

## Sales of all fixed annuity products rise in 2Q 2013: Beacon

By Editor Test Thu, Sep 5, 2013

New York Life was the top-seller of fixed annuities in 2Q 2013, followed by Security Benefit Life, Allianz, American Equity and Great American Life, according to Beacon Research.

Estimated Fixed Annuity Sales by Product Type (in \$ millions)					
	Total	Indexed	Income	Fixed Rate Non-MVA	Fixed Rate MVA
Q2 '13	17,140	9,115	2,556	4,161	1,312
Q1 '13	14,960	7,787	2,186	4,012	972
% change	14.6%	17.1%	16.9%	3.7%	34.9%
Q2 '13	17,140	9,115	2,021	4,161	1,312
Q2 '12	17,100	8,845	2,083	4,783	1,191
% change	0.2%	3.1%	11.8%	-13.0%	10.1%
YTD 2013	32,100	16,902	4,743	8,173	2,284
YTD 2012	34,040	17,011	4,442	10,036	2,559
% change	-5.7%	-0.6%	6.8%	-18.6%	-10.8%

Rising bond yields helped breathe life into the fixed annuity market in the second quarter of 2013.

For the first time in two years, all fixed annuity product types posted sales gains in second quarter 2013 over the first quarter of the year, while sales of deferred income annuities and indexed annuities posted new records, according to the latest Beacon Research *Fixed Annuity Premium Study*.

"In addition to the quarter's rising interest rates, the steepest yield curve in nearly two years enabled carriers to increase the rates they offered on fixed rate and indexed annuities," said Jeremy Alexander, CEO of Beacon Research, in a release.

"Credited rates on 5-year CD-type fixed annuities rose by an average of 35 basis points. DIA sales were up almost 40% from first quarter due to continued demand for retirement income, larger payouts and new product introductions."

Total fixed annuity results were \$17.1 billion in second quarter, up 14.6% sequentially and 0.2% from a year ago. Sales of indexed annuities increased 17.1% from first quarter to \$9.1 billion.

Income annuity results, which include DIAs, grew 16.9% sequentially to \$2.6 billion. Sales of market-value-adjusted (MVA) annuities rose 34.9% from the prior quarter to \$1.3 billion, largely due to big gains by two products.

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Source: Beacon Research.

New York Life was the top-selling fixed annuity company in second quarter 2013, followed by Security Benefit Life, Allianz, American Equity and Great American Life. New York Life switched positions with Allianz. Security Benefit Life and American Equity remained in second place and fourth place, respectively. Great American entered the top five in fifth place.

Second quarter results for the top five study participants were as follows:

Total Fixed Annuity Sales (in \$ thousands)

New York Life	1,470,446
Security Benefit	1,434,104
Allianz Life	1,264,400
American Equity	1,135,553
Great American	837,615

Security Benefit was the new top seller of fixed-rate non-MVA annuities, jumping from sixth place in the previous quarter. Symetra moved from third place to become the new leader in bank channel sales. Pacific Life took the lead among independent broker/dealers, up from second place. The other top companies in sales by product type and distribution channel were unchanged from the prior quarter.

**Top products**

New York Life and Security Benefit Life each had two of the five top-selling fixed annuity products in second quarter. New York Life’s Lifetime Income Annuity regained the top position from Security Benefit Life’s Total Value Annuity, which moved to second place.

Security Benefit Life’s Secure Income Annuity and American Equity’s Bonus Gold remained in third and fourth places, respectively. New York Life’s Secure Term MVA Fixed Annuity joined the top five in fifth place, up from 12<sup>th</sup> place last quarter, and was the first MVA annuity in the top five since third quarter 2009.

<b><u>Rank</u></b>	<b><u>Company Name</u></b>	<b><u>Product Name</u></b>	<b><u>Product Type</u></b>
1	New York Life	NYL Lifetime Income Annuity	Income
2	Security Benefit Life	Total Value Annuity	Indexed
3	Security Benefit Life	Secure Income Annuity	Indexed

4	American Equity	Bonus Gold	Indexed
5	New York Life	NYL Secure Term MVA	Fixed-Rate MVA

“We expect a modest increase in total fixed annuity sales in the coming months should interest rates continue to rise,” Alexander concluded. “DIAs probably will continue the strong growth pattern we’ve seen in the past 18 months.”

The quarterly Study is the first and only source to track and analyze product-level fixed annuity sales on an ongoing basis, and the first to put a decade’s worth of historical industry, company and product sales information in an easily-searchable online database at [www.annuitymarketstudy.com](http://www.annuitymarketstudy.com).

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