
RIJ Talks 'Bermuda Triangle' on Chuck Jaffe's Money Life Show

By Kerry Pechter *Thu, Aug 12, 2021*

On Tuesday, August 10, I was a guest on Chuck Jaffe's Money Life Show, where Jaffe interviewed me about the 'Bermuda Triangle' trend and its implications for life insurers and annuity owners.



Click, below, to hear the replay of the interview.

<https://retirementincomejournal.com/wp-content/uploads/2021/08/210810-Big-Interview-with-Kerry-Pechter.mp3>

The 'Bermuda Triangle' strategy is a business model that several publicly held life/annuity companies in the US have used in recent years, and on which *RIJ* has been reporting over the past 12 months.

The three corners of the triangle are a life insurer, a reinsurer (possibly "captive"; typically in a regulatory haven like Bermuda, Vermont or Arizona), and an asset manager with experience originating specialized loans.

The reinsurance helps life insurers move stressed annuity liabilities off of their balance sheets, which releases capital for use in new businesses or for share repurchases. The asset manager's skills deliver higher returns on at least part of the assets backing the reinsured annuities.

Some observers, including regulators, worry about the quantity and quality of the assets held by the reinsurers. They even worry that risk is growing in the annuity space, possibly leading to a solvency crisis in the future.

In this audio, broadcast August 10 on Chuck Jaffe's [Money Life Show](#), RIJ editor and publisher Kerry Pechter speaks with Jaffe about the Bermuda Triangle strategy and its implications.

