
Hartford CEO to VAs: "Never Again"

By Editor Test *Wed, Apr 7, 2010*

The insurer won't focus on VAs as much as in the past. It expects total annuity sales of \$5 billion in 2012, or less than half its individual annuity sales in 2008.

Hartford Financial Services Group Inc. chief executive officer Liam McGee, who repaid a \$3.4 billion government bailout last week, said he'll avoid focusing on variable annuity sales that contributed to two straight annual losses, according to a Bloomberg report.

"We learned our lessons from the last two years," McGee told analysts and investors today at a presentation in New York. "Never again will we have a concentration in any product, whether it be annuities or anything else, of the size that VA was."

McGee, hired in October, is repositioning Hartford after losses under his predecessor forced the firm into the U.S. rescue. The stock market's recovery helped Hartford return to profitability in the fourth quarter and aided McGee as he sold stock and debt to repay the U.S. Treasury Department. McGee, 55, said when he was hired that he would reduce risk and conduct "an intense review" of the 199-year-old insurer's businesses and strategy.

"De-risking general parts of the business is a focus," said Randy Binner, an analyst with FBR Capital Markets, in an interview before the Hartford presentation. "Their risk profile is more market-sensitive than other life insurers."

The insurer expects total annuity sales of \$5 billion in 2012, the company said today. It didn't give a comparable figure for 2009 in a slide presentation available on its Web site. Limra, the trade group, said Hartford's individual annuity sales were \$4.3 billion last year and \$10.7 billion in 2008.

Hartford swung to a profit in the final three months of 2009 with net income of \$557 million. The company posted more than \$4 billion of losses during the 15 months before McGee was hired.

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