
MetLife Tops VA Sales in 2Q

By Editor Test Wed, Aug 24, 2011

Variable annuity sales improved for the fifth consecutive quarter in the second quarter of 2011, while fixed annuity sales were one percent less than in the year-ago quarter, according to a report from LIMRA.

Variable annuity (VA) sales jumped 16% in the second quarter when compared to the prior year, to reach \$40.9 billion, according to LIMRA's second quarter 2011 [U.S. Individual Annuities Sales](#) survey.

MetLife ousted Prudential from top spot as the leading seller of variable annuities, with \$13.624 billion in sales in the second quarter. MetLife's leading VA offers a guaranteed minimum income benefit (GMIB), in contrast to the guaranteed lifetime withdrawal benefit (GLWB) offered by the second and third leading VA sellers, Prudential Financial and Jackson National, respectively.

"Variable annuity sales grew 20% in the first half of 2011, reaching \$80.7 billion," said Joseph Montminy, LIMRA assistant vice president, annuity research. "Recent market volatility will certainly affect third quarter VA sales but consumer demand for guaranteed income protection will continue to drive sales of VAs with guaranteed living benefit (GLB) riders. Eight-seven percent of new VA sales elected a GLB rider (when available at purchase) in the second quarter of 2011."

[Total annuity sales](#) hit \$62.4 billion in the second quarter, an increase of nine percent compared to prior year. Year-to-date, annuity sales reached \$122.4 billion, improving 13 percent from the first six months of 2010. For the fifth quarter in a row, VA sales have improved, boosting overall annuity sales.

Fixed annuity sales continue to struggle in the current low interest rate environment, falling one percent in the second quarter compared to prior year. However, at \$21.5 billion, fixed annuity sales grew six percent compared to the first quarter of 2011. In the first half of 2011, total fixed annuity sales grew one percent over prior year, reaching \$41.7 billion.

After a strong first quarter, book-value sales recorded a slim one percent increase to \$8.5 billion in the second quarter of 2011 compared to the second quarter of 2010. Year-to-date, book-value sales grew six percent, to reach \$17.2 billion.

Market-Value Adjusted (MVA) sales declined in the second quarter of 2011, down 13 percent to \$1.4 billion when compared to prior year. Year to date, MVA sales dropped 3%, totaling \$2.8 billion.

While indexed annuity sales declined one percent in the second quarter of 2011 when compared to prior year, sales increased 14% from the first quarter of 2011, to reach \$8.1 billion. This brings indexed annuity sales close to the record levels experienced in 2010.

Immediate annuities posted record sales results in the second quarter, up 5% compared to prior year and 22% from prior quarter, to reach \$2.2 billion.