

# ETF Transactions by U.S. Insurers in Q1 2022

## Contributor

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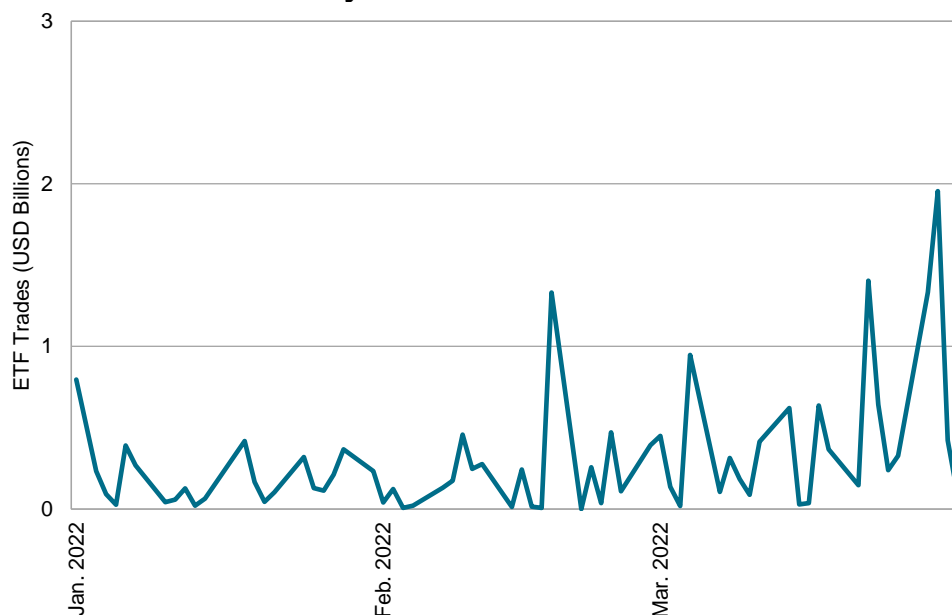
## Introduction

In the first quarter of 2022, insurance companies traded USD 19.5 billion in ETFs; this is roughly in line with the amount traded in the first quarter for 2020 and 2021. However, insurers only added USD 0.2 billion in ETFs to their general accounts, which was much lower than the past two years. Insurers continued the trend from 2021 of selling Equity ETFs and buying Fixed Income ETFs.

## ETF Trades

In the first quarter of 2022, insurance companies traded USD 19.5 billion in ETFs. This is down from USD 24.6 billion in the first quarter of 2020 but higher than USD 15.2 billion in Q1 2021 (see Exhibit 1).

