
The Bucket

By Editorial Staff Thu, Apr 3, 2014

Brief or late-breaking items from New York Life, Allstate, and Guardian Life.

Record sales of annuities, investments for NY Life in 2013

New York Life announced record operating earnings of \$1.76 billion for 2013, an 11% increase over the prior year. The growth was attributed to strong insurance and investment sales through the firm's captive agent force.

The company's surplus and asset valuation reserve grew \$1.53 billion, to a record \$21.1 billion in 2013. Policyholders held a combined \$840 billion of life insurance face value, also a record.

Total assets under management increased by almost \$47 billion, or 12%, to \$425 billion in 2013. Sales of long-term mutual funds through agents increased 16% over the prior year.

Total annuity sales through agents were up 14% over 2012. The company, the largest U.S. mutual insurer, had a 33% market share in fixed immediate annuities and a 40% share of the market for deferred income annuities, according to industry sources.

Policyholder benefits and dividends paid rose 6%, to a record \$8.62 billion, the company said in a release.

Allstate completes sale of Lincoln Benefit Life

The Allstate Corp. has completed the sale of Lincoln Benefit Life Company to Resolution Life Holdings, Inc., according to a press release. The sale includes Lincoln Benefit Life Company's life insurance business, which is generated through independent agencies, as well as its entire deferred fixed annuity and long-term care insurance businesses.

Lincoln Benefit Life Company's life insurance policies sold through Allstate agencies will be retained through a reinsurance arrangement. Net income generated by Lincoln Benefit Life was approximately \$140 million in 2013.

The sale will reduce Allstate's life and annuity reserves and investment portfolio by approximately \$12.7 billion and \$11.9 billion, respectively. The estimated gross sale price is \$796 million, representing \$587 million of cash and the retention of tax benefits. The estimated GAAP loss on sale is approximately \$510 million, which is \$11 million lower than the estimated loss of \$521 million recorded in 2013 due to contractual closing adjustments.

The transaction is estimated to result in a statutory accounting gain of approximately \$365 million and is expected to reduce Allstate Life Insurance Company's capital requirement by \$1 billion.

Guardian Life declares \$776 million dividend

The Guardian Life Insurance Company of America ended 2013 with \$6.1 billion in capital and declared a \$776 million dividend payout to its whole life policyholders, the company said in a release. It was the fifth consecutive year of capital growth, the mutual insurer said.

Consolidated net investment income grew 2.0%, to \$2.1 billion. For the year, on a consolidated basis, Guardian paid out \$4.9 billion of benefits to policyholders, had a statutory gain of \$1.2 billion from operations before taxes and dividends to policyholders, and had \$307 billion of life insurance in force.

Guardian finished the year with these financial strength ratings:

- A.M. Best Company, A++
- Standard & Poor's, AA+
- Moody's Investor Service, Aa2
- Fitch, AA+

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