
Record Sales for Indexed Annuities in 2009

By Editor Test Tue, Feb 23, 2010

Allianz Life was the top-selling carrier in the quarter and for 2009, and its MasterDex X was the top-selling IA for the third quarter in a row.

Forty-four indexed annuity carriers representing 99% of indexed annuity (IA) production reported combined fourth quarter 2009 sales of \$7.0 billion, down 2.7% from the same period last year, according to the 50th edition of AnnuitySpecs.com's Indexed Sales & Market Report (formerly the Advantage Index Sales & Market Report).

But "The big story this quarter is that sales of IAs exceeded \$30 billion in 2009, setting an all-time record. That tops our previous 2007 annual sales record by more than 10%," said Sheryl J. Moore, President and CEO of AnnuitySpecs.com.

Sales were down 6.7% from the prior quarter. "The past two quarters' sales have been the strongest the IA industry has ever seen. It is natural to rebound to a normal sales level after such record highs," Moore added.

Allianz Life remained the top-selling carrier in the quarter and for 2009. Aviva regained its position as the second-ranked company, while American Equity, Jackson National and ING rounded out the top five, in that order.

Allianz Life's MasterDex X was the top-selling IA for the third consecutive quarter. Jackson National Life dominated sales of IAs in the bank and wirehouse distributions for the quarter.

For indexed life sales, 33 carriers in the market participated in the AnnuitySpecs.com's Indexed Sales & Market Report, representing 100% of production.

Fourth quarter sales were \$151.3 million, an increase of nearly 16% from the previous quarter and a reduction of 4.0% from the same period in 2008.

"A third of the companies in the indexed life market experienced greater than 50% growth since this period last year," said Moore. "The IUL market is going to become increasingly competitive now that so many of these new entrants' distributions are comfortable with the product."

Aviva held its top position in indexed life, with a 22% market share. Pacific Life, National Life Group, Minnesota Life, and American General Companies completed the top five.

Pacific Life's Indexed Accumulator III remained the best-selling indexed life product for the fifth consecutive quarter. Nearly 77% of sales utilized an annual point-to-point crediting method, and the average target premium paid was \$7,596.

