across a single function. As partnerships mature, firms appear to shift from accessing external capabilities toward optimizing how capital is deployed across the organization.

The type of partnership also influences outcomes. Insurers combining investment management with liability or product-design capabilities are substantially more likely to prioritize capital efficiency than those pairing investment management with capital provision.

Capital-management objectives and challenges by breadth of third-party engagement

Share citing selected objectives and challenges



Source: BlackRock Global Insurance Survey 2026; Q.13 x Q.16a/Q.16b (N=463). Percentages are within each stated cohort; associations are not causal.

Capital-management solutions: You're only as good as your partner

Tim Antonelli

Head of Insurance Investment Solutions
for the Americas

Ben Masel

Head of Strategic Capital Solutions

Insurance capital solutions have become an increasingly important part of how insurers manage their businesses. Reinsurance, sidecars, strategic investments, and partnerships serve different purposes but share a common objective: allocating risk and capital more effectively while preserving the capacity to compete, invest in growth, and meet policyholder obligations. The challenge is not simply to access capital, but to combine it with the capabilities and partnerships that strengthen the insurer over time.

Start with the enterprise objective

Several structural forces have accelerated these trends in recent years: a desire to unlock trapped capital from long-tail legacy blocks for more productive purposes; the retirement wave, which is generating demand for guaranteed savings and

protection products; rising claims costs from natural catastrophes, social inflation, and nuclear verdicts; the growing importance of investment strategy as a source of competitive advantage, which has created crossover opportunities at the intersection of asset management and insurance underwriting; and increasing regulatory oversight and evolving capital models.

At the same time, the sources of capital and capabilities available to the industry are broadening. Traditional insurers and reinsurers are increasingly complemented by, and competing with, institutional and private capital, while asset managers are bringing investment origination, portfolio construction, and risk-management capabilities into insurance partnerships in an aligned manner. The result is a more interconnected ecosystem spanning underwriting, risk transfer, capital allocation, and asset management.

For property and casualty and specialty insurers, sidecars and third-party capital can provide stable underwriting capacity and help manage

concentrations and peak-loss exposures. For life and annuity insurers, funded and asset-intensive reinsurance can support capital management, risk transfer, and new-business growth. Across sectors and jurisdictions, these options often involve one or more strategic investment partners who can provide access to asset classes, origination capabilities, and operating infrastructure that may be difficult or inefficient to build internally.

But greater choice also makes defining success more important. Insurers should begin with the enterprise objective they want to achieve.

Measure success beyond day-one economics

A successful capital solution should not be measured solely by day-one capital release, accounting outcomes, or headline economics. Insurers should establish a scorecard that considers durable capital efficiency, the quality of the risk transfer mechanism, earnings and liquidity resilience, policyholder outcomes, strategic competitiveness and flexibility,

03 BlackRock perspective

investment performance, operational execution, and long-term franchise value.

Those benefits must also prove viable across market and regulatory cycles. Insurers should understand how a structure performs if collateral values deteriorate, market conditions change, counterparties are downgraded, liquidity becomes constrained, regulatory treatment changes, or liabilities are unexpectedly recaptured. Insurers must assess not only whether a transaction works at inception but whether it remains economically attractive, operationally manageable, and regulatorily sustainable under a range of potential future scenarios.

The strongest partnerships combine capital, expertise, and execution

Financial strength is essential, but effective partnerships require more than access to capital. Deep insurance expertise, strong asset-liability management, differentiated investment origination, and robust risk management should be supported by scalable operating infrastructure and a long-term commitment to the relationship.

As insurance solutions become more sophisticated, partner selection increasingly extends beyond access to capital. Leading

partnerships bring together financial resources, specialized expertise, and operational capabilities to support insurers’ strategic objectives across market cycles.

Alignment and transparency underpin those capabilities. Insurers and their partners should have a shared understanding of how investment and underwriting decisions are made, how assets are selected and valued, how conflicts are managed, and how responsibilities change under stress. Regulatory credibility across relevant jurisdictions is equally important as supervisors scrutinize counterparty concentrations, cross-border risk transfer, asset transparency, and the substance of capital relief.

