

## Fixed-Rate Annuities: First Quarter Favorites

By Editorial Staff     Wed, May 25, 2022

*"FIA and RILA sales were both slightly down from the prior quarter. That might reflect some investor uneasiness about equity index-linked products," said Todd Giesing, head of LIMRA Annuity Research.*



Amid falling bond and equity prices, investors sought the humble predictability of fixed rate deferred (FRD) annuities in the first quarter of 2022, according to the LIMRA's latest report.

FRD sales were up 45% from the previous quarter, to \$15.9 billion, as the average yield on the three-year product rose to 2.25%. Top-five FRD issuers were New York Life (\$2.78bn), AIG (\$1.82bn), MassMutual (\$1.62bn), USAA (\$1.21bn), Western Southern Group (\$1.15bn) and Global Atlantic (\$999m).

For more annuity sales data, see LIMRA's [Fact Tank](#).



Todd Giesing

Overall, sales of fixed annuities (FRDs, fixed indexed, and payout) rose 14% from the prior quarter, to \$35.2 billion. At \$16.3 billion, FIA sales were down 2% from the previous quarter. Sales of deferred income annuities were down 15% and immediate annuities were down 12%. but 21% higher than the first quarter of 2021. All fixed products except income annuities recording positive growth.

Relative to the first quarter of 2021, fixed-rate deferred annuity sales were up 9%. FIA sales were up 21% from the year-ago quarter. LIMRA expects FIA sales to grow as much as 10% and fixed-rate sales to grow as much as 7% in 2022.

“FIA and FRD sales benefited from rising interest rates and increased market volatility as investors sought protected growth options,” said Todd Giesing, assistant vice president, LIMRA Annuity Research, in a release.

Some carriers were apparently more nimble than others in incorporating rising rates into their products. “We’ve heard that some life/annuity companies are having challenges with rates moving so quickly, even though the rates are changing in their favor. Some carriers are changing rates only once a month, while others have the flexibility to change once a week,” Giesing told *RIJ* in a phone interview.

Rank	Company name	Fixed-Rate Deferred	Company name	Indexed	Company name	Payout Annuities <sup>1</sup>
1	New York Life	2,784,628	Athene Annuity & Life	2,231,015	New York Life	401,121
2	AIG Companies	1,824,776	Allianz Life of North America	1,737,465	USAA Life	355,270
3	Massachusetts Mutual Life	1,624,929	AIG Companies	1,449,591	Pacific Life	324,309
4	USAA Life	1,213,791	Sammons Financial Companies	1,024,331	Massachusetts Mutual Life	271,790
5	Western Southern Group	1,146,896	Fidelity & Guaranty Life	961,924	Berkshire Hathaway	257,704
6	Global Atlantic Financial Group	998,841	Massachusetts Mutual Life	934,486	Western Southern Group	209,441
7	Symetra Financial	583,906	Global Atlantic Financial Group	903,475	MetLife	203,952
8	Fidelity & Guaranty Life	472,259	American Equity Investment Life	875,899	Northwestern Mutual Life	184,125
9	Athene Annuity & Life	415,592	Nationwide	713,900	AIG Companies	113,502
10	Pacific Life	374,331	Security Benefit Life	639,150	Guardian Life of America	104,312
11	Delaware Life	195,915	Symetra Financial	451,191	Modern Woodmen	56,005
12	Reliance Standard	105,270	EquiTrust Life	361,974	Global Atlantic Financial Group	40,373
13	Knights of Columbus	102,264	National Life Group	361,688	The Standard	35,171
14	Modern Woodmen	99,947	Lincoln Financial Group	355,988	Nationwide	33,800
15	American National	84,939	Bankers Life & Casualty	349,241	Mutual of Omaha	22,538
16	Protective Life	74,156	Delaware Life	307,191	EquiTrust Life	21,658
17	CMFG Life Insurance Company	71,457	Nassau	218,293	Prudential Annuities	18,069
18	The Standard	64,948	American National	122,938	Lincoln Financial Group	16,438
19	Thrivent Financial for Lutherans	59,688	Pacific Life	105,842	Symetra Financial	14,131
20	Farm Bureau Life	58,515	Ameritas Life	103,273	Penn Mutual	13,931
Top 20		\$12,357,047	Top 20	\$14,208,855	Top 20	\$2,697,638
Total industry		\$15,900,000	Total industry	\$16,300,000	Total industry	\$3,015,000
Top 20 share		78%	Top 20 share	87%	Top 20 share	89%

Source: LIMRA U.S. Individual Annuities Sales Survey

## 1Q2022 Annuity sales

Meanwhile, investors moved away from equity-linked annuities such as fixed indexed annuities (FIAs) and registered index-linked annuities (RILAs). RILA sales were down 7% from the prior quarter but were up 5% from the year-ago quarter.

