

## 'RILA' Sales Boost Annuities Market: SRI

By Editorial Staff Thu, Nov 21, 2019

Year-to-date, total annuity sales were \$184.2 billion, up 8% from the prior year, according to the Secure Retirement Institute. (Three downloadable charts included.)

Variable annuity (VA) sales were \$26.5 billion in third quarter 2019, six percent higher than third quarter 2018, according to the Secure Retirement Institute (formerly LIMRA SRI) Third Quarter U.S. Annuity Sales Survey. This represents the highest quarterly VA sales results since third quarter 2016.

Year-to-date VA sales were \$75.1 billion, level with results from the same period in 2018.

“For the second consecutive quarter, VA sales registered strong growth, driven primarily by the remarkable growth in registered index-linked annuity (RILA) products, which represent nearly 20% of the VA market,” said Todd Giesing, research director, SRI Annuity Research.

“One of the things that is driving the growth in the RILA market is the adoption of Guaranteed Lifetime Benefit (GLB) riders. In the third quarter, RILA sales with GLB riders increased more than \$500 million. In the third quarter just under 15% of RILAs were sold with a GLB a sharp increase from just three percent in the prior quarter.”

### U.S. Annuity Sales Estimates

Variable	Q3 2018	Q3 2019	Q3 2019 / Q3 2018	YTD 2018	YTD 2019	YTD 2019 / YTD 2018
VA Deferred (no RILAs)	22.0	21.7	-2%	67.7	62.6	-8%
RILA	3.0	4.8	62%	7.7	12.5	63%
<b>Total Variable</b>	<b>25.0</b>	<b>26.5</b>	<b>6%</b>	<b>75.4</b>	<b>75.1</b>	<b>0%</b>
<b>Fixed</b>						
<b>Fixed-rate deferred</b>	11.5	9.9	-14%	32.4	38.1	18%
Book value	7.6	5.9	-22%	21.0	24.9	19%
MVA	3.9	4.0	3%	11.4	13.2	16%
<b>Indexed</b>	18.0	18.6	3%	50.1	56.6	13%
Deferred income	0.55	0.59	7%	1.6	2.0	19%
Fixed immediate	2.4	2.3	-4%	7.0	7.8	11%
Structured settlements	1.6	1.5	-6%	4.6	4.6	0%
<b>Total Fixed</b>	<b>34.1</b>	<b>32.9</b>	<b>-3%</b>	<b>95.7</b>	<b>109.1</b>	<b>14%</b>
<b>Total U.S. Annuities</b>	<b>59.1</b>	<b>59.4</b>	<b>1%</b>	<b>171.1</b>	<b>184.2</b>	<b>8%</b>

Industry estimates reported for the second quarter 2019 based upon data from 59 companies, representing 94 percent of total sales.

Source: LIMRA Secure Retirement Institute, U.S. Individual Annuity Sales Survey, Third Quarter 2019  
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RILA sales were \$4.8 billion in the third quarter, 62% higher than third quarter 2018. In the first nine months of 2019, RILA sales were \$12.5 billion, up 63%, compared with prior year

sales.

Fee-based VA sales were \$785 million in the third quarter—slightly down from the prior year but up almost eight percent from the second quarter. Fee-based VAs represent just three percent of the total VA market.

Total annuity sales increased 1% in the third quarter to \$59.4 billion. Year-to-date, total annuity sales were \$184.2 billion, an increase of eight percent, compared with the prior year.

Despite an unfavorable interest rate environment, fixed annuities continued to represent the majority of the annuity market with 55% market share in the third quarter, which is down four percentage points from the prior quarter. Fixed annuity sales have outperformed VA sales in 13 of the last 14 calendar quarters.

**U.S. Individual Annuity Sales**  
3<sup>rd</sup> Quarter YTD 2019 (\$ in thousands)

Rank	Company name	Total	Company name	Variable	Company name	Fixed
1	AIG Companies	14,985,042	Jackson National Life	11,009,684	AIG Companies	10,543,620
2	Jackson National Life	14,352,550	AXA US	8,538,726	New York Life	7,852,800
3	Lincoln Financial Group	10,861,296	TIAA	7,459,000	Global Atlantic Financial Group	6,754,824
4	New York Life	10,277,580	Lincoln Financial Group	6,952,286	Allianz Life of North America	6,688,334
5	Allianz Life of North America	9,558,392	Prudential Annuities	6,670,029	Athene Annuity & Life	5,645,095
6	AXA US	8,565,131	AIG Companies	4,441,422	Pacific Life	4,999,878
7	Prudential Annuities	8,175,282	Brighthouse Financial	4,207,288	Nationwide	4,500,600
8	Nationwide	8,022,800	Nationwide	3,522,200	American Equity Investment Life	4,041,891
9	TIAA	7,459,000	RiverSource Life Insurance	2,979,954	Lincoln Financial Group	3,909,009
10	Pacific Life	7,302,432	Allianz Life of North America	2,870,058	Great American	3,610,621
11	Global Atlantic Financial Group	6,834,925	Transamerica	2,557,670	Massachusetts Mutual Life	3,385,320
12	Athene Annuity & Life	5,645,800	New York Life	2,424,780	Jackson National Life	3,342,866
13	Brighthouse Financial	4,544,989	Pacific Life	2,302,553	Fidelity & Guaranty Life	2,675,470
14	American Equity Investment Life	4,041,891	Thrivent Financial for Lutherans	1,717,224	Western Southern Group	2,304,956
15	Massachusetts Mutual Life	3,718,582	Fidelity Investments Life	1,124,498	Symetra Financial	2,299,344
16	Great American	3,680,553	Northwestern Mutual Life	780,073	Principal Financial Group	2,108,968
17	RiverSource Life Insurance	3,272,422	CMFG Life Insurance Company	732,842	Delaware Life	2,018,589
18	Transamerica	2,995,163	Principal Financial Group	454,397	Security Benefit Life	1,997,846
19	Fidelity & Guaranty Life	2,675,470	Massachusetts Mutual Life	333,262	Midland National	1,799,946
20	Principal Financial Group	2,563,365	Great-West Financial	290,603	North American Company for Life and Health	1,590,174
	<b>Top 20</b>	<b>\$139,532,664</b>		<b>\$71,368,549</b>		<b>\$82,070,132</b>
	<b>Total industry</b>	<b>\$184,150,000</b>		<b>\$75,100,000</b>		<b>\$109,050,000</b>
	<b>Top 20 share</b>	<b>76%</b>		<b>95%</b>		<b>75%</b>