Connect transactions to the broader capital strategy

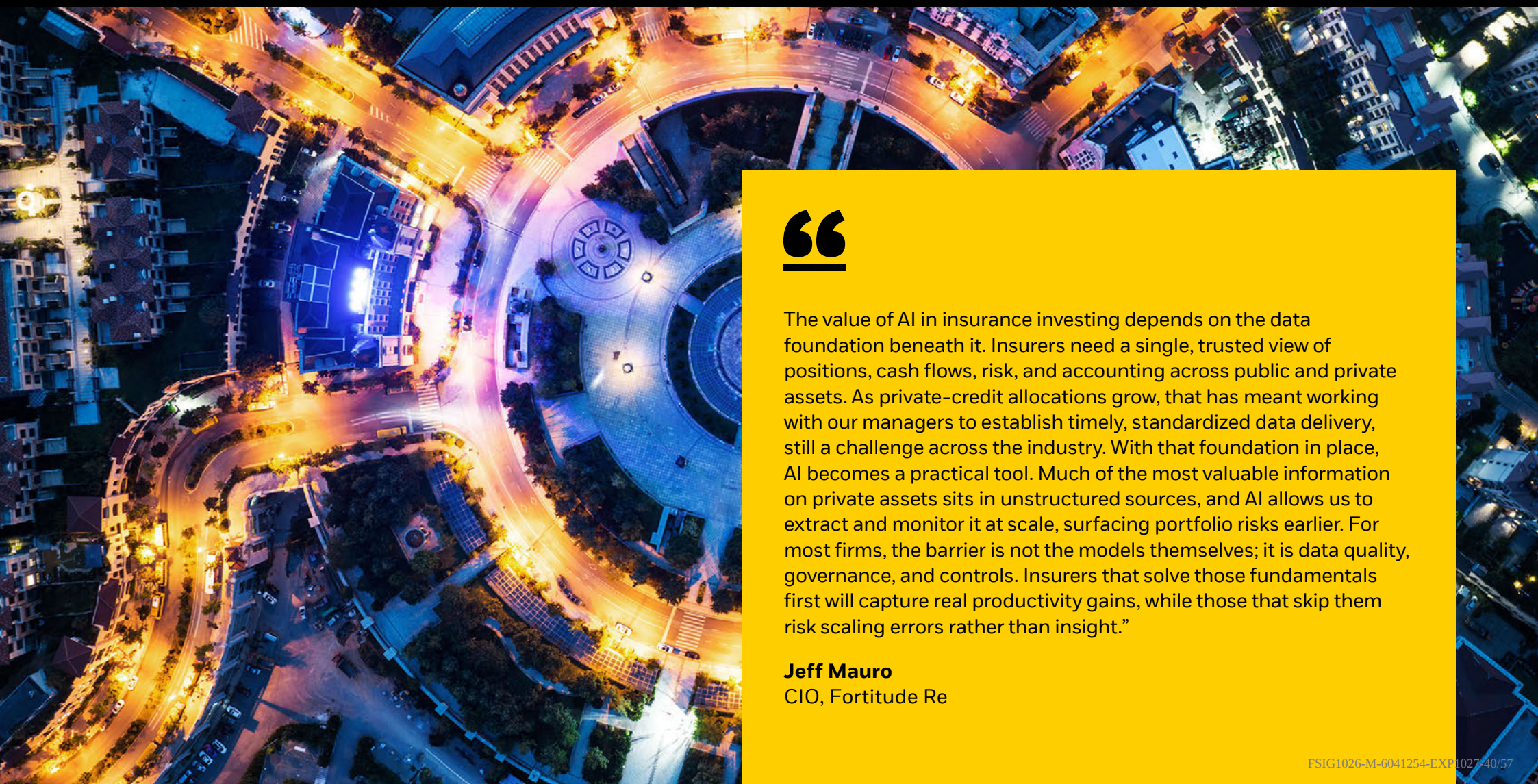
As insurers, reinsurers, asset managers, and capital providers become more interconnected, capital solutions are likely to become more integrated and diverse. That creates greater scope to combine underwriting, investments, and risk transfer but also raises expectations around governance, transparency, and counterparty management.

Ultimately, partner selection should reflect the same discipline as transaction design: confidence that the relationship can endure when conditions move against the assumptions on which it was established.

The competitive advantage will come from deciding which risks to retain or transfer, which capabilities to build internally, and which to access through partnerships. Individual transactions should, therefore, form part of a coherent enterprise-wide approach to capital management, rather than stand-alone solutions.

Ultimately, capital solutions should be judged by whether they make the insurer stronger: more resilient through stress, more flexible in deploying capital, and better positioned to pursue growth while delivering on policyholder commitments. Access to capital matters, but lasting value comes from combining the right capital, capabilities, and partnerships in a way that works across cycles.

04 | Technology and AI



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The value of AI in insurance investing depends on the data foundation beneath it. Insurers need a single, trusted view of positions, cash flows, risk, and accounting across public and private assets. As private-credit allocations grow, that has meant working with our managers to establish timely, standardized data delivery, still a challenge across the industry. With that foundation in place, AI becomes a practical tool. Much of the most valuable information on private assets sits in unstructured sources, and AI allows us to extract and monitor it at scale, surfacing portfolio risks earlier. For most firms, the barrier is not the models themselves; it is data quality, governance, and controls. Insurers that solve those fundamentals first will capture real productivity gains, while those that skip them risk scaling errors rather than insight.”