At \$16.3 billion, first-quarter FIA sales were down 2% from 4Q2021 but up 21% from

1Q2021. Top-five FIA issuers were Athene Annuity & Life (\$2.23bn), Allianz Life of North America (\$1.74bn), AIG (\$1.45bn), Sammons Financial Group (and \$1.02bn) and Fidelity & Guaranty Life (\$962m).

“FIA and RILA sales were both slightly down from the prior quarter. That might reflect some investor uneasiness about equity index-linked products. But fixed-rate sales went to \$16 billion in first quarter of 2022 from \$11 billion in the fourth quarter of 2021,” Giesing said. LIMRA’s quarterly annuity sales survey represents 91% of the total market.

Overall US annuity sales were up 1% from the fourth quarter of 2021 in the first quarter of 2022 and up 4% from the year-ago quarter, according to LIMRA’s US Individual Annuity Sales Survey.

The top five sellers of annuities in 1Q2022, of any type, were AIG Companies (\$5.0bn), New York Life (\$4.47bn), Jackson National Life (\$4.25bn), Equitable Financial (\$3.71bn) and Allianz Life of North America (\$3.25bn).

Rank	Company name	Total	Company name	Variable	Company name	Fixed
1	AIG Companies	4,999,572	Jackson National Life	4,189,182	AIG Companies	3,387,869
2	New York Life	4,469,006	Equitable Financial	3,713,772	New York Life	3,185,749
3	Jackson National Life	4,245,176	Lincoln Financial Group	2,388,297	Massachusetts Mutual Life	2,831,204
4	Equitable Financial	3,713,783	TIAA	1,890,776	Athene Annuity & Life	2,648,202
5	Allianz Life of North America	3,248,299	Brighthouse Financial	1,809,695	Global Atlantic Financial Group	1,942,689
6	Massachusetts Mutual Life	3,175,765	AIG Companies	1,611,702	Allianz Life of North America	1,741,149
7	Athene Annuity & Life	2,882,745	Allianz Life of North America	1,507,150	USAA Life	1,569,061
8	Lincoln Financial Group	2,762,819	Prudential Annuities	1,505,074	Fidelity & Guaranty Life	1,434,371
9	Nationwide	2,263,200	Nationwide	1,504,900	Western Southern Group	1,422,955
10	Global Atlantic Financial Group	1,953,842	New York Life	1,283,257	Sammons Financial Companies	1,071,193
11	Pacific Life	1,939,224	Pacific Life	1,134,742	Symetra Financial	1,049,228
12	Brighthouse Financial	1,908,672	RiverSource Life Insurance	1,050,897	American Equity Investment Life	895,103
13	TIAA	1,890,776	Thrivent Financial for Lutherans	654,787	Pacific Life	804,482
14	USAA Life	1,569,061	Fidelity Investments Life	442,077	Nationwide	758,300
15	Prudential Annuities	1,545,224	CMFG Life Insurance Company	413,959	Security Benefit Life	660,983
16	Western Southern Group	1,444,213	Massachusetts Mutual Life	344,560	Delaware Life	503,106
17	Fidelity & Guaranty Life	1,434,371	Northwestern Mutual Life	253,440	EquiTrust Life	408,765
18	Symetra Financial	1,226,208	Athene Annuity & Life	234,542	National Life Group	380,782
19	Sammons Financial Companies	1,178,573	Transamerica	231,989	Lincoln Financial Group	374,522
20	RiverSource Life Insurance	1,068,801	Protective Life	195,507	Bankers Life & Casualty	360,846
Top 20		\$48,919,331	Top 20	\$26,360,308	Top 20	\$27,430,560
Total industry		\$63,315,000	Total industry	\$28,100,000	Total industry	\$35,215,000
Top 20 share		77%	Top 20 share	94%	Top 20 share	78%

Source: LIMRA U.S. Individual Annuities Sales Survey

## 1Q2022 Annuity Sales

Immediate income annuity sales were \$1.5 billion in the first three months of 2022, equal the results from prior year. Deferred income annuity sales totaled \$365 million in the first quarter, down 14% year-over-year. With higher interest rates expected this year, LIMRA has forecast as much as 15% growth collectively for immediate and deferred income annuity sales.

Total variable annuity sales fell 6% in the first quarter, to \$28.1 billion. Registered index-linked annuity (RILA) sales grew 5% to \$9.6 billion in the first quarter. Traditional variable annuity (VA) sales were \$18.5 billion in the first quarter, down 11% year-over-year.

The top five variable annuity issuers in 1Q2022 were Jackson National Life (\$4.19bn), Equitable Financial (\$3.71bn), Lincoln Financial Group (\$2.39bn), TIAA (1.89bn) and Brighthouse Financial (\$1.81bn). By the end of 2022, LIMRA has predicted traditional VA sales to grow by as much as 8%. LIMRA expects RILA sales to increase as high as 30% by year-end 2022.

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