
Fixed annuity sales end 2017 on positive note: LIMRA SRI

By Editorial Staff Tue, Mar 20, 2018

Sales of book value fixed-rate annuities and indexed annuities were higher in the fourth quarter of 2017 than in the same quarter in 2016, according to LIMRA's Secure Retirement Institute.

Total annuity sales, including exchanges, were down 8% in calendar 2017, to \$203.5 billion, as prolonged low interest rates and anticipation of the Department of Labor (DOL) fiduciary rule dampened manufacturers' appetite for business, according to LIMRA Secure Retirement Institute (LIMRA SRI).

For the year, indexed annuity sales fell 5% to \$57.6 billion, compared with the prior year. Last year was the first year since 2009 where annual indexed annuity sales declined. Allianz Life of North America, Athene Annuity & Life and Nationwide held 29% of market share. The top 10 companies represented 63% of the market in 2017.

In the fourth quarter of 2017, however, year-over-year sales of book value fixed-rate annuities rebounded 11%, to \$4.9 billion from \$4.5 billion, on rising interest rates. Indexed annuity sales rose 5% (to \$14.7 billion from \$14.0 billion) in the fourth quarter, relative to the same period in 2016, on news that the Trump administration would postpone implementation of the fiduciary rule until July 2019 at the earliest.

Variable annuity (VA) sales were down 9% to \$95.6 billion, falling below \$100 billion for the first time in 20 years. VA sales have fallen 40% from their 2011 peak of \$158 billion. Sales in 2017 were concentrated at the top, with Jackson National Life, TIAA (a group annuity seller) and AXA US, representing 42% of sales. The top 10 issuers accounted for 78% of the VA market.

At \$107.9 billion, overall fixed annuity sales surpassed \$100 billion for the third consecutive year while falling 8% from 2016 levels. The top three sellers, New York Life, AIG Companies and Allianz Life of North America, represented 24% of sales. The top 10 issuers accounted 53% of the market in 2017.

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U.S. Individual Annuity Sales
2017 Year-end Results (\$ in thousands)

Rank	Company name	Total	Company name	Variable	Company name	Fixed
1	Jackson National Life	18,095,897	Jackson National Life	17,402,870	New York Life	15,875,734
2	AIG Consumer	14,262,510	TIAA	11,665,000	AIG Companies	7,879,275
3	New York Life	13,893,082	USA 05	10,264,642	Atlanta Life of North America	7,494,718
4	TIAA	11,665,000	Lincoln Financial Group	7,716,187	Global Atlantic Financial Group	6,760,676
5	USA 05	10,264,700	AIG Companies	6,471,407	Affinity Annuity & Life	6,063,629
6	Nationwide	10,021,600	Prudential Annuities	6,636,901	Nationwide	5,086,430
7	Atlanta Life of North America	9,642,675	Nationwide	4,691,100	Great American	4,266,716
8	Lincoln Financial Group	9,076,187	RiverSource Life Insurance	4,134,616	American Equity Investment Life	4,175,113
9	Pacific Life	8,874,501	New York Life	3,136,526	Pacific Life	3,484,730
10	Prudential Annuities	8,008,594	Transamerica	3,114,596	Synovus Financial	3,001,800
11	Global Atlantic Financial Group	8,045,073	Pacific Life	3,023,590	Security Benefit Life	2,708,260
12	Affinity Annuity & Life	7,879,275	Prudential Financial for Lutherans	2,644,303	BrightHouse Financial	2,701,466
13	RiverSource Life Insurance	4,134,616	Atlanta Life of North America	2,447,877	Michaels National	2,488,861
14	Great American	4,266,716	Vitality Investments Life	1,466,468	Vitality & Guaranty Life	2,086,688
15	American Equity Investment Life	4,175,113	BrightHouse Financial	1,370,374	Prudential Financial Group	2,062,331
16	BrightHouse Financial	4,071,587	Northwestern Mutual Life	1,260,764	Massachusetts Mutual Life	2,086,331
17	Synovus Financial	3,001,800	Ohio National Life	662,302	North American Company for Life and Health	1,877,320
18	Transamerica	3,023,590	CMFG Life Insurance Company	710,300	Lincoln Financial Group	1,866,616
19	Prudential Financial for Lutherans	2,708,260	Massachusetts Mutual Life	600,118	Delaware Life	1,811,146
20	Security Benefit Life	2,654,101	Prudential Financial Group	545,875	American National	1,846,705
Top 20		\$191,448,800		\$88,686,998		\$76,761,491
Total Industry		\$281,811,000		\$88,686,998		\$107,811,000
Top 20 share		74%		92%		74%

Source: LIMRA Survey, Excludes Section 1035 Individual Annuities (Not Survey)

