
FIA sales up a hair in 3Q 2012: AnnuitySpecs.com

By Editor Test *Thu, Dec 13, 2012*

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Total fixed indexed annuities were \$8.7 billion in 3Q 2012, up 0.04% from the previous quarter, according to the latest Indexed Sales and Market Report from AnnuitySpecs.com, which covered 45 carriers and 99% of FIA production.

Despite historically low caps and crediting rates, sales were up 0.24% from the same period in 2011 and only half of one percent lower than 3Q 2010's record sales levels, said Sheryl J. Moore, president and CEO of Moore Market Intelligence, owner of AnnuitySpecs.com.

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Guaranteed Lifetime Withdrawal Benefit (GLWB) elections dropped for the third consecutive quarter, which Moore attributed to reductions in the rider terms.

In the third quarter, there were four GLWB rider charge increases, eight reductions in the riders' deferral bonuses and sixteen reductions in rider payout rates, as carriers reduced the risks of their products. The "de-risking" of these benefits over the quarter made income-based indexed annuity sales just as challenging as those based on accumulation, Moore said.