### Exhibit 1: ETF Trades by Trade Date

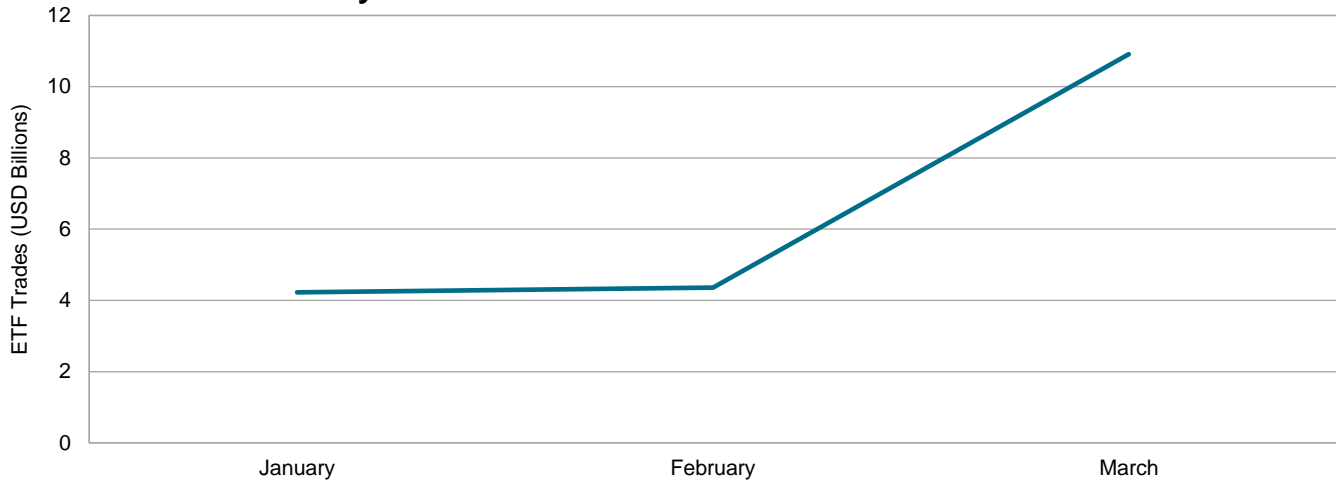


Source: NAIC via S&P Global Market Intelligence. Data as of March 31, 2022. Chart is provided for illustrative purposes.

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As we have seen before, companies traded more at the end of the quarter. Indeed, companies traded more in March than in January and February combined (see Exhibit 2).

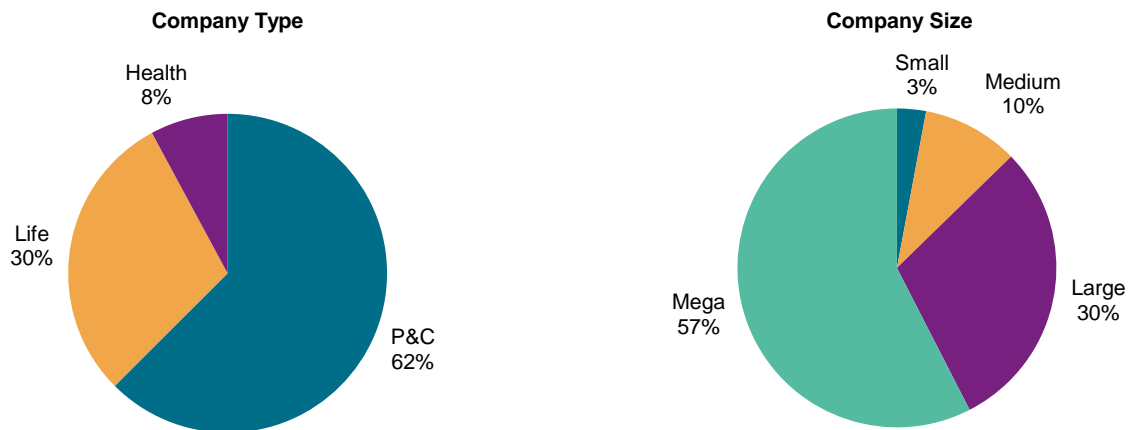
**Exhibit 2: ETF Trades by Month**



Source: NAIC via S&P Global Market Intelligence. Data as of March 31, 2022. Chart is provided for illustrative purposes.

P&C companies did most of the trading (63%), as did Mega companies (58%) (see Exhibit 3).

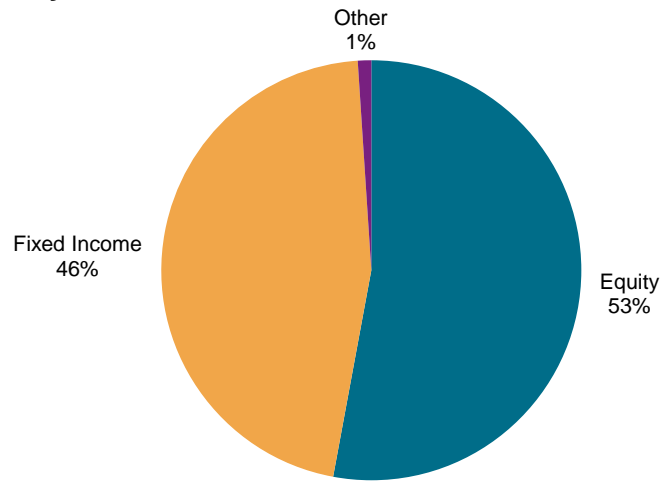
**Exhibit 3: ETF Trades by Company Characteristics**



Source: NAIC via S&P Global Market Intelligence. Data as of March 31, 2022. Charts are provided for illustrative purposes.