Source: LIMRA Secure Retirement Institute U.S. Individual Annuities Sales Survey



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Interest rates continued to fall in third quarter 2019, negatively affecting fixed annuity product sales. The 10-year Treasury rate fell 35 basis points during the quarter, ending the period at 1.68%. This is down 98 basis points from the beginning of the year.

After two consecutive record-breaking quarters, third-quarter fixed annuity sales were

\$32.9 billion, down three percent from third quarter 2018. Yet, because of the strong sales in the first half of 2019, total fixed sales were \$109.1 billion in the first three quarters, up 14% from the prior year.

Fixed indexed annuity (FIA) sales were \$18.6 billion, three percent higher than third quarter 2018. Year-to-date, FIA sales were \$56.6 billion, 13% higher than the same period in 2018.

“Following a record-breaking quarter for FIA sales, market conditions dampened demand for FIAs,” noted Giesing. “Given the low-interest-rate environment and the impact it had on cap rates to accumulation-focused products, we expect to see a greater portion of FIA sales to shift to guaranteed income products in the next several quarters.”

Fee-based FIA sales were \$159 million in the third quarter, more than double sales in the third quarter of 2018. However, this is a 30% drop in sales from the first quarter 2019 results. Fee-based FIA products still represent less than 1% of the total FIA market.

**U.S. Individual Annuity Sales – Fixed<sup>1</sup> annuity breakout**  
3<sup>rd</sup> Quarter YTD 2019 (\$ in thousands)

Rank	Company name	Indexed	Company name	Fixed-Rate <sup>2</sup>
1	Allianz Life of North America	6,681,406	New York Life	7,852,800
2	Athene Annuity & Life	5,013,198	AIG Companies	6,027,216
3	AIG Companies	4,516,404	Global Atlantic Financial Group	3,937,357
4	Nationwide	4,001,200	Massachusetts Mutual Life	2,422,360
5	American Equity Investment Life	3,872,072	Pacific Life	2,109,665
6	Lincoln Financial Group	3,094,871	Principal Financial Group	2,068,465
7	Pacific Life	2,890,214	Western Southern Group	2,014,572
8	Global Atlantic Financial Group	2,817,466	Symetra Financial	1,252,290
9	Great American	2,515,719	Delaware Life	1,165,530
10	Jackson National Life	2,473,587	Security Benefit Life	1,107,010
11	Fidelity & Guaranty Life	2,024,966	Great American	1,094,902
12	North American Company for Life and Health	1,441,521	MetLife	1,072,702
13	Midland National	1,414,633	USAA Life	1,046,183
14	EqualTrust Life	1,250,037	American National Insurance Company	1,020,337
15	Symetra Financial	1,047,054	Jackson National Life	869,279
16	Massachusetts Mutual Life	962,960	Lincoln Financial Group	814,139
17	National Life Group	962,596	Berkshire Hathaway	789,528
18	Bankers Life & Casualty	926,953	Prudential Annuities	725,976
19	Security Benefit Life	890,836	Northwestern Mutual Life	719,619
20	Delaware Life	853,038	Reliance Standard Life Insurance Company	693,216
<b>Top 20</b>		<b>\$49,650,732</b>		<b>\$38,803,146</b>
<b>Total industry</b>		<b>\$56,600,000</b>		<b>\$52,450,000</b>
<b>Top 20 share</b>		<b>88%</b>		<b>74%</b>

Source: LIMRA Secure Retirement Institute U.S. Individual Annuities Sales Survey

<sup>1</sup> Fixed = indexed + fixed-rate

<sup>2</sup> Fixed-Rate = fixed-rate deferred + fixed immediate + deferred income + structured settlements



Fixed-rate deferred annuity sales dropped 14% in the third quarter to \$9.9 billion. Again, strong sales in the first half of the year balanced the declines of the third quarter. Year-to-

date, fixed-rate deferred annuity sales totaled \$38.1 billion, up 18% from last year.

Single-premium immediate annuity (SPIA) sales fell to \$2.3 billion in the third quarter, down four percent from the prior year. In the first nine months of 2019, SPIA sales were \$7.8 billion, an 11% increase from the prior year.

Deferred income annuity (DIA) sales were \$590 million in third quarter 2019, seven percent higher than prior year results. However, this was 19% lower than DIA sales in second quarter 2019. In the first nine months of the year, DIA sales totaled \$2 billion, 19% higher than the prior year.

The third quarter 2019 Annuity Industry Estimates can be found in LIMRA's Fact Tank.

To view the top 20 rankings of total, variable and fixed annuity writers for third quarter 2019, please visit [Third Quarter 2019 Annuity Rankings](#). To view the top 20 rankings of only fixed annuity writers for third quarter 2019, please visit [Third Quarter 2019 Fixed Annuity Rankings](#).

The Secure Retirement Institute's Third Quarter U.S. Individual Annuities Sales Survey represents data from 94% of the market.

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