
Six VA issuers that advisors love

By Editor Test Thu, Aug 16, 2012

Prudential, Jackson National, MetLife, Aegon/Transamerica, and RiverSource have increased their penetration among VA users over the past year, says a new report from Cogent Research.

Earlier this summer, some insiders in the variable annuity business were remarking on the mismatch between the rising demand for income guarantees and the waning supply, created by annuity manufacturers withdrawing from the market.

Now Cogent Research has data that sheds some light on that mismatch—and the opportunity it creates. It also names the annuity issuers that advisors like best.

“The demand for variable annuity products is expected to remain strong, and advisors’ interest in these vehicles shows no sign of waning despite recent volatility in the variable annuity market,” according to the Cogent Research Advisor Brandscape 2012 report.

“The contrast between providers pulling back from the VA business and advisors looking to VAs to meet their clients’ objectives creates an opportunity for the remaining providers to step up, ride out the risk, and potentially gain a strong hold on the market,” said Meredith Lloyd Rice, Senior Project Director and co-author of the report, an annual survey of over 1,700 financial advisors across all channels with at least \$5 million in assets under management.

Overall, 77% of advisors expect to continue selling variable annuities and allocate 11% of their AUM towards these products, the report says. Of the 15 leading VA providers, Prudential and Jackson have increased their penetration among VA sellers by 7% and 12% respectively, and both firms lead in Advisor Investment Momentum (AIM) which measures advisors’ intent to increase or decrease usage of existing providers in the coming year.

Prudential, Jackson National, MetLife, Aegon/Transamerica, and RiverSource have managed to increase their penetration among VA users over the past year. In particular, Prudential appears to be making inroads among advisors in the Regional channel, the report says.

Meanwhile, RiverSource has improved its penetration among Independent advisors driven in part by an uptick in cross-selling among Ameriprise financial advisors. Lastly, Jackson National has experienced a significant increase in usage among advisors in the National wirehouse channel. In the AIM ranking, Prudential and Jackson National tie for first place, followed by Lincoln National, MetLife, RiverSource, and Aegon/Transamerica. All six firms earn above average AIM scores among the top providers.