
Citing capacity limits, Jackson will refuse incoming 1035 transfers for a month

By Editor Test Thu, Nov 15, 2012

Jackson National decided to save its remaining \$1 billion in capacity for VAs with living benefits--it sold \$15.3 billion worth of VAs in the first nine months of 2012--for new sales. Exchanges into the firm's Elite Access variable annuity will still be accepted.

Jackson National Life Insurance Company announced last week that it was “approaching the upper range for calendar year 2012 for total premium from variable annuities (VAs) that offer optional guaranteed benefits.”

Jackson estimated it has approximately \$1 billion in remaining capacity. As in prior years, Jackson will manage the volume of its VA business commensurate with the overall growth of its balance sheet.

To manage sales volumes, Jackson said it will no longer accept new 1035 exchange business or qualified transfers of assets for VAs that offer optional guaranteed benefits as of 4 p.m. Eastern Standard Time on Tuesday, November 13, 2012.

As of December 15, 2012, Jackson will resume accepting new 1035 exchange business and qualified transfers of assets, if premium from new sales is less than \$1 billion between November 13 and then.

No limitation will be placed on new 1035 exchange business or qualified transfers of assets for Jackson’s Elite Access product, which offers alternative investment options that whose potential volatility makes them unsuitable for guaranteed living benefits.

“We are proactively communicating with our distribution partners about Jackson approaching the high end of the range for 2012 sales of our very popular VAs that offer optional guaranteed benefits,” said Clifford Jack, executive vice president and head of retail for Jackson. “Our wholesaling and service teams are well-positioned to implement the necessary actions to limit production with minimal disruptions to our partners and their clients.”

This week, Jackson National Life reported \$19.6 billion of total sales and deposits during the first nine months of 2012, driven by \$15.3 billion of variable annuity (VA) sales.

VA sales were up 11.3% over the \$13.7 billion in VA sales recorded during the first nine months of 2011. Sales of Elite Access totaled \$630.1 million during the period from launch on March 5, 2012, through September 30, 2012. Excluding Elite Access, Jackson’s overall VA sales growth during the first nine months of 2012 was 6.8% year over year.

In the first nine months of 2012, Jackson completed the \$663.3 million acquisition of SRLC America Holding Corp (SRLC) and remitted a \$400.0 million dividend to its parent company, while ending the period with more than \$4.1 billion of regulatory adjusted capital, according to a company release.

Compared to the same period of the prior year, fixed annuity sales of \$713.5 million were up 34.5%, and FIA sales of \$1.2 billion were up 13.5% during the first nine months of 2012.

Curian Capital LLC, Jackson's retail asset management subsidiary, increased assets under management to \$10.4 billion as of September 30, 2012, up from \$7.3 billion as of December 31, 2011.

Jackson National Life is rated A+ (superior) by A.M. Best, AA (very strong) by Standard & Poor's, AA (very strong) by Fitch Ratings and A1 (good) by Moody's Investors Service.

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