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Life Insurance Industry in Transition: 2022-2026

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The life insurance and annuity industry has exhibited substantial changes since the onset of the financial crisis of 2008-2009. ALIRT previously highlighted significant trends in the U.S. life insurance industry during the 2009-2021 period[1], but these changes have continued over the last five years as life insurance and annuity organizations look to adapt to an evolving operating environment. This has included many new entrants to the industry, with these new companies especially focused on direct fixed and fixed indexed annuity issuance, as well as reinsurance of existing blocks of annuities and life insurance.

Some other actions taken by many life insurance and annuity groups from 2009-2021 include:

- Product changes, either with respect to new or existing products
- Cessation of new business
- Alteration of distribution channel focus
- "Buy-out" offers for variable annuities with guarantees
- Reinsurance of existing businesses, either partial or total
- Sales of issuing insurance companies
- Spin-offs and/or Initial Public Offerings of U.S. life insurance and annuity operations

Some of these trends persisted over the last four and a half years, but the operating and competitive environment since the beginning of 2022 has been quite different than what preceded it, with one of the most prominent developments being the sharp rise in interest rates that began in 2022 and the higher rates have continued since then.

Higher interest rates are generally positive for life insurers as they can lift investment returns and product profitability, though the benefits of these changes take time to manifest through life insurers' financial results. A more immediate impact of the higher interest rates was the record setting level of annuity sales over the past several years, driven by competitive product offerings and an influx of carriers looking to capitalize on the much more favorable sales environment.

In tandem with the boom in individual annuity sales have been the increased interest of insurers in less liquid investments and the widespread use of reinsurance among life insurers, and these developments combined with the higher interest rates have contributed to the strong sales of new annuities.

The increased competition has forced life insurance groups to adapt, which has been exacerbated by the pressure on profit margins from the sizable amount of investments held by insurers that were initiated during the low interest rate period of the 2010s until early 2022. Consequently, the U.S. life insurance industry saw a number of strategic actions executed by a variety of life insurance and annuity groups.

In this report we detail some of the recent trends occurring in the U.S. life insurance industry and how life insurance/annuity organizations and regulators have responded.

[1] For more details, please see ALIRT's 2021 release: "*Life Insurance Industry in Transition: 2009 through 2021*".

Recent Trends in the U.S. Life Insurance Industry

Individual Annuities and Higher Interest Rates

The U.S. life insurance industry operated in an environment of generally declining interest rates since the late 1980s, and which had declined further subsequent to the 2008 financial crisis. However, interest rates reversed this multi-decade trend beginning early in 2022, and though there have been fluctuations since then, rates have remained at a higher level through the last almost four and a half years.

The higher interest rates, along with an aging population looking for retirement products, supercharged growth in certain individual annuity products. This was especially true for fixed and fixed indexed annuities, which became more attractive in conjunction with higher crediting rates and enhanced product features. Registered indexed linked annuities also became increasingly popular as traditional variable annuities fell out favor with advisors, distributors, and perhaps especially with the stockholders for publicly-traded life insurance and annuity groups.

Amid the increased sales of fixed annuity products, the U.S. life insurance industry (as measured by the ALIRT Life Composite[2]) reported growth of over 20% for individual annuities in each year 2022-2024, which led to an almost doubling of premium volume for this segment in just a three-year span. Individual annuity growth slowed to 5% in 2025 but premium volume remained robust.

In response to the tailwinds supporting fixed annuity products, some insurers have prioritized these products. This has been especially true for insurance companies owned by private investment firms and asset managers, though companies across the ownership spectrum (U.S. public companies, mutual, foreign owned) also looked to increase their market share in the segment or at least opportunistically capitalize on the high demand.

Reinsurance Activity Accelerates

Life insurance groups have long utilized reinsurance for various purposes such as capital and risk management. However, reinsurance utilization rose sharply thus far in the 2020s. To highlight this point, general account reserves ceded by ALIRT Life Composite insurers rose 33% from 2015-2019, but more than doubled (+113%) from 2020-2025.

Much of this growth was led by insurers who established affiliated reinsurers and/or entered into arrangements with unaffiliated reinsurers to cede new and existing fixed and fixed indexed annuities. This allowed for the direct issuing insurers to "free up" capital and/or write more new annuities. To be sure, some insurance groups have also reinsured other lines of business including guaranteed universal life insurance and variable annuities with secondary guarantees. The cession of certain legacy businesses also helped insurers release capital, focus on current lines of business, and enhance reported operating earnings.

