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## Corebridge-Equitable Merger: An Aftershock of 2008

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By Kerry Pechter     *Wed, Apr 1, 2026*

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When Corebridge Financial and Equitable Holdings announced their merger last week, creating a life/annuity giant that sold a combined \$50.6 billion in deferred fixed and variable annuities in 2025, the two companies' recent balance-sheet maneuvers suddenly seemed less mysterious.

The future merger partners were apparently sprucing themselves up for the wedding. [See Corebridge presentation on the deal [here](#).]

Both companies cleaned up their balance sheets by reinsuring either old variable annuity contracts with lifetime income guarantees or old life insurance business. Both took advantage of "Bermuda Triangle" reinsurance strategies—where liabilities leave the original's balance sheet but assets remain under its management—in the process.

Reinsurance transactions are typically buried in an insurer's state filings. Sometimes a reinsurance deal merely indicates the divestiture of business an insurance company no longer needs or wants. But over the past decade, once-frowned-upon "financial reinsurance" for "surplus relief" has become a key tool for reducing an annuity issuer's capital requirements.

A reduction in capital requirements can boost a life insurer's capacity for new annuity sales, raise its profitability, and "release" capital for new ventures or share buybacks. Life insurers led by asset managers like Apollo and KKR perfected this strategy in the 2010s. Older, publicly-traded insurers have gradually followed.

The Corebridge-Equitable merger reflects the ongoing restructuring and recovery of the older U.S. life/annuity companies since the crushing effects of the 2008 financial crisis and the low interest-rate period that followed. Those effects included disruption by the opportunistic asset managers, who provided damaged life insurers with capital and alternative-investment expertise.

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from French insurance giant AXA. (Back then, ING-US hadn't become Voya and MetLife hadn't yet spun off Brighthouse.) So the new merger, which creates a firm with a market value of \$22 billion, might best be seen as another aftershock of the Great Financial Crisis.

The merged company will carry the Equitable brand and be domiciled in Houston. Corebridge shareholders will own approximately 51% of the combined company and Equitable shareholders will own approximately 49% of the combined company.

### **Recent reinsurance deals**

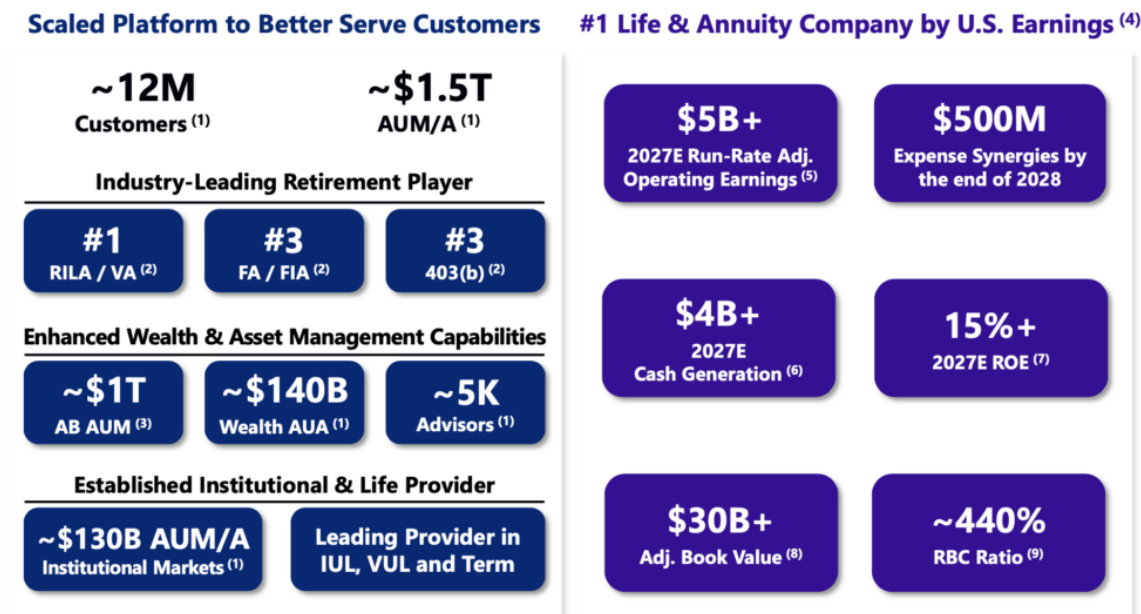
Last August, Corebridge's main life insurer, American General, moved a millstone off its balance sheet by reinsuring \$45 billion in old variable annuity liabilities with Corporate Solutions, a firm co-founded by Apollo Global Management. The VA contracts were encumbered with the tail risk of guaranteed lifetime income riders.

That enabled Texas-domiciled American General to report a *negative* \$29.9 billion in new liabilities on its statutory filing for calendar year 2025. That was in addition to the \$281 billion worth of funds-withheld reinsurance for life insurance liabilities that American General ceded to its parent's reinsurer in Bermuda.

In 2024, Equitable relocated its flagship insurer from New York to more liberally-regulated Arizona, flirting with a technical insolvency at year-end 2024. That year, Equitable set up a reinsurer in Bermuda to facilitate future liability management. See RIJ's September 2025 [article](#) on Equitable's relocation.

Last August, Equitable Financial Life, Equitable's newly-established Arizona insurer, reported \$35 billion in "OL" reinsurance with RGA Re Insurance Company of Missouri. This deal was also done on a coinsurance basis, which means that Equitable and its affiliated asset manager, AllianceBernstein, could hold the assets backing the liabilities in trust for RGA Re and continue to manage them.

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Source: Corebridge’s March 26, 2026 presentation.

**Details of the merger**

The not-yet-approved Corebridge-Equitable all-stock merger would create a “retirement, life, wealth and asset management company with formidable distribution capabilities, enhanced scale and a diversified portfolio of businesses with well-established global brands,” the companies said in a release last week.

The combined company will serve about 12 million customers and have about \$1.5 trillion in assets under management and administration across individual retirement, group retirement, asset management, wealth management, life insurance and institutional markets.

“Over time, the combined company expects to shift over \$100 billion of Corebridge’s general and separate account assets to AllianceBernstein,” the release said.

Under the terms of the merger agreement, which has been unanimously approved by the boards of directors of both companies, Corebridge and Equitable will form a new parent company and each outstanding share of Corebridge common stock will be exchanged for the right to receive 1.0000 shares of the new parent company’s common stock, and each

outstanding share of Equitable common stock will be exchanged for the right to receive 1.55516 shares of the new parent company's common stock.

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