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United States Senate

UNITED STATES SENATE
WASHINGTON, DC 20510–2105
P: 202–224–4543

2400 JFK FEDERAL BUILDING
15 NEW SUDBURY STREET
BOSTON, MA 02203
P: 617–565–3170

1550 MAIN STREET
SUITE 406
SPRINGFIELD, MA 01103
P: 413–788–2690

www.warren.senate.gov

September 10, 2026

Jeffrey C. Johnston
Chief Executive Officer
National Association of Insurance Commissioners
1101 K Street NW, Suite 650
Washington, D.C. 20005

Dear Mr. Johnston:

I write to request that the National Association of Insurance Commissioners (NAIC)—a standards-setting association and coordinating body for state insurance commissioners—provide information about state regulators' efforts to investigate and address the risks posed by the increasing ties between private investment firms and insurance companies. Recent reporting about billionaire Mark Walter's insurance companies and private investment firms is just the latest example of these risks.[1] Since the insurance sector is primarily regulated at the state-level in the United States, the NAIC plays a critical role in ensuring that state insurance commissioners are identifying and addressing emerging risks within the insurance sector, including risks arising from insurers' growing exposure to private credit, private equity, and other private funds.

Insurance companies, particularly life insurers, have increasingly become a significant source of capital for the private credit industry.[2] Life insurers'private credit investments have more than doubled over the past decade, rising from $386 billion in 2014 to $849 billion in 2024.[3] This trend raises concerns about the resiliency of the insurance sector, since private credit investments often consist of loans that are illiquid, difficult to price or value, and therefore harder to sell during periods of financial stress. Insurers with premiums invested into illiquid or difficult to price investments may not have sufficient capital to pay out insurance claims. Ultimately, if an insurer fails because of its exposure to the weak valuation and loan underwriting standards that have been well documented in the private credit market, policyholders could bear the consequences—potentially losing benefits they are entitled to despite having paid their premiums.[4] Additionally, if an insurer becomes insolvent, state-based guarantee funds turn to solvent

[1] Bloomberg, "Mark Walter's Insurers, Guggenheim Probed by Prosecutors," Zachary R. Mider and Ava Benny-Morrison, July 20, 2026, https://www.bloomberg.com/news/articles/2026-07-20/billionaire-mark-walter-s-firms-probed-by-federal-prosecutors.
[2] Financial Times, "The big new role for private credit," Huw van Steenis, January 10, 2025, https://www.ft.com/content/43c7b43e-0b69-4865-be4a-8cac8de84f84?syn-25a6b1a6=1; Bank for International Settlements, "The global drivers of private credit," Fernando Avalos, Sebastian Doerr, and Gabor Pinter, March 11, 2025, https://www.bis.org/publications/global-drivers-private-credit; National Association of Insurance Commissioners, "Private Credit," July 24, 2026, https://content.naic.org/insurance-topics/private-credit.
[3] Federal Reserve Bank of Chicago, "Life Insurers' Private Credit Investments and Annuity Market Share Capture," Ralf R. Meisenzahl, Jackson Overpeck, and Andy Polacek, April 27, 2026, pg. 3, https://www.chicagofed.org/publications/working-papers/2025/2025-09.
[4] NAIC, "Private Credit," July 24, 2026, https://content.naic.org/insurance-topics/private-credit.

insurers to pay policyholders.[5] However, these insurers' payments "are fully creditable against state premium taxes over time," meaning taxpayers may ultimately end up footing the bill.[6]

