
Total U.S. Annuity Sales Up 13% YOY: IRI

By Editorial Staff Thu, Jun 12, 2014

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The Insured Retirement Institute (IRI) today [announced](#) final first-quarter 2014 sales results for the U.S. annuity industry, based on data reported by Beacon Research and Morningstar, Inc. Industry-wide annuity sales during the first quarter reached \$56.1 billion, up 13.1 percent compared with the first quarter of 2013 when sales totaled \$49.6 billion.

The year-over-year sales growth was supported by continued high levels of fixed annuity sales, which totaled \$22.6 billion during the first quarter, according to Beacon Research. This was a 50.7 percent increase from nearly \$15 billion in first-quarter 2013 and down just 4.1 percent from \$23.5 billion in the previous quarter. Meanwhile, according to Morningstar, variable annuity total sales came in at \$33.5 billion in the first quarter, down 3.2 percent compared with first-quarter 2013 total sales of \$34.6 billion and down 6.4 percent from \$35.8 billion during the fourth quarter of 2013.

“Combined annuity sales across the marketplace are well above the pace set in 2013,” said Cathy Weatherford, IRI President and CEO. “This surge was supported by continued strong sales of fixed annuity products. Sales of all types of fixed annuities soared well above first-quarter 2013 levels, achieving year-over year sales growth ranging, depending on the product, from 38 percent to nearly 155 percent.”

According to Beacon Research, strong fixed annuity sales during the first quarter were sustained by the second highest quarterly sales of indexed annuities on record. Indexed annuity sales reached \$11.2 billion during the quarter, a 44.3 percent increase from nearly \$7.8 billion during first-quarter 2013 but a 4.4 percent decline from the record high of nearly \$11.8 billion set during fourth-quarter 2013. Market value adjusted (MVA) annuity sales continued to grow, reaching \$2.48 billion in the first quarter. This was a 26 percent increase compared to sales of \$1.96 billion during the previous quarter and a 154.6 percent increase from MVA annuity sales of \$972 million during first-quarter 2013. For the fixed annuity market, there were approximately \$11.1 billion in qualified sales and \$11.5 billion in non-qualified sales during first-quarter 2014.