
Net annuity cash flow at b/ds fell 19% in 2013: DTCC

By Editorial Staff Thu, Mar 20, 2014

December 2013 was the first month of negative net flow into annuities since Analytic Reporting of Annuities, an online service of DTCC's National Securities Clearing Corporation (NSCC), began collecting broker-dealer annuity transaction data in 2011.

Suggesting that TV advertising and consumer name-recognition aren't everything, Jackson National Life was by far the biggest recipient of positive net cash flow from annuity sales processed by the Depository Trust & Clearing Corporation (DTCC) in 2013.

Overall, annuity sales through broker-dealers fell in the last quarter of 2013. Net cash flow into annuity products processed by DTCC's Insurance & Retirement Services (I&RS) reached a negative \$294 million in December.

DTCC's summary [Annuity Market Activity Report 2013](#) shows a highly concentrated industry. It includes information on:

- The disparity of flows among distributors
- The concentration of inflows within the top 10 distributors
- The top 10 states for annuity inflows
- The top 10 insurance/holding companies for inflows and net flows
- The top 10 annuity products for inflows and net flows
- Cash flows by account type (qualified and non-qualified)

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Annuity inflows processed by DTCC in 4Q13 decreased from \$8.9 billion in October to \$7.7 billion in December. Compared to 4Q12, inflows in 4Q13 increased by 17.6%, from \$20.1 billion to \$24.4 billion; while out flows stayed relatively flat, according to the report.

For all of 2013, inflows into annuity products processed by NSCC totaled almost \$94 billion, increasing by nearly 11%, or \$9.2 billion over 2012. Outflows totaled almost \$85 billion, increasing by over 15%, or \$11.4 billion over 2012. The resulting net cash flows totaled \$9 billion, declining by over 19% compared to 2012.

In 2013, over \$178 billion in annuity transactions involving 117 insurance companies (42 parent/holding companies), 138 distributors, and 3,467 products were processed by I&RS.

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