

## Pandemic Hurt Annuity Sales in 2020

By Kerry Pechter     *Wed, Mar 10, 2021*

*Annuity sales were buoyed in 2020 by a spike in purchases of registered index-linked annuities (up 38%) and fixed annuities (up 10%). Income annuity sales are north of \$10 billion, but the once-imagined boom in SPIAs and DIAs hasn't occurred.*

Overall US annuity sales volumes fell nine percent in 2020, to \$219 billion in 2019, according to the Secure Retirement Institute (SRI) US Individual Annuity Sales Survey. But fourth-quarter 2020 sales were three percent higher than in the same period in 2019, at \$58.6 billion.

At \$55.5 billion, fixed indexed annuities (FIAs) were the top-selling annuity product category. In a sign of the growing clout of asset managers like Blackstone, KKR and Apollo in the FIA business, eight of the top 12 issuers of FIAs in 2020 have partnered or merged with such firms since about 2010.

Those eight issuers are (in order of sales volume): Athene, Fidelity & Guaranty Life, Global Atlantic, Security Benefit Life, Great American, American Equity Investment, EquiTrust Life, and Delaware Life. Together these firms now account for about 42% of the FIA market.

All charts below are for year-end 2020 sales, and are provided by LIMRA SRI. For a detailed year-over-year sales break-out by product category, click [here](#).

Rank	Company name	Total	Company name	Variable	Company name	Fixed
1	Jackson National Life	17,923,072	Jackson National Life	16,518,846	New York Life	9,885,056
2	AIG Companies	14,516,417	Equitable Financial	10,473,986	AIG Companies	8,521,936
3	New York Life	13,735,311	Lincoln Financial Group	10,039,646	Sammons Financial Companies	8,086,849
4	Lincoln Financial Group	11,565,013	TIAA	8,619,000	Athene Annuity & Life Co.	7,651,170
5	Equitable Financial	10,502,550	Brighthouse Financial	6,012,090	Global Atlantic Financial Group	6,628,461
6	Allianz Life of North America	9,867,018	AIG Companies	5,994,481	Massachusetts Mutual Life	6,519,565
7	TIAA	8,619,000	Prudential Annuities	5,677,023	Allianz Life of North America	5,027,737
8	Brighthouse Financial	8,357,188	Allianz Life of North America	4,839,281	Fidelity & Guaranty Life	4,234,356
9	Sammons Financial Companies	8,351,043	RiverSource Life Insurance	4,356,798	Security Benefit Life	4,196,382
10	Athene Annuity & Life	7,838,129	Nationwide	4,270,100	American Equity Investment Life	3,683,199
11	Nationwide	7,561,500	New York Life	3,850,255	Great American	3,376,122
12	Prudential Annuities	7,088,001	Pacific Life	3,656,253	Nationwide	3,291,400
13	Pacific Life	6,944,644	Transamerica	2,559,616	Pacific Life	3,288,391
14	Massachusetts Mutual Life	6,882,729	Thrivent Financial for Lutherans	2,270,416	Western Southern Group	3,180,378
15	Global Atlantic Financial Group	6,700,026	Fidelity Investments Life	1,497,851	Symetra Financial	3,156,724
16	RiverSource Life Insurance	4,505,771	CMFG Life Insurance Company	1,174,718	Delaware Life	2,671,471
17	Security Benefit Life	4,356,970	Northwestern Mutual Life	984,982	Brighthouse Financial	2,345,098
18	Fidelity & Guaranty Life	4,234,356	Principal Financial Group	414,140	Protective Life	2,269,412
19	American Equity Investment Life	3,683,199	Massachusetts Mutual Life	363,164	EquiTrust Life	1,980,644
20	Great American	3,526,820	Horace Mann Life	335,446	USAA Life	1,749,294
	<b>Top 20</b>	<b>\$166,758,758</b>	<b>Top 20</b>	<b>\$93,908,092</b>	<b>Top 20</b>	<b>\$91,743,646</b>
	<b>Total industry</b>	<b>\$218,995,000</b>	<b>Total industry</b>	<b>\$98,600,000</b>	<b>Total industry</b>	<b>\$120,395,000</b>
	<b>Top 20 share</b>	<b>76%</b>	<b>Top 20 share</b>	<b>95%</b>	<b>Top 20 share</b>	<b>76%</b>

