
LIMRA: Annuity sales strongest in 11 years

By Kerry Pechter *Thu, Feb 27, 2014*

Indexed annuity sales set a new quarterly record of \$11.9 billion, an increase of \$1.7 billion from the third quarter. For 2013, indexed annuity sales totaled \$39.3 billion, up 16% over 2012.

Annuity sales soared 17% in the fourth quarter, reaching \$61.9 billion. It was the largest quarterly percentage increase in 11 years, according to LIMRA Secure Retirement Institute.

Overall for 2013, annuity sales were \$230.1 billion, a 5% increase over 2012.

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Other significant increases:

- Overall fixed annuity sales reached \$25.6 billion in the fourth quarter of 2013. It was the highest sales total since the second quarter of 2009, up 45% over the fourth quarter of 2012. Total fixed annuities sales grew 17% in 2013, to \$84.8 billion.
- Fixed-rate annuity sales earned \$8.5 billion in the fourth quarter. For the year, fixed-rate annuities grew 19% to \$29.3 billion.
- Variable annuity sales grew 4% in the fourth quarter, to \$36.3 billion.
- Deferred income annuity sales reached \$710 million in the fourth quarter, up 82% from the fourth quarter of 2012. In 2013, DIA sales reached \$2.2 billion, more than double (113%) 2012 results.

LIMRA attributed the overall growth to improved interest rates, product innovation and organic growth in the banking and broker-dealer channels.

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