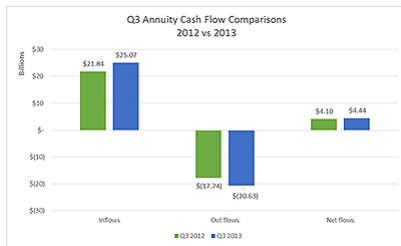


## Annuity cash flows perk up in 3Q 2013: DTCC

By Kerry Pechter     *Fri, Nov 1, 2013*

*Net flows into annuity products nearly doubled in the third quarter, to \$4.4 billion from \$2.3 billion in the second quarter. Outflows fell to 20.6 billion from \$21.1 billion, a decline of over 2%, according to Analytic Reporting for Annuities, a service of DTCC.*



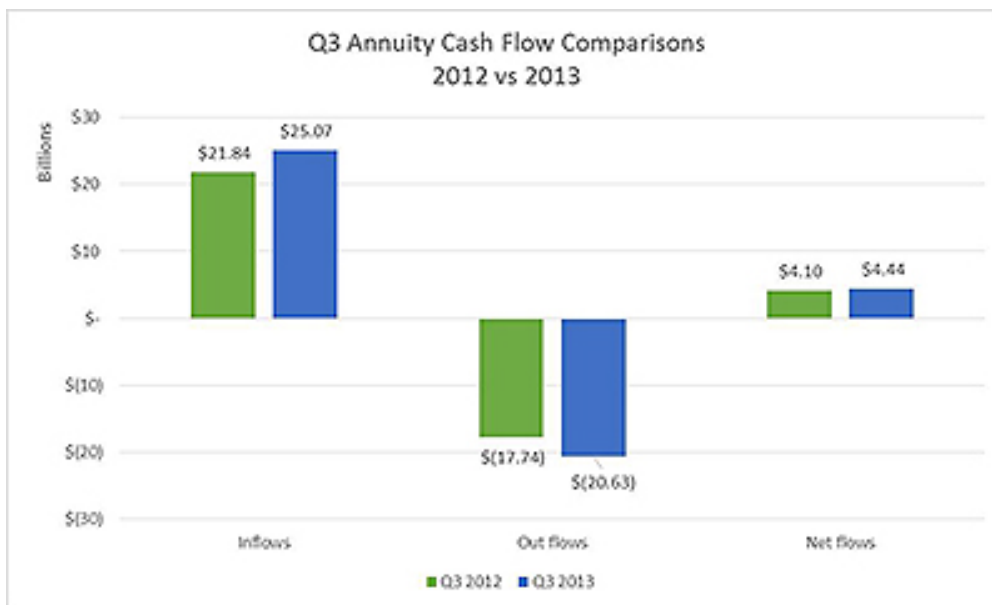
Annuity products experienced a 7% increase in inflows and a 98% increase in net cash flows in the third quarter of 2013 over the second quarter, according to the Analytic Reporting for Annuities service of the Insurance and Retirement Services unit of the Depository Trust & Clearing Corporation (DTCC).

In the first nine months of 2013, \$131 billion in annuity product transactions were processed by DTCC’s National Securities Clearing Corporation (NSCC) subsidiary for:

- 117 insurance company participants
- 135 distributor participants
- 3,394 annuity products

Annuity inflows and net flows grew significantly in 2013. Annuity inflows processed in the third quarter of 2013 grew to \$25.1 billion from \$23.3 billion in the second quarter, an increase of 7.4%, DTCC said in a release.

Net flows into annuity products nearly doubled, to \$4.4 billion from \$2.3 billion in the second quarter. Outflows fell to 20.6 billion from \$21.1 billion, a decline of over 2%.



The industry is also showing growth compared to the same quarter in 2012. Comparing the third quarter of 2013 to the third quarter of 2012, inflows in Q3 2013 were nearly 15%, or \$3.2 billion, higher. Net flows in Q3 2013 were over 8%, or over \$343 million, higher. Outflows in Q3 2013 were over 16%, or \$2.9 billion, higher than in the third quarter of 2012.

Comparing flows in the first nine months of 2013 to the same period of 2012, inflows rose 7.6%, to \$69.5 billion from \$64.6 billion, net flows fell to \$8 billion from \$10.8 billion, a decline of 26%, and outflows rose 14%, to over \$61 billion from over \$53 billion.

Net cash flows into non-qualified accounts turned positive in 3Q 2013, surpassing \$746 million. In previous months more money had been taken out of non-qualified accounts than put in. Net flows into qualified accounts approached \$3.7 billion in the quarter.

I&RS is connected to over 450 distribution and carrier firms representing product segments including life insurance, fixed and variable annuity products and distribution channels including banks, brokerage general agencies (BGAs), insurance marketing organizations (IMOs) and insurance broker/dealers.

Analytic Reporting for Annuities is an online information solution containing aggregated data from transactions processed by DTCC's Insurance & Retirement Services (I&RS). I&RS is the central messaging connection for annuity and life insurance transactions, enabling insurance companies to provide broker/dealers with daily financial transaction information. It processes approximately 150 million transactions each month. Visit <http://www.dtcc.com/analytics> for more information about the Analytic Reporting Service.

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