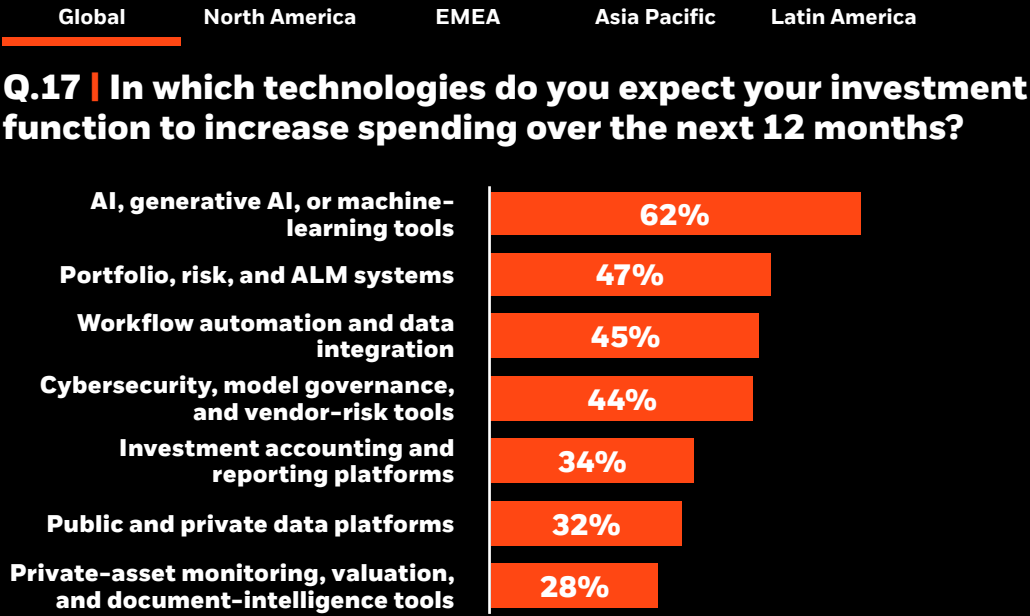
Jeff Mauro
CIO, Fortitude Re

04 Technology and AI

AI remains the leading technology investment priority.
62% of insurers expect their investment functions to increase AI spending over the next 12 months.

“We are intentionally using AI to support our portfolio management activities. In addition to supporting day-to-day tasks, we have three key areas of focus. Investment Analysis: using AI to interrogate portfolio positions and deliver real-time, comprehensive analysis of the performance of specific holdings by drawing on multiple data sources. Credit Research: using AI to accelerate deep credit analysis, which has already delivered a 20% efficiency improvement in this area this year. Portfolio Management: using AI-powered coding tools to enhance our quantitative models, delivering greater speed, deeper insights, and improved decision-making. We’ve approached this in a thoughtful way, ensuring we build appropriate guard rails and controls around the use of AI and how we embed these use cases within our core investment processes.”

Aileen Mathieson
Interim CIO, Pension Insurance Corporation (PIC)



Source: BlackRock Global Insurance Survey, July-August 2026.