Insurers owned by private ownership groups have made extensive use of reinsurance (especially in Bermuda), however, reinsurance activity has increased across the U.S. life insurance industry, with many groups across the ownership spectrum forming Bermuda reinsurers or new U.S. captives within the last five or so years.

Investments Trend to Less Liquid Assets

The investment portfolios of life insurers underwent notable changes during the 2010s which included greater allocations to NAIC Class 2 (BBB rated) bonds, asset-backed securities, privately placed bonds, mortgage loans, and Schedule BA (alternative) assets. These changes occurred in part from the desire of life insurers to boost investment returns given the longstanding low interest rate environment.

The above investment trends continued over the last five years, in particular the focus on privately placed bonds and asset-backed securities. The shift to less liquid assets continued despite the higher interest rates over the past several years and was driven in part by the robust annuity market and the increased involvement of private asset

[2] The ALIRT Life Composite consists of 100 of the largest U.S. Life insurers (=an estimated 86% of 2025 industry invested assets).

managers in the life insurance industry, both in terms of their ownership of life insurers as well as investment management agreements with unaffiliated life insurers.

Strategic Changes for U.S. Life Insurer Ownership Groups

Privately-Owned Organizations

Over the past decade privately-owned companies (which ALIRT generally defines as private investment firms, asset managers, and other private investor groups) have been very active in the U.S. life insurance space. ALIRT has documented the trend of the privately-owned life insurers[3], and by our estimate these private organizations own nearly 100 U.S. life insurers, which accounted for just over $1 trillion (or 18%) of the industry's general account assets as of year-end 2025.

While the strategies of these private groups have varied somewhat, these groups are typically focused on spread based product offerings, including fixed/fixed indexed annuities, pension risk transfer annuities, and institutional funding agreements. These companies in most cases also utilize reinsurance to help mitigate the accounting and operating strain of writing new business and/or to ease capital and reserve requirements for directly issued business or assumed reinsurance. However, these activities are not limited only to privately-owned insurers as many life insurers that are part of publicly traded or mutual companies are also focused on these strategies.

Privately-owned groups became increasingly active in the life insurance and annuity market during the early 2010s and, as shown in the table below, acquisitions of U.S. life insurers continued over the last five years.

Private Ownership Acquisitions of U.S. Life Insurers from 2022-2026*	
Private Group (Acquirer)	**U.S. Life Insurer/Group**
Apollo Global Management	Athene Holding Ltd. (2022)
Aquarian Capital	Brighthouse Financial (2025)**
Brookfield Wealth Solutions	American National Group (2022)/American Equity Inv. Life Group (2024)
Constellation Insurance	Augustar Life Insurance Company (2022)
Fortitude Re (Carlyle Group)	Pru. Ann. Life Assurance Corp. (2022 - now Fortitude Life Ins. and Annuity)
Hildene Capital	SILAC Insurance Company (2025)**
JAB Holdings	Prosperity Life Group (2025 - S.USA)/Columbian Mutual (2025)**
Oaktree Capital	Atlantic Coast Life Insurance Company(2026)**
Prosperity Life Group (S.USA)	National Western Life Group (2024)

*As of May 7, 2026 **Transaction Pending

The table above is not a full list of U.S. life insurers acquired by privately-owned organizations, though this does represent some of the more significant acquisitions that have either occurred or have been agreed upon. Of note, several publicly traded insurance groups were acquired by private groups, which include Brookfield's acquisitions of both American National in 2022 and American Equity Investment Life in 2024, the Prosperity Life Group's acquisition of National Western Life in 2024, and Aquarian's pending acquisition of Brighthouse. These transactions also include private groups that are new to the industry as well as those looking to expand their existing presence.

Many of the recent transactions by private groups involved small to mid-sized life insurers (with the notable exception of Brighthouse), with many groups looking to build their insurance operations via a combination of acquisitions and organic business growth. These acquisitions have also often featured companies active in the fixed and fixed indexed annuity space, or, as in the case of the Augustar companies, have been repurposed to focus on these products.

[3] For more details, please see ALIRT's April 2025 release: "*Privately-Owned Insurers in the U.S. Life Insurance Industry*".

Publicly Traded U.S. Organizations

While private ownership groups have driven considerable change in the U.S. life industry, public insurance groups have also been very active and have completed numerous strategic transactions in an effort to boost profitability metrics, "release" capital to remunerate shareholders, and enhance product sales.

