

## **Corebridge and Equitable Agree to Merge**

*(March 26, 2026)*

### **Overview**

On March 26, 2026, Corebridge Financial, Inc. (CBF) and Equitable Holdings, Inc. (EQH) announced plans to merge, which will create one of the largest U.S. life insurance and annuity groups and will be one of the largest and most noteworthy mergers in the life insurance industry in some time. Below, we will discuss some of the notable details of the transaction.

### **CBF/EQH Merger at a Glance**

- Under the transaction, CBF and EQH will form a new holding company in which existing shareholders of CBF and EQH will be able to exchange their shares for shares in the new company. CBF shareholders will hold a 51% stake in the new entity and EQH shareholders will hold a 49% stake.
- While CBF shareholders will hold majority ownership, the newly formed group will operate under the Equitable brand name and its stock will trade under the “EQH” ticker.
- CBF’s current Chief Executive Officer (CEO) and President Marc Constantini will remain in these roles for the new group, while EQH’s Robin Raju will serve as the Chief Financial Officer.
- The new company will have a 14-member Board of Directors, with seven members from both EQH and CBF. EQH’s CEO Mark Pearson will become the Executive Chair of the Board, while Alan Colberg of CBF will serve as the Lead Independent Director.
- Management stated that the transaction could provide up to \$500 million of expense “synergies” by 2028 given the ability to eliminate redundant service contracts and systems, as well as some reductions in its employee count. Ultimately, management believes this will contribute to stronger profit margins for the combined company.
- Management believes the product offerings of the two companies on a standalone basis are complementary and does not anticipate any major changes post-merger to the current product offerings of either CBF, EQH, or its insurers.
- Management stated that there could be changes to some of the insurance companies of CBF or EQH, though no exact plans were disclosed.
- The transaction is expected to close by the end of 2026, and remains subject to regulatory approvals, shareholder approvals, and other customary closing conditions.
- Following the transaction’s execution the new company is expected to be headquartered in Houston, Texas.

## **Background of the CBF and EQH Groups**

CBF and EQH are both recently formed publicly-traded companies, which followed spin-offs from their former parent companies, AIG and AXA respectively. EQH's initial public offering (IPO) was in 2018, and AXA subsequently sold its remaining ownership of EQH in stages. CBF's IPO was in 2022, though AIG still owns 10.1% of CBF as of 12/31/25 and agreed to maintain at least a 9.9% stake in CBF through the end of this year, as a condition that accompanied Nippon Life Insurance Company's 21.6% acquisition of CBF in late 2024.

EQH includes several insurance companies: Equitable Financial Life Insurance Company (EFLIC), Equitable Financial Life Insurance Company of America (EFLICA), and Equitable Financial Life and Annuity Company (EFLAC). EQH also owns a 68% stake in AllianceBernstein Holding L.P., a publicly traded investment manager.

Historically, EFLIC was the group's leading issuer of life insurance and annuities; however, several years ago management began to issue most new business in EFLICA, as a lack of a license to write business in New York state means that EFLICA is not subject to the regulatory authority of the New York State Department of Financial Services. In addition, in 2023 EFLIC reinsured a large portion of its non-New York state in force business to EFLICA, and EFLIC is in the process of requesting from policyholders the ability to legally transfer EFLIC policy contracts (called novation) to EFLICA and to a lesser degree EFLAC or in the case of guaranteed variable annuities to an unaffiliated company, Venerable Insurance and Annuity Company.

Consequently, EFLICA is now the primary issuing insurer within the EQH group and writes most of its new registered indexed linked annuities (RILAs), life insurance, group retirement annuities, and funding agreements. EFLIC now functions as the group's de facto New York issuing insurer, while EFLAC's business activities primarily consist of a very small block of in force individual life insurance.

In addition, the EQH insurers reinsured 75% of their in force life insurance liabilities to the RGA Group in 2025, most of which was ceded by EFLIC. As a result, much of the retained business held at EFLIC and EFLICA represents individual and group annuities and funding agreements.

CBF's life insurers include: American General Life Insurance Company (AGL), United States Life Insurance Company in the City of New York (USLNY), and Variable Annuity Life Insurance Company (VALIC). AGL is the principal life insurer within CBF and issues most of the group's individual life insurance and annuities, as well as pension risk transfer annuities. USLNY operates solely in New York state and mostly writes fixed annuities, while VALIC specializes in the 403(b) group retirement market.

CBF also reported its own large reinsurance transaction in 2025, as AGL and USLNY ceded the entirety of their individual variable annuity business (\$51 billion of policy liabilities) to the Venerable Group.

Below are the respective companies within each group along with their invested assets and direct premium volume as of 12/31/25.