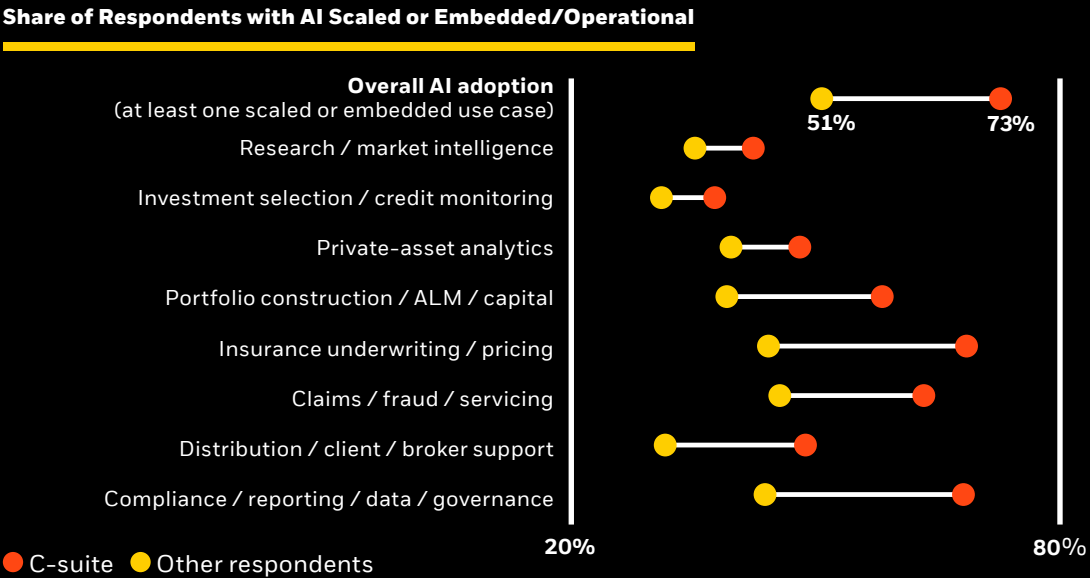
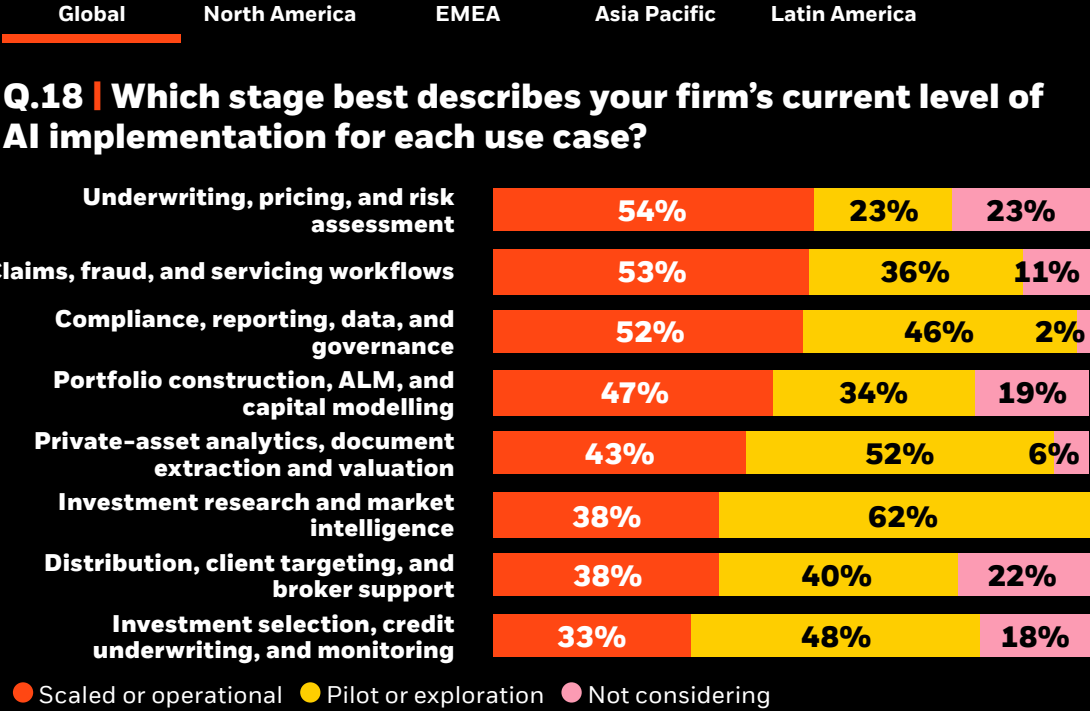
04 Technology and AI

AI adoption is broad, but scaling remains uneven

Adoption maturity varies significantly across use cases. Underwriting, pricing, and risk assessment show the highest levels of scaled or operational AI use (54%), followed by claims, fraud, and servicing workflows (53%) and compliance, reporting, data, and governance (52%). By contrast, investment-related applications remain at an earlier stage of development. Investment research and market intelligence are predominantly in the pilot or exploration phase (62%), with only 38% reporting scaled or operational use. Similarly, investment selection, credit underwriting and monitoring report 33% scaled or operational use, while 48% remain in the pilot or exploration stage.

As noted in the Foreword, perceptions of AI adoption differ across organisational levels. 73% of C-suite respondents report at least one scaled or embedded AI use case, compared with 51% of non-C-suite respondents.

These findings suggest that while AI adoption has expanded across a broad range of activities, investment functions continue to lag core insurance operations in implementation maturity. The opportunity now lies in converting pilot programs into repeatable, governed workflows that deliver measurable business outcomes.



Source: BlackRock Global Insurance Survey, July-August 2026.
Note: Percentages may not sum to 100% due to rounding.

04 Technology and AI

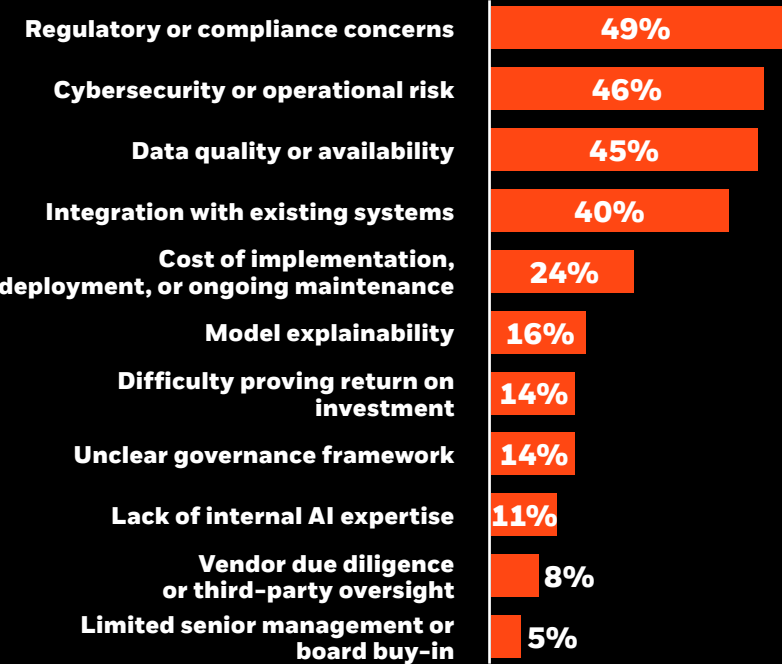
Scaling AI requires operational readiness and clear governance

Insurers identify regulatory and compliance concerns (49%), cybersecurity or operational risk (46%), data quality or availability (45%), and systems integration (40%) as the leading barriers to scaling AI. Challenges differ by size: smaller insurers with \$1–10 billion in assets more frequently cite systems integration (46% versus 24% among those with over \$100 billion), while larger insurers place greater emphasis on cybersecurity and operational risk (57% versus 38%).

