
Deferred annuity sales up 6% in 2Q2019: Wink

By Editorial Staff Thu, Aug 22, 2019

Sales of traditional fixed annuities were down nearly 10% from the prior quarter but up more than 21% over the second quarter last year, according to Wink's Sales & Market Report.

Total deferred annuity sales rose 6% in the second quarter of 2019 compared with the prior quarter, according to a preliminary version of the 88th edition of Wink's Sales & Market Report. Highlights of the report included:

- Indexed annuity sales were up 11% over the first quarter of 2019 and up nearly 14% over the second quarter of 2018.
- Sales of traditional fixed annuities were down nearly 10% from the prior quarter but up more than 21% over the second quarter last year.
- Multi-year guaranteed annuity (MYGA) sales were up 15% over the prior quarter and up 20% over the second quarter last year.
- Structured annuity sales declined by 15% over the prior quarter but were up nearly 20% over the second quarter last year.
- Aggregated non-variable annuity sales for the second quarter were down just over 1% from the prior quarter, and up over 16% from the year-ago quarter.

"It's a great time to be offering annuities with growth based on an outside benchmark," said Sheryl J. Moore, author of Wink's Sales & Market Report, in a release. "Indexed annuity sales in the second quarter beat their previous record in 4Q2018 by nearly 3%. Sales of variable annuities and structured annuities increased nearly 20% each."

Indexed annuities have a floor of no less than zero percent and limited excess interest that is determined by the performance of an external index, such as Standard and Poor's 500.

Traditional fixed annuities have a fixed rate that is guaranteed for one year. MYGAs have a fixed rate that is guaranteed for more than a year.

Structured annuities have a limited negative floor and limited excess interest that is determined by the performance of an external index or sub-account. Variable annuities have no floor; their potential for gains or losses is determined by the performance of the sub-accounts. Subaccounts may be invested in an external index, stocks, bonds, commodities, or other investments.

Wink's preliminary results are based on 94% of industry participation in Wink's quarterly

sales survey, representing 97% of the total sales.

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