

11. Investments in debt and equity securities

We have investments in certain debt and equity securities, primarily at Insurance Services, which we record at fair value and primarily include in Other assets in Statement 3.

We classify debt securities as available-for-sale, and we include the unrealized gains and losses arising from the revaluation of these debt securities, net of applicable deferred income taxes, in equity (Accumulated other comprehensive income (loss) in Statement 3). We include the unrealized gains and losses arising from the revaluation of the equity securities in Other income (expense) in Statement 1. We generally determine realized gains and losses on sales of investments using the specific identification method for debt and equity securities and include them in Other income (expense) in Statement 1.

The cost basis and fair value of debt securities with unrealized gains and losses included in equity (Accumulated other comprehensive income (loss) in Statement 3) were as follows:

(Millions of dollars)	December 31, 2020			December 31, 2019		
	Cost Basis	Unrealized Pretax Net Gains (Losses)	Fair Value	Cost Basis	Unrealized Pretax Net Gains (Losses)	Fair Value
Government debt						
U.S. treasury bonds	\$ 10	\$ —	\$ 10	\$ 9	\$ —	\$ 9
Other U.S. and non-U.S. government bonds	58	1	59	54	—	54
Corporate bonds						
Corporate bonds	962	50	1,012	836	20	856
Asset-backed securities	156	3	159	62	—	62
Mortgage-backed debt securities						
U.S. governmental agency	362	12	374	327	4	331
Residential	5	—	5	6	—	6
Commercial	60	4	64	46	1	47
Total debt securities	\$ 1,613	\$ 70	\$ 1,683	\$ 1,340	\$ 25	\$ 1,365

As of December 31, 2020, there was no available-for-sale investments with net losses in accumulated other comprehensive income. As of December 31, 2019, the total unrealized loss for available-for-sale investments in an unrealized loss position that were not other-than temporarily impaired was \$1 million.

The cost basis and fair value of the available-for-sale debt securities at December 31, 2020, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to prepay and creditors may have the right to call obligations.

(Millions of dollars)	December 31, 2020	
	Cost Basis	Fair Value
Due in one year or less	\$ 135	\$ 136
Due after one year through five years	702	737
Due after five years through ten years	279	295
Due after ten years	70	72
U.S. governmental agency mortgage-backed securities	362	374
Residential mortgage-backed securities	5	5
Commercial mortgage-backed securities	60	64
Total debt securities – available-for-sale	\$ 1,613	\$ 1,683