“AI is already delivering productivity gains across the investment process. This is only the beginning: the big opportunity lies in improving the quality of investment decisions. To achieve this, investment organizations need to embed AI more deeply into their processes. This is only possible with strong foundations in data, institutional knowledge, and governance, alongside deep investment expertise. Swiss Re Asset Management’s ambition is not to replace human judgment but to strengthen it, helping our investment professionals make better decisions and deliver better results.”

Martin Zingg
Group CIO, Swiss Re

Q.19 | What are the greatest barriers to scaling AI within your firm?



Source: BlackRock Global Insurance Survey, July–August 2026.

Turning Experimentation into Scale: Building an AI-Ready Investment Operating Model for Insurers

Matthew Burger

Head of Asset Owner Business Development,
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As AI adoption accelerates across the industry, new questions have emerged.

- How can insurers scale AI across an increasingly complex investment ecosystem?
- And how can they do so while meeting industry regulatory requirements and ensuring reliable reporting, governance and oversight?

With 60% of insurers already reporting at least one scaled or embedded AI use case, attention is shifting from pilot programs to enterprise-scale execution.

Insurance investment organizations are confronting a new reality. The challenge is no longer access to data. Organizations have more

information than ever before. However, turning vast amounts of data into actionable intelligence has become more difficult.

As public and private markets become more integrated, they are placing new demands on insurers to create a more unified and connected view of information, workflows, and decision-making across enterprise investment, risk, accounting, reporting, liability management, and capital-management functions. This is particularly important as insurers navigate statutory, GAAP, and IFRS 17 reporting requirements.

Those demands are compounded by technology fragmentation, with 40% of survey respondents citing integration with existing systems as a barrier to scaling AI.

As complexity grows, traditional models built on pulling reports and reconciling information are struggling to keep pace.

This is where AI has the potential to become transformational.

The biggest change underway is in how work actually gets done. The opportunity for organizations is not simply to automate existing tasks.

AI makes a more proactive operating model possible, enabling insurers to connect intelligence and move more quickly from insight to action.

From portfolio intelligence to enterprise intelligence

For insurers, portfolio intelligence cannot stop at the portfolio. A change in exposure can affect returns, liquidity, capital, earnings, product economics and reporting. Leaders need to understand not only the investment implication but how that decision travels across the balance sheet and broader organization.

That makes scaling AI an operating-model challenge, not simply a technology deployment. AI creates greater value when investment, risk, accounting, liability management, capital, and reporting teams work from trusted information and coordinate the actions that follow.

04 BlackRock perspective

Connecting investment, capital and liability decisions

When asset, liability, and finance workflows are disconnected, evaluating return, capital, liquidity, earnings, and product economics through a single enterprise lens becomes more difficult. Executives need to balance these dimensions against capital constraints such as RBC and Solvency II.

With an ALM (asset-liability management) review, for example, that could mean identifying exposure drift against a capital threshold, assembling relevant context from approved sources, and surfacing and routing the issue to the appropriate stakeholders with supporting rationale already attached.

The work shifts from answering questions to orchestrating a response, with a person accountable at every decision point. Realizing that opportunity, however, requires more than AI adoption. It requires the foundations that allow intelligence to operate at scale.

How AI transforms: AI workflows can continuously monitor defined exposures and thresholds, connect asset and liability information, assemble relevant context, and route issues to the accountable decision-makers.

Business outcome: Faster identification of balance-sheet implications and clearer coordination across investment, risk, ALM, and capital teams.

Creating transparency and accountability across the enterprise

The survey also reinforces the importance of regulatory compliance and reporting.

As reporting obligations become more complex, executives need assurance that investment, accounting, risk, and reporting teams are operating from the same underlying information and understanding portfolio changes consistently across entities, business lines, and the broader organization.

Reporting is about more than compliance. It is about creating transparency and accountability, and ensuring key decisions can be explained, traced, and defended.

For example, when it comes to regulatory reporting, AI could help connect investment positions, valuations, supporting documentation and reporting implications while assembling relevant information from approved sources and surfacing exceptions that require review.

How AI transforms: AI workflows can connect information across business functions, assemble supporting rationale, and provide a more complete and transparent view of the issues being reviewed.

Business outcome: Greater confidence in reporting outcomes, clearer accountability across functions and stronger organizational alignment around the information driving key decisions.

