
Prudential To Launch TV Ad Campaign

By Editor Test *Wed, Nov 11, 2009*

In other news, Prudential said gross variable annuity sales for the third quarter reached a record \$5.8 billion, compared to \$2.5 billion a year ago. Net sales were \$4.4 billion in the quarter.

Prudential Financial launched its “Morse Code SOS” television advertising campaign on Oct. 25, to run through 2010. The campaign kicked off Oct. 18 with a full-page ad in the *New York Times* and also includes Internet ads, billboards at airports, elevator advertisements and an electronic billboard in Times Square.

The new Prudential television ads will show buildings in large cities lighting up in Morse code sequences, representing organizations sending out a call, or SOS, for better solutions for asset management, secure retirement guidance and benefits for employees.

In other news, Prudential executives said in a conference call that gross variable annuity sales for the quarter reached a record \$5.8 billion, compared to \$2.5 billion a year ago. Net variable annuity sales were \$4.4 billion in the third quarter.

In a transcript of the call, the executives noted that all of the company’s variable annuity living benefit options and about 60% of all of the firm’s variable annuity account values that are protected by income guarantees are subject to an “auto rebalancing feature.”

With this feature, customer funds are automatically reallocated to fixed income investments during market declines, thereby limiting the decline in the account values and protecting the company’s ability to support the contracts’ income guarantees. When the market rises, money returns to each client’s investment choices. The process is entirely automated.

“With about 85% of our current quarter variable annuity sales including the HD living benefits we are continuing to migrate our book of business toward auto rebalancing products. With the improving financial markets, about \$5.5 billion dollars of account values that had been rebalanced to fixed income investments during the market downturn returned to client selected investments over the past two quarters,” the firm said.

In August, Prudential introduced a new variable annuity living benefit product feature called HD 6 plus, which offers a 6% annual roll up for protected value rather than the previous product’s 7%.

While “it’s reasonable to assume that a portion of our third quarter sales reflected purchases of the earlier product in anticipation of the introduction of the new one, HD 6 plus continues to offer the differentiated value proposition that has driven our success in the marketplace. And initial indications are that it is being well received by clients and their advisors,” the earnings call transcript said.