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## Life/annuity stocks struggle as low interest rates persist: A.M. Best

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By Editorial Staff      Thu, Nov 20, 2014

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*With an appreciation of 7.6%, Voya Financial, Inc. was the best performing life/annuity stock in the third quarter of 2014, according to A.M. Best. With a share price decline of 24.7%, Genworth Financial, Inc. was the worst-performing stock in the sector.*

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The major publicly traded life and annuity stocks underperformed the broad-based S&P 500 index during the third quarter of 2014—posting a 1.3% loss versus a 1.1% gain—according to a new [\*\*\*Best's Special Report\*\*\*](#) from A.M. Best.

Of the 24 stocks reviewed in the report, eight had positive performance during the third quarter, while 16 declined. A big part of the reason: the expected rise in interest rates did not materialize, and earnings guidance and outlooks moved toward a more tempered interest rate forecast for an extended period.

“Previous quarters had been positive as companies strengthened their balance sheets, and combined with consolidations through mergers and acquisitions, this positioned them to take advantage of the anticipated rising rate environment,” A.M. Best said in a release.

With an appreciation of 7.6%, Voya Financial, Inc. was the best performing of the stocks in the third quarter of 2014. With solid second quarter results, Voya “continues to be well capitalized, and management has decided to increase the company’s stock repurchase program by USD 500 million, which investors viewed favorably,” the release said.

With a share price decline of 24.7%, Genworth Financial, Inc. was the worst-performing stock in the third quarter. “Despite its promising mortgage insurance business, Genworth continues to struggle in its long-term care segment with elevated and persistent claims,” the release said.

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