

So You Want to Grow Insurance Assets? Three Myths I Unlearned as an Insurance CIO



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For years, I sat across from top asset managers trying to grow the most coveted insurance general account assets – large, sticky, and governed very differently from traditional mandates. Many had strong performance, sophisticated platforms, and compelling strategies. Most still did not win the mandate.

From the inside, I saw deeply ingrained myths repeatedly derail otherwise strong proposals.

Here are three.

Myth #1: Insurance portfolios are buy-and-hold with minimal trading

Insurance portfolios may *appear* buy-and-hold. In reality, they are actively managed around liquidity, risk, capital, and evolving liabilities.

As an insurance CIO and senior investment leader, I have personally led billions of portfolio repositioning to avoid losses, enhance yield without increasing capital strain, and improve ALM alignment. It is not always a total return mindset. Market timing is not the primary lever. Insurance-specific constraints such

as capital charges, liability duration mismatch, liquidity needs, and company-specific strategic priorities often matter just as much, if not more.

The Punchline: “Insurance portfolios trade with constraints.”

The real question on an insurance CIO’s mind is: How can I maximize long-term return potential when I need to reposition the portfolio without undermining ALM fit?

To asset managers: If you can’t articulate how your strategy will operate under unique insurance constraints, top-tier performance becomes irrelevant.

Myth #2: Outsource or insource determines investment success

I’ve led insurance portfolios across both outsourced and insourced models, and have seen the benefits and tradeoffs for both.

Outsourcing can offer real advantages, such as scale, access to specialized talent, differentiated strategies, and cost efficiency. These are meaningful and, in many cases, necessary to compete.

But investment success is not determined by the model itself. It is determined by the alignment between the insurer’s constraints and the manager’s approach.

Alignment goes beyond performance. It includes:

- Investment discretion
- Risk tolerance
- Decision rights
- Accountability
- Governance clarity
- Cultural fit

When alignment is strong, both outsourced and insourced models can perform exceptionally well. When it is not, even the most sophisticated platform or strategy will struggle.

At Lincoln Financial, I led the development of a manager scorecard that looked beyond headline returns and measured what actually matters in an insurance portfolio such as ratings migration, stress performance. That lens changed the conversation. The strongest managers did not just outperform on paper. They differentiated themselves through better downside discipline, a sharper understanding of insurance constraints and more credible judgment when markets turned.

At Securian, our investment team introduced a formal investment approval framework to ensure alignment across investment, risk, ALM, and capital stakeholders - before decisions were made, not after issues emerged.

The Punchline: “Outsourced or insourced doesn’t matter if alignment and accountability are unclear.”

The real question on an insurance CIO’s mind is: Where might misalignment surface under stress, who owns the decision, and how quickly can the organization course-correct?

To asset managers: You must demonstrate how your approach aligns with the insurer's constraints, integrates into their governance framework, and delivers the benefits of outsourcing without introducing new risks or ambiguity.

Myth #3: If the yield/return is compelling, the strategy will sell itself

Yield gets attention, but it does not earn trust. Survivability, explainability, and behavior under stress build trust and win mandates.

Insurance CIOs rarely lose their jobs because portfolio yields are modestly lower than peers.

They do lose their jobs over risks they cannot clearly explain, especially when markets turn. For instance, how do you justify insourcing a complex Asset-Based Finance (ABF) strategy when it relies on a thin bench, opaque marks, and governance that has not been tested under stress?

The most effective managers didn't just show returns, they brought frameworks.

They helped translate complexity into governance-ready narratives.

That insight is what led me to build the [C.R.I.S.P. framework](#) at [Altira Partners](#), translating investment capability into how insurance CIOs actually make decisions under real-world constraints.

The Punchline: "Yield opens the door. Trust keeps it open."

The real question on an insurance CIO's mind is: When the strategy is challenged, will I be able to defend it, or will I be exposed by it?

To asset managers: The most effective managers do not just deliver returns. They equip insurance CIOs with the clarity and confidence to stand behind the decision.

A Final Thought

Growing insurance assets isn't about having a clever product or an incremental yield advantage.

It's about understanding how decisions are made under constraints, and earning confidence when the environment turns.

That's the difference between a good pitch - and a lasting mandate.

One Question for You

If you're an asset manager focused on insurance, which of these myths do you still see most often?