The firms that lead will redesign workflows for this model rather than simply adding AI features to existing processes.

Building the foundations of enterprise intelligence

1. Ensure trusted data and clear ownership
An AI system is only as trustworthy as the information behind it. That challenge is reflected in the survey, where 45% of respondents cite data quality or availability as a barrier to scaling AI.

Insurers need data they can stand behind, supported by clear ownership, lineage, permissions, governance, and accountability as information moves across investment, risk, accounting, reporting, and capital-management functions.

04 BlackRock perspective

AI creates the most value when it is grounded in trusted information that teams can consistently understand, validate, and use to drive investment, risk, and business decisions.

2. Build governance into the investment operating model

The survey reinforces that governance and oversight remain central considerations as insurers look to scale AI. Among insurers with more than \$100 billion in investable assets, 57% cite regulatory or compliance concerns, and 57% cite cybersecurity or operational risk as barriers to scaling AI.

Governance concerns are also emerging, with 14% of respondents globally identifying an unclear governance framework as a barrier to scaling AI.

As AI becomes more deeply embedded in investment processes, governance cannot be added after deployment. It must be designed directly into workflows through role-based access, policy-aware controls, auditability, and clear accountability.

When permissions, controls, and traceability move with the data, organizations can accelerate decision-making while maintaining the

transparency, accountability, and oversight that insurance demands.

3. Human oversight becomes more important, not less

For insurers balancing capital constraints, regulatory obligations, and investment objectives, autonomy is earned, not assumed.

Technology can accelerate analysis, identify patterns, surface recommendations and connect information across the enterprise. But accountability ultimately rests with human judgment.

AI creates the greatest value when it augments human expertise rather than replaces it. Clear review checkpoints, escalation paths, and decision accountability help organizations move faster while maintaining confidence in the outcomes they generate.

Leaders will need clear decision rights, defining what AI can do and when human approval is required. In highly regulated investment environments such as insurance, capturing the rationale behind approvals, overrides, and exceptions creates a clearer record of how decisions were made, supporting regulatory expectations while helping organizations apply judgment more consistently.

The goal is not to remove humans from the process. With AI helping transform information into intelligence, teams can spend less time collecting and connecting data and more time applying their expertise to the decisions that matter most.

Turning AI potential into enterprise value

For insurers, the payoff is not only speed. It is turning intelligence into action across the enterprise.

To scale AI with confidence, insurance organizations will need to combine trusted data and clear ownership, embedded governance, and human oversight.

The goal is not simply better reporting, stronger controls or more automation. It is an operating model that connects information to decisions, workflows, and accountability across the enterprise.

Ultimately, the differentiator will not be access to intelligence but the ability to act on it.

05 | Sustainable and transition investing



“

Sustainability preferences are evolving, and the underlying investment questions are becoming more, not less, relevant. Across Europe and APAC, more than 80% of our largest clients have set some form of climate objective, but how insurers express those objectives varies considerably, shaped by their regulatory environment, liability profiles, and specific capital frameworks. What is evolving is the investment lens: sustainability is increasingly being considered alongside other drivers of performance, as the energy transition, power and infrastructure demand, physical climate risks, and resilience interact with AI, geopolitics, and other forces reshaping markets. This brings the conversation back to fundamental investment questions around risk, return, valuation, and capital allocation.”

Louise Kooy-Henckel
Global Head of Sustainable and Transition Solutions, BlackRock

05 Sustainable and transition investing

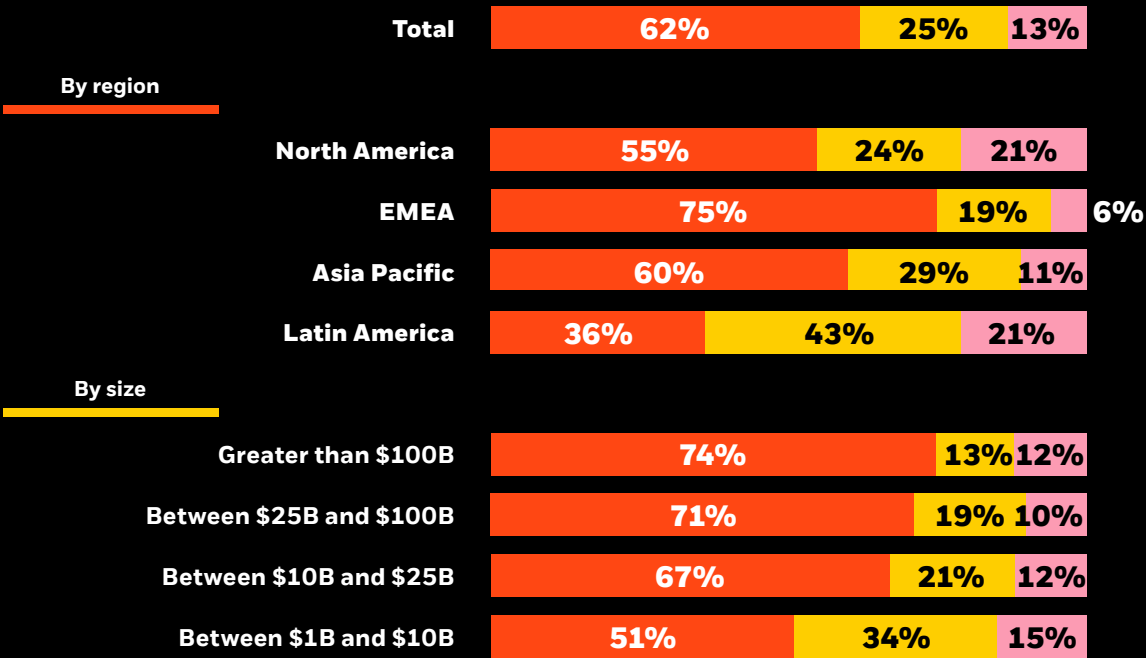
A global majority masks divergent paths in sustainable and transition investing