Source: Secure Retirement Institute U.S. Individual Annuities Sales Survey

AIG, New York Life, and Lincoln Financial are the three companies with the most equal balance between sales of variable annuities and sales of fixed annuities. In overall annuity sales, they are #2, #3, and #4 after Jackson National. Almost all of Jackson's nearly \$18 billion in sales came from traditional VAs. New York Life is the top issuer of fixed annuities and Lincoln is the top issuer of registered index-linked annuities (RILAs).

RILAs are in a league all their own, with an appeal that probably has nothing to do with the fact that they are annuities. They continued their decade-long climb in sales with a 38% increase in 2020. The other bright spot in 2020 was fixed-rate deferred annuities, with sales up 10% in response to investor jitters.

Just four companies account for about 80% of the \$24 billion RILA market. They are (in order of sales volume): Lincoln Financial, Equitable, Allianz Life and Brighthouse Financial, each with over \$4 billion in sales. This peloton is followed by Prudential Annuities, RiverSource Life and CMFG (Cuna Mutual), each with between \$1 million and \$2 million in 2020 sales.

Jackson National, partly on the strength of its Perspective II contract, continues to dominate the sale of conventional variable annuities, where contract owners directly hold tax-deferred versions of mutual funds in separate accounts. (RILA returns are based on the performance of options on the movement of indexes.)

With more than \$16.5 billion in VA sales for the year, Jackson National has more than 20% of the traditional VA market. Jackson National has 24% of the individual conventional VA market, since TIAA's \$8.62 billion in VA sales consist mainly of group annuities. Jackson National is in the process of de-coupling from its long-time Asia-focused foreign owner, Prudential plc (no relation to Prudential Financial in the US).

Rank	Company name	Fixed-Rate Deferred	Company name	Indexed	Company name	Payout Annuities <sup>1</sup>
1	New York Life	6,787,935	Athene Annuity & Life Co.	5,846,106	New York Life	3,097,121
2	Massachusetts Mutual Life	5,393,216	Allianz Life of North America	5,016,919	MetLife	1,183,401
3	Sammons Financial Companies	4,272,313	AIG Companies	4,542,675	Pacific Life	1,091,542
4	AIG Companies	3,565,230	Sammons Financial Companies	3,743,678	USAA Life	890,871
5	Global Atlantic Financial Group	3,432,954	Fidelity & Guaranty Life	3,458,101	Western Southern Group	868,455
6	Western Southern Group	2,035,737	Global Atlantic Financial Group	3,071,197	Northwestern Mutual Life	774,248
7	Brighthouse Financial	2,010,519	Nationwide	2,935,700	Berkshire Hathaway	706,649
8	Symetra Financial	1,932,348	Security Benefit Life	2,882,395	Massachusetts Mutual Life	486,651
9	Athene Annuity & Life Co.	1,797,732	Great American	2,348,040	AIG Companies	414,030
10	Security Benefit Life	1,313,987	American Equity Investment Life	2,338,390	Prudential Annuities	360,783
11	American Equity Investment Life	1,311,348	EquiTrust Life	1,624,196	Nationwide	296,600
12	Pacific Life	1,183,891	Delaware Life	1,601,571	Principal Financial Group	265,356
13	Delaware Life	1,069,900	Lincoln Financial Group	1,449,640	Guardian Life of America	164,491
14	Great American	995,922	National Life Group	1,309,393	Modern Woodmen	139,757
15	Protective Life	938,337	Protective Life	1,279,550	Symetra Financial	132,389
16	Reliance Standard Life Ins. Co.	911,787	Bankers Life & Casualty	1,109,115	Global Atlantic Financial Group	124,309
17	USAA Life	858,423	Symetra Financial	1,091,988	American National Insurance Co.	115,343
18	Fidelity & Guaranty Life	775,142	Pacific Life	1,012,959	Mutual of Omaha	108,429
19	Principal Financial Group	511,488	Jackson National Life	1,000,778	The Standard	85,312
20	Knights of Columbus	385,011	Prudential Annuities	837,668	Penn Mutual	80,183
	<b>Top 20</b>	<b>\$41,483,221</b>	<b>Top 20</b>	<b>\$48,500,059</b>	<b>Top 20</b>	<b>\$11,385,921</b>
	<b>Total industry</b>	<b>\$52,100,000</b>	<b>Total industry</b>	<b>55,500,000</b>	<b>Total industry</b>	<b>\$12,795,000</b>
	<b>Top 20 share</b>	<b>80%</b>	<b>Top 20 share</b>	<b>87%</b>	<b>Top 20 share</b>	<b>89%</b>

