
Annuity net flow was flat in March: DTCC

By Editor Test *Wed, Apr 18, 2012*

Inflows and net flows have increased in each of the first three months of 2012, breaking a declining trend in 2011, but Inflows and net flows were down in the first quarter of 2012 compared to the first quarter of 2011.

The Depository Trust & Clearing Corporation (DTCC) Insurance & Retirement Services (I&RS) has released its [report](#) on March and first quarter 2012 activity in the annuity market.

- Annuity inflows processed by DTCC in March increased by almost 10%, to \$7.7 billion from \$7 billion in February.
- Out flows processed in March increased by almost 12% to \$6.4 billion from \$5.7 billion in February.
- Net flows were almost unchanged in March, increasing one half of one percent from just under \$1.3 billion to just over \$1.3 billion.

The data comes from the Analytic Reporting for Annuities online information service, which leverages data from the transactions that DTCC processes for the industry. National Securities Clearing Corporation, a DTCC subsidiary, provides the service.

Inflows and Net Flows

Inflows and net flows have increased in each of the first three months of 2012, breaking a declining trend in 2011. Inflows and net flows were down in the first quarter of 2012 compared to the first quarter of 2011. Out flows increased.

The increasing divergence of inflows between qualified accounts and non-qualified accounts continued in March. Inflows into qualified account types were slightly under 61% while inflows into non-qualified account types were slightly above 39%. Net cash flows into non-qualified accounts were negative for the third month in a row, meaning that in each of the last three months more funds were withdrawn than added.

In August 2011, DTCC began a partnership with the Retirement Income Industry Association (RIIA) to analyze cash flows by RIIA-defined broker/dealer distribution channels and product categories.

For the six distribution channels defined by RIIA, DTCC I&RS processed the following percentages of inflows in January:

- Independent broker/dealers, 29%
- Wirehouses, 16%
- Regional broker/dealers, 15%
- Bank broker/dealers, 14%
- Insurance broker/dealers, 9%
- Others, 18%

DTCC, through its subsidiaries, provides clearance, settlement and information services for equities, corporate and municipal bonds, government and mortgage-backed securities, money market instruments and over-the-counter derivatives. In addition, DTCC is a leading processor of mutual funds and insurance transactions, linking funds and carriers with their distribution networks. DTCC's depository provides custody and asset servicing for almost 3.7 million securities issues from the United States and 121 other countries and territories, valued at US\$39.5 trillion. In 2011, DTCC settled nearly US\$1.7 quadrillion in securities transactions. DTCC has operating facilities and data centers in multiple locations in the United States and overseas. For more information, please visit www.dtcc.com.