In terms of asset class, companies traded slightly more in Equity ETFs than in Fixed Income ETFs (see Exhibit 4).

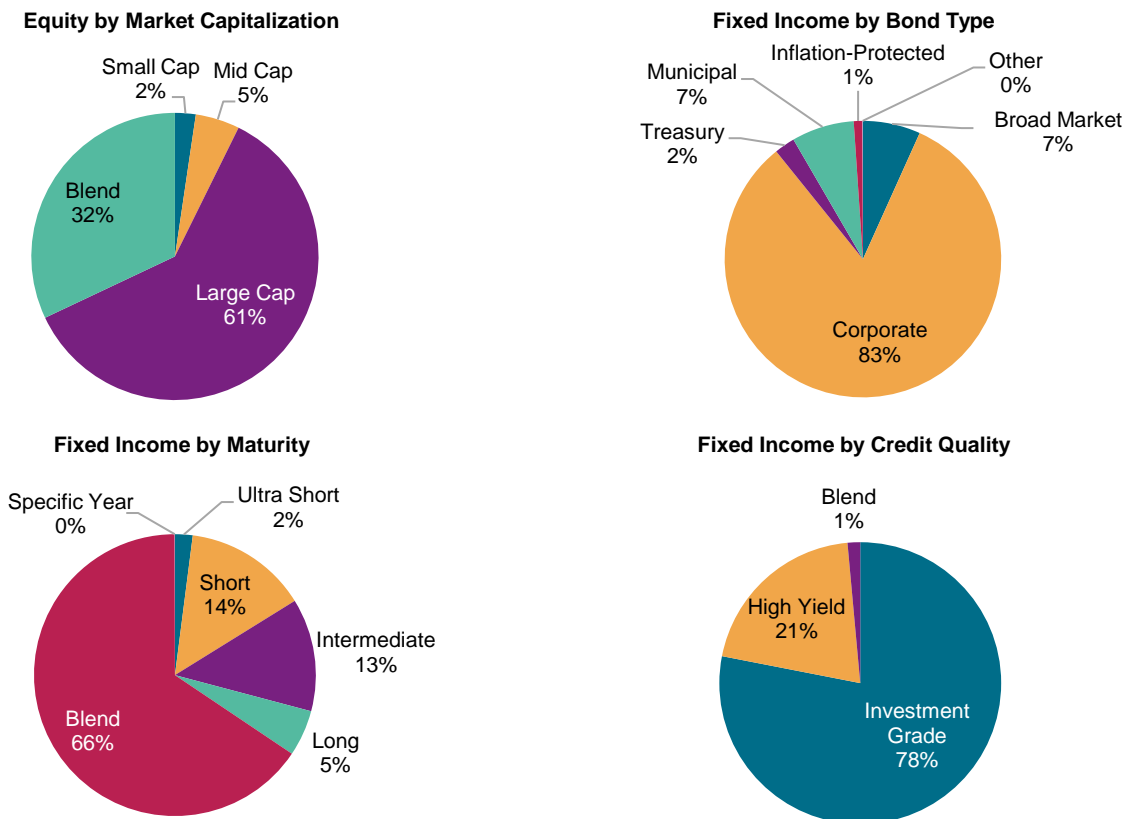
### Exhibit 4: ETF Trades by Asset Class



Source: NAIC via S&P Global Market Intelligence. Data as of March 31, 2022. Chart is provided for illustrative purposes.

The trading pattern closely resembled the holdings of insurance companies, with Large Cap dominating Equity trading and Investment Grade dominating Fixed Income trading (see Exhibit 5).

