

Indexed and deferred income annuity sales shine in 3Q2014: LIMRA

By Editorial Staff Thu, Nov 20, 2014

Deferred income annuity (DIA) sales reached \$670 million in the third quarter, 21% higher than the prior year, according to LIMRA's Secure Retirement Institute. In the first nine months of 2014, DIA sales jumped 35%, totaling \$2.0 billion.

Total U.S. annuity sales reached \$58.2 billion in the third quarter of 2014, off 2% from the same period in 2013. In the first nine months of 2014, total U.S. annuity sales rose 6%, compared with 2013, to reach \$177.7 billion.

“The 50 basis-point drop in interest rates since the start of the year has dampened interest in fixed products, pulling down third quarter sales,” explained Todd Giesing senior analyst, LIMRA Secure Retirement Institute Annuity Research, in a release.

But indexed annuities and deferred income annuities have done well.

Index annuity sales grew 15% in the third quarter, to \$11.7 billion. YTD, indexed annuity sales grew 31%, totaling \$36 billion. The indexed annuity guaranteed living benefits (GLBs) election rate was 69% (when available) in the third quarter 2014.

Rank	Company name	Total	Company name	Variable	Company name	Fixed
1	Jackson National Life	19,527,548	Jackson National Life	18,418,475	Allianz Life of North America	9,726,072
2	AIG Companies	14,212,256	Lincoln Financial Group	9,778,070	New York Life	5,292,615
3	Lincoln Financial Group	11,754,244	AIG Companies	9,626,607	AIG Companies	4,585,649
4	Allianz Life of North America	11,389,004	TIAA-CREF	9,381,942	Security Benefit Life	3,761,421
5	TIAA-CREF	9,381,942	Prudential Annuities	7,510,448	American Equity Investment Life	3,034,886
6	New York Life	8,083,691	Transamerica	7,331,217	Great American	2,657,090
7	Prudential Annuities	8,010,623	AXA US	7,220,194	Symetra Financial	2,289,061
8	Transamerica	7,414,273	MetLife	4,738,026	MetLife	2,061,578
9	AXA US	7,252,153	Nationwide Life	4,589,900	Lincoln Financial Group	1,976,174
10	MetLife	6,799,605	RiverSource Life Insurance	3,666,977	Pacific Life	1,948,871
11	Nationwide Life	5,552,600	Pacific Life	3,410,502	Athene Annuity & Life	1,858,518
12	Pacific Life	5,359,372	New York Life	2,791,076	EquiTrust Life	1,660,191
13	Security Benefit Life	4,017,272	Thrivent Financial for Lutherans	2,522,776	Fidelity & Guaranty Life	1,621,028
14	RiverSource Life Insurance	3,852,853	Ohio National Life	1,706,118	Midland National	1,560,026
15	American Equity Investment Life	3,034,886	Allianz Life of North America	1,662,932	Voya Financial	1,338,749
16	Thrivent Financial for Lutherans	2,949,973	Fidelity Investments Life	1,546,346	Genworth Financial	1,320,867
17	Great American	2,685,630	Northwestern Mutual Life	1,258,794	Massachusetts Mutual Life	1,312,864
18	Symetra Financial	2,340,479	Principal Financial Group	815,040	Berkshire Hathaway	1,113,450
19	Massachusetts Mutual Life	2,035,975	Massachusetts Mutual Life	723,111	Jackson National Life	1,109,073
20	Athene Annuity & Life	1,858,518	Protective Life	686,965	Nationwide Life	962,700
	Top 20	137,512,895		99,385,515		51,190,882
	Total industry	177,690,000		105,900,000		71,790,000
	Top 20 share	77%		94%		71%

Source: LIMRA Secure Retirement Institute U.S. Individual Annuities Sales Survey

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than the prior year. In the first nine months of 2014, DIA sales jumped 35%, totaling \$2.0 billion. The top three writers continue to drive most of the DIA sales, accounting for 75% of third quarter DIA sales. They are New York Life, MassMutual, and Northwestern Mutual Life.

Total fixed annuity sales were \$22.7 billion in the third quarter, down five percent versus prior year. Year-to-date (YTD), fixed annuity sales reached \$71.8 billion, a 21% increase from 2013.

Sales of fixed-rate deferred annuities (Book Value and MVA) fell 32% in the third quarter, compared with prior year. Fixed-rate deferred annuities reached \$22.4 billion in the first nine months, an 8% increase compared to last year.

Single premium immediate annuity sales were up 10% in the third quarter to reach \$2.3 billion. YTD, SPIA sales jumped 30% to reach \$7.4 billion. LIMRA Secure Retirement Institute predicts SPIA sales will exceed current annual sales records.

Variable annuity (VA) sales fell 1% in the third quarter, to \$35.5 billion. YTD, VAs reached \$105.9 billion, a 3% drop from 2013. LIMRA Secure Retirement Institute researchers noted many of the top VA sellers are focusing on diversification of their VA GLB business. In the second quarter, a few of the top companies entered the market with accumulation-focused product without a GLB rider. Election rates for VA GLB riders, when available, were 76% in the third quarter of 2014.

The third quarter [Annuities Industry Estimates](#) can be found in the updated LIMRA [Data Bank](#). To view variable, fixed and total annuity sales over the past 10 years, please visit [Annuity Sales 2004-2013](#). LIMRA Secure Retirement Institute's second quarter U.S. Individual Annuities Sales Survey represents data from 94% of the market.