Strategic Actions taken by Publicly Traded U.S. Life Insurance Groups from 2022-2026*	
Prudential Financial	-Sold Prudential Annuities Life Assurance Corp. and $31 billion in variable annuities to Fortitude Re -Pru's insurance subsidiaries entered into multiple reinsurance agreements with Prismic Re, an unaffiliated Bermuda reinsurer formed by Pru along with Warburg Pincus and other investors -Pruco and its NJ affiliate ceded a total of $23 billion in guaranteed universal life reserves to Somerset Re/Wilton Re
MetLife	- MetLife's insurance subsidiaries entered into multiple reinsurance agreements with Chariot Re, an unaffiliated Bermuda reinsurer formed by MetLife along with General Atlantic and other investors -MetLife's insurance subsidiaries ceded a $19 billion block of individual life and annuities to Global Atlantic
Equitable Holdings	-Equitable NY ceded existing annuities to Venerable and Global Atlantic -Underwent major internal reinsurance transaction where Equitable NY ceded most of its non-NY business to Equitable AZ -Insurance subsidiaries ceded $32 billion of life insurance reserves to RGA Re -Entered into merger agreement with Corebridge Financial
Corebridge Financial	-Sold (via reinsurance) $52 billion of traditional variable annuities to the Venerable Group -Entered into a merger agreement with Equitable Holdings
Principal Financial	-Ceded $25 billion of guaranteed universal life insurance and fixed annuity reserves to the Talcott Resolution Group
Voya Financial	-Divested its remaining individual life insurance and annuity business via the sale of Security Life of Denver to the Resolution Life Group
Jackson Financial	-Entered into a strategic partnership with TPG, Inc., whereby TPG took a minority stake in Jackson and will manage a portion of Jackson's investment portfolio -Jackson formed affiliated reinsurer Hickory Re to which it is ceding new and existing fixed/fixed indexed annuities
Lincoln National	-Entered into a strategic partnership with Bain Capital, whereby Bain Capital took a minority stake in Lincoln and will manage a portion of Lincoln's investment portfolio -Ceded $28 billion of life insurance and annuity reserves to Fortitude Re
F&G Annuities & Life	-Entered into a strategic partnership with Blackstone, Inc. whereby F&G will cede a portion of new fixed indexed annuities to a Cayman Islands based reinsurer formed by Blackstone -Agreed to sell F&G Life Re (including $1.9 billion in policy reserves) to Ancient Financial Holdings L.P.
Brighthouse Financial	-Agreed to be acquired by private investment firm Aquarian Capital (this transaction remains subject to regulatory approvals)

*As of May 7, 2026

Some of the pressure to conduct strategic transactions has likely come in part from the proliferation of privately owned groups in the industry, especially as private groups have managed strong growth in the individual annuity market. We note that Jackson National, traditionally dominant in the variable annuity business, has recently looked to increase its presence in fixed/fixed indexed annuities, while company managements stated the recently announced Corebridge and Equitable merger is intended to bolster their respective strengths in their segments of the individual annuity and individual life insurance businesses.

What's more, the success of private groups has led to some notable business arrangements between publicly traded insurers and private asset managers, as both Jackson National and Lincoln National recently announced strategic partnerships with TPG and Bain Capital, respectively. The goal of these partnerships, at least in part, is to provide higher yielding assets for the issuing life and annuity insurers to improve product offerings and profitability. This followed similar arrangements for Corebridge (Blackstone and BlackRock) and Fidelity & Guaranty Life (Blackstone).

Pressure from shareholders has also driven some of the strategic actions conducted by public life insurance and annuity groups, as was the case following the events of 2008/2009. Strategic actions taken by public life insurance organizations have been at least partly intended to boost their operating performance, reduce risks (especially related to equity markets), improve cash flows, release regulatory capital, and enhance their ability to return capital to their shareholders.

These transactions include the sales of existing businesses and/or issuing insurance companies, reinsurance transactions, exits from some business lines, and/or alterations in new product offerings. This has also included the outright exit from the individual life insurance and annuity market, most notably by Allstate Financial, Aviva, AXA, the Hartford, MetLife (to a large degree), Prudential Plc, and more recently Voya and AIG.

As regards new product emphasis, public life insurance groups are increasingly focused on products that have fewer and/or less generous guarantees for policyholders, are less exposed to equity market movements, and generate earnings from investment spreads rather than insurance related fees. As an example, some publicly traded organizations shifted away from traditional variable annuities with guarantees and guaranteed universal life insurance, and instead have focused on registered-indexed linked annuities and indexed universal life insurance, as respective alternatives.