### Exhibit 5: ETF Trades by Asset Characteristics

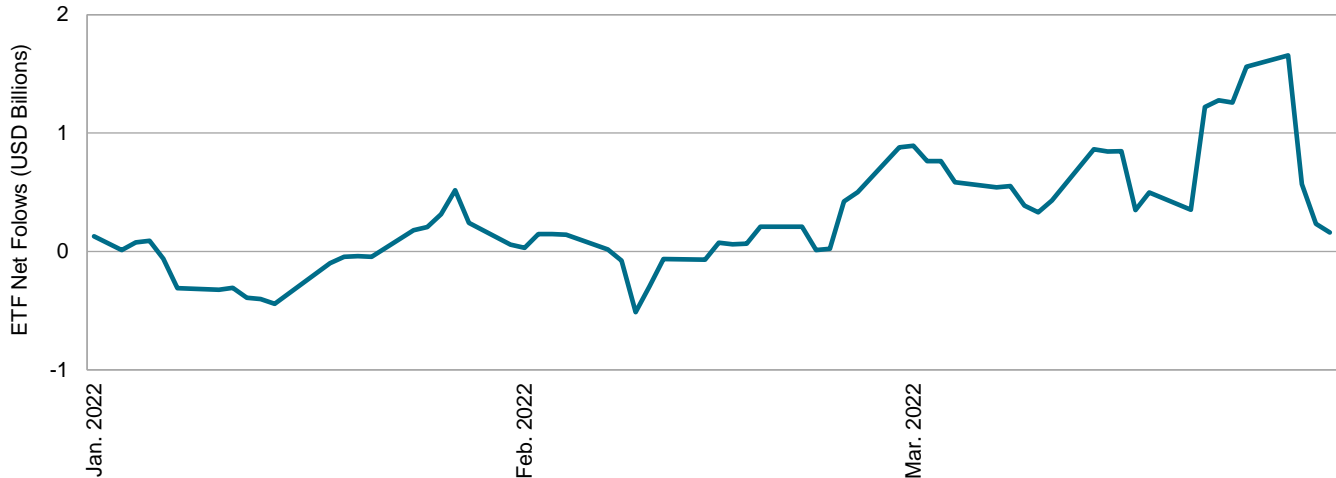


Source: NAIC via S&P Global Market Intelligence. Data as of March 31, 2022. Charts are provided for illustrative purposes.

# ETF Net Flows

In 2020, insurers added USD 4.1 billion into ETFs in their general accounts; in 2021, they added USD 3.0 billion. But in 2022, they only added USD 0.2 billion. By late March, companies had added USD 1.7 billion into the general accounts. However, in the last week of March, companies sold off USD 1.5 billion in ETFs (see Exhibit 6).