A majority of insurers globally report stronger conviction toward sustainable and transition investing, with 62% saying their conviction has increased over the past 12 months, with variation across regions. EMEA remains the strongest centre of conviction, with 75% reporting an increase, compared with 60% in Asia Pacific and 55% in North America. Latin America presents a different picture: it is the only region where respondents reporting less conviction outnumber those reporting more conviction (43% versus 36%).

Size reveals another distinction. Among insurers with more than \$100 billion in investable assets, 74% report more conviction and 13% less conviction; among insurers with \$1-10 billion, the corresponding figures are 51% and 34%, respectively. The results point to a clear difference by size, with larger insurers more likely to report increased conviction.

These findings suggest that insurer behaviour remains far from uniform. Conviction is strengthening for a majority, while insurers’ direction of travel differs materially across regions and balance-sheet sizes.

Q.20 | Has your conviction toward sustainable and transition investing changed in the past 12 months?



- Yes - we have more conviction
- Yes - we have less conviction
- No changes in conviction

Source: BlackRock Global Insurance Survey, July-August 2026.
Note: Percentages may not sum to 100% due to rounding.

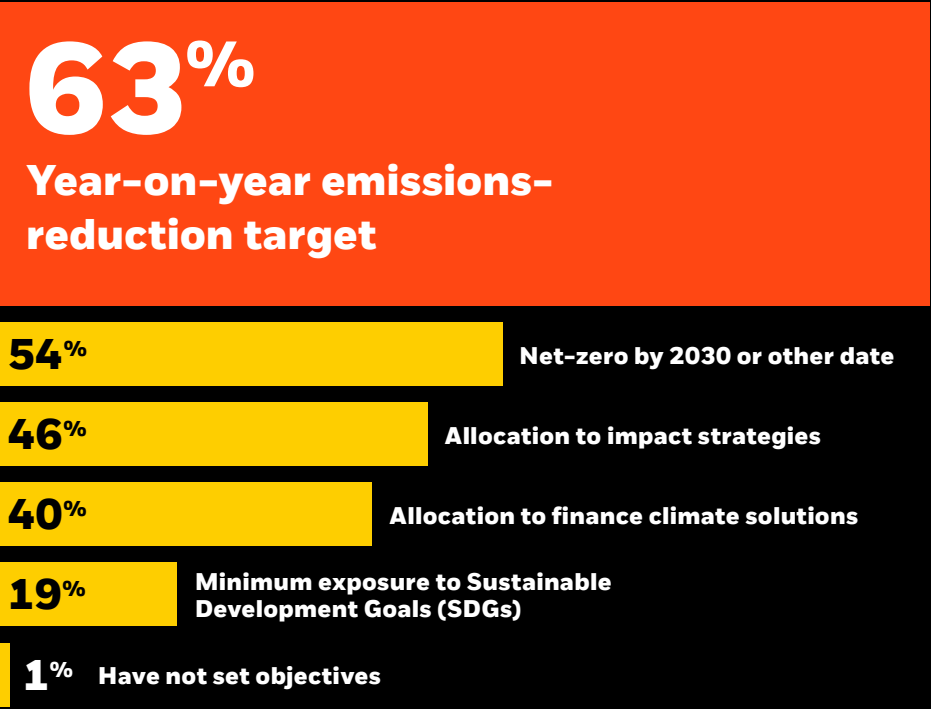
05 Sustainable and transition investing

Portfolio objectives provide further context on conviction

Annual emissions-reduction targets are the most widely cited portfolio objective (63%), ahead of net-zero commitments (54%). Yet, the relationship between conviction and objectives is far from uniform.

Climate objectives remain important to insurers, with a clear majority continuing to cite at least one sustainable and transition investing objective. Among the 62% reporting increased conviction in sustainable and transition investing, net-zero commitments remain prominent, with 68% having a net-zero objective. Even among those reporting lower conviction, 68% continue to cite annual emissions-reduction targets as part of their investment objectives. Allocation to impact strategies (46%) and finance climate solutions (40%) are both widely cited objectives; collectively, 62% of respondents identify at least one of these priorities..