Recent reports about billionaire Mark Walter's insurance companies illustrate the growing involvement of private investment firms in the insurance sector and their potentially questionable investment practices —raising questions about whether the current model of state-led oversight and regulation is keeping pace with these evolving risks. TWG Global, Walter's private investment firm, is reportedly under investigation by the U.S. Department of Justice and the Securities Exchange Commission[7] after the two life insurers it owns – Delaware Life Insurance Co. (Delaware Life) and Clear Spring Life and Annuity Co. (Clear Spring) – may have misclassified $21 billion dollars of investments as independent when, in reality, the companies were investing in companies affiliated with Walter.[8] Specifically, the reporting indicates that Delaware Life and Clear Spring provided billions of dollars in private-credit financing through intermediaries, with some of those funds ultimately flowing to businesses connected to Walter's other businesses.[9] According to reports, once the errors were corrected, Delaware Life's investments in affiliated assets rose from the previously reported 3 percent to 42 percent, "a greater share than any large U.S. insurer with the exception of Berkshire Hathaway,"[10] the world's largest insurer.[11] Prosecutors are reportedly investigating whether "Mr. Walter's insurance firms deliberately concealed from regulators the billions of dollars in loans they had received or made to companies he had ties to."[12]

The reporting about these investments and their potential misclassification raises important policy questions. For example, regulators must ensure that insurers do not jeopardize their ability to pay out legitimate claims by taking excessive risks investing the premiums paid by their customers. This includes addressing the extent to which insurers can invest in affiliated companies: such deals "invite conflicts of interest" and "can also lead to trouble if an insurer needs money quickly to pay out claims, as any asset sales would adversely affect both the insurer and its parent."[13] Furthermore, it is critical for policymakers to understand whether enhanced federal or state guardrails are needed to address the risks posed by the

[5] 115 California Law Review (forthcoming 2027), "Private Credit's State Backstop: How Private Equity Socializes Risk Through Insurers," Pranjal Drall and Andrew Granato, August 17, 2026, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=7152239.
[6] *Id*.
[7] Financial Times, "Mark Walter's group insists there is no 'fire sale' and 'no fraud'," Lee Harris, August 26, 2026, https://www.ft.com/content/70949883-f543-4444-a330-503b8e4c141a.
[8] New York Times, "Los Angeles Dodgers Owner's Troubles Roil Insurance World," Rob Copeland and Matthew Goldstein, August 27, 2026, https://www.nytimes.com/2026/08/24/business/mark-walter-insurance-dodgers-lakers.html.
[9] Bloomberg, "Mark Walter's Insurers, Guggenheim Probed by Prosecutors," Zachary R. Mider and Ava Benny-Morrison, July 20, 2026, https://www.bloomberg.com/news/articles/2026-07-20/billionaire-mark-walter-s-firms-probed-by-federal-prosecutors; Wall Street Journal, "Prosecutors Focus on Four Businesses Tied to Dodgers Owner Mark Walter," Joe Wallace, Justin Baer and Margot Patrick, August 16, 2026, https://www.wsj.com/finance/prosecutors-focus-on-four-businesses-tied-to-dodgers-owner-mark-walter-965e382b.
[10] Wall Street Journal, "Federal Probe Into Dodgers Owner's Financial Empire Was Sparked by Whistleblower," Margot Patrick, Justin Baer, Andrew Beaton and Dave Michaels, July 26, 2026, https://www.wsj.com/finance/regulation/federal-probe-into-dodgers-owners-financial-empire-was-sparked-by-whistleblower-013b0053.
[11] Yahoo Finance, "Berkshire Hathaway dethrones Allianz as world's largest insurer," Vlad Schepkov, January 5, 2026, https://finance.yahoo.com/news/berkshire-hathaway-dethrones-allianz-world-160827032.html.
[12] New York Times, "Los Angeles Dodgers Owner's Troubles Roil Insurance World," Rob Copeland and Matthew Goldstein, August 27, 2026, https://www.nytimes.com/2026/08/24/business/mark-walter-insurance-dodgers-lakers.html.
[13] *Id.*

increase in the size of the insurance market,[14] consolidation in the industry,[15] and the growing entanglement between insurers and the rest of the financial system.