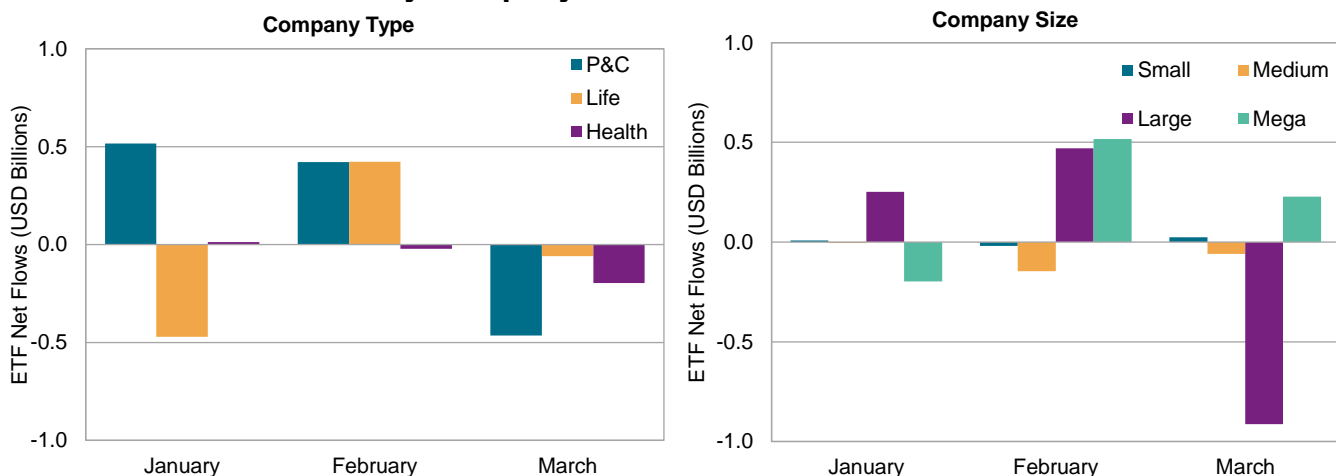
## Exhibit 6: Cumulative ETF Net Flows



Source: NAIC via S&P Global Market Intelligence. Data as of March 31, 2022. Chart is provided for illustrative purposes.

P&C companies added USD 473 million during the first quarter, while Life companies took out USD 107 million and Health companies took out USD 206 million. Mega companies added USD 547 million. Large and Medium companies took out USD 192 million and USD 201 million, respectively. Small companies added USD 14 million in ETFs to their portfolio (see Exhibit 7).

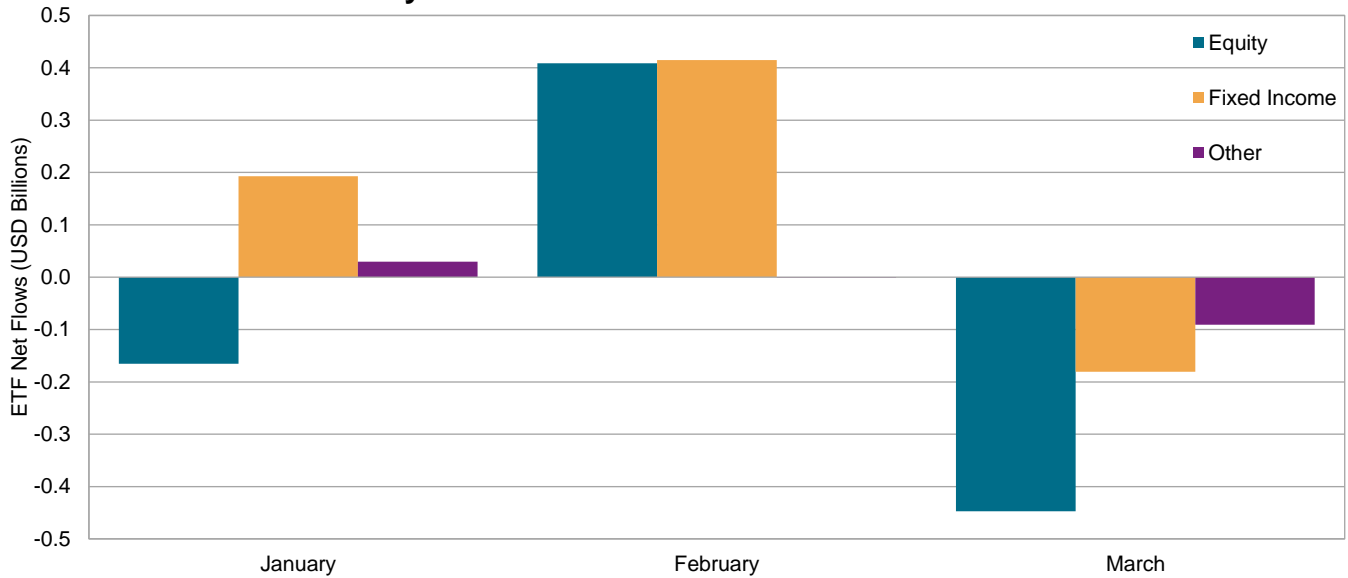
## Exhibit 7: ETF Net Flows by Company Characteristics



Source: NAIC via S&P Global Market Intelligence. Data as of March 31, 2022. Charts are provided for illustrative purposes.

