Are life insurers a credit bet now? Equity, rate and credit betas, 2008–2026

Gaurav Gupta · Research note · 6 November 2026 · Weekly total returns, Jan 2008 – Oct 2026 (983 weeks)

0.03 → 2.11
Annuity-heavy insurers' credit beta, 2008–15 vs 2016–26

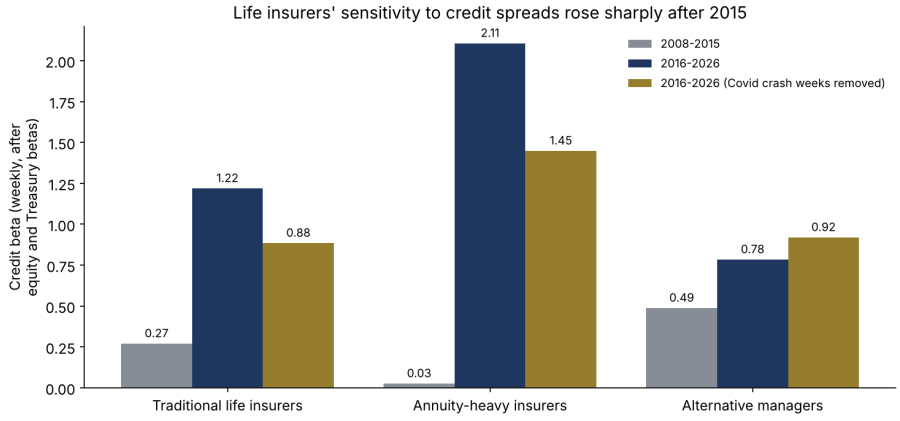
0.27 → 1.22
Traditional life insurers' credit beta

0.78
Alternative managers' credit beta since 2016 (0.49 before)

−24.6%
Annuity-heavy insurers, 8–17 Mar 2023 (S&P 500 −1.7%)

Group	Credit β 2008–15	Credit β 2016–26	Ex-Covid	2024–26	Equity β 2016–26	Treasury β 2016–26
Traditional life insurers	0.27	1.22	0.88	2.2	1.31	−0.48
Annuity-heavy insurers	0.03	2.11	1.45	2.9	1.88	−0.66
Alternative managers	0.49	0.78	0.92	2.6	1.56	−0.08

Weekly regression on SPY, TLT and a credit factor (JNK net of its SPY and TLT exposure); Newey-West t-stats. Traditional: MET, PRU, PFG, UNM, GL. Annuity-heavy: LNC, BHF, EQH, JXN, CRBG. Managers: APO, KKR, BX, ARES.



Credit beta by period.

SOURCES

- Prices and dividends: defeatbeta/yahoo-finance-data (ODC-BY), sha256-pinned
- Fama & French (1993), J. Financial Economics 33(1)
- Newey & West (1987), Econometrica 55(3)

METHOD

- Weekly total returns incl. dividends; jump screen
- Credit factor = JNK net of SPY and TLT betas
- Three-factor betas by period; Covid weeks excluded check
- Rolling two-year betas; four stress windows

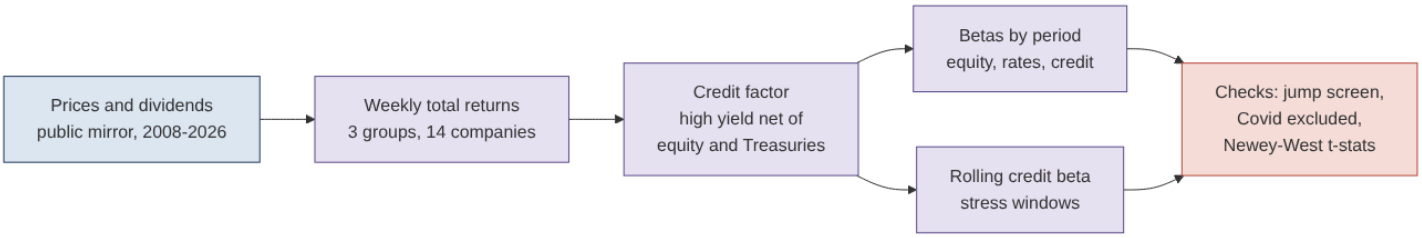
KEY CALCULATIONS

- $100M annuity-heavy: 2.11 × 8.6% credit-factor vol ≈ $18M one-sd swing a year
- Equity-equivalent ≈ 1.88 × $100M ≈ $188M
- Mar 2023: insurers −17% to −25% vs S&P −1.7%, HY −1.3%

RECOMMENDATIONS

- Treat insurer equity as leveraged credit plus equity plus a positive rate exposure.
- Set a combined credit-beta limit across insurers and alternative managers.
- Add a stand-alone credit-spread shock to stress tests.
- Track rolling credit betas monthly; all three groups climbed since 2024.
- Read insurer share-price falls as an early signal on credit-book marks.

Independent research on public data; not deployed; not investment advice. Dollar figures are illustrative. Analysis, code, charts and text were produced with AI assistance and reviewed by the author. Code: github.com/guptagaurav-info/insurer-credit-beta



Pipeline. Blue: sources. Lavender: code. Red: checks.