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

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By Editorial Staff      Thu, Mar 20, 2014

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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)

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.

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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