

Kehrer Bielan releases bank annuity sales study for 2014

By Editorial Staff Thu, Oct 1, 2015

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The 25 largest bank broker-dealers produced almost \$22 billion in fixed and variable annuity premium in 2014, accounting for 57% of the total sold by all banks and credit unions, according to new research from Kehrer Bielan.

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The remaining 3% was sold in the smaller bank broker-dealers or the community banks and credit unions that work with the smaller third party broker dealers.

The large bank BDs produced \$11.7 billion in fixed annuity premium (58.0% of the financial institutions channel total) compared to \$10.2 billion in variable annuities (56.5%).

Company	2014 Fixed Annuities	2014 Variable Annuities
	(millions)	(millions)
Cetera Advisor Networks LLC*	\$76	\$139
Cetera Investment Services LLC**	\$995	\$832
CUNA Brokerage Services, Inc.	\$819	\$560
CUSO Financial/Sorrento	\$711	\$836
Essex National Securities, LLC	\$511	\$155
Infinex Financial Group	\$408	\$316
INVEST Financial Corporation	\$248	\$390
Investment Centers of America	\$138	\$112
LPL Financial LLC***	\$2,807	\$3,259
Raymond James	\$553	\$852
Total	\$7,266	\$7,451

“Many large bank broker-dealers supplement their financial advisors with licensed platform bankers, whose sales are skewed toward fixed annuities,” said Tim Kehrer, senior research analyst at Kehrer Bielan. “The banks and credit unions affiliated with the third-party BDs are much less likely to license customer-facing bank and credit union staff to sell annuities.”

The ten largest TPMs (third-party broker-dealers) accounted for 36% of all fixed annuity premium sold in financial institutions, but 41.2% of variable annuity premium. “Even as firms take steps towards more financial planning and advisory activities, a significant amount of fixed and variable annuities are distributed to their client base,” said Peter Bielan, a principal of the firm. “We find that variable annuities are more popular in banks and credit unions that still do mostly transaction business.”

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