
Jackson National reports record pre-tax operating income during 2017

By Editorial Staff *Fri, Mar 16, 2018*

An indirect wholly owned subsidiary of Britain's Prudential plc, Jackson recorded sales and deposits of \$21.4 billion in 2017. The insurer recently announced that it would close its Denver facility and shift those operations to Nashville.

Jackson National Life Insurance Company generated \$2.9 billion in IFRS (International Financial Reporting Standards) pre-tax operating income during 2017, an increase of three percent over 2016 and the highest in company history, the company said in a release this week.

An indirect wholly owned subsidiary of Britain's Prudential plc, Jackson recorded sales and deposits of \$21.4 billion in 2017. "The results mark another highly successful year for the company, despite recent challenges faced throughout the industry," the release said.

Barry Stowe, chairman and CEO of the North American Business Unit of Prudential plc, said positive net flows and the growth of separate account assets under management drove the results, which totaled a record \$176.6 billion in 2017.

Stowe said Jackson wants to "embrace our leadership position in the industry" and "establish the footprint to change the narrative in the retirement marketplace... We are working harder than ever to ensure consumers understand the value of annuities that offer a lifetime income stream."

Jackson increased total IFRS assets to \$264.4 billion at the end of 2017, up 12% from year-end 2016. Jackson also reported regulatory adjusted capital of \$4.3 billion, more than eight times the minimum regulatory requirement (as of December 31, 2017), while remitting a \$600 million dividend to its parent company.

According to the release, Jackson's net income was impacted by hedging losses incurred due to the equity market, which were not fully offset by the release of accounting reserves. "IFRS accounting for variable annuity liabilities is not necessarily consistent with the economic value of these liabilities," the release said. "Jackson continues to manage its hedge program on an economic basis and is willing to accept the accounting volatility that results." The company also said it has \$250.0 billion of IFRS policy liabilities set aside to pay future policyowner benefits (as of December 31, 2017).