
LIMRA foresees \$400bn+ annuity sales in 2025

By Editorial Staff Thu, May 29, 2025

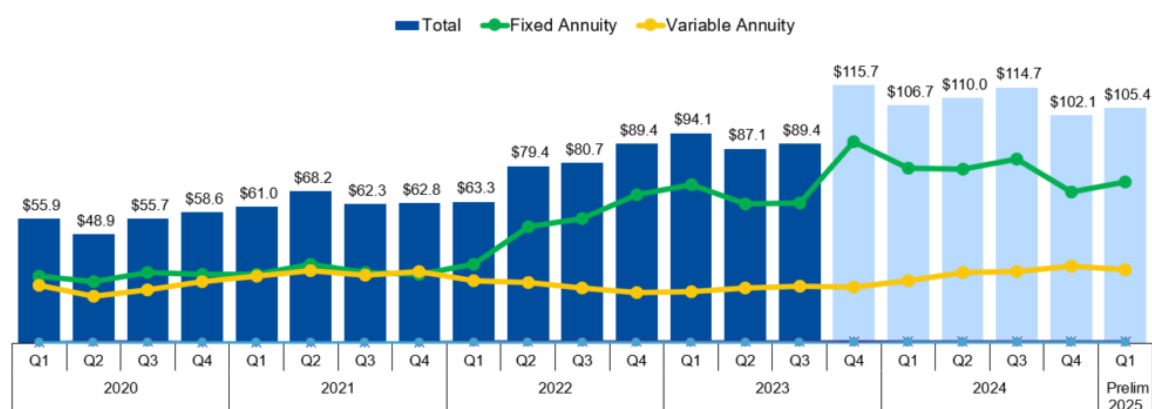
'There is greater interest in balancing commission-based products and fee-based products,' said Keith Golembiewski, assistant vice president and director of LIMRA Annuity Research.

Total U.S. annuity sales were \$105.4 billion in the first quarter of 2025: One percent lower than the record set in first quarter 2024 but up three percent from 4Q2024, according to LIMRA's quarterly sales report. Annuity sales exceeded \$100 billion for the sixth consecutive quarter.

Slightly lower interest rates and a booming equity market resulted in double-digit growth in traditional VA and RILA product sales but declines in fixed annuity products. According to Bryan Hodges, senior vice president and head of LIMRA research, "As market volatility increased throughout the quarter, our research showed consumers' sentiment about the economy plunged.

"By the end of the quarter, six in 10 consumers said they were very concerned about the economy — a 14-point difference from January. As a result, consumers sought out investment protection and safety. Our data show March marked the second highest monthly sales in history and fixed-rate deferred product sales having the highest monthly results in over a year."

Although the economic outlook for the rest of the year is uncertain, LIMRA expects total annuity sales to exceed \$400 billion in 2025.

First Quarter 2025 Marks Sixth Consecutive \$100B+ Quarter

Source: U.S. Individual Annuities Sales Survey, LIMRA.

**Favorable demographics**

U.S. demographic trends are a tailwind for the annuity industry, LIMRA believes. Through 2029, more than four million people will turn 65 each year and a growing proportion of them will retire without pensions. In 2024, just half of pre-retirees believed they had enough guaranteed lifetime income sources to cover basic living expenses, down from 58% in 2017.

Investors' interest in converting a portion of assets to an annuity remains historically high, LIMRA research shows, with over half of pre-retirees and retirees saying they would be interested.

Product innovation

Over the past decade, registered index-linked annuities (RILAs) and fixed indexed annuities (FIAs) have driven annuity sales growth. In 2015, they accounted for 23% of the \$242 billion in total annuity sales. In 2024, they accounted for 44% of a \$434.1 billion market.

RILA sales increased from \$3.7 billion in 2015 to \$65.4 billion in 2024. The number carriers offering them rose from 21 to 41. RILAs are attractive to both insurers and investors — enabling investors to mitigate equity market downturns and allowing companies greater flexibility to hedge against risk as market conditions change.

FIA sales too have grown as annuity carriers introduced custom indices, offered more flexible crediting methods, and improved and expanded income riders. From 2015 to 2024,

FIA sales increased more than 137% to \$126.9 billion.

“With these indexed products, carriers have broadened their solutions across the risk spectrum to address investors’ individual needs,” said Hodgens. “For those investors most interested principal protection, fixed-rate deferred annuities offer safety and guaranteed return. As investors’ appetite for greater upside potential with limited market risk has grown, FIAs and RILAs are increasingly available, and our sales data suggest it is resonating with the market.”

Distribution expansion

Product innovation also plays a role to expand annuity distribution. The industry has adopted new technologies (artificial intelligence, data analytics, etc.) to streamline applications and claims processes and enhance lead generation. Going forward, LIMRA expects the annuity industry to build products that attract more registered investment advisor (RIA) interest.

“There is greater interest in balancing commission-based products and fee-based products. Today, just half of RIAs report selling annuities to their clients — the expansion of fee-based products may increase annuity sales through the RIA channel,” said Keith Golembiewski, assistant vice president and director of LIMRA Annuity Research. “As carriers incorporate advanced technology, they are able to sell both products side by side. Our research shows fee-based VAs and FIAs have doubled since 2020 to \$7.7 billion in 2024.”

The contingent deferred annuity (CDA) market, while not entirely new, is growing and also designed to attract more RIAs. The product wraps an annuity around an advisory account, allowing an investor to create guaranteed income without relinquishing control over the underlying assets.

© 2025 RIJ Publishing LLC.