<b>Group Data (in \$000s as of 12/31/25)</b>		<b>General Account Invested Assets</b>	<b>Direct Premiums (Excl. Deposit Funds)</b>
<b>Equitable Financial Group</b>			
62880	Equitable Financial Life and Annuity Company	326,081	15,592
62944	Equitable Financial Life Insurance Company (NY)	42,599,001	10,412,844
78077	Equitable Financial Life Insurance Company of America (AZ)	12,604,465	18,035,713
<b>Corebridge Financial Group</b>			
60488	American General Life Insurance Company	177,866,867	25,767,527
70106	United States Life Insurance Company in the City of NY	28,756,637	3,790,994
70238	Variable Annuity Life Insurance Company	40,780,690	3,379,821

There are several items to note from this table:

- From the perspective of total direct premium volume in 2025, CBF's insurance operation is somewhat larger than EQH.
- American General Life Insurance Company is the largest insurer in this transaction, ranked by both total general account invested assets and total direct premiums written in 2025.
- Additionally, at an estimated \$61 billion in combined direct premiums, this new combined organization would have comprised the third largest writer of direct premiums in 2025, behind only medical insurance giants CVS/Aetna and UnitedHealthcare.

### **ALIRT's Thoughts**

- The merger between CBF and EQH comes at a time of substantial growth in the U.S. annuity market, which has been driven in part by higher interest rates, an aging population, greater demand for certain annuity products, and an influx of new entrants to the business, which includes many owned by and/or with close business relationships with private investment firms and asset managers.
- As standalone groups, CBF and EQH both have product diversity across life insurance, individual annuities, and group retirement annuities, and institutional offerings (such as pension risk transfer annuities and funding agreements).
- While both groups have a variety of products, they are currently market leaders in the individual annuity market. EQH's insurers focus heavily on registered indexed linked annuities (RILAs), while CBF's insurers emphasize fixed and fixed indexed annuities. This merger will propel the combined company to be one of the (if not the) largest companies in the overall individual annuity market (i.e. when aggregating fixed, fixed indexed, registered index linked, and variable products).
- Additionally, by virtue of the planned merger and the substantial increase in size of the combined entity, several factors that may help this new, and much larger, group going forward. These include:
  - Greater ability to originate assets
  - Closer positioning to asset origination
  - Enhanced distribution scale and diversity
  - Broadened product mix
  - Expense savings
- Regarding the first two items above, a key factor leading to this merger (which was cited by CBF/EQH management) is an enhanced ability to source/originate assets. In AllianceBernstein, EQH currently has its own "in-house" asset manager, while CBF has existing substantial investment management agreements with Blackstone and Blackrock.
- The ability to source higher yielding and often privately placed assets has been critically important of late to the U.S. annuity market, as it allows insurers to offer higher crediting rates and more attractive product features than might otherwise be possible with a focus purely on widely sourced assets and/or publicly traded securities.
- Management also touted the potential for improved product distribution. Notably, EQH (through Equitable Advisors) has its own broker/dealer that serves as an important distributor of EQH insurers' products. The CBF insurers would gain access to this distribution arm, which may bolster product sales.

- This leads to the third proposed benefit of the transaction which is increased product diversity. While both groups operate in the same general business segments (individual annuities, individual life insurance, and group annuities), they generally have different product offerings. For instance, in individual annuities EQH currently focuses on RILAs, while CBF concentrates on fixed and fixed indexed annuities. In life insurance, EQH writes indexed universal life insurance, while CBF writes variable universal life insurance. In institutional markets, EQH is a substantial issuer of funding agreements, while CBF is more active in the pension risk transfer market.
- The lack of overlap at the product level could help broaden distribution efforts and may create an even more diverse insurance group. Increased diversification could help protect against adverse results in certain business lines and contribute to more stable earnings and cash flows. This could be partially offset by greater complexity in operations and in the management of these products for the combined company, though the seasoned product offerings and risk management efforts of both companies for many years may mitigate this risk.
- Moreover, management has noted \$500 million in potential cost savings through 2028 due to this merger, which would largely be from reducing contracts, systems, and employees. These savings, if realized, may help boost the profit margins for the combined organization.
- At this time, any potential impacts stemming from this merger to the individual insurance companies of CBF or EQH remain unknown. However, management cited the possibility of changes in its insurance companies, though they did not share any specific plans. Any changes could include but are not limited to intercompany mergers and/or reinsurance transactions. Further, EFLIC and EFLICA are still undergoing a sizable internal restructuring process that started in 2023 and will continue for at least the next two years.
- Through the end of 2025, most of the CBF and EQH insurers have exhibited favorable financial results, though EFLIC's reported operating results were affected significantly by the internal restructuring referenced earlier. Management stated that the pro forma combined risk-based capital (RBC) ratio for this new group would have equaled 440% as of year end 2025 and all carriers (including EFLIC) had RBC ratios well above regulatory required levels.
- Management stated that they do not expect any notable changes in the investment portfolios due to this transaction. However, as mentioned above management cited a desire to be closer to asset origination and noted EQH's majority-ownership of asset manager AllianceBernstein. It is possible as new products are issued that the related new investment monies may lead to some changes in the investment portfolio for the group as a whole and/or for any of their insurance companies individually.
- Finally, while competitive pressure in the annuity market was one driver for this transaction, shareholder pressure was likely another. Publicly traded life insurance companies have faced substantial pressure from investors in recent years and have been significant payors of dividends and/or have pursued substantial share buybacks to appease investors. The ability to generate more growth, profit, and cash flows is vital to allow for the continuation of these activities as well as to maintain reasonable capitalization. Also, the substantially increased size of the organization post-merger may lead to a higher share valuation for the combined CBF/EQH relative to what either company could achieve individually.

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