Q.21 | Which of the following sustainable or transition-investing objectives, if any, have you set for your portfolio?



Source: BlackRock Global Insurance Survey, July–August 2026.

05 Sustainable and transition investing

Energy transition opportunities span asset classes

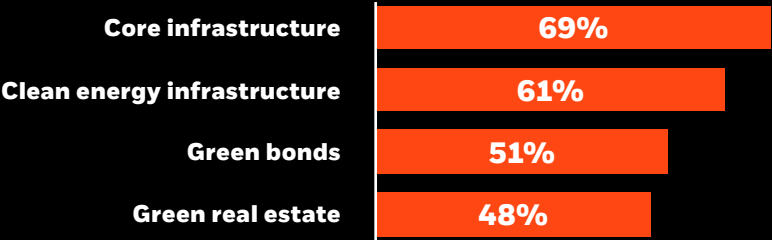
Nearly seven in ten insurers (69%) identify core infrastructure as a leading source of opportunity arising from the energy transition, making it the most frequently cited opportunity area. Clean energy infrastructure follows at 61%, while 51% identify green bonds and 48% point to green real estate. These findings suggest that insurers see the transition creating opportunities across asset classes with infrastructure-related investments most frequently cited.

Transition risk is broadening beyond a single policy or market channel

A disorderly transition remains the leading sustainability or transition risk (55%) followed closely by interconnected climate and other risks (51%). Concerns also extend to the inability to adapt to climate change impacts (46%) and the potential for policy or market deprioritisation (45%). Together, these findings indicate that insurers increasingly view transition risk as a multi-dimensional challenge, shaped not only by the pace of decarbonisation but also by its interaction with broader economic, operational, and market dynamics.

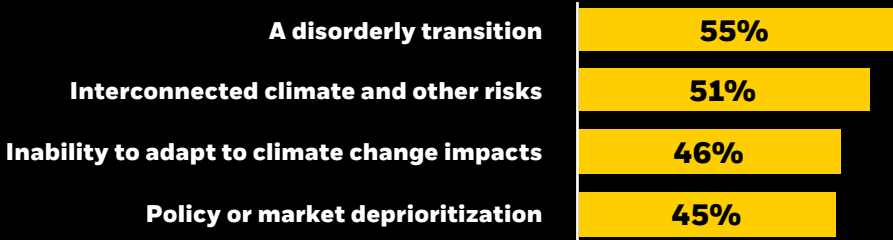
Q.22 | Where do you expect opportunities to arise from the energy transition?

Top four areas | All respondents, n=463



Q.23 | What do you believe are the greatest sustainable and/or transition risks to your portfolio?

Top four risks | All respondents, n=463



Unweighted respondent shares. Multiple selections permitted. Perceived opportunities and risks, not allocations or realized outcomes.

Source: BlackRock Global Insurance Survey, July-August 2026.

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Appendix

2026 Global Insurance Report: Summary of Regional Responses

Asia Pacific

EMEA

Latin America

North America

Thank you to the 117 insurance investment professionals who took part in this year’s survey, representing 25% of our global respondents.

A Shifting Macro Outlook. Asia Pacific participants were more divided than their global peers. 47% expect a soft landing, down from 63% in 2025 and below the global average (61%), while 43% expect a no-landing scenario (24% globally).

Risk Appetite Remains Stable. Most Asia Pacific insurers plan to keep overall investment risk unchanged (85%), with only a few planning an increase (7%). However, 28% plan to reallocate across sub-risks, up from 16% in 2025.

Different Liabilities, Different Priorities. Among life and annuity insurers, 53% see liability durations extending and 53% see them shortening, with 21% seeing both. Tailored asset-liability matching matters more than one uniform shift.

Private Markets Remain Strategic. Most Asia Pacific insurers plan a higher private markets allocation (78%), in line with the global average (76%). Meanwhile, 44% plan to reduce the share of CLOs in their public portfolio (32% globally).

Private Debt Implementation in Focus. 74% plan to use bespoke external mandates, in line with the global result. 42% plan to use an internal origination-and-management route, compared with 34% globally, and one-third (33%) intend to combine internal origination with external-manager mandates.

More Open and Flexible Operating Models. 88% of Asia Pacific insurers work with partners across at least two business areas (82% globally), and 54% plan more external management (49% globally).

Capital Management in Focus. Managing regulatory, rating agency and solvency constraints is a key objective for 66% (59% globally). Over half plan greater use of captive onshore reinsurance (52%).

AI Moves to Implementation. Fewer Asia Pacific insurers prioritise higher AI spending (54%) than their global peers (62%). However, 59% already have at least one scaled or embedded use case, and cybersecurity or operational risk is cited as a barrier by 56%.

We hope this report provides valuable insights and guidance as you navigate the evolving landscape of the global insurance industry. Thank you for your continued support and participation.

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