Insurers added USD 426 million in Fixed Income and took out USD 204 million in Equity and USD 63 million in Other (see Exhibit 8).

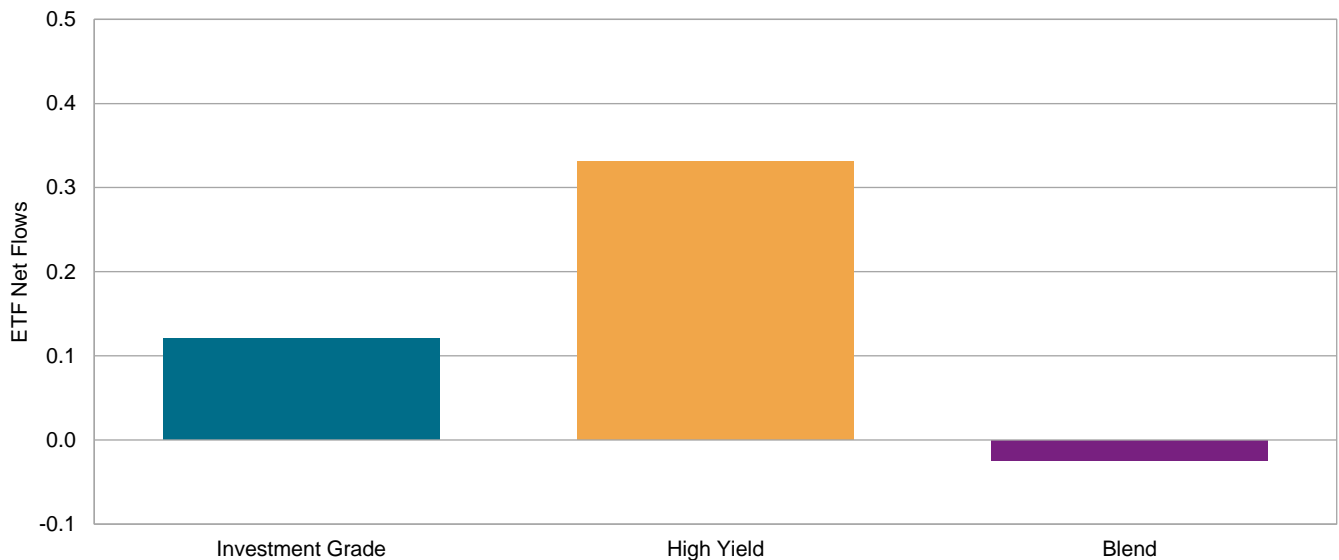
**Exhibit 8: ETF Net Flows by Asset Class**



Source: NAIC via S&P Global Market Intelligence. Data as of March 31, 2022. Chart is provided for illustrative purposes.

Two interesting features of the ETF net flows analysis stand out. Companies added 2.7 times as much to High Yield as they did to Investment Grade ETFs (see Exhibit 9).

**Exhibit 9: ETF Fixed Income Net Flows by Credit Quality**



Source: NAIC via S&P Global Market Intelligence. Data as of March 31, 2022. Chart is provided for illustrative purposes.



# Methodology

This analysis used the same methodology as our research paper, “[ETFs in Insurance General Accounts – 2022](#).” Please refer to Appendix 1 in that document for further details—especially with respect to U.S. insurance company and ETF characteristics. Each quarter, insurance companies file a statement with the National Association of Insurance Commissioners (NAIC); these are then aggregated by S&P Global Market Intelligence. We extracted the data from the database on June 5, 2022. To the extent the database was incomplete on that date, the analysis will have incomplete information.

Unlike annual statements, the quarterly financials do not contain actual holdings, rather companies report buys (Schedule D, Part 3) and sells (Schedule D, Part 4) in the quarter. In addition to company and ETF identifiers, we extracted the U.S. dollar amount of the transaction. Using information from S&P Global Market Intelligence and CFRA ETF data, we analyzed the trades and flows.

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