
First Quarter Index Annuity Sales Down 3.9%: AnnuitySpecs

By Editor Test Tue, May 18, 2010

In the first quarter, Allianz Life again led all issuers with a 20% market share. Its MasterDex X was the top selling product for the fourth consecutive quarter.

First quarter 2010 sales of indexed annuities were \$6.8 billion, down 3.9% from the same period last year, according to the 51st edition of AnnuitySpecs.com's Indexed Sales & Market Report. Forty-three issuers participated in the report, representing 99% of indexed annuity production.

Sales were down 3.4% compared to the last quarter of 2009, according to Sheryl Moore, president and CEO of AnnuitySpecs, who was not surprised by the results.

"Typically, the fourth quarter is the biggest sales push of the year. Agents submit the bulk of their business in the fourth quarter so that they can qualify for rankings and incentives," she said. "Plus, sales in 2009 set records in the indexed annuity industry. It is always hard to top sales levels when the benchmark is set that high."

In the first quarter, Allianz Life again led all issuers with a 20% market share. Its MasterDex X was the top selling product for the fourth consecutive quarter. Aviva repeated in second place, followed by American Equity, Jackson National and ING.

Jackson National Life dominated the bank and wirehouse channels for the second consecutive quarter.

For indexed life sales, 33 carriers in the market participated in the AnnuitySpecs.com's Indexed Sales & Market Report, representing 100% of production.

First quarter sales were \$143.0 million, a decline of nearly 12% from the previous quarter and a 9.3% reduction from the same period in 2009.

"The indexed life market experienced a similar phenomenon as the indexed annuity business. Last year was the second-highest year ever for IUL sales, so that means the data is going to be comparatively less favorable," Moore said. "Several companies that are newer to the market had impressive gains this quarter. In addition, we are still expecting new entrants before the close of 2010."

Aviva's led all rivals in sales with a 20% market share, followed by Pacific Life, National Life Group, AEGON Companies and Minnesota Life. Aviva's Advantage Builder was the best-selling indexed life product in the first quarter. Over 84% of sales used an annual point-to-point crediting method, and the average target premium paid was \$5,724.

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