While many publicly traded insurance organizations have adapted and remained in the U.S. life insurance and annuity business, there are fewer publicly traded U.S. life insurance organizations at present than was the case in past years. This includes the acquisition of American Equity Investment Life, American National, and National Western, and the pending acquisition of Brighthouse by Aquarian. In addition, the planned merger of Corebridge and Equitable merger would remove another publicly traded U.S. life insurance group. It remains to be seen whether the decline in public life insurance groups will persist, but the recent trend highlights the external and internal pressures these remaining organizations are facing.

Mutual Organizations

Like their public counterparts, mutual insurance organizations (and mutual-like organizations such as fraternals) have looked to adapt to the current operating environment which has resulted in some notable strategic actions taken by mutual insurers over the last five years. While mutual insurers remain heavily focused on the individual life insurance market, some are also active in individual annuities which contributed to some of the strategic shifts in recent years. Some of these actions include:

- Northwestern Mutual (NM) entered into a strategic partnership with Sixth Street Partners in 2025, whereby NM acquired a minority stake in Sixth Street, while Sixth Street will manage $13 billion in invested assets for NM, with the potential to increase over time.

- Guardian Life entered into multiple investment management agreements with HPS Investment Partners (2022 and 2024), Janus Henderson (2025), and Hamilton Lane (2025). Guardians' insurance subsidiary, Guardian Insurance and Annuity also ceded $7.4 billion of variable annuities to the Talcott Resolution Group in 2022.

- Mutual of Omaha Insurance Company (MOA) completed its conversion to a mutual holding company structure in 2026, where MOA now operates as a stock insurer controlled by the Mutual of Omaha Holding Company.

- MassMutual acquired Great American Life Insurance Company (now MassMutual Ascend) in 2021 and along with a group of private investors helped form Bermuda reinsurer Martello Re in 2022. MassMutual and MassMutual Ascend have since reinsured new and existing annuity business to Martello Re.

- The Securian Financial Group sold its recordkeeping business to Standard Insurance Company in 2022.

- The OneAmerica Group sold its full-service retirement plan business to Voya in 2025.

- Pacific Life Insurance Company ceded $11 billion of indexed universal life insurance reserves to a Bermuda reinsurance subsidiary of Hannover Re.

- GBU Financial ceded almost all of its fixed annuities issued prior to February 2023 (about $2 billion in reserves) to Somerset re in 2025.

- New York Life and Annuity ceded $3.2 billion in fixed annuity reserves (as of 12/31/25) to Everlake Life Insurance Company as part of a "flow" reinsurance agreement.

- Life Insurance Company of the Southwest, a subsidiary of National Life Insurance Company (VT), ceded $5.2 billion in fixed indexed annuity reserves to Bermuda reinsurer AeCe ISA as of 12/31/25 and ceded another $669 million of fixed annuity reserves to Vernon Re SPC in 2025. Both reinsurers are controlled by private investment firm 26North.

This is not an exhaustive list of strategic actions, though it provides a sense of recent activity of mutual organizations in recent years.

Foreign Insurance Organizations

As we highlighted in our last review, Japanese insurance groups acquired a handful of U.S. life insurance groups in the 2010s, which included Dai-ichi Life/Protective Life, Meiji Yasuda/Standard Insurance, Sumitomo Life/Symetra Life, and Tokio Marine/Reliance Standard.

Japanese insurance organizations continue to increase their business in the U.S. life insurance and annuity industry, as highlighted by the following:

- Meiji Yasuda acquired Banner Life Insurance Company and its New York affiliate from Legal & General in February 2026.

- Standard Insurance Company, a subsidiary of Meiji Yasuda, acquired the recordkeeping business of the Securian Financial Group in 2022 and subsequently acquired the life and disability business of Elevance Health in 2024 and the employee voluntary benefits business of Allstate in 2025.

- Nippon Life Insurance Company acquired a 22% stake in Corebridge Financial from AIG in 2024, and more recently in late 2025 acquired the Resolution Life Group (including Security Life of Denver) from Blackstone.

- Sumitomo, through Symetra Life, acquired the group life and disability insurance business of the Dearborn Group.

- Dai-ichi Life, through Protective Life, acquired the ShelterPoint Group in 2024.

These transactions show the continued interest that Japanese insurers have in the U.S. life insurance and annuity market, which includes the establishment of new U.S. life insurance/annuity operations (Nippon Life), expansion of current business lines (Meiji Yasuda) or increasing business diversity (all of the four Japanese insurers).

Other non-U.S. insurance organizations, namely those in Canada and Europe, have been engaged in strategic actions involving their U.S. life insurers as well, including:

- Aegon announced in late 2025 that it will change its domicile country to the U.S., and rebrand as Transamerica Inc. This comes as Aegon has divested some of its international operations and plans to increase its focus on the U.S. life and annuity market.