Today, the insurance industry is largely regulated at the state level, and individual state commissioners play a significant role in monitoring and managing the risks in the industry. Recent reporting found that certain states, like Iowa, carry disproportionate responsibility in monitoring insurers' risks to private credit exposure.[16] The NAIC has previously highlighted risks associated with the growing ties between insurers and private markets.[17] While NAIC has initiated some modest reforms, many of those reforms are still being implemented, or remain under development, despite insurers having accumulated substantial private exposure over the preceding decade.[18] Congress needs to understand the current regulatory gaps federal policymakers must address to better mitigate the risks private credit poses to the insurance markets and policyholders.

In order to better assess what actions state and federal regulators must take to ensure the investments of American families are protected, please respond to the following questions by September 24, 2026:

1. Please describe what actions and/or assessment the NAIC has taken since being notified of Delaware Life and Clear Spring's misclassifications.[19]

2. Is NAIC conducting assessments or analysis to ensure that other insurance companies are not engaged in similar conduct as those owned by Walter?

3. What are NAIC's current standards, best practices, regulatory policies, and model laws addressing the role of private investment, private equity, and private credit in the insurance industry?

4. What specific trends and regulatory challenges involving ties between private investment firms and insurance companies are NAIC members identifying in states across the country?

5. Has NAIC identified any shortcomings with the current "filing exempt" process that would allow insurers to bypass the Commission's review, using an external firm's opinion instead?
    a. If so, what shortcomings has NAIC found and what actions is NAIC taking to resolve them?

6. Has NAIC conducted an assessment of the impact of private investment firms' on insurers, including the growing trend of insurers being acquired by private equity firms? What actions is NAIC taking in response?

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[14] Allianz, "Allianz Global Insurance Report 2026: The Future of Insurance in a Fragmenting World," May 28, 2026, https://www.allianz.com/en/economic_research/insights/publications/specials_fmo/260528-global-insurance-report.html.

[15] Reuters, "Aon strikes $17 billion deal for rival USI as insurance consolidation accelerates," Arasu Kannagi Basil and Isla Binnie, August 31, 2026, https://www.reuters.com/legal/transactional/aon-buy-usi-insurance-services-17-billion-deal-2026-08-31/.

[16] Wall Street Journal, "How Keeping Private Credit Safe Became Iowa's Problem," Heather Gillers, March 20, 2026, https://www.wsj.com/finance/how-keeping-private-credit-safe-became-iowas-problem-dd49febb.

[17] National Association of Insurance Commissioners, "Private Equity," October 24, 2025, https://content.naic.org/insurance-topics/private-equity.

[18] *Id.*

[19] New York Times, "Los Angeles Dodgers Owner's Troubles Roil Insurance World," Rob Copeland and Matthew Goldstein, August 27, 2026, https://www.nytimes.com/2026/08/24/business/mark-walter-insurance-dodgers-lakers.html.

7. Has NAIC identified or tracked additional instances of private firms conducting risky investments with policyholder premiums, and failing to disclose or misclassifying investments?
   a. If so, please provide details.

8. Has NAIC conducted analysis on pension fund holders' exposure to private credit risk?
   a. If so, please provide details.

9. Have NAIC or any NAIC members conducted analysis on state guaranty fund exposure to credit risks?
   a. If so, please provide details.

10. Does NAIC plan to increase transparency of the rulemaking process, including details around the providers of oral and written feedback, and an explanation of how feedback is integrated?

11. What, if any, shortcomings has NAIC identified in current policy and regulations for insurance companies in regards to investing policy holder premiums into risky assets?
    a. How could these shortcomings be resolved?

12. Does NAIC believe there is a lack of transparency in insurers' investments?
    a. How does the transparency of insurers' investments for insurers owned by private firms compare to that of insurers not owned by private firms?
    b. Is NAIC considering any model legislation that would help state insurance regulators address loopholes that prevent them from assessing the investments of the insurance companies they regulate?

13. What engagement, if any, has NAIC had with federal agencies regarding the role of private investment, private equity, and private credit in the insurance industry, including through its non-voting role on the Financial Stability Oversight Council? Describe any communications, meetings, and ongoing projects.

Sincerely,

Elizabeth Warren

Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs