
Fixed Annuities, Unchained!

By Editorial Staff Thu, Mar 21, 2019

AIG ranked as the top carrier overall for non-variable deferred annuity sales in the fourth quarter of 2018, with a 9.8% market share. Total sales of MYGAs (multi-year guaranteed-rate annuities) for 2018 were \$41.3 billion, up 36.1% from the previous year. AXA US ranked as the top carrier in structured annuities, with a market share of 40.8%. Sales data were reported by Wink, Inc.

Fixed deferred annuities, which were once eclipsed by variable deferred annuities, confined to the insurance agent channel, and threatened by federal regulation, have emerged as the chief bread-winners for many life insurers.

And American International Group (AIG), stuck in the morass of the financial crisis for years, emerged as the top issuer of fixed annuities at the end of 2018.

Total fourth quarter 2018 non-variable (fixed and structured) deferred annuity sales were \$32.6 billion; up more than 10.1% from the previous quarter and up more than 54.4% from the same period last year, according to the latest edition of *Wink's Sales & Market Report*.

Total non-variable deferred annuities sales for 2018 were \$113.6 billion, up 29.1% over the previous year, according to Wink Inc.

The non-variable deferred annuities in the study included indexed annuities from 68 issuers, traditional fixed annuities from 54 issuers, and multi-year-guaranteed annuity (MYGA) contracts from 68 issuers and structured (buffered or index-linked) annuities from 10 companies. Wink did not report sales of single premium immediate annuities or deferred income annuities.

AIG ranked as the top carrier overall for non-variable deferred annuity sales in the fourth quarter of 2018, with a 9.8% market share. Allianz Life, Global Atlantic Financial Group, Athene USA, and Massachusetts Mutual Life Companies followed.

Allianz Life's Allianz 222 Annuity, an indexed annuity, was the top-selling non-variable deferred annuity in the fourth quarter. It was also the top-selling indexed annuity in overall sales for all channels combined for the eighteenth consecutive quarter.

Indexed annuities

Indexed annuity sales for the fourth quarter were \$19.2 billion; up more than 8.4% from the previous quarter and up 40.9% from the same period in 2018. Total indexed annuity sales

for 2018 were \$68.4 billion, an increase of over 26.8% from the previous year. 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 the S&P500.

“While sales were down for 2017 because of the Department of Labor [fiduciary rule], 2018’s sales have more than made-up for 2017’s loss,” said Sheryl J. Moore, president and CEO of both Moore Market Intelligence and Wink, Inc., in a release.

Allianz Life once again sold the most indexed annuities, with a market share of 13.6%. Athene USA, AIG, Pacific Life Companies, and Nationwide followed.

Multi-year guaranteed annuity (MYGA) sales

Multi-year guaranteed annuity (MYGA) sales in the fourth quarter were \$12.2 billion; up over 12.3% from the previous quarter and up more than 81.3 % from the same period last year. Total MYGA sales for 2018 were \$41.3 billion, up 36.1% from the previous year. MYGAs have a fixed rate that is guaranteed for more than one year.

“Every company in the top 15 experienced increases in MYGA sales; that is unprecedented,” Moore said.

New York Life sold the most MYGA contracts, with a 13.0% market share. Global Atlantic Financial Group, AIG, Massachusetts Mutual Life Companies and Symetra Financial followed. Massachusetts Mutual Life Stable Voyage 3-Year contract was the top-selling MYGA for the quarter, for all channels combined.

Traditional fixed annuities

Traditional fixed annuity sales in the fourth quarter were \$1.1 billion; up 15.9% from the previous quarter, and up more than 56.8% from the same period in 2017. Total traditional fixed annuity sales for 2018 were \$3.8 billion, up 5.1% from the previous year. Traditional fixed annuities have a fixed rate that is guaranteed for one year only.

AIG sold the most traditional fixed annuities in the fourth quarter, for a 13.1% market share. Jackson National Life ranked second, followed by Modern Woodmen of America, Global Atlantic Financial Group, and Great American Insurance Group. Forethought Life’s ForeCare fixed annuity was the top-selling fixed annuity for the quarter, for all channels combined, for the eleventh consecutive quarter.

Structured annuity sales

Sales of structured annuities, which have wider range of risk and return than conventional index annuities, were \$4.1 billion in the fourth quarter of 2018, up more than 19.4% as from the previous quarter. Total structured annuity sales for 2018 were \$12.2 billion. This is the first year that Wink has reported on structured annuity sales.

Noteworthy highlights for structured annuities in the fourth quarter include AXA US ranking as the top carrier in structured annuities, with a market share of 40.8%.

Brighthouse Life Shield Level Select 6-Year was the top-selling structured annuity for the quarter, for all channels combined for the fourth consecutive quarter.

Wink will add a variable annuity sales report to its fixed annuity report beginning in the first quarter of 2019. The firm intends to issue sales reports on additional product lines in the future.

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