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Troutman Pepper Locke: Insurers Must Revamp Compliance Mindsets

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Tom Bohac

Tom Bohac, a partner in Troutman Pepper Locke's Insurance Transactional and Regulatory Practice Group, was quoted in the November 18, 2025 *Alternatives Watch* article, "Troutman Pepper Locke: Insurers Must Revamp Compliance Mindsets."

> When an insurance company needs some extra reassurance about their private credit, the details are the non-negotiables, according to Troutman Pepper Locke. The law firm was formed earlier this year when Troutman Pepper merged with Locke Lord, creating a powerhouse legal team known for its insurance and reinsurance practices including serving the U.K. marketplace Lloyd's of London.
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> Tom Bohac, a partner at Troutman Pepper Locke's Chicago office, deals with this regularly. He specializes in investment management, securities, and corporate law, and that includes working with insurance companies on portfolio compliance and investment due diligence.
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> "The life company is set up as an investment firm," Bohac said. "The major insurance companies have very robust investment teams that can do the diligence that's necessary to separate the wheat from the chaff."
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> He doesn't get called in until there are questions. "There's a lot of good out there. There's also a lot of bad," he added.
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> Bohac has noticed an increase in securitization deals. "I don't think it's at the level of 2008 by any means," he said.
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> Of more concern to him is the new government executive orders opening private markets to retail investors. Even with his sophisticated clientele, he has uncovered issues when reviewing the Form ADV and other government filings for their prospective managers. Less sophisticated investors might not find the problems.
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> The second issue is the amount of money chasing deals. Bohac says that some managers who can't find good deals opt to return capital rather than deploy it, while others will go after riskier transactions to put the money to work.
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> "If there's a lack of investment opportunities, insurance companies will struggle because it's their business model at the end of the day," he said. "For P&C, there's less of an issue because the tail risk is much smaller." Ultimately, he said, life insurance companies must invest their money to deliver contracted benefits, but they also invest across a range of public and private markets.
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> "They do diversity, and they have to," he said. If private debt becomes a concern, life insurers could shift more of their portfolios to public market debt, real estate, or even equity before increasing premiums.
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> Health insurance companies have limited investments outside of cash and equivalents, but Bohac has noticed an interesting exception to that rule: venture capital investments, especially in healthcare technologies. This is different from their core business and requires more due diligence work.
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> Bohac's sanguinity doesn't extend to one part of the insurance business: wealth management.
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> Insurance companies are looking for ways to extend their reach with retail customers. Some insurance

companies are looking for ways to make their investment services available to individuals, beyond life, health, home, and auto policies. Managing money for individuals is fundamentally different than investing insurance assets in private debt.

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