Source: Secure Retirement Institute U.S. Individual Annuities Sales Survey

Sales of income-focused annuities—the only annuities that pool longevity risk and offer so-called survivorship benefits—fell 28% because low interest rates raise their prices relative to the amount of retirement income they pay out. Combined sales of single premium immediate annuities and deferred income annuities fell more than 30% each for the year.

A year ago, “The yield on the 10-year treasury fell to 56 basis points and the equities market contracted 32%,” said Todd Giesing, senior annuity research director, SRI, in a release. “Worried investors turned to RILAs and fixed-rate deferred annuities for protection and growth. Protection-focused products represented more than half of all retail annuity sales in 2020.

“The cost of guaranteed income was very expensive under the economic conditions in 2020,” he added. “Investors who would have been in the market for guaranteed income products are likely turning to other annuity contracts—like short-duration fixed-rate deferred products — to wait for interest rates to normalize.”

Rank	Company name	Traditional Variable	Company name	Registered Index-Linked
1	Jackson National Life	16,518,846	Lincoln Financial Group	5,016,478
2	TIAA	8,619,000	Equitable Financial	4,891,290
3	AIG Companies	5,994,481	Allianz Life of North America	4,802,628
4	Equitable Financial	5,582,697	Brighthouse Financial	4,346,877
5	Lincoln Financial Group	5,023,167	Prudential Annuities	1,954,677
6	Nationwide	4,222,100	RiverSource Life Insurance	1,268,326
7	New York Life	3,850,255	CMFG Life Insurance Company	1,166,756
8	Prudential Annuities	3,722,346	Symetra Financial	189,845
9	Pacific Life	3,656,253	Athene Annuity & Life Assurance Company	186,959
10	RiverSource Life Insurance	3,088,473	Great American	135,777
11	Transamerica	2,559,616	Nationwide	48,000
12	Thrivent Financial for Lutherans	2,270,416	Protective Life	24,332
13	Brighthouse Financial	1,665,213		
14	Fidelity Investments Life	1,497,851		
15	Northwestern Mutual Life	984,982		
16	Principal Financial Group	414,140		
17	Massachusetts Mutual Life	363,164		
18	Horace Mann Life Insurance Company	335,446		
19	Protective Life	292,286		
20	Penn Mutual	291,895		
	<b>Top 20</b>	<b>\$70,952,626</b>	<b>Top 20</b>	<b>\$24,031,945</b>
	<b>Total industry</b>	<b>\$74,530,000</b>	<b>Total industry</b>	<b>\$24,070,000</b>
	<b>Top 20 share</b>	<b>95%</b>	<b>Top 20 share</b>	<b>100%</b>

Source: Secure Retirement Institute U.S. Individual Annuities Sales Survey

Part of the growth in RILAs comes at the expense of the variable annuity products with guarantee lifetime income riders, an income-focused product, according to LIMRA SRI. Low interest rates have forced life insurers to lower the payout rates of income riders, which makes the products less attractive.

Despite the year-long bull market in equities, volatility and uncertainty has dampened growth in accumulation-focused products — primarily VA contracts without income riders. Sales of these products, though stable in 2020, have dropped more than 30% since 2015.

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