BUILDING STRENGTH TO DELIVER ON PROMISES

For more than 175 years, life insurers have kept our mission simple: protect families and provide financial security through all stages of life. Today, as populations age, the need for retirement savings products has never been greater.

Stable, enduring assets and **reinsurance** are powerful tools that allow insurers to manage risks efficiently, strengthen balance sheets, and ultimately provide more access to attractive long-term products.

STABLE, ENDURING ASSETS

For decades, **private credit** has been a cornerstone of life insurers' investment strategies, delivering attractive returns, portfolio diversification and long-term stability. U.S. life insurers have a long history of investing in this asset class, well before its expansion over the past 20 years. Here is how these investments — **as part of a well-balanced portfolio** — ensure that promises made to policyholders today can be fulfilled tomorrow or even decades later:



Long-term alignment. Life insurers seek out long-term assets with predictable cash flows to generate consistent, long-term returns to meet obligations to policyholders. The objective is to support these obligations with long-term assets that have similar characteristics to the liability. This is known as "duration matching" and is a key risk management tool for insurers.



Resilience across market cycles. When insurers pair these long-term, less liquid assets with similarly matched long-term, relatively illiquid liabilities, we can afford to buy and hold them until maturity, which allows us to absorb short-term volatility when markets tighten.



Community benefits. U.S. investments in housing, job-creating business expansions and capital improvements, energy transmission and power generation, green investments and transportation infrastructure fund insurers' ability to pay claims.



Robust supervision. Private investments held by insurers are subject to rigorous state regulation, asset-adequacy testing, detailed disclosures and credit quality assessments.

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ASSET-INTENSIVE REINSURANCE

Reinsurance helps insurers manage risk and capital. Asset-intensive reinsurance (AIR) is one mechanism to support the availability of attractive long-term offerings like life insurance and annuities for consumers:

- **Capital efficiency and increased capacity.** AIR can relieve investment risk and capital strain associated with capital-intensive products, while helping life insurers deliver innovative tools that people depend on for financial and retirement security.
- **Robust supervision.** Our state-based regulatory system maintains a sophisticated reinsurance regulatory framework that includes a comprehensive suite of tools and disclosures to address market trends. Regulators are pursuing targeted, risk-aligned enhancements to address the growth of cross-border and asset-intensive reinsurance.
- **Investment guidelines and collateral.** In addition to a robust supervisory regime, many insurers will mitigate potential reinsurer counterparty risk by setting investment guidelines and collateral requirements that ultimately help protect policyholders.

THE BOTTOM LINE

By integrating stable, enduring assets like private credit with asset-intensive reinsurance, life insurers **remain a cornerstone of financial security** across America. These strategies align long-term commitments with long-term strength, building resilience and delivering on promises.