

Structured annuity sales up 61% in 3Q2019, YoY: Wink Inc.

By Editorial Staff Thu, Dec 5, 2019

'Structured annuity sales continue to set records,' said Sheryl Moore of Wink, Inc. 'It is no wonder that we continue to see companies enter this line of business each quarter.'



Total sales for all deferred annuity products in the third quarter of 2019 was \$55.2 billion, a decline of 5.2% from the previous quarter, according to the 89th edition of Wink's Sales & Market Report, issued November 26.

Total *variable* deferred annuity sales—including structured annuities and conventional variable deferred annuities—were \$25.9 billion in the third quarter, up 3.4% from the previous quarter.

"Some may be surprised to see that variable-type products are increasing in sales where fixed product types are not," said Sheryl J. Moore, president and CEO of Moore Market Intelligence and Wink, Inc., in a release. "This is due to sales of structured annuities, the rising star of deferred annuity offerings."

Sales of structured annuities, or registered index-linked annuities (RILAs), were \$4.7 billion in the third quarter, up 15.8% from the previous quarter and up 60.7% from the third quarter of 2018. These products feature downside "buffers" or "floors" that reduce but don't eliminate risk of loss. Depending on the contract, gains are linked to the growth of the S&P500 Index or other market indices, dividends excluded.

"Structured annuity sales continue to set records," Moore said. "It is no wonder that we continue to see companies enter this line of business each quarter." She noted that, almost nine years after structured annuities were introduced, their sales are now roughly equal to sales of FIAs in 2004, nine years after they were launched.

AXA US, the originator of structured annuities, ranked as the top seller of this product type in 3Q2019, with a market share of 27.2%. The Brighthouse Life Shield Level Select 6-Year was the top-selling structured annuity contract for the seventh consecutive quarter, for all distribution channels combined.

FIA sales drop 5%

Indexed annuity sales for the third quarter were \$18.6 billion; down 5.1% from the previous quarter and up 5.5% from the same period last year. Indexed annuities protect against loss of principal when held to the end of their surrender periods. Their gains are linked to the performance of a market index, such as the S&P500 Index (dividends excluded).

“This was the second strongest quarter ever for indexed annuity sales, despite continued low interest rates and pricing challenges as a result of the market,” Moore said.

Allianz Life retained the lead in sales of indexed annuities, with a market share of 12.5%. Athene USA ranked second, followed by AIG, Nationwide, and Jackson National Life. Allianz Life’s Allianz 222 Annuity was the top-selling indexed annuity, for all channels combined, for the twenty-first consecutive quarter.

Jackson National Life ranked as the top seller of deferred annuities (fixed and variable), with a market share of 10.3%. Its Perspective II variable annuity was the top-selling deferred annuity and the top-selling variable deferred annuity for the third consecutive quarter. AIG, Allianz Life, Lincoln National Life, and Nationwide made up the rest of the top five deferred annuity issuers.

With a market share of 14.4%, Jackson National Life was also the top seller overall of variable deferred annuities. AXS US took second place, followed by Lincoln National Life, Prudential and Brighthouse Financial.

Total sales of non-variable deferred annuities, including fixed indexed annuities (FIAs), traditional fixed-rate annuities, and multi-year guaranteed annuities (MYGAs), were \$29.2 billion in the third quarter of 2019, down 11.8% from the previous quarter and down 1.9% from the same period last year.

AIG was the top seller of non-variable deferred annuities, with a market share of 9.7%. Allianz Life moved into second place; its Allianz 222 indexed annuity was the top-selling non-variable deferred annuity, for all channels combined, for the 14th consecutive quarter. Jackson National Life, Athene USA, and Global Atlantic Financial Group filled out the top five sellers of non-variable deferred annuities.

Sharp drop in fixed-rate contracts

Traditional fixed annuity sales in the third quarter were \$785.1 million; down 20.1% from

the previous quarter, and down 13.6% from the same period last year. Traditional fixed annuities offer a fixed rate of return, guaranteed for one year.

Modern Woodman of America ranked as the top seller in fixed annuities, with a market share of 12.3%. Jackson National Life ranked second, followed by Global Atlantic Financial Group, Great American Insurance Group, and OneAmerica. Global Atlantic's Life ForeCare contract was the top-selling fixed annuity for the second consecutive quarter, for all channels combined.

Sales of MYGAs in the third quarter were \$9.7 billion, down 21.7% from the previous quarter, and down 13.0% from the same period last year. AIG was the top seller of MYGAs, with a market share of 13.1%. New York Life ranked second, followed by Global Atlantic, Jackson National Life, and Delaware Life. Jackson National's Jackson RateProtector 3-Year contract was the top-selling MYGA for the quarter, for all channels combined.

Variable annuity sales in the third quarter were \$21.2 billion, up 1% from the previous quarter. "It isn't surprising to see an increase in variable annuity sales, given the recent market behavior," Moore said.

Jackson National Life was the top seller of variable annuities, with a market share of 17.7%. Prudential ranked second, followed by Lincoln National Life, AXA US, and Nationwide. Jackson National's Perspective II Flexible Premium Variable & Fixed Deferred Annuity was the top-selling variable annuity contract for the third consecutive quarter, for all channels combined.

Sixty-two indexed annuity providers, 50 fixed annuity providers, 68 multi-year guaranteed annuity (MYGA) providers, 11 structured annuity providers and 47 variable annuity providers participated in the survey.

Wink currently reports on indexed annuity, fixed annuity, multi-year guaranteed annuity, structured annuity, variable annuity, and multiple life insurance lines' product sales. Sales reporting on additional product lines will follow at some point in the future.