

DTCC issues first-quarter annuity 2012 sales data

By Editor Test Tue, May 22, 2012

In the first quarter of 2012, DTCC's Insurance & Retirement Services division processed 12 million annuity transactions involving almost 3,000 different products worth over \$38 billion for 106 insurance companies and 111 broker/dealers.

The newly created Analytic Reporting for Annuities service of the Insurance & Retirement Services division of the Depository Trust & Clearing Corporation, has issued data on annuity sales in the first quarter of 2012. A pdf of the [report](#) includes charts that summarize the data described below.

I&RS said it processed 12 million annuity transactions totaling over \$38 billion for:

- 106 insurance company participants (representing 42 parent/holding companies)
- 111 broker/dealers
- 2,954 annuity products

Inflows for the quarter totaled almost \$21 billion, outflows totaled almost \$18 billion, and net cash flows totaled over \$3.3 billion. The transactions processed by I&RS reflect the activity at a broad range of broker/dealers, with a particular concentration in non-proprietary distribution.

The top ten insurance parent/holding companies captured \$16 billion of inflows, or 77% of total inflows in the first quarter. Twenty-four insurance parent/holding companies accounted for over \$8.3 billion in positive net cash flows for the quarter. Eighteen insurance parent/holding companies experienced negative net cash flows totaling over \$5.2 billion.

Products

Of the 2,954 annuity products for which I&RS processed transactions:

- 579 products had positive net flows totaling more than \$16 billion.
- 2,372 products had negative net flows totaling more than \$13 billion.
- 34 products had more than \$100 million in positive net flows.
- 2 products had more than \$1 billion in positive net flows.
- The top 10 annuity products captured 38% of all inflows.



Cash flow retention

Net flows ranged from a high of \$2 billion to a low of -\$1.6 billion. Sixteen of the 42 insurance parent/holding company groups had a retention ratio of more than 50%, meaning that there was \$2 or

more of inflows for every \$1 of outflows. The retention rate of cash flows in qualified account types far exceeded that of non-qualified accounts, which had negative net cash flows for the quarter.

Inflows by type of account

The divergence of inflows between qualified accounts and non-qualified accounts continued in March. Inflows into qualified accounts were slightly less than 61% while inflows into non-qualified accounts were slightly above 39%. Sixty-one percent of all inflows went into qualified accounts and 39% went into non-qualified accounts.

Distribution

Six distributors, out of a total of 111, had more than \$1 billion in annuity inflows. The top 10 distributors accounted for two thirds of all inflows.

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