- John Hancock reinsured $22 billion of existing variable annuities to the Venerable Group in 2022, and the company subsequently ceded long-term care insurance reserves (in addition to other business lines) to Global Atlantic (2024) and RGA (2025).

- Allianz ceded $35 billion of fixed indexed annuity reserves to subsidiaries of Resolution Life and Talcott Resolution in 2022. Allianz also formed (along with third party investors) Sconset Re in 2024, to which Allianz Life of North America initially ceded $4 billion in fixed indexed annuities.

Regulatory Actions

In response to recent developments in the U.S. life insurance industry, U.S. state regulators have proposed and enacted various regulations. In 2022 the National Association of Insurance Commissioners (NAIC) listed 13 regulatory considerations that it planned to address in regards to private ownership of life insurers, increased use of foreign reinsurance, and the increase of certain investment allocations, among other items.

In the subsequent years, the NAIC proposed or enacted a number of regulations targeted at these topics. Some regulations that were enacted included: increased oversight as to the reserve adequacy of foreign reinsurance transactions (AG-55), the ability of the NAIC's Securities Valuation Office to overrule ratings in certain cases, an update to the NAIC's principles based bond definition (intended in part to identify assets that are more comparable to alternative assets), and increased capital requirements for equity tranches of collateralized loan obligations.

These are just a few of the recent actions taken by the NAIC and there are other outstanding proposed pieces of regulations. Aside from the specific topics above, the NAIC is currently looking to update illustration requirements for fixed indexed annuities and has established new working groups to update its risk-based capital framework.

So far, it does not appear that insurers have reacted in any material way to most of the new or proposed regulations, but stricter regulations could at some point lead to changes in some of the industry trends discussed in this release.

Policyholder Implications

As highlighted in this report, there have been numerous ownership changes and reinsurance transactions that have occurred since the start of 2022. The impact to policyholders becomes an important concern when these transactions take place, and ALIRT notes there are certain factors to keep in mind regarding both situations.

For reinsurance transactions, it is vital to remember that the ultimate legal responsibility resides with the original issuing carrier, not the reinsurer. ***If a reinsurer fails or is otherwise unable to make good on policyholder obligations for business it assumed, the original issuer of the policy or contract is then legally required to recapture the previously ceded policies/contracts and resume claims and benefit payouts***. While a recapture could strain the financial performance of the issuing carrier (i.e. the cedant), it's worth noting that this scenario is very rare and there are sometimes alternative reinsurers that can be found to replace an existing reinsurer.

While reinsurance does not fully sever the tie between the policy/contract holder and the original issuer, changes in ownership also do **NOT** result in a complete legal transfer of polices/contracts. Regardless of any ownership change for an insurer, it is important to remember that an insurer's parent company is **NOT** legally responsible for any policyholder claims or benefits. It is also important to note that life insurers can be sold at any time and any implicit support from the current parent company is not guaranteed, and the considerable number of insurer ownership changes over the last 16+ years underscores this point.

Conclusion

The U.S. life insurance and annuity industry continued to undergo significant changes over the last five years, which was highlighted by rapid growth in individual annuities, increased allocations to less liquid investments, and growing utilization of reinsurance to divest existing business and/or support newly issued business.

These trends were widespread throughout the U.S. life insurance industry, with insurers that are part of almost every ownership structure taking part in these activities, though mutual companies (with the exception of a few cases) were not quite as active as insurers owned by private organizations and publicly traded groups.

There were also a number of ownership changes which were driven in large part by the desire of privately-owned groups and Japanese insurers to acquire life insurers and build out their U.S. insurance and annuity operations. The sale of public insurance groups and/or the partial divestment of carriers owned by publicly traded companies also contributed to the persistent trend of ownership changes that has occurred since 2008/2009.

Public insurance groups were among the most active in terms of strategic actions taken in past five years, as the investors in their publicly traded stocks continue to push for near-term shareholder remuneration and business rationalization. These efforts have led some public insurance groups to sell part or all of their existing life insurance and annuity operations or sell (via reinsurance) certain existing existing policy liabilities. Public insurance groups also entered into strategic partnerships with private investment managers, which often include an investment management agreement whereby the life insurers would gain access to private assets they otherwise could not easily source.

In the near term, the trends involving individual annuities, reinsurance, and investment allocations are likely to continue. Insurance regulators have enacted or proposed regulations that apply to certain investments and reinsurance activity, but none of this activity has led to reductions in reinsurance or the changes in asset allocations. However, the regulatory landscape is evolving and could lead to more meaningful changes in the future, which could force/incent insurance organizations to change business strategies.

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